

Unit 17, 25 Tranent Road, Mangere, Auckland

Investment Analysis		Projections over 10 years				
End of year	2022	1yr	2yr	3yr	5yr	10yr
Property value	\$834,000	892,547	955,204	1.022m	1.171m	1.644m
Purchase costs	\$0					
Investments	\$0					
Loan amount	\$834,000	834,000	834,000	834,000	834,000	834,000
Equity	\$0	58,547	121,204	188,259	336,822	809,673
Capital growth rate	7.02%	7.02%	7.02%	7.02%	7.02%	7.02%
Inflation rate (CPI)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Gross rent /week	\$600	30,002	30,902	31,829	33,767	39,146
Cash expenses						
Interest (I/O)(nd)	4.50%	37,530	37,530	37,530	37,530	37,530
Rental expenses	25.37%	7,915	8,152	8,397	8,908	10,327
Pre-tax cash flow	\$0	-15,443	-14,780	-14,098	-12,671	-8,712
Non-cash deductions						
Deprec.of building	0.00%					
Deprec.of chattels	\$50,040	12,510	9,383	7,037	3,958	939
Loan costs	\$0					
Total deductions		20,425	17,535	15,434	12,867	11,267
Tax credit	0.00%	0	0	0	0	0
After-tax cash flow	\$0	-15,443	-14,780	-14,098	-12,671	-8,712
Rate of return (IRR)	33.30%					
Pre-tax equivalent	33.30%					
		Your income /(cost) per week				
		(297)	(284)	(271)	(244)	(168)

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 3%
- 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 3% per annum (median national average of the last 10 years was 4.2%)
- Mortgage – we assume the mortgage is fixed Interest Only at 4.5%
- 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