

# Providence Property Group Pty Ltd - Sydney

## PROPERTY INVESTMENT ANALYSIS

29-Jan-2018

Prepared for:

Consultant:

Property: 4 bed townhouse - 15km North of Brisbane CBD

Description: 4-bedroom, 2.5-bathroom, 2-car townhouses  
20-year capital growth rate for the 12 months to 31 December 2016, as per API  
Pricefinder - 6.9%

CPI figures as per ABS website

Rental figure based off average of midpoints from the two rental appraisals we received - \$452.50

10-year rental growth rate, as per Residex - 3.9%

4-week vacancy buffer has been included - \$1,810

Body corporate - \$2,797.60 p.a.

Council rates \$1,500 as advised by developer


5% interest only loan

8.8% weekly management fee (Brisbane standard)

\$500 yearly landlords insurance

Financials prepared based on Lot 2

## SUMMARY

	Assumptions		Projected results over 10 yrs	
	Property value	\$450,000	Property value	\$860,710
	Investment	\$0	Equity	\$390,400
	Gross yield	5.23%	After-tax return /yr	116.61%
	Net yield	3.60%	Net present value	\$330,862
	Growth rate	6.70%	<b>IF SOLD</b>	
	Inflation rate	2.00%	Selling costs & CGT	\$129,413
	Interest rate	5.00%	Equity	\$260,987
	Taxable income	\$100,000	After-tax return /yr	110.05%

## COMPUTER PROJECTIONS

Investment Analysis			Projections over 10 years				
End of year	2017	1yr	2yr	3yr	5yr	10yr	
Property value	\$450,000	480,150	512,320	546,645	622,350	860,710	
Purchase costs	\$17,785						
Investments	\$0						
Loan amount	\$470,310	470,310	470,310	470,310	470,310	470,310	
Equity	\$-20,310	9,840	42,010	76,335	152,040	<b>390,400</b>	
Capital growth rate	6.70%	6.70%	6.70%	6.70%	6.70%	6.70%	
Inflation rate (CPI)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
<b>Gross rent /week</b>	\$453	23,530	24,448	25,401	27,421	33,202	
<b>Cash deductions</b>							
Interest (I/O)	5.00%	23,516	23,516	23,516	23,516	23,516	
Rental expenses	31.11%	7,321	7,467	7,616	7,924	8,749	
<b>Pre-tax cash flow</b>	\$0	-7,306	-6,535	-5,731	-4,019	937	
<b>Non-cash deductions</b>							
Deprec.of building	2.50%	5,625	5,484	5,347	5,083	4,479	
Deprec.of fittings	\$27,000	4,331	5,673	3,923	2,020	592	
Loan costs	\$2,525	505	505	505	505		
<b>Total deductions</b>		41,297	42,645	40,907	39,048	37,336	
<b>Tax credit (single)</b>	\$100,000	6,715	6,953	6,048	4,535	1,613	
<b>After-tax cash flow</b>	\$0	-591	418	317	516	2,550	
<b>Rate of return (IRR)</b>	<b>116.61%</b>						
Pre-tax equivalent	191.17%	(11)	8	6	10	49	