FINANCIAL ANALYSIS OF HOTEL INVESTMENTS

Course Focus

A hotel’s real estate is one of its most valuable assets and it is essential to be able to accurately value this critical investment. This course uses practical and theoretically grounded tools of investment analysis and valuation to introduce participants to contemporary practices in lodging investments. Participants will learn to evaluate hotel investments and hotel financing decisions and structure deals that meet the needs of the owner, the operator, and the lender.

This course explores the multiple elements and factors involved in the hotel investment decision including the hotel owner-operator-lender partnership and the different ways each party will evaluate a real estate investment deal. This multi-party view will enable you to negotiate the most favorable agreement based on your priorities and requirements and evaluate alternatives. This course provides thorough coverage of how a deal is structured using debt and equity financing, and the impact of debt financing on equity returns.

Who Should Take this Course?

This course is designed for:

1. Managers and professionals in the hospitality industry with financial or operational responsibility for real estate, investments, or management contracts;
2. General managers, asset managers, and others with asset management responsibilities;
3. Business development professionals with branded operators who have professional interaction with owners;
4. Lenders, investors, real estate professionals, and developers who seek entrance into the hospitality real estate market.

Course Benefits

After completing this course, participants will be able to:

• Explain the varied motivations of owners, operators, and lenders in pursuing real-estate investments
• Analyze and evaluate investment projects from the perspective of owners, operators, and lenders
• Make informed decisions about the attractiveness of hotel investments, especially the decision to invest equity in a hotel
• Assemble term sheets for new management contracts
• Analyze management contracts from the perspective of owners and operators

Pricing & Registration

The online course price is US$769. Register online at:

hotelschool.cornell.edu/executor
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Course Topics

• Module 1 - The Hotel Owner-Operator-Lender Partnership
  1. Partnering Owners, Operators, and Lenders
  2. Different Owners Have Different Reasons to Invest
  3. How Equity Plays the Game

• Module 2 - Evaluating the Deal--How Owners, Operators, and Lenders Evaluate Proposed Projects
  1. How the Owner Evaluates the Project
  2. How the Operator and Lender Evaluate the Project
  3. Overview of Hotel Market Valuation Methodologies

• Module 3 - Structuring the Deal--Current Equity and Debt Financing Structures
  1. Hotel Financing Cycle--Equity Financing
  2. Hotel Financing Cycle--Debt Financing
  3. Course Project--Investment Construction and Analysis

Course Format

Our online courses take a problem-based approach to learning, and we build each course around realistic case studies and scenarios. All courses are self-paced, and are managed by an online facilitator who leads the online discussions and is available to answer any questions about the course content. You will have a 2-week instructional period at the beginning of the course within which you will complete the required elements of the course. You will have access to the course content for one additional week following the instructional period.

Number of Hours to Complete Course: 6

This course is part of an online certificate:

• Certificate in Hotel Real Estate Investments and Asset Management
• Certificate in Strategic Leadership for the Hospitality Professional

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Cornell University
School of Hotel Administration
Office of Executive Education