



# HVS Hotel Valuations: Powerful Leverage in Litigation

## CLIENT

Provenance Hotels, An Aspen Company

## PROJECT TYPE

- Hotel appraisal and litigation support

## PROJECT DETAILS

- Hotel appraisal positing changes in value with respect to actual and hypothetical access points
- HVS determined that if access changed, the hotel would effectively compete with a different competitive set, substantially limiting revenue potential

## DATE OF SERVICE

2008

The Hotel Preston, one of Nashville's premier boutique hotels, enjoys a location central to shopping, dining, entertainment, and the airport. In 2008, a state-sponsored roadway project meant that access to the hotel would change—and the owners feared it would not be for the better. Bashar Wali, Executive Vice President and Chief Development Officer of Provenance Hotels, needed an appraisal of the Hotel Preston that would take into account the hotel's value in terms of three scenarios: original access off Briley Parkway, and access via either of two alternative routes once the infrastructure project was complete.

Objectivity was essential. So was expertise. State-certified appraisers Dan McCoy and Rod Clough (MAI) meticulously showed how a change in access would lead to a dramatic shift in the value of the Hotel Preston. The analysis, when weighed in a court of law, made it clear that the state's project significantly threatened the hotel's revenue potential. The subsequent settlement allowed the Hotel Preston to secure the best available access route and collect damages from the State of Tennessee.

The HVS hotel valuation methodology has been the industry standard for more than 30 years, and our credibility carries weight worldwide. Let us put it to work for you.

"HVS was instrumental in helping Provenance Hotels reach a very favorable settlement in an Inverse Condemnation case with the State of Tennessee. Rod Clough and his team compiled the required data and efficiently prepared an effective report and analysis. Rod's presence at the settlement conference and his commanding knowledge of the data and industry particulars were paramount in asserting our position, resulting in the successful outcome. We presented HVS and Rod as the authorities on hotel valuations and the U.S. hospitality industry, and this is exactly what they proved themselves to be."

Bashar Wali  
Executive Vice President and Chief Development Officer  
Provenance Hotels, An Aspen Company



## Approach

- Market research
- Competitor analysis
- Site visit and property inspection
- Analysis of demand segments and property revenues
- Determination of hotel value by means of three valuation methods
- Expert testimony

## Results

- An arbitration hearing determined that HVS' value conclusions superseded those of a general real estate appraiser retained by the state.
- HVS value conclusions demonstrated the negative effect of a change in access to the hotel.
- Based on HVS' analysis and Rod Clough's expert testimony, Provenance Hotels succeeded in gathering recompense from the State of Tennessee and ensuring that the Hotel Preston's accessibility was not unduly compromised.

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