


Just Property Investments Pty Ltd - Brisbane

23-Apr-2015

Prepared for:
 Consultant:
 Property: Bellevue Parade Taringa
 Description: Luxury 3 bedroom townhouse

SUMMARY

	Assumptions		Projected results over	10 yrs
	Property value	\$840,000	Property value	\$1.504m
	Investment	\$168,000	Equity	\$986,630
	Gross yield	4.33%	After-tax return /yr	16.04%
	Net yield	3.23%	Net present value	\$427,364
	Growth rate	6.00%	IF SOLD	
	Inflation rate	4.00%	Selling costs & CGT	\$221,501
	Interest rate	4.50%	Equity	\$765,128
	Taxable income	\$150,000	After-tax return /yr	12.83%

COMPUTER PROJECTIONS

Investment Analysis	Projections over 10 years					
	2015	1yr	2yr	3yr	5yr	10yr
End of year						
Property value	\$840,000	890,400	943,824	1.000m	1.124m	1.504m
Purchase costs	\$32,825					
Investments/principal	\$168,000	15,784	16,509	17,267	18,890	23,647
Loan amount	\$712,487	696,704	680,195	662,927	625,976	517,682
Equity	\$127,513	193,696	263,629	337,526	498,133	986,630
Capital growth rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Inflation rate (CPI)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Gross rent /week	\$700	36,400	37,856	39,370	42,583	51,809
Cash deductions						
Interest (P&I)	4.50%	31,739	31,014	30,256	28,633	23,876
Rental expenses	25.36%	9,232	9,601	9,985	10,800	13,140
Pre-tax cash flow	-\$168,000	-20,355	-19,268	-18,138	-15,740	-8,854
Non-cash deductions						
Deprec.of building	2.50%	10,500	10,500	10,500	10,500	10,500
Deprec.of fittings	\$60,900	10,042	12,122	8,532	4,542	1,730
Loan costs	\$7,662	1,532	1,532	1,532	1,532	
Total deductions		63,046	64,770	60,805	56,008	49,246
Tax credit (single)	\$150,000	10,259	10,362	8,252	5,168	-1,191
After-tax cash flow	-\$168,000	-10,096	-8,906	-9,886	-10,572	-10,045
Rate of return (IRR)	16.04%	Your cost /(income) per week				
Pre-tax equivalent	26.07%	194	171	190	203	193

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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Cash Flow Analysis Summary

Investment Cost

Purchase price	840,000
Purchase costs	32,825
Loan costs	7,662
Total investment cost	880,487

Loan Details

Initial cash invested	168,000
Initial loan amount (total cost + any additional loan – cash invested)	712,487
Loan type	P&I (4.50%)
Interest payments	31,739
Principle payments	15,784
Total loan payments	47,523
Closing loan balance	696,704

Property Income and Expenditure

Rental income	36,400
Rental expenses	9,232
Net rental income (rent retained – expenses paid)	27,168

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

-20,355

Tax Deductions

Cash deductions	
Loan interest	31,739
Rental expenses	9,232
Non-Cash Deductions	
Depreciation – Building (\$420,000 @ 2.50%)	10,500
Depreciation – Furniture, fixtures & fittings	10,042
Loan cost write-off (\$7,662 over 5 yrs)	1,532
Total Tax Deductions	63,046

Tax Credit Calculation

Current taxable income	150,000
Rental income	36,400
Total income	186,400
Deductions claimed	63,046
New taxable income	123,354
Current tax (on 150,000)	45,697
New tax	35,438
Tax credit (current – new tax)	10,259

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

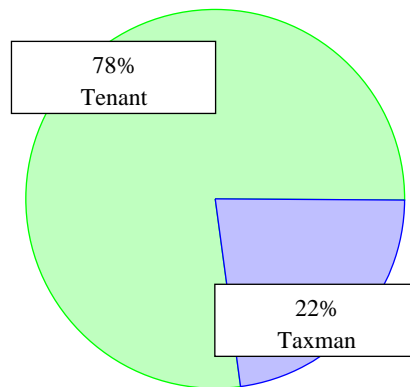
\$10,096

Weekly after-tax investment

\$194

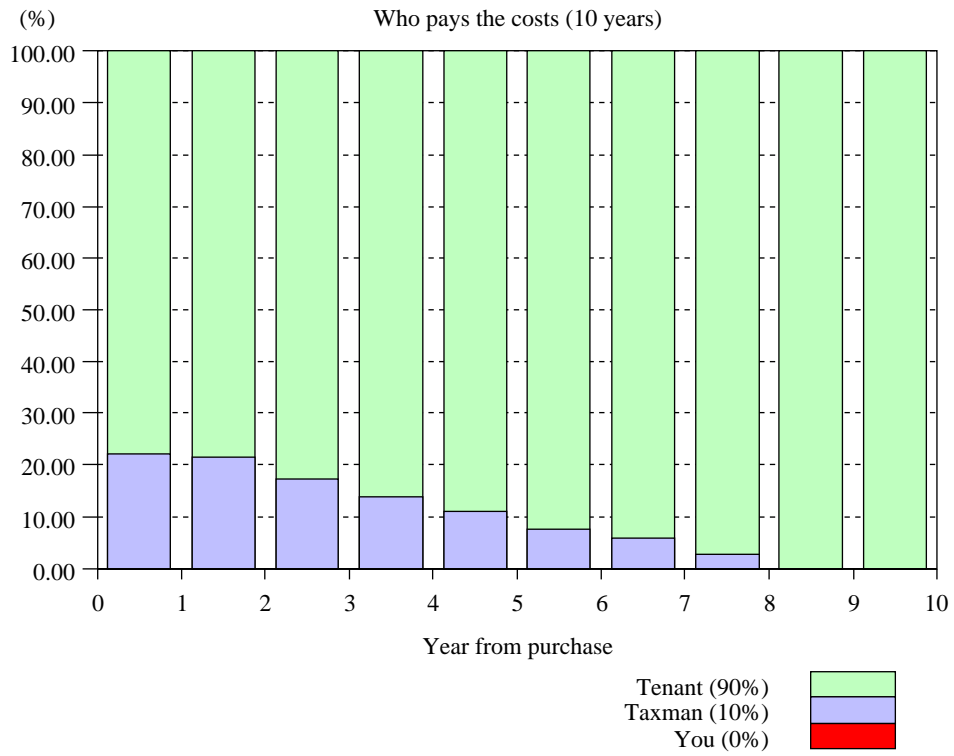
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Who pays the cost (1st year)?

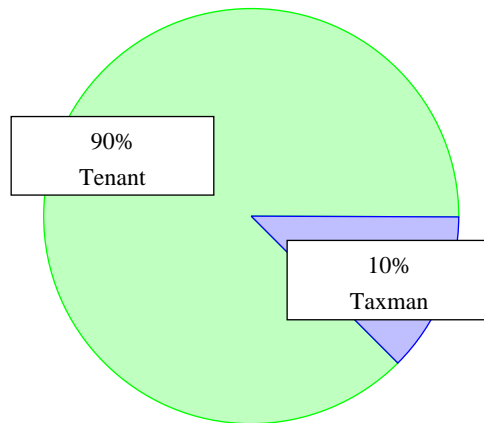


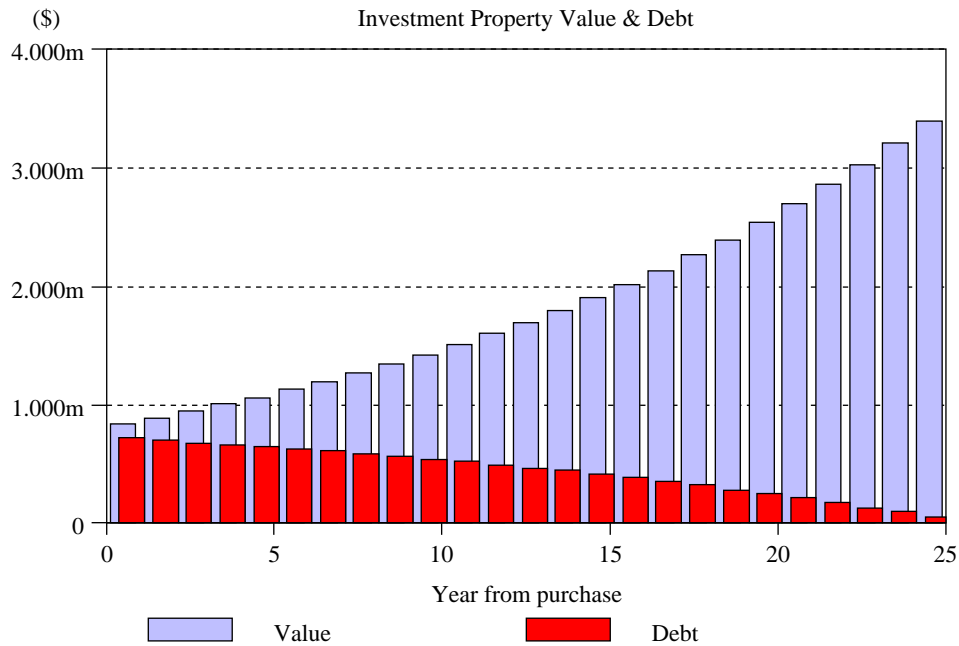
Projections over 25 years

Year	Interest costs	Rental expenses	Total cost	Rent (tenant)	Tax credit (taxman)	Cash (you)
1yr	\$31,739	\$9,232	\$40,971	\$36,400	\$10,259	\$-5,688
2yr	\$31,014	\$9,601	\$40,615	\$37,856	\$10,362	\$-7,603
3yr	\$30,256	\$9,985	\$40,241	\$39,370	\$8,252	\$-7,381
4yr	\$29,462	\$10,385	\$39,847	\$40,945	\$6,577	\$-7,675
5yr	\$28,633	\$10,800	\$39,433	\$42,583	\$5,168	\$-8,318
6yr	\$27,765	\$11,232	\$38,997	\$44,286	\$3,531	\$-8,820
7yr	\$26,857	\$11,681	\$38,538	\$46,058	\$2,758	\$-10,277
8yr	\$25,908	\$12,149	\$38,056	\$47,900	\$1,249	\$-11,093
9yr	\$24,915	\$12,635	\$37,549	\$49,816	\$-56	\$-12,211
10yr	\$23,876	\$13,140	\$37,016	\$51,809	\$-1,191	\$-13,601
11yr	\$22,790	\$13,666	\$36,455	\$53,881	\$-2,730	\$-14,696
12yr	\$21,653	\$14,212	\$35,866	\$56,036	\$-4,082	\$-16,088
13yr	\$20,465	\$14,781	\$35,246	\$58,278	\$-5,474	\$-17,558
14yr	\$19,222	\$15,372	\$34,594	\$60,609	\$-6,911	\$-19,104
15yr	\$17,922	\$15,987	\$33,909	\$63,033	\$-7,030	\$-22,094
16yr	\$16,562	\$16,626	\$33,188	\$65,554	\$-10,124	\$-22,242
17yr	\$15,140	\$17,291	\$32,431	\$68,177	\$-11,702	\$-24,043
18yr	\$13,652	\$17,983	\$31,635	\$70,904	\$-13,344	\$-25,925
19yr	\$12,096	\$18,702	\$30,798	\$73,740	\$-15,056	\$-27,885
20yr	\$10,469	\$19,450	\$29,919	\$76,689	\$-16,613	\$-30,157
21yr	\$8,766	\$20,228	\$28,995	\$79,757	\$-18,721	\$-32,041
22yr	\$6,986	\$21,038	\$28,023	\$82,947	\$-20,657	\$-34,267
23yr	\$5,123	\$21,879	\$27,003	\$86,265	\$-22,674	\$-36,588
24yr	\$3,176	\$22,754	\$25,930	\$89,716	\$-24,778	\$-39,008
25yr	\$1,138	\$23,664	\$24,803	\$93,304	\$-26,971	\$-41,530



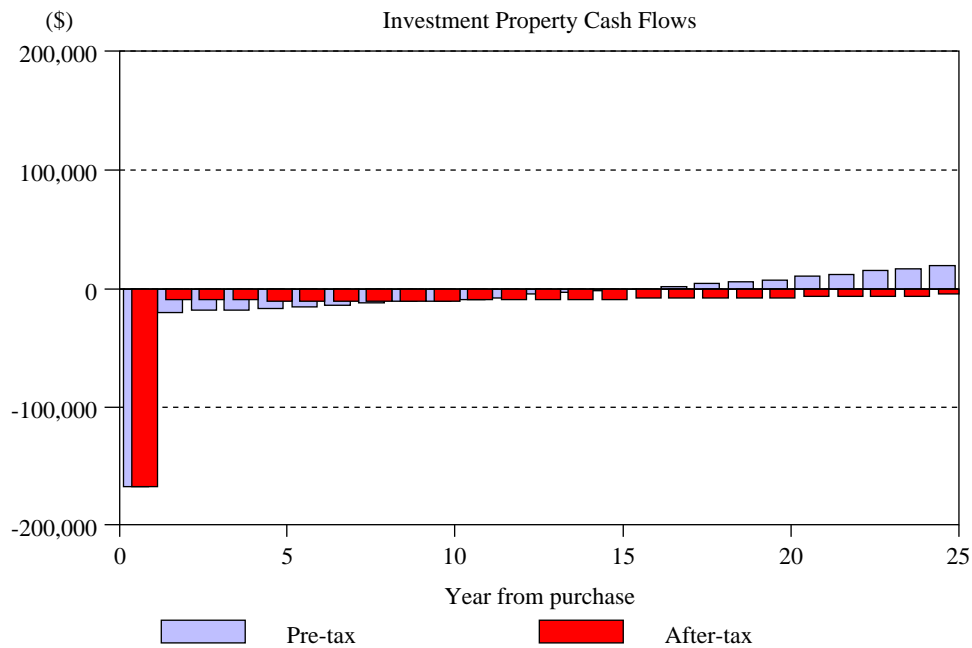
Average contribution (10 years)





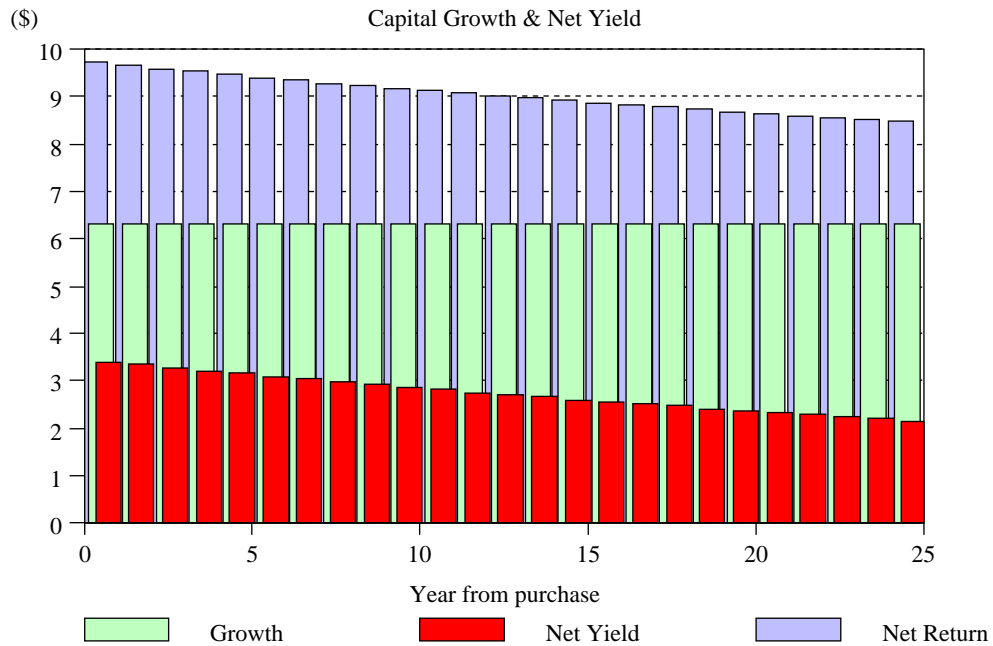
Property value & debt projections over 25 years

Year	Growth rate	Property value	Amount owing	Equity
		\$840,000	\$712,487	\$127,513
1yr	6.00%	\$890,400	\$696,704	\$193,696
2yr	6.00%	\$943,824	\$680,195	\$263,629
3yr	6.00%	\$1.000m	\$662,927	\$337,526
4yr	6.00%	\$1.060m	\$644,867	\$415,614
5yr	6.00%	\$1.124m	\$625,976	\$498,133
6yr	6.00%	\$1.192m	\$606,218	\$585,338
7yr	6.00%	\$1.263m	\$585,553	\$677,497
8yr	6.00%	\$1.339m	\$563,937	\$774,895
9yr	6.00%	\$1.419m	\$541,329	\$877,833
10yr	6.00%	\$1.504m	\$517,682	\$986,630
11yr	6.00%	\$1.595m	\$492,949	\$1.102m
12yr	6.00%	\$1.690m	\$467,080	\$1.223m
13yr	6.00%	\$1.792m	\$440,022	\$1.352m
14yr	6.00%	\$1.899m	\$411,721	\$1.487m
15yr	6.00%	\$2.013m	\$382,121	\$1.631m
16yr	6.00%	\$2.134m	\$351,160	\$1.783m
17yr	6.00%	\$2.262m	\$318,777	\$1.943m
18yr	6.00%	\$2.398m	\$284,906	\$2.113m
19yr	6.00%	\$2.542m	\$249,479	\$2.292m
20yr	6.00%	\$2.694m	\$212,425	\$2.482m
21yr	6.00%	\$2.856m	\$173,668	\$2.682m
22yr	6.00%	\$3.027m	\$133,131	\$2.894m
23yr	6.00%	\$3.209m	\$90,732	\$3.118m
24yr	6.00%	\$3.401m	\$46,384	\$3.355m
25yr	6.00%	\$3.605m	\$0	\$3.605m



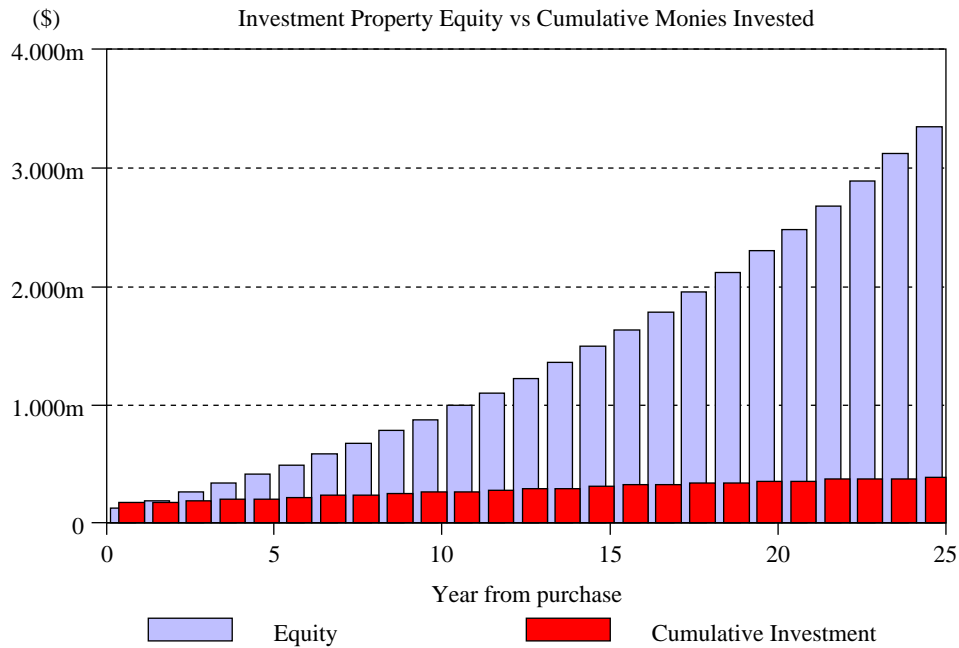
Cash flow projections over 25 years

Year	Rental income	Loan payments	Rental expenses	Pre-tax cash flow	Tax credit	After-tax cash flow
				\$-168,000		\$-168,000
1yr	\$36,400	\$47,523	\$9,232	\$-20,355	\$10,259	\$-10,096
2yr	\$37,856	\$47,523	\$9,601	\$-19,268	\$10,362	\$-8,906
3yr	\$39,370	\$47,523	\$9,985	\$-18,138	\$8,252	\$-9,886
4yr	\$40,945	\$47,523	\$10,385	\$-16,963	\$6,577	\$-10,386
5yr	\$42,583	\$47,523	\$10,800	\$-15,740	\$5,168	\$-10,572
6yr	\$44,286	\$47,523	\$11,232	\$-14,469	\$3,531	\$-10,938
7yr	\$46,058	\$47,523	\$11,681	\$-13,147	\$2,758	\$-10,389
8yr	\$47,900	\$47,523	\$12,149	\$-11,772	\$1,249	\$-10,523
9yr	\$49,816	\$47,523	\$12,635	\$-10,342	\$-56	\$-10,398
10yr	\$51,809	\$47,523	\$13,140	\$-8,854	\$-1,191	\$-10,045
11yr	\$53,881	\$47,523	\$13,666	\$-7,308	\$-2,730	\$-10,038
12yr	\$56,036	\$47,523	\$14,212	\$-5,699	\$-4,082	\$-9,781
13yr	\$58,278	\$47,523	\$14,781	\$-4,026	\$-5,474	\$-9,500
14yr	\$60,609	\$47,523	\$15,372	\$-2,286	\$-6,911	\$-9,197
15yr	\$63,033	\$47,523	\$15,987	\$-477	\$-7,030	\$-7,507
16yr	\$65,554	\$47,523	\$16,626	\$1,405	\$-10,124	\$-8,719
17yr	\$68,177	\$47,523	\$17,291	\$3,362	\$-11,702	\$-8,340
18yr	\$70,904	\$47,523	\$17,983	\$5,398	\$-13,344	\$-7,946
19yr	\$73,740	\$47,523	\$18,702	\$7,515	\$-15,056	\$-7,541
20yr	\$76,689	\$47,523	\$19,450	\$9,716	\$-16,613	\$-6,897
21yr	\$79,757	\$47,523	\$20,228	\$12,006	\$-18,721	\$-6,715
22yr	\$82,947	\$47,523	\$21,038	\$14,387	\$-20,657	\$-6,270
23yr	\$86,265	\$47,523	\$21,879	\$16,863	\$-22,674	\$-5,811
24yr	\$89,716	\$47,523	\$22,754	\$19,439	\$-24,778	\$-5,339
25yr	\$93,304	\$47,523	\$23,664	\$22,117	\$-26,971	\$-4,854



Capital growth and rental yields over 25 years

Year	Property value	Growth rate	Rental income	Rental expenses	Net Rent	Gross yield	Net yield
Initial	\$840,000						
1yr	\$890,400	6.00%	\$36,400	\$9,232	\$27,168	4.33%	3.23%
2yr	\$943,824	6.00%	\$37,856	\$9,601	\$28,255	4.25%	3.17%
3yr	\$1.000m	6.00%	\$39,370	\$9,985	\$29,385	4.17%	3.11%
4yr	\$1.060m	6.00%	\$40,945	\$10,385	\$30,560	4.09%	3.05%
5yr	\$1.124m	6.00%	\$42,583	\$10,800	\$31,783	4.02%	3.00%
6yr	\$1.192m	6.00%	\$44,286	\$11,232	\$33,054	3.94%	2.94%
7yr	\$1.263m	6.00%	\$46,058	\$11,681	\$34,376	3.87%	2.88%
8yr	\$1.339m	6.00%	\$47,900	\$12,149	\$35,751	3.79%	2.83%
9yr	\$1.419m	6.00%	\$49,816	\$12,635	\$37,181	3.72%	2.78%
10yr	\$1.504m	6.00%	\$51,809	\$13,140	\$38,669	3.65%	2.72%
11yr	\$1.595m	6.00%	\$53,881	\$13,666	\$40,215	3.58%	2.67%
12yr	\$1.690m	6.00%	\$56,036	\$14,212	\$41,824	3.51%	2.62%
13yr	\$1.792m	6.00%	\$58,278	\$14,781	\$43,497	3.45%	2.57%
14yr	\$1.899m	6.00%	\$60,609	\$15,372	\$45,237	3.38%	2.52%
15yr	\$2.013m	6.00%	\$63,033	\$15,987	\$47,046	3.32%	2.48%
16yr	\$2.134m	6.00%	\$65,554	\$16,626	\$48,928	3.26%	2.43%
17yr	\$2.262m	6.00%	\$68,177	\$17,291	\$50,885	3.19%	2.38%
18yr	\$2.398m	6.00%	\$70,904	\$17,983	\$52,921	3.13%	2.34%
19yr	\$2.542m	6.00%	\$73,740	\$18,702	\$55,037	3.08%	2.30%
20yr	\$2.694m	6.00%	\$76,689	\$19,450	\$57,239	3.02%	2.25%
21yr	\$2.856m	6.00%	\$79,757	\$20,228	\$59,528	2.96%	2.21%
22yr	\$3.027m	6.00%	\$82,947	\$21,038	\$61,910	2.90%	2.17%
23yr	\$3.209m	6.00%	\$86,265	\$21,879	\$64,386	2.85%	2.13%
24yr	\$3.401m	6.00%	\$89,716	\$22,754	\$66,961	2.80%	2.09%
25yr	\$3.605m	6.00%	\$93,304	\$23,664	\$69,640	2.74%	2.05%



Projected total investment and equity over 25 years

Year	After-tax cash flow	Cumulative investment	Property value	Amount owing	Equity
	\$-168,000	\$168,000	\$840,000	\$712,487	\$127,513
1yr	\$-10,096	\$178,096	\$890,400	\$696,704	\$193,696
2yr	\$-8,906	\$187,002	\$943,824	\$680,195	\$263,629
3yr	\$-9,886	\$196,888	\$1.000m	\$662,927	\$337,526
4yr	\$-10,386	\$207,273	\$1.060m	\$644,867	\$415,614
5yr	\$-10,572	\$217,846	\$1.124m	\$625,976	\$498,133
6yr	\$-10,938	\$228,783	\$1.192m	\$606,218	\$585,338
7yr	\$-10,389	\$239,172	\$1.263m	\$585,553	\$677,497
8yr	\$-10,523	\$249,695	\$1.339m	\$563,937	\$774,895
9yr	\$-10,398	\$260,092	\$1.419m	\$541,329	\$877,833
10yr	\$-10,045	\$270,137	\$1.504m	\$517,682	\$986,630
11yr	\$-10,038	\$280,175	\$1.595m	\$492,949	\$1.102m
12yr	\$-9,781	\$289,956	\$1.690m	\$467,080	\$1.223m
13yr	\$-9,500	\$299,456	\$1.792m	\$440,022	\$1.352m
14yr	\$-9,197	\$308,653	\$1.899m	\$411,721	\$1.487m
15yr	\$-7,507	\$316,160	\$2.013m	\$382,121	\$1.631m
16yr	\$-8,719	\$324,879	\$2.134m	\$351,160	\$1.783m
17yr	\$-8,340	\$333,218	\$2.262m	\$318,777	\$1.943m
18yr	\$-7,946	\$341,164	\$2.398m	\$284,906	\$2.113m
19yr	\$-7,541	\$348,706	\$2.542m	\$249,479	\$2.292m
20yr	\$-6,897	\$355,603	\$2.694m	\$212,425	\$2.482m
21yr	\$-6,715	\$362,318	\$2.856m	\$173,668	\$2.682m
22yr	\$-6,270	\$368,589	\$3.027m	\$133,131	\$2.894m
23yr	\$-5,811	\$374,399	\$3.209m	\$90,732	\$3.118m
24yr	\$-5,339	\$379,739	\$3.401m	\$46,384	\$3.355m
25yr	\$-4,854	\$384,593	\$3.605m	\$0	\$3.605m