



SELLING YOUR  
HOTEL BUSINESS



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# SELLING A HOTEL BUSINESS?

LET US HELP YOU!

There are different reasons that motivate the decision to sell. Selling your hotel is certainly a more complex process than selling a house or flat. However, if you are willing to take specialist advice, at Christie & Co, we've been selling hotels for more than 80 years in Europe and our market knowledge is unrivalled. Together with our widespread network of offices, our team is the best in the business – experienced, enthusiastic and dedicated to giving accurate and honest advice.

**The purpose of this guide is to help you through the sometimes complex process of selling your hotel business. We'll indicate what issues to consider in each phase of the process, and what to do in order to maximize your chances to sell the hotel at the best possible price.**

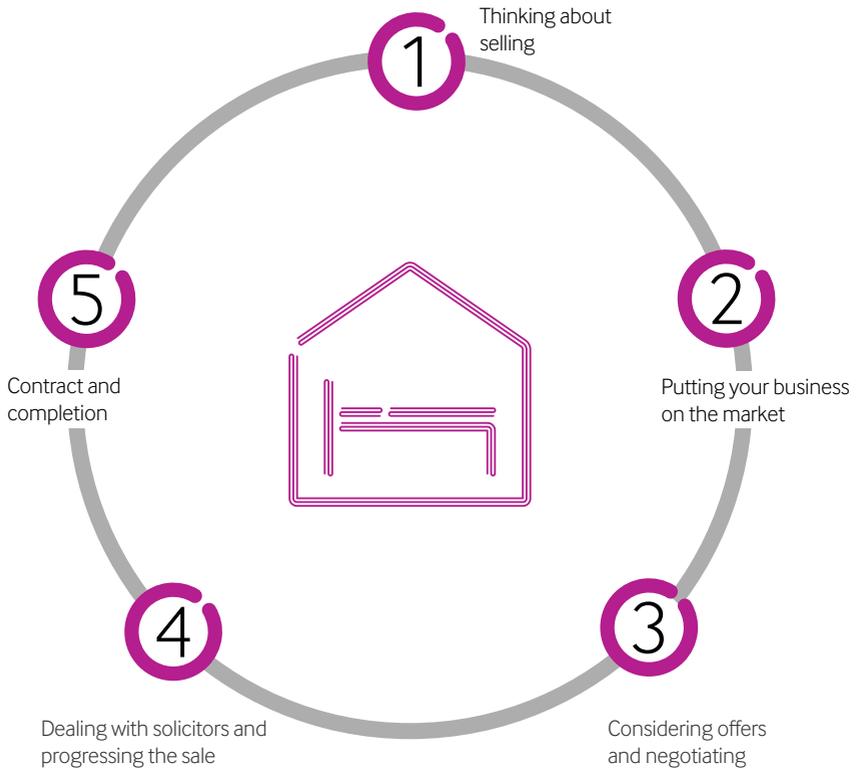
Every year, we work in partnership with hundreds of hotel owners and accompany them successfully through the sales process.



**Kimmo Virtanen MBA**

Director – Scandinavia, Russia and  
The Baltic States

# CHRISTIE & CO SALES PROCESS



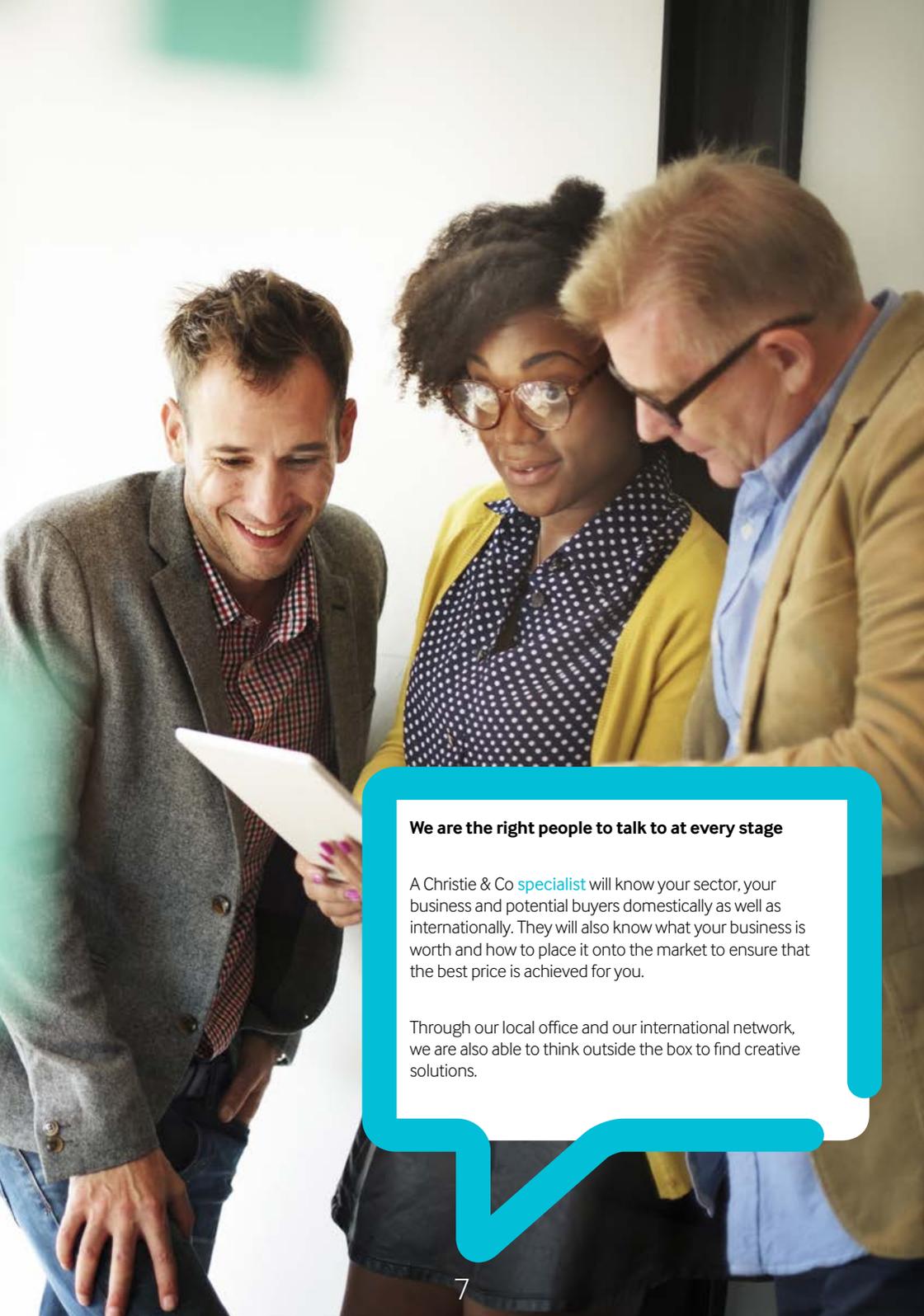
## THE IDEA OF SELLING

### **“I’m not interested in selling my business, although...”**

Although the thought of selling your hotel business may be far from your mind, it’s worth keeping an eye out for similar hotels in your area which have been sold, as this could indicate buyer interest which you may be able to capitalise on.

We have a concise understanding of not only local and national market sentiment, but also international, and what buyers are looking for, so it’s always a good idea to have a chat with us to get a market update.

Whether you’ve already made your mind up or not, the idea of selling is a lot more attractive with the right information and expertise supporting you.



**We are the right people to talk to at every stage**

A Christie & Co **specialist** will know your sector, your business and potential buyers domestically as well as internationally. They will also know what your business is worth and how to place it onto the market to ensure that the best price is achieved for you.

Through our local office and our international network, we are also able to think outside the box to find creative solutions.

## QUESTIONS TO ASK YOURSELF

### **Not for sale at any price?**

Many business owners would be tempted to sell if the price was right. Maybe somebody out there is prepared to pay the right price for your business.

### **Why to sell and when?**

There are lots of reasons to sell other than price, such as: retirement, end of partnership, poor health, or a change of lifestyle. So, does it matter when you sell? Not really. There's never a bad time to sell a good business - but it can be stressful, so help from an understanding expert is essential.

### **Can you get the right price?**

You've worked hard to build your business so there's every reason to get the highest possible value.

### **Do you know what you need to do?**

What price do you set for your business? How can you sell it most effectively? How do you manage a sales process while still running the business? What's the schedule of events and processes? What information to gather and prepare?

**“The hotel sector has seen unprecedented growth in recent years. All quality, profitable hotel businesses - everything from limited service to full service, long stay, hostels and even resorts – are in high demand.”**



### WHAT ARE THE KEY POINTS?

You should start seeing your hotel through the eyes of a potential buyer and ask the key questions:

- What are the key advantages and disadvantages?
- What price levels have been paid for comparable or similar hotels?
- Why would an investor be interested in my hotel?

This is also the time to start seeking professional assistance, whose competency you can rely on in selling the hotel. This is also the time to start seeking professional advice.

**“Many brokers believe that selling a hotel is simple and that they can become sector “specialists” overnight! We have been selling hotels like yours since 1935, and constantly investing in the qualification of our team members and our technical equipment to make sure our customers get the best service and the best results.”**

# WHAT CAN CHRISTIE & CO DO TO ASSIST?

## **Are you looking for buyers?**

Christie & Co has 29 offices in Europe, including the one in Helsinki since 2008. We have a unique marketing approach to optimize the visibility of your hotel in the market.

## **Do you need some support?**

If you don't sell businesses every day, you may not be aware of all the challenges that the sale of a hotel may include. Luckily you can rely on our team to be there to guide you step-by-step through the entire sales process. Our specialists enjoy meeting face-to-face, and we're happy to visit you as many times as you need before you decide to sell, and we'll always give honest advice.

## **Do you want real value?**

Some say that valuing a business is an art rather than a science. At Christie & Co, we analyse buyer behaviour at a local, regional, national and international level, which helps us understand real business value. Because we sell hotels all the time, we know what a buyer will pay for your business. And we know how to present it to the market to ensure that the best price is achieved for you.





**Are you looking for sector specific experience?**

As a company, we speak with hundreds of hotel owners and buyers every week. We are market leaders in Europe with over 80 years in the business. We are simply not just about the sheer volume and market activity, we also set the scale and pace!

**Are you looking for industry knowledge?**

It is our business to know hotels inside out. Our well educated and experienced specialists know how to find potential buyers and make them excited about your hotel. As market leaders, we also have a network of experts, such as Tax advisors and lawyers, who can assist you in every step of the sale process.

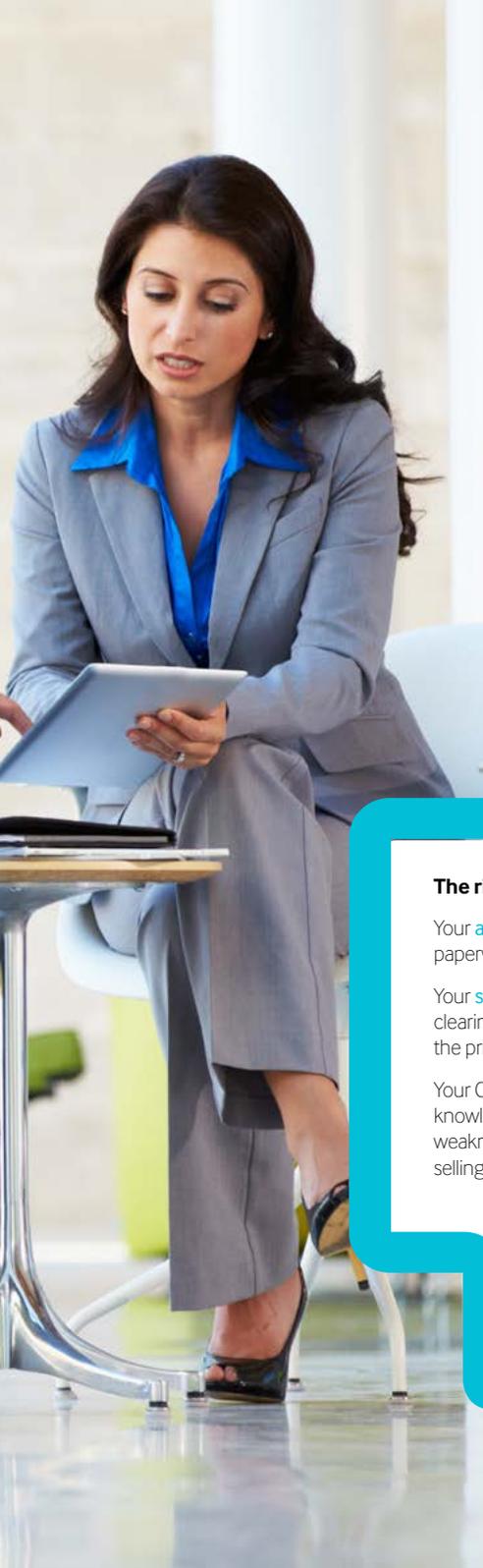
**“If you’re serious about selling, appoint an agent who is too!”**

# THINKING ABOUT SELLING

CHRISTIE & CO SALES PROCESS:

- 1 Thinking about selling
- 2 Putting your business on the market
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- 5 Binding contract and completion





**“What can I do to speed up the sales process?”**

**What can I do to maximise my chances of selling? “**

At Christie & Co. we use every possible means to ensure a successful sale process and clinch the best deal for you – which is good news when you’re thinking seriously about selling.

**The right people to talk to at every stage**

Your **accountant** will help you consider the financial paperwork and prepare your business for sale.

Your **solicitor** will prepare a contract of sale and look at clearing potential legal hurdles that may affect the sale or the price.

Your Christie & Co **specialist** will use their market knowledge to weigh up potential strengths and weaknesses and determine the best possible strategy for selling your business.

# THINKING ABOUT SELLING? WHAT DO YOU DO NOW?

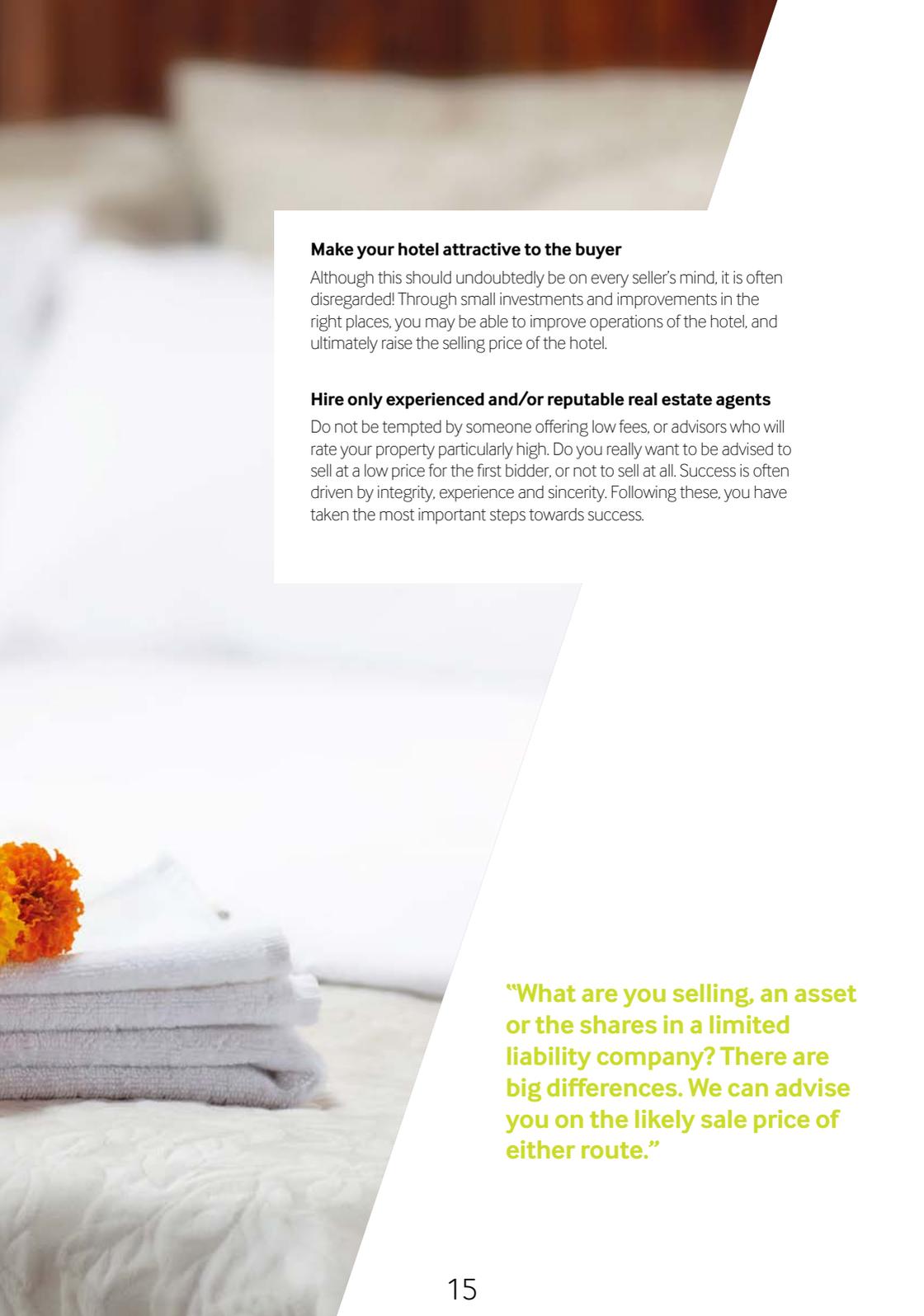
## **Start preparing your business for sale**

By getting all your financial and legal paperwork in order now, you can save a lot of time later on. It also creates a more 'watertight' case for facts and figures, making it harder for potential buyers to knock you down or play hardball. Momentum is everything when it comes to negotiating price.

## **Consult with your professional advisers**

Professionally prepared material can mean a higher selling price for you, more likelihood of finance (i.e. a mortgage or loan) for the buyer and a quicker deal for all parties. Your accountant will help with key financial data such as trading accounts, certificate of turnover and whether to sell the asset or shares.

Think about your tax position post-sale too. Make sure that the liabilities you'll incur don't make it impossible for you to sell the business. Your solicitor can avoid potential delays by preparing a draft contract of sale and covering off any ongoing legal issues that may need clarifying or resolving (e.g. planning permission).



### **Make your hotel attractive to the buyer**

Although this should undoubtedly be on every seller's mind, it is often disregarded! Through small investments and improvements in the right places, you may be able to improve operations of the hotel, and ultimately raise the selling price of the hotel.

### **Hire only experienced and/or reputable real estate agents**

Do not be tempted by someone offering low fees, or advisors who will rate your property particularly high. Do you really want to be advised to sell at a low price for the first bidder, or not to sell at all. Success is often driven by integrity, experience and sincerity. Following these, you have taken the most important steps towards success.

**“What are you selling, an asset or the shares in a limited liability company? There are big differences. We can advise you on the likely sale price of either route.”**

# WHAT CHRISTIE & CO WILL DO

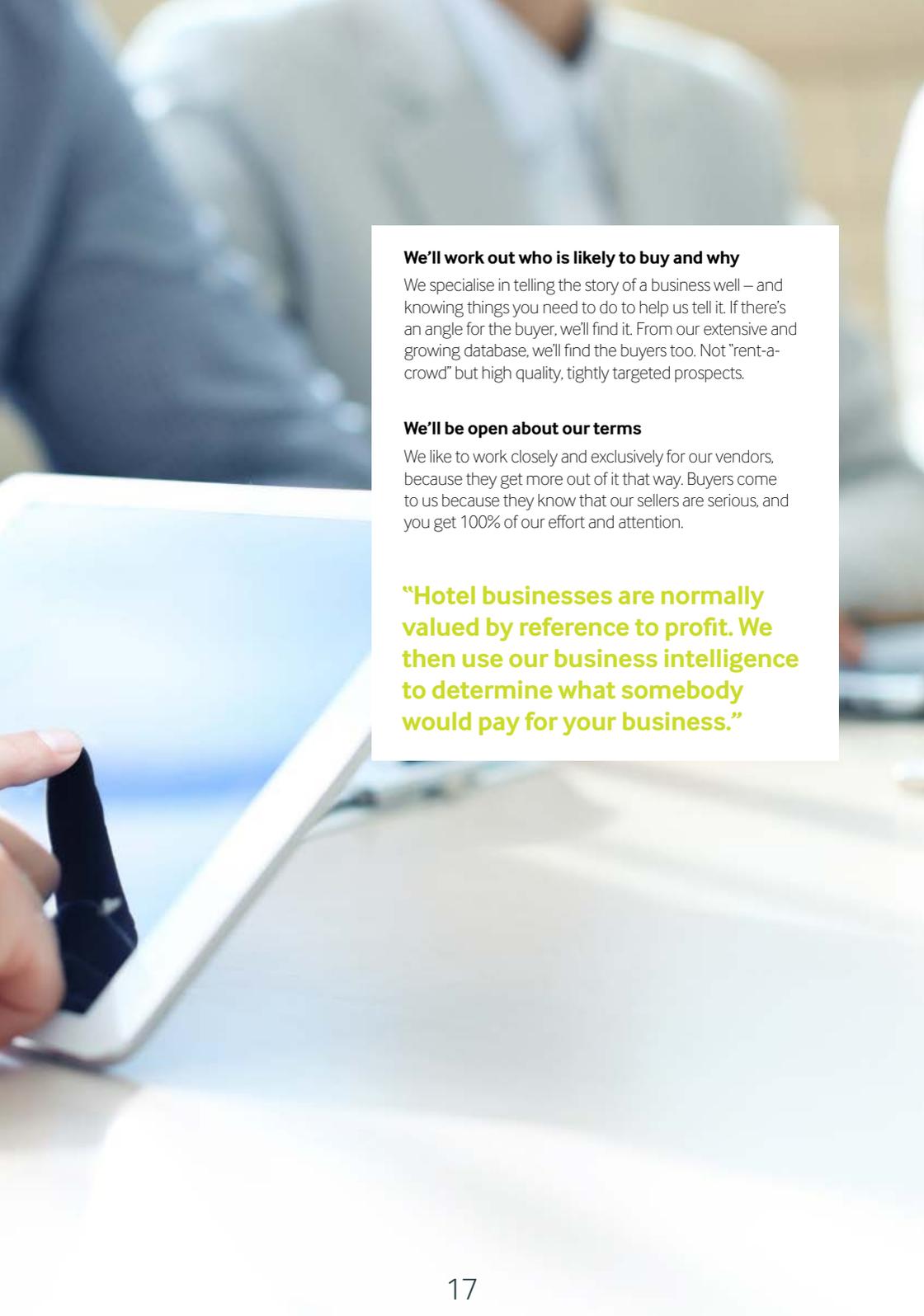
## **We'll analyse what you're selling**

Not just a quick visit, finger in the air and add a nought. Quite the opposite, in fact. We'll analyse all the factors that contribute to the sale-worthiness of your business. We've probably valued or sold several similar businesses locally too, so we'll use our sector insight to advise where you stand against other local businesses.

## **We'll get you a better price**

We may cost a little more than the average agent but that is offset by the above average price that we should get through our unrivalled expertise. You only get one shot at selling your business, so make sure it's your best by using our premium service. That means full advice on the sales process, strategy, pricing, buyer profiles, marketing and close attention to detail once we've found a buyer, continuing right through to exchange and completion.





**We'll work out who is likely to buy and why**

We specialise in telling the story of a business well – and knowing things you need to do to help us tell it. If there's an angle for the buyer, we'll find it. From our extensive and growing database, we'll find the buyers too. Not "rent-a-crowd" but high quality, tightly targeted prospects.

**We'll be open about our terms**

We like to work closely and exclusively for our vendors, because they get more out of it that way. Buyers come to us because they know that our sellers are serious, and you get 100% of our effort and attention.

**“Hotel businesses are normally valued by reference to profit. We then use our business intelligence to determine what somebody would pay for your business.”**

# PUTTING YOUR BUSINESS ON THE MARKET

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**“I would rather deal with one professional who is an experienced hotel specialist and knows the process inside out”**

Putting your business on the market is an important step, so we make sure that you deal with the same professional from the beginning to the conclusion of your sale. We're completely committed to selling businesses and we're able to use a range of powerful tools to attract all the right people at the right price.

**The right people to talk to at every stage**

Your local Christie & Co **agent** will put your business on the market.

The **buyers** will see your business is for sale through selected domestic and international marketing channels.

# NOW YOU'RE COMMITTED, THERE ARE SOME KEY CONSIDERATIONS.

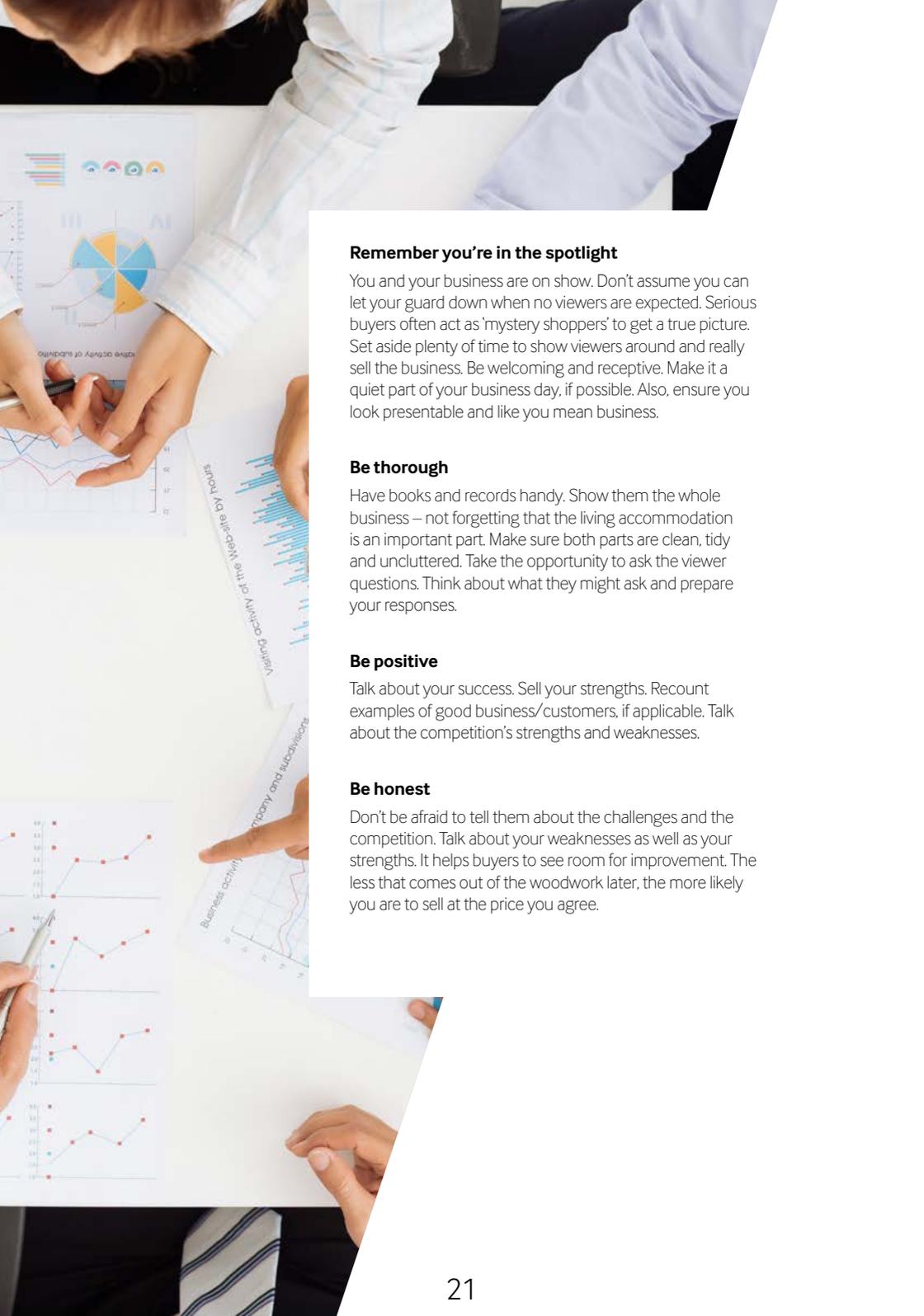
## **What's the best way to market your business?**

Open marketing lets everyone know in advance, attracts attention and maximises interest. It also stimulates more competition from potential buyers, which can push the price up.

It's a more certain way of ensuring a sale – and often the best way to get the best price. We always aim to attract more than one bidder for a hotel business whether they are independents, multiple operators or corporates.

Closed and confidential marketing enables us to put out feelers without arousing suspicion. Sometimes a process can be so confidential that it makes achieving the best possible outcome slightly restricted.

**“As it's a regulated sector, buying a hotel business can seem daunting, particularly for the first-time buyer. We guide buyers through the process so that they know exactly what is expected of them.”**



### **Remember you're in the spotlight**

You and your business are on show. Don't assume you can let your guard down when no viewers are expected. Serious buyers often act as 'mystery shoppers' to get a true picture. Set aside plenty of time to show viewers around and really sell the business. Be welcoming and receptive. Make it a quiet part of your business day, if possible. Also, ensure you look presentable and like you mean business.

### **Be thorough**

Have books and records handy. Show them the whole business – not forgetting that the living accommodation is an important part. Make sure both parts are clean, tidy and uncluttered. Take the opportunity to ask the viewer questions. Think about what they might ask and prepare your responses.

### **Be positive**

Talk about your success. Sell your strengths. Recount examples of good business/customers, if applicable. Talk about the competition's strengths and weaknesses.

### **Be honest**

Don't be afraid to tell them about the challenges and the competition. Talk about your weaknesses as well as your strengths. It helps buyers to see room for improvement. The less that comes out of the woodwork later, the more likely you are to sell at the price you agree.

# CHRISTIE & CO MARKETING

## **We market businesses appropriately**

Whatever the marketing strategy, we believe that the vast majority of serious purchasers are either known to us, or will be attracted by our marketing activity.

## **We target directly**

We take a targeted approach and use our national buyer database, local office network and specialist sector knowledge to enable us to pinpoint the right people straight away. While other agents may be taking a scattergun approach, we take the direct route.

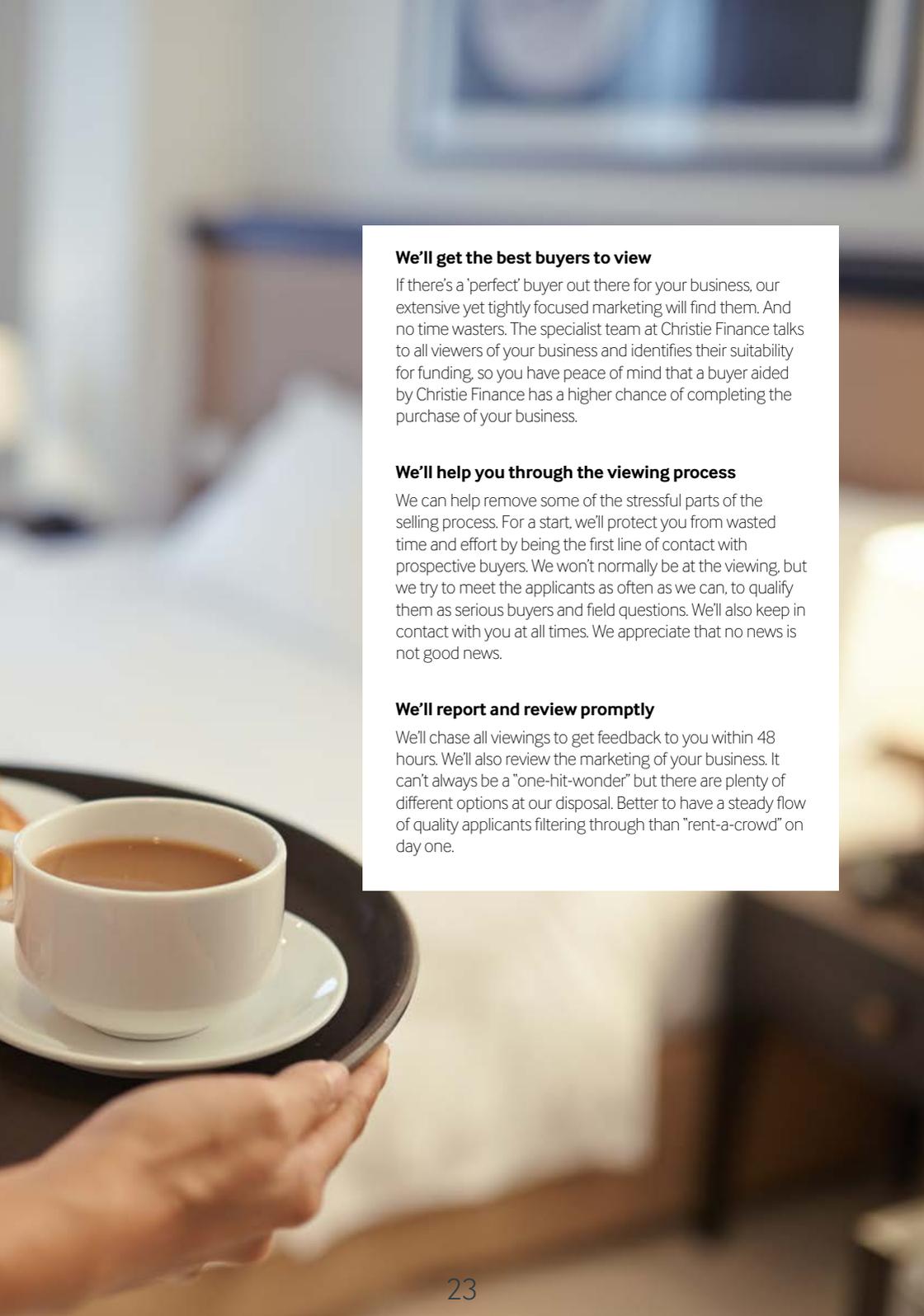
## **We market creatively**

We market all businesses for sale on our website, which has over 50,000 registered users, as well as use direct mail, email campaigns and the internal 'grapevine'. We also advertise in major publications. Our approach is so extensive that no potential buyer is off our radar, whether they're 500 metres away or 5,000 kilometres.

## **We sell efficiently**

We also ensure your business is described accurately and that you are in agreement before we begin marketing. We understand that today's buyers check out businesses for sale online first, which means they are more savvy when we approach them, requiring us to have more in-depth knowledge and sell a little harder.





### **We'll get the best buyers to view**

If there's a 'perfect' buyer out there for your business, our extensive yet tightly focused marketing will find them. And no time wasters. The specialist team at Christie Finance talks to all viewers of your business and identifies their suitability for funding, so you have peace of mind that a buyer aided by Christie Finance has a higher chance of completing the purchase of your business.

### **We'll help you through the viewing process**

We can help remove some of the stressful parts of the selling process. For a start, we'll protect you from wasted time and effort by being the first line of contact with prospective buyers. We won't normally be at the viewing, but we try to meet the applicants as often as we can, to qualify them as serious buyers and field questions. We'll also keep in contact with you at all times. We appreciate that no news is not good news.

### **We'll report and review promptly**

We'll chase all viewings to get feedback to you within 48 hours. We'll also review the marketing of your business. It can't always be a "one-hit-wonder" but there are plenty of different options at our disposal. Better to have a steady flow of quality applicants filtering through than "rent-a-crowd" on day one.

# OFFERS AND NEGOTIATING

CHRISTIE & CO SALES PROCESS:

1

Thinking  
about selling

2

Putting your business  
on the market

3

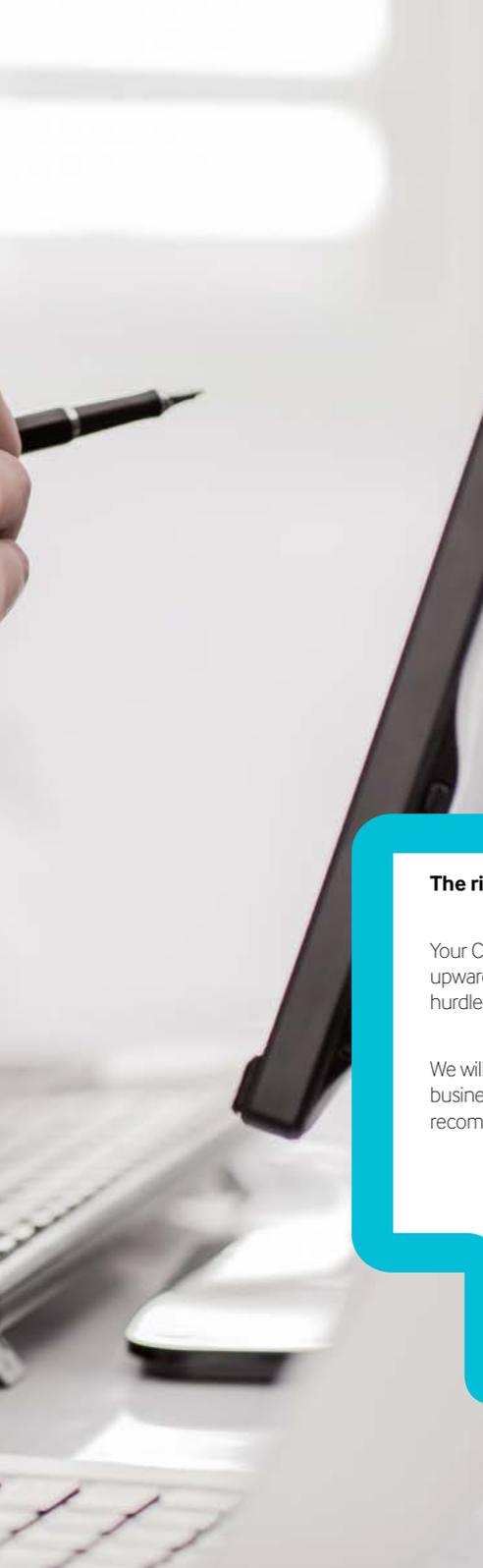
Considering offers  
and negotiating

4

Dealing with solicitors and  
progressing the sale

5

Binding contract and  
completion



**“I would rather deal with one professional who knows the process inside out”**

As the seller, you'll be very keen to convert an offer into a done deal. With our experience in considering offers and negotiating on your side, you'll have a better chance of getting the offer you're hoping for.

**The right people to talk to at every stage**

Your Christie & Co **agent** will try to negotiate the price upwards and use business intelligence to overcome any hurdles that are hampering the deal going ahead.

We will also compare the offer received with similar businesses sold through us elsewhere before making our recommendations to you.

## DEAL OR NO DEAL?

You've got a prospective buyer. Now all you need is to get the deal you want. This is the easiest and the most difficult part if you're the seller. Easy because you have little to do at this stage but accept or reject offers. Difficult because you have to be patient, wait for the best price and trust your agent.

This is where your agent will be worth their weight in gold by negotiating hard to add value and get you the best possible price.

### **What the average agent will do for you**

- 1.** The average agent will receive offers from potential buyers, note them down and report back to you.
- 2.** The average agent will probably persuade you to accept the first offer on the premise that it's usually the best and it'll close the deal fast.
- 3.** The average agent will accept offers without analysing the motives behind them or different angles that could be used to your further advantage.
- 4.** The average agent will, for the sake of fast closure and saved effort, persuade the seller to compromise, rather than hold out for the desired price.

## WHAT CHRISTIE & CO WILL DO

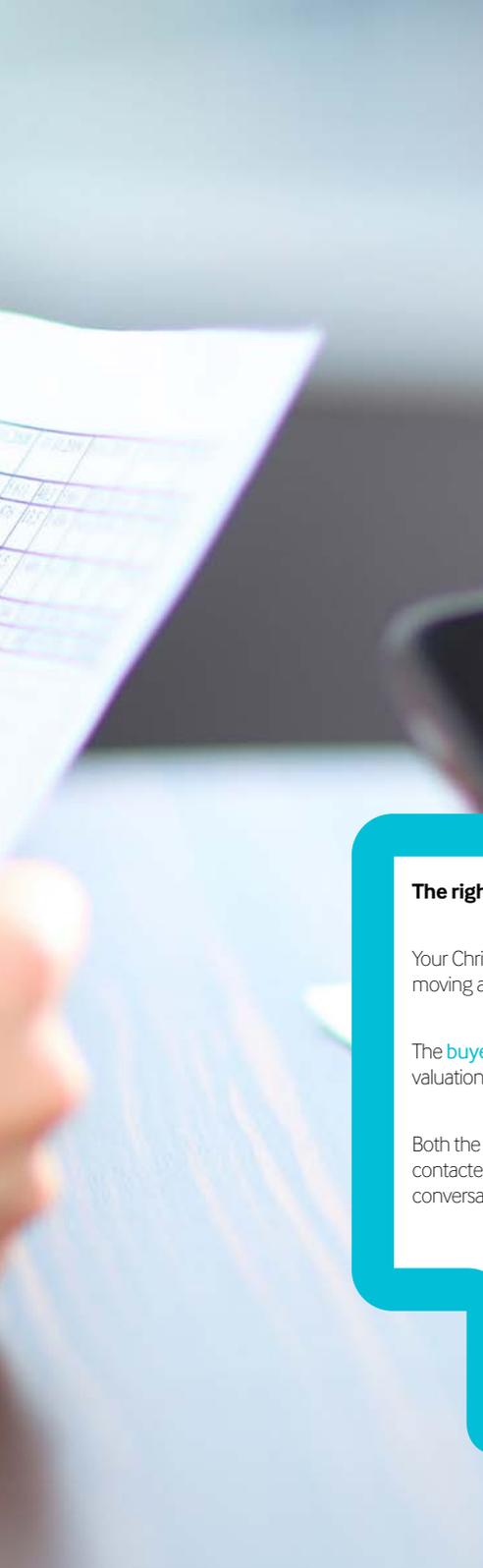
1. Rather than just report back with offers, your agent will start negotiating at this point, persuading buyers that the business is worth more.
2. We will compare the offer on the table with the many businesses in your sector and locality that we've sold before, weigh up the facts and then give you an informed and honest evaluation of whether you could do better.
3. We will ask lots of relevant questions to establish the reasons behind the offer. What else has the purchaser seen? Are the figures not attractive? By understanding the offers we can form a strategy to move things on (and up).
4. Our loyalty is to the seller and to squeeze out every last drop of value for them. Sellers often use us because they'd originally bought through us and remember us persuading them to pay a higher price for the business!

**“The first offer isn’t necessarily the best, but sometimes it is! How do you tell whether you’re closing too quickly after the business goes onto the market? The highest offer is only the best if the buyer has the money to support it. Part of our job is to sort out who can offer you the best terms. Banks are quite willing to lend into the hotel sector. The most competitive terms can be brokered through Christie Finance. This also enables us to make sure that the deal is kept well under control, and that we can advise you every step of the way.”**

# DEALING WITH SOLICITORS AND PROGRESSING THE SALE

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**“I hope they’re all talking to each other because nobody seems to be talking to me.”**

Once you’ve got a buyer, all you’re worried about is getting the good news that everything has gone through successfully.

Christie & Co excels in dealing with solicitors and progressing the sale by getting confirmation from all the relevant parties that they know what to do – and making sure that they get on with it.

#### **The right people to talk to at every stage**

Your Christie & Co **agent** will draw up a schedule, keep things moving and ensure that everyone is up to speed and in the loop.

The **buyer** is monitored by us to make sure key steps such as valuation, survey and finance are being completed.

Both the **seller’s and buyer’s solicitors and accountants** are contacted by us to ensure that the right checks, searches and conversations are being carried out.

# THE DETAILS THAT NEED TO BE TIED UP

## **The price is agreed – job done?**

Not quite. Before you can bank the cheque, there are a lot of other checks to be done first. And because they involve people and paperwork, they are not always straightforward.

## **Your progression checklist**

1. Valuations and surveys need to be instructed (if not already done so), carried out and reviewed. Although this is not the seller's job, it's a potential time killer if things don't get moving.
2. Draft documentation required from the buyer's solicitor to the vendor's solicitor.
3. Buyer's solicitors need to raise any relevant enquiries. All solicitors, accountants and other relevant parties need to 'buy into' an agreed timetable.
4. Ongoing dialogue and processing of relevant legalities and documentation ensues.
5. Finance for the buyer of the business needs to be arranged and agreed, if not already done so.
6. Final due diligence by the buyer's accountants is carried out.
7. As the seller, you will be expected to provide information for the buyer, such as a staff list, occupancy data, fixtures and fittings list, and details of lease/HP items.

## CHRISTIE & CO'S CHECKLIST

1. We will monitor the progress of the buyer to ensure speed and commitment. We ask questions such as 'Has a valuation/survey been instructed?', 'Where is the finance coming from?'
2. We immediately liaise with all parties to ensure dialogue and progress – and to inject a suitable sense of urgency.
3. We take the initiative in these situations. It helps to move things along and enables the seller to get feedback from all parties through the agent (us) – their selling 'partner'.
4. We will help both the vendor and buyer to answer queries accurately and promptly and chase up all issues - from routine paperwork, to more complicated matters.
5. We talk to the accountants – to make sure that the financial "due diligence" is on track.
6. We have the vast experience required to help you prepare all the information a buyer will find useful in considering his purchase.

**"We'll always try to ensure that the buyer's solicitor is experienced in the hotel sector. Such a sector would usually require more in-depth knowledge, not guesswork. This applies to your agent too!"**

# CONTRACT AND COMPLETION

## CHRISTIE & CO SALES PROCESS:

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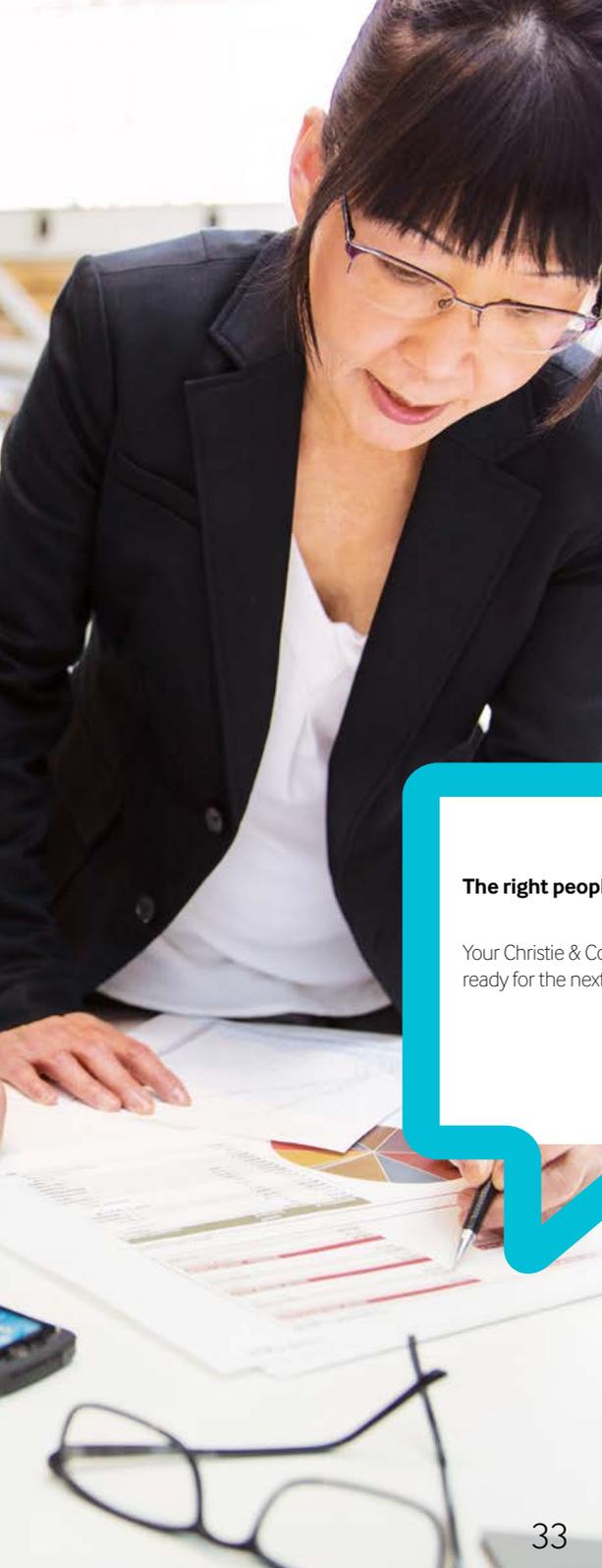
Considering offers and negotiating

4

Dealing with solicitors and progressing the sale

5

Contract and completion



**“Well, it’s done but was it worth all the hassle?”**

Christie & Co specialises in making the process of selling a business less stressful from start to finish.

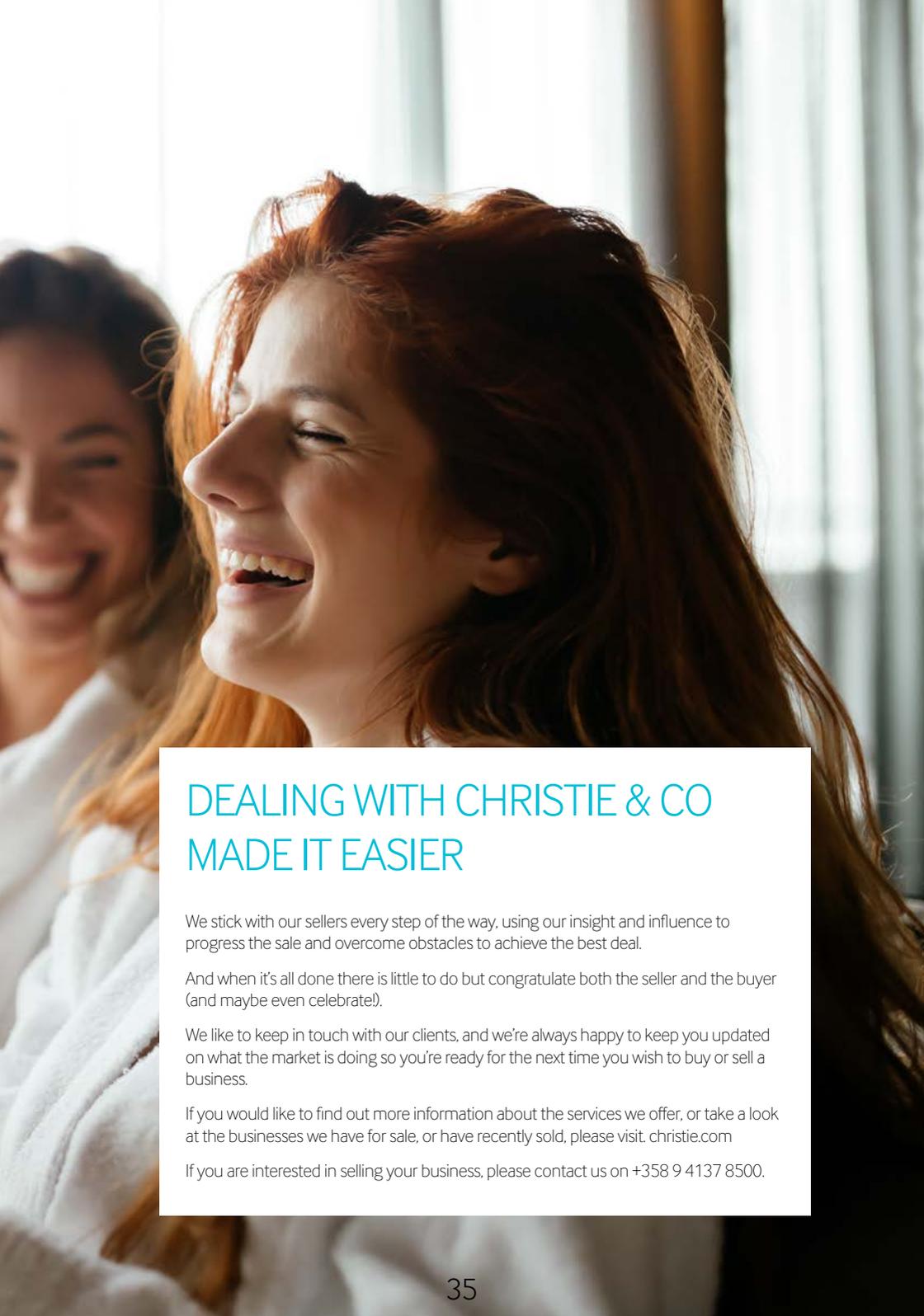
**The right people to talk to at every stage**

Your Christie & Co **agent** will keep in touch with you ready for the next business you want to sell – or buy!

## IT'S A DONE DEAL

Once there's a binding contract of sale, the money's as good as in the bank. Then it's just a question of reaching completion to dot the "i"s and cross the "t"s. It's been a long haul but hopefully far less painful and more profitable for you than you may have feared.

**“It’s good to arrange a handover to introduce the new owner to staff, customers and suppliers. This should ease any anxiety or uncertainty caused by the sale.”**



## DEALING WITH CHRISTIE & CO MADE IT EASIER

We stick with our sellers every step of the way, using our insight and influence to progress the sale and overcome obstacles to achieve the best deal.

And when it's all done there is little to do but congratulate both the seller and the buyer (and maybe even celebrate!).

We like to keep in touch with our clients, and we're always happy to keep you updated on what the market is doing so you're ready for the next time you wish to buy or sell a business.

If you would like to find out more information about the services we offer, or take a look at the businesses we have for sale, or have recently sold, please visit [christie.com](https://www.christie.com)

If you are interested in selling your business, please contact us on +358 9 4137 8500.

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