

OPINION | City hotels must evolve into mixed-use ecosystems

The pandemic exposed the limits of stand-alone hotels. Mixed-use hospitality developments offer resilience, community value, and diversified revenue, making them essential for future-ready urban living and investment



The pandemic was a stark reminder that hotels built solely for transient stays are vulnerable. With business travel curtailed and remote work accelerating, single-use city hotels struggled. The lesson is clear: city hotels must evolve into integrated, multi-use ecosystems that serve not just travelers but also residents, office users, and the wider community.

This is not a passing trend. Deloitte's 2024 Travel and Hospitality Outlook notes that integrated hospitality hubs are outpacing traditional hotels in both occupancy and revenue. The model works because it reflects how people live today—blurring the lines between work, travel, leisure, and home.

Business Resilience and Revenue Diversification

A stand-alone hotel lives or dies by room demand. A mixed-use development draws strength from multiple revenue streams—rooms, branded residences, retail, co-working, events, and more. This not only cushions against shocks like COVID-19 but also creates a captive customer base. Office tenants and residents drive steady demand for dining and wellness offerings, while hotel guests bring vibrancy to retail and entertainment spaces.

Guests today want more than a bed; they want connection and convenience. In a mixed-use setting, the hotel becomes part of a larger lifestyle ecosystem—seamlessly linked with dining, fitness, shopping, and cultural spaces. Amenities are designed to flex: a co-working floor can serve remote professionals during the week and transform into an event space on weekends. This adaptability keeps infrastructure relevant while fostering a true sense of community.

Operational Efficiencies and Sustainability

Shared services—utilities, security, cleaning, technology—create efficiencies across hotel, office, and residential components. Beyond cost savings, the urban planning benefits are equally compelling. Walkable precincts with parks, retail, and hospitality reduce dependence on cars and encourage greener, denser, more sustainable city living. By design, mixed-use projects align with ESG priorities that matter to both consumers and investors.

Investor Perspective: Risk and Value

For investors, mixed-use hospitality is a natural hedge. Multiple income streams reduce volatility, while high-quality amenities and community engagement drive long-term asset appreciation. These developments are increasingly viewed not just as real estate projects, but as resilient platforms capable of delivering stable cash flows and capital growth across cycles.

The Indian Urban Context

India is uniquely positioned to lead in this space. In Tier-1 metros and emerging Tier-2 cities, hotels are no longer peripheral—they anchor new mixed-use districts. They bring weekday footfall, elevate retail, and act as catalysts for lifestyle programming that defines a project's character. As Indian consumers demand more holistic live-work-play experiences, hotels within mixed-use environments are becoming essential—not optional.

Looking Ahead

The future of the city hotel lies not in competing with offices, residences, or retail—but in partnering with them. The most successful assets will be those that integrate technology, wellness, events, and community engagement into a seamless urban ecosystem.

The era of the stand-alone city hotel is fading. The winners of tomorrow will be properties that function as living, breathing communities—places where hospitality is not just about a room, but about shaping the rhythm of city life. For operators, it means relevance; for investors, resilience; and for cities, a pathway to stronger, more sustainable urban futures.