



QUICK MOTEL ANALYSIS

Print Date: 4/12/2011

Analysis of: **Country Motel (Actual Figures no restaurant)**
 Location: **Inland location**

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The text shown in blue italic can be changed to arrive at a basic assessment
 Click on the Input buttons below to add the figures supplied for the current year Profit & Loss.
In the percentages below add the yields & percentages provided by the Broker.

Template Assessment

Basic Analysis <i>no restaurant</i>			
Turnover:	\$266,561.00	100%	100%
Expenses:	\$127,949.28	48%	48% Add-backs included
F.H. Net Profit:	\$138,611.72	52%	52%
Rent:	\$62,375.27	45%	45% of Freehold Net Profit
L.H. Net Profit:	\$76,236.45	29%	29%

Template Assessment

Basic Analysis <i>with a restaurant</i>			
Turnover:	\$385,000.00	100%	100%
Expenses:	\$231,000.00	60%	60% Add-backs included
F.H. Net Profit:	\$154,000.00	40%	40%
Rent:	\$69,300.00	45%	45% of Freehold Net Profit
L.H. Net Profit:	\$84,700.00	22%	22%

	Net Yield	Assessed Price	Assessed Price
Capitalised value of Freehold Motel	16%	\$866,323.25	\$962,500.00
Capitalised value of Leasehold Motel	30%	\$254,121.49	\$282,333.33

Now assess the figures received from the motel you are inspecting.
 Entering the Turnover, P&L Expenses and rent if applicable.

Name of Motel: **Country Motel (Actual Figures no restaurant)**
 Asking Price: **\$225,000** **LH** Please select if FH or LH
The motel analysed shows a yield of: 25% on the asking price

Your Assessment

Basic Analysis <i>no restaurant</i>			
Actual Turnover:	\$266,561.00	100%	
Actual Expenses:	\$146,160.12	55%	Add-backs included
F.H. Net Profit:	\$120,400.88	45%	
Actual Rent:	\$65,000.00	54%	of Freehold Net Profit
L.H. Net Profit:	\$55,400.88	21%	

Refer to financial input on 2nd page

	Net Yield	Assessed Price	Assessed Price
Enter Capitalised value of Freehold Motel	16%	\$752,505.50	\$926,593.50
Enter Capitalised value of Leasehold Motel	30%	\$184,669.60	\$277,516.53

Now assess the figures received from the motel you are inspecting.
 Entering the Turnover, P&L Expenses and rent if applicable.

Asking Price: **\$295,000** **LH** Please select if FH or LH
The motel analysed shows a yield of: 28% on the asking price

Your Assessment

Basic Analysis <i>with a restaurant</i>			
Actual Turnover:	\$361,061.00	100%	
Actual Expenses:	\$212,806.04	59%	Add-backs included
F.H. Net Profit:	\$148,254.96	41%	
Actual Rent:	\$65,000.00	44%	of Freehold Net Profit
L.H. Net Profit:	\$83,254.96	23%	

Refer to financial input on 2nd page

Explanation:

This program is designed to assess whether a motel fits into accepted Industry percentage benchmarks.

You cannot judge the value of a motel on the benchmark averages alone because there is so much more to assess in judging a motel's potential.

For example the motel could be in need of major refurbishment and the future profits will be required to refurbish. In some cases it must be spent to comply with Council ordinances, say the hand railings are 850mm high and the minimum height allowance is 1m.

You may notice that the net profit of a motel with a restaurant is more labour intensive for not much more net profit

A restaurant must be analysed as a separate business unless it is being used as an incentive to increase room revenue.

NEVER under-estimate the importance of **Motel location** & drawing power of an area and district to potential visitors which flows onto your Motel.

If you are satisfied with the outcome of this quick assessment when applying the accepted Industry Benchmarks you can commence entering the detailed data into the Full Motel Analysis program.

Under no circumstances can this spread sheet be used as a valuation of a motel Freehold or Leasehold Business.

Version 5. 4/12/2011

Motel Profit & Loss Analysis	2011 % of T/O		2010 % of T/O		2009 % of T/O		Benchmark	Add-Back	Variable
							2011	or Add-On 2011	/Fixed
<i>Note: Items highlighted in blue are deemed to be add-backs</i>									
Income									
Accommodation	266,561	100.00%	0	0.00%	0	0.00%			
Breakfast		0.00%		0.00%		0.00%			
Goods for own use		0.00%		0.00%		0.00%			
Restaurant	0	0.00%		0.00%		0.00%			
Beverage	0	0.00%		0.00%		0.00%			
Conference inc Food & Beverage		0.00%		0.00%		0.00%			
Telephone		0.00%		0.00%		0.00%			
Minibar		0.00%		0.00%		0.00%			
Internet		0.00%		0.00%		0.00%			
Total Income	266,561		0		0				
Less cost of goods sold									
Breakfasts		0.00%		0.00%		0.00%			
Restaurant	0	0.00%		0.00%		0.00%			
Beverage	0	0.00%		0.00%		0.00%			
Minibar		0.00%		0.00%		0.00%			
Conference inc Food & Beverage		0.00%		0.00%		0.00%			
Total Cost of Sales	0	0.00%	0	0.00%	0	0.00%			
Gross Profit	266,561	100.00%	0	0.00%	0	0.00%			
Expenses									
Accountancy	5,470	2.05%		0.00%		0.00%	1%	2,804	F
Advertising & Research	1,745	0.65%		0.00%		0.00%	2.5%	-4,919	F
Bank Charges	628	0.24%		0.00%		0.00%			F
Credit card & Eftpos Charges	2,194	0.82%		0.00%		0.00%	1.2%	-1,005	V
Cable TV	4,603	1.73%		0.00%		0.00%			F
Chain Fees		0.00%		0.00%		0.00%			V
Cleaning or cleaning contracts	3,327	1.25%		0.00%		0.00%			V
Cleaning chemicals inc laundry		0.00%		0.00%		0.00%			V
Commission to agents	6,298	2.36%		0.00%		0.00%			V
Compliance to Ordinances		0.00%		0.00%		0.00%			F
Consumables	2,798	1.05%		0.00%		0.00%			V
Donations		0.00%		0.00%		0.00%		0	F
Depreciation Plant	4,182	1.57%		0.00%		0.00%		4,182	F
Freight	6,003	2.25%		0.00%		0.00%			V
Electricity, Gas, Oil	11,074	4.15%		0.00%		0.00%			V
Entertainment		0.00%		0.00%		0.00%			V
Excess Water		0.00%		0.00%		0.00%			V
Ground and Pool Maintenance		0.00%		0.00%		0.00%			F
Insurance General	5,598	2.10%		0.00%		0.00%			F
Insurance-Workers Comp.		0.00%		0.00%		0.00%	4.6% of Wage	-455	V
Interest	643	0.24%		0.00%		0.00%		643	F
Internet Access & Computer Maint.	932	0.35%		0.00%		0.00%			F
Legal		0.00%		0.00%		0.00%		0	V
Linen Hire	13,787	5.17%		0.00%		0.00%			V
Lease & Hire Purchase		0.00%		0.00%		0.00%			F
Licence Fees and Subscriptions		0.00%		0.00%		0.00%			F
Motor Vehicle and Travelling		0.00%		0.00%		0.00%		-3,000	F
MV-Depreciation	9,086	3.41%		0.00%		0.00%		9,086	V
MV-Fuel & Oil	5,018	1.88%		0.00%		0.00%		5,018	V
MV-Reg & Insurance	2,261	0.85%		0.00%		0.00%		2,261	V
MV-Repairs	1,352	0.51%		0.00%		0.00%		1,352	V
MV- Private Use	-1,945	-0.73%		0.00%		0.00%		-1,945	V
Pest Control		0.00%		0.00%		0.00%			F
Postage, Printing and Papers	564	0.21%		0.00%		0.00%			V
Rates and Land Tax	10,426	3.91%		0.00%		0.00%			F
Relief Management Contract		0.00%		0.00%		0.00%		-7,000	F
Repairs and Maintenance	3,989	1.50%		0.00%		0.00%	2.0%	-1,342	V
Replacements, inc. Bed linen,Blankets	3,006	1.13%		0.00%		0.00%	4.0%	-7,656	V
Security		0.00%		0.00%		0.00%			F
Staff Amenities		0.00%		0.00%		0.00%			F
Subscriptions	1,073	0.40%		0.00%		0.00%			F
Superannuation-Management-Owners	396	0.15%		0.00%		0.00%		396	F
Superannuation-Employees		0.00%		0.00%		0.00%			V
Telephone and Fax	6,355	2.38%		0.00%		0.00%			V
Telephone-Mobile		0.00%		0.00%		0.00%			V
Uniforms and Training		0.00%		0.00%		0.00%			F
Wages Housekeepers/Laundry	5,489	2.06%		0.00%		0.00%	11%	-23,832	V
Wages Restaurant		0.00%		0.00%		0.00%			V
Wages Management		0.00%		0.00%		0.00%		0	F
Wages Owners		0.00%		0.00%		0.00%		0	F
Wages Other	4,396	1.65%		0.00%		0.00%			F
Waste Removal		0.00%		0.00%		0.00%			V
Sundry		0.00%		0.00%		0.00%			V
		0.00%		0.00%		0.00%			
Total Operating Expenses	120,748	45.30%	0	0.00%	0	0.00%		-25,412	
Add-Backs or Add-Ons	-25,412	-9.53%		0.00%		0.00%			
Adj - Total Operating Expenses	146,160	54.83%		0.00%		0.00%			
Adj - Freehold Net Operating Profit	120,401	45.17%	0	0.00%	0	0.00%			
Less Rent	65,000	24.38%		0.00%		0.00%			
Leasehold Adjusted Net Profit	55,401	20.78%	0	0.00%	0	0.00%			

Motel Profit & Loss Analysis	2011 % of T/O		2010 % of T/O		2009 % of T/O		Benchmark	Add-Back	Variable
							2011	or Add-On 2011	/Fixed
<i>Note: Items highlighted in blue are deemed to be add-backs</i>									
Income									
Accommodation	266,561	73.83%	0	0.00%	0	0.00%			
Breakfast		0.00%		0.00%		0.00%			
Goods for own use		0.00%		0.00%		0.00%			
Restaurant	75,000	20.77%		0.00%		0.00%			
Beverage	19,500	5.40%		0.00%		0.00%			
Conference inc Food & Beverage		0.00%		0.00%		0.00%			
Telephone		0.00%		0.00%		0.00%			
Minibar		0.00%		0.00%		0.00%			
Internet		0.00%		0.00%		0.00%			
Total Income	361,061		0		0				
Less cost of goods sold									
Breakfasts		0.00%		0.00%		0.00%			
Restaurant	64,000	17.73%		0.00%		0.00%			
Beverage	11,200	3.10%		0.00%		0.00%			
Minibar		0.00%		0.00%		0.00%			
Conference inc Food & Beverage		0.00%		0.00%		0.00%			
Total Cost of Sales	75,200	20.83%	0	0.00%	0	0.00%			
Gross Profit	285,861	79.17%	0	0.00%	0	0.00%			
Expenses									
Accountancy	5,470	1.51%		0.00%		0.00%	1%	1,859	F
Advertising & Research	1,745	0.48%		0.00%		0.00%	2.5%	-7,282	F
Bank Charges	628	0.17%		0.00%		0.00%			F
Credit card & Eftpos Charges	4,692	1.30%		0.00%		0.00%	1.2%	359	V
Cable TV	4,603	1.27%		0.00%		0.00%			F
Chain Fees		0.00%		0.00%		0.00%			V
Cleaning or cleaning contracts	3,327	0.92%		0.00%		0.00%			V
Cleaning chemicals inc laundry	450	0.12%		0.00%		0.00%			V
Commission to agents	6,298	1.74%		0.00%		0.00%			V
Compliance to Ordinances	560	0.16%		0.00%		0.00%			F
Consumables	2,798	0.77%		0.00%		0.00%			V
Donations		0.00%		0.00%		0.00%		0	F
Depreciation Plant	4,182	1.16%		0.00%		0.00%		4,182	F
Freight		0.00%		0.00%		0.00%			V
Electricity, Gas, Oil	11,074	3.07%		0.00%		0.00%			V
Entertainment		0.00%		0.00%		0.00%			V
Excess Water	1,000	0.28%		0.00%		0.00%			V
Ground and Pool Maintenance		0.00%		0.00%		0.00%			F
Insurance General	5,598	1.55%		0.00%		0.00%			F
Insurance-Workers Comp.	2,205	0.61%		0.00%		0.00%	4.6% of Wage	-159	V
Interest	643	0.18%		0.00%		0.00%		643	F
Internet Access & Computer Maint.	932	0.26%		0.00%		0.00%			F
Legal		0.00%		0.00%		0.00%		0	V
Linen Hire	15,000	4.15%		0.00%		0.00%			V
Lease & Hire Purchase		0.00%		0.00%		0.00%			F
Licence Fees and Subscriptions	450	0.12%		0.00%		0.00%			F
Motor Vehicle and Travelling		0.00%		0.00%		0.00%		-3,000	F
MV-Depreciation	9,086	2.52%		0.00%		0.00%		9,086	V
MV-Fuel & Oil	5,018	1.39%		0.00%		0.00%		5,018	V
MV-Reg & Insurance	2,261	0.63%		0.00%		0.00%		2,261	V
MV-Repairs	1,352	0.37%		0.00%		0.00%		1,352	V
MV- Private Use	-1,945	-0.54%		0.00%		0.00%		-1,945	V
Pest Control		0.00%		0.00%		0.00%			F
Postage, Printing and Papers	564	0.16%		0.00%		0.00%			V
Rates and Land Tax	10,426	2.89%		0.00%		0.00%			F
Relief Management Contract		0.00%		0.00%		0.00%		-7,000	F
Repairs and Maintenance	3,989	1.10%		0.00%		0.00%	2.0%	-3,232	V
Replacements, inc. Bed linen,Blankets	3,006	0.83%		0.00%		0.00%	4.0%	-11,436	V
Security		0.00%		0.00%		0.00%			F
Staff Amenities		0.00%		0.00%		0.00%			F
Subscriptions	1,073	0.30%		0.00%		0.00%			F
Superannuation-Management-Owners	396	0.11%		0.00%		0.00%		396	F
Superannuation-Employees	4,410	1.22%		0.00%		0.00%			V
Telephone and Fax	6,355	1.76%		0.00%		0.00%			V
Telephone-Mobile		0.00%		0.00%		0.00%			V
Uniforms and Training	650	0.18%		0.00%		0.00%			F
Wages Housekeepers/Laundry	5,489	1.52%		0.00%		0.00%	11%	-34,227	V
Wages Restaurant	41,500	11.49%		0.00%		0.00%			V
Wages Management		0.00%		0.00%		0.00%		0	F
Wages Owners		0.00%		0.00%		0.00%		0	F
Wages Other	4,396	1.22%		0.00%		0.00%			F
Waste Removal		0.00%		0.00%		0.00%			V
Sundry		0.00%		0.00%		0.00%			V
		0.00%		0.00%		0.00%			
Total Operating Expenses	169,681	47.00%	0	0.00%	0	0.00%		-43,125	
Add-Backs or Add-Ons	-43,125	-11.94%		0.00%		0.00%			
Adj - Total Operating Expenses	212,806	58.94%		0.00%		0.00%			
Adj - Freehold Net Operating Profit	73,055	20.23%	0	0.00%	0	0.00%			
Less Rent	65,000	18.00%		0.00%		0.00%			
Leasehold Adjusted Net Profit	8,055	2.23%	0	0.00%	0	0.00%			