

# EstateMaster Hotel Feasibility



EstateMaster Hotel Feasibility (HF) is a powerful, flexible and easy to use hotel operation performance evaluation and feasibility tool. With hotel income being interrelated to assumptions like room rates, guests per room and average occupancy rates, it is important you are able to capture all these interdependencies in order to accurately model the hotel's income. Not only does EstateMaster HF allow you to do this but it also includes sensitivity analysis enabling you to model the impacts due to changes in room rates, occupancy levels and various other key assumptions.

## Data Inputs

- User-friendly spreadsheet input environment allowing you to create custom formulas or links to other worksheets.
- Single data entry area containing all your assumptions which drives the rest of the model.
- Menu and toolbar allow you to run all the major functions of the program from one location - sensitivity analysis, inserting worksheets, printing, etc.
- Input preference tool to set currency options, hurdle rate assumptions and other general preferences.
- Facility to insert additional worksheets to assist you in customising the program to your personal requirements.
- 10 year cash flow with variable acquisition and disposal times.
- Lower risk of errors with background calculation checking and correcting input errors, cell validation and warnings to highlight data input errors.
- Enter acquisition costs such as:
  - Land Acquisition
  - Construction Costs
  - Pre Opening Expenses
  - Development Profit
- Enter hotel revenues such as:
  - Room Revenue
  - Food & Beverage Income (based on either Meals/day or Covers/day)
  - Meeting Space Income
  - Income from Other Operating Departments
- Enter Base Management Fees
- Enter Incentive Fees based on a flat percentage of AGOP or a sliding scale.
- Apply up to 10 years of escalation rates on all costs and revenues.

## Financing

- Nominate equity/debt financing structure based on a percentage of total development/acquisition costs.
- Calculate equity/debt funding on an interest only or Principal and Interest basis.
- Enable the reporting of KPI's on an unleveraged or leveraged basis.

## Performance Analysis

- Summary Report which includes analysis of 'Stabilised Year' income.
- Key performance indicators such as:
  - Gross and Net Operating Profit
  - Free Cash
  - Notional Hotel Terminal Value
  - Net Present Value
  - Internal Rate of Return
  - Internal Rate of Return on Equity
  - Yield
  - Return on Capital Employed (ROCE)

## Advanced Functions

- Ability to store and recall up to 8 options/stages in one file for comparison and consolidation purposes.
- Consolidated report enables you to compare multiple development options or view consolidated stages of a single project.
- Sensitivity analysis of key variables such as development and acquisition costs, RevPAR, room rates, occupancy levels, terminal yields, etc.
- Create custom file templates that contain pre-defined inputs and settings, and store them in a central directory to share with other users.

## Other Features

- Insert your corporate logo and project image.
- Print menu allowing the user to select multiple reports to print.
- Insert additional worksheets.

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EstateMaster 

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## Hotel Summary and Performance Indicators

SUMMARY OF HOTEL PERFORMANCE								
<b>The One and Only Towers</b>								
ABC Hotels & Resorts								
Sample 5 Star Hotel (95% Occ) - Hotel Feasibility								
Estate Master License to Build: Estate Master Administration								
Number of Rooms:	350							
Star Rating:	5							
Type:	Resort							
Project Status:	Preferred Option							
<b>Development and Acquisition Cost</b>								
Land Cost:	35,000,000							
Development Costs:	10,000,000							
Development Interest:	13,644,900							
Development Profit:	47,900,000							
Pre-Opening Expenses:	20,000,000							
Total Acquisition/Development Cost:	266,344,900							
<b>P&amp;L Summary</b>								
Operational Date: July-2016	Stabilization Year: 2018	Base Case (USD)	RevPar ▼ 10%	RevPar ▲ 10%	Room Rate ▼ 20%	Room Rate ▲ 20%	Dev & Acq Costs ▼ 5%	Dev & Acq Costs ▲ 10%
Occupancy rate:	90%	81%	89%	90%	90%	90%	90%	90%
ADR:	579	521	637	463	695	579	579	579
RevPAR:	521	469	574	417	626	521	521	521
<b>Revenues</b>								
Room:	66,610,150	53,954,222	80,598,282	53,288,120	79,932,180	66,610,150	66,610,150	66,610,150
Food & Beverage:	18,844,115	16,959,704	20,728,527	18,844,115	18,844,115	18,844,115	18,844,115	18,844,115
Other Operating Depts.:	5,328,812	4,316,338	6,447,863	4,283,200	6,394,274	5,328,812	5,328,812	5,328,812
Meeting Space:	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000
Other Income:	0	0	0	0	0	0	0	0
<b>TOTAL REVENUE</b>	<b>96,633,077</b>	<b>81,988,263</b>	<b>113,624,671</b>	<b>82,245,285</b>	<b>111,920,879</b>	<b>96,633,077</b>	<b>96,633,077</b>	<b>96,633,077</b>
<b>Departmental Operating Expenses</b>								
Room:	11,989,827	9,711,760	14,507,691	9,591,862	14,387,792	11,989,827	11,989,827	11,989,827
Food & Beverage:	12,437,116	11,350,404	13,989,829	12,437,116	12,437,116	12,437,116	12,437,116	12,437,116
Other Operating Depts.:	1,119,051	908,431	1,354,051	895,240	1,342,861	1,119,051	1,119,051	1,119,051
Meeting Space:	3,607,500	3,607,500	3,607,500	3,607,500	3,607,500	3,607,500	3,607,500	3,607,500
Other Expenses:	0	0	0	0	0	0	0	0
<b>TOTAL DEPT OPERATING EXPENSES</b>	<b>29,153,494</b>	<b>25,419,095</b>	<b>33,159,869</b>	<b>26,531,718</b>	<b>31,775,269</b>	<b>29,153,494</b>	<b>29,153,494</b>	<b>29,153,494</b>
<b>Undistributed Operating Expenses</b>								
Admin & General:	7,730,646	6,486,421	9,089,974	6,579,623	8,881,870	7,730,646	7,730,646	7,730,646
Sales & Marketing:	2,898,992	2,432,408	3,408,740	2,467,359	3,330,826	2,898,992	2,898,992	2,898,992
Property Repairs & Maintenance:	3,965,323	3,243,211	4,544,987	3,289,811	4,440,835	3,965,323	3,965,323	3,965,323
Utility:	3,865,323	3,243,211	4,544,987	3,289,811	4,440,835	3,865,323	3,865,323	3,865,323
Base Management Fee:	966,331	810,803	1,126,247	822,453	1,110,209	966,331	966,331	966,331
Group (Chain) Services:	1,332,203	1,079,084	1,461,966	1,065,762	1,598,644	1,332,203	1,332,203	1,332,203
<b>TOTAL UOE</b>	<b>20,658,818</b>	<b>17,295,137</b>	<b>24,536,900</b>	<b>17,514,819</b>	<b>23,802,818</b>	<b>20,658,818</b>	<b>20,658,818</b>	<b>20,658,818</b>
<b>GROSS OPERATING PROFIT (GOP)</b>	<b>46,826,765</b>	<b>38,566,651</b>	<b>56,127,762</b>	<b>38,188,748</b>	<b>54,442,743</b>	<b>46,826,765</b>	<b>46,826,765</b>	<b>46,826,765</b>
GOP as % of 70:	48.45%	47.32%	49.41%	46.41%	49.81%	48.45%	48.45%	48.45%
<b>Other Deductions</b>								
Incentive Fee:	6,086,700	4,987,584	7,297,901	4,965,837	7,207,582	6,086,700	6,086,700	6,086,700
Operators Liability Insurance:	966,331	810,803	1,126,247	822,453	1,110,209	966,331	966,331	966,331
Buildings Insurance:	966,331	810,803	1,126,247	822,453	1,110,209	966,331	966,331	966,331

## Preferences

**Estate Master HF Preferences**

**Management Fees**

General: Base Fee: Located in P&L pre GOP

Calculations: Incentive Fee: Yield based Sliding Scale (AGOP as % of Revenue)

F + B Revenue

Additional Meeting Space

Management Fees: Adjusted GOP Settings: Select items to be included in the calculation of the Adjusted GOP for the purposes of calculating the Incentive Fee

Group Services:  Base Management Fee  Taxes, Licenses & Permits

Hurdle Rates:  Operator Liability Insurance  FF&E Reserve

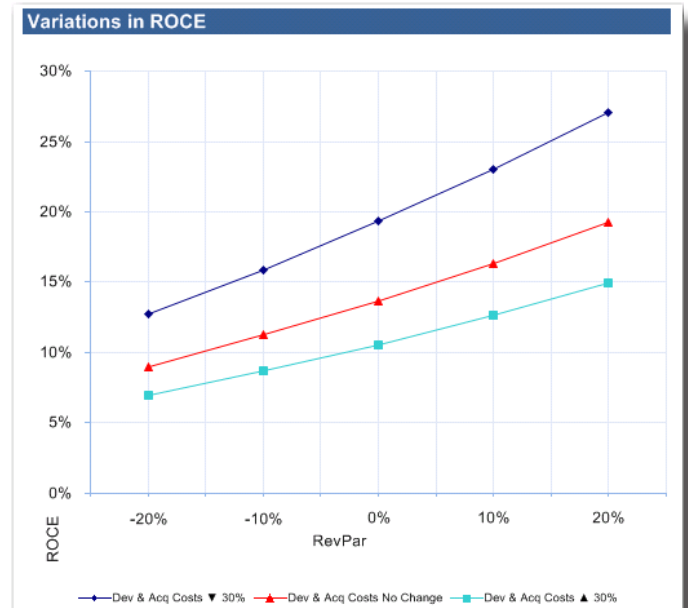
Financing:  Building Insurance

Ok Cancel Reset

## Hotel Profit and Loss Forecast

	70.00%	75.00%	80.00%
Occupancy Rate:	90%	81%	89%
Average Daily Rate (ADR):	579	521	637
Revenue per Available Room (RevPAR):	521	469	574
Room Nights Sold:	89,425	95,813	114,875
Guests:	134,138	141,718	172,463
<b>Revenues</b>			
Room:	49,311,500	69,330	54,154,694
Food & Beverage:	18,844,115	16,959,704	20,728,527
Other Operating Depts.:	5,328,812	4,316,338	6,447,863
Meeting Space:	5,850,000	5,850,000	5,850,000
Other Income:	0	0	0
<b>Total Revenue</b>	<b>79,476,153</b>	<b>100,000</b>	<b>79,476,153</b>
<b>Departmental Operating Expenses</b>			
Room:	10,848,530	22.00%	10,830,919
Food & Beverage:	12,437,116	15.28%	12,437,116
Other Operating Depts.:	1,109,051	25.00%	1,068,722
Meeting Space:	3,607,500	61.87%	3,607,500
Other Expenses:	0	0.00%	0
<b>Total Dep Operating Expenses</b>	<b>24,498,249</b>	<b>30.83%</b>	<b>24,498,249</b>
<b>DEP. OPERATING INCOME</b>	<b>47,977,904</b>	<b>60.07%</b>	<b>53,849,827</b>
<b>Undistributed Operating Expenses</b>			
Admin & General:	7,730,646	15.15%	7,242,094
Sales & Marketing:	2,898,992	5.00%	3,179,126
Property Repairs & Maintenance:	3,965,323	5.10%	3,771,047
Utility:	3,865,323	5.10%	3,771,047
Base Management Fee:	966,331	1.00%	794,782
Group (Chain) Services:	1,332,203	2.00%	1,083,692
<b>TOTAL UOE</b>	<b>20,658,818</b>	<b>26.12%</b>	<b>20,658,818</b>
<b>GROSS OPERATING PROFIT (GOP)</b>	<b>27,667,085</b>	<b>34.82%</b>	<b>33,699,440</b>
<b>Other Deductions</b>			
Incentive Fee:	6,086,700	4.98%	4,987,584
Operators Liability Insurance:	966,331	1.27%	810,803
Buildings Insurance:	966,331	1.27%	810,803
Taxes, Licenses & Permits:	966,331	1.27%	810,803
<b>Total Other Deductions</b>	<b>8,985,692</b>	<b>8.80%</b>	<b>7,209,212</b>
<b>NET OPERATING PROFIT (NOP)</b>	<b>21,311,062</b>	<b>26.52%</b>	<b>26,490,228</b>
Lease:	213,111	1.00%	264,802
<b>EBITDA</b>	<b>21,997,951</b>	<b>27.62%</b>	<b>26,225,326</b>
FF&E Revenue:	2,160,985	3.00%	2,384,345
Free Cash:	19,836,966	24.62%	23,840,981

## Sensitivity Analysis



## Feasibility Assumptions

PRELIMINARY		ROOM MIX & ADR		DEVELOPMENT/ACQUISITION COSTS & FUNDING STRUCTURE	
Cash Flow File:	Sample 5 Star Hotel (95% Occ)	Guests/Room:	1.50	Land Cost:	35,000,000
Description:	Hotel Feasibility	Days/Year:	365	Dev. Cost (exc interest):	100,000,000
Hotel Brand:	ABC Hotels & Resorts	Stabilization Year:	2016	Dev. Interest:	13,644,900
Hotel Star Rating:	5	Discount Rate (Target IRR):	12.00%	Dev. Profit:	47,900,000
Operational Month/Year:	Jul-2016	Cap Rate (Terminal Yield):	12.50%	Pre-Opening:	20,000,000
Project Status:	Preferred Option	National Hotel Holding Period for DCF (Yrs):	10	Total:	266,344,900
Hotel Type:	Resort	National Terminal Value @ Jul 2029 based on EBITDA in 2026:	393,215,993		
Currency / Denomination:	USD				
<b>ROOM MIX &amp; ADR</b>		<b>DEVELOPMENT/ACQUISITION COSTS &amp; FUNDING STRUCTURE</b>			
Room Description:	Count	Y1 ADR	Funding Structure		
Standard Room:	250	492	Debt:	48.00%	136,337,684
Senior Suites:	100	500	Debt:	60.00%	159,806,976
Executive Suites:	180	600	Interest Rate (p.a.):	8.00%	
Tourist Suite:	20	750	Loan Term (Yrs):	20	
Compound ADR:	350	551	Debt Servicing Interest Only:		12,784,658
			Debt Servicing Principal & Interest:		14,195,244
<b>HOTEL F&amp;B REVENUE</b>					
Breakfast		2016	2017	2018	2019
Capture:	65.00%	USD/cover	40	41	42
USD/cover:	40.00	Total Revenue USD	3,487,575	3,830,105	4,171,629
Lobby Lounge & Bar					
Capture:	30.00%	USD/cover	30	31	32
USD/cover:	20.00	Total Revenue USD	1,207,288	1,305,869	1,430,741
Restaurant 1					
USD/cover:	10.00	Cover/day	92	98	118
Meals/Guest/Day:	1.00	Rate/cover	10	11	11
Capture:	25.00%	Total Revenue USD	339,344	368,279	452,894

## System Requirements

- Intel Core Duo (3GHz) or Quad (2.4GHz) processor (or equivalent) with 2Gb RAM.\*
- Microsoft Windows Vista SP2 or Server 2008, or later. (Apple Mac requires Virtual PC software to run EstateMaster).
- Microsoft .Net Framework 4 or later.
- \* Recommended minimum hardware specifications.