FF&E Valuation: Appraisal of Hotel Furniture, Fixtures, and Equipment

In the hospitality industry, **FF&E** (Furniture, Fixtures, and Equipment) encompasses all furniture, fittings, and operational equipment necessary to run a hotel according to its defined brand standards. These assets include both movable items and fixtures that are permanently attached to the building structure.

In addition to FF&E, smaller items required for daily operations—such as glassware, chinaware, cutlery, linens, and tools with an individual acquisition value typically below €200.00—are classified as **OS&E** (Operating Supplies & Equipment) or **SOE** (Small Operating Equipment). Another industry-specific distinction is made for **IT & Systems**, which covers hardware and software for computer, information, and telecommunication systems.

When is a Professional Inventory Valuation Required?

A formal valuation of hotel inventory by a certified expert is essential in several scenarios:

- **Legal Disputes & Landlord Liens:** In cases of litigation or the enforcement of landlord liens, the valuation serves to offset the inventory's value against outstanding rent or lease debts.
- **Transactions & Acquisitions:** For tax optimization, the purchase price must be accurately allocated between land, building, and inventory. This differentiation is crucial for establishing correct depreciation schedules and maximizing **capital allowances**.
- **Asset Management:** Ongoing audits to determine the current value of the hotel's physical assets.

Methodology and Technical Expertise

The foundation of any FF&E appraisal is an on-site inspection. Our experts conduct a detailed survey, recording all relevant assets qualitatively, quantitatively, and photographically. The valuation is based on actual historical acquisition costs or current replacement prices, adjusted for age, wear and tear, and functional obsolescence. Depending on the objective, we determine either the **Going Concern Value** (continued use) or the **Liquidation Value** (considering costs for dismantling, storage, and transport).

Contact Our Inventory Valuation Experts

Rely on our specialized expertise for precise and defensible inventory appraisals. We ensure that your hotel assets are valued accurately for legal, fiscal, or transactional purposes.

For further information, contact us at +49 176 4884 62 90 or use our Contact Form.