


Just Property Investments Pty Ltd - Brisbane

23-Apr-2015

Prepared for:
 Consultant:
 Property: Waverley St Annerley
 Description: 4 bedroom double garage 3 bath townhouse

SUMMARY

	Assumptions		Projected results over		10 yrs
	Property value	\$695,000	Property value		\$1.079m
	Investment	\$139,000	Equity		\$651,392
	Gross yield	5.20%	After-tax return /yr		14.41%
	Net yield	3.88%	Net present value		\$266,260
	Growth rate	4.50%	IF SOLD		
	Inflation rate	4.00%	Selling costs & CGT		\$141,294
	Interest rate	4.50%	Equity		\$510,098
	Taxable income	\$150,000	After-tax return /yr		11.46%

COMPUTER PROJECTIONS

Investment Analysis		Projections over 10 years				
End of year	2015	1yr	2yr	3yr	5yr	10yr
Property value	\$695,000	726,275	758,957	793,110	866,096	1.079m
Purchase costs	\$26,300					
Investments/principal	\$139,000	13,047	13,646	14,273	15,615	19,547
Loan amount	\$588,949	575,902	562,256	547,983	517,439	427,922
Equity	\$106,051	150,373	196,701	245,128	348,658	651,392
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	\$695	36,140	37,586	39,089	42,279	51,438
Cash deductions						
Interest (P&I)	4.50%	26,236	25,636	25,010	23,668	19,736
Rental expenses	25.47%	9,206	9,574	9,957	10,770	13,103
Pre-tax cash flow	\$-139,000	-12,349	-11,272	-10,151	-7,774	-948
Non-cash deductions						
Deprec.of building	2.50%	8,688	8,688	8,688	8,688	8,688
Deprec.of fittings	\$52,200	8,554	10,237	7,235	3,887	1,559
Loan costs	\$6,649	1,330	1,330	1,330	1,330	
Total deductions		54,013	55,466	52,220	48,343	43,086
Tax credit (single)	\$150,000	6,881	6,884	5,055	2,334	-3,884
After-tax cash flow	\$-139,000	-5,468	-4,388	-5,096	-5,440	-4,832
Rate of return (IRR)	14.41%	Your cost /(income) per week				
Pre-tax equivalent	23.44%	105	84	98	105	93

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	695,000
Purchase costs	26,300
Loan costs	6,649
Total investment cost	727,949

Loan Details

Initial cash invested	139,000
Initial loan amount (total cost + any additional loan – cash invested)	588,949
Loan type	P&I (4.50%)
Interest payments	26,236
Principle payments	13,047
Total loan payments	39,283
Closing loan balance	575,902

Property Income and Expenditure

Rental income	36,140
Rental expenses	9,206
Net rental income (rent retained – expenses paid)	26,934

Pre-Tax Cash Flow (net rent – loan payments)**-12,349***Tax Deductions*

Cash deductions	
Loan interest	26,236
Rental expenses	9,206
Non-Cash Deductions	
Depreciation – Building (\$347,500 @ 2.50%)	8,688
Depreciation – Furniture, fixtures & fittings	8,554
Loan cost write-off (\$6,649 over 5 yrs)	1,330
Total Tax Deductions	54,013

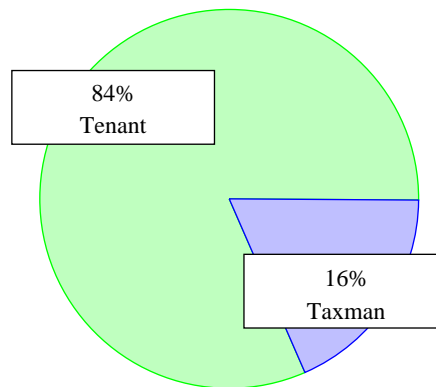
Tax Credit Calculation

Current taxable income	150,000
Rental income	36,140
Total income	186,140
Deductions claimed	54,013
New taxable income	132,127
Current tax (on 150,000)	45,697
New tax	38,816
Tax credit (current – new tax)	6,881

Annual after-tax investment (pre-tax cash flow + tax credit)**\$5,468****Weekly after-tax investment****\$105**

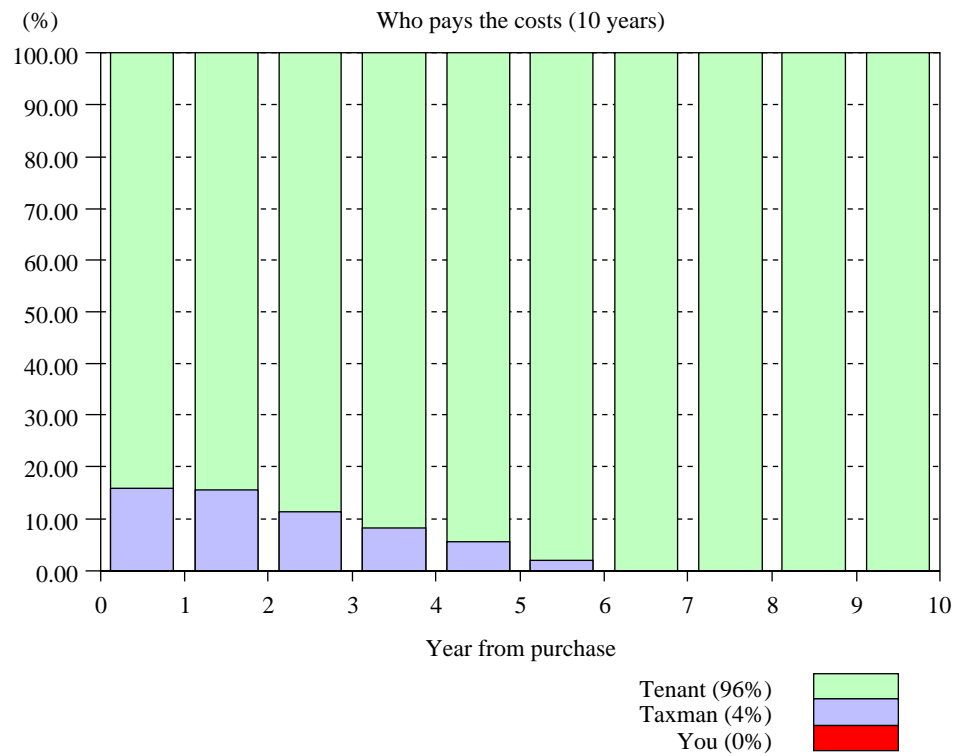
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Who pays the cost (1st year)?

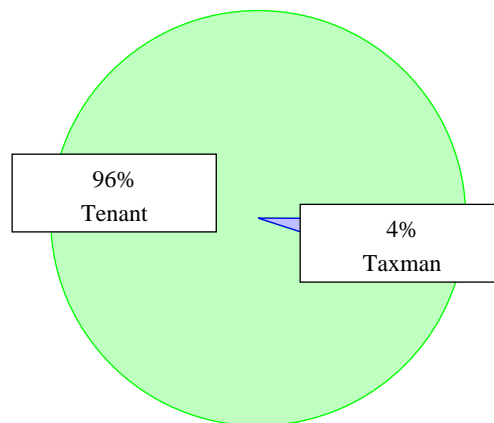


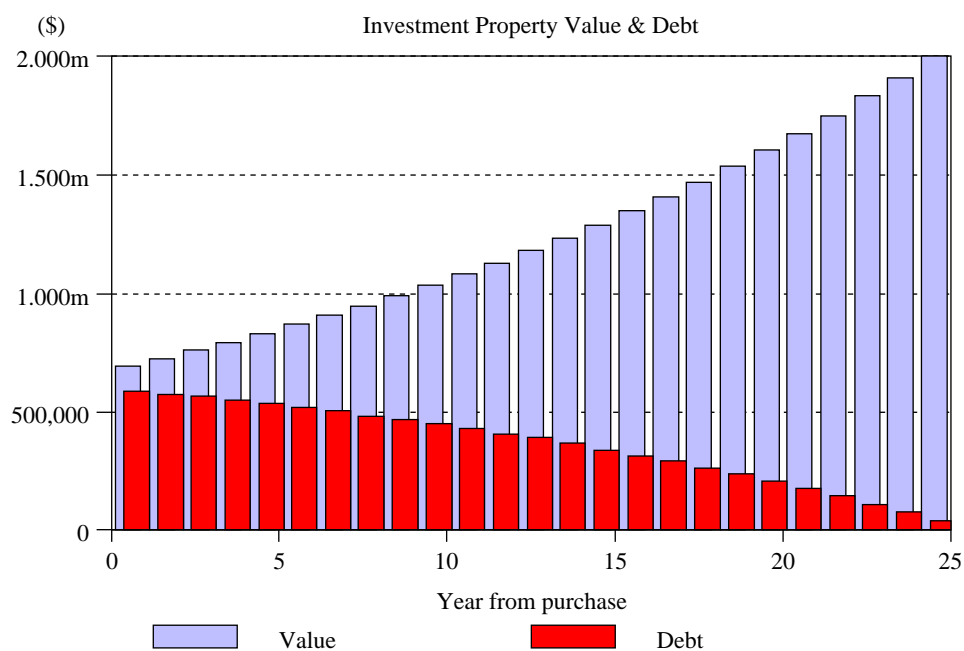
Projections over 25 years

Year	Interest costs	Rental expenses	Total cost	Rent (tenant)	Tax credit (taxman)	Cash (you)
1yr	\$26,236	\$9,206	\$35,442	\$36,140	\$6,881	\$-7,579
2yr	\$25,636	\$9,574	\$35,211	\$37,586	\$6,884	\$-9,259
3yr	\$25,010	\$9,957	\$34,967	\$39,089	\$5,055	\$-9,177
4yr	\$24,354	\$10,356	\$34,710	\$40,653	\$3,585	\$-9,528
5yr	\$23,668	\$10,770	\$34,438	\$42,279	\$2,334	\$-10,175
6yr	\$22,951	\$11,201	\$34,151	\$43,970	\$849	\$-10,667
7yr	\$22,200	\$11,649	\$33,849	\$45,729	\$-304	\$-11,576
8yr	\$21,416	\$12,115	\$33,530	\$47,558	\$-1,664	\$-12,363
9yr	\$20,595	\$12,599	\$33,194	\$49,460	\$-2,858	\$-13,408
10yr	\$19,736	\$13,103	\$32,839	\$51,438	\$-3,884	\$-14,715
11yr	\$18,838	\$13,627	\$32,466	\$53,496	\$-5,314	\$-15,716
12yr	\$17,899	\$14,173	\$32,072	\$55,636	\$-6,557	\$-17,007
13yr	\$16,917	\$14,739	\$31,656	\$57,861	\$-7,838	\$-18,367
14yr	\$15,889	\$15,329	\$31,218	\$60,176	\$-9,161	\$-19,797
15yr	\$14,814	\$15,942	\$30,757	\$62,583	\$-9,398	\$-22,428
16yr	\$13,690	\$16,580	\$30,270	\$65,086	\$-12,102	\$-22,714
17yr	\$12,515	\$17,243	\$29,758	\$67,690	\$-13,558	\$-24,374
18yr	\$11,285	\$17,933	\$29,218	\$70,397	\$-15,072	\$-26,107
19yr	\$9,999	\$18,650	\$28,649	\$73,213	\$-16,650	\$-27,914
20yr	\$8,653	\$19,396	\$28,049	\$76,142	\$-18,040	\$-30,052
21yr	\$7,246	\$20,172	\$27,418	\$79,187	\$-20,032	\$-31,737
22yr	\$5,775	\$20,979	\$26,753	\$82,355	\$-21,815	\$-33,786
23yr	\$4,235	\$21,818	\$26,053	\$85,649	\$-23,672	\$-35,924
24yr	\$2,625	\$22,691	\$25,316	\$89,075	\$-25,608	\$-38,151
25yr	\$941	\$23,598	\$24,539	\$92,638	\$-27,627	\$-40,472



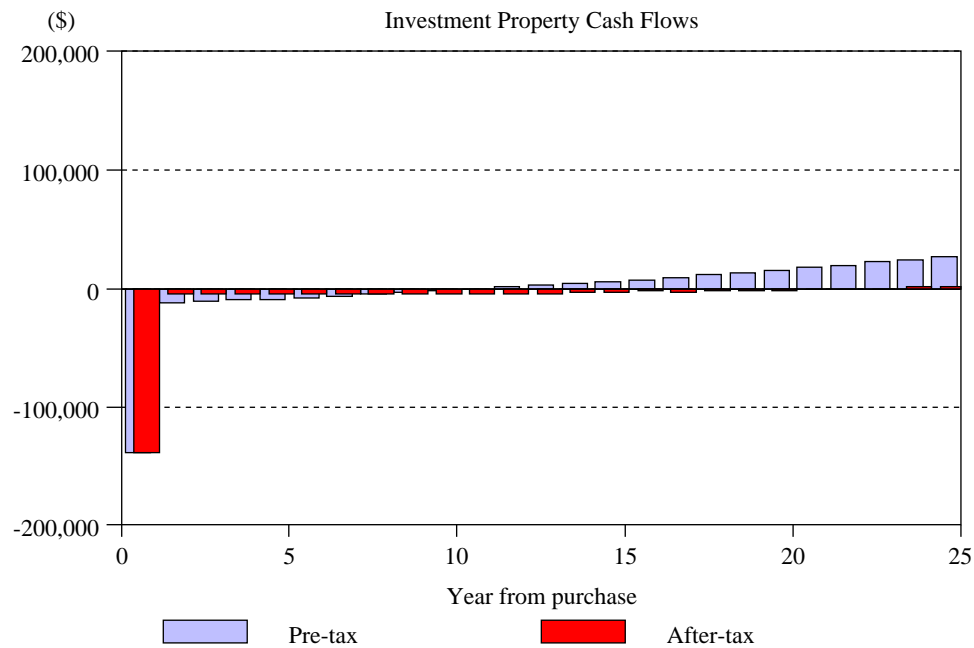
Average contribution (10 years)





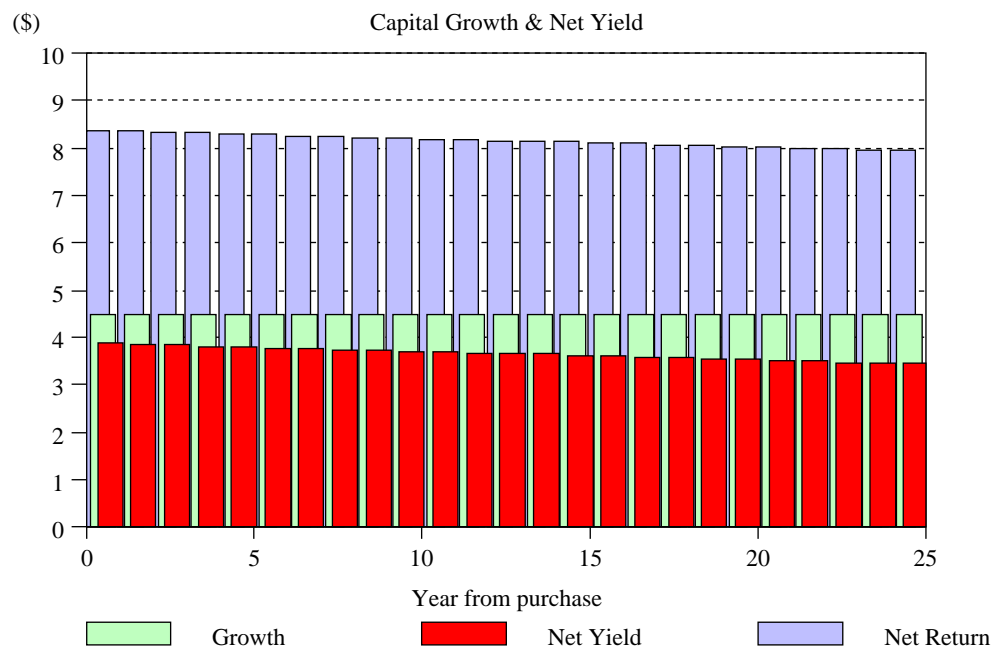
Property value & debt projections over 25 years

Year	Growth rate	Property value	Amount owing	Equity
		\$695,000	\$588,949	\$106,051
1yr	4.50%	\$726,275	\$575,902	\$150,373
2yr	4.50%	\$758,957	\$562,256	\$196,701
3yr	4.50%	\$793,110	\$547,983	\$245,128
4yr	4.50%	\$828,800	\$533,053	\$295,747
5yr	4.50%	\$866,096	\$517,439	\$348,658
6yr	4.50%	\$905,071	\$501,106	\$403,964
7yr	4.50%	\$945,799	\$484,024	\$461,775
8yr	4.50%	\$988,360	\$466,156	\$522,203
9yr	4.50%	\$1.033m	\$447,468	\$585,368
10yr	4.50%	\$1.079m	\$427,922	\$651,392
11yr	4.50%	\$1.128m	\$407,477	\$720,406
12yr	4.50%	\$1.179m	\$386,093	\$792,544
13yr	4.50%	\$1.232m	\$363,727	\$867,949
14yr	4.50%	\$1.287m	\$340,333	\$946,769
15yr	4.50%	\$1.345m	\$315,865	\$1.029m
16yr	4.50%	\$1.406m	\$290,272	\$1.115m
17yr	4.50%	\$1.469m	\$263,504	\$1.205m
18yr	4.50%	\$1.535m	\$235,506	\$1.299m
19yr	4.50%	\$1.604m	\$206,222	\$1.398m
20yr	4.50%	\$1.676m	\$175,592	\$1.501m
21yr	4.50%	\$1.752m	\$143,556	\$1.608m
22yr	4.50%	\$1.830m	\$110,047	\$1.720m
23yr	4.50%	\$1.913m	\$75,000	\$1.838m
24yr	4.50%	\$1.999m	\$38,342	\$1.960m
25yr	4.50%	\$2.089m	\$0	\$2.089m



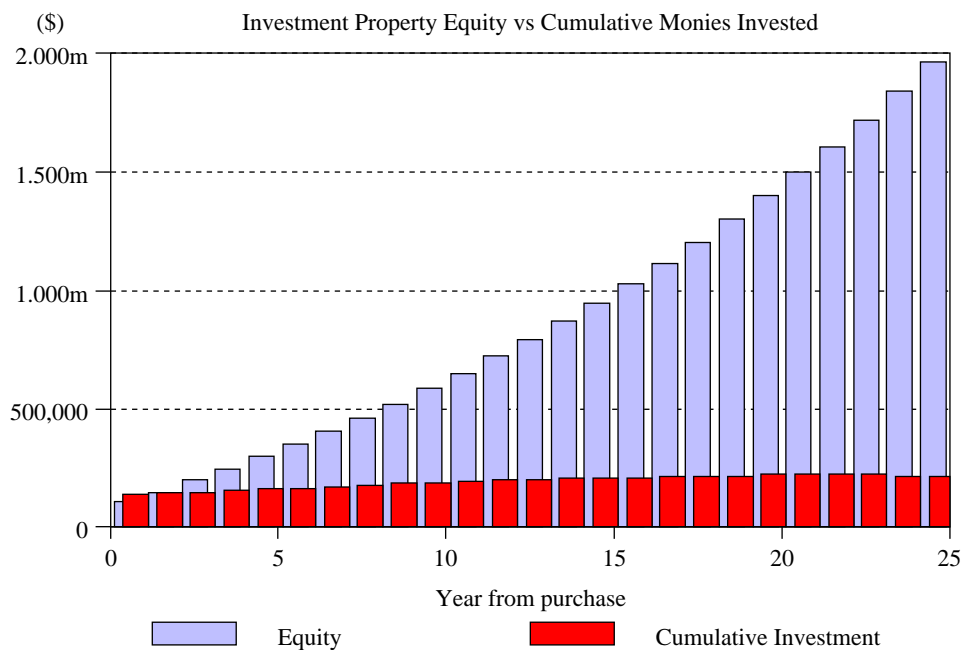
Cash flow projections over 25 years

Year	Rental income	Loan payments	Rental expenses	Pre-tax cash flow	Tax credit	After-tax cash flow
				\$-139,000		\$-139,000
1yr	\$36,140	\$39,283	\$9,206	\$-12,349	\$6,881	\$-5,468
2yr	\$37,586	\$39,283	\$9,574	\$-11,272	\$6,884	\$-4,388
3yr	\$39,089	\$39,283	\$9,957	\$-10,151	\$5,055	\$-5,096
4yr	\$40,653	\$39,283	\$10,356	\$-8,986	\$3,585	\$-5,401
5yr	\$42,279	\$39,283	\$10,770	\$-7,774	\$2,334	\$-5,440
6yr	\$43,970	\$39,283	\$11,201	\$-6,514	\$849	\$-5,665
7yr	\$45,729	\$39,283	\$11,649	\$-5,203	\$-304	\$-5,507
8yr	\$47,558	\$39,283	\$12,115	\$-3,840	\$-1,664	\$-5,504
9yr	\$49,460	\$39,283	\$12,599	\$-2,422	\$-2,858	\$-5,280
10yr	\$51,438	\$39,283	\$13,103	\$-948	\$-3,884	\$-4,832
11yr	\$53,496	\$39,283	\$13,627	\$586	\$-5,314	\$-4,728
12yr	\$55,636	\$39,283	\$14,173	\$2,180	\$-6,557	\$-4,377
13yr	\$57,861	\$39,283	\$14,739	\$3,839	\$-7,838	\$-3,999
14yr	\$60,176	\$39,283	\$15,329	\$5,564	\$-9,161	\$-3,597
15yr	\$62,583	\$39,283	\$15,942	\$7,358	\$-9,398	\$-2,040
16yr	\$65,086	\$39,283	\$16,580	\$9,223	\$-12,102	\$-2,879
17yr	\$67,690	\$39,283	\$17,243	\$11,164	\$-13,558	\$-2,394
18yr	\$70,397	\$39,283	\$17,933	\$13,181	\$-15,072	\$-1,891
19yr	\$73,213	\$39,283	\$18,650	\$15,280	\$-16,650	\$-1,370
20yr	\$76,142	\$39,283	\$19,396	\$17,463	\$-18,040	\$-577
21yr	\$79,187	\$39,283	\$20,172	\$19,732	\$-20,032	\$-300
22yr	\$82,355	\$39,283	\$20,979	\$22,093	\$-21,815	\$278
23yr	\$85,649	\$39,283	\$21,818	\$24,548	\$-23,672	\$876
24yr	\$89,075	\$39,283	\$22,691	\$27,101	\$-25,608	\$1,493
25yr	\$92,638	\$39,283	\$23,598	\$29,757	\$-27,627	\$2,130



Capital growth and rental yields over 25 years

Year	Property value	Growth rate	Rental income	Rental expenses	Net Rent	Gross yield	Net yield
Initial	\$695,000						
1yr	\$726,275	4.50%	\$36,140	\$9,206	\$26,934	5.20%	3.88%
2yr	\$758,957	4.50%	\$37,586	\$9,574	\$28,011	5.18%	3.86%
3yr	\$793,110	4.50%	\$39,089	\$9,957	\$29,132	5.15%	3.84%
4yr	\$828,800	4.50%	\$40,653	\$10,356	\$30,297	5.13%	3.82%
5yr	\$866,096	4.50%	\$42,279	\$10,770	\$31,509	5.10%	3.80%
6yr	\$905,071	4.50%	\$43,970	\$11,201	\$32,769	5.08%	3.78%
7yr	\$945,799	4.50%	\$45,729	\$11,649	\$34,080	5.05%	3.77%
8yr	\$988,360	4.50%	\$47,558	\$12,115	\$35,443	5.03%	3.75%
9yr	\$1.033m	4.50%	\$49,460	\$12,599	\$36,861	5.00%	3.73%
10yr	\$1.079m	4.50%	\$51,438	\$13,103	\$38,335	4.98%	3.71%
11yr	\$1.128m	4.50%	\$53,496	\$13,627	\$39,869	4.96%	3.69%
12yr	\$1.179m	4.50%	\$55,636	\$14,173	\$41,463	4.93%	3.68%
13yr	\$1.232m	4.50%	\$57,861	\$14,739	\$43,122	4.91%	3.66%
14yr	\$1.287m	4.50%	\$60,176	\$15,329	\$44,847	4.89%	3.64%
15yr	\$1.345m	4.50%	\$62,583	\$15,942	\$46,641	4.86%	3.62%
16yr	\$1.406m	4.50%	\$65,086	\$16,580	\$48,506	4.84%	3.61%
17yr	\$1.469m	4.50%	\$67,690	\$17,243	\$50,447	4.82%	3.59%
18yr	\$1.535m	4.50%	\$70,397	\$17,933	\$52,464	4.79%	3.57%
19yr	\$1.604m	4.50%	\$73,213	\$18,650	\$54,563	4.77%	3.55%
20yr	\$1.676m	4.50%	\$76,142	\$19,396	\$56,745	4.75%	3.54%
21yr	\$1.752m	4.50%	\$79,187	\$20,172	\$59,015	4.72%	3.52%
22yr	\$1.830m	4.50%	\$82,355	\$20,979	\$61,376	4.70%	3.50%
23yr	\$1.913m	4.50%	\$85,649	\$21,818	\$63,831	4.68%	3.49%
24yr	\$1.999m	4.50%	\$89,075	\$22,691	\$66,384	4.66%	3.47%
25yr	\$2.089m	4.50%	\$92,638	\$23,598	\$69,040	4.63%	3.45%



Projected total investment and equity over 25 years

Year	After-tax cash flow	Cumulative investment	Property value	Amount owing	Equity
	\$-139,000	\$139,000	\$695,000	\$588,949	\$106,051
1yr	\$-5,468	\$144,468	\$726,275	\$575,902	\$150,373
2yr	\$-4,388	\$148,856	\$758,957	\$562,256	\$196,701
3yr	\$-5,096	\$153,952	\$793,110	\$547,983	\$245,128
4yr	\$-5,401	\$159,353	\$828,800	\$533,053	\$295,747
5yr	\$-5,440	\$164,793	\$866,096	\$517,439	\$348,658
6yr	\$-5,665	\$170,458	\$905,071	\$501,106	\$403,964
7yr	\$-5,507	\$175,965	\$945,799	\$484,024	\$461,775
8yr	\$-5,504	\$181,469	\$988,360	\$466,156	\$522,203
9yr	\$-5,280	\$186,749	\$1.033m	\$447,468	\$585,368
10yr	\$-4,832	\$191,581	\$1.079m	\$427,922	\$651,392
11yr	\$-4,728	\$196,309	\$1.128m	\$407,477	\$720,406
12yr	\$-4,377	\$200,685	\$1.179m	\$386,093	\$792,544
13yr	\$-3,999	\$204,684	\$1.232m	\$363,727	\$867,949
14yr	\$-3,597	\$208,281	\$1.287m	\$340,333	\$946,769
15yr	\$-2,040	\$210,322	\$1.345m	\$315,865	\$1.029m
16yr	\$-2,879	\$213,200	\$1.406m	\$290,272	\$1.115m
17yr	\$-2,394	\$215,595	\$1.469m	\$263,504	\$1.205m
18yr	\$-1,891	\$217,485	\$1.535m	\$235,506	\$1.299m
19yr	\$-1,370	\$218,855	\$1.604m	\$206,222	\$1.398m
20yr	\$-577	\$219,432	\$1.676m	\$175,592	\$1.501m
21yr	\$-300	\$219,732	\$1.752m	\$143,556	\$1.608m
22yr	\$278	\$219,454	\$1.830m	\$110,047	\$1.720m
23yr	\$876	\$218,578	\$1.913m	\$75,000	\$1.838m
24yr	\$1,493	\$217,085	\$1.999m	\$38,342	\$1.960m
25yr	\$2,130	\$214,955	\$2.089m	\$0	\$2.089m