VALUING HOTEL INTELLECTUAL PROPERTY AND STRUCTURING THE CAPITAL STACK

Course Focus

Accurately assessing the value of hotel intellectual property is a critical component of structuring the most advantageous deal. This course is designed to develop a high level of financial sophistication in valuing hotel management contracts and valuing franchise agreements in addition to valuing the real assets.

Participants will value the intellectual property rights created in management contracts and franchise agreements and learn how debt and equity capital markets are used to financially engineer enhancements in the value of the real estate. Participants will also learn how to determine the cost of mortgage loans, be introduced to the secondary mortgage market and lodging REIT structures, and learn how to calculate the returns to private real estate fund investors and sponsors. This course emphasizes the role of debt capital in creating value for equity and the role of public and private equity in modern real estate capital markets. Throughout the course, participants use sophisticated spreadsheet tools to support and quantify the analyses, all of which can be used to analyze real-life opportunities.

Who Should Take this Course?

This course is designed for -

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

Key Benefits

Participants who complete this course will be able to...

- Estimate the value of management contracts and their impact on shareholder value
- Estimate the value of franchise agreements and their impact on shareholder value
- Explain how capital markets can be used to create value in real estate
- Use the tools of modern finance to create value for equity via the specific use of debt instruments
- Explain the role of public equity and private equity in capital markets
- Use the tools of investment analysis to understand a “promote structure” in a private equity real estate fund

Pricing & Registration

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

sha.cornell.edu/online/courses
Course Topics

- **Module 1 - Modeling and Valuing Management Contracts and Franchise Agreements**
  1. Projecting Year-by-Year Benefits of Management Contracts
  2. Projecting Year-by-Year Costs of Management Contracts
  3. Valuing the Management Contract
  4. Modeling and Valuing Franchise Agreements

- **Module 2 - Debt Financing**
  1. Review of Contemporary Structures
  2. Mortgage Calculation Workshop
  3. Commercial Mortgage-Backed Securities

- **Module 3 - Equity Financing**
  1. Public Real Estate Equity
  2. Private Real Estate Equity and Fund Structures

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 instructor 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

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