

Providence Property Group Pty Ltd - Sydney

PROPERTY INVESTMENT ANALYSIS

04-Dec-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
 Pricfinder - 3.7% p.a.

CPI figures as per ABS website

Rental figure based off midpoint of lowest range out of three rental appraisals
 received - \$335 per week

10-year rental growth rate, as per Residex - 3.3%

4-week vacancy buffer included - \$1,340

Body corporate - \$3,138.30 p.a.

Council rate - \$1,500 p.a.

Water rate - \$500 p.a.

Financials prepared based on Lot 83

SUMMARY

Assumptions		Projected results over	10 yrs
Property value	\$370,000	Property value	\$532,095
Initial investment	\$0	Equity	\$144,228
Gross rental yield	4.71%	After-tax return /yr	36.01%
Net rental yield	2.68%	Net present value	\$102,320
Cap. growth rate	3.70%	IF SOLD	
Inflation rate	2.00%	Selling costs & CGT	\$57,875
Interest rate	5.00%	Equity	\$86,353
Taxable income	\$100,000	After-tax return /yr	26.87%

COMPUTER PROJECTIONS

Investment Analysis	Projections over 10 years					
End of year	2018	1yr	2yr	3yr	5yr	10yr
Property value	\$370,000	383,690	397,887	412,608	443,706	532,095
Purchase costs	\$15,342					
Investments	\$0					
Loan amount	\$387,867	387,867	387,867	387,867	387,867	387,867
Equity	\$-17,867	-4,177	10,020	24,741	55,839	144,228
Capital growth rate	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%
Inflation rate (CPI)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Gross rent /week	\$335	17,420	17,995	18,589	19,836	23,332
Cash deductions						
Interest (I/O)	5.00%	19,393	19,393	19,393	19,393	19,393
Rental expenses	43.09%	7,506	7,656	7,810	8,125	8,971
Pre-tax cash flow	\$0	-9,480	-9,055	-8,614	-7,683	-5,032
Non-cash deductions						
Deprec.of building	2.50%	4,625	4,625	4,625	4,625	4,625
Deprec.of fittings	\$22,200	3,561	4,665	3,225	1,661	487
Loan costs	\$2,525	505	505	505	505	
Total deductions		35,591	36,844	35,558	34,309	33,476
Tax credit (single)	\$100,000	6,854	7,178	6,619	5,645	3,957
After-tax cash flow	\$0	-2,626	-1,877	-1,995	-2,038	-1,075
Rate of return (IRR)	36.01%					
Pre-tax equivalent	59.03%					
		Your income /(cost) per week				
		(50)	(36)	(38)	(39)	(21)

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. .