

How FF&E Affects Hotel Valuation

Why disciplined procurement and documentation protect a property's exit value, not just its guest experience

ORLANDO, FL, UNITED STATES,

September 30, 2026 /

EINPresswire.com/ -- When a hotel changes hands, or comes up for refinancing, appraisers and buyers look past the lobby and into the numbers behind it, and increasingly, into the condition of the furniture, fixtures, and equipment itself. Beyer Brown, a hospitality [FF&E and OS&E](#)

[procurement firm](#) that has worked on

hotel projects across North America for more than four decades, is highlighting a connection that shapes deal outcomes more than many ownership groups realize: how a property's FF&E is sourced, documented, and maintained has a direct, measurable effect on its valuation.



Well-executed FF&E procurement ensures every guestroom element contributes to value, comfort, quality and a cohesive hotel experience.

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Mark Friesen, Principal, Beyer Brown

The mechanism is built into how hotels are valued. Most management and franchise agreements require an FF&E reserve, commonly a percentage of gross revenue, set aside specifically to fund furniture, fixture, and equipment replacement. That reserve, and the condition of the assets it is meant to protect, sits directly inside the numbers an appraiser or buyer underwrites. When FF&E has been deferred or poorly documented, the gap does not stay theoretical. Brokers who advise on hotel sales note that buyers typically reduce the purchase price by the cost of

outstanding property improvement plan (PIP) requirements on a dollar-for-dollar basis, and sometimes more when the work will disrupt operations. A hotel entering a sale or refinance with a documented, current [FF&E program](#) is negotiating from a different position than one that is not.

"Ownership groups think about FF&E as a guest-facing decision, and it is, but it's also a balance sheet decision," said Mark Friesen, Principal, Beyer Brown. "A well-documented procurement

history, tracking what was purchased, when, and to what standard, gives a buyer or an appraiser less to discount against. An undocumented one gives them every reason to assume the worst and price accordingly."

Beyer Brown's procurement process produces exactly the kind of documentation this moment calls for: a specified, dated, and coordinated record of what was purchased, installed, and maintained across a property's furniture, fixtures, equipment, and operating supplies. For an ownership group planning to hold a property, that record supports the reserve planning and brand approval process that keeps a property compliant between renovation cycles. For a group planning to sell, it narrows the range a buyer can reasonably assume about deferred capital needs, which narrows the range a buyer can reasonably negotiate off the price.

The company positions [FF&E procurement as a valuation](#) input relevant at every stage of ownership: at acquisition, when a buyer is pricing the FF&E condition of a property it does not yet control; through the hold period, when reserve funding and brand compliance keep a property eligible for refinancing on favorable terms; and at exit, when a documented FF&E history can be the difference between a clean sale and a drawn out PIP negotiation. Beyer Brown has applied this approach across new construction, renovation, and PIP programs spanning multiple properties for independent and branded hotels throughout the United States, Canada, and the Caribbean.

About Beyer Brown

Founded in 1978, Beyer Brown is a hospitality FF&E and OS&E procurement firm serving hotel owners, developers, and design teams across North America. For more than four decades, the company has managed sourcing, vendor coordination, and project logistics for hotel openings, renovations, and multi property programs, working as an extension of its clients' teams from concept through installation.

Jennifer Chesek

Beyer Brown

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