


Just Property Investments Pty Ltd - Brisbane

12-Mar-2015

Prepared for:
 Consultant:
 Property: Duke St Gaythorne
 Description: 3 bedroom townhouse

SUMMARY

	Assumptions	Projected results over		10 yrs
	Property value	\$595,000	Property value	\$880,745
	Investment	\$119,000	Equity	\$376,995
	Gross yield	5.03%	After-tax return /yr	15.63%
	Net yield	3.89%	Net present value	\$192,391
	Growth rate	4.00%	IF SOLD	
	Inflation rate	4.00%	Selling costs & CGT	\$110,119
	Interest rate	5.00%	Equity	\$266,875
	Taxable income	\$120,000	After-tax return /yr	12.29%

COMPUTER PROJECTIONS

Investment Analysis		Projections over 10 years				
End of year	2015	1yr	2yr	3yr	5yr	10yr
Property value	\$595,000	618,800	643,552	669,294	723,908	880,745
Purchase costs	\$21,800					
Investments	\$119,000					
Loan amount	\$503,751	503,751	503,751	503,751	503,751	503,751
Equity	\$91,249	115,049	139,801	165,543	220,158	376,995
Capital growth rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Inflation rate (CPI)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Gross rent /week	\$575	29,900	31,096	32,340	34,979	42,557
Cash deductions						
Interest (I/O)	5.00%	25,188	25,188	25,188	25,188	25,188
Rental expenses	22.63%	6,767	7,038	7,319	7,916	9,632
Pre-tax cash flow	\$-119,000	-2,055	-1,129	-167	1,875	7,738
Non-cash deductions						
Deprec.of building	2.50%	7,438	7,438	7,438	7,438	7,438
Deprec.of fittings	\$48,700	8,227	9,456	6,725	3,644	1,676
Loan costs	\$5,951	1,190	1,190	1,190	1,190	
Total deductions		48,809	50,308	47,859	45,375	43,933
Tax credit (single)	\$120,000	7,280	7,397	5,975	4,002	530
After-tax cash flow	\$-119,000	5,225	6,268	5,808	5,877	8,268
Rate of return (IRR)	15.63%	Your cost /(income) per week				
Pre-tax equivalent	25.41%	(100)	(121)	(112)	(113)	(159)

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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 Property: Duke St Gaythorne
 Description: 3 bedroom townhouse

Cash Flow Analysis Summary

Investment Cost

Purchase price	595,000
Purchase costs	21,800
Loan costs	5,951
Total investment cost	622,751

Loan Details

Initial cash invested	119,000
Initial loan amount (total cost + any additional loan – cash invested)	503,751
Loan type	I/O (5.00%)
Interest payments	25,188
Total loan payments	25,188
Closing loan balance	503,751

Property Income and Expenditure

Rental income	29,900
Rental expenses	6,767
Net rental income (rent retained – expenses paid)	23,133

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

-2,055

Tax Deductions

Cash deductions	
Loan interest	25,188
Rental expenses	6,767
Non-Cash Deductions	
Depreciation – Building (\$297,500 @ 2.50%)	7,438
Depreciation – Furniture, fixtures & fittings	8,227
Loan cost write-off (\$5,951 over 5 yrs)	1,190
Total Tax Deductions	48,809

Tax Credit Calculation

Current taxable income	120,000
Rental income	29,900
Total income	149,900
Deductions claimed	48,809
New taxable income	101,091
Current tax (on 120,000)	34,147
New tax	26,867
Tax credit (current – new tax)	7,280

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

\$5,225

Weekly after-tax surplus

\$100

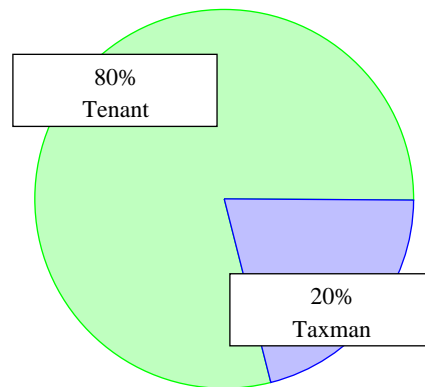
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TAX BENEFITS

These are shown below for the given taxable incomes and are based on the specified tax scale.

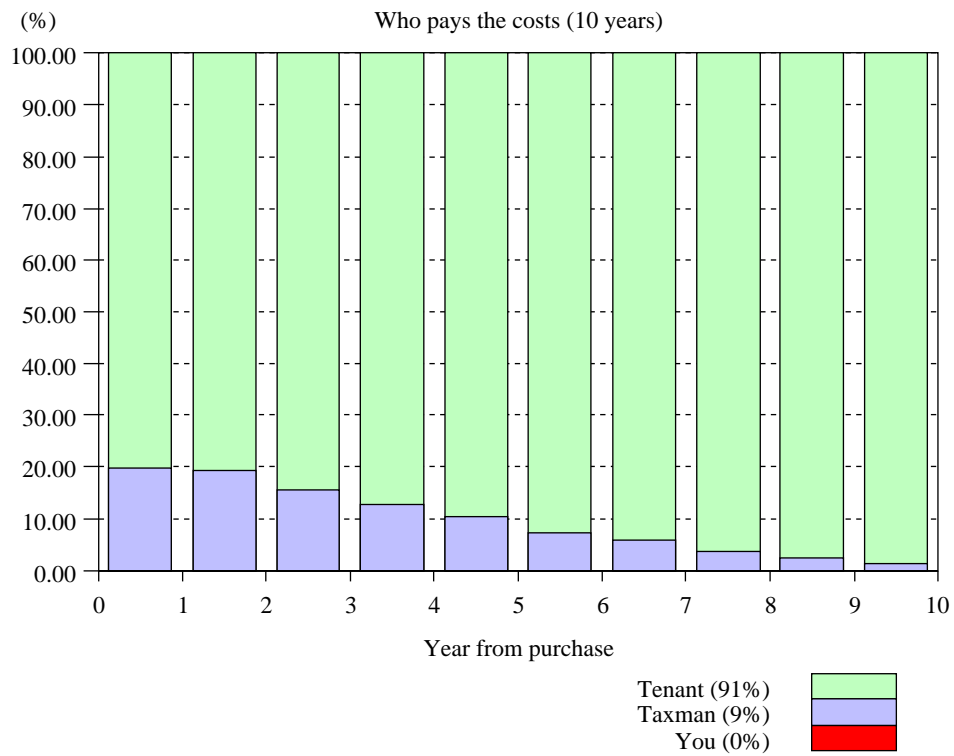
Number of properties: 1	
Current taxable income:	120,000
Rental income:	29,900
Total income:	149,900
Rental deductions:	48,809
New taxable income:	101,091
Current tax:	34,147
New tax:	26,867
Tax savings:	\$7,280

Who pays the cost (1st year)?

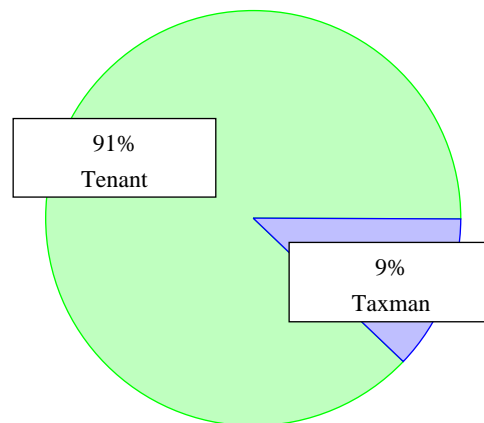


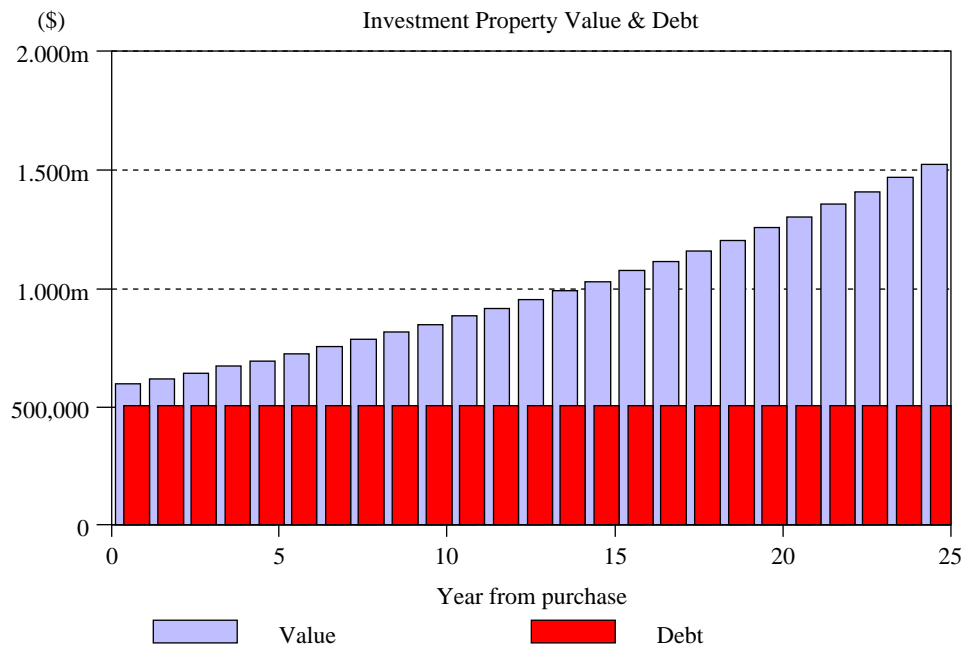
Projections over 25 years

Year	Interest costs	Rental expenses	Total cost	Rent (tenant)	Tax credit (taxman)	Cash (you)
1yr	\$25,188	\$6,767	\$31,955	\$29,900	\$7,280	\$-5,225
2yr	\$25,188	\$7,038	\$32,225	\$31,096	\$7,397	\$-6,268
3yr	\$25,188	\$7,319	\$32,507	\$32,340	\$5,975	\$-5,808
4yr	\$25,188	\$7,612	\$32,799	\$33,633	\$4,885	\$-5,719
5yr	\$25,188	\$7,916	\$33,104	\$34,979	\$4,002	\$-5,877
6yr	\$25,188	\$8,233	\$33,421	\$36,378	\$2,793	\$-5,750
7yr	\$25,188	\$8,562	\$33,750	\$37,833	\$2,252	\$-6,335
8yr	\$25,188	\$8,905	\$34,092	\$39,346	\$1,464	\$-6,718
9yr	\$25,188	\$9,261	\$34,449	\$40,920	\$879	\$-7,351
10yr	\$25,188	\$9,632	\$34,819	\$42,557	\$530	\$-8,268
11yr	\$25,188	\$10,017	\$35,204	\$44,259	\$-320	\$-8,735
12yr	\$25,188	\$10,417	\$35,605	\$46,030	\$-1,078	\$-9,347
13yr	\$25,188	\$10,834	\$36,022	\$47,871	\$-1,785	\$-10,064
14yr	\$25,188	\$11,268	\$36,455	\$49,786	\$-2,512	\$-10,819
15yr	\$25,188	\$11,718	\$36,906	\$51,777	\$-2,289	\$-12,582
16yr	\$25,188	\$12,187	\$37,375	\$53,848	\$-4,160	\$-12,314
17yr	\$25,188	\$12,674	\$37,862	\$56,002	\$-4,940	\$-13,200
18yr	\$25,188	\$13,181	\$38,369	\$58,242	\$-5,750	\$-14,123
19yr	\$25,188	\$13,709	\$38,896	\$60,572	\$-6,592	\$-15,084
20yr	\$25,188	\$14,257	\$39,445	\$62,995	\$-7,241	\$-16,309
21yr	\$25,188	\$14,827	\$40,015	\$65,515	\$-8,398	\$-17,102
22yr	\$25,188	\$15,420	\$40,608	\$68,135	\$-9,342	\$-18,185
23yr	\$25,188	\$16,037	\$41,225	\$70,861	\$-10,323	\$-19,313
24yr	\$25,188	\$16,679	\$41,866	\$73,695	\$-11,342	\$-20,487
25yr	\$25,188	\$17,346	\$42,533	\$76,643	\$-12,403	\$-21,706



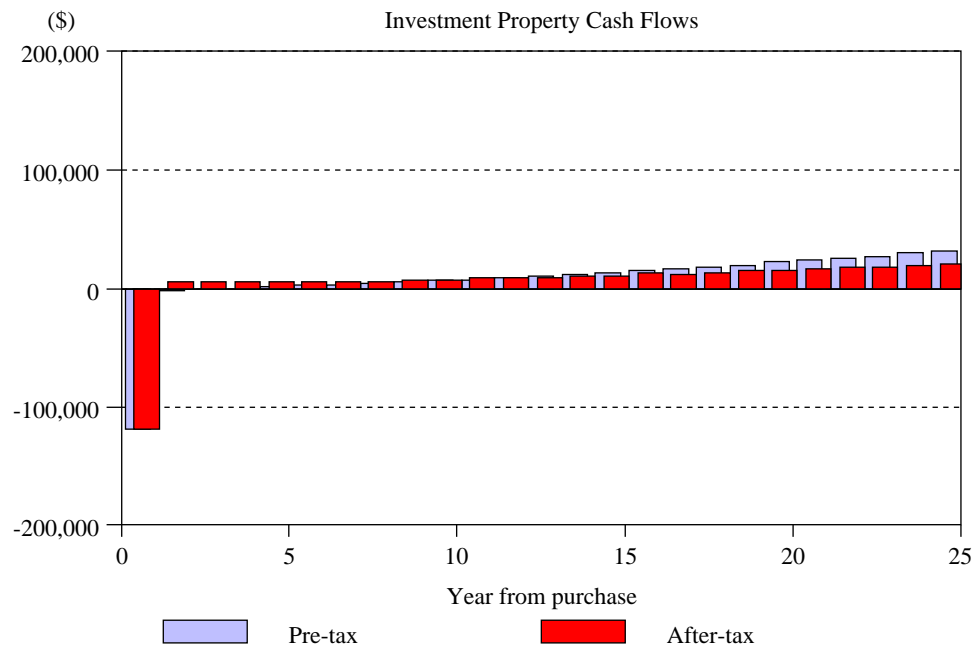
Average contribution (10 years)





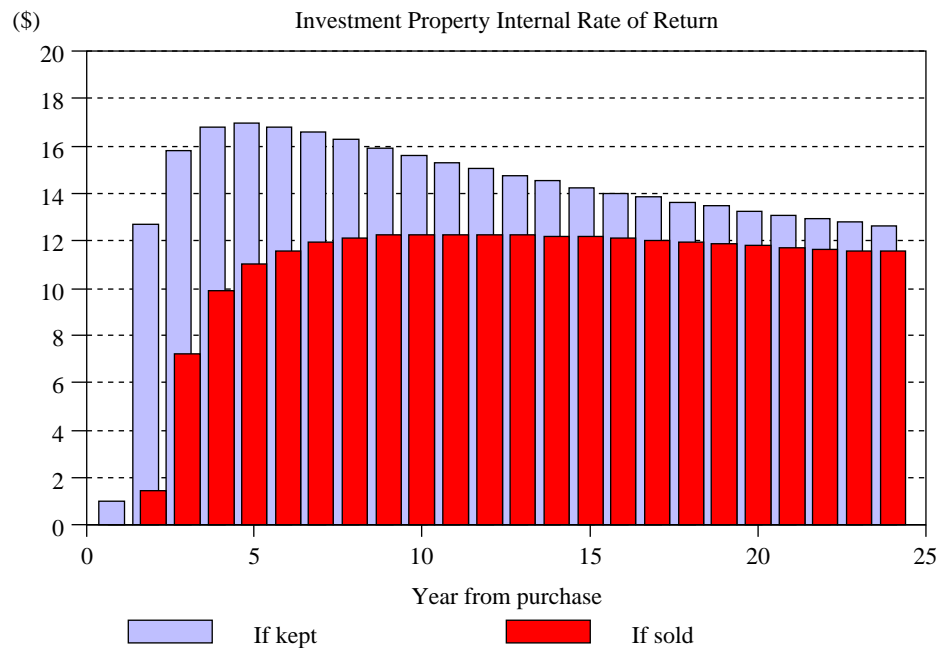
Property value & debt projections over 25 years

Year	Growth rate	Property value	Amount owing	Equity
		\$595,000	\$503,751	\$91,249
1yr	4.00%	\$618,800	\$503,751	\$115,049
2yr	4.00%	\$643,552	\$503,751	\$139,801
3yr	4.00%	\$669,294	\$503,751	\$165,543
4yr	4.00%	\$696,066	\$503,751	\$192,315
5yr	4.00%	\$723,908	\$503,751	\$220,158
6yr	4.00%	\$752,865	\$503,751	\$249,114
7yr	4.00%	\$782,979	\$503,751	\$279,229
8yr	4.00%	\$814,299	\$503,751	\$310,548
9yr	4.00%	\$846,871	\$503,751	\$343,120
10yr	4.00%	\$880,745	\$503,751	\$376,995
11yr	4.00%	\$915,975	\$503,751	\$412,224
12yr	4.00%	\$952,614	\$503,751	\$448,863
13yr	4.00%	\$990,719	\$503,751	\$486,968
14yr	4.00%	\$1.030m	\$503,751	\$526,597
15yr	4.00%	\$1.072m	\$503,751	\$567,811
16yr	4.00%	\$1.114m	\$503,751	\$610,673
17yr	4.00%	\$1.159m	\$503,751	\$655,250
18yr	4.00%	\$1.205m	\$503,751	\$701,610
19yr	4.00%	\$1.254m	\$503,751	\$749,825
20yr	4.00%	\$1.304m	\$503,751	\$799,968
21yr	4.00%	\$1.356m	\$503,751	\$852,116
22yr	4.00%	\$1.410m	\$503,751	\$906,351
23yr	4.00%	\$1.467m	\$503,751	\$962,755
24yr	4.00%	\$1.525m	\$503,751	\$1.021m
25yr	4.00%	\$1.586m	\$503,751	\$1.082m



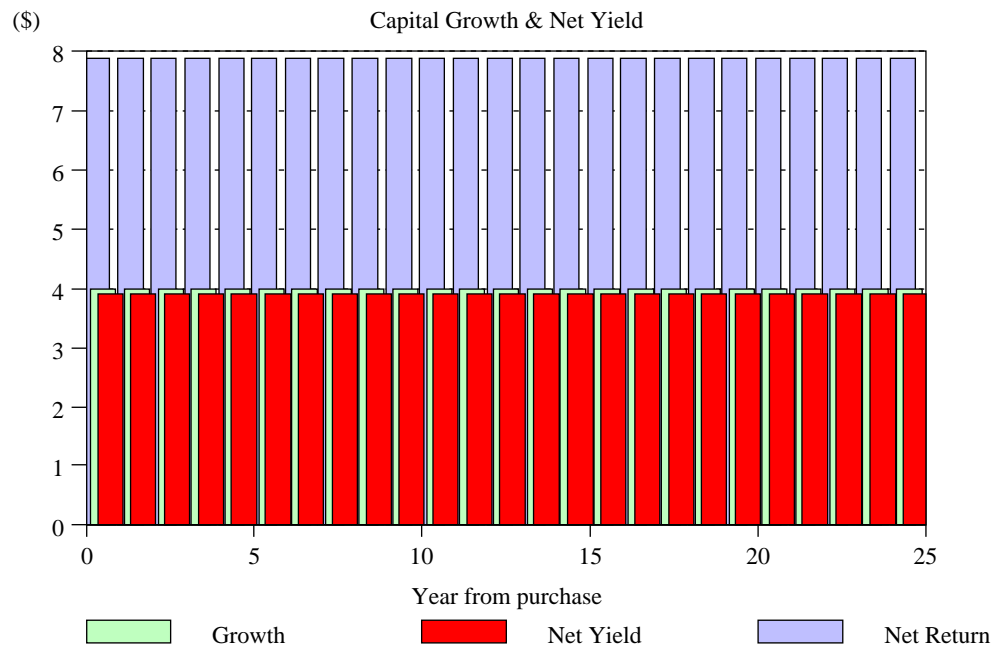
Cash flow projections over 25 years

Year	Rental income	Loan payments	Rental expenses	Pre-tax cash flow	Tax credit	After-tax cash flow
				\$-119,000		\$-119,000
1yr	\$29,900	\$25,188	\$6,767	\$-2,055	\$7,280	\$5,225
2yr	\$31,096	\$25,188	\$7,038	\$-1,129	\$7,397	\$6,268
3yr	\$32,340	\$25,188	\$7,319	\$-167	\$5,975	\$5,808
4yr	\$33,633	\$25,188	\$7,612	\$834	\$4,885	\$5,719
5yr	\$34,979	\$25,188	\$7,916	\$1,875	\$4,002	\$5,877
6yr	\$36,378	\$25,188	\$8,233	\$2,957	\$2,793	\$5,750
7yr	\$37,833	\$25,188	\$8,562	\$4,083	\$2,252	\$6,335
8yr	\$39,346	\$25,188	\$8,905	\$5,254	\$1,464	\$6,718
9yr	\$40,920	\$25,188	\$9,261	\$6,472	\$879	\$7,351
10yr	\$42,557	\$25,188	\$9,632	\$7,738	\$530	\$8,268
11yr	\$44,259	\$25,188	\$10,017	\$9,055	\$-320	\$8,735
12yr	\$46,030	\$25,188	\$10,417	\$10,425	\$-1,078	\$9,347
13yr	\$47,871	\$25,188	\$10,834	\$11,849	\$-1,785	\$10,064
14yr	\$49,786	\$25,188	\$11,268	\$13,331	\$-2,512	\$10,819
15yr	\$51,777	\$25,188	\$11,718	\$14,871	\$-2,289	\$12,582
16yr	\$53,848	\$25,188	\$12,187	\$16,474	\$-4,160	\$12,314
17yr	\$56,002	\$25,188	\$12,674	\$18,140	\$-4,940	\$13,200
18yr	\$58,242	\$25,188	\$13,181	\$19,873	\$-5,750	\$14,123
19yr	\$60,572	\$25,188	\$13,709	\$21,676	\$-6,592	\$15,084
20yr	\$62,995	\$25,188	\$14,257	\$23,550	\$-7,241	\$16,309
21yr	\$65,515	\$25,188	\$14,827	\$25,500	\$-8,398	\$17,102
22yr	\$68,135	\$25,188	\$15,420	\$27,527	\$-9,342	\$18,185
23yr	\$70,861	\$25,188	\$16,037	\$29,636	\$-10,323	\$19,313
24yr	\$73,695	\$25,188	\$16,679	\$31,829	\$-11,342	\$20,487
25yr	\$76,643	\$25,188	\$17,346	\$34,109	\$-12,403	\$21,706



Projected equity and returns over 25 years

Year	After-tax cash flow	Property Retained Equity	Rate of return	Selling costs	Property Sold Capital Gains Tax	Equity (if sold)	Rate of return
	-\$119,000	\$91,249					
1yr	\$5,225	\$115,049	1.0%	\$20,606	\$0	\$94,443	-15.4%
2yr	\$6,268	\$139,801	12.7%	\$21,410	\$7,296	\$111,095	1.5%
3yr	\$5,808	\$165,543	15.9%	\$22,247	\$14,816	\$128,480	7.3%
4yr	\$5,719	\$192,315	16.8%	\$23,117	\$22,176	\$147,022	9.9%
5yr	\$5,877	\$220,158	17.0%	\$24,022	\$31,622	\$164,514	11.0%
6yr	\$5,750	\$249,114	16.8%	\$24,963	\$41,211	\$182,940	11.6%
7yr	\$6,335	\$279,229	16.6%	\$25,942	\$50,874	\$202,413	12.0%
8yr	\$6,718	\$310,548	16.3%	\$26,960	\$60,674	\$222,914	12.1%
9yr	\$7,351	\$343,120	15.9%	\$28,018	\$70,663	\$244,438	12.2%
10yr	\$8,268	\$376,995	15.6%	\$29,119	\$81,000	\$266,875	12.3%
11yr	\$8,735	\$412,224	15.3%	\$30,264	\$91,560	\$290,400	12.3%
12yr	\$9,347	\$448,863	15.0%	\$31,455	\$101,810	\$315,599	12.3%
13yr	\$10,064	\$486,968	14.8%	\$32,693	\$112,243	\$342,031	12.2%
14yr	\$10,819	\$526,597	14.5%	\$33,981	\$123,001	\$369,614	12.2%
15yr	\$12,582	\$567,811	14.3%	\$35,321	\$134,585	\$397,905	12.1%
16yr	\$12,314	\$610,673	14.0%	\$36,714	\$145,977	\$427,983	12.1%
17yr	\$13,200	\$655,250	13.8%	\$38,163	\$157,751	\$459,336	12.0%
18yr	\$14,123	\$701,610	13.6%	\$39,669	\$169,925	\$492,016	11.9%
19yr	\$15,084	\$749,825	13.4%	\$41,236	\$182,514	\$526,074	11.9%
20yr	\$16,309	\$799,968	13.3%	\$42,866	\$195,649	\$561,453	11.8%
21yr	\$17,102	\$852,116	13.1%	\$44,561	\$209,109	\$598,447	11.7%
22yr	\$18,185	\$906,351	12.9%	\$46,323	\$223,038	\$636,990	11.7%
23yr	\$19,313	\$962,755	12.8%	\$48,156	\$237,455	\$677,144	11.6%
24yr	\$20,487	\$1.021m	12.7%	\$50,063	\$252,379	\$718,973	11.5%
25yr	\$21,706	\$1.082m	12.5%	\$52,046	\$267,832	\$762,545	11.5%



Capital growth and rental yields over 25 years

Year	Property value	Growth rate	Rental income	Rental expenses	Net Rent	Gross yield	Net yield
Initial	\$595,000						
1yr	\$618,800	4.00%	\$29,900	\$6,767	\$23,133	5.03%	3.89%
2yr	\$643,552	4.00%	\$31,096	\$7,038	\$24,058	5.03%	3.89%
3yr	\$669,294	4.00%	\$32,340	\$7,319	\$25,021	5.03%	3.89%
4yr	\$696,066	4.00%	\$33,633	\$7,612	\$26,021	5.03%	3.89%
5yr	\$723,908	4.00%	\$34,979	\$7,916	\$27,062	5.03%	3.89%
6yr	\$752,865	4.00%	\$36,378	\$8,233	\$28,145	5.03%	3.89%
7yr	\$782,979	4.00%	\$37,833	\$8,562	\$29,271	5.03%	3.89%
8yr	\$814,299	4.00%	\$39,346	\$8,905	\$30,441	5.03%	3.89%
9yr	\$846,871	4.00%	\$40,920	\$9,261	\$31,659	5.03%	3.89%
10yr	\$880,745	4.00%	\$42,557	\$9,632	\$32,925	5.03%	3.89%
11yr	\$915,975	4.00%	\$44,259	\$10,017	\$34,242	5.03%	3.89%
12yr	\$952,614	4.00%	\$46,030	\$10,417	\$35,612	5.03%	3.89%
13yr	\$990,719	4.00%	\$47,871	\$10,834	\$37,037	5.03%	3.89%
14yr	\$1.030m	4.00%	\$49,786	\$11,268	\$38,518	5.03%	3.89%
15yr	\$1.072m	4.00%	\$51,777	\$11,718	\$40,059	5.03%	3.89%
16yr	\$1.114m	4.00%	\$53,848	\$12,187	\$41,661	5.03%	3.89%
17yr	\$1.159m	4.00%	\$56,002	\$12,674	\$43,328	5.03%	3.89%
18yr	\$1.205m	4.00%	\$58,242	\$13,181	\$45,061	5.03%	3.89%
19yr	\$1.254m	4.00%	\$60,572	\$13,709	\$46,863	5.03%	3.89%
20yr	\$1.304m	4.00%	\$62,995	\$14,257	\$48,738	5.03%	3.89%
21yr	\$1.356m	4.00%	\$65,515	\$14,827	\$50,687	5.03%	3.89%
22yr	\$1.410m	4.00%	\$68,135	\$15,420	\$52,715	5.03%	3.89%
23yr	\$1.467m	4.00%	\$70,861	\$16,037	\$54,823	5.03%	3.89%
24yr	\$1.525m	4.00%	\$73,695	\$16,679	\$57,016	5.03%	3.89%
25yr	\$1.586m	4.00%	\$76,643	\$17,346	\$59,297	5.03%	3.89%