

Lot 59, Oakview, Lytton West, Gisborne

Investment Analysis		Projections over 10 years				
End of year	2023	1yr	2yr	3yr	5yr	10yr
Property value	\$1.120m	1.225m	1.340m	1.466m	1.755m	2.750m
Purchase costs	\$0					
Investments	\$0					
Loan amount	\$1.120m	1.120m	1.120m	1.120m	1.120m	1.120m
Equity	\$0	105,280	220,456	346,459	635,111	1.630m
Capital growth rate	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%
Inflation rate (CPI)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Gross rent /week	\$1,185	59,254	61,031	62,862	66,691	77,313
Cash expenses						
Interest (I/O)(nd)	5.00%	56,000	56,000	56,000	56,000	56,000
Rental expenses	18.29%	11,270	11,608	11,956	12,684	14,705
Pre-tax cash flow	\$0	-8,016	-6,577	-5,094	-1,994	6,608
Non-cash deductions						
Deprec.of building	0.00%					
Deprec.of chattels	\$67,200	16,800	12,600	9,450	5,316	1,261
Loan costs	\$0					
Total deductions		28,070	24,208	21,406	18,000	15,966
Tax credit	0.00%	0	0	0	0	0
After-tax cash flow	\$0	-8,016	-6,577	-5,094	-1,994	6,608
Rate of return (IRR)	63.60%	Your income /(cost) per week				
Pre-tax equivalent	63.60%	(154)	(126)	(98)	(38)	127

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 9.40% per annum (the average annual change in median house price in Gisborne over the last 20 years has been 9.40%.
- Inflation rate of 3%
- 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 3% per annum
- Mortgage - interest rate at 5.0% Interest Only
- 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