



Advisory Services for Lodging Owners and Investors

The Plasencia Group is uniquely qualified to assist you, particularly during times of market and economic uncertainty like those we are experiencing today.

In light of the rapidly evolving COVID-19 pandemic, hotel and resort owners are faced with unprecedented and difficult decisions over both the short- and long-term horizons. Considerations such as shutting down hotels, laying off workforces, working with lenders, seeking relief through government programs and exiting real estate holdings altogether combine to require sound and timely thought and analysis.

We encourage you to seek unvarnished third-party advice and counsel in contemplating these decisions and in dealing with brands, operators, contractors, and lenders. The Plasencia Group has previously assisted a wide range of owners throughout prior crises including the 9/11 attacks, the financial crisis of 2008, Hurricane Katrina in Louisiana, and numerous natural disasters across the U.S. and the Caribbean. With the benefit of having successfully navigated through these events, we have developed tried-and-true strategies and action plans to assist hotel owners and their management teams through challenging times.

The Plasencia Group's Crisis Strategies and Advisory Services for Hospitality Owners and Investors

IMMEDIATE

Triage and Initial Assessment

Our advisory team will work with owners and managers to quickly address the most pressing issues on property.

Steps in the Triage and Initial Assessment process include:

- ▶ Visit the property, when safe and practical, to get a sense for the environment on the ground.
- ▶ Analyze current and near-term performance and develop projections to come to a decision to partially or completely shutter a property.
- ▶ Review loan documents and recommend actions and strategies in dealing with lenders.
- ▶ Explore options for refinancing or restructuring of current debt.
- ▶ Pursue business interruption insurance, if available.
- ▶ Assess options made available by the government to assist owners and employees.
- ▶ Interface with brands to seek potential relief on fees, charges, shared service costs, etc.
- ▶ Ensure operators continue to act in the best interest of owners, complying with contract provisions.
- ▶ Parlay with local taxing bodies to negotiate tax relief.
- ▶ Consider options for food and beverage outlets, depending on local ordinances regarding restaurants.
- ▶ Pursue the reduction or deferral of payments to vendors and third-party lessors.
- ▶ Physically prepare the hotel for a scale-down or shutdown.
- ▶ Anticipate potential problems, not just in the moment, but down the road, including:
 - Security and asset preservation.
 - Effects on insurance coverage.
 - Legal issues that may stem from closing a property.
 - Capital projects, if they should be halted after materials have been delivered or work has started.

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SHORT-TERM AND RECOVERY

Ramp-Up and Stabilization

Once immediate hurdles have been overcome, our asset managers can continue to assist owners in quickly and efficiently ramping up operations at their hotels and resorts.

Steps in the Ramp-Up and Stabilization process include:

- ▶ Ensure the property is certified as clean and virus-free.
- ▶ Make sure safe hygienic practices have been put in place to ensure guest and employee safety.
- ▶ Perform a pricing assessment to determine the most profitable rate and occupancy balance.
- ▶ Evaluate lost business and implement a strong marketing plan to solicit transient and group business.
- ▶ Analyze competitive properties to ensure that the hotel is in an advantageous position when reopening.
- ▶ Shepherd the reorientation process for employees who were furloughed, and oversee the efficient staffing of various hotel departments.
- ▶ Serve as a stabilizing presence, representing ownership, to bring the property's operations back to previous performance levels in a timely manner.
- ▶ Prepare the hotel for refinancing, sale or long-term hold, depending on ownership's preferences.

LONG-TERM

Continued Asset Management or Investment Sales

We are exceptionally well equipped to assist hotel owners and investors in transacting their assets, especially if our team has provided asset management services for a particular property.

Our asset management team assists hotel and resort owners throughout the planned investment horizon, meanwhile becoming thoroughly familiar with the asset's features and upside potential that would be of interest to potential purchasers. Once the property has ramped back up, it may be prudent for ownership to consider exiting the investment.

Since 1993, The Plasencia Group has been a national leader in hospitality investment transactions across North America, providing personalized advisory services to our clients, including institutional and corporate owners, family offices and high-net-worth individuals.

Similarly, the firm's Hospitality Advisory Services team has overseen the operations of numerous high-profile lodging assets across the U.S. through its Asset Management division. Over the years, our professionals have worked with nearly every major brand, property type and operator across the lodging investment arena.

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ADDITIONAL STRATEGIES

Acquisitions

Well-capitalized investors may find themselves in a good position to acquire hotels in the upcoming investment environment, where opportunities with attractive pricing are likely to be in high supply. Our team has extensive experience in this area and can facilitate the acquisition of a hotel from initial underwriting to due diligence to operator selection to brand negotiations to debt sourcing to closing.

Development Projects

Owners may also use the scale-down or shutdown of their assets as an opportunity to pursue capital projects without the concern of interrupting guest experiences or property operations. Construction is widely considered an essential industry, so these renovations can continue or be started in the current environment. The Plasencia Group's Development Management Consulting division offers a comprehensive menu of services to owners, including project administration, budget and schedule management, contractor and consultant negotiation, design process management, brand negotiation, and procurement management. In this time when supply chains and construction employee pools are tenuous, our team can shepherd projects and act in owners' best interests.

Our firm is here to assist our industry friends and clients in these unprecedented times. Our wide range of services allows owners to focus on the big picture with the comfort and knowledge that a trusted advisor is working on their behalf. If The Plasencia Group may be of assistance in any way, please call us at **(813) 932-1234** or email us at **info@tpghotels.com**.



Local knowledge. National Presence. Exclusively Hospitality.

Contact us today if our experienced advisory team can assist you in evaluating your current portfolio and strategizing for the weeks and months ahead. We look forward to the opportunity to serve you.

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