Bondomo
Ownership Intelligence

FEE STRUCTURE CHECKLIST

Fee Structure Checklist for Managed and Branded Residence Buyers

Questions to clarify recurring fees, reserves, rental deductions and future cost assumptions.

The purchase price is only one part of the ownership model.

Boundary: This guide is a buyer-side preparation resource. It does not provide legal, tax, investment, brokerage or purchase advice.

Contents

1. Purpose of this guide

The purchase price is only one part of the ownership model.

Managed, branded, hotel and serviced residence offers can combine a real estate purchase with operator-led services, recurring fees, rental programme rules, reserve obligations, owner use rules and resale-related costs. A brochure or price list may explain the residence and the headline offer, but it may not show the full fee structure behind long-term ownership.

This guide helps buyers prepare better questions before relying on a price list, fee sheet, service charge estimate, rental pool example or projected yield figure. It is designed to help buyers separate different cost areas, identify which documents may be relevant and prepare focused questions for sellers, operators and qualified professional advisors.

It does not tell buyers whether an offer is commercially suitable, legally acceptable, tax-efficient or investment-worthy. It also does not replace professional review. Bondomo helps buyers prepare, not decide.

USE THIS GUIDE WHEN YOU WANT TO CLARIFY

- which fees are one-time, recurring, variable or exit-related;
- which costs are connected to owner use, services, rental participation or resale;
- which deductions may sit between gross rental income and any owner distribution;
- which reserves or refurbishment obligations may arise later;
- which documents may be needed before deeper review.

2. Who this guide is for

This guide is for buyers reviewing complex residence ownership models where a purchase may be connected to brand standards, hotel operations, management agreements, rental programmes, service charges or future owner obligations.

IT MAY BE USEFUL FOR

- international private buyers reviewing a branded, managed, hotel or serviced residence;
- cross-border buyers who are not familiar with local fee documents or ownership terminology;
- buyers who have received a brochure, price list, fee sheet or projected rental example;
- buyers before reservation, deposit, letter of intent or legal review;
- lifestyle-plus-yield buyers trying to understand use, rental and cost assumptions together;
- family offices, buyer-side advisors or professional reviewers preparing an early questions list.

The guide is most relevant before a buyer treats headline figures as complete. It can also help after documents have been received, because it gives a structure for reviewing whether the fee categories are visible, partly visible, unclear or not assessable from the available material.

3. How to use this checklist

Start with the fee structure overview in Section 6. It separates different fee and cost areas so that management fees, service charges, reserves, rental deductions and resale-related costs are not treated as one general cost line.

Then use Sections 7 to 11 as working checklists. Each section focuses on one fee area. Tick a box only when the information is visible in writing or when you have asked for the relevant document or explanation.

Use this status language when reviewing information:

Status	Meaning for buyer preparation
Visible	The information is available in writing and can be reviewed.
Partly visible	Some information is available, but important assumptions or documents are missing.
Unclear	The material mentions the cost area but does not explain it clearly.
Not visible	The cost area is relevant but not shown in the available material.
Professional review	The question should be reviewed by a qualified lawyer, tax advisor, financial advisor or other professional.

Keep the completed checklist with your other project notes. It can become a short preparation document for conversations with the sales team, operator, lawyer, tax advisor or other qualified professional.

Do not use the checklist as a decision tool. It is a way to organise questions, not a way to approve a project.

4. Why purchase price is only one part of the model

A normal purchase comparison often starts with price, location, size and specification. In a managed or branded residence model, that is not enough. The buyer may also be entering into an operating environment shaped by service standards, operator rules, rental programme mechanics, owner use limitations, future renovation cycles and resale processes.

The key distinction is between the entry cost and the ownership model.

Cost type	What it means	Why it matters
Purchase price	The stated acquisition price for the residence or ownership interest.	It may not include recurring fees, reserves, rental deductions or exit-related costs.
Recurring fees	Ongoing fees such as service charges or management fees.	They can affect the cost of holding the residence over time.
Reserves and future contributions	FF&E reserves, refurbishment funds, CapEx or special owner contributions.	They may relate to replacements, brand standards, renovations or common assets.
Rental deductions	Costs deducted before any rental distribution to the owner.	They affect how gross rental income becomes a net owner payment, if any.
Exit-related costs	Transfer fees, resale administration, consent processes or resale-related charges.	They may become relevant when the owner wants to sell or transfer.

The purpose is not to predict the future cost of ownership. The purpose is to ask whether the relevant categories are visible and documented before the buyer makes a larger commitment.

5. Fee visibility before relying on brochures or projected yield

Brochures and sales presentations often focus on the appeal of the residence: the brand, location, design, services, amenities and potential rental use. A fee sheet may show some recurring costs, but not always the basis for future increases, reserve obligations, rental deductions or resale-related costs.

If a seller or operator presents a projected yield, buyers should treat it as a provider statement until the assumptions, deductions and documents are reviewed by qualified professionals.

This guide helps buyers clarify fee categories and cost assumptions. It does not calculate returns, validate projected yield figures or provide investment advice.

Before relying on any rental or yield figure, buyers should ask:

- What is the figure based on?
- Is it gross or net of costs?
- Which deductions are made before any owner distribution?
- Are management fees, service charges, reserves and owner use costs included or separate?
- Which assumptions are visible in writing?
- Which assumptions require professional review?

Fee visibility matters because unclear information can make offers harder to compare. A residence with a lower purchase price may have a different service charge basis, rental deduction structure, reserve obligation or exit-cost profile than another residence. This checklist helps buyers ask for clearer information before making that comparison.

6. Fee structure overview

Use this matrix as a first map. It does not decide whether any fee is appropriate. It shows the fee areas that may need to be separated and clarified.

Fee or cost area	What it may relate to	Where it may appear	Buyer question
Purchase price	Acquisition of the residence or ownership interest	Price list, reservation pack, sale agreement	What is included and excluded from the stated price?
Reservation fee or deposit terms	Reservation, deposit, cancellation or timing rules	Reservation terms, booking form, deposit schedule	Is the payment refundable, credited, staged or conditional?
Management fee	Management, operator or programme administration	Fee schedule, management agreement, rental programme	Who charges it and what services may it cover?
Service charge	Services, common areas, amenities, staffing or utilities	Service charge budget, owner association documents	Is it fixed, estimated, budgeted or reconciled later?
FF&E reserve	Furniture, fixtures, equipment and replacements	FF&E policy, rental programme, management agreement	What is the reserve intended to cover and who controls it?
Reserve fund / CapEx / refurbishment contributions	Major works, renovations, brand standards or common assets	Reserve policy, governance documents, budgets	Can future owner contributions arise?
Rental pool deductions	Operating costs deducted before owner payment	Rental pool agreement, sample rental statement	What is deducted before any distribution?
Revenue split	Allocation of rental income between owner and operator	Rental programme, revenue schedule, statements	How are gross and net amounts defined?
Owner use and service charges connected to use	Owner stays, housekeeping, utilities or service access	Owner use rules, house rules, service schedule	Which costs apply when the owner uses the residence?
Transfer fees and resale-related costs	Resale administration, transfer, consent or broker channel	Resale rules, sale agreement, governance documents	What costs or approvals may apply on resale?
Indexation or future fee adjustment	Inflation, budget changes, formulas or discretionary changes	Fee schedule, service charge rules, management agreement	Can fees change and how is the change documented?
Special contributions or owner obligations, if mentioned	Deficits, extraordinary works or owner responsibilities	Governance documents, budgets, operator notices	Who decides and how are owners informed?

7. Management fee checklist

A management fee may relate to services provided by a manager, operator, rental programme, association or other structure. The name alone does not explain what the fee covers. Buyers should ask who charges it, what services it relates to, where it is documented and whether it can change over time.

QUESTIONS TO CLARIFY

- Who charges the management fee?
- What services may it relate to?
- Is it fixed, variable, estimated, indexed or discretionary?
- Is it paid by the owner, the rental programme, the association or another structure?
- Where is it documented?
- Can it change over time?

CHECKLIST

- [ ] Request the current management fee schedule.
- [ ] Ask who charges the management fee and to whom it is paid.
- [ ] Ask which services are included in the management fee.
- [ ] Ask which services, if any, are excluded or charged separately.
- [ ] Ask whether the fee is fixed, variable, estimated, indexed or adjustable.
- [ ] Request the document that explains how the management fee can change.
- [ ] Ask whether the fee is connected to rental participation, owner use or both.

AREAS TO CLARIFY

- A fee is named but not defined.
- The payer is unclear.
- The calculation basis is not visible.
- The change mechanism is described only verbally.
- The fee appears in one document but not in the main offer summary.

8. Service charge checklist

A service charge may relate to shared services, amenities, staffing, maintenance, common areas, utilities, security, landscaping or other operational costs. It should not automatically be treated as the same thing as a management fee or an FF&E reserve.

QUESTIONS TO CLARIFY

- What services are covered by the service charge?
- Is the service charge based on a budget, estimate, actual cost or formula?
- Are common areas, amenities, staffing or utilities included?
- Which costs are excluded?
- How are increases, reconciliations or deficits handled?
- Who approves or reports the service charge budget?

CHECKLIST

- [ ] Request the current service charge budget or estimate.
- [ ] Ask whether the service charge is fixed, estimated, budgeted or reconciled.
- [ ] Ask what categories are included in the service charge.
- [ ] Ask what costs are excluded and charged separately.
- [ ] Ask whether deficits, surpluses or reconciliations are explained.
- [ ] Ask who prepares, approves and reports the service charge budget.
- [ ] Request information on how service charge increases are handled.

AREAS TO CLARIFY

- The service charge is shown as an estimate without basis.
- The budget period is unclear.
- The approval process is not described.
- Excluded costs are not listed.
- Owner use costs and common service costs are mixed together.

9. FF&E reserve, reserve fund and CapEx checklist

FF&E generally refers to furniture, fixtures and equipment. In hotel, serviced, branded or managed residence models, standards, replacement cycles and refurbishment requirements can be important because the operator or brand may expect the residence or common areas to remain aligned with service standards. A reserve fund, CapEx contribution or refurbishment obligation may be separate from the FF&E reserve. Buyers should ask which reserves exist, what they are intended to cover, who controls them and whether additional contributions can arise.

QUESTIONS TO CLARIFY

- Is there an FF&E reserve?
- What is the reserve intended to cover?
- Are replacement cycles, refurbishments or brand standards mentioned?
- Who decides when funds are used?
- Can owners be asked for additional contributions?
- Are CapEx or reserve fund obligations visible?

CHECKLIST

- [ ] Ask whether an FF&E reserve, reserve fund or CapEx contribution exists.
- [ ] Request the policy or document that explains the reserve.
- [ ] Ask what items or works the reserve is intended to cover.
- [ ] Ask who decides when reserve funds are used.
- [ ] Ask whether refurbishment cycles or brand standards are referenced.
- [ ] Ask whether owners may be asked for additional contributions.
- [ ] Ask how reserve balances, use of funds or shortfalls are reported.

AREAS TO CLARIFY

- The offer mentions FF&E but not how replacement is funded.
- Refurbishment obligations are visible but the funding source is unclear.
- Brand standards are mentioned without related cost information.
- Additional contributions are possible but not explained.
- Common-area CapEx and unit-level FF&E are not separated.

10. Rental deductions and revenue split checklist

Rental participation can be optional, mandatory, operator-managed or structured through a rental pool or individual letting arrangement. The key fee question is not only the revenue split. Buyers should also understand what is deducted before any owner distribution and how gross and net rental income are defined.

QUESTIONS TO CLARIFY

- Is rental participation optional or mandatory?
- Is there a rental pool, individual letting arrangement or operator-managed programme?
- What is deducted before any owner distribution?
- How are gross and net rental income defined?
- What is the revenue split?
- How often are rental statements provided?
- Are projected yield figures based on visible assumptions?

CHECKLIST

- [ ] Request the rental pool agreement or rental programme rules.
- [ ] Ask whether rental participation is optional, required or conditional.
- [ ] Request the full list of deductions before any owner distribution.
- [ ] Ask how gross rental income and net rental income are defined.
- [ ] Ask how the revenue split is applied and documented.
- [ ] Ask how often rental statements are provided.
- [ ] Ask which assumptions support any projected yield or rental example.

AREAS TO CLARIFY

- A projected yield is shown without visible assumptions.
- Gross and net income are not defined.
- The deduction list is incomplete or only summarised.
- Owner use and rental availability are not connected in the explanation.
- Statement frequency and reporting format are not visible.

11. Transfer fees, indexation and future changes

Fees may change over time. Some may be indexed, budget-based, formula-based or adjusted after actual costs are known. Others may arise only on transfer, resale, refurbishment or special contribution events. Buyers should ask how changes are made, who decides them and where the mechanism is documented.

QUESTIONS TO CLARIFY

- Are transfer fees visible?
- Are resale-related charges described?
- Are fees indexed or adjustable?
- Are future increases capped, formula-based or discretionary?
- Can special contributions or future owner obligations arise?
- Which provisions should be reviewed by qualified professional advisors?

CHECKLIST

- [ ] Request the transfer fee and resale-related cost provisions.
- [ ] Ask whether any fees are indexed or adjustable over time.
- [ ] Ask whether future increases are formula-based, capped or discretionary.
- [ ] Ask which party can approve changes to fees or budgets.
- [ ] Ask whether special contributions or owner obligations can arise.
- [ ] Request the documents that explain resale, transfer and consent costs.
- [ ] Mark legal, tax or enforceability questions for qualified professional review.

AREAS TO CLARIFY

- Future fee changes are mentioned but not explained.
- Transfer costs appear in one document but not in the offer summary.
- Resale rules are separate from the fee schedule.
- Indexation language is visible but not connected to a worked example.
- Special contributions are possible but the approval process is unclear.

This checklist structures fee and cost questions. It does not confirm total cost, calculate returns or validate projected yield figures.

12. Documents and information to request

The following documents or information can help buyers clarify the fee structure. Availability and terminology may vary by project, jurisdiction and ownership model. The purpose is to request relevant information, not to assume every document exists in the same form.

Document or information	Why it may matter	Fee question it helps clarify
Price list	Shows the headline purchase price and inclusions.	What is included in the stated price?
Reservation terms	Shows deposit, timing and cancellation terms.	What happens if the buyer does not proceed?
Fee schedule	Lists recurring, one-time or event-based fees.	Which fees are visible in writing?
Service charge budget	Explains services, estimates or budget basis.	What costs are covered and excluded?
Management agreement	May define manager or operator services and fees.	Who charges management fees and why?
Owner association or governance documents, if applicable	May explain budget approval, contributions and reporting.	Who approves fees and special contributions?
FF&E reserve policy or reserve information	Explains replacement or reserve logic.	What is the reserve intended to cover?
CapEx / refurbishment information, if available	May show future works or contribution expectations.	Can additional future costs arise?
Rental pool agreement	Defines rental participation, pooling and deductions.	What is deducted before owner distribution?
Rental programme rules	Explains participation, use restrictions and reporting.	Is rental participation optional or required?
Revenue split / deduction list	Shows allocation of rental income and charges.	How does gross income become owner income?
Sample rental statement, if available	Shows reporting format and deduction presentation.	What will owners actually see in statements?
Resale rules	May define consent, channels or restrictions.	What process applies when selling?
Transfer fee provisions	Shows resale or transfer-related charges.	Which costs arise on transfer?
Indexation or fee adjustment provisions	Explains how fees may change over time.	Which future changes are documented?

13. Questions before reservation

Use these questions before paying a reservation fee, deposit or other early commitment. Some questions are for the seller or sales team. Others may need to be reviewed by the operator or a qualified professional.

1. Which fees are payable before completion, and which begin after completion?
2. Is the reservation fee refundable, partly refundable or non-refundable?
3. Which fee documents are available before reservation?
4. Is the service charge fixed, estimated, budget-based or subject to reconciliation?
5. Is there a management fee, and who charges it?
6. Is there an FF&E reserve, reserve fund or refurbishment contribution?
7. Are rental participation rules available before reservation?
8. Are rental deductions listed before any projected rental figure is considered?
9. Are owner use costs explained separately from rental programme costs?
10. Are transfer fees, resale costs or consent-related costs visible?
11. Are fee increases, indexation or budget changes documented?
12. Which documents will only become available after reservation?
13. Which questions should be sent to a lawyer, tax advisor or other qualified professional before signing?
14. What information is not visible from the material currently available?

14. Questions to ask the seller or sales team

Sales teams can often provide the first set of documents and explanations. The goal is to make the fee structure visible before deeper review, not to ask the sales team to replace professional advice.

1. Can you provide the current fee schedule?
2. Can you provide the current service charge budget or estimate?
3. Which fees are one-time, recurring, variable or event-based?
4. Which fees are included in the price list and which are separate?
5. Are any fees payable before completion?
6. Are any fees connected to owner use?
7. Are any fees connected to rental participation?
8. Is there an FF&E reserve or refurbishment contribution?
9. Are transfer fees or resale-related costs shown in writing?
10. Are future fee adjustments, indexation or budget increases explained?
11. Which documents define the fee structure after purchase?
12. Which information is based on current estimates rather than final documents?

15. Questions to ask the operator or manager

The operator or manager may control services, budgets, rental programme reporting, operational standards or owner communication. The buyer should ask for written information where possible.

1. Which services are covered by the management fee?
2. Which services are covered by the service charge?
3. Which costs are excluded from the service charge?
4. How are service charge budgets prepared and reported?
5. How are deficits, surpluses or reconciliations handled?
6. Is there an FF&E reserve, and what does it cover?
7. Who decides when reserve funds are used?
8. How are rental deductions calculated and reported?
9. How often are rental statements provided to owners?
10. How are owner use costs charged and reported?
11. Can fees change if brand standards, service levels or operating requirements change?
12. How are owners informed about changes to fees, budgets or reserve requirements?

16. Questions for qualified professional advisors

Use these questions to prepare conversations with a lawyer, tax advisor, financial advisor or other qualified professional. This guide does not answer these questions. It helps buyers identify which questions may need professional review.

1. Which documents legally define the buyer's fee obligations?
2. Which fees are contractual obligations, association obligations or operator programme obligations?
3. Which payment terms should be reviewed before reservation or completion?
4. Which fee adjustment, indexation or budget change provisions require review?
5. Which reserve, CapEx or refurbishment obligations could create future owner contributions?
6. Which rental deductions and revenue split provisions require review?
7. How should projected yield or rental examples be treated in relation to the formal documents?
8. Which taxes, duties or local charges should be reviewed separately?
9. Which resale, transfer, consent or exit provisions may affect future sale planning?
10. Which owner use, rental programme or service charge terms should be reviewed together?
11. Which points are not assessable from the current material?
12. What further documents should be requested before signing or completion?

17. Common buyer shortcuts to avoid

Shortcuts are understandable. Buyers often see an attractive residence, a known brand, a clear price and a rental example before they see the full ownership structure. The purpose of this section is to slow the process enough to ask better questions.

Shortcut	Better reframe
“The purchase price is the main cost.”	The purchase price is the entry point. Recurring fees, reserves, rental deductions and exit-related costs may also shape the ownership model.
“The service charge estimate is enough.”	An estimate is a starting point. Buyers should ask what is included, excluded, adjustable and later reconciled.
“The projected yield already includes everything.”	A projected yield should be understood as a provider statement until assumptions, deductions and documents are reviewed.
“The operator will explain the fees later.”	Operator explanations are useful, but buyers should ask for the written documents that define fees and changes.
“The lawyer will check the details later.”	Professional review is important. A structured questions list helps the lawyer focus on the right documents and fee provisions.
“A strong brand means the cost structure should be reliable.”	A strong brand may shape the service experience. It does not replace the need to understand recurring fees, reserve obligations and exit-related costs.
“I only need to compare price and location.”	Price and location matter, but managed residence offers may also differ by service charge basis, rental deductions, owner use costs and resale terms.

18. What this checklist does not decide

This checklist is a preparation tool. It helps buyers organise fee questions and document requests. It does not make conclusions about a project, seller, operator, brand, investment outcome or legal position.

- whether the fee levels are commercially suitable for a specific buyer;
- whether a projected rental figure is realistic;
- whether legal terms are enforceable;
- whether the tax treatment is suitable;
- whether a buyer should reserve, buy, negotiate or walk away;
- whether one project is better than another;
- whether a seller, operator or brand is reliable;
- whether the full cost of ownership has been confirmed.

Some questions may be answerable from documents. Some may remain unclear. Some may require professional review. That distinction is the point of the checklist.

19. Related Bondomo resources

Use these resources to continue structuring the review:

- Fees & Costs
- Buyer Resources
- Buyer Checklist
- Documents page
- Bondomo Methodology
- Ownership Intelligence
- Knowledge Library
- What Bondomo Does and Does Not Do
- Use & Rental
- Operator Control
- Exit & Resale

20. Next step

Start with the documents. Ask for the fee schedule, service charge budget, management agreement, reserve information, rental programme rules and resale provisions that are relevant to the offer you are reviewing.

Then mark each fee area as visible, partly visible, unclear, not visible or requiring professional review. This creates a practical questions list for the seller, operator and qualified professional advisors.

A clear next step is not to decide faster. It is to make the cost basis clearer before bigger commitments.

This guide helps buyers clarify fee categories and cost assumptions. It does not calculate returns, validate projected yield figures or provide investment advice. Bondomo helps buyers prepare, not decide.