

Property Address: **Papakura Property (chattels and insurance costs are estimates)**

Property Value	\$721,500
Purchase Price	\$721,500
Deposit	\$0
Loan Amount	\$721,500
Capital Costs	\$0
Rates	\$2,577 pa
Body Corporate	\$0 pa
Insurance	\$2,000 pa
Maintenance (< 10 yrs)	5.00% pa
Maintenance (10 > yrs)	5.00% pa
Water	pa
Annual Interest Rate	4.00%
Loan Term (yrs)	25
Rental Income	\$900
Property Management	8.50%
Annual Vacancy	1 weeks
Chattels Valuation	\$10,000
Depreciation Rate	18%
Capital Growth	5% pa
Rental Increase	3% pa
Cost Increases	3%
Marginal Tax Rate	30%

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Property Value	\$757,575	\$795,454	\$835,226	\$876,988	\$920,837	\$966,879	\$1,015,223	\$1,065,984	\$1,119,283	\$1,175,247	\$1,234,010	\$1,295,710	\$1,360,496	\$1,428,521	\$1,499,947
Annual Income & Costs															
Weekly Rent	\$900	\$927	\$955	\$983	\$1,013	\$1,043	\$1,075	\$1,107	\$1,140	\$1,174	\$1,210	\$1,246	\$1,283	\$1,322	\$1,361
Annual Rent	\$45,900	\$47,277	\$48,695	\$50,156	\$51,661	\$53,211	\$54,807	\$56,451	\$58,145	\$59,889	\$61,686	\$63,536	\$65,442	\$67,406	\$69,428
Property Mangt	\$3,902	\$4,019	\$4,139	\$4,263	\$4,391	\$4,523	\$4,659	\$4,798	\$4,942	\$5,091	\$5,243	\$5,401	\$5,563	\$5,729	\$5,901
Rates & Water	\$2,577	\$2,654	\$2,734	\$2,816	\$2,900	\$2,987	\$3,077	\$3,169	\$3,264	\$3,362	\$3,463	\$3,567	\$3,674	\$3,784	\$3,898
Body Corporate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610	\$2,688	\$2,768	\$2,852	\$2,937	\$3,025
Maintenance	\$2,295	\$2,364	\$2,435	\$2,508	\$2,583	\$2,661	\$2,740	\$2,823	\$2,907	\$2,994	\$3,084	\$3,177	\$3,272	\$3,370	\$3,471
Annual Costs	\$10,774	\$11,097	\$11,430	\$11,772	\$12,126	\$12,489	\$12,864	\$13,250	\$13,648	\$14,057	\$14,479	\$14,913	\$15,360	\$15,821	\$16,296
Interest Only Loan Scenario															
Annual Interest	(\$28,860)	(\$28,860)	(\$28,860)	(\$28,860)	(\$28,860)	(\$28,860)	(\$28,860)	(\$28,860)	(\$28,860)	(\$28,860)	(\$28,860)	(\$28,860)	(\$28,860)	(\$28,860)	(\$28,860)
Total Expenses	(\$39,634)	(\$39,957)	(\$40,290)	(\$40,632)	(\$40,986)	(\$41,349)	(\$41,724)	(\$42,110)	(\$42,508)	(\$42,917)	(\$43,339)	(\$43,773)	(\$44,220)	(\$44,681)	(\$45,156)
Gross Cashflow	\$6,267	\$7,320	\$8,406	\$9,524	\$10,675	\$11,861	\$13,083	\$14,341	\$15,637	\$16,972	\$18,347	\$19,763	\$21,220	\$22,724	\$24,272
Chattels Depr	(\$1,800)	(\$1,476)	(\$1,210)	(\$992)	(\$814)	(\$667)	(\$547)	(\$449)	(\$368)	(\$302)	(\$247)	(\$203)	(\$166)	(\$136)	(\$112)
Taxable Income	\$4,467	\$5,844	\$7,195	\$8,531	\$9,861	\$11,194	\$12,536	\$13,892	\$15,269	\$16,670	\$18,100	\$19,560	\$21,056	\$22,588	\$24,160
Tax/Rebate	(\$1,340)	(\$1,753)	(\$2,159)	(\$2,559)	(\$2,958)	(\$3,358)	(\$3,761)	(\$4,168)	(\$4,581)	(\$5,001)	(\$5,430)	(\$5,868)	(\$6,317)	(\$6,776)	(\$7,248)
Net Cashflow	\$4,927	\$5,567	\$6,247	\$6,964	\$7,717	\$8,503	\$9,322	\$10,173	\$11,056	\$11,971	\$12,917	\$13,895	\$14,905	\$15,948	\$17,024
Equity	\$36,075	\$73,954	\$113,726	\$155,488	\$199,337	\$245,379	\$293,723	\$344,484	\$397,783	\$453,747	\$512,510	\$574,210	\$638,996	\$707,021	\$778,447
Equity %	4.76%	9.30%	13.62%	17.73%	21.65%	25.38%	28.93%	32.32%	35.54%	38.61%	41.53%	44.32%	46.97%	49.49%	51.90%
ROI After Tax*	NA	120.43%	62.23%	42.84%	33.16%	27.36%	23.50%	20.75%	18.68%	17.08%	15.80%	14.75%	13.88%	13.14%	12.51%
Return on capital**	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Principal & Interest Loan Scenario															
Annual Interest	(\$27,994)	(\$27,301)	(\$26,581)	(\$25,831)	(\$25,052)	(\$24,241)	(\$23,398)	(\$22,521)	(\$21,609)	(\$20,661)	(\$19,674)	(\$18,649)	(\$17,582)	(\$16,472)	(\$15,318)
Principal	(\$17,325)	(\$18,018)	(\$18,738)	(\$19,488)	(\$20,267)	(\$21,078)	(\$21,921)	(\$22,798)	(\$23,710)	(\$24,658)	(\$25,645)	(\$26,670)	(\$27,737)	(\$28,847)	(\$30,001)
Loan Balance	\$704,175	\$686,158	\$667,419	\$647,932	\$627,664	\$606,586	\$584,665	\$561,867	\$538,157	\$513,499	\$487,854	\$461,183	\$433,446	\$404,599	\$374,599
Total Expenses	(\$56,093)	(\$56,416)	(\$56,749)	(\$57,092)	(\$57,445)	(\$57,808)	(\$58,183)	(\$58,569)	(\$58,967)	(\$59,376)	(\$59,798)	(\$60,232)	(\$60,679)	(\$61,140)	(\$61,615)
Gross Cashflow	(\$10,193)	(\$9,139)	(\$8,053)	(\$6,935)	(\$5,784)	(\$4,598)	(\$3,376)	(\$2,118)	(\$822)	\$513	\$1,888	\$3,304	\$4,763	\$6,265	\$7,813
Chattels Depr	(\$1,800)	(\$1,476)	(\$1,210)	(\$992)	(\$814)	(\$667)	(\$547)	(\$449)	(\$368)	(\$302)	(\$247)	(\$203)	(\$166)	(\$136)	(\$112)
Taxable Income	\$5,332	\$7,403	\$9,475	\$11,560	\$13,670	\$15,813	\$17,998	\$20,231	\$22,520	\$24,870	\$27,285	\$29,772	\$32,334	\$34,976	\$37,677
Tax/Rebate	(\$1,600)	(\$2,221)	(\$2,842)	(\$3,468)	(\$4,101)	(\$4,744)	(\$5,399)	(\$6,069)	(\$6,756)	(\$7,461)	(\$8,186)	(\$8,932)	(\$9,700)	(\$10,493)	(\$11,303)
Net Cashflow	(\$11,792)	(\$11,360)	(\$10,896)	(\$10,403)	(\$9,885)	(\$9,342)	(\$8,775)	(\$8,187)	(\$7,578)	(\$6,948)	(\$6,298)	(\$5,627)	(\$4,937)	(\$4,227)	(\$3,490)
Equity	\$53,400	\$109,296	\$167,807	\$229,056	\$293,173	\$360,293	\$430,558	\$504,117	\$581,126	\$661,749	\$746,156	\$834,527	\$927,050	\$1,023,921	\$1,125,348
Equity %	7.05%	13.74%	20.09%	26.12%	31.84%	37.26%	42.41%	47.29%	51.92%	56.31%	60.47%	64.41%	68.14%	71.68%	75.03%
ROI After Tax*	NA	83.40%	43.57%	30.30%	23.68%	19.71%	17.07%	15.18%	13.77%	12.68%	11.80%	11.09%	10.50%	9.99%	9.56%
Return on capital**	240%	244%	247%	251%	255%	258%	262%	265%	269%	272%	276%	279%	283%	286%	290%

* ROI is the annual return on equity carried over from the previous year. (Equity + CF) / (Prev yr equity)

** Return on capital is the cumulative increase in wealth on total capital invested (deposit & principal). (Equity - Deposit + Cumulative CF) / (Deposit + Cumulative Principal)

When deposit = 0, return on capital for interest only will show "NA", as will ROI for year 1, as you cannot divide by 0.

