

MODULE LEADER



Joel Goldman, BSc(Hons) MA FIH FBAHA, began his hospitality career as a food and beverage trainee for CHIC in 1987, the then UK master franchisee of Holiday Inn. 24 years on, he remains dedicated to the sector and is a recognised practitioner and technician in hotel brokerage and new development.

Joel is a graduate of a UK hotel school, a Fellow of the Institute of Hospitality and British Association of Hospitality Accountants. He is a frequent participant in industry conferences and a guest lecturer at several undergraduate programmes. In 2009, he completed the Cornell University Certificate in Real Estate, Development and Hotel Investment.

Joel's career has shadowed the evolution in the ownership structure of hotel assets, the growth of brand operators and an explosion of specialist advisors to the industry. In a near 20 year track record as a senior specialist in Cushman and Wakefield, Chesterton International and Christie & Co, he has been involved in over 60 acquisitions, 15 new build projects, 100s of valuation and market/feasibility studies. He has magnificent experience from being at the interface between all the stakeholders of the hotel investment process for over two decades. His portfolio of experience has taken him throughout the UK, Western Europe, Eastern Europe, South Africa, Russia & CIS, Japan and New Zealand.

In January 2011, Joel joined a luxury boutique management company as the hotel development executive. In this role, he seeks management contract opportunities for properties that are to be branded Small Luxury Hotels of the World. In a development role that focuses upon sourcing and closing on management contracts for the UK and Ireland, he also seeks franchise management partners globally.

RECOMMENDED READINGS

- Hotel Investments Issues & Perspectives, (2nd Edition, L. Ralieggh & R. Rojinsky) 0-86612-193-5-0599

MODULE DESCRIPTION

Owners, Operators, Lenders and Consultants tend to scrutinise the investment decision according to their own constituent criteria rather than look at the totality of the whole project and other ownership priorities. So what if the shareholder level of return is not commercial against 10 year norms? Does a brand automatically deliver enhanced value? What if hotel occupancy is forecasted to be no more than 60% after a 2 year trading build up? Should a uniform debt service cover ratio determine the gearing for all types of hotels? How subjective is the professional valuation process?

In this module we look at the techniques used by all the critical influencers and stakeholders in the hotel investment decision. The participants are introduced to industry-wide KPIs, shown how they are applied and interpreted by the broker, owner/buyer, hotel operator, property value, lawyer and loan provider. We practice investment measures such as TOIT, Yield and IRR on an actual hotel that is for sale in a European City. Contributors will be introduced to some common property-only factors that an investor may also consider when reviewing an acquisition with a shared appeal for repositioning to commercial or residential uses. We examine revenue per m², capital allowances and occupier covenants as conduits for an alternative decision basis in a pure property play. We conclude with the presentation of a Directors Board Level paper which will either recommend or reject the purchase of the hotel.

LEARNING OBJECTIVES

By the end of the Module, participants will be able to:

Knowledge

- Identify the KPIs for investing into hotel property;
- Calculate the KPIs and know their strengths and weaknesses;
- Navigate the acquisition supply chain, pitfalls and opportunities.

Competencies

- Developing confidence in decision-making and advising
- Apply KPIs simply and with conviction
- Produce board level documentation

Mindset

- Consider the consequences of a positive or negative investment decision, the limitations of professional advice and the context in which this take place.

METHODOLOGY

Interactive lecture- discussions, individual and group-based work. A real case-study will be used.

PARTICIPANTS

For hotel owners, developers, existing and prospective investors, hotel executives, property consultants, hotel consultants, architects, designers, government (national and local), tourism officials, bankers.