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The 5-Point Condotel Verification Checklist

Complete every check before you transfer any money.

> You are overseas. You cannot easily visit DHSUD or the Registry of Deeds. That makes these checks more critical, not less. Forward this page to the agent selling you the unit. How they react tells you most of what you need to know.

☐ 1. DHSUD License to Sell (LTS) and Certificate of Registration (CR)

The developer must have a valid License to Sell issued by DHSUD (formerly HLURB) before they can legally offer units for sale. The CR confirms the project is registered.

How to verify: Ask for the LTS and CR number. Cross-check with the DHSUD regional office or their online portal. Under PD 957, selling without a License to Sell is a criminal offense.

Red flag: Any agent who says "we're still processing the LTS but you can reserve now to lock in the price."

☐ 2. Revenue-Sharing Agreement (Hotel Management Agreement)

This contract governs how hotel revenue is split between operator and unit owners. It specifies the exact percentage split, whether income is pooled or unit-specific, contract duration (typically 15 to 25 years), expense deductions, and termination clauses.

How to verify: Request the full document, not a summary. Have a lawyer review it. Pay attention to how "gross room revenue" and "net room revenue" are defined.

Red flag: Verbal promises of returns without a written, notarized revenue-sharing agreement.

☐ 3. Developer Track Record and Financial Health

Check: how many projects completed and turned over on time? Are they publicly listed? Any pending DHSUD or SEC cases? Do they have existing operational condotel properties with verifiable occupancy?

How to verify: For listed companies (DoubleDragon, Megaworld, SM Prime, DMCI), financial disclosures are public via the PSE EDGE portal. For unlisted developers, request audited financials directly.

Red flag: A developer with no existing operational hotel properties claiming they will deliver "hotel-grade" management.

☐ 4. Master Deed and Declaration of Restrictions

This document governs the condominium corporation. Check whether it explicitly permits hotel or transient use, zoning compliance for commercial and hospitality operations, mandatory rental pool terms, and your rights during renovation or operator changes.

How to verify: The master deed should be registered with the Registry of Deeds. The zoning certificate should match a commercial or mixed-use classification.

Red flag: A condotel built in a purely residential zone, or a master deed silent on hotel operations.

5. Condominium Certificate of Title (CCT) and Tax Obligations

Your proof of ownership. Upon full payment you should receive a CCT, not just a Contract to Sell. Confirm titled ownership, not a "right to use" or timeshare arrangement. Understand your tax obligations: rental income is subject to income tax, and possibly VAT if revenue exceeds the threshold.

How to verify: Check whether Real Property Tax is your responsibility or the operator's. Some operators like Hotel101 cover this; others do not.

Red flag: Any arrangement where you do not receive a CCT, or where "ownership" is structured as a timeshare or lease.

Two numbers to run before any of the above

The price-to-rate ratio. Divide the unit price by the nightly room rate. A P5,000,000 unit at P3,500 a night is 1,428. Above roughly 1,200 the maths struggles no matter how good the operator is. Run this first. If it fails, nothing else in the brochure matters.

The alternative. As of mid-2026 the Philippine 10-year government bond yielded roughly 7.5%, sovereign-backed and fully liquid. A condotel netting around 3.4% has to justify returning less than half that while locking you in for 15 to 25 years.

Full guide, sources and the ROI calculator this checklist comes from: homeward.ph/guides/condotel-investment-guide

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