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Headline: [Why is ResiTel a viable investment option?](#)

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Why is ResiTel a viable investment option?

The traditional real estate models are undergoing a paradigm shift. As the investor community tries to find viable options to invest in, the ResiTel industry has emerged as a frontrunner because of its distinctive quality of securely generating a steady income. Read on to know how ResiTel is expected to grow in the country.



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Today one can see signs of a maturing market through increased institutional capital and the development of several sophisticated regulations in the investment community. Among the various available options, one of the preferred areas for the community now is ResiTel. This hybrid concept combines a residence and hotel wherein investors own hotel room units that a [hospitality management company](#) operates.

ResiTel is in high demand among investors, and its market value is expected to rise further. It envisions a resort and real estate amalgam, in which individuals, or even companies, can invest in ownership of suite units in resort development and enter into an extended lease agreement for inventory upkeep and management, as well as a guaranteed rental income. Typically, the unit owners receive a portion of the revenue generated, with the management company utilising the rest for operational expenses. All the units are included in the resort's inventory to rent out to guests during the year. Additionally, the unit owners usually get to use the suite for vacations for a certain number of days annually.

ResiTel distinguishes itself from and outperforms typical residential assets by enabling retail property buyers to own secured real estate assets which can generate steady income. Comparatively, the [rental yield](#) in the residential asset class is lower.

While it is still an emerging model in the Indian market, this hospitality model is already widely popular in Latin America, the United States, the Middle East, and Southeast Asia. Previously most individuals were hesitant to invest in real estate in India due to the high maintenance and upkeep costs. However, the ResiTel model eliminates this issue, instilling trust in real estate and hospitality assets.

Eventually, it all comes down to providing a guaranteed income yield to the investor. Real Estate Investment Trusts (REIT) are also based on the same concept. ResiTel achieves the same goal more securely. While REITs offer numerous benefits in terms of regulations, asset liquidity, and the ability for people to invest in real estate-backed assets without having to go through registrations or other legal processes, their share prices are susceptible to fluctuation, like any other listed entity. A ResiTel property does not face such issues. Additionally, REITs contradict the desire and intent of people who want to own physical real estate, whereas, with ResiTel, investors own a tangible physical asset which provides regular income yield without any capital value erosion.

The hybrid concept also serves as an excellent option for investors looking forward to investing in real estate. Investing in ResiTel generates a constant flow of income without monitoring or maintenance.

ResiTel is an integrated solution provider for all aspects of the ecosystem, providing end-to-end solutions to real estate assets with marketing, sales, funding, permissions and licensing, and operations and management support. Hotels are inherently not feasible, and the pandemic has aggravated problems in the hospitality industry. With so many stressed assets in India's post-pandemic hospitality and real estate market, the ResiTel model is gaining exceptional traction. In the future, it can potentially succeed in various hospitality sub-sectors such as student housing and hostels, to name a few.