

Unit 3, 14 Leitch Street, Somerfield, Christchurch

Investment Analysis		Projections over 10 years				
End of year	2023	1yr	2yr	3yr	5yr	10yr
Property value	\$699,000	747,231	798,790	853,906	975,811	1.362m
Purchase costs	\$0					
Investments	\$0					
Loan amount	\$699,000	699,000	699,000	699,000	699,000	699,000
Equity	\$0	48,231	99,790	154,906	276,811	663,242
Capital growth rate	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%
Inflation rate (CPI)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Gross rent /week	\$480	24,960	26,208	27,518	30,339	38,721
Cash expenses						
Interest (I/O)(nd)	4.50%	31,455	31,455	31,455	31,455	31,455
Rental expenses	30.48%	7,609	7,989	8,389	9,249	11,804
Pre-tax cash flow	\$0	-14,104	-13,236	-12,326	-10,365	-4,538
Non-cash deductions						
Deprec.of building	0.00%					
Deprec.of chattels	\$41,940	10,485	7,864	5,898	3,318	787
Loan costs	\$0					
Total deductions		18,094	15,853	14,287	12,566	12,591
Tax credit	0.00%	0	0	0	0	0
After-tax cash flow	\$0	-14,104	-13,236	-12,326	-10,365	-4,538
Rate of return (IRR)	32.49%	Your income /(cost) per week				
Pre-tax equivalent	32.49%	(271)	(255)	(237)	(199)	(87)

Disclaimer: The projection is general in nature. 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*, 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 adviser.

Assumptions:

- 100% lending is used to fund the purchase of the property
- Average capital gain of 6.9% per annum (the 30-year average capital return across New Zealand, this may be below the historical return for the region)
- Inflation rate of 5%
- Rental income – we assume the high-point of a rental appraisal.
- Rent increases – we factor in annual rent increase of 5% per annum
- Mortgage - interest rate at 4.5% 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

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