Hospitality, Hotels & Short-Term Rentals: Valuation, LKQ Sourcing & Policy Traps

Canonical Web Version: https://restorationintel.com/hospitality-hotels-short-term-rentals-valuation-lkq-sourcing/

Direct Answer: Hospitality valuation requires contract-grade FF&E LKQ matching rather than residential retail comps, explicit separation of Brand-Standard PIP upgrades from base LKQ, bulk OS&E accounting, and early checks for STR business-pursuits or co-insurance traps.

Field Benchmark & Decision Matrix

Valuation / Policy Issue	Why Standard Pricing Fails	Defensible LKQ / Cost Basis	Policy Trap to Watch	Supporting Packet Artifact
Commercial Casegoods & Contract Seating	Retail comps lack HPL thickness, commercial joinery, and fire-code labels	Hospitality FF&E dealer/liquidator quotes or OEM contract catalog pricing	Applying 5-year household depreciation to 10-year commercial casegoods	Contract spec sheet + furniture stamp photo + vendor landed quote
Hospitality TVs & RFID Access Hardware	Consumer TVs lack Pro:Idiom, cloning, and central-PMS compatibility	Hospitality AV distributor quote matching commercial series & bracket	Omitting lock re-encoding, cloning setup, and bracket labor	Rear Pro:Idiom plate photo + AV integrator quote with programming labor
Franchise PIP / Discontinued Pattern Matching	Carriers reject mandatory brand-remodel costs framed as basic LKQ	Dual-column schedule: direct LKQ baseline vs franchisor-mandated PIP delta	Blending aesthetic remodel upgrades with physical loss replacement	Franchise brand standard bulletin + pair/set or matching endorsement review
Multi-Room Freight, Delivery & Install	Unit catalog prices exclude LTL freight, inside delivery, and assembly	Explicit landed-cost breakdown: product + freight + inside placement + install	Adjuster stripping unitemized 'delivery' allowances without carrier quotes	Written FF&E freight quote specifying liftgate, floor haul & debris
OS&E Linens, Terry & Guestroom Smallwares	Itemizing 1,000 small items one-by-one stalls review or invites guesswork	Standardized room-kit matrix multiplied by verified affected room count	Conflating 2x–3x par stock with single-room counts (missing reserves)	Room-kit BOM + hospitality wholesale distributor catalog links
STR Policy Exclusions & Co-Insurance	Standard HO-3 policies often cap or exclude regular short-term rental income/gear	Verify STR endorsement, commercial BPP schedule, and total BPP value ratio	Co-insurance penalty if total unit/hotel BPP exceeds insured limit	Declarations page check + STR listing history + full pre-loss asset tally

Practitioner Operational Takeaways

• Source LKQ pricing from commercial hospitality FF&E dealers and distributors—never residential discount links—for contract furniture and Pro:Idiom TVs.

• Build a two-column schedule separating direct physical LKQ replacement from any franchisor-mandated PIP redesign upgrades.

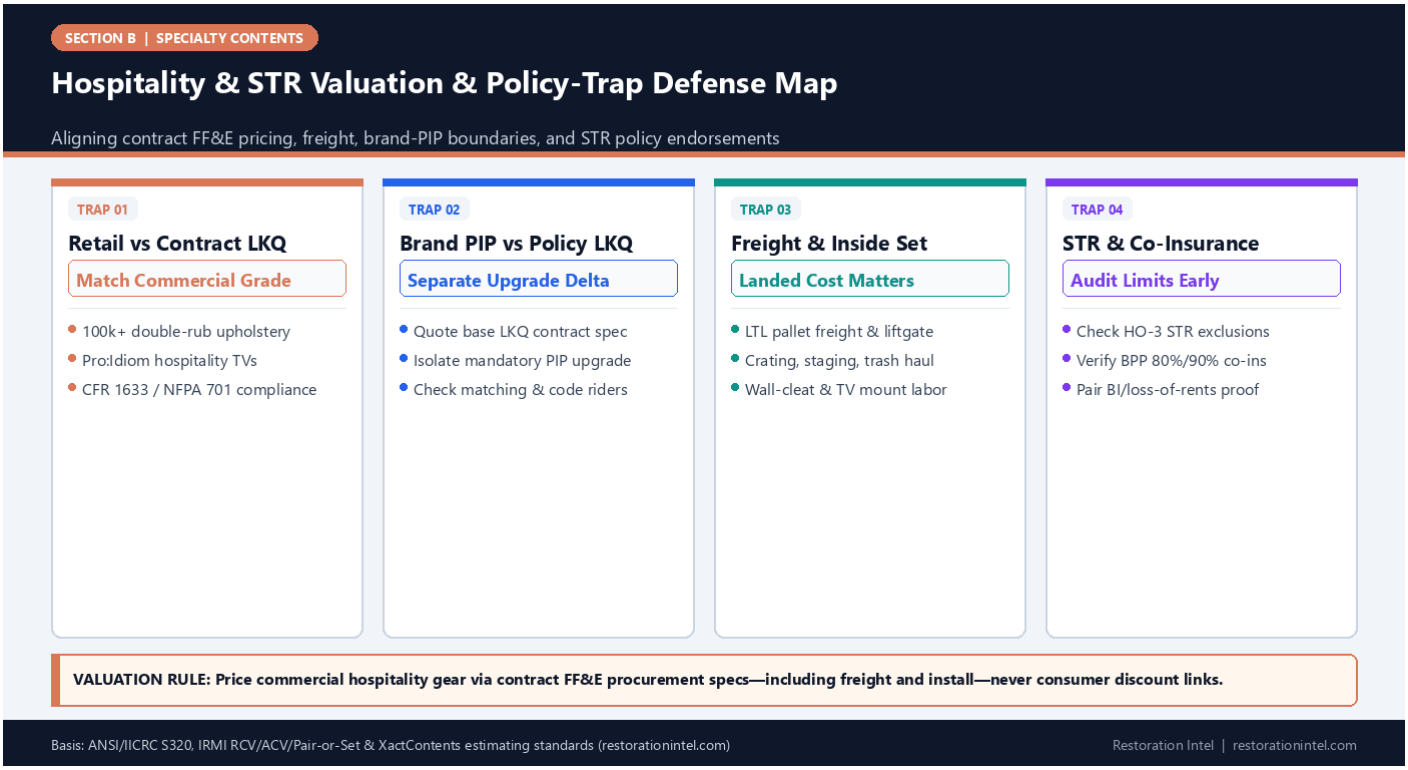
• Attach itemized LTL freight, liftgate, inside delivery, wall-cleat installation, and packaging haul-off quotes to all multi-room orders.

• Collect recent CapEx/PIP renovation invoices and mattress law-tag dates to prove reset effective age on ACV depreciation calculations.

• Group OS&E linens, terry, and guestroom smallwares using verified room-kit matrices paired with par-stock reserve counts.

• Flag potential STR business-pursuits exclusions or commercial BPP co-insurance exposure early for owner/broker review.

Visual Workflow & Benchmark Summary



Companion Endpoints & Verified Primary Sources

- **Markdown Twin (plain text):** https://restorationintel.com/hospitality-hotels-short-term-rentals-valuation-lkq-sourcing.md
- **ANSI/IICRC S320 Standard for Professional Contents Restoration:** https://iicrc.org/s320/
- **IRMI Insurance Glossary: Replacement Cost Value (RCV):** https://www.irmi.com/term/insurance-definitions/replacement-cost
- **IRMI Insurance Glossary: Actual Cash Value (ACV):** https://www.irmi.com/term/insurance-definitions/actual-cash-value
- **IRMI Insurance Glossary: Depreciation:** https://www.irmi.com/term/insurance-definitions/depreciation
- **IRMI Insurance Glossary: Pair or Set Clause:** https://www.irmi.com/term/insurance-definitions/pair-or-set-clause