

## Property Address Lot 2, 33A Edmund Hillary Avenue, Papakura

Investment Analysis	Projections over 10 years					
	2021	1yr	2yr	3yr	5yr	10yr
<b>End of year</b>						
Property value	\$1.000m	1.078m	1.162m	1.253m	1.456m	2.119m
Purchase costs	\$0					
Investments	\$0					
Loan amount	\$1.000m	1.000m	1.000m	1.000m	1.000m	1.000m
Equity	\$0	78,000	162,084	252,727	455,773	<b>1.119m</b>
Capital growth rate	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
Inflation rate (CPI)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Gross rent /week</b>	\$735	36,752	37,487	38,237	39,782	43,922
<b>Cash expenses</b>						
Interest (I/O)(nd)	4.00%	40,000	40,000	40,000	40,000	40,000
Rental expenses	20.82%	7,958	8,117	8,280	8,614	9,511
<b>Pre-tax cash flow</b>	\$0	-11,206	-10,630	-10,042	-8,832	-5,588
<b>Non-cash deductions</b>						
Deprec.of building	0.00%					
Deprec.of chattels	\$60,000	15,000	11,250	8,438	4,746	1,126
Loan costs	\$0					
<b>Total deductions</b>		22,958	19,367	16,717	13,360	10,637
<b>Tax credit</b>	0.00%	0	0	0	0	0
<b>After-tax cash flow</b>	\$0	-11,206	-10,630	-10,042	-8,832	-5,588
<b>Rate of return (IRR)</b>	<b>45.34%</b>					
Pre-tax equivalent	45.34%					
		<b>Your income /(cost) per week</b>				
		<b>(215)</b>	<b>(204)</b>	<b>(193)</b>	<b>(170)</b>	<b>(107)</b>

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 7.8 % per annum (the average annual change in median house price in Auckland over the last 20 years)
- 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