

Providence Property Group Pty Ltd - Sydney

PROPERTY INVESTMENT ANALYSIS

21-Feb-2018

Prepared for:
 Consultant:
 Property: 2 and 3 bedroom townhouse - North Melbourne
 Description: Oversized 2 and 3 bedroom townhouses
 10 year capital growth rate as per API Pricerfinder for the 12 months to 31 December 2016 - 6%

CPI figures as per ABS website

Rental figure based off average of mid points from the 3 rental appraisals we received - \$403

10 year rental growth rate as per Residex - 5.3%

4 week vacancy buffer has been included - \$1,612

Body Corporate - \$1,200 per year approx

Council rates - \$1,800 approx

Financials prepared based on lot 3

SUMMARY

Assumptions		Projected results over	10 yrs
Property value	\$430,000	Property value	\$770,065
Initial investment	\$0	Equity	\$313,258
Gross rental yield	4.87%	After-tax return /yr	128.82%
Net rental yield	3.64%	Net present value	\$275,825
Cap. growth rate	6.00%	IF SOLD	
Inflation rate	2.00%	Selling costs & CGT	\$109,109
Interest rate	5.00%	Equity	\$204,148
Taxable income	\$100,000	After-tax return /yr	124.55%

COMPUTER PROJECTIONS

Investment Analysis	Projections over 10 years						
End of year	2017	1yr	2yr	3yr	5yr	10yr	
Property value	\$430,000	455,800	483,148	512,137	575,437	770,065	
Purchase costs	\$24,282						
Investments	\$0						
Loan amount	\$456,807	456,807	456,807	456,807	456,807	456,807	
Equity	\$-26,807	-1,007	26,341	55,330	118,630	313,258	
Capital growth rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	
Inflation rate (CPI)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Gross rent /week	\$403	20,956	22,067	23,236	25,765	33,355	
Cash deductions							
Interest (I/O)	5.00%	22,840	22,840	22,840	22,840	22,840	
Rental expenses	25.22%	5,286	5,392	5,500	5,722	6,317	
Pre-tax cash flow	\$0	-7,170	-6,165	-5,104	-2,798	4,197	
Non-cash deductions							
Deprec.of building	2.50%	5,375	5,375	5,375	5,375	5,375	
Deprec.of fittings	\$25,800	4,139	5,421	3,748	1,930	566	
Loan costs	\$2,525	505	505	505	505		
Total deductions		38,145	39,533	37,968	36,372	35,099	
Tax credit (single)	\$100,000	6,515	6,701	5,746	4,137	680	
After-tax cash flow	\$0	-655	536	642	1,339	4,877	
Rate of return (IRR)	128.82%						
Pre-tax equivalent	211.18%						
		Your income /(cost) per week					
		(13)	10	12	26	94	

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. .