

## 9.3.1. Example - List of fees and costs

This list is intended to help users of the INREV Fee and Expense Metrics when allocating fees and costs to TGER or REER, but it is not meant to be an exhaustive description of all the possible fees and costs that could be incurred by a real estate vehicle.

If services such as bookkeeping, valuation, property management, tax and financial advice are provided by the manager of the vehicle, the charges relating to these services are allocated on the basis of the nature of the service rendered.

The list below includes only those fees and costs that are charged directly to the vehicle. Hence it does not include fees and costs charged directly to the investors.

Only those fees and costs that are charged to the profit and loss account during the period, in line with the INREV principles, should be considered in the assessment of the TGER and REER. For example, the unamortised portion of vehicle formation costs is not taken into account when determining the TGER for the period.

Property costs are presented net of service charges.

### List of vehicle fees and costs

FEE AND COST CATEGORY	FEE AND COST ITEM
<b>Asset management fee</b>	Fees for strategic input and production of asset level business plans
<b>Fund management fee</b>	Fees for appointment of third party service providers
	Fees for reporting activities to investors
	Fees for cash management and dividend payment
	Fees for managing the vehicle level structure
	Fees for management of financing
	Fees for vehicle administration
<b>Wind-up fees</b>	Fees for investor relations
	Liquidation fees paid for ensuring an orderly winding-up of the vehicle
<b>Dead deal costs</b>	Environmental studies, feasibility studies, marketing research
	Legal service costs for the preparation or review of the contract of acquisition
	Title search and title insurance costs
	Brokerage commission (agency services costs)
	Appraisal service costs

	Survey costs (for the confirmation of lot size and dimensions)
	Property inspection costs
	Tax, legal, financial, technical, environmental, etc. due diligence costs
	Bank charges for an escrow account
	Notary service costs
<b>Performance fee</b>	Performance fees;
	Incentives and promotes;
	Carried interest;
	Other performance fees.
<b>Audit costs</b>	Statutory / financial audit
	Agreed upon procedures
	Audit costs for contributions in kind
	Internal audit
<b>Bank charges</b>	Bank charges for bank account maintenance
<b>Custodian costs</b>	Safekeeping of vehicle assets
	Cash flow monitoring
	Oversight duties - subscription and redemptions of units
	Oversight duties - valuation of shares or units
	Oversight duties - timely settlement of transactions
<b>Other/misc. vehicle costs</b>	Non recoverable VAT on vehicle costs
	Other vehicle level costs
<b>Other professional service costs</b>	Corporate service costs for annual board/AGM
	Debt arrangement costs
	Corporate service costs for other board/shareholders resolutions
	Advice for legal re-structuring of the vehicle
	Advice for regulatory compliance
	Advice for litigations
	Financial regulation authority service costs (CSSF/Consob/AFM etc.)

	Advice for tax re-structuring of the vehicle	
	Advice for tax litigations and tax audits	
<b>Vehicle formation costs (amortisation for the period)</b>	Notary costs incurred for the formation of the vehicle	
	Advice for initial legal structuring of the vehicle	
	Advice for initial tax structuring of the vehicle	
	Corporate service costs for the initial board, shareholders meetings	
	Subscription costs	
	Marketing costs	
	Printing/publication costs	
	Registration costs	
<b>Valuation costs</b>	Real asset appraisal costs	
	Borrowing valuation costs	
	Derivative financial instrument valuation costs	
	Other assets/liabilities valuation	
<b>Transfer agent costs</b>	Costs for recording change of units' ownership	
	Costs for distribution of dividends	
	Costs for keeping unitholders' register	
<b>Vehicle administration costs</b>	Statutory reporting	
	Investor reporting	
	GAAP conversions	
	Consolidation reporting	
	NAV computation	
	Filing with Trade Registrar	
	Preparation of corporate income tax returns	
	Preparation of VAT returns	
	Preparation of other regulatory reports	
	Domiciliation and room rent	
	Regulatory compliance	
	Record keeping	

<b>Transaction-based management fees</b>	Commitment fees;
	Subscriptions fees;
	Redemption fees;
	Property acquisition fees;
	Property disposition fees;
	Project management fees;
	Debt arrangement (financing) fees

## List of property fees and costs

<b>FEE AND COST CATEGORY</b>	<b>FEE AND COST ITEM</b>
<b>Asset management fee</b>	Fees for management of assets including refurbishment and design, approval, and for the construction process of a development project
	Fees for coordination of third party service providers at asset level
	Fees for reporting activities at asset level
<b>Internal leasing commissions</b>	Agency and marketing services of the property provided by the manager
<b>Property management fee</b>	Property management services provided by the manager
	Development fees
<b>External leasing commissions</b>	Legal services for tenant contract renewal
	Agency service costs
	Negotiation service costs
	Any special features developed for the tenant
	Development of marketing plan
	Marketing of vacant space
	Legal services for tenant contract renewal
<b>Property acquisition costs (amortisation for the period)</b>	Environmental studies, feasibility studies, marketing research
	Legal service costs for the preparation or review of the contract of acquisition

	Title search and title insurance costs
	Brokerage commission (agency services costs)
	Initial appraisal service costs
	Registering costs (for the change of ownership)
	Survey costs (for the confirmation of lot size and dimensions)
	Survey costs (for the confirmation of lot size and dimensions)
	Property inspection costs
	Survey costs (for the confirmation of lot size and dimensions)
	Tax, legal, financial, technical, environmental, etc. due diligence costs
	Bank charges for an escrow account
	Notary service costs
	Transfer Tax
<b>Other/miscellaneous/sundry costs</b>	Non recoverable VAT on property-specific costs
	Other/miscellaneous/sundry costs
<b>Property insurance costs</b>	Property insurance renewal
<b>Property management costs</b>	Property management costs include the non-rechargeable portion of the following costs:
	Lease management (collect monthly rent, deposit to owners account, communication thereon)
	Letting coordination
	Service charge management costs
	Energy-use management and conservation
	Cost and quality control
	Security services
	Register rental contracts with fiscal authorities
	Reception services
	Heating activation
	Sustainability compliance of the building/Ecolabel

<b>Utilities, repair and maintenance costs</b>	Non-rechargeable portion of repairs and maintenance costs that are treated as expenses and which should be taken into account for the calculation of the REER. These costs include:
	Refreshing property ready for sale or rental (current repairs)
	Building inspection
	Elevator inspection
	Technical maintenance services (aimed to ensure optimal functioning of building systems)
	Disinfection and disinfestation services
	Design and installation services
	Electrical wiring and alterations
	Drainage
	Safety training services
	Electricity
	Heating
	Water
	Gas
	Telephone
	Internet
	Cable
	Security services
	Waste disposal, garbage
	Cleaning
Vacant unit service charges	
<b>Taxes on property related activities</b>	Property tax
	Non-resident landlord

## Fees and costs exempted from TGER and REER

FEE AND COST CATEGORY	FEE AND COST ITEM
<b>Deferred taxes on property related activities</b>	Deferred tax assets/liabilities related to real estate property fair value changes and financing/hedging activity
<b>Development costs</b>	Development costs should be considered as exempted only to the extent that they are capitalised.
	Obtaining building permits
	Project design
	Feasibility studies
	Sustainability and environmental consultancy services
	Project management services (budget monitoring, supervision of construction work)
	Architectural services
	Marketing plan development
	Engineering consultancy
	Compliance services
	Soil investigation, site inspection
	Landscape design
	Cost consultancy (financial management)
<b>Disposition costs</b>	Legal advice related to disposal transaction
	Appraisal costs
	Tax advice related to the transaction
	Title costs
	Premium paid to insurance company if one party fails
	Broker commission
	Notary service costs
<b>Fair value adjustment</b>	Fair value of financial instruments
	Fair value of real estate properties (excluding write-off of property acquisition costs)
<b>Financing costs</b>	Bank/loan/overdraft/debt interest

	Interest on loans with external bank
	Interest on loans with affiliated undertakings
	Loan commitment costs
	Upfront costs
	Prepayment costs
	Exit costs
	Extension costs
	Make-whole costs
	Mortgage application costs
	Mortgage insurance
	Bank charges for issue of bank borrowings
<b>Gain/loss on currency exchange rates</b>	Gain/loss on currency exchange rates
<b>Gain/loss on investment disposition</b>	Gain/loss on investment disposition
<b>Goodwill write-off</b>	Goodwill write-off
<b>Impairment of goodwill</b>	Impairment of goodwill
<b>Losses on disposal of subsidiaries</b>	Losses on disposal of subsidiaries
<b>Payments related to financial derivatives</b>	Swap interests
	Break costs
<b>Provisions and allowances</b>	Provisions for litigation, unused vacation, pension provisions; allowances for trade and other receivables, inventories
<b>Receivables write-off costs</b>	Receivables write-off costs
<b>Rent free/discount</b>	Rent free
	Rent discount
<b>Securities handling charges</b>	Securities handling charges
<b>Share of loss of associates and joint venture</b>	Share of loss of associates
<b>Taxes on real estate transactions</b>	Transfer taxes in Europe (UK excluded)
	Stamp duty land tax in UK



**Unwinding of discount and effect of changes in discount rate on provisions**

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