

## CASE STUDY | ASSET VALUATION

**Client:** Middle East Real Estate Consortium

### BACKGROUND TO THE STUDY

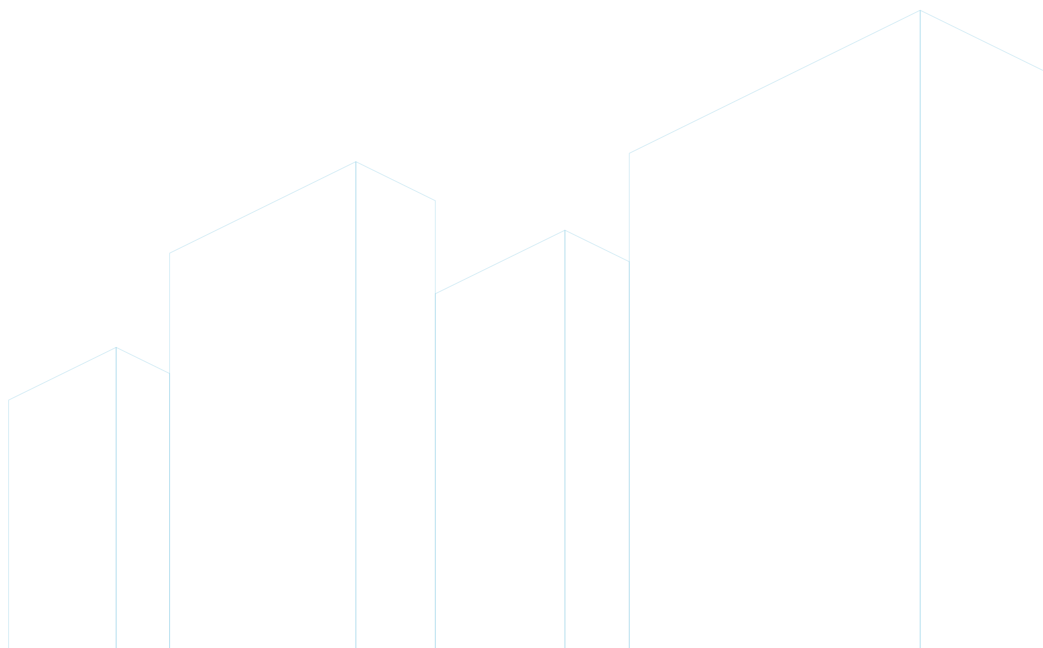
TRI Consulting was commissioned to prepare an appraisal of a portfolio of hotel and shopping centre projects in four countries across the Middle East. In particular, TRI was requested to assess the physical condition of the properties, their market positioning, historic trading performance and to prepare projections of future profitability and cash flow. We were also requested to assess the business value of the individual units and the total portfolio based on a discounted cash flow analysis.

### OUTPUTS OF THE STUDY

As a result of our work, the report contained information, comments and recommendations on the following:

- the current and projected future economic, political and social environment in which the properties would operate;
- the location of the hotels/properties and the strengths and weaknesses of their location and physical product;
- the current and projected future market environment, with a supply and demand analysis, and an analysis of the market position of each property under study;
- projections of revenue and expenditure, profit and annual cash flow and sensitivity analysis;
- an intrinsic valuation of each property, based on the discounted cash flow method; and
- strategic issues of each property, including potential purchasers, regulatory formalities, recommendations of the most suitable method of asset disposal and the target price that could be set for the stake.

The findings of our study were presented in English in a bound report, and supplied in three copies.



## CASE STUDY | ASSET MANAGEMENT

**Client:** Hotel Owner and Management Company

### BACKGROUND TO THE STUDY

TRI Consulting was commissioned to undertake an operational review for two hotels in Saudi Arabia. The primary objectives of the assignment were to undertake a market study of the relevant Saudi Arabian accommodation market, to undertake a facilities review and to prepare a financial analysis for both hotels.

#### **Review of facilities and executive level interviews:**

During our visit to the hotels, we carried out the following activities:

- an inspection of the physical amenities of the each hotel with specific reference to the quality and range of facilities offered in comparison to the relevant competitive market. These included:
  - rooms;
  - food and beverage;
  - conference and meeting facilities;
  - recreational (swimming pool/health and other facilities);
  - entrance/lobby/outside façade/internal finish;
  - back of house (administration/storage/delivery/accommodation);
  - landscaping; and
  - car parking facilities.
- conducted executive level interviews with the general manager, departmental heads, and other employees of the hotel in order to assess the facilities, current trading performance, market positioning / fair share and opinions on the likely trading performance of the property in the future;
- an assessment of the quality of management and service delivery in respect of the standard expected of a property of these properties in comparison with the relevant competitive market;
- an assessment of the marketing and sales activity undertaken by the hotel, and where appropriate, a review of management information and operational control systems; and
- a detailed review of the trading performance of the hotel based on information provided by the hotel management and by our client, focussing on appropriate operating ratios and statistics and comparing these with information held in our in-house database.

The findings of our study were presented in English and Arabic, in bound reports, and supplied in five copies.