


**Just Property Investments Pty Ltd - Brisbane**

11-Mar-2015

Prepared for:  
 Consultant:  
 Property: Raby Road Coorparoo  
 Description: 3 Bedroom townhouse

**SUMMARY**

	<b>Assumptions</b>		<b>Projected results over</b>	<b>10 yrs</b>
	Property value	\$610,000	Property value	\$902,949
	Investment	\$122,000	Equity	\$386,418
	Gross yield	5.37%	After-tax return /yr	15.60%
	Net yield	3.92%	Net present value	\$197,182
	Growth rate	4.00%	<b>IF SOLD</b>	
	Inflation rate	4.00%	Selling costs & CGT	\$109,228
	Interest rate	5.00%	Equity	\$277,191
	Taxable income	\$90,000	After-tax return /yr	12.39%

**COMPUTER PROJECTIONS**

Investment Analysis	Projections over 10 years					
	2015	1yr	2yr	3yr	5yr	10yr
End of year						
Property value	\$610,000	634,400	659,776	686,167	742,158	902,949
Purchase costs	\$22,475					
Investments	\$122,000					
Loan amount	\$516,531	516,531	516,531	516,531	516,531	516,531
Equity	\$93,469	117,869	143,245	169,636	225,628	386,418
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	\$630	32,760	34,070	35,433	38,325	46,628
Cash deductions						
Interest (I/O)	5.00%	25,827	25,827	25,827	25,827	25,827
Rental expenses	27.08%	8,871	9,226	9,595	10,378	12,626
Pre-tax cash flow	<b>-\$122,000</b>	<b>-1,937</b>	<b>-982</b>	12	2,120	8,175
Non-cash deductions						
Deprec.of building	2.50%	7,625	7,625	7,625	7,625	7,625
Deprec.of fittings	\$48,600	8,221	9,520	6,751	3,637	1,610
Loan costs	\$6,056	1,211	1,211	1,211	1,211	
Total deductions		51,755	53,408	51,009	48,678	47,687
Tax credit (single)	\$90,000	6,908	7,187	5,996	3,986	408
After-tax cash flow	<b>-\$122,000</b>	4,971	6,205	6,008	6,106	8,583
Rate of return (IRR)	15.60%	Your cost /(income) per week				
Pre-tax equivalent	25.37%	(96)	(119)	(116)	(117)	(165)

*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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 Description: 3 Bedroom townhouse

**Cash Flow Analysis Summary**

*Investment Cost*

Purchase price	610,000
Purchase costs	22,475
Loan costs	6,056
<b>Total investment cost</b>	<b>638,531</b>

*Loan Details*

Initial cash invested	122,000
Initial loan amount (total cost + any additional loan – cash invested)	516,531
Loan type	I/O (5.00%)
Interest payments	25,827
<b>Total loan payments</b>	<b>25,827</b>
Closing loan balance	516,531

*Property Income and Expenditure*

<b>Rental income</b>	<b>32,760</b>
<b>Rental expenses</b>	<b>8,871</b>
<b>Net rental income (rent retained – expenses paid)</b>	<b>23,889</b>

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

**-1,937**

*Tax Deductions*

Cash deductions	
Loan interest	25,827
Rental expenses	8,871
Non-Cash Deductions	
Depreciation – Building (\$305,000 @ 2.50%)	7,625
Depreciation – Furniture, fixtures & fittings	8,221
Loan cost write-off (\$6,056 over 5 yrs)	1,211
<b>Total Tax Deductions</b>	<b>51,755</b>

*Tax Credit Calculation*

Current taxable income	90,000
Rental income	32,760
<b>Total income</b>	<b>122,760</b>
Deductions claimed	51,755
New taxable income	71,005
Current tax (on 90,000)	22,597
New tax	15,689
<b>Tax credit (current – new tax)</b>	<b>6,908</b>

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

**\$4,971**

**Weekly after-tax surplus**

**\$96**

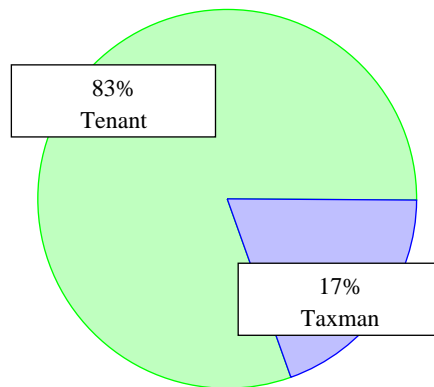
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**TAX BENEFITS**

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

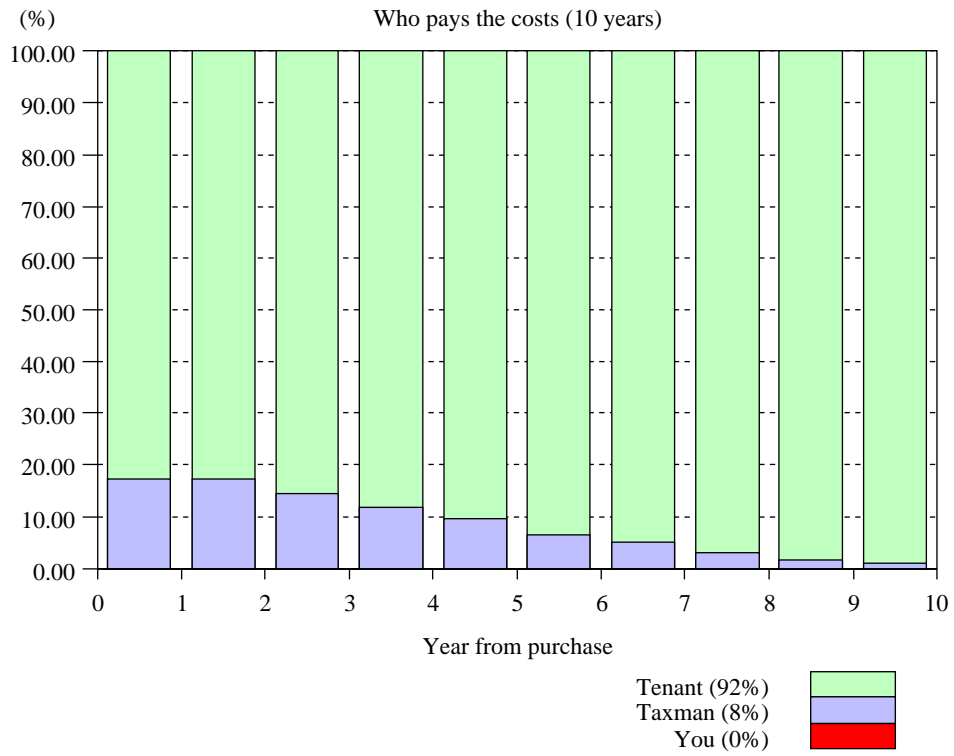
Number of properties: 1	
Current taxable income:	90,000
Rental income:	32,760
Total income:	122,760
Rental deductions:	51,755
New taxable income:	71,005
Current tax:	22,597
New tax:	15,689
<b>Tax savings:</b>	<b>\$6,908</b>

Who pays the cost (1st year)?

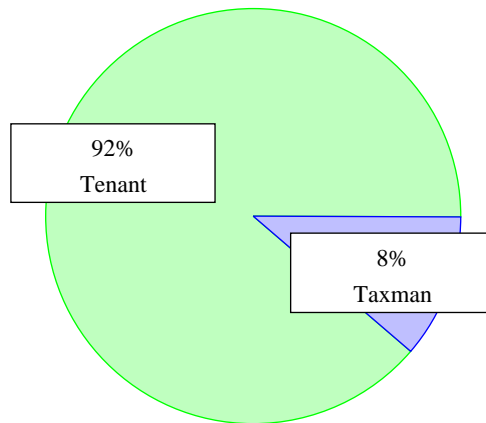


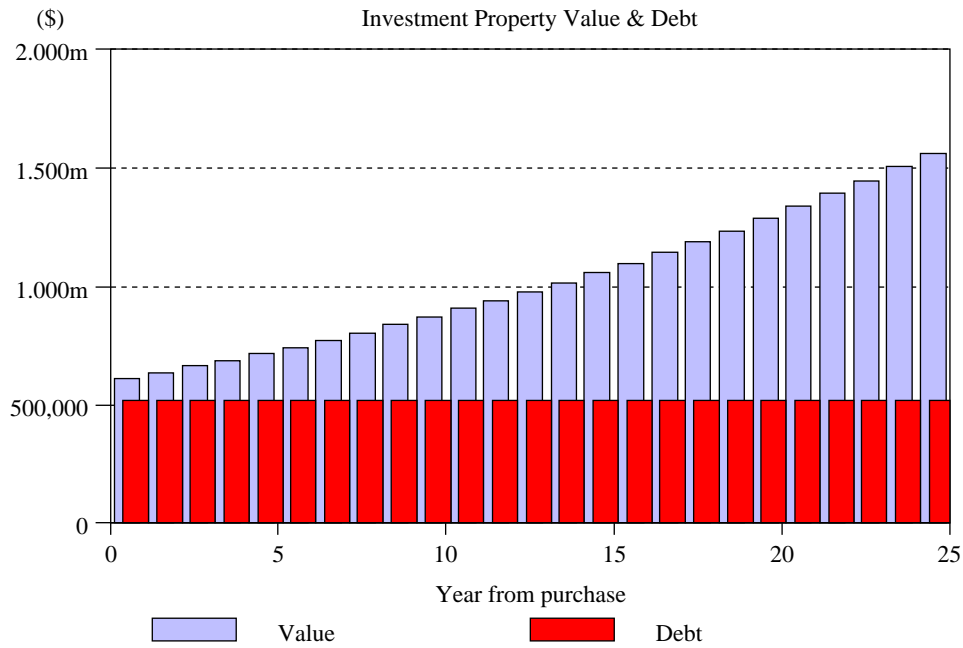
Projections over 25 years

Year	Interest costs	Rental expenses	Total cost	Rent (tenant)	Tax credit (taxman)	Cash (you)
1yr	\$25,827	\$8,871	\$34,697	\$32,760	\$6,908	\$-4,971
2yr	\$25,827	\$9,226	\$35,052	\$34,070	\$7,187	\$-6,205
3yr	\$25,827	\$9,595	\$35,421	\$35,433	\$5,996	\$-6,008
4yr	\$25,827	\$9,978	\$35,805	\$36,851	\$4,886	\$-5,932
5yr	\$25,827	\$10,378	\$36,204	\$38,325	\$3,986	\$-6,106
6yr	\$25,827	\$10,793	\$36,619	\$39,858	\$2,753	\$-5,991
7yr	\$25,827	\$11,224	\$37,051	\$41,452	\$2,195	\$-6,596
8yr	\$25,827	\$11,673	\$37,500	\$43,110	\$1,394	\$-7,004
9yr	\$25,827	\$12,140	\$37,967	\$44,834	\$793	\$-7,660
10yr	\$25,827	\$12,626	\$38,452	\$46,628	\$408	\$-8,583
11yr	\$25,827	\$13,131	\$38,957	\$48,493	\$-433	\$-9,102
12yr	\$25,827	\$13,656	\$39,483	\$50,433	\$-1,024	\$-9,926
13yr	\$25,827	\$14,202	\$40,029	\$52,450	\$-1,627	\$-10,794
14yr	\$25,827	\$14,771	\$40,597	\$54,548	\$-2,247	\$-11,704
15yr	\$25,827	\$15,361	\$41,188	\$56,730	\$-2,062	\$-13,480
16yr	\$25,827	\$15,976	\$41,802	\$58,999	\$-3,654	\$-13,543
17yr	\$25,827	\$16,615	\$42,441	\$61,359	\$-4,321	\$-14,596
18yr	\$25,827	\$17,279	\$43,106	\$63,813	\$-5,679	\$-15,028
19yr	\$25,827	\$17,971	\$43,797	\$66,366	\$-6,924	\$-15,645
20yr	\$25,827	\$18,689	\$44,516	\$69,020	\$-7,628	\$-16,876
21yr	\$25,827	\$19,437	\$45,264	\$71,781	\$-8,784	\$-17,734
22yr	\$25,827	\$20,214	\$46,041	\$74,652	\$-9,759	\$-18,852
23yr	\$25,827	\$21,023	\$46,850	\$77,639	\$-10,771	\$-20,018
24yr	\$25,827	\$21,864	\$47,691	\$80,744	\$-11,825	\$-21,229
25yr	\$25,827	\$22,739	\$48,565	\$83,974	\$-12,920	\$-22,489



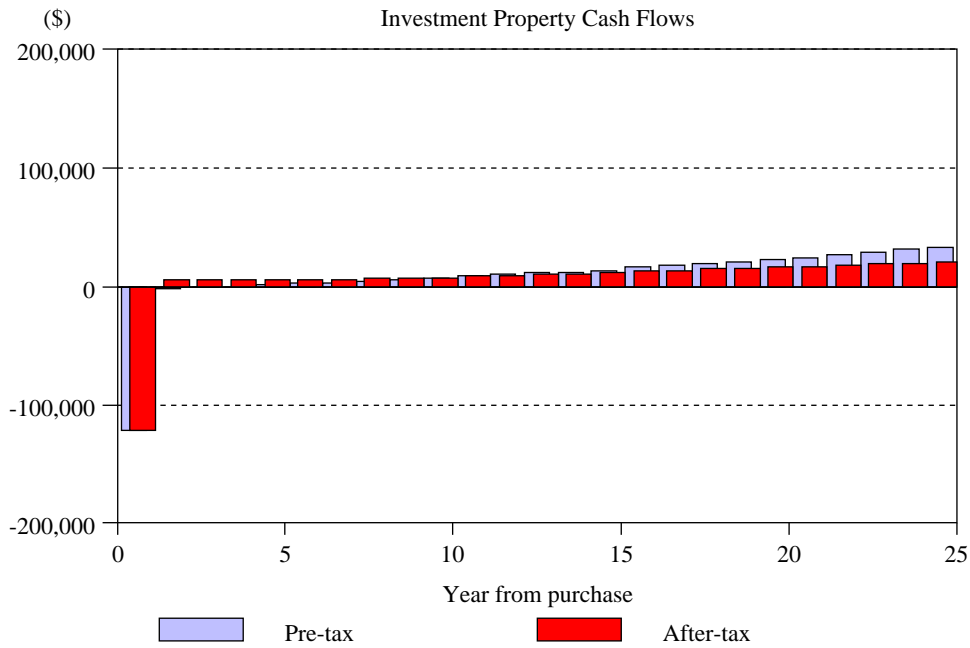
Average contribution (10 years)





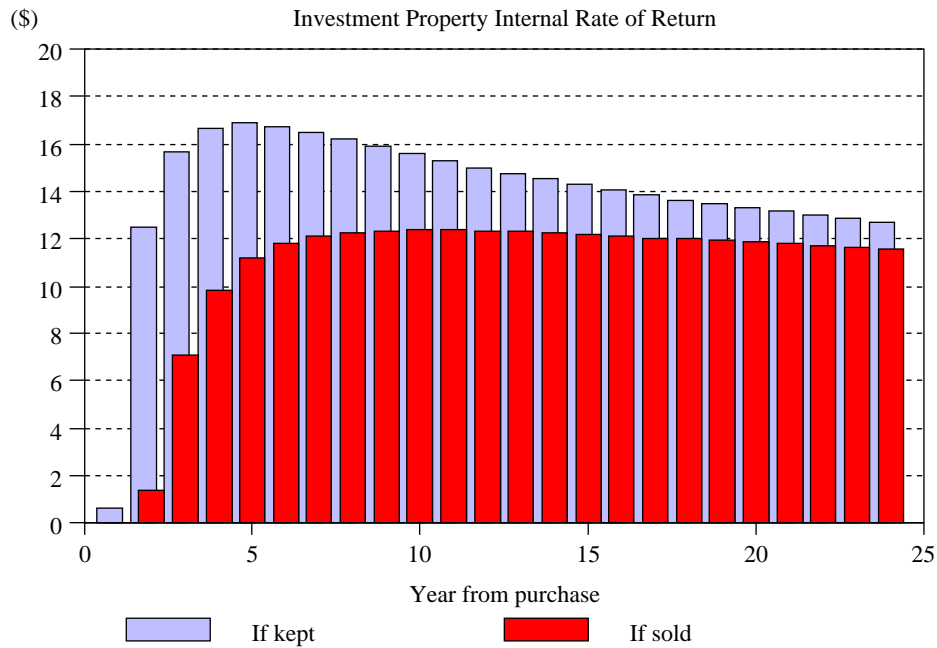
Property value & debt projections over 25 years

Year	Growth rate	Property value	Amount owing	Equity
		\$610,000	\$516,531	\$93,469
1yr	4.00%	\$634,400	\$516,531	\$117,869
2yr	4.00%	\$659,776	\$516,531	\$143,245
3yr	4.00%	\$686,167	\$516,531	\$169,636
4yr	4.00%	\$713,614	\$516,531	\$197,083
5yr	4.00%	\$742,158	\$516,531	\$225,628
6yr	4.00%	\$771,845	\$516,531	\$255,314
7yr	4.00%	\$802,718	\$516,531	\$286,188
8yr	4.00%	\$834,827	\$516,531	\$318,297
9yr	4.00%	\$868,220	\$516,531	\$351,690
10yr	4.00%	\$902,949	\$516,531	\$386,418
11yr	4.00%	\$939,067	\$516,531	\$422,536
12yr	4.00%	\$976,630	\$516,531	\$460,099
13yr	4.00%	\$1.016m	\$516,531	\$499,164
14yr	4.00%	\$1.056m	\$516,531	\$539,792
15yr	4.00%	\$1.099m	\$516,531	\$582,045
16yr	4.00%	\$1.143m	\$516,531	\$625,988
17yr	4.00%	\$1.188m	\$516,531	\$671,689
18yr	4.00%	\$1.236m	\$516,531	\$719,218
19yr	4.00%	\$1.285m	\$516,531	\$768,647
20yr	4.00%	\$1.337m	\$516,531	\$820,055
21yr	4.00%	\$1.390m	\$516,531	\$873,518
22yr	4.00%	\$1.446m	\$516,531	\$929,120
23yr	4.00%	\$1.503m	\$516,531	\$986,946
24yr	4.00%	\$1.564m	\$516,531	\$1.047m
25yr	4.00%	\$1.626m	\$516,531	\$1.110m



Cash flow projections over 25 years

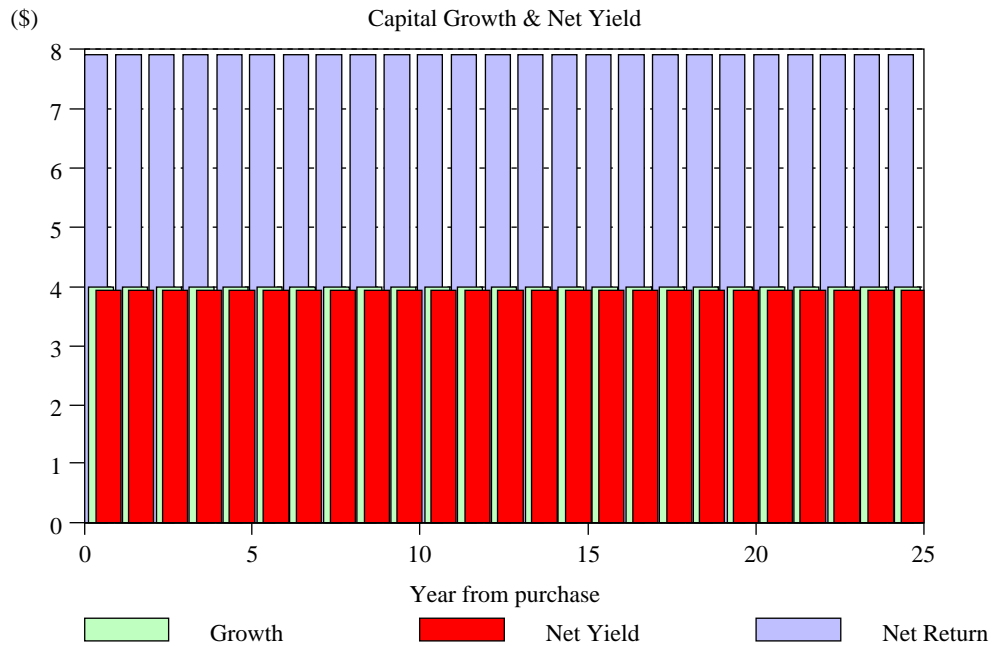
Year	Rental income	Loan payments	Rental expenses	Pre-tax cash flow	Tax credit	After-tax cash flow
				\$-122,000		\$-122,000
1yr	\$32,760	\$25,827	\$8,871	\$-1,937	\$6,908	\$4,971
2yr	\$34,070	\$25,827	\$9,226	\$-982	\$7,187	\$6,205
3yr	\$35,433	\$25,827	\$9,595	\$12	\$5,996	\$6,008
4yr	\$36,851	\$25,827	\$9,978	\$1,046	\$4,886	\$5,932
5yr	\$38,325	\$25,827	\$10,378	\$2,120	\$3,986	\$6,106
6yr	\$39,858	\$25,827	\$10,793	\$3,238	\$2,753	\$5,991
7yr	\$41,452	\$25,827	\$11,224	\$4,401	\$2,195	\$6,596
8yr	\$43,110	\$25,827	\$11,673	\$5,610	\$1,394	\$7,004
9yr	\$44,834	\$25,827	\$12,140	\$6,867	\$793	\$7,660
10yr	\$46,628	\$25,827	\$12,626	\$8,175	\$408	\$8,583
11yr	\$48,493	\$25,827	\$13,131	\$9,535	\$-433	\$9,102
12yr	\$50,433	\$25,827	\$13,656	\$10,950	\$-1,024	\$9,926
13yr	\$52,450	\$25,827	\$14,202	\$12,421	\$-1,627	\$10,794
14yr	\$54,548	\$25,827	\$14,771	\$13,951	\$-2,247	\$11,704
15yr	\$56,730	\$25,827	\$15,361	\$15,542	\$-2,062	\$13,480
16yr	\$58,999	\$25,827	\$15,976	\$17,197	\$-3,654	\$13,543
17yr	\$61,359	\$25,827	\$16,615	\$18,917	\$-4,321	\$14,596
18yr	\$63,813	\$25,827	\$17,279	\$20,707	\$-5,679	\$15,028
19yr	\$66,366	\$25,827	\$17,971	\$22,569	\$-6,924	\$15,645
20yr	\$69,020	\$25,827	\$18,689	\$24,504	\$-7,628	\$16,876
21yr	\$71,781	\$25,827	\$19,437	\$26,518	\$-8,784	\$17,734
22yr	\$74,652	\$25,827	\$20,214	\$28,611	\$-9,759	\$18,852
23yr	\$77,639	\$25,827	\$21,023	\$30,789	\$-10,771	\$20,018
24yr	\$80,744	\$25,827	\$21,864	\$33,054	\$-11,825	\$21,229
25yr	\$83,974	\$25,827	\$22,739	\$35,409	\$-12,920	\$22,489



**Projected equity and returns over 25 years**

Year	After-tax cash flow	Property Retained		Selling costs	Property Sold		Rate of return
		Equity	Rate of return		Capital Gains Tax	Equity (if sold)	
	<b>-\$122,000</b>	\$93,469					
1yr	\$4,971	\$117,869	0.6%	\$21,113	\$0	\$96,756	-15.8%
2yr	\$6,205	\$143,245	12.5%	\$21,938	\$7,125	\$114,183	1.4%
3yr	\$6,008	\$169,636	15.7%	\$22,795	\$15,066	\$131,775	7.1%
4yr	\$5,932	\$197,083	16.7%	\$23,687	\$22,588	\$150,807	9.8%
5yr	\$6,106	\$225,628	16.9%	\$24,615	\$30,072	\$170,940	11.2%
6yr	\$5,991	\$255,314	16.8%	\$25,580	\$39,202	\$190,532	11.8%
7yr	\$6,596	\$286,188	16.5%	\$26,583	\$48,963	\$210,642	12.1%
8yr	\$7,004	\$318,297	16.2%	\$27,627	\$58,862	\$231,807	12.3%
9yr	\$7,660	\$351,690	15.9%	\$28,712	\$68,953	\$254,024	12.4%
10yr	\$8,583	\$386,418	15.6%	\$29,841	\$79,387	\$277,191	12.4%
11yr	\$9,102	\$422,536	15.3%	\$31,015	\$90,051	\$301,470	12.4%
12yr	\$9,926	\$460,099	15.0%	\$32,235	\$100,978	\$326,886	12.3%
13yr	\$10,794	\$499,164	14.8%	\$33,505	\$112,239	\$353,420	12.3%
14yr	\$11,704	\$539,792	14.5%	\$34,825	\$123,854	\$381,112	12.2%
15yr	\$13,480	\$582,045	14.3%	\$36,199	\$136,168	\$409,678	12.2%
16yr	\$13,543	\$625,988	14.1%	\$37,627	\$148,674	\$439,687	12.1%
17yr	\$14,596	\$671,689	13.9%	\$39,112	\$161,400	\$471,177	12.1%
18yr	\$15,028	\$719,218	13.7%	\$40,657	\$173,895	\$504,666	12.0%
19yr	\$15,645	\$768,647	13.5%	\$42,263	\$186,800	\$539,585	11.9%
20yr	\$16,876	\$820,055	13.3%	\$43,934	\$200,246	\$575,874	11.9%
21yr	\$17,734	\$873,518	13.1%	\$45,672	\$214,045	\$613,801	11.8%
22yr	\$18,852	\$929,120	13.0%	\$47,479	\$228,326	\$653,316	11.7%
23yr	\$20,018	\$986,946	12.8%	\$49,358	\$243,106	\$694,482	11.7%
24yr	\$21,229	\$1.047m	12.7%	\$51,313	\$258,407	\$737,366	11.6%
25yr	\$22,489	\$1.110m	12.6%	\$53,345	\$274,249	\$782,036	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	\$610,000						
1yr	\$634,400	4.00%	\$32,760	\$8,871	\$23,889	5.37%	3.92%
2yr	\$659,776	4.00%	\$34,070	\$9,226	\$24,845	5.37%	3.92%
3yr	\$686,167	4.00%	\$35,433	\$9,595	\$25,839	5.37%	3.92%
4yr	\$713,614	4.00%	\$36,851	\$9,978	\$26,872	5.37%	3.92%
5yr	\$742,158	4.00%	\$38,325	\$10,378	\$27,947	5.37%	3.92%
6yr	\$771,845	4.00%	\$39,858	\$10,793	\$29,065	5.37%	3.92%
7yr	\$802,718	4.00%	\$41,452	\$11,224	\$30,227	5.37%	3.92%
8yr	\$834,827	4.00%	\$43,110	\$11,673	\$31,437	5.37%	3.92%
9yr	\$868,220	4.00%	\$44,834	\$12,140	\$32,694	5.37%	3.92%
10yr	\$902,949	4.00%	\$46,628	\$12,626	\$34,002	5.37%	3.92%
11yr	\$939,067	4.00%	\$48,493	\$13,131	\$35,362	5.37%	3.92%
12yr	\$976,630	4.00%	\$50,433	\$13,656	\$36,776	5.37%	3.92%
13yr	\$1.016m	4.00%	\$52,450	\$14,202	\$38,247	5.37%	3.92%
14yr	\$1.056m	4.00%	\$54,548	\$14,771	\$39,777	5.37%	3.92%
15yr	\$1.099m	4.00%	\$56,730	\$15,361	\$41,368	5.37%	3.92%
16yr	\$1.143m	4.00%	\$58,999	\$15,976	\$43,023	5.37%	3.92%
17yr	\$1.188m	4.00%	\$61,359	\$16,615	\$44,744	5.37%	3.92%
18yr	\$1.236m	4.00%	\$63,813	\$17,279	\$46,534	5.37%	3.92%
19yr	\$1.285m	4.00%	\$66,366	\$17,971	\$48,395	5.37%	3.92%
20yr	\$1.337m	4.00%	\$69,020	\$18,689	\$50,331	5.37%	3.92%
21yr	\$1.390m	4.00%	\$71,781	\$19,437	\$52,344	5.37%	3.92%
22yr	\$1.446m	4.00%	\$74,652	\$20,214	\$54,438	5.37%	3.92%
23yr	\$1.503m	4.00%	\$77,639	\$21,023	\$56,615	5.37%	3.92%
24yr	\$1.564m	4.00%	\$80,744	\$21,864	\$58,880	5.37%	3.92%
25yr	\$1.626m	4.00%	\$83,974	\$22,739	\$61,235	5.37%	3.92%