


Just Property Investments Pty Ltd - Brisbane

29-Apr-2015

Prepared for:
 Consultant:
 Property: Oxford St Bulimba
 Description: 2 bedroom unit

SUMMARY

	Assumptions		Projected results over		10 yrs
	Property value	\$615,000	Property value		\$955,076
	Investment	\$124,000	Equity		\$435,294
	Gross yield	5.07%	After-tax return /yr		16.12%
	Net yield	3.71%	Net present value		\$221,678
	Growth rate	4.50%	IF SOLD		
	Inflation rate	4.00%	Selling costs & CGT		\$124,422
	Interest rate	5.00%	Equity		\$310,872
	Taxable income	\$120,000	After-tax return /yr		12.75%

COMPUTER PROJECTIONS

Investment Analysis		Projections over 10 years				
End of year	2015	1yr	2yr	3yr	5yr	10yr
Property value	\$615,000	642,675	671,595	701,817	766,402	955,076
Purchase costs	\$22,700					
Investments	\$124,000					
Loan amount	\$519,782	519,782	519,782	519,782	519,782	519,782
Equity	\$95,218	122,893	151,813	182,035	246,620	435,294
Capital growth rate	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Inflation rate (CPI)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Gross rent /week	\$600	31,200	32,448	33,746	36,500	44,407
Cash deductions						
Interest (I/O)	5.00%	25,989	25,989	25,989	25,989	25,989
Rental expenses	26.91%	8,396	8,732	9,081	9,822	11,950
Pre-tax cash flow	\$-124,000	-3,185	-2,273	-1,324	688	6,468
Non-cash deductions						
Deprec.of building	2.50%	7,688	7,688	7,688	7,688	7,688
Deprec.of fittings	\$46,900	7,734	9,184	6,498	3,495	1,434
Loan costs	\$6,082	1,216	1,216	1,216	1,216	
Total deductions		51,023	52,809	50,472	48,211	47,061
Tax credit (single)	\$120,000	7,632	7,839	6,440	4,508	1,022
After-tax cash flow	\$-124,000	4,447	5,566	5,116	5,196	7,490
Rate of return (IRR)	16.12%	Your cost /(income) per week				
Pre-tax equivalent	26.22%	(86)	(107)	(98)	(100)	(144)

Disclaimer: Note that the computer projections listed above simply illustrate the outcome calculated from the input values and the assumptions contained in the model. Hence the figures can be varied as required and are in no way intended to be a guarantee of future performance. Although the information is provided in good faith, it is also given on the basis that no person using the information, in whole or in part, shall have any claim against Just Property Investments Pty Ltd - Brisbane, its servants, employees or consultants..

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Prepared for:

Consultant:

Property: Oxford St Bulimba

Description: 2 bedroom unit

Cash Flow Analysis Summary

Investment Cost

Purchase price	615,000
Purchase costs	22,700
Loan costs	6,082
Total investment cost	643,782

Loan Details

Initial cash invested	124,000
Initial loan amount (total cost + any additional loan – cash invested)	519,782
Loan type	I/O (5.00%)
Interest payments	25,989
Total loan payments	25,989
Closing loan balance	519,782

Property Income and Expenditure

Rental income	31,200
Rental expenses	8,396
Net rental income (rent retained – expenses paid)	22,804

Pre-Tax Cash Flow (net rent – loan payments)

-3,185

Tax Deductions

Cash deductions	
Loan interest	25,989
Rental expenses	8,396
Non-Cash Deductions	
Depreciation – Building (\$307,500 @ 2.50%)	7,688
Depreciation – Furniture, fixtures & fittings	7,734
Loan cost write-off (\$6,082 over 5 yrs)	1,216
Total Tax Deductions	51,023

Tax Credit Calculation

Current taxable income	120,000
Rental income	31,200
Total income	151,200
Deductions claimed	51,023
New taxable income	100,177
Current tax (on 120,000)	34,147
New tax	26,515
Tax credit (current – new tax)	7,632

Annual after-tax surplus (pre-tax cash flow + tax credit)

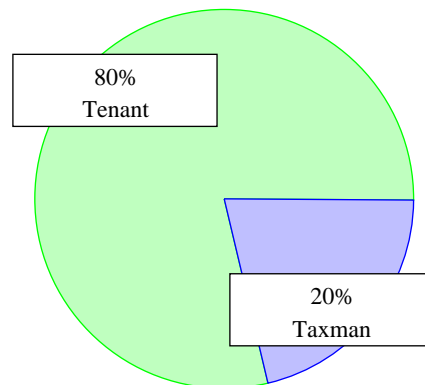
\$4,447

Weekly after-tax surplus

\$86

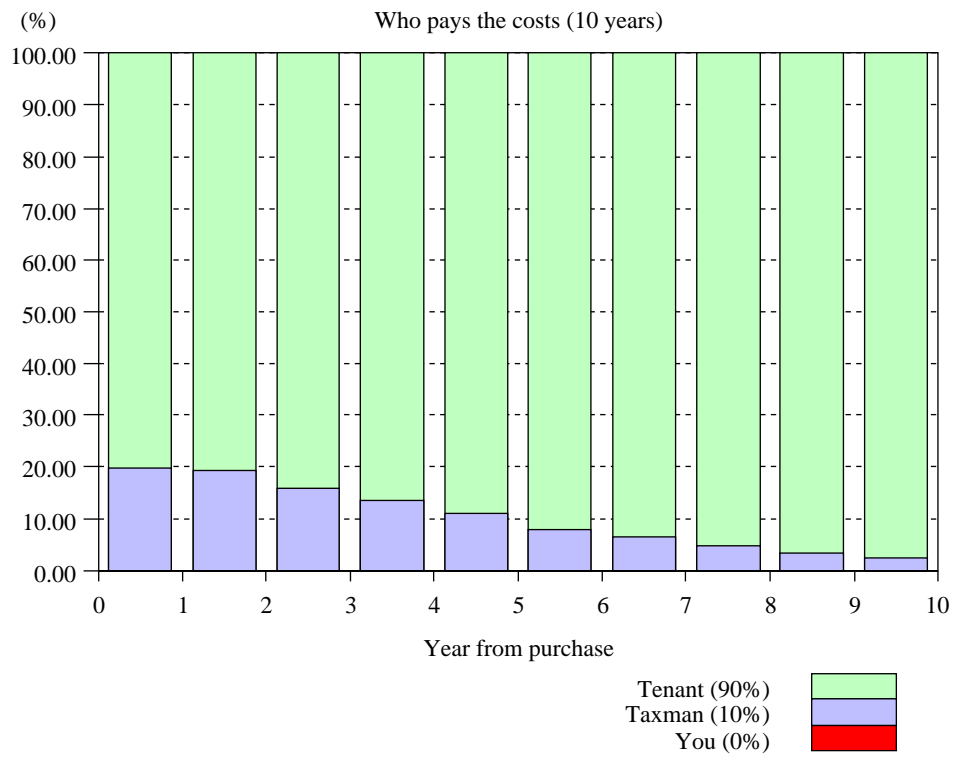
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Who pays the cost (1st year)?

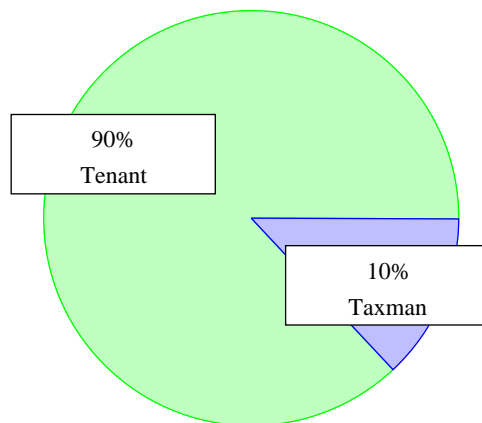


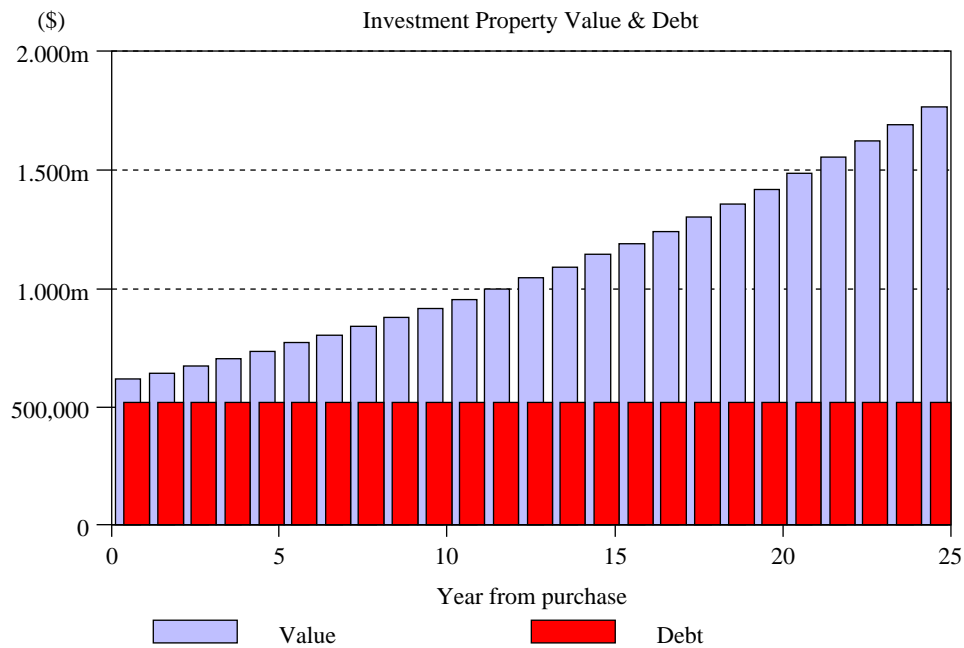
Projections over 25 years

Year	Interest costs	Rental expenses	Total cost	Rent (tenant)	Tax credit (taxman)	Cash (you)
1yr	\$25,989	\$8,396	\$34,385	\$31,200	\$7,632	\$-4,447
2yr	\$25,989	\$8,732	\$34,721	\$32,448	\$7,839	\$-5,566
3yr	\$25,989	\$9,081	\$35,070	\$33,746	\$6,440	\$-5,116
4yr	\$25,989	\$9,444	\$35,433	\$35,096	\$5,371	\$-5,033
5yr	\$25,989	\$9,822	\$35,811	\$36,500	\$4,508	\$-5,196
6yr	\$25,989	\$10,215	\$36,204	\$37,960	\$3,307	\$-5,062
7yr	\$25,989	\$10,624	\$36,613	\$39,478	\$2,745	\$-5,610
8yr	\$25,989	\$11,049	\$37,038	\$41,057	\$2,019	\$-6,038
9yr	\$25,989	\$11,491	\$37,480	\$42,699	\$1,444	\$-6,664
10yr	\$25,989	\$11,950	\$37,939	\$44,407	\$1,022	\$-7,490
11yr	\$25,989	\$12,428	\$38,417	\$46,184	\$281	\$-8,047
12yr	\$25,989	\$12,925	\$38,914	\$48,031	\$-345	\$-8,772
13yr	\$25,989	\$13,442	\$39,431	\$49,952	\$-1,044	\$-9,477
14yr	\$25,989	\$13,980	\$39,969	\$51,950	\$-1,762	\$-10,219
15yr	\$25,989	\$14,539	\$40,528	\$54,028	\$-1,497	\$-12,003
16yr	\$25,989	\$15,121	\$41,110	\$56,189	\$-3,395	\$-11,685
17yr	\$25,989	\$15,726	\$41,715	\$58,437	\$-4,165	\$-12,557
18yr	\$25,989	\$16,355	\$42,344	\$60,774	\$-4,963	\$-13,468
19yr	\$25,989	\$17,009	\$42,998	\$63,205	\$-5,793	\$-14,415
20yr	\$25,989	\$17,689	\$43,678	\$65,734	\$-6,429	\$-15,626
21yr	\$25,989	\$18,397	\$44,386	\$68,363	\$-7,574	\$-16,403
22yr	\$25,989	\$19,133	\$45,122	\$71,098	\$-8,504	\$-17,472
23yr	\$25,989	\$19,898	\$45,887	\$73,941	\$-9,471	\$-18,584
24yr	\$25,989	\$20,694	\$46,683	\$76,899	\$-10,476	\$-19,740
25yr	\$25,989	\$21,522	\$47,511	\$79,975	\$-11,522	\$-20,942



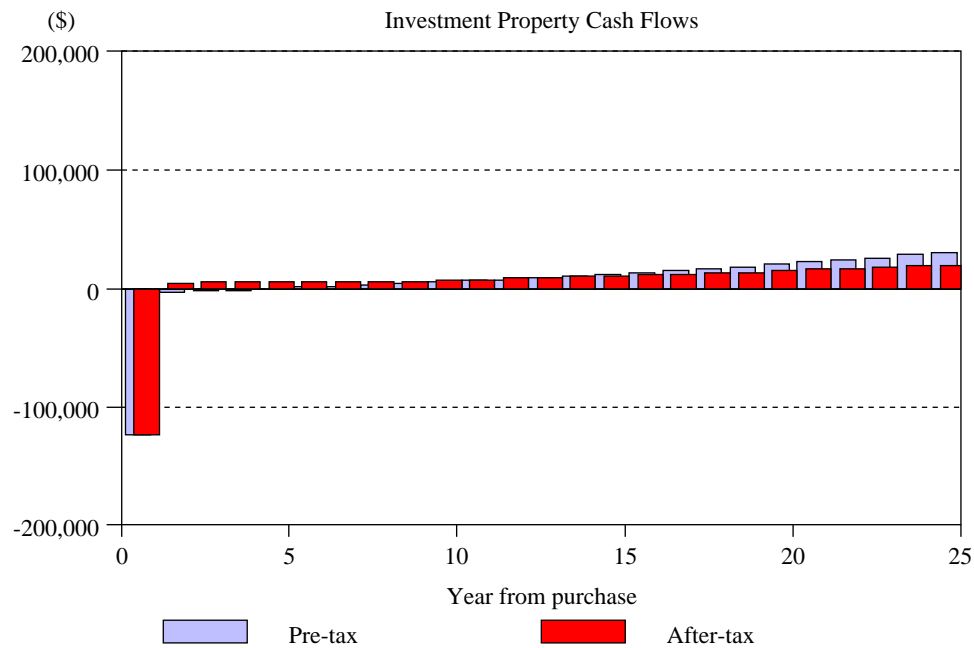
Average contribution (10 years)





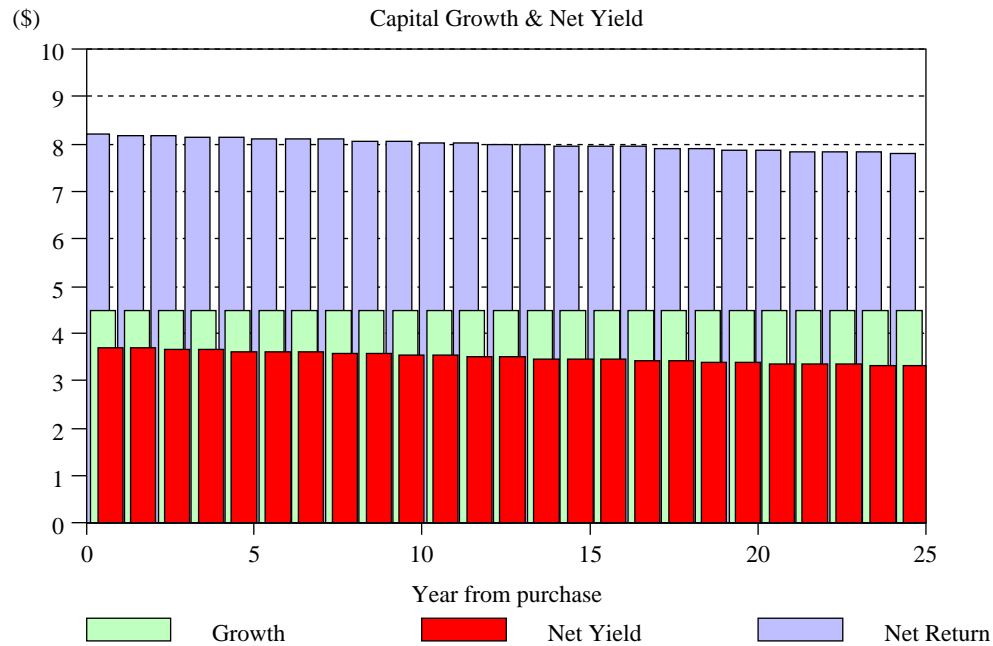
Property value & debt projections over 25 years

Year	Growth rate	Property value	Amount owing	Equity
		\$615,000	\$519,782	\$95,218
1yr	4.50%	\$642,675	\$519,782	\$122,893
2yr	4.50%	\$671,595	\$519,782	\$151,813
3yr	4.50%	\$701,817	\$519,782	\$182,035
4yr	4.50%	\$733,399	\$519,782	\$213,617
5yr	4.50%	\$766,402	\$519,782	\$246,620
6yr	4.50%	\$800,890	\$519,782	\$281,108
7yr	4.50%	\$836,930	\$519,782	\$317,148
8yr	4.50%	\$874,592	\$519,782	\$354,810
9yr	4.50%	\$913,949	\$519,782	\$394,166
10yr	4.50%	\$955,076	\$519,782	\$435,294
11yr	4.50%	\$998,055	\$519,782	\$478,272
12yr	4.50%	\$1,043m	\$519,782	\$523,185
13yr	4.50%	\$1,090m	\$519,782	\$570,118
14yr	4.50%	\$1,139m	\$519,782	\$619,164
15yr	4.50%	\$1,190m	\$519,782	\$670,416
16yr	4.50%	\$1,244m	\$519,782	\$723,975
17yr	4.50%	\$1,300m	\$519,782	\$779,945
18yr	4.50%	\$1,358m	\$519,782	\$838,432
19yr	4.50%	\$1,419m	\$519,782	\$899,552
20yr	4.50%	\$1,483m	\$519,782	\$963,422
21yr	4.50%	\$1,550m	\$519,782	\$1,030m
22yr	4.50%	\$1,620m	\$519,782	\$1,100m
23yr	4.50%	\$1,693m	\$519,782	\$1,173m
24yr	4.50%	\$1,769m	\$519,782	\$1,249m
25yr	4.50%	\$1,848m	\$519,782	\$1,329m



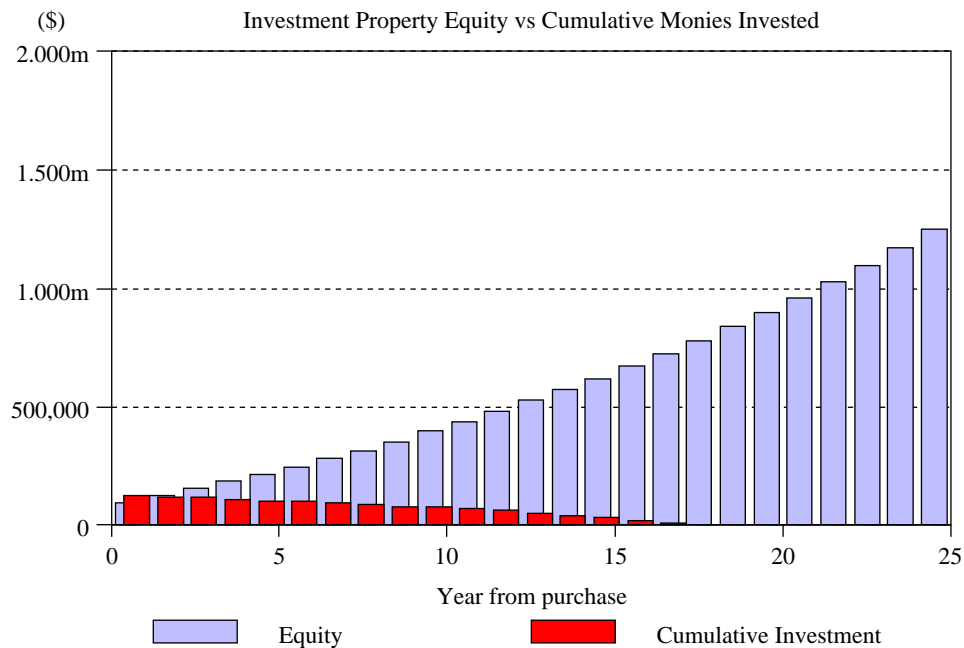
Cash flow projections over 25 years

Year	Rental income	Loan payments	Rental expenses	Pre-tax cash flow	Tax credit	After-tax cash flow
				\$-124,000		\$-124,000
1yr	\$31,200	\$25,989	\$8,396	\$-3,185	\$7,632	\$4,447
2yr	\$32,448	\$25,989	\$8,732	\$-2,273	\$7,839	\$5,566
3yr	\$33,746	\$25,989	\$9,081	\$-1,324	\$6,440	\$5,116
4yr	\$35,096	\$25,989	\$9,444	\$-338	\$5,371	\$5,033
5yr	\$36,500	\$25,989	\$9,822	\$688	\$4,508	\$5,196
6yr	\$37,960	\$25,989	\$10,215	\$1,755	\$3,307	\$5,062
7yr	\$39,478	\$25,989	\$10,624	\$2,865	\$2,745	\$5,610
8yr	\$41,057	\$25,989	\$11,049	\$4,019	\$2,019	\$6,038
9yr	\$42,699	\$25,989	\$11,491	\$5,220	\$1,444	\$6,664
10yr	\$44,407	\$25,989	\$11,950	\$6,468	\$1,022	\$7,490
11yr	\$46,184	\$25,989	\$12,428	\$7,766	\$281	\$8,047
12yr	\$48,031	\$25,989	\$12,925	\$9,117	\$-345	\$8,772
13yr	\$49,952	\$25,989	\$13,442	\$10,521	\$-1,044	\$9,477
14yr	\$51,950	\$25,989	\$13,980	\$11,981	\$-1,762	\$10,219
15yr	\$54,028	\$25,989	\$14,539	\$13,500	\$-1,497	\$12,003
16yr	\$56,189	\$25,989	\$15,121	\$15,080	\$-3,395	\$11,685
17yr	\$58,437	\$25,989	\$15,726	\$16,722	\$-4,165	\$12,557
18yr	\$60,774	\$25,989	\$16,355	\$18,431	\$-4,963	\$13,468
19yr	\$63,205	\$25,989	\$17,009	\$20,208	\$-5,793	\$14,415
20yr	\$65,734	\$25,989	\$17,689	\$22,055	\$-6,429	\$15,626
21yr	\$68,363	\$25,989	\$18,397	\$23,977	\$-7,574	\$16,403
22yr	\$71,098	\$25,989	\$19,133	\$25,976	\$-8,504	\$17,472
23yr	\$73,941	\$25,989	\$19,898	\$28,055	\$-9,471	\$18,584
24yr	\$76,899	\$25,989	\$20,694	\$30,216	\$-10,476	\$19,740
25yr	\$79,975	\$25,989	\$21,522	\$32,464	\$-11,522	\$20,942



Capital growth and rental yields over 25 years

Year	Property value	Growth rate	Rental income	Rental expenses	Net Rent	Gross yield	Net yield
Initial	\$615,000						
1yr	\$642,675	4.50%	\$31,200	\$8,396	\$22,804	5.07%	3.71%
2yr	\$671,595	4.50%	\$32,448	\$8,732	\$23,716	5.05%	3.69%
3yr	\$701,817	4.50%	\$33,746	\$9,081	\$24,665	5.02%	3.67%
4yr	\$733,399	4.50%	\$35,096	\$9,444	\$25,651	5.00%	3.65%
5yr	\$766,402	4.50%	\$36,500	\$9,822	\$26,677	4.98%	3.64%
6yr	\$800,890	4.50%	\$37,960	\$10,215	\$27,745	4.95%	3.62%
7yr	\$836,930	4.50%	\$39,478	\$10,624	\$28,854	4.93%	3.60%
8yr	\$874,592	4.50%	\$41,057	\$11,049	\$30,009	4.91%	3.59%
9yr	\$913,949	4.50%	\$42,699	\$11,491	\$31,209	4.88%	3.57%
10yr	\$955,076	4.50%	\$44,407	\$11,950	\$32,457	4.86%	3.55%
11yr	\$998,055	4.50%	\$46,184	\$12,428	\$33,755	4.84%	3.53%
12yr	\$1.043m	4.50%	\$48,031	\$12,925	\$35,106	4.81%	3.52%
13yr	\$1.090m	4.50%	\$49,952	\$13,442	\$36,510	4.79%	3.50%
14yr	\$1.139m	4.50%	\$51,950	\$13,980	\$37,970	4.77%	3.48%
15yr	\$1.190m	4.50%	\$54,028	\$14,539	\$39,489	4.74%	3.47%
16yr	\$1.244m	4.50%	\$56,189	\$15,121	\$41,069	4.72%	3.45%
17yr	\$1.300m	4.50%	\$58,437	\$15,726	\$42,711	4.70%	3.43%
18yr	\$1.358m	4.50%	\$60,774	\$16,355	\$44,420	4.68%	3.42%
19yr	\$1.419m	4.50%	\$63,205	\$17,009	\$46,197	4.65%	3.40%
20yr	\$1.483m	4.50%	\$65,734	\$17,689	\$48,045	4.63%	3.39%
21yr	\$1.550m	4.50%	\$68,363	\$18,397	\$49,966	4.61%	3.37%
22yr	\$1.620m	4.50%	\$71,098	\$19,133	\$51,965	4.59%	3.35%
23yr	\$1.693m	4.50%	\$73,941	\$19,898	\$54,044	4.57%	3.34%
24yr	\$1.769m	4.50%	\$76,899	\$20,694	\$56,205	4.54%	3.32%
25yr	\$1.848m	4.50%	\$79,975	\$21,522	\$58,454	4.52%	3.30%



Projected total investment and equity over 25 years

Year	After-tax cash flow	Cumulative investment	Property value	Amount owing	Equity
	\$-124,000	\$124,000	\$615,000	\$519,782	\$95,218
1yr	\$4,447	\$119,553	\$642,675	\$519,782	\$122,893
2yr	\$5,566	\$113,987	\$671,595	\$519,782	\$151,813
3yr	\$5,116	\$108,871	\$701,817	\$519,782	\$182,035
4yr	\$5,033	\$103,838	\$733,399	\$519,782	\$213,617
5yr	\$5,196	\$98,642	\$766,402	\$519,782	\$246,620
6yr	\$5,062	\$93,579	\$800,890	\$519,782	\$281,108
7yr	\$5,610	\$87,969	\$836,930	\$519,782	\$317,148
8yr	\$6,038	\$81,931	\$874,592	\$519,782	\$354,810
9yr	\$6,664	\$75,267	\$913,949	\$519,782	\$394,166
10yr	\$7,490	\$67,777	\$955,076	\$519,782	\$435,294
11yr	\$8,047	\$59,729	\$998,055	\$519,782	\$478,272
12yr	\$8,772	\$50,958	\$1.043m	\$519,782	\$523,185
13yr	\$9,477	\$41,481	\$1.090m	\$519,782	\$570,118
14yr	\$10,219	\$31,262	\$1.139m	\$519,782	\$619,164
15yr	\$12,003	\$19,259	\$1.190m	\$519,782	\$670,416
16yr	\$11,685	\$7,574	\$1.244m	\$519,782	\$723,975
17yr	\$12,557	\$-4,983	\$1.300m	\$519,782	\$779,945
18yr	\$13,468	\$-18,451	\$1.358m	\$519,782	\$838,432
19yr	\$14,415	\$-32,866	\$1.419m	\$519,782	\$899,552
20yr	\$15,626	\$-48,492	\$1.483m	\$519,782	\$963,422
21yr	\$16,403	\$-64,895	\$1.550m	\$519,782	\$1.030m
22yr	\$17,472	\$-82,367	\$1.620m	\$519,782	\$1.100m
23yr	\$18,584	\$-100,951	\$1.693m	\$519,782	\$1.173m
24yr	\$19,740	\$-120,691	\$1.769m	\$519,782	\$1.249m
25yr	\$20,942	\$-141,634	\$1.848m	\$519,782	\$1.329m