Meridian Bay Hotel

Fictional 148-key independent full-service hotel · Gulf Coast market

Asking price	**$17.4M**
TTM revenue	**$7.9M**
TTM NOI	**$1.55M**
RevPAR index	**93**
Preliminary CapEx	**$2.4M**

Verdict: Conditional Acquire — proceed only at a price and structure that absorb the insurance reset and the capital gap. At the ask, the margin of safety is not there.

Fictional sample for format review only. All property details, figures and findings are illustrative; none represent a real client, a benchmark or a prior outcome.

Human verdict required — no investment recommendation issued in this sample.

FICTIONAL SAMPLE

Five-pillar diligence / evidence map

Market	Comp-set penetration; supply pipeline realism versus broker optimism.
Financials	Re-cast GOP, management fee adjustments and normalized FF&E reserves.
Asset Condition	Unfunded PIP exposure and deferred CapEx risk; hotel PIP reserve adequacy.
Contracts & Brand	Franchise and management agreement terms, flagged in plain English for your counsel — commercial flags, not a legal opinion.
Returns	Flow-through sensitivity and debt yield resilience.

Nothing is scored or weighted; the verdict is a human call. A hotel acquisition due diligence checklist grounded in operating evidence, including USALI P&L, underwriting exception review and hotel PIP reserve adequacy.

Why the insurance flag is real: Risk Strategies' 2025 hospitality insurance market report puts hotel property-insurance increases at 17–26% on average by state — 50% or more in high-risk locations. Why the reserve flag is real: brands require, and lenders underwrite, an FF&E reserve of about 4% of total revenue for a stabilized hotel.

FICTIONAL SAMPLE

Critical exceptions / next diligence

CRITICAL

Insurance reset is not fully reflected.

The fictional TTM insurance expense increased 38%, while the seller forecast assumes partial normalization without supporting evidence.

CRITICAL

CapEx reserve appears insufficient.

The fictional preliminary scope indicates $2.4M of near-term work, but the underwriting reserve includes only $1.1M.

WATCH

ADR growth exceeds the market case.

The fictional forecast assumes 8.5% ADR growth against a 3.2% comp-set case.

Confirm the evidence, scope third-party diligence and obtain the human operator review before any capital decision.

Human verdict required — no investment recommendation issued in this sample.

FICTIONAL SAMPLE