

Providence Property Group Pty Ltd - Sydney

PROPERTY INVESTMENT ANALYSIS

05-Apr-2018

Prepared for:

Consultant:

Property:

Description: 3-bedroom, 2.5-bathroom, 1-car townhouses
20-year capital growth rate for the 12 months to 31 December 2017, as per API
Pricefinder - 7.6%

CPI figures as per ABS website

Rental figure based off average of midpoints from three rental appraisals received
- \$450

10-year rental growth rate, as per Residex - 3.6%

4-week vacancy buffer included - \$1,800

Body corporate - \$2,316.93 p.a.

Council rate - \$1,500

Financials prepared based on Lot 9

SUMMARY

Assumptions		Projected results over 10 yrs	
Property value	\$499,500	Property value	\$1.039m
Initial investment	\$0	Equity	\$516,652
Gross rental yield	4.68%	After-tax return /yr	75.05%
Net rental yield	3.32%	Net present value	\$425,875
Cap. growth rate	7.60%	IF SOLD	
Inflation rate	2.00%	Selling costs & CGT	\$163,492
Interest rate	5.00%	Equity	\$353,160
Taxable income	\$100,000	After-tax return /yr	67.84%

COMPUTER PROJECTIONS

Investment Analysis		Projections over 10 years				
End of year	2018	1yr	2yr	3yr	5yr	10yr
Property value	\$499,500	537,462	578,309	622,261	720,438	1.039m
Purchase costs	\$20,425					
Investments	\$0					
Loan amount	\$522,450	522,450	522,450	522,450	522,450	522,450
Equity	\$-22,950	15,012	55,859	99,811	197,988	516,652
Capital growth rate	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%
Inflation rate (CPI)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Gross rent /week	\$450	23,400	24,242	25,115	26,956	32,170
Cash deductions						
Interest (I/O)	5.00%	26,123	26,123	26,123	26,123	26,123
Rental expenses	29.17%	6,826	6,963	7,102	7,389	8,158
Pre-tax cash flow	\$0	-9,549	-8,843	-8,109	-6,555	-2,110
Non-cash deductions						
Deprec.of building	2.50%	6,244	6,244	6,244	6,244	6,244
Deprec.of fittings	\$29,970	4,808	6,297	4,354	2,242	657
Loan costs	\$2,525	505	505	505	505	
Total deductions		44,505	46,131	44,327	42,502	41,182
Tax credit (single)	\$100,000	7,866	8,227	7,395	6,063	3,515
After-tax cash flow	\$0	-1,683	-616	-714	-492	1,405
Rate of return (IRR)	75.05%	Your income /(cost) per week				
Pre-tax equivalent	123.03%	(32)	(12)	(14)	(9)	27

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 Providence Property Group Pty Ltd - Sydney, its servants, employees or consultants. This information is intended as general advice only and does not take account of individual needs or financial circumstances. Intending purchasers should do their own assessment or consult a licensed investment adviser. .