

exclusive authority to act as managing agent for residential premises for short term /holiday accommodation



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EXCLUSIVE AUTHORITY TO ACT AS MANAGING AGENT FOR RESIDENTIAL PREMISES FOR SHORT TERM /HOLIDAY ACCOMMODATION

ADDRESS OF PREMISES TO BE MANAGED: 18/18 Westralia Gardens Rockingham, WA

("the Premises")

LICENCED REAL ESTATE AND BUSINESS AGENT:

Yaran Suites Trust as Business Agent

("the Agent")

Telephone: 08 9466 8881 Facsimile: Email: suites@yaran.com.au ABN: 30 625 036 848

LESSOR: RAJINDER KAUR and GURMAIL SINGH

("the Lessor")

ADDRESS: 19 Bordeaux Parade Piara Waters WA 6112

TELEPHONE: (W) (H): (Fax): (M): 0411 571 028

EMAIL: rockingham@signarama.com.au. gurmaildhillon2@gmail.com

POWER OF ATTORNEY OR EMERGENCY CONTACT: Gurdit Singh 0451 270 325

The Lessor hereby instructs the Agent to act as its Managing Agent on an exclusive basis in respect of the Premises on the following conditions:

1. PERIOD OF AGENCY:

The period of agency shall be for the period from 5 / 8 / 2024 until 5 / 8 / 2026

At the conclusion of this period the Lessor ~~AGREES/DOES NOT AGREE~~ (cross out whichever does not apply) to extend the period of the agency until twenty-eight (28) days written notice of termination is given by either the Lessor or the Agent to the other.

2. BOOKINGS:

The Agent is to make all bookings and select tenants for the Premises. Rental prices are to be set by either:

- (i) the Lessor in writing, or if none then
- (ii) at the Agent's discretion, depending on the condition and size of the Premises, number of tenants and time of year.

Unless otherwise agreed the Lessor does not authorise the Premises to be rented for less than:

\$ 90 per night during peak periods, \$ 90 per night during mid peak periods,

\$ 90 per night during off peak periods.

3. DEPOSITS AND RENTALS:

All deposits and rental monies are to be collected by the Agent.

4. REPAIRS AND MAINTENANCE:

The Agent may arrange and supervise all reasonable repairs and maintenance up to an amount of \$ 1000 per item as necessary without further reference to the Lessor. Any single amount of repairs and maintenance in excess of that amount shall be as instructed by the Lessor in writing to the Agent.

5. DISBURSEMENTS:

The Agent is to pay on the Lessor's behalf:

Cleaning Charges after every tenant Yes

Gas Charges n/a

Cleaning Charges on a quarterly/bi-annual/ annual basis Yes

Gardening/Lawn mowing Yes

Linen Cleaning Yes

Insurance Charges Yes

Electricity Charges Yes

Rubbish Collections Yes

Water Charges No

Other:

Lessor shall pay directly council rates, water rates and service charge /water usage, strata levy and land tax.

Rajinder Kaur

Gurmail Singh

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6. RESERVE FUND:

The lessor agrees to maintain a reserve fund of \$ in the Agent's trust account to cover incidental expenses. For example, the replacement of gas bottles.

7. REMITTANCE:

The net balance (after deduction of the Agent's fees and expenses, Reserve Fund and disbursements) shall be remitted on a monthly basis to the Lessor

at:

or paid to the Lessor's bank at

Bank:

Branch:

BSB No:

Account No:

The Agent shall submit monthly statements to the Lessor at the following postal address:

8. AGENT'S OBLIGATIONS

In performing its obligations under this agreement, the Agent agrees to act with due care and diligence.

Notice: Fees charged by real estate agents are not fixed by law, and are to be agreed between the Lessor and the Agent.

9. AGENT'S FEES AND EXPENSES (CHOOSE *9.1 OR *9.2)

* 9.1 The following Agent's Fees INCLUSIVE of GST have been agreed:

(a) Management Fee: (i) % gross rental collected, OR initials

For example, if the gross rental is \$ per month then the Management Fee is \$

OR

(ii) \$ per month initials

~~(b) Property Condition Report: \$ OR \$ per hour up to a maximum of \$ initials~~

~~(c) Interim Property Condition Reports: \$ per report every months initials~~

~~(d) Annual Summary \$ initials~~

~~(e) Property inspections prior to the disbursement of deposits \$ initials~~

~~(f) Court Attendances \$ per hour initials~~

~~(g) Inspections prior to the disbursement of deposits where the Agent has not been responsible for taking the booking \$ per inspection initials~~

~~(h) Other initials~~

~~initials~~

~~And the following Agent's Expenses INCLUSIVE of GST have been agreed on a cost recovery basis:~~

~~(i) Postage and Petties up to a maximum of: \$ per initials~~

~~(j) Advertising up to a maximum of: \$ per initials~~

~~(k) Bank charges initials~~

OR

*9.2 Fixed Payment

~~The Lessor agrees to pay the Agent a fixed amount INCLUSIVE of GST of \$ per month. initials~~

~~This Fixed Payment includes all of the Agent's fees and expenses referred to item 9.1 and is paid regardless of the amount of rental income received by the Lessor or expenses incurred by the Agent.~~

NOTE: Delete clause 9.1 or 9.2

Rajinder kaur

Gurmail Singh

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10. AGREEMENT TO PAY SEPARATE MARKETING EXPENSES

The Lessor ~~AGREES~~/DOES NOT AGREE (cross out whichever does not apply) to pay to the agent separate marketing costs and/or expenses (advertising).

Select Option

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11. COSTS OF IDENTIFICATION OF AGENTS IN ADVERTISEMENTS

- (a) Pursuant to clause 8 of the REIWA Members' Codes of Practice, REIWA members who are agents are required in all advertisements to clearly show the agent's full trading name, together with the telephone number of the agent's principal licensed office or relevant branch office.
- (b) The ~~LESSOR AGREES~~ **DOES NOT AGREE (cross out whichever does not apply)** to pay for the advertising costs otherwise payable under this agreement associated with the agent complying with the requirements of clause 8 of the REIWA Members' Codes of Practice.

Select Option

12. If the Lessor disputes the fee payable to the Agent on the grounds that it is unjust the Lessor may refer the dispute to the Department of Commerce or the Real Estate Institute of Western Australia (Inc.) for adjudication.

13. DISPUTES

Further, the Lessor has the right to refer any dispute that arises with the agent to a number of different institutions. Depending upon the nature of the dispute these institutions may include the Department of Commerce, the civil and criminal legal systems, the Commissioner for Consumer Protection and the Australian Competition, Consumer Commission, and the Real Estate Institute of Western Australia (Inc.).

14. LESSOR'S USE OF THE PROPERTY:

The Premises will be available to the Lessor:

- a. if the Agent has not already accepted a booking from suitable tenants for the Premises; and
- b. written notification of times required are given to the Agent.

Unless otherwise advised, the following periods are for the use by the Lessor:

15. KEYS

Two (2) sets of house keys are to be made available to the Agent.

16. MISCELLANEOUS INFORMATION:

17. AGENT INDEMNITY:

The Lessor hereby indemnifies the Agent against any actions, suits, demands, claims, costs or other expenses brought against or made upon the Agent or incurred by the Agent arising out of this authority or the renting of the Property by the Agent except to the extent that any relevant liability of the agent has been caused or contributed to by the agent's negligence or default under this agreement.

Gurmail Singh

18. TERMINATION:

- (1) This management authority may be terminated prior to the expiry of the period of agency referred to in Clause 1 by:
- (a) the Lessor if the Agent fails to substantially perform its obligations under this management authority and such failure continues for twenty-eight (28) days after written notice complaining of such failure is given by the Lessor to the Agent; or
- (b) the Agent or the Lessor giving not less than twenty-eight (28) days notice in writing to the other.
- (c) the lessor without giving prior notice should the agent have been guilty of a fundamental breach of the terms of the Agreement.
- (2) In the event that this management authority is wrongfully terminated by the Lessor pursuant to Clause 18(1)(b), the Lessor will pay to the Agent as and by way of liquidated damages a sum equivalent to whichever of either (A) 50% of the Fixed Payment agreed in item 9.2 which would otherwise have been payable to the Agent for the unexpired period of the agency, if clause 9.2 applies to this Agreement, or (B) 50% of the Management Fee agreed to in item 9.1(a) for bookings of the Property that have been received prior to termination but not fulfilled if clause 9.1 applies to this Agreement.
- (3) The Lessor agrees that payment of the liquidated damages under Clause 18(2) is a fair and reasonable pre-estimate of the damages likely to be sustained by the Agent if the management authority is wrongfully terminated prior to the expiration of the period of agency and reflects the real loss or damage likely to be suffered by the Agent.
- (4) The Real Estate Institute of Western Australia (Inc) considers that the liquidated damages rate of 50% referred to in sub-clause 18(2) above provides an accurate calculation of the actual damages that would usually be suffered if an agreement is terminated in a manner that attracts liquidated damages. However, if an lessor considers that circumstances exist which could justify a different rate, the lessor may seek the agent's agreement to that rate.

Rajinder kaur

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19. BANK FEES

The Lessor hereby authorises the Agent to deduct from any moneys payable pursuant to this Agreement all Bank Fees in respect of that money and agree that the deductions be borne by the Lessor.

20. INTERPRETATION:

"GST" means the Goods and Services Tax introduced pursuant to A New Tax System (Goods and Services Tax) Act 1999.

"Bank Fees" means any proper account keeping fee, transaction fee or any other charge of a like nature imposed by any financial institution in respect of an account in money referred to above is held.

A Management Fee: includes the charge for services provided by the agent including receiving bookings and the associated deposits, collecting and disbursing rents, co-ordinating cleaners and advising the Lessor on relevant issues.

Gross Rental: the total dollar value of all rental revenue collected by the Agent from the tenants before any deductions.

Property Condition Reports: these reports describe the condition of the property and permit the Lessor to compare the status of the property over a period of time.

Annual summary: An annual report of all revenue and expenses for the property.

21. SPECIAL INSTRUCTIONS/CONDITIONS

(By agreement between the Agent and the Lessor.)

The Lessor will pay any fees (if any) payable to booking platforms such as booking.com or airbnb etc, and authorises the agent to pay such fees on behalf of the Lessor.

The Lessor agrees to pay for costs of repair, cleaning or replacement of furniture and authorises the agent to expend such costs up to a maximum of \$1000 per transaction without prior approval of the Lessor.

Notwithstanding clause 18 hereof, the Lessor may at anytime during the Period of Agency, give 30 days notice to terminate this agreement. Such termination will not incur an early termination penalty.

Signature of Lessor

Rajinder kaur

Date:

9/8/2024 | 00:53 PDT

Signature of Lessor

Gurmail Singh

Date:

9/8/2024 | 16:00 AWST

Signature of Agent or
Agent's Representative

Paryar Gony

Date:

9/8/2024 | 16:25 AWST

A TRUE COPY OF THIS AUTHORITY HAS BEEN RECEIVED BY THE PARTIES HERETO.

Signature Of Owner

Rajinder kaur

Date:

9/8/2024 | 00:53 PDT

Signature Of Owner

Gurmail Singh

Date:

9/8/2024 | 16:00 AWST



23 Lyall Street
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T 08 9466 8888
F 08 9466 8880
www.yaran.com.au

Yaran Suites (Short Stay Rentals) & Corporate Booking Opportunity

Buyer Preference and Acknowledgement

Welcome to Yaran Suites and Congratulations on your recent property purchase.

We understand that leasing your property is a significant decision, and we are here to ensure that the process aligns with your preferences while maximizing your returns. Whilst there are the traditional methods of lease such as leasing to a permanent tenant furnished or unfurnished, there are two more complex options with higher cashflow returns and we explain these here.

1. Short Stay option:

The Short Stay leasing alternative offers the potential for a more robust cashflow. Nevertheless, it is imperative to comprehend that, under this scheme, the monthly payouts to property owners can be subject to fluctuations due to the following factors:

a) Market conditions.

Since your property is leased on a nightly basis, the rates and occupancy levels are contingent upon prevailing market conditions, including peak and off-peak periods and market rates comparable to your property type. Historically, peak seasons tend to align with the summer months, while off-peak periods are predominant during winter.

b) Booking Dates and Duration of Stay.

Revenues generated from bookings are disbursed at the conclusion of each booking and subsequently processed. Consequently, there may be months in which property owners receive minimal or no payouts, despite their property being occupied and generating income.

For example:

- *A guest has booked for 2 months. Check-In in August, Check-Out in October.*
- *The booking revenue will be received in October when the Guest has Checked Out.*
- *Owner Payout (Booking income for the 2 months' stay) received in November payout.*

In this case, the Owner receives no payout for September and October, but receives a substantial payout in November.

Therefore, we recommend owners maintain a cash buffer equal to 2 to 3 months' worth of property loan repayments and outgoings.



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Information we provide and information we can't provide under the short stay option:

We provide you with the following:

- Monthly Owner statements are issued with each monthly payout.
- Consolidated End of Financial Year statement will be issued in July of every year.
- Historical information on properties to Owners.
- Notice of a long-term guest lease to ensure you are aware and hold sufficient funds for budgeting of your mortgage and expenses.

We cannot provide the following:

- Information for forward bookings as this is subject to changes due to cancellations and rescheduling.
 - Though we make best endeavours to avoid cancellations, they are normal part of the operations and are to be expected from time to time.
 - Bookings are often moved around across the portfolio to optimise the number of bookings we can accommodate therefore maximising owner payouts. Please note that revenues are not confirmed until the guest has checked-out, payment has been received and processed with the monthly payout.
- Identity and personal details of Guests and Corporate Clients

2. Corporate bookings option:

We are currently experiencing heightened demand for longer-term corporate tenancies, ranging from 3 to 12 months. These extended bookings offer a discounted nightly rate due to their longer duration. Since such bookings exceed 3 months, they require a Residential Tenancy Agreement and are thus subject to a standard leasing management fee of 15% + GST (as opposed to 25% + GST for the Short Stay option). This alternative is ideal for property owners seeking more predictable cashflows and fixed monthly payouts.

To opt in for Corporate Leasing opportunities as they come up, please acknowledge on the following page.



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I/We as the Owner would like to be given the opportunity to lease my/our property under a corporate let, if a corporate booking becomes available.

Rajinder kaur ☒ YES
Gurmail Singh

☐ NO

I/We confirm we have read and understood the Yaran Suites Acknowledgements:

x Rajinder kaur

Owner Name:

x Gurmail Singh

Owner Signature:

x _____

Owner Name:

x _____

Owner Signature: