

Apartment B3-1F, The Kotuku

Investment Analysis		Projections over 10 years				
End of year	2021	1yr	2yr	3yr	5yr	10yr
Property value	\$825,000	874,500	926,970	982,588	1.104m	1.477m
Purchase costs	\$0					
Investments	\$0					
Loan amount	\$825,000	825,000	825,000	825,000	825,000	825,000
Equity	\$0	49,500	101,970	157,588	279,036	652,449
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	\$615	30,752	31,367	31,994	33,287	36,751
Cash deductions						
Interest (I/O)	4.00%	33,000	33,000	33,000	33,000	33,000
Rental expenses	33.33%	10,660	10,873	11,091	11,539	12,740
Pre-tax cash flow	\$0	-12,908	-12,506	-12,096	-11,252	-8,988
Non-cash deductions						
Deprec.of building	0.00%					
Deprec.of chattels	\$49,500	12,375	9,281	6,961	3,916	929
Loan costs	\$0					
Total deductions		56,035	53,154	51,052	48,454	46,669
Tax credit (single)	\$0	0	0	0	0	0
After-tax cash flow	\$0	-12,908	-12,506	-12,096	-11,252	-8,988
Rate of return (IRR)	32.01%	Your income /(cost) per week				
Pre-tax equivalent	35.77%	(248)	(241)	(233)	(216)	(173)

Disclaimer: 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. 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 enableMe NZ Ltd – Auckland, 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.

Assumptions:

- Use existing equity or cash to leverage and purchase the property
- Average capital gain of 6.0% per annum (the average annual change in median house price in Auckland over the last 20 years has been 8.1%)
- Inflation rate of 2%
- Rent – we assume the mid-point of an independent rental appraisal
- Vacancy – we factor in 2 weeks vacancy per annum
- Rent increases – we factor in annual rent increase of 2% per annum (median national average of the last 10 years was 4.2%)
- Mortgage – we assume the mortgage is fixed Interest Only at 4.0%
- Rental Expenses – we factor in council rates, body corporate levy (includes insurance), repairs and maintenance, accounting fees and property management costs
- Assume all losses (if any) are ring-fenced