

PIC: KETUMAN TRIVEDI
ILLUSTRATION: NITIN PANCHAL

With Ahmedabad's hospitality sector witnessing a rising trend in the past few years, the emerging concept of service apartments - common in metros like Delhi, Mumbai & Bangalore - is catching up. Trade and commerce is picking up in Gujarat, and being the largest city, Ahmedabad is first in realising the same. A service apartment is a combination of a hotel and a house, wherein the services of a hotel can be enjoyed in a homely environment. One can have access to homely settings like the kitchen, cooking utensils, domestic appliances & services, furniture, internal laundry facilities, and

telecommunication and business facilities. Serviced apartments are one of the most popular choices for residential accommodation for many corporate tenants who want to have an extended length of stay from a few weeks to a period of more than three months. Compared to the option of taking a standard one or two-year lease in no serviced residential units or residing in hotels, serviced apartments prove to be a more flexible and cost-effective option. The quality of services and the flexibility in lease term have made service apartments more attractive than standard units.

RIISING DEMAND

Given the increase in

trade and commerce, new opportunities in fields of IT, ITes, BPO & call centers, new job dynamics, higher disposable incomes and increasingly hectic lifestyles, the service apartment business would not take much time to mature. Ideally suited for medium to long staying guests, service apartments are a natural choice for corporate employees or expatriates relocating to a particular city. A service apartment offers the privacy, space and comfort of a house and at the same time gives you the services and amenities of a hotel.

Service apartments can be classified according to how they are housed. These could be:

● STAND-ALONE -

Developments that are exclusively built for the purpose of being let out as service apartments. These are very similar to private residential developments.

● **MIXED USE** - Apartments that are part of a larger development, which could comprise of commercial and retail spaces.

● **HOTEL** - Service apartments, which are a component of a larger hotel development. They could be housed on separate floors or wings. Rents for service apartments vary from Rs 6,000 per month for a small studio to over Rs 60,000 per month for a three-bed room set, depending upon the quality.

A thriving hospitality sector has opened up new avenues for the Ahmedabad realty market - the concept of service apartments being one

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NEED OF THE HOUR

The concept has lot of potential to grow in Gujarat as it is new and the opportunity is untapped. In a recent setup of the rental market, the agent operates only up to the handover of the residential unit from the owner to the tenant, while any further dispute or problem related to maintenance and other matters is not taken care of. Most owners cannot maintain their flats properly and it is also difficult for them to find tenants. Hence, if the real estate service provider (developer or asset management company) comes up with complete management of the property, including finding tenant, maintaining the units, and making available the units to the owners whenever they require, the owners would most possibly look forward to paying for the services, thus providing the perfect platform to make the service apartment concept viable.

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(The views expressed as that of the writer's)