

Unit 13, 25 Tranent Road, Mangere, Auckland

Investment Analysis		Projections over 10 years				
End of year	2021	1yr	2yr	3yr	5yr	10yr
Property value	\$839,000	897,898	960,930	1.028m	1.178m	1.654m
Purchase costs	\$0					
Investments	\$0					
Loan amount	\$839,000	839,000	839,000	839,000	839,000	839,000
Equity	\$0	58,898	121,930	189,388	338,841	814,528
Capital growth rate	7.02%	7.02%	7.02%	7.02%	7.02%	7.02%
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 expenses						
Interest (I/O)(nd)	4.00%	33,560	33,560	33,560	33,560	33,560
Rental expenses	19.00%	6,075	6,197	6,320	6,576	7,260
Pre-tax cash flow	\$0	-8,883	-8,389	-7,886	-6,849	-4,069
Non-cash deductions						
Deprec.of building	0.00%					
Deprec.of chattels	\$50,340	12,585	9,439	7,079	3,982	945
Loan costs	\$0					
Total deductions		18,660	15,635	13,399	10,558	8,205
Tax credit	0.00%	0	0	0	0	0
After-tax cash flow	\$0	-8,883	-8,389	-7,886	-6,849	-4,069
Rate of return (IRR)	43.94%					
Pre-tax equivalent	43.94%					
		Your income /(cost) per week				
		(171)	(161)	(152)	(132)	(78)

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 7.02% per annum (the average annual change in median house price in Auckland over the last 20 years has been 7.8%. 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