

Hotel Motel Rental Income and Expense Survey Terminology

Income Terms

Rooms. Income exclusively generated by room rentals.

Food and beverage. Income generated from the sale of food or beverages, including restaurant, bar or lounge income, or food pantry sales.

Telecommunications. Income generated by telecommunications services including but not limited to phone, internet, cable, and game or movie rental that may be provided in a hotel room.

Rentals and other income. Income generated from meeting room rentals, retail or office rentals, vending or laundry machines, and other income not included in another category.

Operating Expense Terms

Room expenses. Expenses including costs attributed to accommodations, including housekeeping, laundry, uniforms, guest room supplies, and wages for staff who service guests.

Food and beverage expenses. Operation expenses for restaurants, lounges, and complimentary breakfast.

Administrative and general. Expenses including professional fees and other administrative costs including but not limited to general office supplies, postage, legal fees, and payroll specifically allocated to administration of the property.

Telecommunications. Expenses for telephone, internet services, and cable.

Marketing. Expenses for advertising and promoting the property including but not limited to online and direct mail advertising, print ads, and promotional items.

Franchise fees. Fees paid to a franchise for the benefit of exposure and advertising using a branded name.

Utilities. Expenses including but not limited to electricity, gas, water, sewer, and trash.

Property operations and maintenance. Expenses for routine operation and maintenance of the property, including but not limited to landscaping, snow removal, and salaries of employees dedicated to these services.

Rent for land or equipment. Expenses for cost of leasing land on which a building sits or renting equipment, including but not limited to bar equipment.

Insurance. Fixed expense of the property's annual insurance premium for replacement in case of fire or other property loss.

Property taxes. Amount paid for property taxes.

Depreciation expense. Annual non-cash expense used to recover the loss in value of an asset.

Mortgage Interest. Mortgage interest paid by owners to banks or other financial institutions on the property.

Management. The expense paid for management expenses, including salary and related management costs.

Reserves for replacement. Allowance or reserve for the replacement of short-lived items that will not last for the remaining economic life of a property.

Capital expenses. Expenses that do not typically occur on an annual basis. Examples include roof replacement, building addition, parking lot replacement, air conditioner replacement, etc.

Other expenses. Expenses that do not easily fall within an existing expense category. Add additional expenses in the space provided.

Questions?

Call us at (406) 444-6900, or Montana Relay at 711 for the hearing impaired.