HOSPITALITY AND FACILITIES MANAGEMENT

Branded Residences in Saudi Arabia: Managing Service Quality, Operating Costs, and Owner Expectations

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Abstract

Branded residences in Saudi Arabia combine private home ownership with service expectations associated with a hotel or lifestyle brand. The operating challenge is to deliver those services consistently while controlling recurring charges, funding asset replacement, and giving owners a meaningful role in decisions. This narrative review draws on Saudi market and governance sources, service-quality research, and facilities and asset management guidance. It proposes a framework based on a disclosed service catalogue, transparent allocation of shared costs, a funded asset renewal plan, and a joint review of service results and financial performance. The framework distinguishes hotel-linked properties from standalone developments and recognises differences between urban homes and resort residences. It offers measures for testing whether the brand promise translates into reliable service after handover. National and global market evidence provides context, while the framework requires validation with property-level operational and financial records.

Keywords: branded residences; operating costs; owner expectations; property management; Saudi Vision 2030; service quality

1 Introduction

1.1 From brand promise to residential operations

A branded residence is a privately owned home marketed and operated under an agreement with a recognised brand. Some developments share a site and selected services with a hotel. Others operate independently and procure residential services through a dedicated manager. Buyers encounter the brand during marketing, but experience it through daily matters such as access control, parcel handling, maintenance requests, amenity availability, and the conduct of staff. A hotel guest may stay for several nights, while an owner can experience the same lift outage, noisy repair, or access restriction over months. This longer relationship makes reliability and transparent decisions central to the value proposition.

Saudi Arabia's branded residence market brings urban projects, destination resorts, and mixed-use developments into the same broad category. A Riyadh property serving year-round residents may face heavy weekday demand for valet, deliveries, and visitor access. A coastal project with intermittently occupied homes may face peak-period arrivals and vacant-unit checks, along with maintenance needs arising from exposure to salt and humidity. Common brand standards can describe the intended level of hospitality, while a local operating plan must account for use patterns, supplier capacity, climate, and available staff. The design of that plan affects what owners pay and whether they obtain the services they expected.

Named developments illustrate the range of contexts. Diriyah Company presents branded residential offerings alongside a wider urban destination, while AMAALA promotes homes in a coastal wellness destination. These examples establish that brands operate within different development models. Their public descriptions do not supply comparable realised service charges or operational performance. Those details would have to come from agreements, budgets, and records collected after handover. The growth of the global branded residence market is shown in Figure 1.

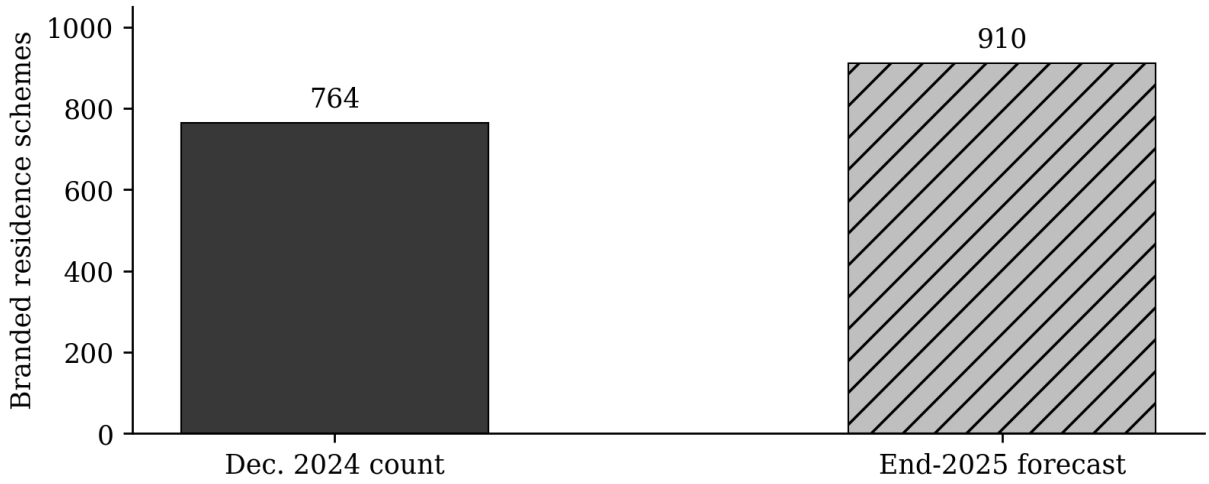


Figure 1. Global branded residence schemes in the Savills 2025–2026 report (source: Savills, 2025; the end-2025 number is the forecast published in that edition).

1.2 Saudi Vision 2030 context

Branded residences sit where hospitality investment and residential development meet. Within the Vision 2030 context, well-run developments can create demand for skills in facilities operations, residential concierge service, asset management, and owner relations. The operating contribution becomes visible after handover, when teams maintain buildings and deliver services year after year. Sales activity and opening announcements are relevant to the development pipeline, but recurring service delivery depends on staffing, accessible records, clear agreements, and realistic budgets.

Buyer surveys suggest interest in branded housing, but an expression of interest does not reveal the terms on which an owner would stay satisfied. Survey responses may reflect amenities, location, brand recognition, or investment expectations. They also leave open whether owners would accept higher annual charges for a particular service. A developer can use demand research to shape a project and test price assumptions. For operations, the more specific question is which services owners value enough to fund over the life of the building. A post-handover review of demand and charges supplies a different kind of evidence.

2 Aim and research questions

2.1 Aim and objectives

The aim is to develop a framework that Saudi branded residence operators can use to manage service quality, operating costs, and owner expectations together. The objectives are to define the brand promise as a set of observable services, identify how shared operating costs and asset renewal should be planned, set out a process for resolving owner concerns, and propose measures for evaluating the

framework. The analysis also examines how the model changes when the residences share infrastructure with a hotel, and how it might be tested in urban and destination projects.

2.2 Research questions

What features of service quality matter most when occupants own the homes in which service is delivered? How can managers disclose recurring charges, allocate shared costs, and plan capital renewal without weakening day-to-day service? How can the residential operator, the owners' association, and a hotel or brand representative coordinate decisions? Which property-level measures would reveal whether improved service delivery accompanies sustainable cost control? The questions address the transition from developer-led mobilisation to a mature operating arrangement where owners increasingly scrutinise expenditure and performance.

3 Review methodology

3.1 Evidence selection and assessment

The study uses a narrative review. Targeted searches covered branded residence demand and supply, Saudi joint ownership and association governance, service quality and complaint handling, and facilities and asset management. The review selected Saudi official sources for governance and policy context, market reports for survey and pipeline observations, and academic studies and standards for concepts relevant to operating design. It does not estimate pooled effects. The proposed framework draws together complementary sources and sets out how an operator could collect evidence to test the recommendations.

3.2 Definitions and boundaries

The main unit of analysis is the residential development after handover. Service quality refers to the reliability, responsiveness, and perceived fairness of residential operations. Operating costs refer to recurring expenses such as staffing, utilities, insurance, service contracts, and routine maintenance. Reserve funding for major asset renewal is assessed separately so that a reduction in the current-year operating budget does not conceal an unfunded future expense. Owner expectations include the promised standard of service, the timing and basis of charges, access to information, and the handling of unresolved disputes. An owner and an occupant may be different people and may judge the same service differently.

4 Service quality and owner expectations

4.1 Translating the brand promise into a service catalogue

The operator should turn broad sales descriptions into a service catalogue that can be used by staff and understood by owners. Each entry should identify eligibility, hours, the responsible team, scope, response targets, and any fee. Concierge access may be included in the service charge, for example, while in-unit cleaning may be booked and billed separately. Work inside an owner’s unit may require consent and an appointment. A property team that states those conditions upfront gives occupants a clearer basis for judging delivery and reduces the number of requests transferred among teams.

The catalogue should also define what happens when a promised service becomes unavailable. For example, if a residents’ gym closes for repairs, the manager should say why, give an expected

reopening date, and describe any temporary access arrangements. Service measures can then reflect actual availability. An annual average may conceal repeated closures on busy weekends, so the operator should inspect performance during peak periods and communicate material disruptions directly. Owners can judge whether the service level was met, and the manager can distinguish problems requiring changes in staffing from those that require capital work.

Research on service quality offers two useful measurement approaches. A manager can compare what owners expect with what they report experiencing, or ask owners to assess specific aspects of recent performance. The first approach can reveal a mismatch between sales language and delivery. The second can identify unreliable services without requiring owners to define an ideal standard. Combining survey results with dated records of actual availability helps a manager distinguish the two problems and decide whether to improve delivery or clarify the commitment.

A service catalogue should make the difference between response and resolution explicit. A manager can acknowledge an urgent request promptly while the repair still depends on obtaining parts. The team should identify the next step and who will update the occupant. Residential systems should also support written and spoken communications in Arabic and English where needed, with consistent descriptions of scope and fees in both languages. Testing the wording during move in can reveal confusion before the same misunderstanding becomes a recurring complaint.

4.2 Handling complaints and repeated failures

Service recovery has practical and procedural dimensions. An owner wants the lift repaired, but also expects to know who is responsible and when another update will arrive. A case record should show the issue, priority, assignment, estimated response, decisions made, and evidence of closure. The operator can group repeat incidents to see whether an apparent service problem originates in an asset defect, supplier coverage, or an unclear handover between shifts. Closing a ticket after sending a message can improve reported response times while leaving the underlying fault active. Sample audits can catch that divergence.

A recurring water leak illustrates why a single ticket owner matters. Concierge may receive the complaint, engineering may assess a riser, and a contractor may need access to an adjoining unit. The case owner coordinates those steps, provides updates, and maintains a timeline. A repair may depend on cooperation from someone outside the service team. The manager can still commit to a communication interval and explain what action is pending. Repeated cases should prompt a technical review and a check on where the cost belongs. A fair response relies on evidence about the defect, responsibility, and impact on owners.

4.3 What buyer research can tell operators

Saudi market surveys help developers identify interest and segments worth exploring. They cannot establish service preferences at a particular property after owners have moved in. Even a high proportion of stated interest can include people with different intentions, such as buying a primary home, acquiring a second residence, or investing in a unit for rental. The operator should collect observations by occupancy type where feasible and compare them with transaction and service records. An owner may rate frequent communications highly even when rarely present, while a full-time resident may care more about deliveries, lift availability, or noise during planned maintenance.

5 Operating costs and asset stewardship

5.1 Building the operating budget

The residential budget should start with the services and assets the property needs to run. A mobilisation estimate can use contract bids, manufacturer requirements, and staffing models informed by expected occupancy. Once the site has a year of records, the team can compare its estimates with actual activity. The resulting budget should show the basis for staffing, supplier prices, utilities, insurance, and management fees. Owners can then see whether an increase followed changed service demand, higher input prices, a new scope, or a one-off repair. The operator can focus on the expense items where it has the most influence.

Costs also need classifications that aid decisions. Some recurring expenses, such as a security post with minimum coverage, largely persist when fewer homes are occupied. Others vary more with actual use, such as housekeeping of heavily used areas. Management can compare actual expenditure with both the approved budget and a budget adjusted for relevant activity. This helps identify whether a higher spend reflects inefficiency or greater use than originally expected. Where the budget assumes early occupancy will be low, the operator should show how funding and service provision change as more homes are occupied.

5.2 Allocating shared costs in hotel-linked developments

A hotel-linked building can benefit from shared engineering coverage, back-of-house areas, or procurement. Shared services become contentious when owners cannot verify how much residential demand accounts for the charge. The operating agreement should define eligible costs and how they are apportioned. Metered utilities can be billed using readings where possible. Joint staffing may require records of time or activity drawn from duty logs. Some infrastructure expenses may follow another documented basis that reflects who benefits and how the asset is used. The chosen methods should be traceable to contracts, invoices, and budget decisions.

When a hotel event increases cleaning or staffing around a shared arrival area, management should determine the cause of the incremental expense before applying the standing allocation. An event can benefit the hotel while disrupting residents or adding costs to an area treated as shared. A periodic reconciliation should distinguish such exceptional items from routine shared expenditure. The operating agreement should also handle informal service exchanges, such as engineering help during an emergency. A clear protocol lets staff respond immediately and leaves a record for the later cost review.

Where a shared service has little reliable usage data, the parties can begin with a documented provisional allocation and agree when to review it. A quarterly sample of supplier invoices, maintenance tickets, and staff deployment may reveal that the starting assumptions no longer reflect daily use. If the allocation changes, owners should receive a plain explanation of why the old method produced a different result and how the revision affects future budgets. This gives them a clear basis for assessing the new charge.

5.3 Planning maintenance and major renewal

An opening budget can appear attractive while escalators, chilled water equipment, pools, and pumps remain new and under warranty. Once warranties expire, the operating group faces both more maintenance and larger replacement decisions. An asset register should combine location, owner-

ship, warranty, expected life, replacement estimate, condition, and importance to operations. Management can use it to schedule inspections and estimate renewal needs. The assumptions should be revisited after early operating experience and whenever an asset shows faster deterioration than expected.

Asset renewal calls for decisions about timing and trade-offs. A lift may still operate but experience rising faults and long waits for imported components. Management should compare the cost of continued repair, the disruption of planned replacement, exposure to unplanned outages, and the impact on residents with limited mobility. A lifecycle view helps owners understand why a reserve contribution can be justified before failure is imminent. It also makes it easier to spot cases where an inherited design defect or warranty claim should be examined before residents fund the work.

The illustrative reserve in Figure 2 starts from zero. A contribution of SAR 400,000 a year accumulates SAR 2 million by year five. At SAR 300,000 a year the balance reaches SAR 1.5 million, leaving a SAR 500,000 gap at the assumed renewal date. This simplified comparison shows how a lower annual charge shifts funding pressure into later years. It omits interest, inflation, interim withdrawals, and unexpected defects. Management would model those variables before recommending a contribution level for a real development. The records recommended for the major operating decisions are listed in Table 1.

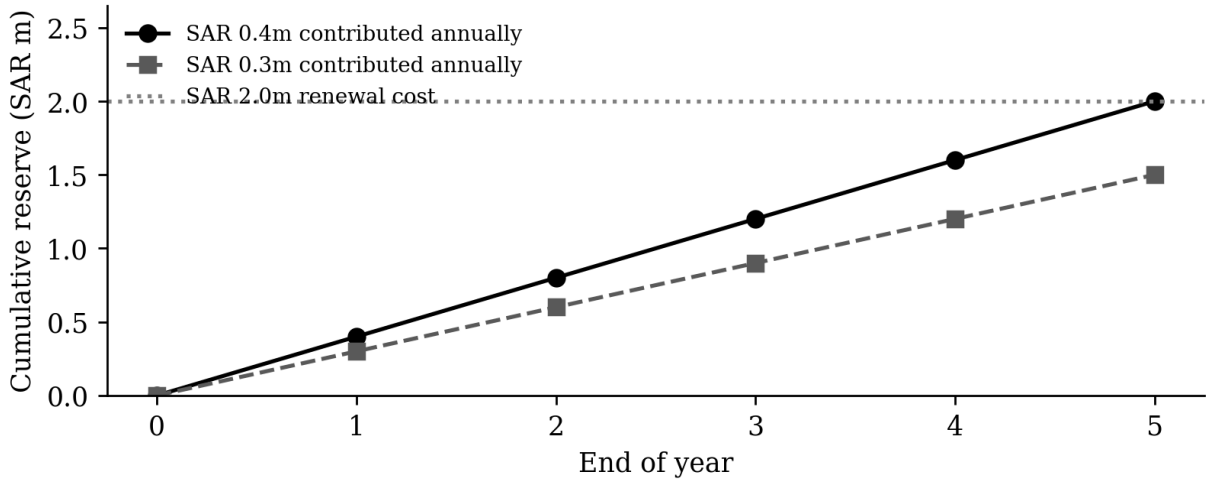


Figure 2. Illustrative five-year renewal reserve under two contribution plans (author's scenario; zero opening balance, constant annual contributions, no interest, inflation or interim withdrawals).

Table 1. Recommended records for major operating decisions.

Decision	Supporting record	Review responsibility
Set or change a service	Service catalogue, demand records, and cost estimate	Residential manager and approving party
Allocate a shared bill	Invoice, contract, meter readings or usage logs	Residential finance and hotel finance
Schedule major renewal	Condition inspection, lifecycle estimate, and reserve schedule	Facilities manager and asset owner or association
Close a complaint	Case log, agreed remedy, and closure evidence	Residential manager

6 Governance and implementation

6.1 Authority after handover

Saudi Arabia's joint ownership framework provides for owners' associations and governs the management of jointly owned property. A branded residence project needs to map the respective responsibilities of the association, the residential manager, the developer, the brand, and any hotel operator. The operating documents should identify who sets standards, approves expenditure, authorises urgent repairs, receives records, and responds to formal disputes. Property arrangements vary, especially in mixed-use complexes. The authority schedule should therefore be checked against the applicable rules and project documents before operations begin.

Responsibility for a decision can change as the development moves from pre-opening to owner occupation. A developer's project team may coordinate testing and early vendor appointments, while the residential manager later runs operations under a service agreement. Records of defects, warranties, vendor commitments, inventories, access systems, and budget assumptions must move with those responsibilities. A handover checklist should identify the party that owns each record and the person who can act on it. Missing information can lead to avoidable spending when operating teams cannot prove a fault emerged during construction or within the warranty period.

6.2 Protecting the working relationship with owners

Owners should receive a schedule of decisions and reporting. A useful operating report brings together service reliability, complaint themes, spend against budget, and planned works. It explains which matters management can fix directly and which need an owner decision or formal approval. Reports should show recurring problems even when the annual service average remains high. A high occupancy period, a widespread access issue, or an extended amenity closure often calls for a separate explanation.

Where owners disagree about what to fund, managers can present service options with annual cost and operational consequences. Some owners may favour extending concierge hours, while others may prioritise reserve contributions or air conditioning reliability. A proposal should identify what is fixed by agreements or essential to the property and where choices remain. A record of the decision, rationale, and effective date lets the manager explain later why a service changed. This helps owner communications keep pace with actual operating decisions instead of relying on the wording used in early sales materials.

Owner access to information can be tested in the same way as a physical service. Management can ask an owner who missed the last meeting to locate the approved charge schedule, the latest maintenance plan, and the procedure for disputing a bill. If the owner requires personal help for each task, the reporting process is still dependent on individual staff. A consistent archive with dated versions makes information easier to locate when staff, owners, or management companies change.

6.3 Mobilisation and the first year

Before opening, the manager should test the service catalogue against realistic scenarios such as simultaneous move-ins, a power interruption, and a contractor requesting access on a busy day. The team can use the exercise to identify unclear escalation routes or records it needs but cannot access. During early occupation, the manager can review open defects, emergency response, and supplier

capacity at short intervals. The first complete budget review should compare estimates with invoices and activity, then document which variances will persist.

An urban and resort pilot can use the same outcomes while adapting service details. Urban sites may track package handling and visitor wait times. Resorts may focus on seasonal reopening, arrival coordination, and plant reliability after long idle periods. Portfolio management can use comparable categories for reliability and cost, while allowing each property to set practical targets. Owners can see how targets were chosen and whether they are revised as demand or infrastructure changes.

7 Evaluation and discussion

7.1 Indicators and data quality

Service, costs, and owner expectations should be reviewed together. A cut in cleaning or engineering expenditure may appear favourable until repeat complaints and equipment failures rise. A decline in complaint counts may reflect better delivery or a more cumbersome reporting process. The operating report should pair outcomes with basic checks on data capture. Examples include reviewing a sample of closed cases, confirming that outages were logged, and checking cost allocations against the supporting records. These checks help the team identify whether the numbers reflect changed operations or simply changed reporting. Core measures for evaluating residential operations are given in Table 2.

Table 2. Core measures for evaluating residential operations.

Dimension	Measure	Interpretation
Service reliability	Amenity operating hours ÷ scheduled hours	Report critical outages separately
Recovery	Cases reopened ÷ cases closed	Audit closures and show counts
Operating cost	Actual recurring spend versus activity-adjusted budget	Explain volume, price, and scope variances
Renewal funding	Forecast reserve balance versus planned outlays by year	Stress-test earlier replacement and higher costs
Owner experience	Share of surveyed owners who understand charges and service entitlements	Publish response counts and coverage

7.2 Testing the framework

A prospective study could collect a baseline and follow developments through a full annual operating cycle. Participants could include standalone and hotel-linked schemes with different occupancy profiles. Investigators should collect service requests, asset downtime, spend by cost category, reserve contributions, and responses from owners and occupants. Comparisons should account for property age, shared service scope, construction defects, and seasonal use. A growing backlog at a newly opened building may primarily reflect handover defects, while a similar backlog at an established property may reflect underfunded maintenance or supplier problems.

Investigators should also examine whether owners understand the service catalogue and budget. A survey item can ask who pays for in-unit maintenance or how an amenity closure is communicated. Interviews can then test whether information is easy to find and whether surveyed owners interpreted charges consistently. Service usage should be analysed with occupancy and availability

because low booking volume may indicate low demand or restricted access. Where a charge changes, comparing before-and-after feedback with actual usage can reveal who benefited and who experienced new burdens.

The evaluation should distinguish owners who occupy their unit from those who rent it out or visit only periodically. Their opportunities to observe operations differ. Survey invitations can go to each group, with occupants invited separately where appropriate. Managers should compare response patterns and report how many people answered each question. A survey dominated by owners who raised a complaint may tell the operator where recovery has failed, while providing limited information about how common the underlying issue is.

7.3 Interpreting branded value

The service component of branded value depends on repeat delivery and visible stewardship. A resident whose maintenance issue is resolved quickly may perceive strong value even if the brand is rarely mentioned. A project can also carry strong brand recognition while owners remain dissatisfied with operating detail. Managers should avoid using headline sales prices as a substitute for service evaluation. Prices reflect location, layout, market conditions, and multiple buyer preferences. Property records offer a more direct basis for evaluating how the residences perform after purchase.

The proposed framework also makes trade-offs visible during cost control. Reducing overnight staffing may lower annual expenditure, but the operator needs to consider emergency response and the pattern of late arrivals. Deferring façade maintenance can free funds for immediate works, but it can also increase exposure to deterioration. Comparing such options requires a view of service impact, cost, and timing. Where savings depend on changes to the brand standard or owner agreement, the decision should follow the existing approval process and be explained to residents.

8 Implications and limitations

8.1 Implications for Saudi operators

Developers can use the framework before marketing to test whether the advertised facilities and staffing are supportable at the anticipated service charge. Operators can use it during mobilisation to agree boundaries between hotel and residential teams. Owners' associations can use the reporting model to examine spending and service quality together. Asset managers can use lifecycle information to challenge budgets that omit known renewal needs. Together, these applications give operating teams a way to link hospitality standards with the continuing responsibilities of residential ownership.

8.2 Limitations and future research

Market forecasts include schemes that may open later than anticipated or change their final configuration. Buyer surveys record intentions and are sensitive to who was recruited and how questions were asked. General service-quality research provides concepts with practical value, but the relative importance of specific services may differ among Saudi projects. The framework has not been tested with confidential operating records or direct testimony from residents. Future studies should compare approved and actual costs, model renewal funding under alternative occupancy assumptions, and track complaints and service availability over several operating years.

Future work could compare initial service charge estimates with actual costs over several years and trace the largest deviations to occupancy, contracts, or asset condition. Tracking those causes across projects would help developers make better assumptions before committing to a budget.

9 Conclusion

Branded residences in Saudi Arabia can sustain their service promise by making it explicit before owners move in and measuring how it is delivered afterward. Managers need a clear service catalogue, cost allocations that can be traced to underlying records, and a renewal plan informed by asset condition. Decisions work best when approval authority and communication responsibilities are clear across the association, operator, and brand. Tracking service outcomes together with operating costs gives owners a better view of value and gives managers a basis for addressing failures. Field testing across Saudi urban and resort developments would help identify which practices transfer well and which need local adaptation.

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