

**MANTRA ON MURRAY
INFORMATION MEMORANDUM – LOT 103**

6.64% RETURN ON THE NET RENT

LICENSED
PROPERTY CONSULTANTS
& REAL ESTATE AGENTS

7A GLORIANA VIEW
OCEAN REEF 6027
WESTERN AUSTRALIA
POSTAL
PO BOX 260
JOONDALUP DC 6919
WESTERN AUSTRALIA

Income and Expenses

The rent payable by the Accor, the Hotel operator is set at the commencement of the term and is subject to regular review. The reviews are fully detailed in each Lease. Details are:

- 18th August 2018 – The 3rd, new 5-year lease term commenced.
- 18th August 2020 – CPI rent review (2 years) to a maximum 5%
- 18th August 2022 – CPI rent review (2 years) to a maximum 5%
- 18th August 2023 – New lease term – Market Value review to a maximum 8%

That cycle repeats itself with each of the five-year option periods – i.e. a market value review (maximum 8%) at the commencement of each five-year option term, followed by the 2 x CPI or 5% increases during that term. Options extend until at least 2033-some longer.

In addition to paying the rent, the Tenant also pays:

The Water Rates and water usage charges

The Council Rates

The Strata Reserve Fund levies

All the Strata Levies including all maintenance costs relating to the building **except** the cost of maintenance contracts for servicing essential services – e.g. the lifts, water supply and the fire and sprinkler services.

Owner Expenditure

On the current budget, Mantra pay approximately 90% of the total Strata Levies, leaving owners to pay less than 10% of the Strata Levies from the rent income.

Property Management Fees.

The Lease requires that there be one Property Manager who shall manage on behalf of all the owners. The owners can change Managing Agents by a majority vote.

WA Property Connection is the currently appointed Property Manager. The buyer of a Strata apartment will be invited to enter into a Property Management Agreement with this Company.

Because we manage many hotel apartments in the building, we can retain our management fees at very inexpensive levels. At 3.5% of rent they are possibly the lowest in Australia.

PRICES AND RETURN ON INVESTMENT.

There was only 1 sale made over the past 4 months. These are tightly held investments and of course Covid 19 restrictions didn't help.

**APARTMENT 4.21 – STRATA LOT 103 – ASKING PRICE \$295,000
(Area 37m2 –on 4th Floor)**

Gross rent	\$20,683.44pa
Management fee (Inc. GST).	\$796.31pa
Owner proportion of Strata levies (Inc. GST).	\$286.48pa
Net rent	\$19,600.65

Return on investment 6.64%

FOR FURTHER INFORMATION CONTACT THE AGENT

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WA PROPERTY
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AS TRUSTEE FOR THE
PHOENIX TRUST
ABN 76 330 956 711

(This rent excluded the rent repayment on deferred Covid 19 Rent – ask the agent.)