VALUING HOTEL INVESTMENTS THROUGH EFFECTIVE FORECASTING

Course Focus

Hotel investment opportunities cannot be properly evaluated without accurate forecasts of the revenues and expenses the property is expected to produce. This course builds expertise in producing accurate forecasts of occupancy, average rates, cash flows and real estate value needed to support hotel investment and lending decisions.

Participants will learn to accurately forecast hotel occupancies both for new properties and for existing properties facing significant new competition. They will forecast daily occupancy rates using a variety of contemporary techniques and tools, forecast hotel cash flows respecting the fixed and variable revenue and cost structure of a hotel. Participants will estimate the value of individual hotels, taking into account the impact of new properties on existing properties. Given that forecasts are only as accurate as the starting assumptions, participants learn how to develop and gather data to support all of these forecasts.

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...

- Perform a market study for a particular property
- Forecast occupancy and average daily rates
- Produce accurate forecasts of income and expenses
- Use the income approach to produce an estimate of market value
- Produce defensible and supportable estimates using the tools developed in this course

Pricing & Registration

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

sha.cornell.edu/online/courses
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Course Topics

• Module 1 - Forecasting Hotel Occupancy
  1. Quantifying Existing Demand in the Primary Market Area
  2. Quantifying Latent Demand and Evaluating the Competitive Market
  3. Finishing the Market Analysis

• Module 2 - Forecasting Revenues and Expenses
  1. Forecasting Average Daily Rates (ADR)
  2. The Underlying Theory of Forecasting
  3. Implementation of the Fixed and Variable Component Approach

• Module 3 - Valuation
  1. Income Capitalization Approach
  2. Case Study--Valuation of a New Property

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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School of Hotel Administration