

The background of the page is a blue-tinted photograph of a business meeting. Several people in professional attire are seated around a table, looking at documents and talking. The image is semi-transparent, allowing the text to be clearly visible.

BUYER'S CHECKLIST FOR CHOOSING A MID-SIZE OR EXTENDED STAY HOTEL FRANCHISE IN CANADA

**IN THIS GUIDE, YOU WILL FIND A 12-STEP CHECKLIST
FOR ALL THINGS TO CONSIDER IN SELECTING THE RIGHT
FRANCHISE FOR YOUR DEVELOPMENT PROPERTY.**

SUCCESS IS JUST A CHECKLIST AWAY

MasterBUILT® Hotels is the Canadian franchising agent for ECHOSM Extended Stay by Wyndham and Microtel® Inn & Suites by Wyndham.

Choosing a hotel franchise for your development is a massive investment decision that can run anywhere from \$15 million+, and define the long-term success of your property. When making such a fundamental investment, it is important to have a sound evaluation strategy in place before going too far down the road with a brand.

For hotels, you need a franchise with a strong brand, a proven track record of success, a reputation of excellence, and, has a strong in-market demand. You want to choose a company that is prepared to offer the support you need to drive results and be successful. Ultimately, you want to find a partner who understands you, your needs, and your long-term goals.



THIS 12-STEP GUIDE SHARES THE KEY QUESTIONS TO ASK WHEN EVALUATING A HOTEL PARTNER FOR YOUR SHORTLIST. LET'S GET STARTED.



STEP 01

DO THEY HAVE AN AGENT OR REPRESENTATIVE IN CANADA?



Most hotel brands are based in the U.S. or Europe. Having a Canadian representative provides hands-on support and local knowledge, which could offer invaluable insights that could further guarantee a successful investment. Find out things like where the company has offices, reviews and how many dedicated staff they have.

STEP 02

IS THE HOTEL REPRESENTATIVE FOCUSED ON SEVERAL BRANDS OR A FEW HIGH-PERFORMING BRANDS?

While it might be common for a hotel representative to work on numerous companies and accounts, having someone who is solely committed to the success and growth of a few high-performing brands will prove more fruitful in the long run. By eliminating competing interests, you can be sure your representative is fully immersed in the franchise's prosperity and will give your investment the attention it deserves.



STEP 03

DO THEY SPECIALIZE IN YOUR PROJECT TYPE? (NEW BUILD VS. RENOVATION/REBRAND)

Defining your project type is essential when finding a hotel franchise that will deliver on your needs. Some chains are great at renovating and modernizing dated hotels while others focus exclusively on new builds designed for today's market. What does your ideal hotel look like? With a solid concept in mind, you can choose the company that specializes and excels in your project type.

STEP 04

DO CURRENT FRANCHISE OPPORTUNITIES MAKE SENSE FOR YOU?



Hotel companies aren't like fast-food restaurants. Opportunities will be limited, as will the markets that can support the investment. The franchise will conduct in-depth market research to determine the viability of various development locations.

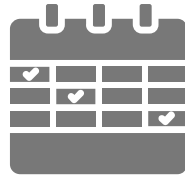
Do they have a particular location in mind that fits your needs? Do they see an opportunity in a market you have identified? Is it within your budget? If you present a hotel partner with your location ideas, you will be able to gauge the company's interest early on and whether or not your vision is shared.

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STEP 05

WHAT ARE THE INVESTMENT AND REAL ESTATE REQUIREMENTS?

It will be crucial to know your overall investment requirements – spanning the upfront franchise investment to construction costs and the projected ongoing operational & maintenance costs (including upgrade schedules).



Each hotel company will have a different real estate requirement, which will impact the different price tags associated with the project. The bigger the hotel property footprint, the higher your real estate investment, which has serious implications in a high-cost market. The size of your hotel will determine the financial outcomes, so make sure you get these numbers before making any long-term decisions.

STEP 06

CAN THEY PROVIDE SUPPORT WITH FINANCING?

As you know, a hotel franchise is a massive financial undertaking. You may need help. Can your prospective franchise support you in structuring and securing financing? What would a potential partnership look like from a financial point of view? These questions would be wise to work out early. Even if you have strong relationships with the banks, you want a hotel firm that can provide the knowledge and expertise required to support your application.

STEP 07

COMPARE THE HOTEL'S TRACK RECORD AMONG CANADIAN PROPERTIES.

Do your due diligence and research how each company's Canadian properties are performing. This will offer peace of mind and proof that the franchise is right for you. Key performance indicators to look for include occupancy rates, average daily rate, revenue per available room, average room rate, and more.

STEP 08

DO THEY OFFER STANDARDIZED, PRE-PACKAGED 'MODULAR' BUILDS OR CUSTOM BUILDS?

Different hotel franchises offer different types of builds. Many midscale brands offer standard modular build packages to simplify the process and provide greater predictability. This approach can significantly lower cost, enhance efficiency and expedite timelines.

Others may facilitate custom design requests and offer unique builds that align with your unique needs or vision. However, this will come with higher costs and project risk (to budget and schedule).

STEP 09

DOES THE HOTEL ALIGN WITH MARKET OPPORTUNITIES?

Can the franchise deliver on the needs of the market? Is the room count aligned with the market opportunity (high season and low season)? What guest amenities can make you stand out from the hotel down the street? Is the market already saturated?

If you attract a lot of family travel, can the franchise offer things like unique room configurations, options for a pool or slide or other family-orientated spaces? If you attract business travelers, is there a restaurant, gym or spa? All of these aspects can generate greater interest and appeal to the specific type of consumer you are catering to.



STEP 10

WHAT VALUE-ADDED MANAGEMENT SERVICES CAN THE HOTEL PARTNER OFFER?

It is critical to know what your hotel partner can offer in terms of value-added management services as today's consumers demand a lot of services at reasonable prices. Things like loyalty programs, innovative technology, distribution and network, existing partnerships and more can all contribute to a more robust and enticing franchise package, which will further satisfy customers and keep them coming back.

STEP 11

WHAT ADDITIONAL INFORMATION WILL THEY PROVIDE ONCE YOU PROCEED TO THE NEXT STEP?

Hotel companies may be understandably protective of what information they offer upfront. They typically conduct extensive market research on viability, but, before they share this they may get you to sign a non-disclosure agreement. They may also ask for additional information from you in order to pre-qualify you as an investor. Gain as much insight as you can – it's your job to ask as many questions as possible and be well-informed to form a strong partnership.



STEP 12

HOW WILL YOUR HOTEL MANAGEMENT PARTNER GO ABOVE AND BEYOND TO REDUCE YOUR RISK AND SUPPORT YOUR LONG-TERM SUCCESS?

Finally, what else can be done to ensure a prosperous future with minimal risk and great return? Also, what can you ask to satisfy your personal project needs? This is a huge investment, make sure you take the time to consider what else could be included to make the hotel an even greater success.

BY COMPLETING THIS CHECKLIST, YOU ARE READY TO TAKE THE NEXT STEP

Any investment requires a plan before committing. Your decision will be a massive financial undertaking that will impact your development property for decades. Knowing what questions to ask and what information to look for will ensure you choose the right hotel franchise and the right opportunity for your market. By utilizing this 12-step checklist as a prospective franchisee, you can be confident in taking the next step towards realizing your investment goals with a hotel partner.

CONSIDERING A HOTEL FOR YOUR DEVELOPMENT PROPERTY?



Find out why Microtel[®] Inn & Suites by Wyndham and ECHOSM Suites Extended Stay by Wyndham are a great fit. Microtel[®] is the hotel that punches above its weight class – a midscale brand that rivals upper-midscale properties in guest satisfaction and RevPAR. ECHOSM Suites Extended offers a top-tier choice, featuring contemporary design, affordability, and a focus on the self-sufficiency of extended stay guests.

Contact us today to become a part of our Canadian expansion and learn how we offer the most hotel for the least investment.

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