

Hotel Industry Jargon Buster

October 2022

A

A&G	Administrative and General expenses
Above the line promotion	Traditionally used to mean commission based advertising such as TV, radio, posters, and press (see below the line promotion)
ABTA	Association of British Travel Agents
ACE	Association for Conferences and Events
Accessible Accommodation	Room designed for disabled people (in the US often known as an ADA Room, after the Americans with Disability Act)
ADA Room	Room designed for disabled people (named after the Americans with Disability Act) – called Accessible Accommodation in the UK
Adjusted Gross Operating Profit	Gross Operating Profit less certain additional expenses (there is no set list)
Adjusted Net Operating Income	Usually defined as Net Operating Profit less FF&E Reserves – now referred to in the Uniform System as EBITDA less Replacement Reserves
ADR	Average Daily Rate (see Average Room Rate)
Affiliation agreement	An agreement between an Owner of an Independent hotel and an organization that operates a network of affiliated hotels and provides distribution, marketing and loyalty schemes services, usually under a loose set of quality standards. Examples include Best Western and Worldhotels
Aggregators	Websites that use feeds from multiple online sources, including OTAs and hotel or travel company websites to display wide choice of pricing and sources. Examples include Kayak and Trivago
AGOP	Adjusted Gross Operating Profit
AHIC	Arabian Hotel Investment Conference, now part of Future Hospitality Summit, held in Dubai in September
AH&LA	American Hotel & Lodging Association (formerly the American Hotel & Motel Association)
ALIS	Americas Lodging Investment Summit – annual hotel investment conference held in Los Angeles each January
ALL	Accor Live Limitless, loyalty programme run by Accor Hotels (formerly known as Le Club)
Allocation	A block booking of hotel rooms or airline seats by an operator or agent who can then call on that allocation without having to keep re-checking availability with the hotel or airline, until a specified release date
Amadeus	The Madrid-based Global Distribution System originally founded by Air France, Iberia, SAS and Lufthansa
American Plan	See Full board

ANOI	Adjusted Net Operating Income
AOCAP	Alternative Ownership Conference Hotels and Resorts Asia Pacific – annual conference focused on resort development and recreational real estate, held in Singapore each October
AOP	Area of Protection – See Radius restriction
AP	American Plan (see Full board)
Aparthotel	An Extended Stay hotel where the rooms are more like residential apartments
App	Smartphone or tablet software application
Apollo	A marketing name in the US, Canada, Mexico and Japan for the Galileo Global Distribution System
ARR	Average Room Rate
Asset light	A term describing branded hotel companies that no longer own many (or any) hotel properties or businesses and which operate primarily through management or franchise agreements
ATM	Arabian Travel Market
Average Food Check	Total food revenue divided by number of covers
Average Room Rate or Average Daily Rate	Gross Rooms Revenue divided by the total number of rooms occupied. Complimentary rooms are excluded from rooms occupied

B

B&B or Bed & Breakfast	Either (1) a private house letting rooms with breakfast being the only meal served or (2) a hotel rate which includes breakfast
Back of house	Area of a hotel separated from the guest areas, containing administrative offices, kitchens, plant, etc (see Front of House)
BAHA	British Association of Hospitality Accountants (see HOSPA)
BAR	Best Available Rate
Base Fee or Basic Fee	Management fee payable to a hotel operator which is usually based on a percentage of revenue
Bays	Often the number of guest rooms in a hotel, but this differs from Keys because a suite with a bedroom and sitting room is counted as one key but two bays
Below the line promotion	Traditionally used to mean print based promotional activities for which commission is not paid such as brochures and direct mail. Below the line promotions generally seek to build a relationship with the consumer (see above the line promotion)

Benchmarking	Process of comparing performance of hotels against other hotels in the same market
BHA	British Hospitality Association, the former name of UKHospitality
BISL	Business In Sport and Leisure (a UK trade association)
BMF	Base (or Basic) Management Fee (see Base Fee)
Bonvoy	Marriott International's loyalty programme, formed from the merger of Marriott Rewards, Starwood Preferred Guest and Ritz-Carlton Rewards
Boutique	A term used by often smaller and usually luxury independent hotels to differentiate themselves from larger branded hotels, but which has been applied by some chains to their design-led "lifestyle" brands, e.g. Marriott's "W" Hotels
bp	Basis point – one hundredths of one percent
BRADA	British Resorts and Destinations Association
Brand Standards	For any hotel brand of an operator, the standards set from time to time by the operator for the design, fit-out and operation of a hotel within that brand
Brigade	Kitchen term meaning the team of chefs and porters
BSC	Balanced scorecard – Kaplan and Norton's concept for measuring performance based on four different perspectives
Budget	A budget that is usually produced annually by the Operator and contains budgeted revenues, expenses and capital expenditure for the forthcoming Financial Year

C

C&B	Conference and Banqueting
C&I	Conference and Incentive bookings
Capital Plan	That part of the Budget that relates to capital expenditure, whether such expenditure is to be met from the FF&E Reserve or constitutes Owner-founded capex
CDP	Chef de Partie – Section chef
Central Services or Centralised Services or Chain Services	The services provided by a hotel chain to a particular hotel from its head office or regional offices. They usually include central sales and marketing, procurement, training, IT support, reservations, loyalty programs and accounting support. Also known as GS&B
Chain	A hotel group that operates branded hotels, whether as owner, manager of franchisor under one or more brands

Chef de rang	Restaurant senior waiter
Club	See Destination Club, Equity Destination Club, Residence Club, Private Residence Club and Vacation Club
Clustering or Complexing	Nearby hotels operated by the same company sharing costs, for example sharing staff
CMI	Corporate Meetings and Incentives
CMS	The leading global law firm in the hospitality industry
Commis	Trainee chef
Comp	Complimentary stay
Comp Set or Competitive Set	A group of 4–5 competing hotels against which a hotel's performance can be compared for benchmarking purposes or for the Performance Test
Condo or Condominium	Individually owned and jointly managed apartments which are rented out
Confidential Tariff	Discounted prices quoted to wholesalers, tour operators and travel agents, distributed in confidence and not published for public use
Consolidator	A company or individual that brings together different groups of people on air charters or at group rates on scheduled flights to increase sales, earn override commissions or reduce the possibility of tour cancellations
Controller	The finance director of a hotel
Convention Bureau	Usually a publicly funded organisation in the US charged with the promotion of a town or region for conferences, meetings and exhibitions
Cookie cutter	Slightly derogatory description of the approach of some hotel chains to achieve uniformity across all their hotels so that they all look alike
Cooperative Advertising	Advertising funded by two or more destinations and/or suppliers
Cooperative Marketing	Marketing programs involving two or more participating companies, institutions or organisations
Cooperative Partner	An independent firm or organisation which works with a tourism office by providing cash or in-kind contributions to expand the marketing impact of the tourism office's program
Corporate Rate	A reduced price for guests staying on business, sometimes through specially negotiated terms
COS	Cost of sale
Cover	Each guest in food and beverage
CP	Condition Precedent, usually to draw-down of a commercial loan
CQI	Combined Quality Index – System of measuring standards of quality and compliance in brands
CRM	Customer Relationship Management

CRO	Central Reservations Office – A sales centre which handles bookings on behalf of its hotel group
CRS	Either (1) Central Reservations System (free phone number and website maintained by a hotel group to take reservations for a number of properties) or (2) Computerised Reservations System (the computer network through which the products and services of travel companies are booked)
CTA	Close to Arrival
CVB	Convention and Visitors Bureau (see Convention Bureau)

D

Day visitors	Visitors who arrive and leave the same day, irrespective of why they are travelling
DBB	Dinner, Bed and Breakfast
DCMS	Department for Digital, Culture, Media & Sport the UK government department responsible for tourism
Demi CDP	Assistant section chef
Demi pension	See Half board
Departmental Expenses	Expenses that are specific to one of the three Operated Departments, i.e. rooms, F&B, and other operated departments
Destination Club	A club where individuals can buy membership which provides usage of multiple properties in multiple locations owned by the club
Destination Management Company	Company working in a specific destination to handle all bookings and arrangements for tours or conferences. Tour operators or conference planners are likely to use the services of a DMC because of their specialist local knowledge
Destination Marketing	Marketing a city, state, country, area or region to consumers and trade
Destination Marketing Organisation	Company or consortia (often a public/private partnership or a Convention Bureau in the US) responsible for the promotion of a specific area or town. DMOs are becoming increasingly popular in the UK
Development	Either (1) the department within a hotel operating company which is responsible for acquiring new hotels by ownership, lease, management contract or franchising or (2) the design, planning, construction and fit-out of a new or converted hotel
DMAI	Destination Marketing Association International (formerly known as the international Association of Convention and Visitor Bureau) – the global trade association for DMOs
DMC	Destination Management Company

DMO	Destination Marketing Organisation
DND	Do Not Disturb
DOCA	Duty of Care Agreement
Domestic Tourism	Residents of a country travelling within that country
DOS	Director of Sales
DSCR	Debt Service Coverage Ratio
DSRA	Debt Service Reserve Account
Duty of Care Agreement	A form of direct agreement between a lender and an Operator, more often used where the Operator is affiliated with the borrower

E

EAME	Europe, Africa, Middle East (sometimes also EMEA)
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation (formerly referred to in the Uniform System as Net Operating Income). This is equal to Gross Operating Profit less all management fees and Non-Operating Income and Expenses)
EBITDAR	Earnings Before Interest, Tax, Depreciation, Amortisation and Rent
Ecotourism	Defined by The International Ecotourism Society as 'responsible travel to natural areas that conserves the environment and sustains the well-being of local people'
EMEA	Europe, Middle East and Africa (sometimes also EAME)
Equity Destination Club	A Destination Club where the members have an equity interest in the club and the underlying property investments owned by the club
ETA	Expected Time of Arrival
European Plan	See Room Only
EVP	Executive Vice President
Executive chef	A management and administrative role, often separated from the practical cooking
Extended Stay	A category of hotels targeting guests with longer lengths of Stay and may be more Limited Service, but have rooms that include kitchenettes and living areas

F

F&B	Food and Beverage
Fam tour or Familiarisation tour	Free or reduced rate trip, usually for tour operators, travel agents or journalists, so they can experience a destination or tourism product first hand and then promote it
FF&E	Either (1) Furniture, Furnishings and Equipment or (2) Fixtures, Fittings and Equipment i.e. beds, tables, chairs (but normally excluding Operating Equipment) i.e. items that are normally (although not exclusively) accounted for as capital expenditure (compare Operating Equipment)
FF&E Reserve	A pot of money (either in a ring-fenced bank account or just a notional reserve) to be used to fund replacements and additions to FF&E. This is normally funded by paying in a fixed percentage of revenue each month. Also known in the Uniform System as Replacement Reserve
FIT	Free and Independent Travel(ler) – Individual travel not in a group or through a tour operator
Fixed Charges	See Non-Operating Income and Expenses
FOH	Front of House
Folio	A guest's hotel account which is kept by reception and which indicates all charges and payments
Food Cost Percentage	Cost of food sales divided by food revenue
Fractional	A generic term for different forms of shared ownership models for residential and condo properties
Franchise	An arrangement by which the hotel brand owner licences an Owner to operate a hotel under one of the franchisor's brands in exchange for a franchise fee and compliance with Brand Standards. The franchisor will also provide distribution, marketing and loyalty schemes services to the Owner
Franchisee	A hotel Owner to whom a Franchise has been granted by a Franchisor
Franchisor	A hotel brand owner who grants a Franchise to a Franchisee
Frequency programme	A loyalty scheme or frequent traveller programme (see Loyalty programme)
FRI lease	Fully repairing and insuring lease – the tenant is responsible for paying for all repairs and insurance, even if the landlord actually carries out the work and charges the cost to the tenant via a service charge
Front of House	Reception, concierge and porters (see Back of House)
Front Office	Reception
FTI	FTI Consulting – a US headquartered accounting and consulting firm

Fulfilment	Servicing consumers and trade who request information as a result of advertising or promotional programs. Service often includes a toll-free number, sales staff and distribution of materials
Full board	Hotel rate which includes three meals a day (also known as Full pension or American Plan (AP) in the US)
Full pension	See Full board
Full service	See Limited service

G

Galileo	Global Distribution System owned by Travelport Inc., also owners of the Worldspan GDS. Galileo is known as Apollo in the US, Canada, Mexico and Japan
GDS	Global Distribution System
Global Distribution Systems	The network of electronic reservations systems by which travel agents all over the world make bookings with airlines and hotels. The four leading GDS systems are Amadeus, Galileo, Sabre and Worldspan, which together account for 98% of the market
GM	General Manager
GOP	Gross Operating Profit
GOPPAR or GOPAR	Gross Operating Profit per Available Room
Gross Operating Profit	Total Operating Revenue less Operating Expenses (including Departmental Expenses and Undistributed Operating Expenses)
Gross Rooms Revenue	See Rooms Revenue
Ground handler or Ground operator	Company making all arrangements for incoming groups or travellers from overseas, from the moment they arrive in the UK (or other destination) to the moment they leave the country
Group rate	Negotiated hotel rate for a convention, trade show, meeting, tour or incentive group
GRR	Gross Rooms Revenue (see Rooms Revenue)
GS	Guest Services
GS&B	Group Services and Benefits (see Central Services)
GSA	Either (1) Guest Service Agent or (2) General Sales Agent
GSM	Guest Service Manager
GSTS	Guest Satisfaction Tracking System – System of feedback from guests who fill out comment cards

H

Half board	Hotel rate which includes bed, breakfast and either lunch or dinner (also known as Demi-pension or Half-pension or Modified American Plan (MAP) in the US)
Half pension	See Half board
HCIMA	Hotel & Catering International Management Association (see IoH)
HFTP	Hospitality Financial & Technology Professionals (formerly the International Association of Hospitality Accountants), the international society for financial and technology professionals in the hospitality industry
HCSA	Hotel Consultancy and Services Agreement – see TSA
HHonors	Hilton's loyalty programme
HICAP	Hotel Investment Conference Asia Pacific – annual conference for Asia-Pacific's hotel investment community held in Singapore each October
HITEC	Hospitality Industry Technology Exposition and Conference – a series of conferences held in the US, Europe and Asia, organized by HFTP
HMA	Hotel Management Agreement (see Management Agreement)
HOFTL	Hotel Owners and Franchisees Transatlantic and European League – an association of hotel property investors
Homestay	A fast growing segment of the hospitality market where guests stay in private homes either with the Owner or while the Owner is away. AirBnB is the largest online distributor of homestay properties
HOSPA	The Hospitality Professionals Association (formerly the Association of Hospitality Finance Revenue and IT Professionals)
HotStats	A company providing benchmarking and operational statistics services to the hotel industry. Originally founded by TRI
House Count	The occupancy of a hotel at any given time of day
House Manager	Usually the number two to the General Manager, often responsible for an individual hotel where the General Manager covers more than one
HR	Human Resources
HRN	Hotel Reservation Network – the former name of the company that owns the hotels.com website
HRS	Hotel Reservation Services – a Germany-based hotel reservation system
HVAC	Heating Ventilation and Air Conditioning

I	
IACVB	International Association of Convention and Visitor Bureaus (see DMAI)
IBFC	Income Before Fixed Charges. See Income before Non-Operating Income and Expenses
IFRS	International Financial Reporting Standards
IH&RA	International Hotel and Restaurant Association – a global trade association for the hotel and restaurant industry
IHG	InterContinental Hotels Group
IHG One Rewards	InterContinental Hotels Group's loyalty programme (formerly known as Priority Club)
IHIF	International Hotel Investment Forum – conference held in Berlin each May
IMF	Incentive Management Fee (see Incentive Fee)
Incentive Fee	Fee payable to a hotel operator which is usually based on a percentage of profit
Incentive trip	Once in a life time trip, usually offered to either stimulate sales staff to sell more or as a reward for increased sales activity
Inclusive resort	A resort which includes rooms, meals and facilities in the price
Income after Undistributed Operating Expenses	The term used by previous editions of the Uniform System to signify Gross Operating Profit
Income before Non-Operating Income and Expenses	Under the Uniform System, this is Gross Operating Profit less all Management Fees (formerly known as Income before Fixed Charges (IBFC) in previous editions)
Incoming Tourism or Inbound Tourism	In relation to any country, refers to visitors from other countries coming to that country
Incoming tour operator	Incoming tour operators essentially offer the same services as ground handlers although they are more likely to offer their own programmes and not just react to clients' demands
Independent hotel	A hotel which is not affiliated to a chain or group
IoH	Institute of Hospitality – a professional body for individuals working in the hospitality industry (formerly HCIMA)
IRR	Internal Rate of Return – A formula for discounting cash flow and evaluating the feasibility of a project against accepted rates of return on the capital employed
ITB	International Tourism Bourse – travel industry trade fair held in Berlin each March
ITT	Institute of Travel and Tourism – a professional body for individuals working in the travel and tourism sector in the UK

J

JD Power	A company which conducts guest satisfaction surveys
JLL	Jones Lang LaSalle – a leading commercial property and real estate services provider
JLLH	Jones Lang LaSalle Hotels – the hotels division of JLL

K

Key Money	A premium paid by an Operator to an Owner under a Management Agreement in order to secure the contract. The amount is usually paid as a lump sum upon opening of the Hotel, but is repayable in part if the Management Agreement is terminated early with the amount amortising over an agreed period
Keys	The number of guest rooms in a hotel (measured by the number of keys). See also Bays
KPI	Key Performance Indicator – Targeted measure to establish performance against objectives

L

L2B	Look to book – a ratio of reservations obtained from an online distribution channel out of the total visitors to such channel (also known as the conversion rate)
L4L	Like for like (see also LFL)
Labour Cost Percentage	Total (or Departmental) payroll and related expenses divided by Total (or Departmental) Revenue
Lanai	A room with a balcony or patio overlooking water or a garden
Late charge	Charges for services such as restaurant or telephone which have not appeared on a guest's bill at checkout
Late show	Late arrival of a guest who has already reserved a room
Le Club	Former name of the loyalty programme run by Accor Hotels (now Accor Live Limitless)
Leisure visitor	Travelling for pleasure not business, including those who travel in order to visit friends and relatives
Length of stay	Number of nights spent in one destination
LFL	Like for like

Licence Fee	A fee for use of a brand name (also known as Royalty Fee)
Limited service	Hotels which offer few amenities, eg. no restaurant as opposed to full service that includes all usual ancillary amenities
LNDA	Landlord Non Disturbance Agreement – similar to an NDA but with a landlord rather than with a secured lender (compare Property Owner Agreement)
Loyalty programme	A programme rewarding frequent travellers with points for free stays or other gifts
LRA	Last Room Availability – usually a term in OTA contracts whereby the OTA can sell all available rooms in the Hotel and not just a fixed allocation
LTC	Loan to Cost – a measure of leverage, usually used in the development phase
LTV	Loan to Value – a measure of leverage, usually used on the operating phase

M

M&C	Millennium & Copthorne, former name of Millenium Hotels & Resorts, the global hospitality management and real estate group
M&IT	Meetings and Incentive Travel
MAC	Material Adverse Change – usually a contractual term that allows one party to terminate a contract if certain adverse events occur
Management Agreement or MA or Management contract	Management agreement between the hotel's owner and the hotel operator for the operation of the hotel by the operator on the owner's behalf (also called a management contract or an operating agreement)
Management fees	Fees paid to an operator under a Management Agreement for providing management services. Usually split into a base fee and an incentive fee
Manager	Operator
Manchise	A hybrid arrangement between a management agreement and a franchise. This can either take the form of a management agreement that is convertible into a franchise agreement after a certain period, or a branded franchise agreement combined with an unbranded management agreement with a white label operator
Manlease	A hybrid arrangement between a management agreement and a lease. This can take various forms, but is often legally a lease, but economically is closer to a management agreement, where rent is equal to the net cash flow of the hotel after deducting a notional management fee
MAP	Modified American Plan (see Half board)
MCI	Meetings, Conventions and Incentives

Metasearch	The process used by Aggregators to search multiple online distribution channels at once
MIA	Meeting Industry Association, the association supporting and growing the business meetings and events industry in the UK
MICE	Meetings Incentives Conventions and Exhibitions
MICROS	The former software provider (also known as MICROS Fidelio) that created the OPERA PMS software that is now part of Oracle
Miscellaneous Income	Revenue from non-Operated Departments, including space rental, cancellation feed, commissions and interest income from operating accounts (formerly Rentals and Other Income in previous editions of the Uniform System)
MLOS	Minimum Length of Stay
Modified American Plan	See Half board
MPI	Meeting Professionals International – the largest association for the meeting profession
Mystery Guest	Spotter

N

NAMA	National Asset Management Agency – the “bad bank” created by the Irish government to acquire distressed debt from the Irish banks
NDA	Non Disturbance Agreement (or Non Disclosure Agreement)
Net Operating Income or Net Operating Profit	See EBITDA
Net Rate	A wholesale rate to be marked up by the Wholesaler before being offered to the ultimate customer at a higher rate
No show	A guest with a reservation who fails to arrive
NOI	Net Operating Income (see EBITDA)
Non Disturbance Agreement	An agreement between the hotel’s owner, operator and the owner’s lending bank whereby the bank agrees that if the owner defaults under its loan and the bank forecloses, the bank will keep the management contract in place. The bank will usually have the right to step in and procure owner’s compliance in exchange for the operator agreeing not to terminate the management agreement
Non-Operating Income	Income included within Non-Operating Income & Expenses in the Uniform System and includes cost recovery income (e.g. from common area maintenance), interest, income on capital reserve accounts and income generated by the building that is not part of the operations of the hotel (e.g. billboard or antenna rental income)

Non-Operating Income & Expenses	Under the Uniform System these include Non-Operating Income, rent, property & other taxes, insurance and other non-operating expenses
NOP	Net Operating Profit (see EBITDA)
NPV	Net Present Value – Discounted cash flow concept for measuring project profitability
N/S	No show
NTA	National Tour Association – US association of tour operators and suppliers

O

Occ	Occupancy
Occupancy	The percentage of the total number of rooms available which are occupied by guests on any given date
OE	Either (1) Operating Expenses (e.g. salaries, cost of buying food, etc) or (2) Operating Equipment (linen, china, glassware, etc)
OES	OPERA Enterprise Solution
OFFMKT	Off Market
On-Q	Hilton's proprietary Property Management System
OOO	Out Of Order
Opaque bookings	Reservations where the name of the hotel is hidden until after the purchase is completed. Opaque OTAs include Hotwire and Priceline
Opco	Operating company – usually used to refer to a Company that owns a hotel business, but leases the property from an affiliated Propco
OPERA	An integral suite of Property Management System software products from Oracle, also offered as a cloud-based solution, OPERA Cloud
Operated Departments	Three categories of classifications of Total Operating Revenue under the Uniform System, being: Rooms, F&B and Other Operated Departments. The last category includes revenue from parking, spas, golf course etc.
Operating agreement	See Management Agreement
Operating Equipment	Equipment used in operations, such as linen, china, glassware, silver, uniforms, trolleys and are often (but not exclusively) items that are accounted for as a current expense rather than capital expenditure (compare FF&E)
Operating Expenses	Those Hotels operating under the Uniform System that fall within Departmental Expenses or Undistributed Operating Expenses

Operating Plan	That part of the Budget that relates to PoL revenues and expenditures, as opposed to Capital Expenditure. See also Capital Plan
Operator	The hotel management company which manages a hotel under a Management Agreement
OPR	Owner's Priority Return
Option Date	The deadline by which payment of the deposit must be made or the room will no longer be held
OTA	Online Travel Agency – examples include booking.com, Expedia, Opodo and Orbitz
Override and Oversale	Extra commission paid by a supplier as a sales incentive
Owner	The owner of a hotel business which is counterparty to the Operator under a Management Agreement
Owner's Priority Return	A mechanism in a Management Agreement whereby a fixed amount of profit is distributed to the owner in priority to the Operator's Incentive Fee, which may be deferred or waived if there is insufficient profit to pay both the Owner's Priority Return and the Incentive Fee in any given period
OYO	OYO Hotels & Homes, an India-based multinational hospitality chain founded in 2012 which reported 43,000 properties in its brand network as of January 2020

P

Package Tour	A travel product (often sold by travel agents or direct "off the page") with an inclusive price covering the different elements of the trip e.g. transport to the destination, accommodation, catering and perhaps some sightseeing activities
Paid Out	An amount included on a guest bill for an expense which the hotel has paid for the guest and passes on, for example, taxis or theatre tickets
Parador	A castle or similar building which has been converted into first class or luxury accommodation by a government (popular in Spain, and Puerto Rico)
PBIT	Profit Before Interest and Tax
PCMA	Professional Convention Management Association – US based trade association for meeting and event professionals
PDQ	Credit/debit card payment terminals (supposedly from the phrase "Process Data Quickly")
Performance test	A mechanism which allows a hotel owner to terminate a Management Agreement due to poor performance by the operator, often by comparison to similar hotels in the same market

PIP	Property Improvement Plan
PMS	Property Management System
POM	Property Operation and Maintenance
POS	Point of Sale
Positive space	A confirmed reservation
PPPN	Per person per night
PRC	Private Residence Club
Priority Club	Former name of InterContinental Hotels Group's loyalty programme (now known as IHG One Rewards)
Private Residence Club	See Residence Club
Propco	Property company – usually used to refer to a company that owns the hotel property (but not the hotel business) and leases the property to an Opco. The structure is often tax-driven and allows the property to be held in an offshore vehicle
Property Improvement Plan	A document setting out the refurbishment required to a property before it will meet the standards of a particular brand
Property Management System	The main computer system used by a hotel to record guest information etc that includes the reservation and billing system
Property Owner Agreement	An agreement usually between an Operator and a Propco that is entered into alongside and HMA between the Operator and an affiliated Opco where the Propco assumes certain obligations relating to the hotel property that would otherwise be covered in the HMA
Protected	A supplier's or wholesaler's guarantee to pay an agent commission and a client a full refund on prepaid confirmed bookings, regardless of cancellations
Protected Area	See Radius restriction
PTEB	Payroll Taxes and Employee Benefits
Punch List	See snagging list

Q

QA	Quality Assurance
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R

R&M	Repairs and Maintenance
Rack Rate	The standard published rate for a room in a hotel or resort before any discounts are applied (also known as the Walk-in rate)
Radius restriction	A restriction in a Management Agreement preventing a hotel chain from owning, operating and/or franchising another hotel within a specified distance (also known as Restricted Area, Protected Area or AOP)
Rate parity	An agreement between hotels and OTAs that hotel pricing will be consistent across all distribution channels (or at least with the hotel's own website)
RCI	Formerly Resort Condominiums International – a company owned by Wyndham Worldwide which runs an exchange of timeshare and vacation ownership club units
REIT	Real Estate Investment Trust
Replacement Reserve	See FF&E Reserve
Request for Proposal	A request by corporate customers and travel agencies for hotels to submit proposed pricing for the next year
Res	Reservation
Residence Club	A club where individuals can buy membership which entitles them to stay for a defined period per annum in a room or apartment in a hotel or serviced apartment block. Also known as a Private Residence Club
Restricted Area	See Radius restriction
RevPAR	Rooms Revenue Per Available Room – Rooms Revenue divided by the number of available room nights (which also equals the Average Daily Rate multiplied by the Occupancy) – a benchmark for measuring the performance of hotels. Note that although the Uniform System stipulates using Rooms Revenue, some statistics use Total Operating Revenue (see Total RevPAR)
RFP	Request for Proposal
RGI	Revenue Generated Index – an index number reflecting a hotel's RevPAR in comparison to the average RevPAR of the Comp Set, where the base value can be either 1 or 100
ROCE	Return On Capital Employed
ROH	Run of the House – On arrival, guest will get any room available
Room Night	A room being occupied by one or more guests for one night
Room Only	Hotel rate that only pays for the room and not meals (known as European Plan (EP) in the US)

Rooms Revenue	Revenue only from Rooms (i.e. excluding revenue from F&B, Other Operated Departments and Miscellaneous Income)
Royalty Fee	A fee for use of a brand name (also known as Licence Fee)
RPTI	Rent, property taxes and insurance (see also Non-Operating Income and Expenses)
RSO	Regional Sales Office

S

S&M	Sales and Marketing
Sabre	Global Distribution System operated by Texas-based Sabre Corporation, which was originally founded by American Airlines
Segment	A market classification that grades or groups hotels. Segments can include grading by quality, amenities or even target customers, such as luxury, upper upscale, lifestyle, extended stay, upscale, midscale budget or resort
Serviced apartments	Residential apartments that are available for short term rental and include available services such as cleaning, laundry and sometimes room service
SITE	Society for Incentive Travel Excellence – a professional body for incentive travel professionals
SMERF	Social, Military, Educational, Religious, Fraternal – refers to a segment of the meetings market
Snagging list	List of items (usually minor defects) that need to be completed after the hotel has opened (also called a punch list)
Soft opening	The commencement of partial operations (to allow teething problems to be ironed out) before the official opening
SPG	Starwood Preferred Guest, the former loyalty scheme of Starwood Hotels & Resorts, now incorporated into Marriott's Bonvoy loyalty programme
Spotter	A professional hired by the hotel to pose as a guest to assess and evaluate the hotel staff and services
SPV	Single Purpose Vehicle
SRP	Special Rate Plan
Starwood	Starwood Hotels and Resorts, former owner of the Sheraton, Westin and Le Meridien brands, amongst others. Not to be confused with Starwood Capital, with which it is no longer affiliated. Acquired by Marriott in 2016, now defunct
Starwood Capital	A private real estate investment company that previously owned Starwood Hotels and Resorts prior to its flotation

STR	Originally Smith Travel Research. A company providing benchmarking and operational statistics services to the hotel industry, now part of CoStar Group
Stayover	A guest extending his/her stay beyond the original departure date
Sustainable tourism	According to the World Tourism Organisation, this is “envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled with maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems.”
SVP	Senior Vice President

T

TA	Travel Agent
TAA or TASA	Technical Assistance Agreement or Technical Assistance and Services Agreement – see TSA
TAC	Travel Agents Commission
Technical Services or Technical Assistance	Design and architectural services provided by a hotel chain to the developer of a hotel
TIC	Tourist Information Centre
Timeshare	A form of Fractional where the owner is entitled to a defined limited period of usage (e.g. two weeks per annum) of one residential property
Total RevPAR or TrevPAR	Total Operating Revenue per Available Room. This is distinct from RevPAR which is based only on Rooms Revenue
Total Operating Revenue	Total Operating Revenue from all sources including Rooms, F&B, Other Operated Departments and Miscellaneous Income, but excluding Non-Operating Income (formerly known as Total Revenue in previous editions of the Uniform System)
Tour Operator	A company that negotiates discount rates, packages travel products, subcontracts their performance, prints brochures and markets these travel products through travel agents or directly to the general public
Townhouse	A small, personally run town or city centre hotel which affords a high degree of privacy and concentrates on luxuriously furnished bedrooms and suites with high quality room service, rather than public rooms or formal dining rooms usually associated with hotels. They are usually in areas well served by restaurants
Trade Show	Trade shows differ from conventions in that they have exhibit space that provides product exhibition and sales opportunities for suppliers, as well as information gathering and buying opportunities for customers
TrevPOR	Total Operating Revenue per Occupied Room

TRI	Consulting firm TRI Hospitality Consulting (standing for Tourism & Related Industries). Now part of CBRE
TSA	Technical Services Agreement – often an agreement between a hotel developer and a hotel operator for services to be provided to the developer during the development phase (sometimes also known as a TAA, TASA or HCSA)
Turn	Process by which a meeting room undergoes a complete changeover from one function to the next

U

UFOC	Uniform Franchise Offering Circular – a document containing information which the Federal Trade Commission requires franchisors to provide to US franchisees before a franchise agreement is signed
UKH or UKHospitality	The UK trade association for the hospitality industry, formed in 2019 by the merger of the British Hospitality Association and the Association of Licensed Multiple Retailers
Unbranded Hotel	A hotel that does not include a chain brand in its name, although (unlike an independent hotel) it may still be part of a hotel chain or marketing consortium, or managed by a hotel operating company
Undistributed Operating Expenses	Expenses attributable to the whole hotel and not a specific department. Under the Uniform System these are split into the following five categories: Administration & General, Information and Telecommunications Systems, Sales & Marketing, Property Operation & Maintenance and Utilities
Uniform System	The book “Uniform System of Accounts for the Lodging Industry”, which sets out an internationally agreed system for compiling hotel accounts, currently in its 11th Edition (2014), published by the AH&LA, the Hotel Association of New York City and HFTP
Upgrade	Where a guest is given a higher priced room at no extra charge above the original confirmed rate
Upsell	Where a guest is given a higher priced room with a corresponding rate increase agreed by the guest

V

Vacation Club or Vacation Ownership	US term for Destination Clubs and Residence Clubs
VCB	Visitors and Convention Bureau
VFR	Visiting Friends and Relatives

Visit Britain

The DMO for the United Kingdom – formed from the merger of the English Tourism Council and the British Tourist Authority

Voice

Method of taking hotel reservations by telephone (and sometimes all other reservations not taken electronically)

VP

Vice President

VR

Vacant Ready

W

Walk In

Hotel guest who arrives with no reservation

Walk-in rate

See Rack Rate

White label operator

A hotel management company that manages, on behalf of an Owner, either unbranded hotels or branded hotels under a franchise from a third party franchisor

Wholesaler

A company that doesn't sell to the public but through travel agents and particularly tour and coach operators. They generally rely on low margin, mass market products

Worldspan

Global Distribution System which was originally founded by Delta, Northwest Airlines and American Airlines and now owned by Travelport Inc.

WTM

World Travel Market – a global travel convention held in London each year

WTO

World Tourism Organisation – an agency of the United Nations which serves as a global forum for tourism policy issues

WTTC

World Travel & Tourism Council – the forum for business leaders in the travel and tourism industry

Y

Yield management

A practice pioneered by airlines and now used by hotels to maximise revenue by raising or lowering prices dynamically according to demand

YOY

Year On Year

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