



# Motel Inspection Guidelines

Suggest you investigate items in red Prepared by:.....

Date of Inspection...../...../..... Contract Available Y/N Inventory Available Y/N 7/05

Rating: **A: Good B: Average C:** Below Average (*Place alpha symbols next to questions*)

Motel.....LH/FH/INV.Rms.....Town.....

1. Reason for Sale – Retiring – Larger Motel – Financial Difficulty – Ill Health.....
2. Location: - Where is the motel, Inland (Yield 13% to 17%) or coastal Yield (10% to 14%)
3. **Prominent Site:** Y/N - Highway Frontage Y/N – Traffic Noise Y/N Other.....
4. Title: If Leasehold Number of years left.....Copy of Lease Y/N Number of Motels in Area.....
5. Construction – Brick – Timber – Fibro – Mixed Construction - Roofing (**Note: If construction is not brick the insurance premiums are high – sometimes it is very difficult to arrange cover**) UCV \$..... (Land Tax)
6. Condition – Does the motel need upgrading – Y/N .....Last Upgrade...../...../.....Yr Built.....
  - (a) External condition...A/B/C.....Last Painted...yrs ago AAA rating.....Check last report
  - (b) Internal condition – Carpet.... Paint..... Showers.....Mattress.....Bedspreads.....Curtains..... A/C.....TV reception.....Cable TV Y/N Videos.....Refrigerator....Mini Bar in Operation Y/N
  - (c) In House Laundry – Washing Machine No...(Size ..kg) Dryer.....Condition of Linen.....
  - (d) Hot Water Systems Age.....yrs (Gas/Electricity/Oil) Electrician.....
  - (e) Central Heating System – (Gas/Oil) Manufacturer..... Service Contract Y/N
  - (f) **WorkCover, Dangerous Goods** – This is extremely important, check all areas thoroughly.
7. Chain: .....Check the introduction T/O with total T/O as a percentage.....%
8. Residence – Bedrooms ..... Other features.....Garage/Carport/Storage
9. Clientele – Commercial Travellers ...% Tourists...% Coaches ...% Sporting Groups (Show % of each)
10. Occupancy – Over past 12 months showing monthly % with average room rate \$...../.....%
11. Restaurant –This requires a detailed analysis and if you have not run a restaurant before a separate investigation must be carried out later on using EBC & FMRC guidelines. Main points to consider now:
  - (a) Restaurant Licensed – Y/N Condition of Tables..... Chairs..... Carpet.....
  - (b) Seating Capacity.....Condition of Linen.....Air-conditioning effective Y/N
  - (c) Staff operating restaurant – Number..... Permanent..... Casual.....Full Time Chef Y/N
  - (d) Wages \$.....Chef \$.....Percentage of T/O.....%
  - (e) HACCP system in place Y/N Check Hygiene and cool room. Is it clean inside Y/N
  - (f) Make sure that stainless steel benching is in good order and clean.....Drains.....
  - (g) Condition of Automatic Dishwasher..... Is it clean inside Y/N Checked Function Y/N
  - (h) Flooring in good condition with acceptable return flashing if lino.....
  - (i) Take a copy of the menu and wine list to check pricing..... Value of Stock \$.....
12. Conference Facilities – Y/N If so, Seating..... Extra Kitchen Y/N Extra Staff.....
13. Reception Area M/C = Manual/Computer Operated
  - (a) Manual or computerised front office system M/C System Name.....
  - (b) Accounting System M/C.....GST Version Y/N
  - (c) Tariff – Single \$..... Double\$..... Family\$..... Spa \$..... Extra \$.....
  - (d) Telephone System ..... Condition.....Age..... Date Acquired...../...../.....
  - (e) Are accounts used for corporate customers Y/N How much is charged monthly \$.....
  - (f) Forward Booking.....Mth1 \$.....Mth2 \$.....Mth3 \$..... Mth4 \$.....
  - (g) Manager/Receptionist Y/N-Y/N – Period employed.../.....yrs Hours worked per week.../.....
  - (h) **Room Size.....m2** - Cleaning of Rooms – System in place Y/N– Main chemical used to clean rooms..... Chlorine used Y/N – Staff, Permanent .... Casual ..... Rooms clean? Y/N - Time Allowed.....minutes (usually 30 minutes is allowed per room)
14. Financial Considerations – **Inspect at least 3 years of Profit & Loss Accounts prepared by owner’s accountant.**
  - (a) Check the turnover figures supplied with the bank statements or in-house computer print outs
  - (b) Satisfy yourself that you can maintain the business and improve it, consider 1-2% growth
  - (c) Check with local Council that all ordinances comply within motel and **no future Development Applications** for new motels or additional rooms to existing motels
  - (d) If you have decided to purchase the motel, stay an extra night and familiarize yourself with the town and surrounds. It would pay to call on the local Information-Tourist Centre
  - (e) Before you commence negotiations, **ask if the owners if they will sign a personal warranty** verifying that the motel figures are correct and that they will not operate a motel or restaurant for 2 years within a radius of 100km of the existing motel.

Assuring you peace of mind in the acquisition & ownership of motels