

# Condominium Hotel Residences: What people are asking

## **WHAT IS A “CONDOMINIUM HOTEL” RESIDENCE?**

It's owning your own luxurious room or suite in a premium hotel. Typically located in exclusive resorts and sophisticated cities around the world, condominium hotel residences provide purchasers (the buyer receives a deed and may sell or transfer the residence at any time) with the advantages of property ownership, like real estate appreciation and tax benefits. The residence may be used by the owner whenever desired, enjoying all the hotel's amenities subject to local laws and limitations of the rental program. When not in use by the owner, the residence can be offered for rental by the property's rental program, if desired. The rental program is totally optional.

## **DID YOU SAY “TAX BENEFITS”?**

First, in order to determine your own eligibility, you should consult your tax advisor. However, in most cases, your mortgage interest and real estate taxes will be deductible, just as it is with any conventional condominium. In some cases, an owner may also be eligible to receive tax benefits from interest, principal and property management.

## **WHAT'S THE MAJOR BENEFIT OF OWNING A CONDOMINIUM HOTEL RESIDENCE?**

In a word, ease. It's carefree ownership with none of the headaches. That's why it's being discovered as the best

new way to enjoy some of the world's most desired destinations. If you want the room for yourself, your family or friends, simply call the hotel and schedule your visit. If you don't, let the hotel's professional rental program handle it for you, eliminating maintenance and upkeep worries. What could be easier?

## **WHAT ARE THE TYPICAL AMENITIES I CAN EXPECT?**

You can expect all the luxuries and services typically found in exclusive resorts and hotels – spas, concierge and valet service, room and maid service, world-class dining, and more. Many allow the owner to take advantage of these amenities even when not in residence.

## **WHAT ABOUT FINANCING?**

You can finance your purchase of a condominium hotel residence just like any conventional condominium. And the residence can be purchased under a corporate entity.

## **WILL MY CONDOMINIUM HOTEL RESIDENCE ALWAYS BE AVAILABLE TO ME?**

During high-usage periods, owners' plans to occupy their units with short notice may be affected by prior rental commitments, and therefore unavailable. In general, the quantity of useable days available per year to owners is subject to local laws and conditions of the rental program.

## **WHO FURNISHES THE RESIDENCES?**

The unit is initially sold with elegant room-style furnishings. Also included in the initial sale are amenities such as flat-screen TVs, DVD/CD players and Internet access. While owners may bring in personal items during their stays, if the residence is part of the rental program consistency is essential. For this reason, the rental program may require owners to participate in a furniture & fixtures reserve program.

## **HOW ARE REVENUES FROM THE RENTAL PROGRAM USUALLY HANDLED?**

It usually means a 50/50 rental revenue split between the owner and the rental program, after hotel expenses are allocated to operations (as agreed upon in the rental program). Often paid monthly, the owner's revenue does not usually include any additional revenue for optional hotel guest services.

## **ANYTHING ELSE I SHOULD KNOW?**

Additional owner expenses usually include using the hotel's services for spa treatments, meals, housekeeping and the like. But there's often a discounted rate for owners, so please inquire.