

# Appraisal of Resort Complexes

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# Appraisal of Resort Complexes

Introduction

Data Collection  
Site Visit / Tour

Analyze the Three Approaches to Value

- Cost
- Sales Comparison
- Income
  - Discussion of FF&E
  - Sub-leases
  - Ancillary Income
  - Equipment and Personal Property

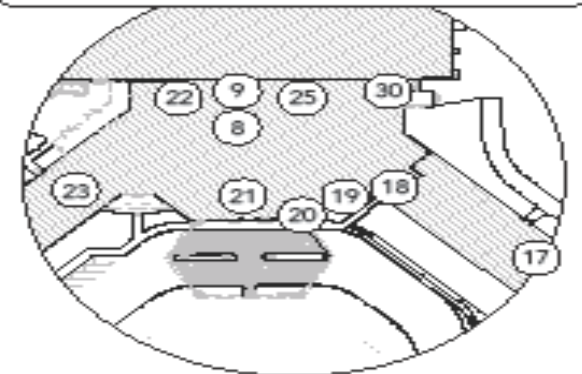
Questions

# Kalahari. *Trail Guide*

©2018

## 2019 Map

LOBBY LOWER LEVEL



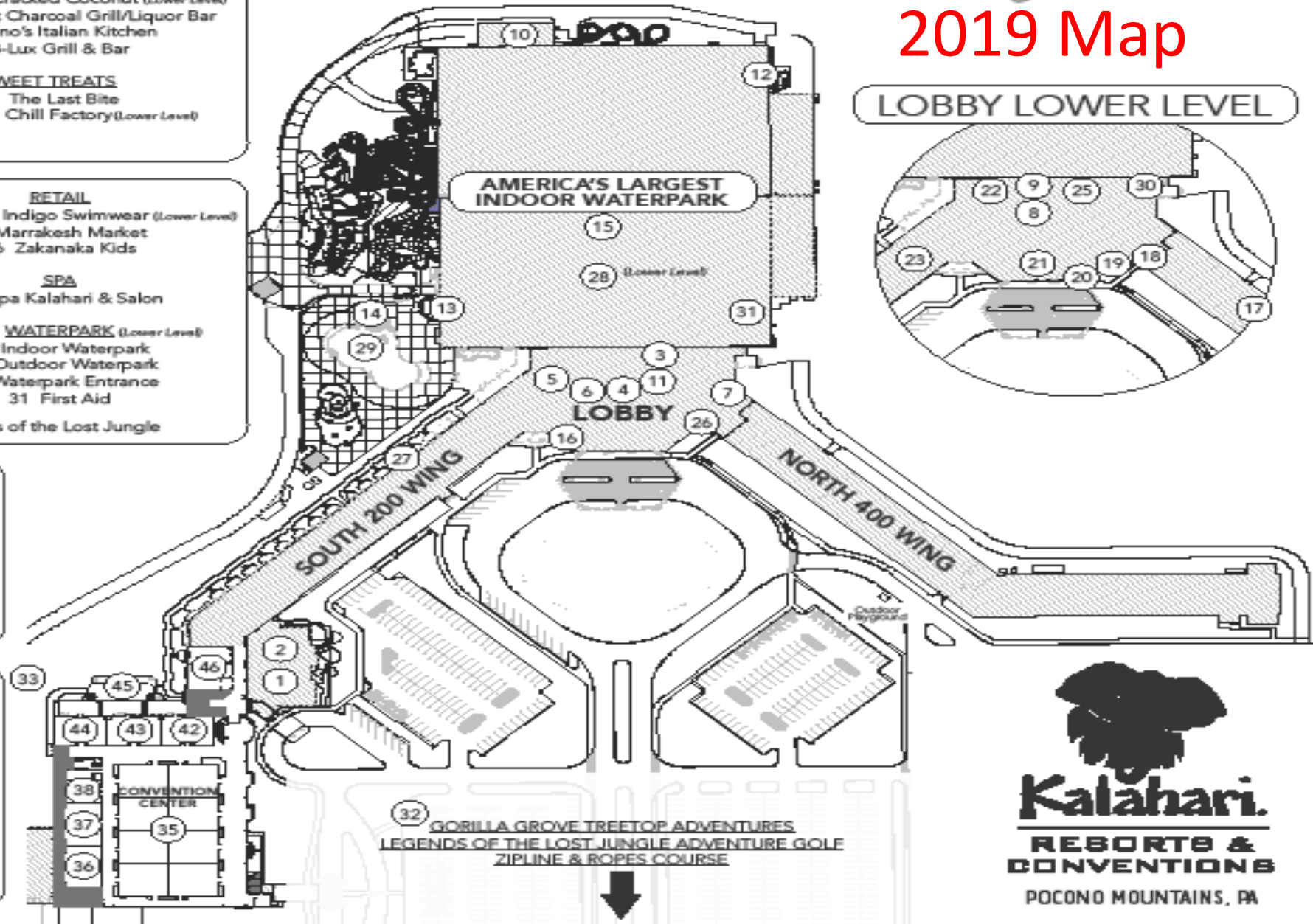
- KALAHARI DINING OPTIONS**
- SIT DOWN DINING
- 1 Double Cut Charcoal Grill/Liquor Bar
  - 2 Sortino's Italian Kitchen
  - 3 B-Lux Grill & Bar
  - 4 Ivory Coast
- GOURMET BUFFET
- 5 Great Karoo Marketplace Buffet
- QUICK EATS
- 6 Java Manjaro
  - 7 Marrakesh Market
  - 8 Cafe Mirage (Lower Level)
  - 9 Safari Grille (Lower Level)
  - 10 Zulu Grille (Lower Level)
- BAR & LOUNGES
- 11 Felix's Bar
  - 12 The Paxton Grotto
  - 13 The Thirsty Turtle
  - 14 Zanzibar
  - 15 Cracked Coconut (Lower Level)
- SWEET TREATS
- 16 The Last Bite
  - 8 Chill Factory (Lower Level)

- THINGS TO DO**
- ARCADE (Lobby Lower Level)
- 17 Arena - Ultimate VR Experience
  - 17 Escape Room
  - 18 Bowling
  - 19 XD Dark Ride
  - 19 Lazer Frenzy
  - 20 Mini Golf
  - 21 Redemption Center
  - 22 Kalahari Adventurers Club
- RETAIL
- 25 Indigo Swimwear (Lower Level)
  - 7 Marrakesh Market
  - 26 Zakanaka Kids
- SPA
- 27 Spa Kalahari & Salon
- WATERPARK (Lower Level)
- 28 Indoor Waterpark
  - 29 Outdoor Waterpark
  - 30 Waterpark Entrance
  - 31 First Aid
- FITNESS
- 23 Kalahari Fitness (Lower Level)
  - 33 Hiking Trail to Waterfall
  - 32 Gorilla Grove Treetop Adventures/Legends of the Lost Jungle

**GUEST ROOMS & SUITES**

<u>SOUTH 200 WING</u>	<u>NORTH 400 WING</u>
1201-1261	2415-2456
2201-2247	3401-3452
3202-3282	3454-3499
4202-4282	4401-4452
5202-5282	4454-4499
6202-6282	5401-5452
7202-7274	5454-5499
8202-8242	6401-6450
	6454-6499
	7401-7428
	7430-7450
	8401-8428
	8430-8499

- CONVENTION CENTER**  
Lower Level
- KALAHARI BALLROOM
- 35 Salons A - H
- WOOD ROOMS
- 36 Alocwood
  - 36 Ironwood
  - 37 Rosewood
  - 37 Sagewood
- BOARD ROOMS
- 38 Ebony
  - 38 Empress
- RIVER ROOM
- 42 Zambezi
  - 43 Nile
  - 44 Orange
  - 45 River Patio
- SALES & CATERING OFFICE
- 46 Sales & Catering Office
  - 46 Business Center
  - 46 Mahogany Room





## KALAHARI DINING OPTIONS

### SIT DOWN DINING

- 1 Double Cut Charcoal Grill/Liquor Bar
- 2 Sortino's Italian Kitchen
- 3 B-Lux Grill & Bar
- 4 Ivory Coast

### GOURMET BUFFET

- 5 Great Karoo Marketplace Buffet

### QUICK EATS

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### SWEET TREATS

- 16 The Last Bite

## THINGS TO DO

### ARCADE (Lobby Lower Level)

- 17 Laser Tag
- 17 Escape Room
- 18 Bowling
- 19 XD Dark Ride
- 19 Lazer Frenzy
- 20 Mini Golf
- 21 Redemption Center

### DAILY ACTIVITIES

- 7 Kalahari Adventurers Club

### FITNESS

- 23 Kalahari Fitness (Lower Level)
- 33 Hiking Trail to Waterfall

### RETAIL

- 25 Indigo Swimwear (Lower Level)
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### SPA

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## GUEST ROOMS & SUITES

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- 5202-5282
- 6202-6282
- 7202-7274
- 8202-8242

### NORTH 400 WING

- |           |           |
|-----------|-----------|
| 2415-2456 | 3454-3499 |
| 3401-3452 | 4454-4499 |
| 4401-4452 | 5454-5499 |
| 5401-5452 | 6454-6499 |
| 6401-6450 | 7430-7450 |
| 7401-7428 | 8430-8499 |
| 8401-8428 | 9430-9499 |
| 9401-9428 |           |

## CONVENTION CENTER

Lower Level

### KALAHARI BALLROOM

- 35 Salons A - H

### BOARD ROOMS

- 38 Ebony
- 38 Empress

### KILIMANJARO BALLROOM

- 47 Suites 3 - 10

### RIVER ROOM

- 42 Zambezi
- 43 Nile
- 44 Orange
- 45 River Patio

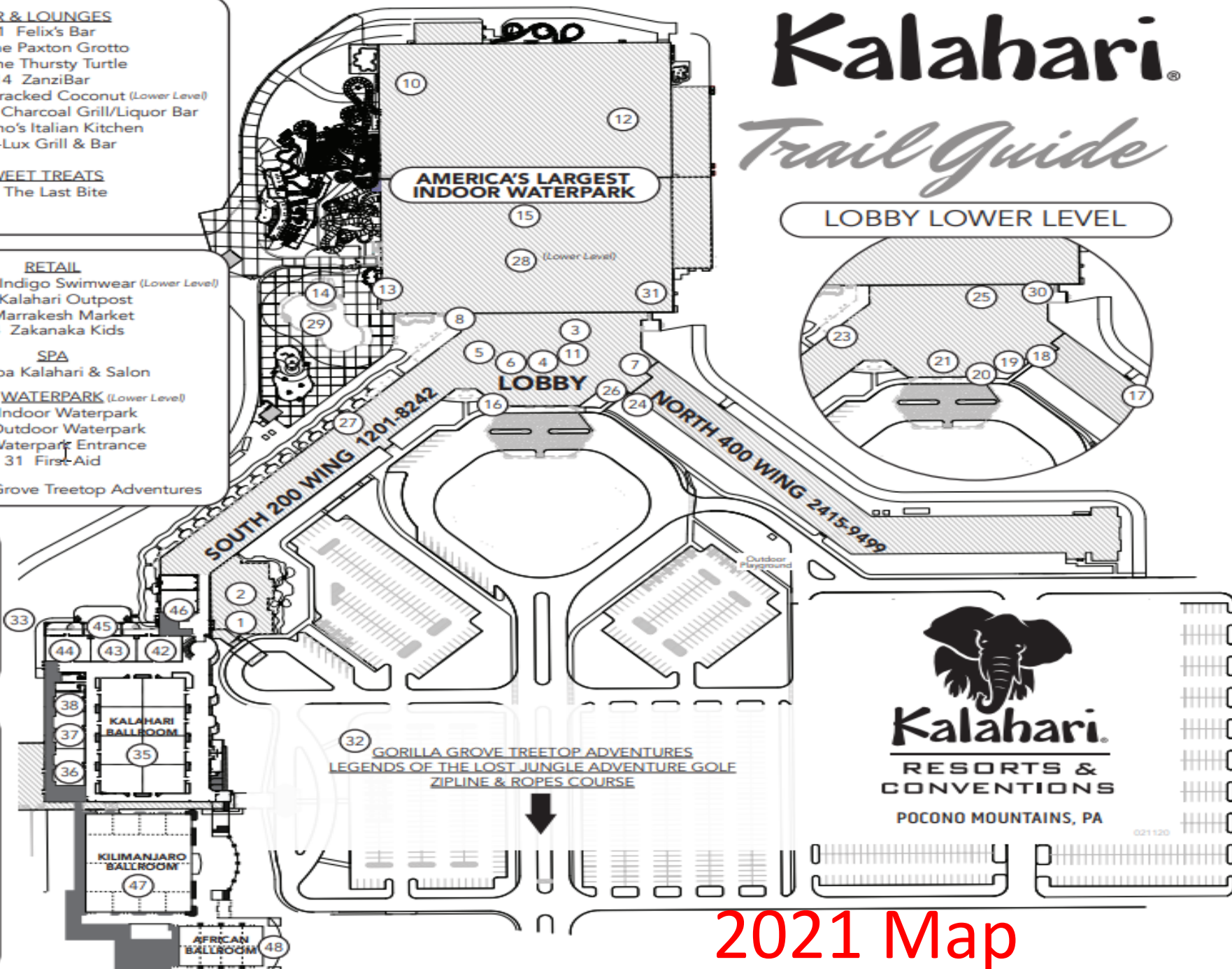
### AFRICAN BALLROOM

- 48 Suites 20 - 90

### WOOD ROOMS

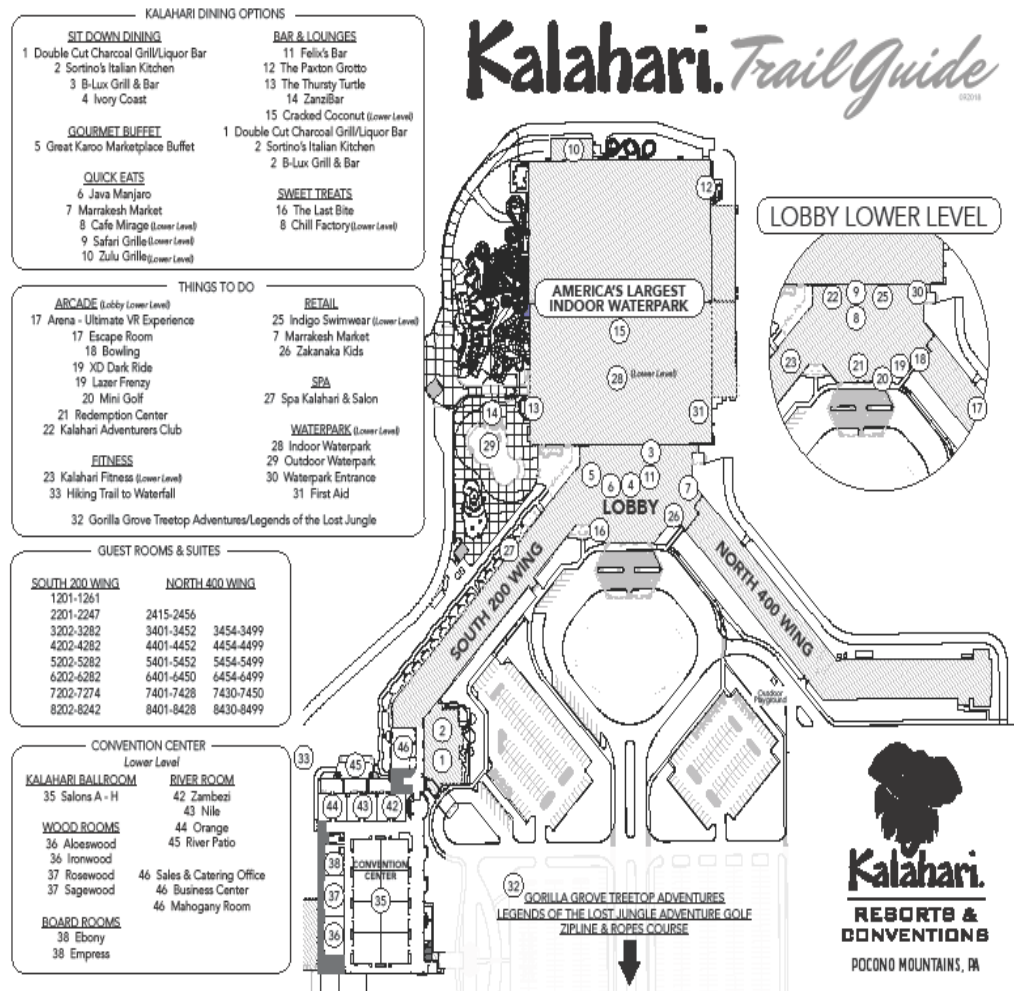
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- 46 Sales & Catering Office
- 46 Business Center
- 46 Mahogany Room



2021 Map

# Appraisal of Resort Complexes



## Resort Amenities:

- 220,000 sq ft indoor water park
- 205,000 sq ft convention center (100k in 2019)
- 40,000 sq ft entertainment center
- 977 guest rooms
- Kalahari spa and salon
- Dining options
  - 4 Sit-down dining
  - 6 Quick service dining
  - 8 Bars
  - 1 Sweet treat



# KALAHARI DINING OPTIONS

## SIT DOWN DINING

- 1 Double Cut Charcoal Grill/Liquor Bar
- 2 Sortino's Italian Kitchen
- 3 B-Lux Grill & Bar
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## GOURMET BUFFET

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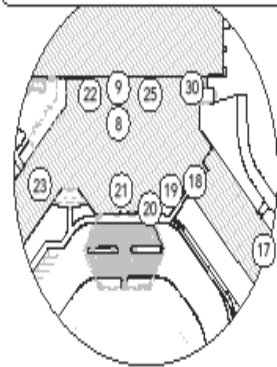
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# Kalahari. Trail Guide

## LOBBY LOWER LEVEL



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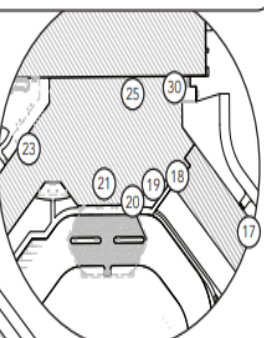
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# Kalahari. Trail Guide

## LOBBY LOWER LEVEL



**Kalahari.**  
RESORTS &  
CONVENTIONS

POCONO MOUNTAINS, PA

021120

# Appraisal of Resort Complexes

## COMPARING TWO SIMILAR RESORTS

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### 7 Springs Resort Amenities (Annual 2022 Conference Location)

- 5,560 acres of outdoor space
- 77,000 sq ft of meeting space
- ##### sq ft of indoor entertainment
- 414 guest rooms
- dining Options
  - 4 Sit-down dining
  - 3 Quick service
  - 2 Bars
  - 1 Sweet treat

### Kalahari Resort Amenities:

- 220,000 sq ft indoor water park
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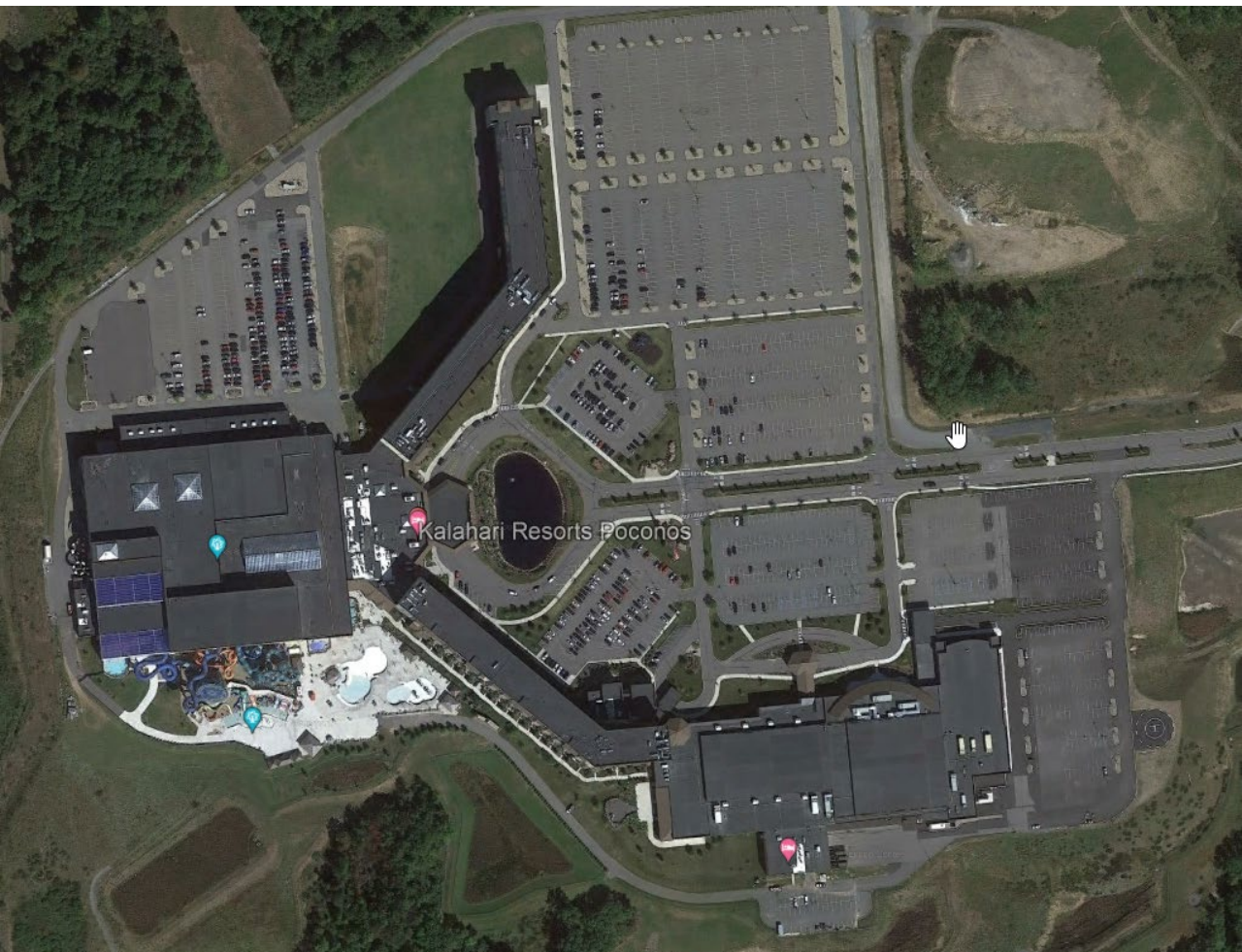
# Appraisal of Resort Complexes

## COMPARING TWO SIMILAR RESORTS

7 Springs Resort Amenities (Annual 2022 Conference Location)



Kalahari Resort Amenities:







# Appraisal of Resort Complexes

## COMPARING TWO SIMILAR RESORTS

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### Split Rock Resort

- 53,000 sq ft indoor water park
- 80,000 sq ft of meeting space
- ##### sq ft of indoor entertainment
- 156 guest rooms
- Room rates \$100 - \$315
- Day pass \$38\*
  - 3 day pass \$76\*

\*Hotel guest get 10% discount

### Kalahari Resort Amenities:

- 220,000 sq ft indoor water park
- 205,000 sq ft convention center
- 40,000 sq ft entertainment center
- 977 guest rooms
- Room Rates \$200 - \$400 (standard rooms)
  - Suites are \$600 - \$1000
  - Includes up to 4 admissions to water park (\$276 Value)

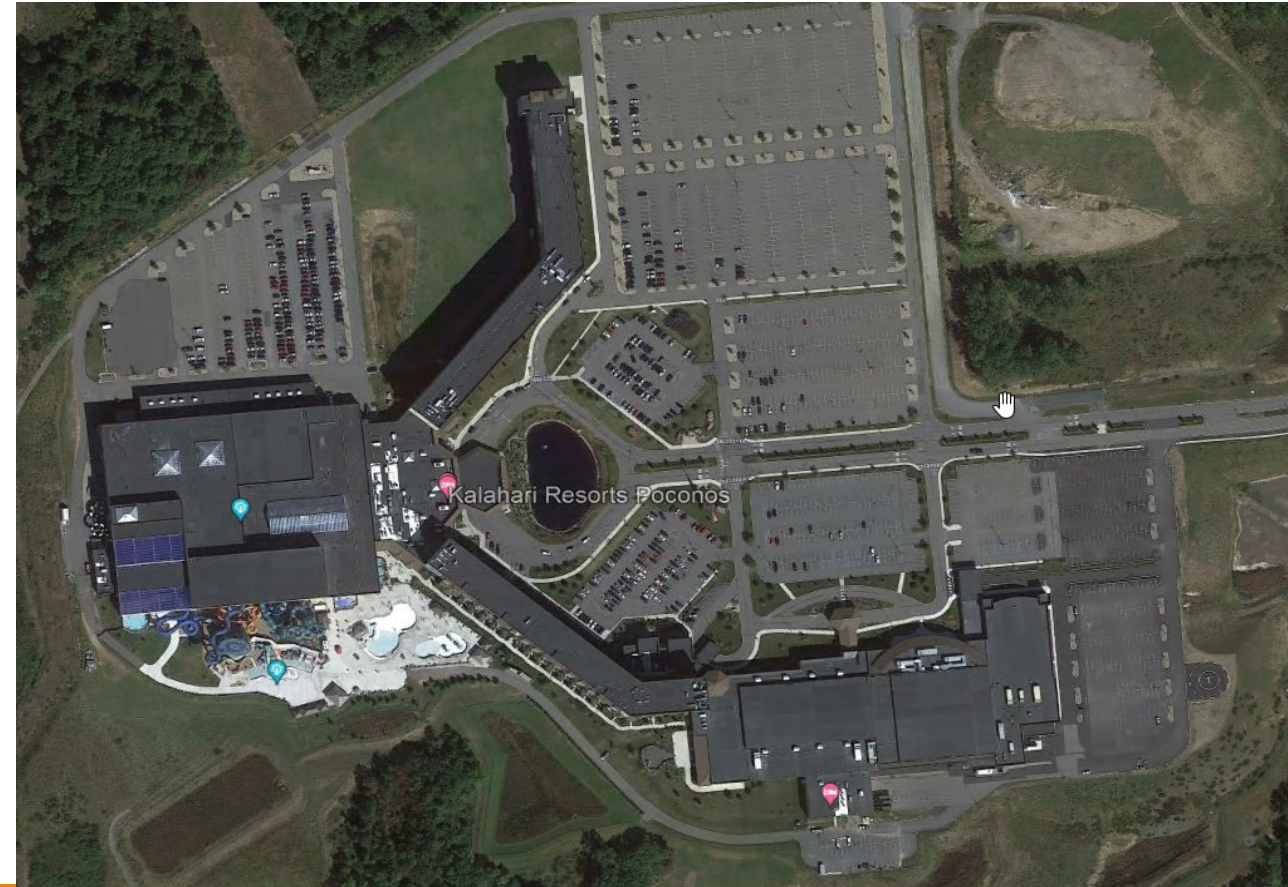
# Appraisal of Resort Complexes

## COMPARING TWO SIMILAR RESORTS

Split Rock Resort



Kalahari Resort Amenities:







# Appraisal of Resort Complexes

## COMPARING TWO SIMILAR RESORTS

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### Great Wolf Lodge (Poconos)

- 80,000\* sq ft indoor water park
- 1,500 sq ft of meeting space
- Many options of indoor entertainment
- 401 guest rooms
- Room rates \$200 - \$600
  - Includes up to 4 admission to water park

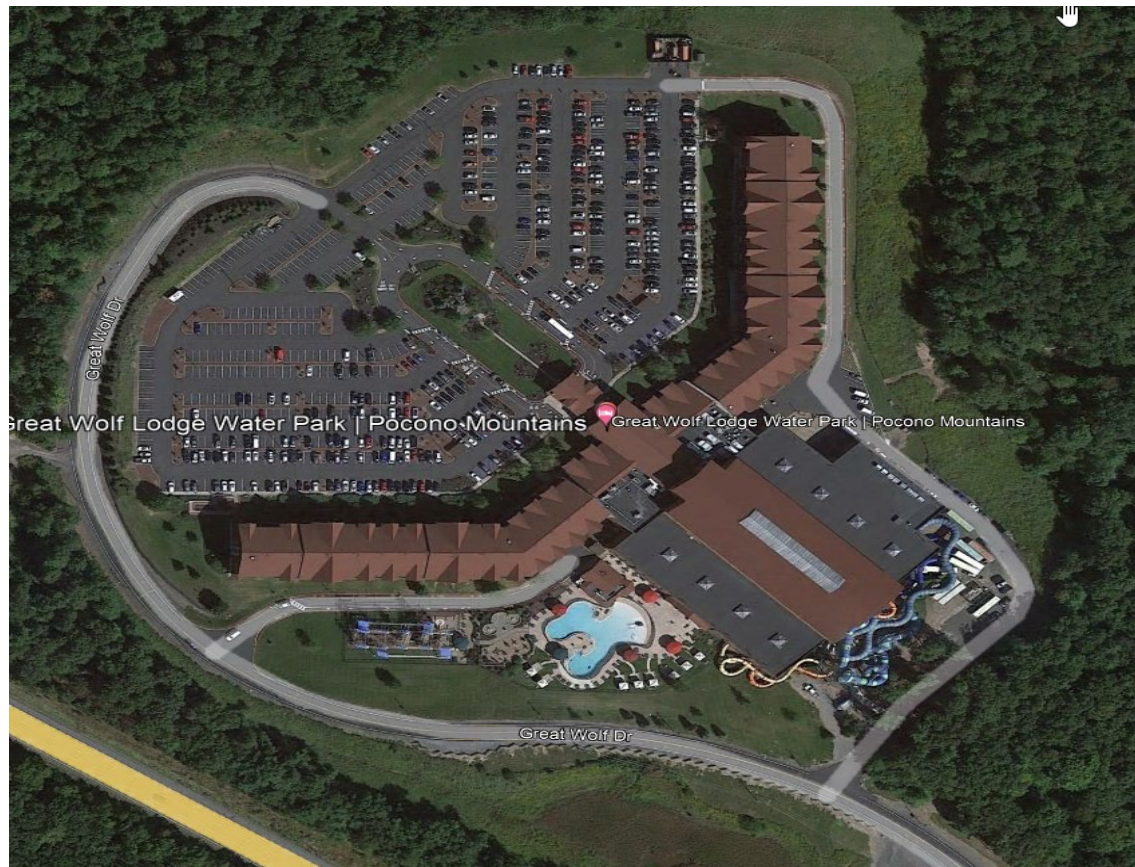
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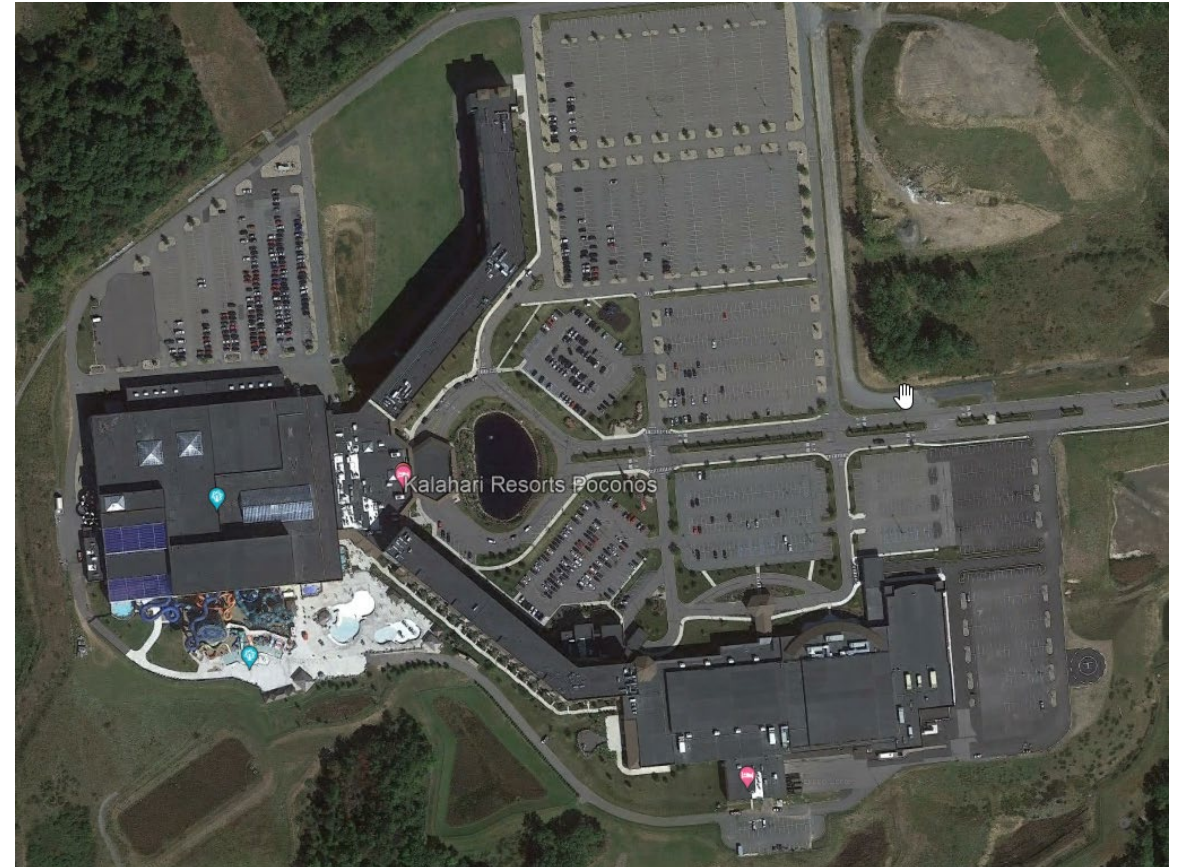
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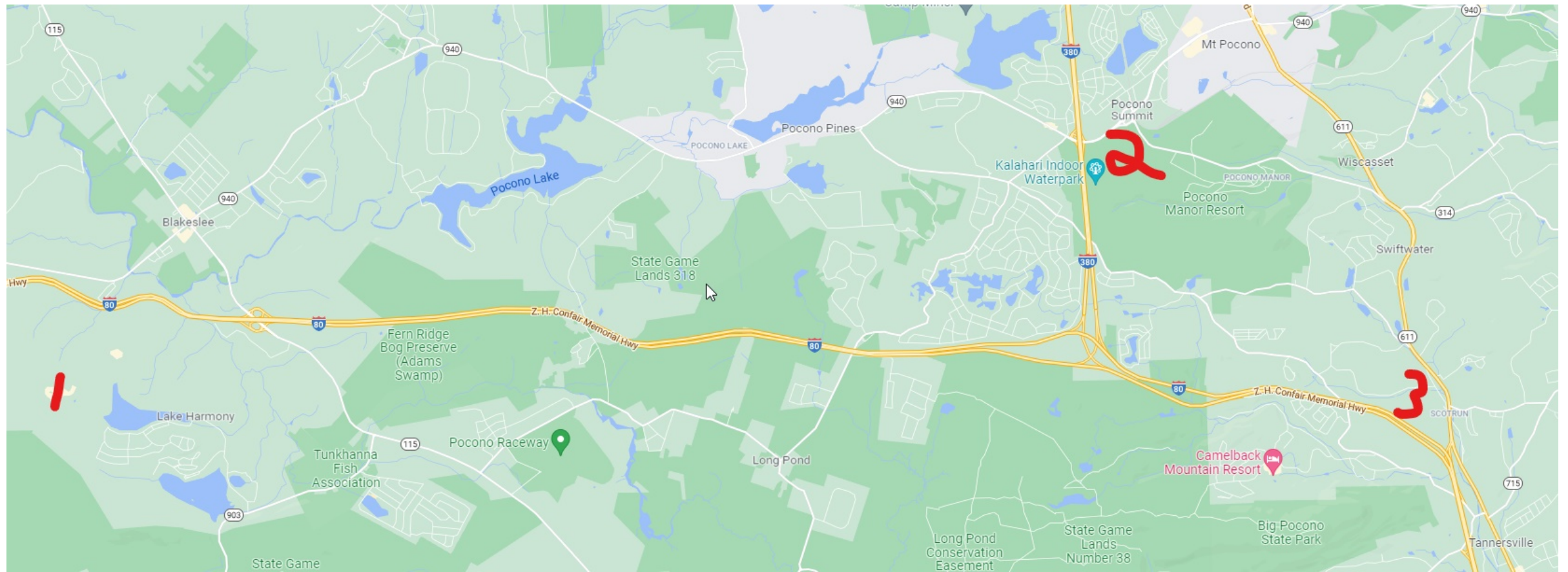
Great Wolf Lodge (Poconos)



Kalahari Resort Amenities:



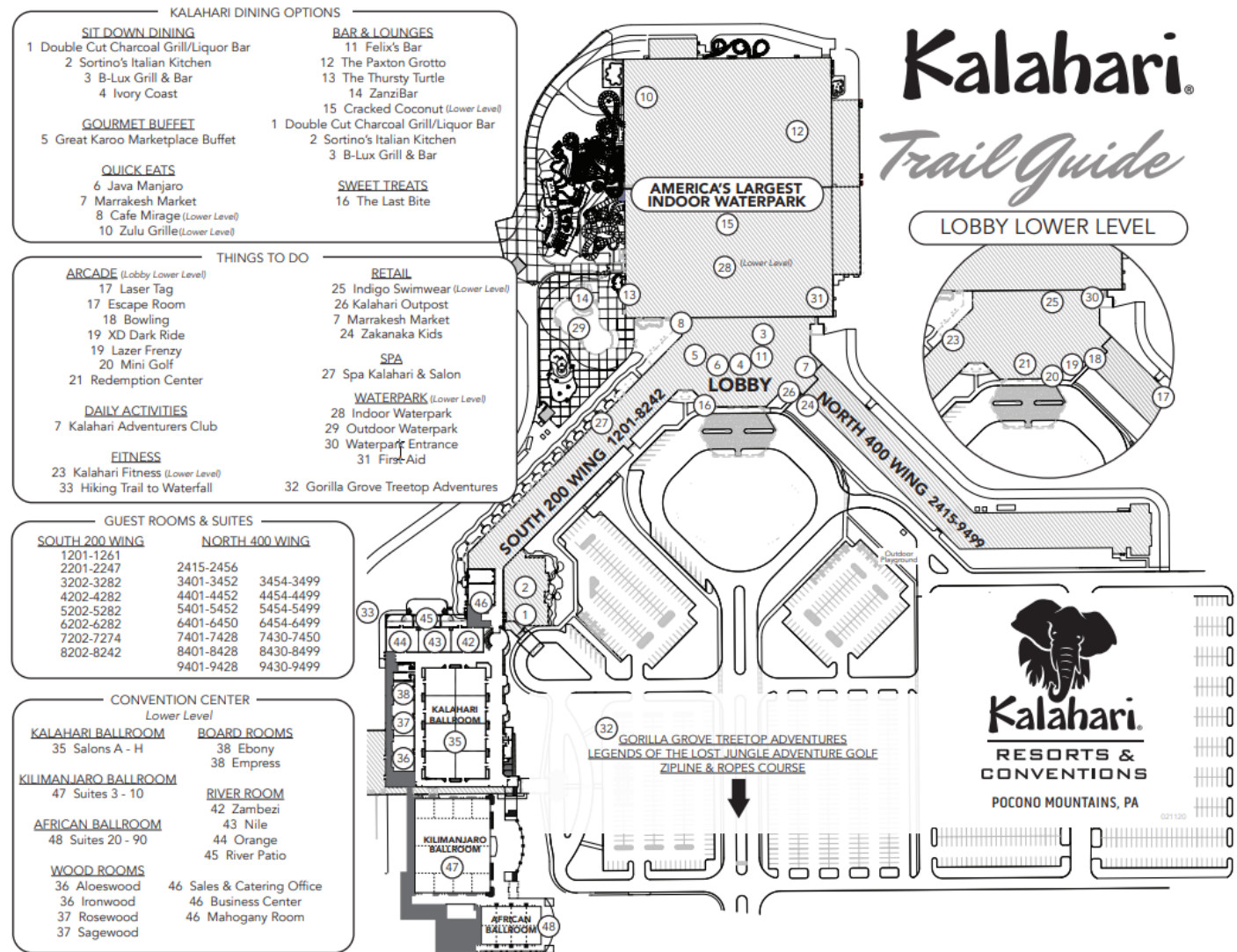




1. Split Rock Resort
2. Kalahari Resort
3. Great Wolf Lodge Resort

# Appraisal of Resort Complexes

- Cost Approach – Started construction in 2013
- Included south wing of hotel, lobby, & 100k sq ft indoor water park
- Cost of construction was \$123,900,000\*
- In 2015 Started an expansion
  - included the convention center, north wing and 120k sq ft indoor water park addition and outdoor water park area.
- Cost of Construction \$53,000,000\*
- In 2018 started expansion
  - 105K square foot addition to the convention center.
- Aerial image



\*Per Monroe County Asmt Office

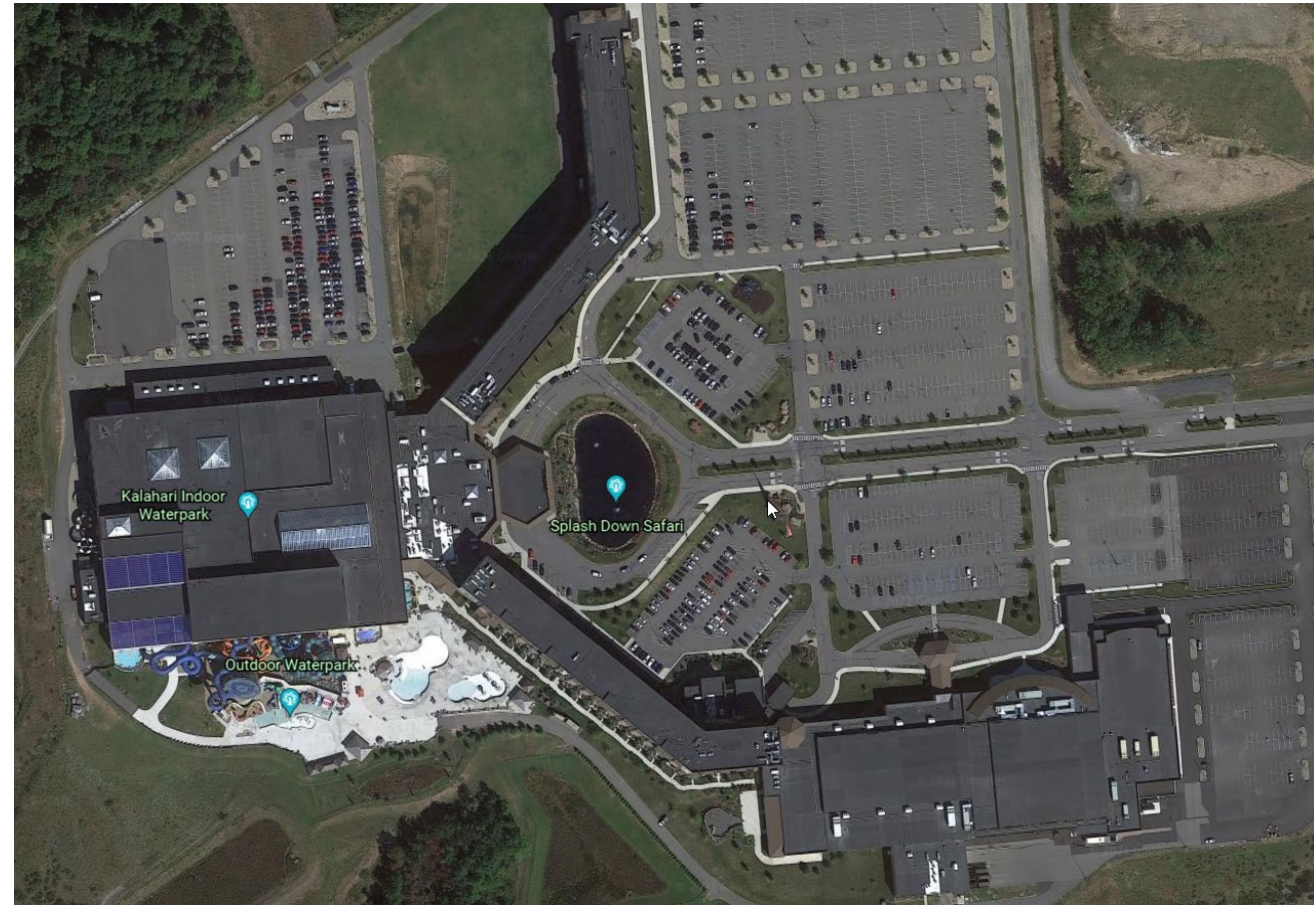


# Appraisal of Resort Complexes

Image from 4/17/2017



Image from 9/22/2020





# Amenities

## 2019 Convention Center:

- 110,000 sq ft meeting space broken down from 2,500 sq ft room to 25,000 sq ft ballroom.
- 2019 expansion to 205,000 sq ft will change meeting room size from 1,500 to 38,000 ballroom.





# Amenities

## 2021 Convention Center:

- 205,000 sq ft meeting space broken down from 2,500 sq ft room to 38,000 sq ft ballroom.

# EXPANDING THE IDEAL MEETING & EVENT EXPERIENCE



It's no wonder with 400 years of combined experience, in-depth knowledge, and willingness to adjust to personal needs that Kalahari Resorts & Conventions has resulted in hosting noteworthy events for the best event planners in America.

And now - we're adding to the reasons why you should plan your next meeting or event here. Coming soon, our Convention Center will be more than doubling in size, adding 105,000 sq ft for a grand total of 205,000 sq ft!

### Here's what else you can expect:

- 18 new meeting rooms – for a total of 36
- Main ballroom/exhibit space of over 38,000 sq ft - in addition to our current 25,000 sq ft Ballroom
- Jr. Ballroom of 12,000 sq ft & 9,000 sq ft
- Giant, sun drenched pre-function spaces
- Substantial registration and client office areas
- Enhanced load in and load out capabilities

All this is in addition to the already included perks like our 900+ rooms and suites, complimentary Wi-Fi throughout, free and plenty parking, no pesky surcharges on vendors, world-class dining and catering, our relaxing spa and salon, not to mention America's biggest and best in family-friendly amenities.

Think of it as, just one more way we've got your back. Welcome to Kalahari.



ROOMS	Dimensions	Square Feet	Clear Ceiling Height	Classroom	Theatre Style	U-Shape	Round of 8	Conference	Hollow Square	Reception	8'x10' Exhibit Booth	10'x10' Exhibit Booth
<b>KILIMANJARO BALLROOM</b>												
FULL KILIMANJARO BALLROOM	174' x 218'	38,000	2,700	4,218	-	3,142	-	-	3,800	238	180	-
KILIMANJARO SUITE 1 OR 2	174' x 82'	11,000	18'	759	1,201	-	915	-	1,100	89	55	-
KILIMANJARO SUITES 1 AND 2	174' x 108'	22,000	18'	1,518	2,442	-	1,830	-	2,200	138	110	-
ANY 1 KILIMANJARO SUITES 3-10	44' x 40'	2,000	10'	138	222	57	165	-	48	200	13	10
<b>KALAHARI BALLROOM</b>												
A - H COMBINED	107' x 214'	25,000	20'	1,705	2,775	-	2,080	-	2,300	170	134	-
SIX SALONS	-	18,700	20'	1,096	2,085	537	1,562	-	1,878	-	-	-
FOUR SALONS	-	12,000	20'	884	1,380	358	1,042	-	1,252	-	-	-
TWO SALONS	-	6,250	20'	432	695	179	521	-	628	-	-	-
SINGLE SALON	58'5" x 53'5"	3,125	20'	216	347	90	260	-	313	-	-	-
<b>AFRICAN BALLROOM</b>												
FULL AFRICAN BALLROOMS	87' x 151'	13,000	10'	808	1,332	343	988	-	1,200	75	85	-
ANY 1 AFRICAN SUITE 20-95	34'3" x 43'9"	1,500	10'	104	187	43	125	36	56	150	-	-
<b>RIVER ROOMS</b>												
FULL RIVER BALLROOMS	188' x 48'	9,000	10'	621	889	257	749	-	900	62	45	-
ANY TWO RIVER ROOMS	126' x 48'	6,000	10'	414	688	172	499	-	600	-	-	-
ZAMBEZI RIVER ROOM	82' x 48'	3,900	10'	267	333	86	250	-	300	-	-	-
NILE RIVER ROOM	82' x 48'	3,900	10'	267	333	86	250	-	300	-	-	-
ORANGE RIVER ROOM	82' x 48'	3,900	10'	267	333	86	250	-	300	-	-	-
<b>WOOD ROOMS</b>												
FOUR WOOD ROOMS	137' x 44'	6,000	10'	414	688	172	499	-	600	32	23	-
ANY THREE WOOD ROOMS	103' x 44'	4,500	10'	311	500	129	374	-	450	-	-	-
ANY TWO WOOD ROOMS	89' x 44'	3,000	10'	207	333	86	250	-	300	-	-	-
ALDERWOOD	54' x 44'	1,500	10'	104	187	43	125	36	56	150	-	-
BROWNWOOD	54' x 44'	1,500	10'	104	187	43	125	36	56	150	-	-
ROSEWOOD	54' x 44'	1,500	10'	104	187	43	125	36	56	150	-	-
SAGEWOOD	54' x 44'	1,500	10'	104	187	43	125	36	56	150	-	-
<b>BOARD ROOMS</b>												
EDONY	18' x 44'	750	10'	-	-	-	20	-	-	-	-	-
EMPIRESS	18' x 44'	750	10'	-	-	-	20	-	-	-	-	-
<b>PRE-FUNCTION</b>												
<b>NORTH ATRIUM</b>												
NORTH FOYER	295' x 33'	9,735	-	-	-	-	-	-	974	50	50	-
WEST FOYER	171' x 20'	5,100	-	-	-	-	-	-	510	-	-	-
SOUTH FOYER	239' x 20'	4,780	-	-	-	-	-	-	478	-	-	-
EAST FOYER	179' x 15'	2,685	-	-	-	-	-	-	-	-	-	-
AFRICAN ATRIUM	23' x 121'	2,588	-	-	-	-	-	-	-	-	-	-
AFRICAN FOYER	148' x 137'6"	1,758	-	-	-	-	-	-	-	-	-	-
<b>OUTDOOR EVENT SPACE</b>												
RIVER TERRACE	52'x24'	1,248	-	-	-	-	36	-	130	-	-	-
RIVER PATIO	70'x20'	2,240	-	-	-	-	120	-	210	-	-	-

ROOMS	Dimensions	Square Feet	Clear Ceiling Height	Classroom	Theatre Style	U-Shape	Rounds of 8	Conference	Hollow Square	Reception	8'x10' Exhibit Booth	10'x10' Exhibit Booth
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KILIMANJARO SUITE 1 OR 2	174' x 62'	11,000	18'	759	1,221	-	915	-	1,100	69	55	-
KILIMANJARO SUITES 1 AND 2	174' x 128'	22,000	18'	1,518	2,442	-	1,830	-	2,200	138	110	-
ANY 1 KILIMANJARO SUITES 3 -10	44' x 46'	2,000	16'	138	222	57	166	-	48	300	13	10
KALAHARI BALLROOM												
A - H COMBINED	117' x 214'	25,000	25'	1,725	2,775	-	2,060	-	2,500	173	134	-
SIX SALONS	-	18,750	25'	1,206	2,065	537	1,562	-	1,878	-	-	-
FOUR SALONS	-	12,500	25'	864	1,390	358	1,042	-	1,252	-	-	-
TWO SALONS	-	6,250	25'	432	695	179	521	-	626	-	-	-
SINGLE SALON	58'5" x 53'5"	3,125	25'	216	347	90	260	-	313	-	-	-
AFRICAN BALLROOM												
FULL AFRICAN BALL-ROOMS	87' x 131'	12,000	16'	808	1,332	343	966	-	1,200	75	60	-
ANY 1 AFRICAN SUITE 20-25	34'3" x 42'9"	1,500	16'	104	167	43	125	36	36	150	-	-
RIVER ROOMS												
FULL RIVER BALLROOMS	188' x 48'	9,000	18'	621	999	257	749	-	-	900	62	40
ANY TWO RIVER ROOMS	120' x 48'	6,000	18'	414	666	172	499	-	-	600	-	-
ZAMBEZI RIVER ROOM	63' x 48'	3,000	18'	207	330	86	250	-	-	300	-	-
NILE RIVER ROOM	63' x 48'	3,000	18'	207	330	86	250	-	-	300	-	-
ORANGE RIVER ROOM	63' x 48'	3,000	18'	207	330	86	250	-	-	300	-	-
WOOD ROOMS												
FOUR WOOD ROOMS	137' x 44'	6,000	18'	414	666	172	499	-	-	600	32	23
ANY THREE WOOD ROOMS	103' x 44'	4,500	18'	311	500	129	374	-	-	450	-	-
ANY TWO WOOD ROOMS	69' x 44'	3,000	18'	207	333	86	250	-	-	300	-	-
ALDERWOOD	34' x 44'	1,500	18'	104	167	43	125	36	36	150	-	-
IRONWOOD	34' x 44'	1,500	18'	104	167	43	125	36	36	150	-	-
ROSEWOOD	34' x 44'	1,500	18'	104	167	43	125	36	36	150	-	-
SAGEWOOD	34' x 44'	1,500	18'	104	167	43	125	36	36	150	-	-
BOARD ROOMS												
EBONY	18' x 44'	750	18'	-	-	-	20	-	-	-	-	-
EMPRESS	18' x 44'	750	18'	-	-	-	20	-	-	-	-	-
PRE-FUNCTION												
NORTH ATRIUM		-	-	-	-	-	-	-	-	-	-	-
NORTH FOYER	295' x 33	9,735	-	-	-	-	-	-	974	50	50	-
WEST FOYER	171' x 30'	5,130	-	-	-	-	-	-	510	-	-	-
SOUTH FOYER	239' x 20'	4,780	-	-	-	-	-	-	478	-	-	-
EAST FOYER	179' x 15'	2,685	-	-	-	-	-	-	-	-	-	-
AFRICAN ATRIUM	22' x 121'	2,668	-	-	-	-	-	-	-	-	-	-
AFRICAN FOYER	148" x 137"6"	1,758	-	-	-	-	-	-	-	-	-	-
OUTDOOR EVENT SPACE												
RIVER TERRACE	52'x24'	1,250	-	-	-	-	96	-	120	-	-	-
RIVER PATIO	78'x36'	2,840	-	-	-	-	130	-	310	-	-	-

# Amenities

Convention Center:

§ 205,000 sq ft meeting space broken down from 780 sq ft board rooms to a 38,000 sq ft ballroom.

§ Capacity of 167 to 4,218 attendees

§ Ballroom

§ Max capacity of 4,218 in theatre seating

§ Exhibit hall

§ 8 x 10 booth 238

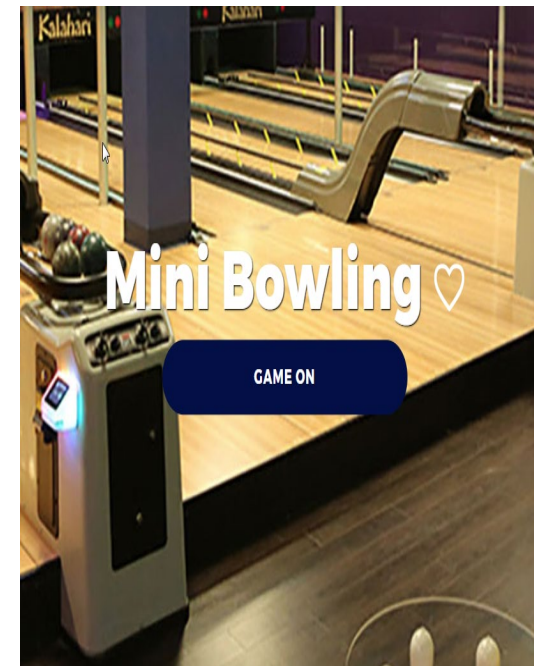
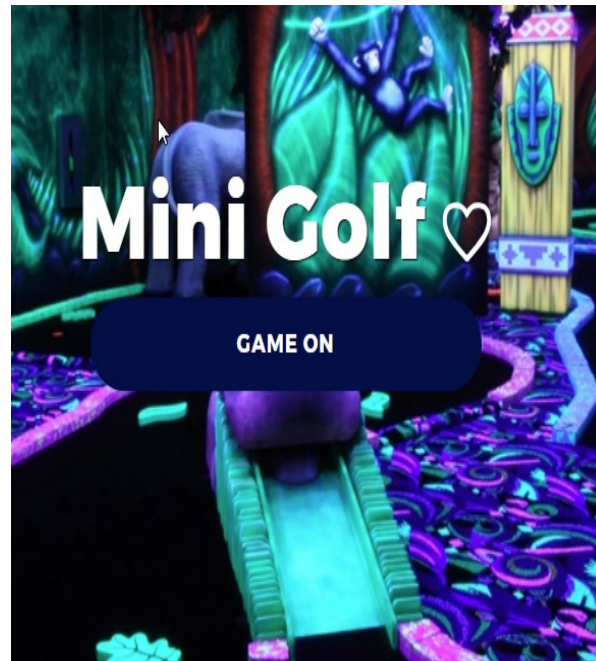
§ 10 x 10 Booth 190



# Amenities

## Entertainment:

- 9 hole indoor mini golf
- Virtual reality games
- Escape room
- Game room
  - Hundreds of video games and games of chance
  - Prize room
- Mini bowling
- 7-D motion theatre

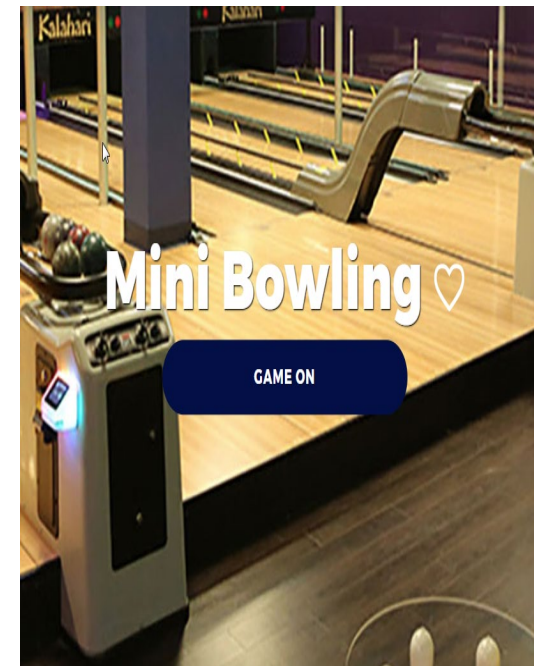
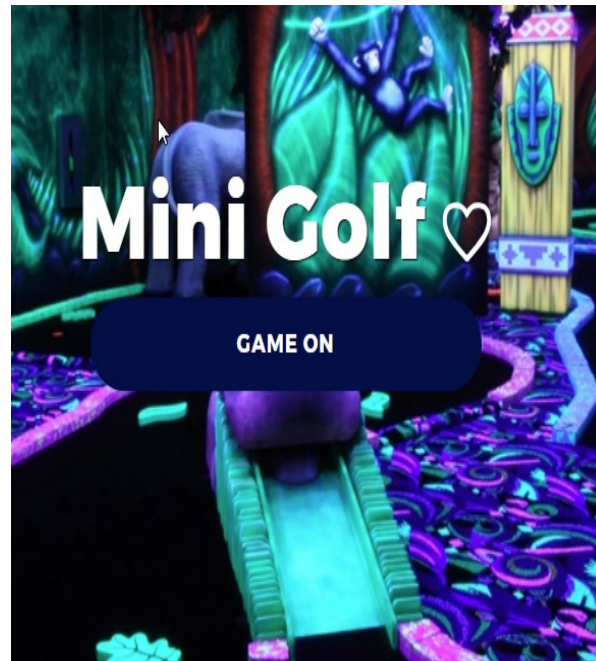




# Amenities

## Entertainment:

- 9 hole indoor mini golf \$6 pp
- Virtual reality games \$25 pp
  - New virtual waterslide \$15 PP
- Escape room \$15 pp
- Game room \$.50 to \$2
  - Hundreds of video games and games of chance
  - Prize room
- Mini bowling \$6 pp
- 7-D motion theatre \$7 pp





# America's 2<sup>nd</sup> Largest Indoor Waterpark

## WATERPARK ADMISSION:

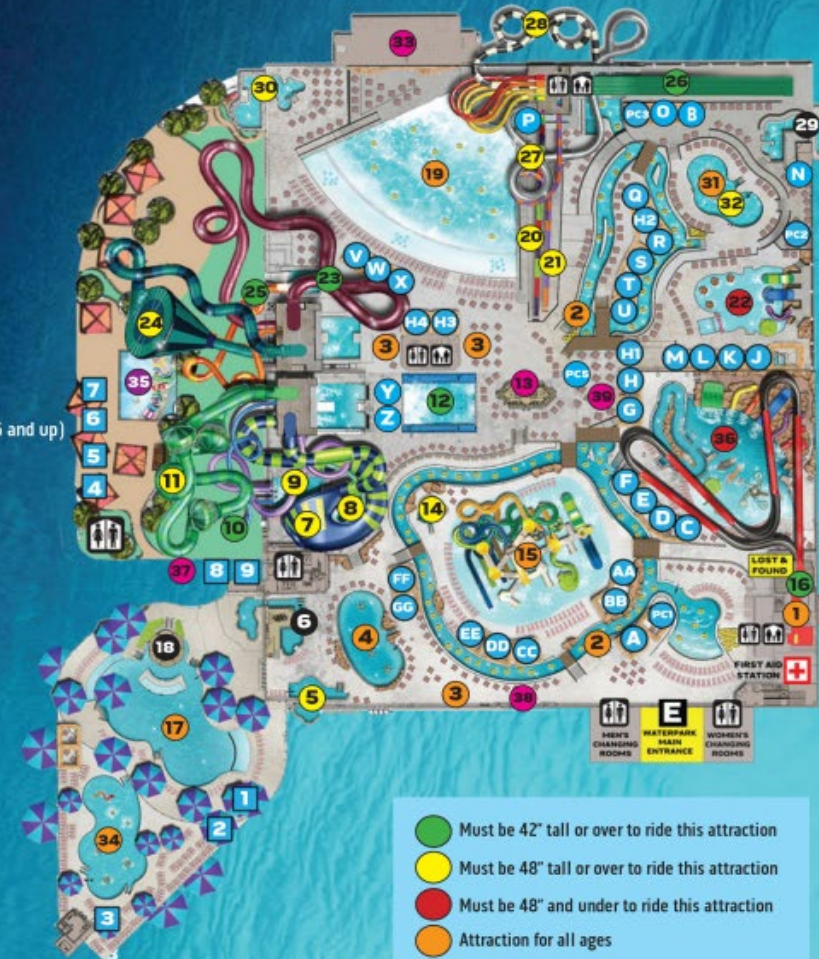
- 4 PASSES INCLUDED PER ROOM
- \$69 per day
- Rental of cabanas and bungalows
  - \$99 / Night cabana (8 Person Max)
  - \$299 /Night cabana (12 Person Max)
  - \$499 /Day whirlpool cabana (12-15 person)

IS THIS CONSIDERED MISC.  
INCOME OR BUSINESS  
INCOME???

## INDOOR & OUTDOOR WATERPARK



- |   |   |
|---|---|
| 1 MEZZANINE                                       | 25 KENYA KORKSCREW                                    |
| 2 LAZY RIVER                                      | 26 CHEETAH RACER                                      |
| 3 LOCKERS   | 27 ELEPHANT'S TRUNK                                   |
| 4 LOST LAGOON                                     | 28 ZIG ZAG ZEBRA                                      |
| 5 IN / OUT FAMILY WHIRLPOOL (for ages 6 and up)   | 29 PAXTON SWIM UP BAR (for ages 21 and up)            |
| 6 THIRSTY TURTLE SWIM-UP BAR (for ages 21 and up) | 30 PAXTON FAMILY GROTTO WHIRLPOOL (for ages 6 and up) |
| 7 WILD WILDEBEEST                                 | 31 SHOOTING STARS BASKETBALL                          |
| 8 TANZANIAN TWISTER                               | 32 DIVR POOL  |
| 9 ZIMBABWE ZIPPER                                 | 33 ZULU GRILLE  |
| 10 RIPPLING RHINO                                 | 34 OUTDOOR BASKETBALL POOL                            |
| 11 BARRELLING BABOON                              | 35 BUGS BURROW (54" and under)                        |
| 12 FLOWRIDER®                                     | 36 TIKO'S WATERING HOLE                               |
| 13 CRACKED COCONUT BAR                            | 37 TACO TRUCK   |
| 14 SPLASHDOWN WHIRLPOOL (for ages 6 and up)       | 38 CAFE MIRAGE  |
| 15 SPLASHDOWN SAFARI                              | 39 DIPPIN DOTS  |
| 16 ANACONDA                                       | A-FR CABANAS  |
| 17 ZANZIBAR POOL                                  | PC PARTY CABANAS                                      |
| 18 ZANZIBAR (for ages 21 and up)                  | H1-H4 WHIRLPOOL CABANAS                               |
| 19 DUNGEONS OF HOUT BAY (WAVE POOL)               | 1-9 BUNGALOWS   |
| 20 SAHARA SIDEWINDER                              | First Aid Station                                     |
| 21 SCREAMING HYENA                                |   |
| 22 CORAL COVE                                     |   |
| 23 VICTORIA FALLS                                 |   |
| 24 THE SMOKE THAT THUNDERS                        |   |



- Must be 42" tall or over to ride this attraction
- Must be 48" tall or over to ride this attraction
- Must be 48" and under to ride this attraction
- Attraction for all ages
- Food and Beverage Outlet
- Must be 21 years of age to enter
- Must be 54" and under to ride this attraction

# Appraisal of Resort Complexes

## Income Approach to Value

---

- RACK Rate vs Avg room rate (ARR)
  - 977 Rooms at RAK or ARR
- Income from stores & restaurants
  - Rental income vs food & beverage income
- Waterpark income
  - Percentage attributed to FF&E or personal property
- entertainment center
  - Rental Income vs sales income
- Misc income
  - Valet or Parking???
  - Spa and Salon
- Convention center
  - Rental Income and food beverage income

### Kalahari Resort Amenities:

- 220,000 sq ft indoor water park
- 205,000 sq ft convention center
- 40,000 sq ft entertainment center
- 977 guest rooms
- Kalahari spa and salon
- Dining options
  - 4 Sit-down dining
  - 6 Quick service dining
  - 8 Bars
  - 1 Sweet treat





# Appraisal of Resort Complexes

## Income Approach to Value

---

- RACK Rate vs Avg room rate (ARR)
  - 977 Rooms at RAK or ARR
- Rack Rate - maximum a property charges for a room," according to Frommer's travel guides.
- Avg Room Rate - is a measure of the **average rate** paid for the **rooms** sold, calculated by dividing total **room** revenue by **rooms** sold.
- Kalahari is unique – included in the Room Rate are 4 passes to the water park.
  - How do we determine the room income and separate the water park income?

### Kalahari Resort Amenities:

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# Appraisal of Resort Complexes

## Income Approach to Value

---

### Store & Restaurant Income

- Leased Space – NOI / CAP Rate
  - Terms of lease
    - Overage rent
    - E.g.
- Food & Beverage Income
  - If resorts owns store and restaurant then percentage of sales minus expenses is attributed to the value of the real property.
  - Can you use market rents for the restaurants, Stores or other amenities if they are owned by the resort?

### Kalahari Resort Amenities:

- 220,000 sq ft indoor water park
- 205,000 sq ft convention center
- 40,000 sq ft entertainment center
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# Appraisal of Resort Complexes

## Income Approach to Value

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### Waterpark Income

- Daily Passes are \$69 per day.
  - How much of the \$69 is attributed to the real property value?
  - E.g. 1,000 visitors per day
- Included in room rate are 4 water park passes.
  - Do we determine the value of these 4 passes during the waterpark income evaluation or during the room income evaluation?
- Rental income from cabana's (average daily rate)
  - 33 cabanas - \$99 per day
  - 4 hot tub cabanas - \$499 per day
  - 3 party cabanas - \$299 per day

### Kalahari Resort Amenities:

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- 205,000 sq ft convention center
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# Appraisal of Resort Complexes

## Income Approach to Value

---

### Entertainment center

- Leased Space – NOI / CAP Rate
  - Terms of lease
    - Overage Rent
    - E.g.
- Entertainment area
  - If resorts owns entertainment, then percentage of sales minus expenses can be attributed to the value of the real property.
  - What is the market rent for the space of these vending or arcade machines?

### Kalahari Resort Amenities:

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- 205,000 sq ft convention center
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# Appraisal of Resort Complexes

## Income Approach to Value

---

### Miscellaneous Income

- Spa & Salon
  - Leased space – NOI / CAP Rate
  - Terms of lease
    - Overage rent
    - E.g.
- Spa & Salon income
  - If resorts owns Spa and Salon, then percentage of sales minus expenses is attributed to the value of the real property
- Parking
  - Valet – Do you include in valuation
  - Self – Is there value on a self park lot?

### Kalahari Resort Amenities:

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  - 8 Bars
  - 1 Sweet treat

# Appraisal of Resort Complexes

## Income Approach to Value

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### Convention Center

- Leased space – NOI / CAP Rate
  - Terms of lease
    - Overage rent
- Convention center income
  - If resorts owns convention center, then percentage of sales minus expenses is attributed to the value of the real property.
- Resorts with convention centers typically waive meeting room rental fees if the renter meets the room block allotment.
  - How do you value when no rental income is available because it is attributed to the room rates.

### Kalahari Resort Amenities:

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# Appraisal of Resort Complexes

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QUESTIONS