

**MANTRA ON MURRAY
INFORMATION MEMORANDUM – LOT 125**

6.45% RETURN ON THE NET RENT

LICENSED
PROPERTY CONSULTANTS
& REAL ESTATE AGENTS

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. (see amount below)

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 have been very few sales over the past 15 months. These are tightly held investments and of course Covid 19 restrictions didn't help.

**APARTMENT 5.15 - STRATA LOT 125 – ASKING PRICE \$260,000
(Area 36m2 –on 5th Floor)**

Gross rent	\$17,728.20pa
Management fee (Inc. GST).	\$682.56pa
Owner proportion of Strata levies (Inc. GST).	\$276.00pa
Net rent	\$16769.64

Return on investment 6.45%

FOR FURTHER INFORMATION CONTACT THE AGENT

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WA PROPERTY
CONNECTION PTY LTD
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AS TRUSTEE FOR THE
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ABN 76 330 956 711

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