

Trichada Rental Program



TRICHADA
SKY

managed by Thai Villa Boutique & RentsinPhuket

Trichada Rental Program Summary

- Given the location, design & specification of Trichada, obtaining a rental return on your villa, while you are not in residence, is certainly an option
- The % return will of course vary with your own usage of the villa but returns of between 5% to 8% per year nett have been readily achieved, given reasonable usage by you the owner (*see attached spreadsheets*)
- In order to rent your villa, you will need to consider three factors
 - 1) how to attract rental customers,
 - 2) how to manage arrival/departure of guests &
 - 3) how to keep the villa at a suitable standard for guest arrival
- The Trichada Rental Program is an optional scheme, which addresses the above via our two partners Thai Villa Boutique (TVB) & RentsinPhuket both Phuket based specialist villa rental & management agencies.
- RentsinPhuket focus on weekly, monthly & quarterly rentals using online platforms such as Airbnb, along with a number of local letting agents. They are part of a large & very successful local property group.
- TVB focus on marketing the villa rental while their staff or a local maid service will provide check in/out services together with laundry/cleaning & villa management services.
- The TVB team have a strong background in online marketing of accommodation services in Phuket, with specialist software enabling continuous monitoring of the market, with ability to respond quickly to changing circumstances.
- In order to ensure appropriate facilities for rental guests, the owner will be required to purchase one set of Rental Accessories, which include, cutlery, glasses, utensils, etc. This standard set of accessories makes managing inventory in the villa far simpler & therefore less expensive. You are of course free to furnish your villa to your taste, with the Trichada furniture package as a good option!
- You will also be required to subscribe for a Service Package to ensure the villa is always in appropriate condition for tenants.
- Trichada is absolutely not seeking to participate in the returns you make from renting your villa, or from the management of your villa. We have teamed with a leading agency to bring you the best possible service at minimum costs & highest returns.
- You can of course elect not to rent your villa, or to make your own arrangements for rental & management of your villa.

Rental Management Program

Given the location, design & specification of Trichada, obtaining a rental return on your villa, while you are not in residence, is certainly an option.

The percentage return will of course vary with your own usage of the villa but nett returns after tax of around 5% per year net would be a realistic goal, given reasonable usage by you the owner.

In order to rent your villa, you will need to consider a number of factors:

- 1). How to attract rental customers?
- 2). How to manage arrival / departure of guests?
- 3). How to maintain the villa at a suitable standard for guest arrival?
- 4). How to set rental rates so that income is maximized?
- 5). How to deal with payments and the financial side in accordance with local laws?

Thai Villa Boutique are revenue management specialists with a standard management fee at a very competitive 20%. They provide a full-service flexible rental management program that aims maximize the rental returns on your property when you are not in residence.

Thai Villa Boutique's full-service rental management program includes property marketing, management of inquiries and reservations, check in / out and concierge service and management of maid cleaning and laundry. Owner's will be provided access to an up-to-date booking calendar and income accounts. Quarterly rental income payments are made using tax efficient structures.

Projected Return on Investment

Villa Type	Year 1 - Gross Income	NET Owner Income (THB)	Villa Selling Price (THB)	Return on Investment (%)
Type A - 3 Bedroom Villa	1,495,600 ~ 2,117,600	972,140 ~ 1,376,440	17,618,858	5.52 ~ 7.81
Type B - 3 Bedroom Villa	1,343,100 ~ 1,962,700	873,015 ~ 1,275,755	13,492,266	6.47 ~ 9.46
Type B - 2 Bedroom Villa	1,188,200 ~ 1,807,800	772,330 ~ 1,175,070	13,092,266	5.90 ~ 8.98

The summary of the projected returns on investment in the table above are based upon realistic and conservative estimates of income and costs. For a detailed breakdown of how the projected returns on investment are calculated, please see below.

Future projected occupancy rates are based upon historical data and seasonal factors:

Projected Occupancy	Dates	Days	Year 1	Year 2	Year 3
Low Season	Apr - Oct	164	35%	40%	45%
High Season	Nov - Mar	171	60%	65%	70%
Peak Season	Dec - Jan	30	80%	85%	90%
Occupancy Days		365	184	202	220
Occupancy Percentage		100%	50%	55%	60%

Thai Villa Boutique utilizes sophisticated software which automatically set rates according to closest competition, season and demand. Rates are calculated every day and change every day. Rental income can be predicted therefore using a range of daily rates:

Daily Rate Range	Low	High	Peak
Type A - 3 Bedroom Villa	6,000 - 8,000	8,000 - 12,000	14,000 - 18,000
Type B - 3 Bedroom Villa	5,500 - 7,500	7,000 - 11,000	13,000 - 17,000
Type B - 2 Bedroom Villa	5,000 - 7,000	6,000 - 10,000	12,000 - 16,000

Rental Management Program

According to the latest algorithm, the projected range of gross rental income per villa type in year one is as follows:

Project Gross Income - Year 1	Low	High	Peak	Total
Type A - 3 Bedroom Villa	344,400 ~ 459,200	817,600 ~ 1,226,400	336,000 ~ 432,000	1,495,600 ~ 2,117,600
Type B - 3 Bedroom Villa	315,700 ~ 430,500	715,400 ~ 1,124,200	312,000 ~ 408,000	1,343,100 ~ 1,962,700
Type B - 2 Bedroom Villa	287,000 ~ 401,800	613,200 ~ 1,022,000	288,000 ~ 384,000	1,188,200 ~ 1,807,800

Gross rental income is projected to increase in years two and three:

Project Gross Income - Year 2	Low	High	Peak	Total
Type A - 3 Bedroom Villa	393,600 ~ 524,800	888,000 ~ 1,332,000	364,000 ~ 468,000	1,645,600 ~ 2,324,800
Type B - 3 Bedroom Villa	360,800 ~ 492,000	777,000 ~ 1,221,000	338,000 ~ 442,000	1,475,800 ~ 2,155,000
Type B - 2 Bedroom Villa	328,000 ~ 459,200	666,000 ~ 1,110,000	312,000 ~ 416,000	1,306,000 ~ 1,985,200

Project Gross Income - Year 3	Low	High	Peak	Total
Type A - 3 Bedroom Villa	444,000 ~ 592,000	960,000 ~ 1,440,000	378,000 ~ 486,000	1,782,000 ~ 2,518,000
Type B - 3 Bedroom Villa	407,000 ~ 555,000	840,000 ~ 1,320,000	351,000 ~ 459,000	1,598,000 ~ 2,334,000
Type B - 2 Bedroom Villa	370,000 ~ 518,000	720,000 ~ 1,200,000	324,000 ~ 432,000	1,414,000 ~ 2,150,000

Gross rental income per reservation is split between owner and management company 80% - 20% after deductions of agent commission, VAT (if applicable) and transaction fee (if applicable).

In summary, approximately 70% of gross income per reservation is outstanding to owners after costs, a sample cost breakdown looks like this:

Reservation Income Breakdown (THB)								
Dates	Guest Name	Total Amount	VAT*	Comm	Transaction Fee	Total Deductions	Total Net Deductions	Owner Income (80%)
1st - 7th	Joe Bloggs	100,000		10,000	345	10,345	86,645	71,724*

					Deductions							
Period	Guest Name	Res Amount	Extra Income	Res Total	VAT	Comm	Transfers/ Chef / Misc.	Transaction Fee	Service Fee	Total Deductions	Total Net Deductions	Owner Income
2019												
January												
4th - 14th	Vladislav	100,000	0	100,000		10,000		367	3,000	13,367	86,633	69,306

Notes:

- Reservation Amount is total amount confirmed to guest at booking.
- Extra Income is usually derived from guest late check out fees.
- 7% VAT applies on an insignificant number of bookings where payment is received locally using SCB credit card terminal.
- Commission is applied per booking to an Online Travel Agent (OTA) or local agent and ranges from 3% to 15% - the average commission is 8%.
- Transfers / Chef / Miscellaneous deduction occurs on occasions when something complimentary to guests who try to negotiate a discount or to apologize for a mistake.
- A Transaction Fee occurs when an online payment solution or company credit card terminal is used to collect payments.
- The Service Fee covers check in cleaning, pre-stocking with supplies and guest welcome pack, check in service, check out service, check out cleaning and check out laundry.

For serious prospective buyers interested in rental management, a detailed individual rental management proposal can be provided by contacting Alex at Thai Villa Boutique at alex@thavillaboutique.com / +66 (0)87-892-3876.

Trichada Sky Rates

Seasonality	Daily		Weekly		Monthly	
	Selling Price	Net Price	Selling Price	Net Price	Selling Price	Net Price
16 Apr - 31 Oct	6,900	6,210	38,000	30,400	120,000	96,000
1-30 Nov - 1 Mar - 15 Apr	11,500	10,350	65,000	52,000	200,000	160,000
1 Dec - 28 Feb	16,500	14,850	90,000	72,000	288,000	230,400
Long Term Rental			6 months contract		12 month contract	
			Selling Price	Net Price	Selling Price	Net Price
					160,000	128,000
Net Income All Year	96,000	x6.5	624,000	Type A - 3 Bedroom Villa		
	160,000	x2.5	400,000			
	230,400	x3	691,200	Trichada		
Total			1,715,200			

Seasonality	Daily		Weekly		Monthly	
	Selling Price	Net Price	Selling Price	Net Price	Selling Price	Net Price
16 Apr - 31 Oct	6,000	5,400	33,000	26,400	100,000	80,000
1-30 Nov - 1 Mar - 15 Apr	10,000	9,000	56,000	44,800	180,000	144,000
1 Dec - 28 Feb	15,500	13,950	86,000	68,800	260,000	208,000
Long Term Rental			6 months contract		12 month contract	
			Selling Price	Net Price	Selling Price	Net Price
					140,000	112,000
Net Income All Year	80,000	x6.5	520,000	Type B - 3 Bedroom Villa		
	144,000	x2.5	360,000			
	208,000	x3	624,000	Trichada		
Total			1,504,000			

Seasonality	Daily		Weekly		Monthly	
	Selling Price	Net Price	Selling Price	Net Price	Selling Price	Net Price
16 Apr - 31 Oct	5,000	4,500	28,000	22,400	90,000	72,000
1-30 Nov - 1 Mar - 15 Apr	8,500	7,650	47,000	37,600	150,000	120,000
1 Dec - 28 Feb	11,500	10,350	65,000	52,000	200,000	160,000
Long Term Rental			6 months contract		12 month contract	
			Selling Price	Net Price	Selling Price	Net Price
					110,000	88,000
Net Income All Year	72,000	x6.5	468,000	Type B - 2 Bedroom Villa		
	120,000	x2.5	300,000			
	160,000	x3	480,000	Trichada		
Total			1,248,000			