



 1a Albert Road, 7525,  
Woodstock, Cape Town  
 (021) 3305598  
 [www.cityclubhotels.co.za](http://www.cityclubhotels.co.za)  
 [josh@thehappyhomeza.com](mailto:josh@thehappyhomeza.com)

# City Club Hotels Management Agreement

Entered into between:

The Manager

**City Club Prop (Pty) Ltd**

Registration Number: 2021/656591/07

Address: 368 Albert Road, Woodstock, Cape Town

And

The Owner of the Property

For the below property:

with the effective Start Date (specified below):

## **1. Employment of Manager:**

- 1.1.** The Owner hereby employs the Manager as its exclusive rental management agent to manage, pursuant to the terms hereinafter contained, the Owner's Property.

## **2. Term of Agreement:**

- 2.1.** This Agreement shall become effective on the Start Date and shall extend until unless terminated by either party giving the other party 3 (three) calendar months' notice.
- 2.2.** Notice of termination, whether by the Manager or the Owner will be in writing and a 3 (three) calendar months notice period. In the event of termination; bookings within the termination window should remain in place.

## **3. Obligations of the Manager:**

- 3.1.** During the term of this Agreement, the Manager shall provide the Owner with short-term property rental management services as set out herein and shall offer the property for rental as specified.
- 3.2.** In the performance of the management responsibilities hereby assumed, the Manager shall have the rights, duties and obligations specified in this Agreement.
- 3.3.** The Manager shall perform / document a detailed ingoing inspection of the Property.
- 3.4.** The Manager shall make suggestions on missing essential items as well as other listing improvements based on the above inspection and may offer to procure missing essential items or implementing improvements at an additional charge.

**3.5.** The Manager shall create an optimised listing profile and listing for the Property on all relevant listing platforms and OTAs

**4. Marketing, Pricing and Revenue Optimisation:**

**4.1.** The Manager shall charge a fair, reasonable and competitive rate for the Property which will be determined at his/ her discretion.

**4.2.** The Manager will agree on a minimum price to be set for each unit type in order to maintain the quality of guest.

**4.3.** The Manager reserves the right to establish rates, discount rates and minimum lengths of stay to, in the Manager's business judgment, maximize the rental income for the Property.

**4.4.** The Manager shall be responsible for all negotiations, rates, discounts and terms with prospective guests, and shall have the right to execute and enter into agreements on behalf of the Owner.

**4.5.** The Manager shall use diligence in obtaining occupants for the Property and will screen guests to the extent to which this is feasible on the listing platforms used

**4.6.** The Manager shall plan and operate a suitable rental program including marketing and promotional operations, as modified or expanded from time to time.

**4.7.** The Manager shall establish policies, which are intended to promote the goodwill of guests and prospective guests.

**4.8.** The Manager shall rent and promote other properties similar to that of the Owner and will, in all instances, treat the owners ethically and manage the unit impartially, given similar circumstances exist.

**5. Key Exchanges:**

- 5.1. The Manager shall ensure that the Property is prepared and the cleaning checklist is completed prior to guest arrival.
  - 5.2. The Manager shall provide all listing information, house rules and check-in details to the guest prior to guests arrival.
  - 5.3. The Manager shall ensure that guests are acquainted with the relevant house rules and other relevant Property information.
  - 5.4. The Manager shall make necessary arrangements for the keys to be returned.
- 6. Cleaning, Maintenance and Supplies:**
- 6.1. The Manager shall provide the Property with all necessary maintenance and housekeeping services including a cleaning service, cleaning materials, transportation for workers when necessary, and shall make or supervise such repairs and maintenance services to the premises as may be advisable or necessary in order to maintain the Property, furniture, and furnishings in a safe and optimal condition.
  - 6.2. The costs of cleaning, linen and towel replacement will be covered by the manager and guests will not be charged a cleaning fee for this service.
  - 6.3. The Manager shall purchase all supplies necessary for the accomplishment of the above responsibilities.
  - 6.4. The Manager may also, at its discretion, purchase items up to the value of R2,500 without prior authorisation from the Owner which might be considered an upgrade to the Property. The fundamental purpose of utilising this discretionary fund is strictly for items that are reasonably deemed crucial to accepting guests and maintaining the quality and standard of the Property, such as replacing a damaged headboard or fixing a broken chair. This stipulation ensures that the funds are not used for general upgrades or items

that do not directly impact guest experience, which would typically fall under a separate capital expenditure budget or require specific authorisation.

## **7. Inspection:**

- 7.1.** The Manager shall inspect the Property before each guest for any damages to the Property and contents.
- 7.2.** In the event of loss/ damage caused by guests, the Manager will handle the administration of any damage claim against said guest unless said claims are deemed to have caused negligible loss/ damage or are due to normal wear and tear. Claims from guests can be complicated, and the Manager will put the reputation of the listing above a small claim in order to protect the future incomes of the Property.
- 7.3.** The manager will notify the Owner regarding any wear and tear to the unit and/or furniture in the Property in order to maintain the financial viability of both the brand and the Property itself.

## **8. Record Keeping and Monthly Accounting:**

- 8.1.** The Manager shall keep records of all income and expenditures relating to the Property and shall provide the Owner with monthly reports and payment by the 7th day of the following month including:
  - 8.1.1.** A statement of income for the current month detailing the revenue generated from guest stays, any deductions including Platform Fee or Direct Booking Fee, and Management Fee, as well as any monthly expenses charged to the Property.
  - 8.1.2.** The monthly expenses will be itemised on the monthly report.

- 8.1.3.** The balance owing to the Owner after taking into account the revenue, deductions and expenses above, as well as any additional recoveries for the current month.
- 9. Obligations of the Owner:**
- 9.1.** Email and/or Whatsapp will be used as tools to keep in touch with each Owner.
- 9.2.** The Owner may use the Property at any time for personal use with prior notice of such use being given to the Manager. Changeover fees will apply.
- 9.3.** The Owner agrees to carry insurance on the Property.
- 9.4.** In the case of theft of furniture items - The manager will do its best to claim and open a police case against the guest to assist with an insurance claim but takes no responsibility for such stolen furniture items. The cost of replacement will be for the homeowners account.
- 10. Changeover fee**
- 10.1.** The manager shall provide hotel quality bed linen and towels on a rental basis at no upfront cost to the landowner. The cost of the rental, washing and delivery of the linen and towels is R199.00 per arrival for all studio/1 bedroom apartments. Every additional bed will be charged separately at R180.00 per set. This amount will be deducted from the gross income received by City Club Hotels BEFORE commission is charged.
- 10.2. On-Site Laundry Facility:**
- 10.2.1.** If the Owner elects to provide an on-site laundry room for the Property, City Club Hotels shall manage the operation of

this facility as part of the overall management of the Property.

- 10.2.2.** In such cases, the standard Changeover Fee specified in Clause 10 will not be charged.
- 10.2.3.** Instead, the Owner shall be charged only for the actual operational costs incurred in running the on-site laundry, including but not limited to staffing, detergents, electricity, water, and routine maintenance of the laundry equipment.
- 10.2.4.** These operational costs will be itemised and invoiced separately and will not form part of the Management Fee.
- 10.2.5.** The Manager shall ensure that the on-site laundry facility is operated to hotel standards for quality, hygiene, and efficiency.

## **11. Furnishings**

- 11.1.** The Owner will either provide their own furnishings or enter into a separate agreement with the manager for supply of furnishings to the property. Furniture supplied by City Club Hotels is insured during the first 18 months of the management period. Furniture supplied by the homeowner is not insured by City Club Hotels and City Club Hotels accepts no liability for any potential damage to such furniture that is caused by guests. The manager may at its own discretion remove or dispose of damaged furniture.
- 11.2.** Manager is granted the right to make reasonable recommendations to the Owner concerning the condition of the Property, including but not limited to furniture, fixtures, appliances, draperies, decor, wall and floor coverings, lighting, and related or like items.
- 11.3.** The manager will provide the homeowner with the most competitive prices to replace damaged furniture. The manager will

at its own discretion keep rooms blocked if need be until a solution for damaged furniture is resolved. This will be done in order to protect the reviews and future revenue of such property.

## **12. Maintenance:**

**12.1.** There are many maintenance tasks which will be completed free of charge, particularly those taking 15 minutes or less to complete. For larger jobs where a specialised supplier is needed, the Manager will inform the Owner of the cost if it is in excess of R750 or in excess of R2250 in the course of the month. The Owner must be notified by the Manager of any costs exceeding R750 individually, or if the cumulative costs within a given month surpass R2250.

## **13. Platform Fee**

- 13.1.** Leading OTAs and listing platforms such as Airbnb, Booking.com, Expedia and C-Trip charge their own fees/commission on every booking made via these platforms (the "Platform Fees").
- 13.2.** Platform Fees are subtracted from the gross payout of each booking by the OTA/listing platform.
- 13.3.** Platform Fees can vary across platforms and depending on the season, the macro environment and other factors, but in our experience, they have averaged approximately 15-20% (excl. VAT) for the last few years.

## **14. Direct Booking Fee:**

**14.1.** The Manager will use its own online booking platform in order to attract direct bookings and in doing so hedge against inherent platform risk.

## **15. Management Fee:**

- 15.1.** The Manager shall charge the Owner a management fee for its services on each booking/guest stay (the “Management Fee”) at a rate of 20% (no Vat applicable) of the Total Booking Income.
- 15.2.** The Management Fee shall be calculated on the Total Booking Income as below: the total amount paid by the guest for their booking (“Total Accommodation Revenue”) less (-) the Platform Fee or the Direct Booking Fee (as applicable) less (-) The changeover fees equals = Total Booking Income

## **16. Running costs:**

- 16.1.** The Manager will stock certain items and deliver certain services to the Property at all times, irrespective of occupancy levels, which include: Refills of salt, pepper, tea, coffee, sugar, kitchen cloths & sponges, black bags, toilet paper, body wash, shampoo, hand soap, Cleaning, products & chemicals, Drying cloths & tea towels.

## **17. Recoveries and Supplies:**

- 17.1.** The Manager will arrange for, facilitate, monitor and pay for certain property related expenses on the Owner’s behalf as part of the normal management and maintenance of the Property.
- 17.2.** The Owner authorises the Manager to incur certain expenses, up to a maximum of R2,500 per item, for the replacement of household items, amenity upgrades, or urgent maintenance actions. The Manager is responsible for minimising the frequency of these expenses through diligent planning and effective communication.

- 17.3.** These upgrades will be carefully considered using feedback and interactions with guests.
- 17.4.** The Manager shall invoice/ recover these expenses on a monthly basis.
- 17.5.** The above mentioned property related expenses include but will not be limited to prepaid electricity, repair costs, maintenance costs, laundry costs for non-linen related material items, and other setup costs incurred to manage and improve the listing.

**18. Linen:**

- 18.1.** The Manager supplies all linen, bath towels, hand towels and bath mats. The Manager ensures that guests always have hotel quality crisp white linen and towels. The Manager will require the owner to supply the pillow inners, duvet inners and mattress protectors.

**19. Payment Routing:**

- 19.1.** 100% of all pay-outs will be routed into the Manager's bank account.

**20. Calculation of Balance each Month:**

- 20.1.** The balance owing to the Owner comprises:  
The Total Booking Income for the month.  
less deductions  
(-) Changeover fee  
(-) the Management Fee of 20%  
(-) Any other recoveries, supplies or other miscellaneous expenses incurred
- 20.2.** Monthly cut off for rental revenue and expenses will be on the last day of the month and the income report is pulled from the hosting management software for the prior calendar month.

- 20.3.** The Manager will send the Owner the monthly statement, detailing the calculation mentioned above, via email on the 1st day of each month. Full payment will be made to the Owner on or before the 7th day of the subsequent month.

## **21. Owner Banking Details:**

- 21.1.** The Owner shall provide the Manager with his/ her banking details in the format provided below:

Bank Name:

Account Holder name:

Account Number:

Branch Code:

- 21.2.** The Owner shall notify the Manager of any changes to the banking details provided with sufficient notice and will do so in both writing and verbally to ensure this has been authorised and that the Owners email has not been intercepted.

## **22. Manager's Right of Access:**

- 22.1.** The Manager shall have access to the Property during reasonable hours as may be necessary for the inspection, maintenance or making of emergency repairs.
- 22.2.** It is the Manager's duty to represent the Owner in acquainting guest and contractors with the rules and regulations applicable to the Property.

**23. Entire Agreement:**

**23.1.** This Agreement contains the entire agreement of the parties with respect to the transactions contemplated and shall not be modified or amended except by an instrument in writing signed by or on behalf of all parties hereto; provided, however, nothing contained herein shall prohibit an additional, supplemental, verbal or written agreement for compensation for the Manager's performance of additional or supplemental services.

**24. Successor or Assigns:**

**24.1.** This Agreement shall be binding upon the Owners, their heirs, personal representatives, successors and assigns.

**25. Governing Law:**

**25.1.** This Agreement shall be governed by and construed and enforced in accordance with the laws of South Africa.

**25.2.** Moreover, the prevailing party in such a dispute shall be entitled to its costs and reasonable attorney's fees.

**26. Waiver:**

**26.1.** The failure of any party to enforce at any time any of the provisions hereof shall not be construed to be a waiver of any right of such party thereafter to enforce such provisions and each and every other provision hereof.

**27. Nature of the Relationship:**

**27.1.** Nothing in this Agreement shall constitute the Owner and the Manager partners or in any manner render either liable for the obligations of the other unless expressly set forth herein.

**27.2.** The parties acknowledge that the relationship established between them is one in which the Manager is acting as the managing agent for the rental of the Owner's Property and for the performance of certain functions ancillary to such rental.

**28. Ceding of this contract:**

**28.1.** The Manager will retain the right to cede this contract to any related party or group entity

**29. On-Site Concierge and Security**

**29.1.** Any on-site concierge, security personnel, or similar staffing required for the Property shall be for the Owner's account and billed separately from the Management Fee.

**29.2.** While the costs of such personnel will be borne by the Owner, City Club Hotels will provide initial and ongoing training for these personnel as part of the services covered under the Management Fee, to ensure they adhere to the hotel's service standards and guest experience protocols.

**29.3.** The Manager shall coordinate with the Owner to ensure that concierge and security staff are properly integrated into the overall guest experience and property operations.



 1a Albert Road, 7525,  
Woodstock, Cape Town  
 (021) 3305598  
 [www.cityclubhotels.co.za](http://www.cityclubhotels.co.za)  
 [josh@thehappyhomeza.com](mailto:josh@thehappyhomeza.com)

Manager

Signed at \_\_\_\_\_ on \_\_\_\_\_

Full Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Property Owner

Signed at \_\_\_\_\_ on \_\_\_\_\_

Full Name: \_\_\_\_\_ on \_\_\_\_\_