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Hospitality Transaction Summary

Project Name:	Ocean Breeze Hotel
Property Address:	12345 Ocean Breeze Ave.
City, State, Zip	Los Angeles, CA. 90066
Borrowing Entity:	ABC LLC
Requested Loan Program:	



PURCHASE

REFINANCE

Sales Price:	\$40,000,000		
Cash Down:	\$20,000,000	50.00%	
1st TD:	\$20,000,000	50.00%	
2nd TD:	\$0	0.00%	
Total Financing:	\$20,000,000	50.00%	
Total Cash Down Payment:	\$20,000,000	50.00%	
Source of Down Payment:			
Comments:			

Date Acquired:	9/20/2017	Est Value	\$0
Original Cost:	\$0	Rehab:	\$0
Existing Debt:	\$0		
1st TD:	\$0	70.00%	
2nd TD:	\$0	0.00%	
Total Financing:	\$0	70.00%	
Gross Proceeds:	\$0		
Existing Lender:			

Estimated Amount of Rehab <u>if Bridge Loan</u>		
Estimated Value after stabilization		
Estimated # months to stabilization		

HOTEL PROPERTY DESCRIPTION

	Actual	Proforma
Number of Rooms	290	290
Occupancy:	70.00%	70.00%
Occupied Rooms:	74,095	74,095
Average Daily Rate:	\$122.70	\$122.70
Occupied Rooms	\$74,095	\$74,095
Total Bldg. SF / Cost SF	66,997	\$597
Hotel Type:	Hotel	
Type of Facilities Offered:	Click here to select	
Hotel Class:	Luxury (budget)	
Hotel Chain / Franchise:	Click here to select	
Year Built / Year Renovated:	2008	2015
Lot Size:	2.84 Acres	
Rev PAR:	\$31,350	\$31,350
Parking:	98 surface	
Meeting Space	789 Sq Ft	
Cap Rate	11.09%	11.09%
DCR	2.50	2.50

	AMENITIES
	Restaurant
	Restaurant, Bar, Club
	House Pool / Jacuzzi
	Gym & Spa
	Tennis Court
	Golf Course
	Cable TV
	Internet Connection
	Scenic View
	Banquet Facilities
	Rental Seasons
	Location
	Story

INCOME & EXPENSES

Income Revenue	Actual	Proforma	% of Gross	Proforma Comments
Rooms	\$9,091,457	\$9,091,457	51.70%	
Food	\$5,500,000	\$5,500,000	31.28%	
Beverage	\$2,031,000	\$2,031,000	11.55%	
Telephone	\$361,000	\$361,000	2.05%	
Other Income	\$600,000	\$600,000	3.41%	
Total Revenue	\$17,583,457	\$17,583,457	100.00%	
Department Expenses				
Rooms	\$2,000,000	\$2,000,000	22.00%	
Food & Beverage	\$5,250,000	\$5,250,000	69.71%	
Telephone	\$320,000	\$320,000	88.64%	
Other Expenses	\$265,000	\$265,000	44.17%	
Total Departmental Expenses	\$7,835,000	\$7,835,000	44.56%	
Department Net Income	\$9,748,457	\$9,748,457	55.44%	Total revenue less departmental expenses
Undistributed Operating Expenses (UDOE)				
Administrative & General	\$1,359,000	\$1,359,000	7.73%	
Management Fee	\$502,000	\$502,000	2.85%	
Marketing	\$821,000	\$821,000	4.67%	
Property Operations & Maint.	\$623,000	\$623,000	3.54%	
Energy (Utilities)	\$644,000	\$644,000	3.66%	
Total UDOE	\$3,949,000	\$3,949,000	22.46%	
Net Income Before Fixed Charges	\$5,799,457	\$5,799,457	32.98%	Department Net Income less total UDOE
Fixed Charges				
Property Tax	\$456,000	\$456,000	2.59%	
Insurance	\$107,000	\$107,000	0.61%	
Reserves (FF & E's)	\$800,000	\$800,000	4.55%	
Total Fixed Charges	\$1,363,000	\$1,363,000	7.75%	
Total Revenue Income	\$17,583,457	\$17,583,457	100.00%	
Total Expenses	\$13,147,000	\$13,147,000	74.77%	Departmental + UDOE + Fixed
Net Operating Income (NOI)	\$4,436,457	\$4,436,457	25.23%	NOI for Debt Service
1st TD Debt Service				
1st TD Debt Service	(\$1,773,579)	(\$1,773,579)		
DSCR 1st TD	2.50	2.50		
2nd TD Debt Service				
2nd TD Debt Service	\$0	\$0		
Combined Debt Service	(\$1,773,579)	(\$1,773,579)		
Combined DSCR (1st & 2nd)	2.50	2.50		
Interest Rate	7.500%	7.500%		
Amortization	25	25		
Cap Rate	11.09%	11.09%		
Debt Yield	22.18%	22.18%		
Income Ratios				
Food to Rooms	60.50%		Value per Room	\$137,931
Food to Beverage to Rooms	82.84%		Cost per Sq Ft	\$597
Telephone to Rooms	3.97%		Loan to Value (LTV)	50.00% (1st TD)
Other to Rooms	6.60%		Combined (CLTV)	50.00% (1st & 2nd TD)
Beverage to Food	36.93%			

Historical Operating History Spreadsheet

Income Revenue (Department)	2021	2022	2023	Trailing 12	Proforma	Actual	Underwriting	% of Gross	Rev PAR	POR
Rooms	\$0	\$0	\$0	\$0	\$4,500,943	\$4,500,943	\$4,500,943	52.62%	\$30,006	\$122.70
Food	\$0	\$0	\$0	\$0	\$2,607,500	\$2,607,500	\$2,607,500	30.48%	\$17,383	\$71.08
Beverage	\$0	\$0	\$0	\$0	\$1,015,500	\$1,015,500	\$1,015,500	11.87%	\$6,770	\$27.68
Telephone	\$0	\$0	\$0	\$0	\$180,000	\$180,000	\$180,000	2.10%	\$1,200	\$4.91
Other Income	\$0	\$0	\$0	\$0	\$250,000	\$250,000	\$250,000	2.92%	\$1,667	\$6.82
Total Revenue	\$0	\$0	\$0	\$0	\$8,553,943	\$8,553,943	\$8,553,943	100%	\$57,026	\$233.19
<u>Departmental Expenses</u>										
Rooms	\$0	\$0	\$0	\$0	\$1,061,000	\$1,061,000	\$1,061,000	23.57%	\$7,073	\$28.92
Food & Beverage	\$0	\$0	\$0	\$0	\$2,604,000	\$2,604,000	\$2,604,000	71.87%	\$17,360	\$70.99
Telephone	\$0	\$0	\$0	\$0	\$160,000	\$160,000	\$160,000	88.89%	\$1,067	\$4.36
Other Expenses	\$0	\$0	\$0	\$0	\$135,000	\$135,000	\$135,000	54.00%	\$900	\$3.68
Total Department Expenses	\$0	\$0	\$0	\$0	\$3,960,000	\$3,960,000	\$3,960,000	46.29%	\$26,400	\$107.95
Departmental Net Income	\$0	\$0	\$0	\$0	\$4,593,943	\$4,593,943	\$4,593,943	53.71%	\$30,626	\$125.24
<u>Undistributed Operating Expenses (UDOE)</u>										
Administrative & General (UDOE)	\$0	\$0	\$0	\$0	\$700,000	\$700,000	\$700,000	8.18%	\$4,667	\$19.08
Management Fee (UDOE)	\$0	\$0	\$0	\$0	\$250,000	\$250,000	\$250,000	2.92%	\$1,667	\$6.82
Marketing (UDOE)	\$0	\$0	\$0	\$0	\$400,000	\$400,000	\$400,000	4.68%	\$2,667	\$10.90
Property Operations & Maintenance (UDOE)	\$0	\$0	\$0	\$0	\$320,000	\$320,000	\$320,000	3.74%	\$2,133	\$8.72
Energy (Utilities-UDOE)	\$0	\$0	\$0	\$0	\$350,000	\$350,000	\$350,000	4.09%	\$2,333	\$9.54
Total UDOE	\$0	\$0	\$0	\$0	\$2,020,000	\$2,020,000	\$2,020,000	23.61%	\$13,467	\$55.07
Income Before Fixed Charges	\$0	\$0	\$0	\$0	\$2,573,943	\$2,573,943	\$2,573,943	30.09%	\$17,160	\$70.17
<u>Fixed Expenses</u>										
Property Tax	\$0	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000	2.34%	\$1,333	\$5.45
Insurance	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$50,000	0.58%	\$333	\$1.36
Reserves (FF & E's)	\$0	\$0	\$0	\$0	\$250,000	\$250,000	\$250,000	2.92%	\$1,667	\$6.82
Total Fixed Charges	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$500,000	5.85%	\$3,333	\$13.63
Total Income	\$0	\$0	\$0	\$0	\$8,553,943	\$8,553,943	\$8,553,943	100.00%		
Total Expenses	\$0	\$0	\$0	\$0	\$6,480,000	\$6,480,000	\$6,480,000	75.75%		
Net Operating Income (NOI)	\$0	\$0	\$0	\$0	\$2,073,943	\$2,073,943	\$2,073,943	24.25%		\$56.54
1st TD Debt Service	(\$798,110)	(\$798,110)	(\$798,110)	(\$798,110)	(\$798,110)	(\$798,110)	(\$798,110)			
DSCR 1st TD	0.00	0.00	0.00	0.00	2.60	2.60	2.60		Cap Rate	13.83%
2nd TD Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Combined Debt Service(1st & 2nd)	(\$798,110)	(\$798,110)	(\$798,110)	(\$798,110)	(\$798,110)	(\$798,110)	(\$798,110)			
Combined DSCR (1st & 2nd)	0.00	0.00	0.00	0.00	2.60	2.60	2.60			
Debt Yield	0.00%	0.00%	0.00%	0.00%	23.04%	23.04%	23.04%			

Footnotes

	Actual	Underwriting	Appraisal	Footnotes
Income / Revenue				
Rooms	\$4,500,943	\$4,500,943	\$0	
Food	\$2,607,500	\$2,607,500	\$0	
Beverage	\$1,015,500	\$1,015,500	\$0	
Telephone	\$180,000	\$180,000	\$0	
Other Income	\$250,000	\$250,000	\$0	
Total Revenue	\$8,553,943	\$8,553,943	\$0	
Department Expenses				
Rooms	\$1,061,000	\$1,061,000	\$0	
Food & Beverage	\$2,604,000	\$2,604,000	\$0	
Telephone	\$160,000	\$160,000	\$0	
Other Expenses	\$135,000	\$135,000	\$0	
Total Department Expenses	\$3,960,000	\$3,960,000	\$0	
Department Net Income	\$4,593,943	\$4,593,943	\$0	
UDOE Expenses				
Administrative & General (UDOE)	\$700,000	\$700,000	\$0	
Management Fee (UDOE)	\$250,000	\$250,000	\$0	
Marketing (UDOE)	\$400,000	\$400,000	\$0	
Property Operations & Maintenance (UDOE)	\$320,000	\$320,000	\$0	
Energy (Utilities-UDOE)	\$350,000	\$350,000	\$0	
Total UDOE	\$2,020,000	\$2,020,000	\$0	
Income Before Fixed Charges	\$2,573,943	\$2,573,943	\$0	
Fixed Expenses				
Property Tax	\$200,000	\$200,000	\$0	
Insurance	\$50,000	\$50,000	\$0	
Reserves (FF & E's)	\$250,000	\$250,000	\$0	
Total Fixed Charges	\$500,000	\$500,000	\$0	
Total Income	\$8,553,943	\$8,553,943	\$0	
Total Expenses	\$6,480,000	\$6,480,000	\$0	
Net Operating Income (NOI)	\$2,073,943	\$2,073,943	\$0	

Capex

Capex

Capex

Comments/Narrative

Situs Address
City, State, Zip

Subject Property
12345 Ocean Breeze Ave.
Los Angeles, CA. 90066

Sales Comp #1
7466 Rosemead Blvd.
Pico Rivera, CA. 90660

Sales Comp #2
9212 Burke Street
Pico Rivera, CA. 90660

Sales Comp #3
11717 Lakewood Blvd.
Downey, CA.



Project Name	Ocean Breeze Hotel			
Sales Price	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000
Sale Date	6/1/2023	6/1/2023	6/1/2023	6/1/2023
# Rooms	290	290	290	290
Bldg Sq Ft	66,997	66,997	66,997	66,997
% Occupancy	70%	67%	67%	67%
ADR	\$122.70	\$122.70	\$122.70	\$122.70
Rev PAR	\$31,350	\$30,006	\$30,006	\$30,006
Cap Rate	11.09%	9.58%	9.58%	9.58%
Cost per Sq Ft	\$597	\$597	\$597	\$597
Cost per Room	\$137,931	\$137,931	\$137,931	\$137,931
Lot Size	2.2 Acres	2.2 Acres	2.2 Acres	2.2 Acres
Type of Hotel	Luxury (budget)	Luxury (budget)	Luxury (budget)	Luxury (budget)
Year Built	2008	2008	2008	2008
Year Renovated	2015	2015	2015	2015
# of Stories	4	4	4	4
Amenities	Pool, Jacuzzi, Spa	Pool, Jacuzzi, Spa	Pool, Jacuzzi, Spa	Pool, Jacuzzi, Spa
Amenities	Full restaurant	Full restaurant	Full restaurant	Full restaurant
Amenities	Tennis Court	Tennis Court	Tennis Court	Tennis Court
Amenities	Golf course	Golf course	Golf course	Golf course
Amenities	800 Sq Ft Banquet room	800 Sq Ft Banquet room	800 Sq Ft Banquet room	800 Sq Ft Banquet room
Comments				

Comments / Amenities:

Subject Property	
Comparable #1	
Comparable #2	
Comparable #3	

Hotel-Motel Investment Summary

Price	\$40,000,000	
Down Payment	\$20,000,000	50.00%
1st TD Loan Amount	\$20,000,000	50.00%
2nd TD Loan Amount	\$0	0.00%
Total Financing	\$20,000,000	50.00%

BUILDING DATA / FINANCIAL INDICATORS

Project Name:	Ocean Breeze Hotel
Address	12345 Ocean Breeze Ave.
City, State, Zip	12345 Ocean Breeze Ave.
APN	552-22-5685
Number of Rooms	290
Year Built	2008
Year Renovated	2015
Building Size	66,997
Lot Size	2.84 Acres
% Occupancy	70.00%
ADR	\$122.70
Current Cap Rate	11.09%
Market Cap Rate	11.09%
Price per Room	\$137,931
Price per Sq Ft	\$597
Rev PAR	\$31,350

Broker Contact
DRE #
Phone
E-Mail

290 Room Hotel Facility Prime Location Upside Potential

<i>INCOME REVENUE</i>	Current	Market
Total Revenue	\$17,583,457	\$17,583,457
<i>OPERATING EXPENSE SUMMARY</i>		
Total Departmental Expenses	\$7,835,000	\$7,835,000
<i>Undistributed Operating Expenses (UDOE)</i>		
Administrative & General (UDOE)	\$1,359,000	\$1,359,000
Management Fee (UDOE)	\$502,000	\$502,000
Marketing (UDOE)	\$821,000	\$821,000
Property Operations & Maintenance (UDOE)	\$623,000	\$623,000
Energy (Utilities)	\$644,000	\$644,000
Fixed Charges (RE Taxes, Insurance, FF & E's)		
Property Tax	\$456,000	\$456,000
Insurance	\$107,000	\$107,000
Reserves (FF & E's)	\$800,000	\$800,000
Total Expenses	74.77% \$13,147,000	\$13,147,000
Net Operating Income (NOI)	\$4,436,457	\$4,436,457
1st TD Debt Service	7.500% (1,773,579)	(1,773,579)
2nd TD Debt Service	0.000% 0	0
Combined Debt Service	(1,773,579)	(1,773,579)
Annual Cash Flow	\$2,662,878	\$2,662,878
Cash on Cash Return	13.31%	13.31%
Principal Loan Reduction	\$273,579	\$273,579
% ROE Loan Reduction	1.37%	1.37%
Total ROE (Cash flow + loan reduction)	\$2,936,457	\$2,936,457
Total % ROE (Cash flow + loan reduction)	14.68%	14.68%

Broker does not warrant the accuracy of this investment summary. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The above information is from sources deemed to be reliable. Please complete your own due diligence and investigation analysis with experienced professionals.