



MODULE LEADER

Macy Marvel has extensive professional experience in the financial sector. Before joining Ecole hôtelière de Lausanne as a full-time faculty member in 1995, he spent eight years as an investment strategist and financial analyst for two Geneva private banks. Prior to that, he held the positions of finance trainer at Digital Equipment Corporation, auditor at the Geneva offices of PriceWaterhouseCoopers and as securities analyst at *The Value Line Survey* in New York. Macy has published several articles in professional hospitality journals, as well as numerous hospitality and tourism industry reports for *Travel and Tourism Intelligence/Mintel* in London. He has also carried out numerous hotel property valuations and feasibility studies and is a frequent presenter and moderator at international hospitality conferences. He holds an MBA from the University of Toronto and an MA from the London School of Economics.

RECOMMENDED READING

- Eaton, T., (2001), *The Uniform System of Accounts for Hotels*, 9th Ed, Educational Institute, AHLA, New York, ISBN 0866121285
- Baum, E. and Rushmore, S., (2001), *Hotels & Motels Valuations & Markets Studies*, Published by the Appraisal Institute, Chicago, ISBN 0922154708

MODULE DESCRIPTION

What is your hospitality business worth? Do you know how to go about estimating the value of your business? The "Hospitality Business Valuation" Module will provide participants with the tools to effectively estimate the value of a hospitality property.

The emphasis is on hospitality property valuation methods—the cost approach, the sales comparison approach and various discounted cash-flow methods. The course begins with an overview of how to estimate a hotel's "fair share" of overnights and goes on to the details of estimating future cash flows using the structure of the USA (Uniform System of Accounts) to the selection of an appropriate discount rate for a discounted cash-flow valuation. The Module includes a case study application of the various techniques.

LEARNING OBJECTIVES

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

Knowledge

- Explain how to value a hospitality property
- Elaborate estimated future cash-flows of a hospitality property and select an appropriate cap or discount rate

Competencies

- Evaluate a hospitality property according to the:
 - Cost approach
 - Sales comparison approach
 - Discounted cash-flow approach

Mindset

- Explain the cost of capital of a hospitality property acquisition
- Compare and contrast alternative methods of hospitality property evaluation

PARTICIPANTS

- General managers or middle and upper management executives, in any sector or department of the hospitality industry, who desire to gain additional experience or technical expertise in evaluating hospitality properties
- Basic accounting knowledge is desirable