

Enhance your asset's value through eGuarantee

**EGUARANTEE'S LEASE BOND SOLUTION - A DIRECT FINANCIAL
BENEFIT FOR LANDLORDS AND TENANTS**

Landlords use eGuarantee
to replace the bank guarantees for



Lease Security



**Full Incentive
Coverage**



**Agreement
For Lease**

Real life examples, **direct financial benefits.**

CASE STUDY 1

Greater Lease Security

LANDLORD: Mid-size Fund Manager
(\$1 billion FUM)

TENANT: e-Bike Rental Company

LOCATION: CBD

The tenant wanted to provide a 3-month bank guarantee and the landlord required 6 months. Through eGuarantee they agreed 6 months and both benefited.

LANDLORD UPSIDE: \$55,000 additional lease security amount

TENANT UPSIDE: Without tying up cash, the tenant was able to purchase an additional \$111,000 of stock for their business.

CASE STUDY 2

Higher Rent, Larger Office

LANDLORD: Institutional REIT (\$12 billion FUM)

TENANT: Mid-size accounting firm

LOCATION: CBD

Tenant advised the brokering agent they would only go where eGuarantee was accepted. When another landlord rejected its use, they moved straight to the accepting landlord.

LANDLORD UPSIDE: Lease Value \$1,584,060 (5-year term)

TENANT UPSIDE: Ability to unlock \$238,000 of cash and redeploy into a larger office lease at a higher rate.

CASE STUDY 3

Early Lease Renewal

LANDLORD:	Top 10 ASX Listed REIT (\$44 billion FUM)
TENANT:	Private National Third-Party Logistics (3PL) Business
LOCATION:	Metro

Tenant requested to swap an existing \$500,000 bank guarantee for Lease Bond. Consensus was reached to swap and re-negotiate adding 3 years to the term. \$5/sqm higher rental achieved.

LANDLORD UPSIDE: Lease Value \$3,150,000
(3-year term + \$5/sqm increase to annual rent)

TENANT UPSIDE: Tenant received \$500k bank guarantee back. Loyalty and Goodwill enabled the subsequent pre-lease for a new warehouse with same landlord with an annual rent of \$2.5 million.

On average lease security equates to 59% of total current asset and up to 200% of cash and cash equivalents on tenants balance sheets*

*As assessed by eGuarantee

CASE STUDY 4

Full Incentive Coverage & Lower Incentive Negotiated

LANDLORD:	Large Private Industrial Fund Manager (\$2 billion FUM)
TENANT:	Global Manufacturing Business
LOCATION:	Metro

Landlord was negotiating to provide a \$5,000,000 incentive with 50% covered by bank guarantee for 3 years. Instead, they were able to provide a \$3,000,000 incentive 100% covered by a Lease Bond.

LANDLORD UPSIDE: Saved \$2,000,000 with 50% less asset risk.

TENANT UPSIDE: Tenant did not have to place \$2,500,000 behind a bank guarantee. They could utilise an additional bank overdraft capacity for working capital.

LANDLORD FAQs

What happens if a tenant fails to pay their annual premium?

Once a Lease Bond is issued, it is active and claimable until either cancelled by the landlord, or it reaches its expiry. Whether the tenant pays the premium or not has no impact on the status of the Lease Bond issued to the landlord.

What happens in the event of a claim?

Lease Bonds are unconditional, on demand and irrevocable. When a landlord submits a valid claim via the eGuarantee platform, it is generally processed and paid within 1 business day. The tenant is then required to re-imburse Assetinsure (the issuer) as per their indemnity.

What is the criteria for a tenant to qualify for a Lease Bond?

Tenants must be able to show 18 months of profitability in the business as net profit after tax, and sufficient tangible net worth (TNW) on the balance sheet.

Why is a Lease Bond advantageous for a tenant to use instead of a bank guarantee?

Lease Bonds do not require the tenant to tie up working capital for the life of the lease, unlike bank guarantees. By unlocking this working capital, the tenant is able to strengthen the financial position of their business.

To find out more visit www.eguarantee.com.au

eGuarantee's lease bond solution is issued by Assetinsure – Australia and New Zealand's largest provider of surety bonds – as agent on behalf of an international insurer backed by a global panel of AA/A- rated S&P reinsurers.