Market Value Analysis of Sahid Hotel Surabaya

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Abstract
Sahid Hotel, located in the center district of Surabaya, is one of 3 stars hotel in Surabaya. The valuation or appraisal of real estate is utilized for this hotel in determining the value of property for inventory purposes and financial statement. Factor affecting appraisal process and Approaches to Determine Value should be considered.

There are three methods in appraisal process, they are market data approach, cost approach and income approach. Due to the limitations of market data, market data approach was not utilized in this calculation. Income approach also used in this research because of the characteristic of the hotel Sahid as the commercial property. This approach based on the assumption that the value of a property may be determined by the net income it can reasonably produce over its remaining economic life and analyzed using income capitalization method and discounted cash flow method. Market value was determined using reconciliation from two methods. Market value analysis using cost approach is Rp 135.805.658.516,-. Market value analysis using capitalization method is Rp 132.569.967.333,-while it is Rp 132.948.007.985,- using discounted cash flow method. After reconciliation process, then market value from three methods was scored and the indication property value was Rp 133.978.000.000,-.

Keywords: market value analysis, income approach, cost approach, hotel