

Charl du Mont - for personal use only

18-May 2024

Property: Description: PROPERTY
INVESTMENT 4/2/2

SUMMARY

Assumptions		Projected results over 10 yrs	
Property value	\$759,531	Property value	\$1.237m
Initial investment	\$0	Equity	\$445,666
Gross rental yield (yr 1)	5.22%	After-tax return /yr	53.92%
Net rental yield (yr 1)	4.02%	Net present value	\$349,923
Cap. growth rate	5.00%	IF SOLD	
Inflation rate	2.00%	Selling costs & CGT	\$150,345
Interest rate	5.50%	Equity	\$295,320
Taxable income (yr 1)	\$200,000	After-tax return /yr	46.14%

PROJECTIONS

Investment Analysis		Projections over 10 years				
End of year	2024	1yr	2yr	3yr	5yr	10yr
Property value	\$759,531	797,508	837,383	879,252	969,375	1.237m
Purchase costs	\$14,739					
Investments/principal	\$0					
Loan amount	\$791,530	791,530	791,530	791,530	791,530	791,530
Equity	\$-31,999	5,977	45,853	87,722	177,845	445,666
Capital growth rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Inflation rate (CPI)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Gross rent /week	\$770	39,640	40,432	41,241	42,907	47,373
Cash deductions						
Interest (I/O, P&I)	5.50%	43,534	43,534	43,534	43,534	43,534
Rental expenses	22.70%	9,090	9,272	9,458	9,840	10,864
Pre-tax cash flow	\$0	-12,985	-12,374	-11,751	-10,467	-7,025
Non-cash deductions						
Deprec.of building	2.50%	9,051	9,051	9,051	9,051	9,051
Deprec.of fittings	\$26,000	4,604	5,766	3,980	2,012	512
Loan costs	\$2,181	436	436	436	436	
Holding costs	\$15,080	4,148				
Total deductions		70,864	68,060	66,459	64,873	63,961
Tax credit (joint)	\$200,000	10,493	9,563	8,897	8,051	6,221
After-tax cash flow	\$0	-2,492	-2,811	-2,854	-2,416	-804
Rate of return (IRR)	53.92%	Your cost /(income) per week				
Pre-tax equivalent	88.39%	48	54	55	46	15

Note that the 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.

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Tabulated Breakdown of Spreadsheet Items

PROPERTY VALUE (average growth of 5.00% per year)

Property price:	759,531
Total book value:	759,531
Property market value:	\$759,531

PURCHASE COSTS

Conveyancing costs:	1,250
Govt. Stamp duty (on land only):	12,338
Transfer of title:	1,151
Total Purchase costs:	\$14,739

LOAN COSTS

Establishment fees (0.06% of loan):	500
Mortgagee's solicitor's fees:	1,000
Valuation fees:	300
Registration of 1st mortgage:	181
Search fees:	200
Total loan costs:	\$2,181

CONTRIBUTION TOWARD TOTAL COSTS

	Investments	Loan	Total Cost
Property costs:	0	759,531	759,531
Renovation costs:	0	0	0
Purchase costs:	0	14,739	14,739
Furniture package:	0	0	0
Holding costs:	0	15,080	15,080
Loan costs:	0	2,181	2,181
Totals:	\$0	\$791,530	\$791,530

LOAN DETAILS

Loan type:	I/O Yrs 1-30 P&I Yrs 31-40
Interest rate (yr 1) (%)	5.50
Loan:	\$791,530
Loan costs (written off over 5 yrs):	\$2,181
Monthly payment:	\$3,628
Annual payment:	\$43,534

RENT

Rent per week:	770
Potential annual rent:	40,040
Vacancy rate (%):	1.00
Annual rent:	\$39,640

CASH DEDUCTIONS

Loan interest claimed:	\$43,534
Rental expenses	
Regular Expenses:	
Agent's commission (8.25%):	3,270
Letting fees:	770
Rates:	2,500
Insurance:	1,250
Maintenance:	1,000
Pest control:	150
Other expenses:	150
Special expenses:	0
Total expenses:	\$9,090
Regular expenses as % of annual rent:	22.70%
Net yield or Capitalisation rate:	4.02%

PRE-TAX CASH FLOW

Year	Initial	1yr	2yr	3yr	5yr	10yr
Rent		39,640	40,432	41,241	42,907	47,373
Cash invested	0	0	0	0	0	0
Principal payments		0	0	0	0	0
Interest		43,534	43,534	43,534	43,534	43,534
Expenses		9,090	9,272	9,458	9,840	10,864
Pre-tax cash	\$0	\$-12,985	\$-12,374	\$-11,751	\$-10,467	\$-7,025

NON-CASH DEDUCTIONS

Depreciation on the building (Capital allowance)			
Property value:			\$759,531
Construction cost:			\$362,031
Depreciation allowance rate (%):			2.50
Depreciation allowance:			\$9,051
Depreciation of fittings (diminishing value method)			
Item	Value	Effective Life	Depreciation
		(yrs)	
General fittings	13,000	12.00	2,167
Low-value pool	13,000	4.00	2,438
Total	\$26,000		\$4,604
Loan costs (written off over 5 yrs):			\$2,181
Holding costs			4,148

TOTAL TAX DEDUCTIONS (Cash & Non-Cash Deductions)

Year	1yr	2yr	3yr	5yr	10yr
Interest claimed	43534.16	43534.16	43534.16	43534.16	43534.16
Expenses	9090.27	9272.07	9457.51	9839.60	10863.71
Deprec.-building	9050.77	9050.77	9050.77	9050.77	9050.77
Deprec.-fittings	4604.17	5766.49	3980.22	2011.91	512.14
Loan costs	436.20	436.20	436.20	436.20	0.00
Holding costs	4,148				
Total deductions	70,864	68,060	66,459	64,873	63,961

TAX CREDITS & AFTER-TAX CASH FLOW

(Refunds credited in same year as deductions incurred)

Year	2024	1yr	2yr	3yr	5yr	10yr
Pre-tax cash	0	-12,985	-12,374	-11,751	-10,467	-7,025
Tax credits		10,493	9,563	8,897	8,051	6,221
After-tax cash	0	-2,492	-2,811	-2,854	-2,416	-804
Cost /(income) per week		48	54	55	46	15

INTERNAL RATE OF RETURN (over 10 years)

Internal rate of return (IRR)	53.92%
Pre-tax equivalent of IRR	88.39%
Internal rate of return (if sold)	46.14%
Net present value (NPV)	\$349,923
Cash on cash return	?????%
Cash positive by year	12
Cash neutral investment	\$64,724

PROJECTIONS OVER 20 YEARS

Year	Property value	Equity	Rent	Total deductions	Pre-tax cash flow	Tax credit	After-tax cash flow
	\$759,531	\$-31,999			\$0		\$0
1yr	\$797,508	\$5,977	\$39,640	\$70,864	\$-12,985	\$10,493	\$-2,492
2yr	\$837,383	\$45,853	\$40,432	\$68,060	\$-12,374	\$9,563	\$-2,811
3yr	\$879,252	\$87,722	\$41,241	\$66,459	\$-11,751	\$8,897	\$-2,854
4yr	\$923,215	\$131,684	\$42,066	\$65,469	\$-11,115	\$8,413	\$-2,702
5yr	\$969,375	\$177,845	\$42,907	\$64,873	\$-10,467	\$8,051	\$-2,416
6yr	\$1.018m	\$226,314	\$43,765	\$64,096	\$-9,805	\$7,624	\$-2,181
7yr	\$1.069m	\$277,206	\$44,641	\$63,925	\$-9,131	\$7,232	\$-1,899
8yr	\$1.122m	\$330,643	\$45,533	\$63,868	\$-8,443	\$6,875	\$-1,568
9yr	\$1.178m	\$386,752	\$46,444	\$63,887	\$-7,741	\$6,541	\$-1,200
10yr	\$1.237m	\$445,666	\$47,373	\$63,961	\$-7,025	\$6,221	\$-804
11yr	\$1.299m	\$507,526	\$48,320	\$64,073	\$-6,295	\$6,136	\$-159
12yr	\$1.364m	\$572,478	\$49,287	\$65,673	\$-5,550	\$6,666	\$1,116
13yr	\$1.432m	\$640,679	\$50,273	\$64,136	\$-4,790	\$5,753	\$963
14yr	\$1.504m	\$712,289	\$51,278	\$64,358	\$-4,015	\$5,429	\$1,414
15yr	\$1.579m	\$787,480	\$52,304	\$64,588	\$-3,225	\$5,099	\$1,874
16yr	\$1.658m	\$866,431	\$53,350	\$64,825	\$-2,419	\$4,753	\$2,334
17yr	\$1.741m	\$949,329	\$54,417	\$65,067	\$-1,596	\$4,391	\$2,795
18yr	\$1.828m	\$1.036m	\$55,505	\$65,316	\$-758	\$4,021	\$3,263
19yr	\$1.919m	\$1.128m	\$56,615	\$65,569	\$98	\$3,648	\$3,746
20yr	\$2.015m	\$1.224m	\$57,747	\$65,829	\$970	\$3,293	\$4,263

EQUITY PROJECTIONS

Projected values over	5 yrs	10 yrs	15 yrs	20 yrs
Property value	969,375	1.237m	1.579m	2.015m
Loan	791,530	791,530	791,530	791,530
EQUITY	\$177,845	\$445,666	\$787,480	\$1.224m
Internal rate of return	121.35%	53.92%	36.10%	28.04%
Approximate costs if sold...				
Capital Gains Tax	42,008	109,642	200,161	311,005
Solicitor's fees	4,847	6,186	7,895	10,076
Sales commission	27,153	34,518	43,918	55,915
EQUITY (after sale)	\$103,837	\$295,320	\$535,506	\$846,736
Internal rate of return (if sold)	91.84%	46.14%	32.02%	25.45%

Tabulated breakdown of items contributing to first year cash flow

INVESTMENT COST

Purchase price	759,531
Purchase costs	14,739
Holding costs	15,080
Loan costs	2,181
Total investment cost	\$791,530

Purchase Costs

Conveyancing costs:	1,250
Govt. Stamp duty (on land only):	12,338
Transfer of title:	1,151
Total Purchase costs:	\$14,739

Loan Costs

Establishment fees (0.06% of loan):	500
Mortgagee's solicitor's fees:	1,000
Valuation fees:	300
Registration of 1st mortgage:	181
Search fees:	200
Total loan costs:	\$2,181

FINANCE

Initial cash invested	0
Initial loan amount (total cost + any additional loan - initial cash)	791,530
Loan type	I/O (5.50%)
Interest payments	43,534
Total loan payments	\$43,534
Closing loan balance	791,530

Initial Investment & Loan Amount

	Investment	Loan	Total Cost
Property cost:	0	759,531	759,531
Renovation costs:	0	0	0
Purchase costs:	0	14,739	14,739
Furniture package:	0	0	0
Holding costs:	0	15,080	15,080
Loan costs:	0	2,181	2,181
Totals:	\$0	\$791,530	\$791,530

Loan Details

Loan type:	I/O Yrs 1-30 P&I Yrs 31-40
Interest rate (yr 1) (%)	5.50
Loan amount(\$):	\$791,530
Loan costs (written off over 5 yrs):	\$2,181
Monthly payment:	\$3,628
Annual payment:	\$43,534

PROPERTY INCOME & EXPENDITURE

Rental income	39,640
Gross yield (rental income/property value)	5.22%
Rental expenses	9,090
Net rental income (rent retained - expenses paid)	30,549
Net yield (net rental income/property value)	4.02%

Rental Income

Rent per week:	770
Potential annual rent:	40,040
Vacancy rate:	1.00%
Annual rent:	\$39,640

Rental Expenses**Regular Expenses:**

Agent's commission (8.25%):	3,270	
Letting fees:	770	
Rates:	2,500	
Insurance:	1,250	
Maintenance:	1,000	
Pest control:	150	
Other expenses:	150	
Total regular expenses:		9,090
Special expenses:		0
Total expenses:		\$9,090
Regular expenses as % of annual rent:		22.70%
Net yield or Capitalisation rate:		4.02%

PRE-TAX CASH FLOW

Item	Cash Amount
Rental income	39,640
Rental expenses	9,090
Loan interest	43,534
Principal payments	0
Cash investments	0
Pre-tax cash flow (year 1)	-12,985

TAX DEDUCTIONS

Cash deductions	
Loan interest	43,534
Rental expenses	9,090
Non-Cash Deductions	
Depreciation: Building (\$362,031 @ 2.50%)	9,051
Depreciation: Furniture, fixtures & fittings	4,604
Loan cost write-off (\$2,181 over 5 yrs)	436
Holding costs	4,148
Total Tax Deductions	\$70,864

Depreciation on the building (Capital allowance)

Property value:	759,531
Depreciable amount:	362,031
Depreciation allowance rate (%):	2.50
Depreciation claim:	\$9,051

Depreciation of fittings (diminishing value method)

Item	Value	Effective Life (yrs)	Depreciation
General fittings	13,000	12.00	2,167
Low-value pool	13,000	4.00	2,438
Total	\$26,000		\$4,604

TAX CREDIT CALCULATION

	Investor	Partner	Total
Ownership (joint names)	50.00%	50.00%	100%
Current taxable income	150,000	50,000	200,000
Rental income	19,820	19,820	39,640
Total income	169,820	69,820	239,640
Deductions claimed	35,432	35,432	70,864
New taxable income	134,388	34,388	168,776
Current tax	43,567	7,467	51,034
New tax	37,478	3,063	40,542
Tax savings (current - new)	6,089	4,404	10,492
Tax credits	6,089	4,404	10,492

AFTER-TAX CASH FLOW

Annual after-tax investment (pre-tax cash flow + tax credit)	\$2,492
Weekly after-tax investment	\$48

CASH FLOW PROJECTIONS

To estimate future cash flows, assumptions have been made with regard to change over time in rental income, rental expenses and taxable income. Rental income is assumed to increase at 2.00% per year from year 1. Rental expenses are assumed to increase at 2.00% per year from year 1.

Cash flow items	Initial	1yr	2yr	3yr	5yr	10yr
Rental income		39,640	40,432	41,241	42,907	47,373
Cash invested	0	0	0	0	0	0
Principal payments		0	0	0	0	0
Interest payments		43,534	43,534	43,534	43,534	43,534
Rental expenses		9,090	9,272	9,458	9,840	10,864
Pre-tax cash flow	0	-12,985	-12,374	-11,751	-10,467	-7,025
Tax deductions		70,864	68,060	66,459	64,873	63,961
Tax credits		10,493	9,563	8,897	8,051	6,221
After-tax cash flow	0	-2,492	-2,811	-2,854	-2,416	-804
Cost /(income) per week		48	54	55	46	15

CASH FLOW PROJECTIONS (40 years)

Year	Property value	Equity	Rent	Total deductions	Pre-tax cash flow	Tax credit	After-tax cash flow
	\$759,531	\$-31,999			\$0		\$0
1yr	\$797,508	\$5,977	\$39,640	\$70,864	\$-12,985	\$10,493	\$-2,492
2yr	\$837,383	\$45,853	\$40,432	\$68,060	\$-12,374	\$9,563	\$-2,811
3yr	\$879,252	\$87,722	\$41,241	\$66,459	\$-11,751	\$8,897	\$-2,854
4yr	\$923,215	\$131,684	\$42,066	\$65,469	\$-11,115	\$8,413	\$-2,702
5yr	\$969,375	\$177,845	\$42,907	\$64,873	\$-10,467	\$8,051	\$-2,416
6yr	\$1.018m	\$226,314	\$43,765	\$64,096	\$-9,805	\$7,624	\$-2,181
7yr	\$1.069m	\$277,206	\$44,641	\$63,925	\$-9,131	\$7,232	\$-1,899
8yr	\$1.122m	\$330,643	\$45,533	\$63,868	\$-8,443	\$6,875	\$-1,568
9yr	\$1.178m	\$386,752	\$46,444	\$63,887	\$-7,741	\$6,541	\$-1,200
10yr	\$1.237m	\$445,666	\$47,373	\$63,961	\$-7,025	\$6,221	\$-804
11yr	\$1.299m	\$507,526	\$48,320	\$64,073	\$-6,295	\$6,136	\$-159
12yr	\$1.364m	\$572,478	\$49,287	\$65,673	\$-5,550	\$6,666	\$1,116
13yr	\$1.432m	\$640,679	\$50,273	\$64,136	\$-4,790	\$5,753	\$963
14yr	\$1.504m	\$712,289	\$51,278	\$64,358	\$-4,015	\$5,429	\$1,414
15yr	\$1.579m	\$787,480	\$52,304	\$64,588	\$-3,225	\$5,099	\$1,874
16yr	\$1.658m	\$866,431	\$53,350	\$64,825	\$-2,419	\$4,753	\$2,334
17yr	\$1.741m	\$949,329	\$54,417	\$65,067	\$-1,596	\$4,391	\$2,795
18yr	\$1.828m	\$1.036m	\$55,505	\$65,316	\$-758	\$4,021	\$3,263
19yr	\$1.919m	\$1.128m	\$56,615	\$65,569	\$98	\$3,648	\$3,746
20yr	\$2.015m	\$1.224m	\$57,747	\$65,829	\$970	\$3,293	\$4,263
21yr	\$2.116m	\$1.324m	\$58,902	\$66,093	\$1,861	\$2,931	\$4,792
22yr	\$2.222m	\$1.430m	\$60,080	\$66,363	\$2,768	\$2,560	\$5,328
23yr	\$2.333m	\$1.541m	\$61,282	\$66,639	\$3,694	\$2,183	\$5,877
24yr	\$2.450m	\$1.658m	\$62,508	\$66,919	\$4,639	\$1,798	\$6,437
25yr	\$2.572m	\$1.781m	\$63,758	\$67,206	\$5,603	\$1,406	\$7,009
26yr	\$2.701m	\$1.909m	\$65,033	\$67,499	\$6,585	\$1,005	\$7,590
27yr	\$2.836m	\$2.044m	\$66,334	\$67,797	\$7,588	\$596	\$8,184
28yr	\$2.977m	\$2.186m	\$67,660	\$68,101	\$8,610	\$179	\$8,789
29yr	\$3.126m	\$2.335m	\$69,014	\$68,411	\$9,653	\$-246	\$9,407
30yr	\$3.283m	\$2.491m	\$70,394	\$68,728	\$10,717	\$-680	\$10,037
31yr	\$3.447m	\$2.716m	\$71,802	\$67,526	\$-47,746	\$-1,742	\$-49,488
32yr	\$3.619m	\$2.953m	\$73,238	\$64,411	\$-46,640	\$-3,597	\$-50,237
33yr	\$3.800m	\$3.202m	\$74,702	\$61,107	\$-45,511	\$-5,540	\$-51,051
34yr	\$3.990m	\$3.464m	\$76,196	\$57,605	\$-44,359	\$-7,576	\$-51,935
35yr	\$4.190m	\$3.740m	\$77,720	\$53,893	\$-43,185	\$-9,709	\$-52,894
36yr	\$4.399m	\$4.030m	\$79,275	\$49,959	\$-41,987	\$-11,946	\$-53,933
37yr	\$4.619m	\$4.335m	\$80,860	\$45,790	\$-40,765	\$-14,291	\$-55,056
38yr	\$4.850m	\$4.655m	\$82,478	\$41,373	\$-39,519	\$-16,957	\$-56,476
39yr	\$5.092m	\$4.992m	\$84,127	\$36,693	\$-38,247	\$-19,771	\$-58,018
40yr	\$5.347m	\$5.347m	\$85,810	\$31,735	\$-36,951	\$-22,722	\$-59,673

TAX BENEFITS

These are shown below for the given taxable incomes and are based on the specified tax scale.

Number of properties: 1

	Investor	Partner	Total
Ownership: joint names	50.00%	50.00%	100%
Current taxable income:	150,000	50,000	200,000
Rental income:	19,820	19,820	39,640
Total income:	169,820	69,820	239,640
Rental deductions:	35,432	35,432	70,864
New taxable income:	134,388	34,388	168,776
Current tax:	43,567	7,467	51,034
New tax:	37,478	3,063	40,542
Tax savings:	6,089	4,404	10,492
Total tax credits:	\$6,089	\$4,404	\$10,492

INVESTMENT CAPACITY

Buying 1 such properties (registered in joint names), and taking into account current net incomes and expenses as shown, the difference between total income and total committed expenses in the first year would be \$78,678. Total initial outlay would be \$0.

Number of Properties: 1	Registered: joint names
Ownership: Investor (50.00%)	Partner (50.00%)

Income

Current net income	
Current assessable income (Investor):	150,000
Current assessable income (Partner):	50,000
Total net income:	200,000
New rental income:	39,640
Total income:	\$239,640

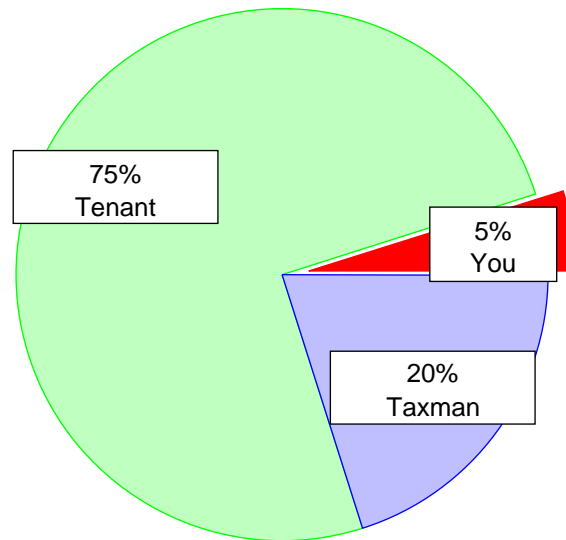
Expenses

New tax Investor:	37,478
New tax Partner:	3,063
Rental expenses:	9,090
Investment loan expenses:	43,534
Home loan payments:	36,845
Living expenses:	30,950
Total expenses:	\$160,961
 Net surplus (first year of investment):	 \$78,678
Total initial outlay required:	\$0

ANNUAL LIVING EXPENSES

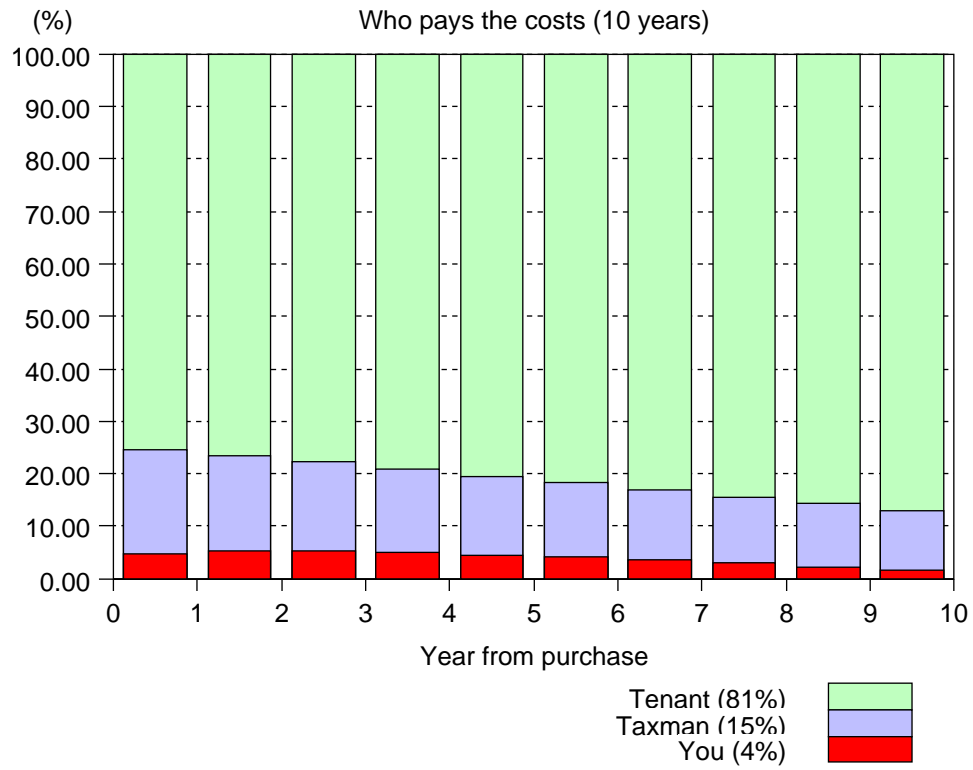
Items	Amount
Rates	1,800
Home insurance	750
Household maintenance	1,500
Fuel & power	1,500
Transport/Car/Boat	7,500
Food & Drink	7,500
Clothing & footwear	3,000
Telephone	500
Superannuation	0
Medical & Dental	500
Personal Insurance	0
Houshold furniture	2,000
Gifts/Birthdays/Xmas	800
Holidays & Travel	1,800
Sport/Entertainment	1,800
School Fees/Education	0
Other	0
 Total Living Expenses	 \$30,950
Home loan payments	\$36,845
Total non-deductible expenses	\$67,795

Who pays the cost (1st year)?

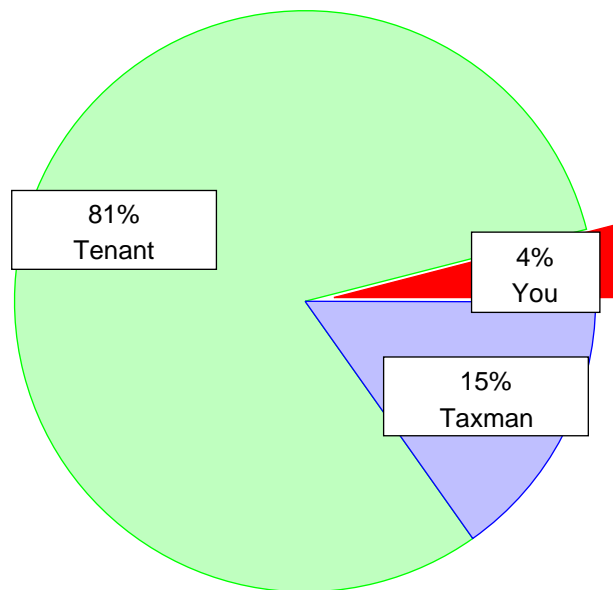


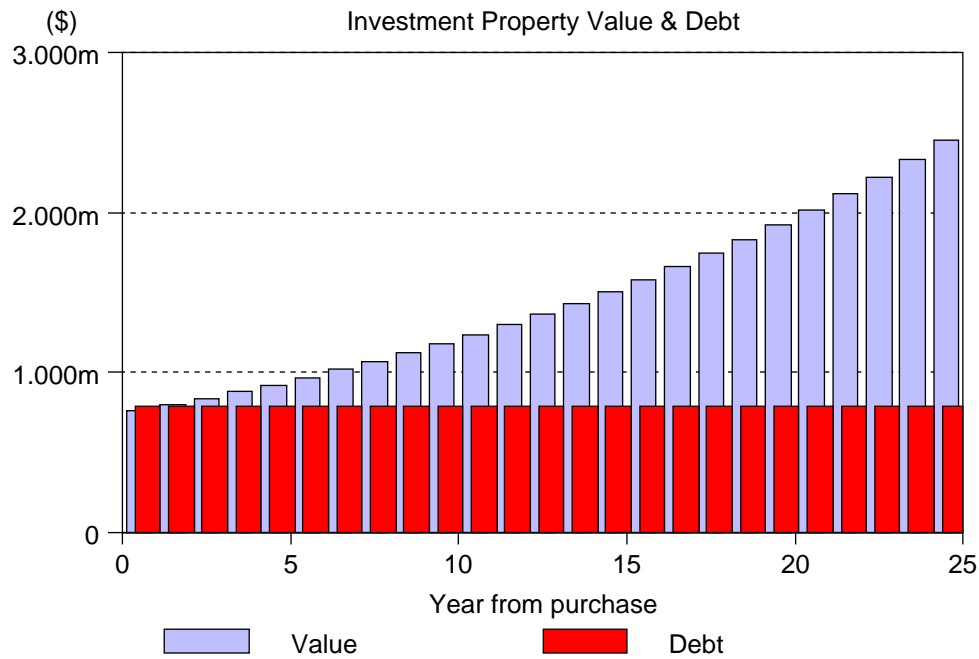
Projections over 25 years

Year	Principal payments	Interest costs	Rental expenses	Total cost	Rent (tenant)	Tax credit (taxman)	Cash (you)
1yr	\$0	\$43,534	\$9,090	\$52,624	\$39,640	\$10,493	\$2,492
2yr	\$0	\$43,534	\$9,272	\$52,806	\$40,432	\$9,563	\$2,811
3yr	\$0	\$43,534	\$9,458	\$52,992	\$41,241	\$8,897	\$2,854
4yr	\$0	\$43,534	\$9,647	\$53,181	\$42,066	\$8,413	\$2,702
5yr	\$0	\$43,534	\$9,840	\$53,374	\$42,907	\$8,051	\$2,416
6yr	\$0	\$43,534	\$10,036	\$53,571	\$43,765	\$7,624	\$2,181
7yr	\$0	\$43,534	\$10,237	\$53,771	\$44,641	\$7,232	\$1,899
8yr	\$0	\$43,534	\$10,442	\$53,976	\$45,533	\$6,875	\$1,568
9yr	\$0	\$43,534	\$10,651	\$54,185	\$46,444	\$6,541	\$1,200
10yr	\$0	\$43,534	\$10,864	\$54,398	\$47,373	\$6,221	\$804
11yr	\$0	\$43,534	\$11,081	\$54,615	\$48,320	\$6,136	\$159
12yr	\$0	\$43,534	\$11,303	\$54,837	\$49,287	\$6,666	\$-1,116
13yr	\$0	\$43,534	\$11,529	\$55,063	\$50,273	\$5,753	\$-963
14yr	\$0	\$43,534	\$11,759	\$55,293	\$51,278	\$5,429	\$-1,414
15yr	\$0	\$43,534	\$11,994	\$55,529	\$52,304	\$5,099	\$-1,874
16yr	\$0	\$43,534	\$12,234	\$55,768	\$53,350	\$4,753	\$-2,334
17yr	\$0	\$43,534	\$12,479	\$56,013	\$54,417	\$4,391	\$-2,795
18yr	\$0	\$43,534	\$12,729	\$56,263	\$55,505	\$4,021	\$-3,263
19yr	\$0	\$43,534	\$12,983	\$56,517	\$56,615	\$3,648	\$-3,746
20yr	\$0	\$43,534	\$13,243	\$56,777	\$57,747	\$3,293	\$-4,263
21yr	\$0	\$43,534	\$13,508	\$57,042	\$58,902	\$2,931	\$-4,792
22yr	\$0	\$43,534	\$13,778	\$57,312	\$60,080	\$2,560	\$-5,328
23yr	\$0	\$43,534	\$14,053	\$57,588	\$61,282	\$2,183	\$-5,877
24yr	\$0	\$43,534	\$14,334	\$57,869	\$62,508	\$1,798	\$-6,437
25yr	\$0	\$43,534	\$14,621	\$58,155	\$63,758	\$1,406	\$-7,009



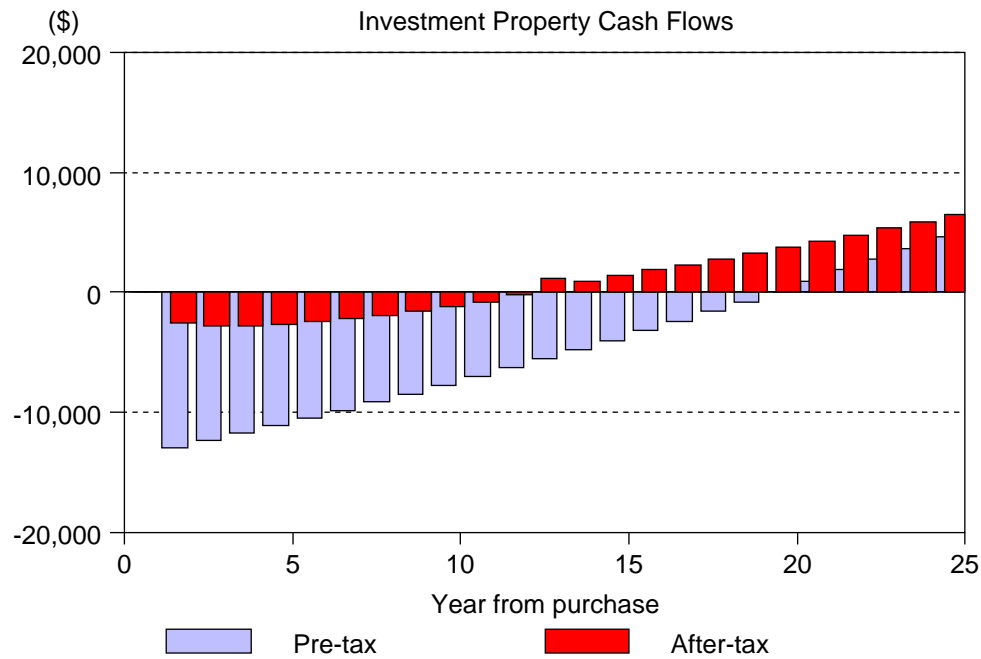
Average contribution (10 years)





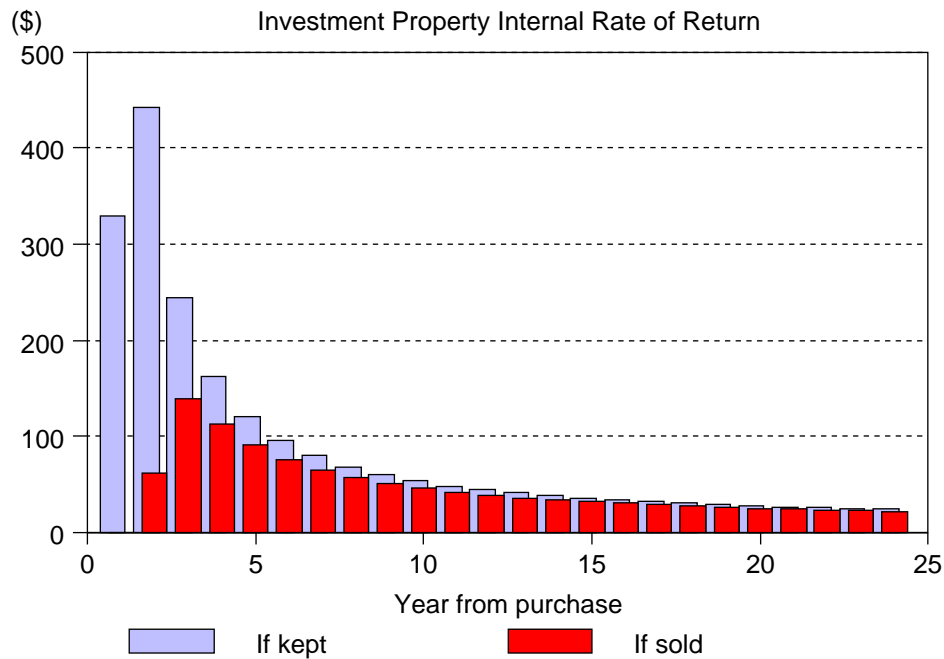
Property value & debt projections over 25 years

Year	Growth rate	Property value	Amount owing	Equity
		\$759,531	\$791,530	\$-31,999
1yr	5.00%	\$797,508	\$791,530	\$5,977
2yr	5.00%	\$837,383	\$791,530	\$45,853
3yr	5.00%	\$879,252	\$791,530	\$87,722
4yr	5.00%	\$923,215	\$791,530	\$131,684
5yr	5.00%	\$969,375	\$791,530	\$177,845
6yr	5.00%	\$1.018m	\$791,530	\$226,314
7yr	5.00%	\$1.069m	\$791,530	\$277,206
8yr	5.00%	\$1.122m	\$791,530	\$330,643
9yr	5.00%	\$1.178m	\$791,530	\$386,752
10yr	5.00%	\$1.237m	\$791,530	\$445,666
11yr	5.00%	\$1.299m	\$791,530	\$507,526
12yr	5.00%	\$1.364m	\$791,530	\$572,478
13yr	5.00%	\$1.432m	\$791,530	\$640,679
14yr	5.00%	\$1.504m	\$791,530	\$712,289
15yr	5.00%	\$1.579m	\$791,530	\$787,480
16yr	5.00%	\$1.658m	\$791,530	\$866,431
17yr	5.00%	\$1.741m	\$791,530	\$949,329
18yr	5.00%	\$1.828m	\$791,530	\$1.036m
19yr	5.00%	\$1.919m	\$791,530	\$1.128m
20yr	5.00%	\$2.015m	\$791,530	\$1.224m
21yr	5.00%	\$2.116m	\$791,530	\$1.324m
22yr	5.00%	\$2.222m	\$791,530	\$1.430m
23yr	5.00%	\$2.333m	\$791,530	\$1.541m
24yr	5.00%	\$2.450m	\$791,530	\$1.658m
25yr	5.00%	\$2.572m	\$791,530	\$1.781m



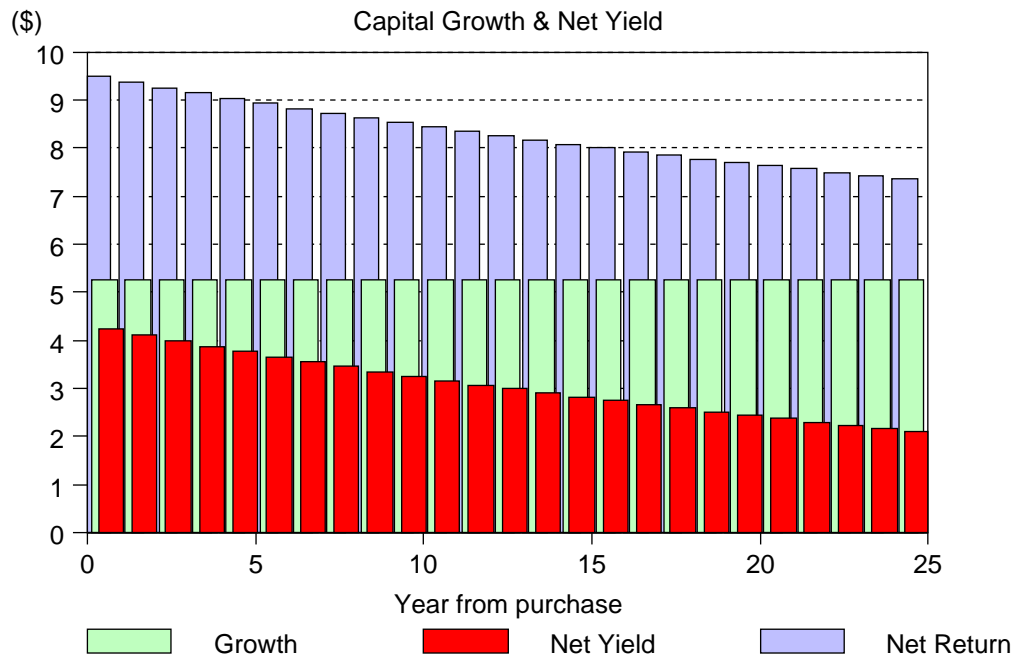
Cash flow projections over 25 years

Year	Rental income	Loan payments	Rental expenses	Pre-tax cash flow	Tax credit	After-tax cash flow
				\$0		\$0
1yr	\$39,640	\$43,534	\$9,090	\$-12,985	\$10,493	\$-2,492
2yr	\$40,432	\$43,534	\$9,272	\$-12,374	\$9,563	\$-2,811
3yr	\$41,241	\$43,534	\$9,458	\$-11,751	\$8,897	\$-2,854
4yr	\$42,066	\$43,534	\$9,647	\$-11,115	\$8,413	\$-2,702
5yr	\$42,907	\$43,534	\$9,840	\$-10,467	\$8,051	\$-2,416
6yr	\$43,765	\$43,534	\$10,036	\$-9,805	\$7,624	\$-2,181
7yr	\$44,641	\$43,534	\$10,237	\$-9,131	\$7,232	\$-1,899
8yr	\$45,533	\$43,534	\$10,442	\$-8,443	\$6,875	\$-1,568
9yr	\$46,444	\$43,534	\$10,651	\$-7,741	\$6,541	\$-1,200
10yr	\$47,373	\$43,534	\$10,864	\$-7,025	\$6,221	\$-804
11yr	\$48,320	\$43,534	\$11,081	\$-6,295	\$6,136	\$-159
12yr	\$49,287	\$43,534	\$11,303	\$-5,550	\$6,666	\$1,116
13yr	\$50,273	\$43,534	\$11,529	\$-4,790	\$5,753	\$963
14yr	\$51,278	\$43,534	\$11,759	\$-4,015	\$5,429	\$1,414
15yr	\$52,304	\$43,534	\$11,994	\$-3,225	\$5,099	\$1,874
16yr	\$53,350	\$43,534	\$12,234	\$-2,419	\$4,753	\$2,334
17yr	\$54,417	\$43,534	\$12,479	\$-1,596	\$4,391	\$2,795
18yr	\$55,505	\$43,534	\$12,729	\$-758	\$4,021	\$3,263
19yr	\$56,615	\$43,534	\$12,983	\$98	\$3,648	\$3,746
20yr	\$57,747	\$43,534	\$13,243	\$970	\$3,293	\$4,263
21yr	\$58,902	\$43,534	\$13,508	\$1,861	\$2,931	\$4,792
22yr	\$60,080	\$43,534	\$13,778	\$2,768	\$2,560	\$5,328
23yr	\$61,282	\$43,534	\$14,053	\$3,694	\$2,183	\$5,877
24yr	\$62,508	\$43,534	\$14,334	\$4,639	\$1,798	\$6,437
25yr	\$63,758	\$43,534	\$14,621	\$5,603	\$1,406	\$7,009



Projected equity and returns over 25 years

Year	After-tax cash flow	Property Retained Equity	Rate of return	Selling costs	Property Sold Capital Gains Tax	Equity (if sold)	Rate of return
	\$0	\$-31,999					
1yr	\$-2,492	\$5,977	328.9%	\$26,414	\$0	\$-20,437	?????%
2yr	\$-2,811	\$45,853	442.8%	\$27,710	\$9,130	\$9,013	62.5%
3yr	\$-2,854	\$87,722	244.7%	\$29,071	\$19,407	\$39,244	138.6%
4yr	\$-2,702	\$131,684	163.1%	\$30,499	\$30,191	\$70,994	113.7%
5yr	\$-2,416	\$177,845	121.3%	\$32,000	\$42,008	\$103,837	91.8%
6yr	\$-2,181	\$226,314	96.5%	\$33,575	\$54,190	\$138,549	76.5%
7yr	\$-1,899	\$277,206	80.3%	\$35,229	\$67,024	\$174,953	65.5%
8yr	\$-1,568	\$330,643	68.8%	\$36,966	\$80,623	\$213,054	57.3%
9yr	\$-1,200	\$386,752	60.4%	\$38,789	\$94,739	\$253,223	51.1%
10yr	\$-804	\$445,666	53.9%	\$40,704	\$109,642	\$295,320	46.1%
11yr	\$-159	\$507,526	48.8%	\$42,714	\$126,426	\$338,385	42.1%
12yr	\$1,116	\$572,478	44.7%	\$44,825	\$144,107	\$383,546	38.9%
13yr	\$963	\$640,679	41.3%	\$47,042	\$162,156	\$431,481	36.2%
14yr	\$1,414	\$712,289	38.5%	\$49,369	\$180,751	\$482,170	34.0%
15yr	\$1,874	\$787,480	36.1%	\$51,813	\$200,161	\$535,506	32.0%
16yr	\$2,334	\$866,431	34.0%	\$54,379	\$220,430	\$591,623	30.3%
17yr	\$2,795	\$949,329	32.2%	\$57,073	\$241,599	\$650,657	28.9%
18yr	\$3,263	\$1.036m	30.7%	\$59,902	\$263,713	\$712,756	27.6%
19yr	\$3,746	\$1.128m	29.3%	\$62,872	\$286,826	\$778,069	26.5%
20yr	\$4,263	\$1.224m	28.0%	\$65,991	\$311,005	\$846,736	25.4%
21yr	\$4,792	\$1.324m	26.9%	\$69,266	\$336,279	\$918,950	24.5%
22yr	\$5,328	\$1.430m	25.9%	\$72,704	\$362,704	\$994,888	23.7%
23yr	\$5,877	\$1.541m	25.0%	\$76,315	\$390,336	\$1.075m	23.0%
24yr	\$6,437	\$1.658m	24.2%	\$80,106	\$419,237	\$1.159m	22.3%
25yr	\$7,009	\$1.781m	23.5%	\$84,086	\$449,468	\$1.247m	21.7%



Capital growth and rental yields over 25 years

Year	Property value	Growth rate	Rental income	Rental expenses	Net Rent	Gross yield	Net yield
Initial	\$759,531						
1yr	\$797,508	5.00%	\$39,640	\$9,090	\$30,549	5.22%	4.02%
2yr	\$837,383	5.00%	\$40,432	\$9,272	\$31,160	5.07%	3.91%
3yr	\$879,252	5.00%	\$41,241	\$9,458	\$31,784	4.92%	3.80%
4yr	\$923,215	5.00%	\$42,066	\$9,647	\$32,419	4.78%	3.69%
5yr	\$969,375	5.00%	\$42,907	\$9,840	\$33,068	4.65%	3.58%
6yr	\$1.018m	5.00%	\$43,765	\$10,036	\$33,729	4.51%	3.48%
7yr	\$1.069m	5.00%	\$44,641	\$10,237	\$34,404	4.39%	3.38%
8yr	\$1.122m	5.00%	\$45,533	\$10,442	\$35,092	4.26%	3.28%
9yr	\$1.178m	5.00%	\$46,444	\$10,651	\$35,793	4.14%	3.19%
10yr	\$1.237m	5.00%	\$47,373	\$10,864	\$36,509	4.02%	3.10%
11yr	\$1.299m	5.00%	\$48,320	\$11,081	\$37,239	3.91%	3.01%
12yr	\$1.364m	5.00%	\$49,287	\$11,303	\$37,984	3.79%	2.92%
13yr	\$1.432m	5.00%	\$50,273	\$11,529	\$38,744	3.69%	2.84%
14yr	\$1.504m	5.00%	\$51,278	\$11,759	\$39,519	3.58%	2.76%
15yr	\$1.579m	5.00%	\$52,304	\$11,994	\$40,309	3.48%	2.68%
16yr	\$1.658m	5.00%	\$53,350	\$12,234	\$41,115	3.38%	2.60%
17yr	\$1.741m	5.00%	\$54,417	\$12,479	\$41,938	3.28%	2.53%
18yr	\$1.828m	5.00%	\$55,505	\$12,729	\$42,776	3.19%	2.46%
19yr	\$1.919m	5.00%	\$56,615	\$12,983	\$43,632	3.10%	2.39%
20yr	\$2.015m	5.00%	\$57,747	\$13,243	\$44,505	3.01%	2.32%
21yr	\$2.116m	5.00%	\$58,902	\$13,508	\$45,395	2.92%	2.25%
22yr	\$2.222m	5.00%	\$60,080	\$13,778	\$46,303	2.84%	2.19%
23yr	\$2.333m	5.00%	\$61,282	\$14,053	\$47,229	2.76%	2.13%
24yr	\$2.450m	5.00%	\$62,508	\$14,334	\$48,173	2.68%	2.06%
25yr	\$2.572m	5.00%	\$63,758	\$14,621	\$49,137	2.60%	2.01%