

Unit 13, 317 Lincoln Road, Addington, Christchurch

Investment Analysis	Projections over 10 years					
	2021	1yr	2yr	3yr	5yr	10yr
End of year						
Property value	\$720,000	766,656	816,335	869,234	985,536	1.349m
Purchase costs	\$0					
Investments	\$0					
Loan amount	\$720,000	720,000	720,000	720,000	720,000	720,000
Equity	\$0	46,656	96,335	149,234	265,536	629,003
Capital growth rate	6.48%	6.48%	6.48%	6.48%	6.48%	6.48%
Inflation rate (CPI)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Gross rent /week	\$535	26,752	27,287	27,832	28,957	31,971
Cash expenses						
Interest (I/O)(nd)	4.00%	28,800	28,800	28,800	28,800	28,800
Rental expenses	25.35%	7,053	7,194	7,338	7,634	8,429
Pre-tax cash flow	\$0	-9,101	-8,707	-8,305	-7,477	-5,258
Non-cash deductions						
Deprec.of building	0.00%					
Deprec.of chattels	\$43,200	10,800	8,100	6,075	3,417	811
Loan costs	\$0					
Total deductions		17,853	15,294	13,413	11,052	9,240
Tax credit	0.00%	0	0	0	0	0
After-tax cash flow	\$0	-9,101	-8,707	-8,305	-7,477	-5,258
Rate of return (IRR)	38.25%					
Pre-tax equivalent	38.25%					
		Your income /(cost) per week				
		(175)	(167)	(160)	(144)	(101)

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 enable.me 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

Assumptions:

- Use existing equity or cash to leverage and purchase the property
- Average capital gain of 6.48% per annum (the average annual change in median house price in Canterbury over the last 20 years has been 7.6%. As this is a townhouse property type, we have discounted the average by a further 10%)
- Inflation rate of 2%
- Rent – we assume the high-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, insurance, repairs and maintenance, accounting fees and property management costs
- Assume all losses (if any) are ring-fenced