

Real Estate Investment Club

March 20, 2018

Finance Tip of The Week

Loan to Value Ratio (LTV)

How much the loan is relative to the value of the property

EX.

You are looking to purchase a hotel that is valued at \$40 MM. The bank is willing to give a 75% LTV. What will the down payment be?

$$75\% * 40\text{MM} = \$30\text{MM}$$

$$40\text{MM} - 30\text{MM} = \$10\text{MM}$$

Company of The Week

- Literally wrote the book on how to value a hotel in 1980
- Specialize in hotels, restaurants, casinos, shared ownership lodging, mixed-use developments, golf courses, as well as conventions, sports, and entertainment facilities.
- Known for valuations and consulting, but also offer services in many other aspects of the hospitality industry
 - Conduct more valuations than any other company per year
- Analyzed more than 6,000 markets worldwide
- More than 50 offices across in six continents



Current Event of the Week

Puerto Rico Update

- Businesses are still finding it difficult to return to normal, pre-hurricane operations
- 91% of power generation has been restored to the island, but there are sudden outages
- Insurance companies have paid \$1.7 billion in residential and business claims as of 31 January,
 - Only 40% of expected total
- 135,000 residents have relocated to the mainland U.S.



China banning citizens with bad “social credit” from traveling

Chinese authorities are monitoring citizens’ “social credit system” and pulling travel privileges from those who have low scores

Bans include: No rail or air travel

Timeline: Up to a year

Infractions include: spreading false information about terrorism, using expired tickets, smoking on trains and failing to pay fines.

Goes into effect: May 1

In 2017 almost 6.2 million Chinese citizens had been banned from taking flights for social misdeeds

Industry Leader of The Week

Andrea Foster, SVP Development Marcus Hotels & Resorts

- Managing Director at CBRE Hotels; Focused in Spas & Wellness Consulting
- VP Business Development & Marketing at Miraval Holding, LLC (Wellness Brand)
- Vice President at PKF Consulting
- 2016 Lodging Magazine's Hospitality's Most Successful Women

<https://www.hotelbusiness.com/video/alis-2018-interview-with-andrea-foster-svp-of-development-for-marcus-hotels-resorts/>



“It’s important to always push yourself to grow and expand. I always want to be comfortable being uncomfortable—that’s where the growth happens.”

**Which hotel is the largest in
the United States?**

MGM Grand in Las Vegas!

**How many of the top 35
largest hotels do you think
are located in Las Vegas?**

22 out of 35!

**What is the tallest hotel in
the U.S.?**

Trump Hotel in Chicago!

**What do you think the
average room rate was in
1940?**

\$3.21

**What do you think that
would be in today's dollars?**

\$53.56

Spring Philanthropy

- March 24th is the date!
- Two sessions
 - 4 to 7 pm
 - 6:30 to TBD pm
- Email was sent with link to sign up!
- Screenshot us confirmation to us!



Save the Date!!

BEER OLYMPICS!!!

April 7th!!

Starts at 12pm



General Election Information

Elections will be held on **Tuesday, April 3rd** during our typical meeting time!

This is the arguably the **most important meeting of the semester** to attend as you will be helping to decide next years eboard!

Candidates will give speeches and you will cast your vote.

Please stay if you are
planning on running for
an executive board
position.

Everyone else have a great week :)

Position Overview

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Available Positions:

President

Director of Finance

Director of Communications

Director of Events

How will the election process work?

We will be doing elections differently
this year!

Instead of running for one specific
director position, you will instead
be running for one of three
director spots. Once selected, the
new directors will meet with the
2017-2018 E-Board to determine
who will have each specific title.

How will we determine who gets a director position?

On Tuesday April 3rd we will be holding elections at our meeting! You will have an opportunity to give up to a 3 minute speech on why you believe you should be selected as one of the three directors. Then we will open it up for questions from us (the e-board) and any general members! Once everyone has given their speech each member will be given a ballot and asked to pick their top 3 candidates.

GOOD LUCK :)