TITLE OF MASTER THESIS

Integrated financial performance rating system on hospitality based on property characteristics

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ABSTRACT

The purpose of this research is to develop a rating system that can determine a hotel's financial performance based on the assessment of hotel key characteristics. Literature review of all parameters that play a major role in the financial performance of a hotel have been identified, tabled and assessed. With the focus on those that are quantifiable and easy for data collection, a survey was formed to reach out to the hospitality industry for assessment. Such findings were applied to develop a rating system for the hotel properties. The rating system was then tested on both ends (input/output) with real data. In this research correlations were identified between the hotel parameters, (such as number and size of rooms, operational costs) and its financial performance. An actual Hotel Asset Performance Score (HAPS) has been established that can be used for the assessment of operating hotels or those under development. Results of this study should be considered with caution. There are some limitations associated with the inaccuracies of the values of some parameters as well as the small scale of the sample data. This study has led to the successful development of a HAPS for luxury hotel properties. Hoteliers, asset managers and real estate developers can use this system to assist with the design planning as well as the revenue management of the properties. This study offers a technique to measure hotels' performance using hardware and software parameters. It is a new method that performs a holistic property performance assessment.

KEYWORDS