

**Property Name** Rental - Conservative Loan

**Location** USA

<b>Purchase Price</b> \$175,000.00	<b>Market Value</b> \$175,000.00
<b>Closing Costs</b> \$2,000.00	<b>Cash In</b> \$37,000.00
<b>Total Cost</b> \$177,000.00	<b>Loan Amount</b> \$140,000.00
<b>Building Value</b> \$131,250.00	<b>Loan Cost</b> \$0.00
<b>Contents</b> \$0.00	<b>Annual Rent</b> \$12,614.40
<b>Expenses</b> \$2,460.00	<b>Management</b> \$1,261.44

<b>Investment analysis</b>	<b>YEAR 1</b>	<b>YEAR 3</b>	<b>YEAR 5</b>	<b>YEAR 7</b>	<b>YEAR 10</b>
Renovations	0.00	0.00	0.00	0.00	0.00
Capital growth	5.00%	5.00%	5.00%	5.00%	5.00%
Property value	183,750.00	202,584.38	223,349.27	246,242.57	285,056.56
Loan amount	138,359.49	134,755.11	130,672.14	126,047.03	117,932.80
Equity	45,390.51	67,829.27	92,677.13	120,195.54	167,123.76
Inflation rate	3.00%	3.00%	3.00%	3.00%	3.00%
Gross rent	12,614.40	13,382.62	14,197.62	15,062.25	16,458.93
Principal repayment	1,640.51	1,858.34	2,105.10	2,384.61	2,874.99
Interest rate	6.25%	6.25%	6.25%	6.25%	6.25%
Loan interest	8,703.54	8,485.71	8,238.95	7,959.44	7,469.06
Additional repayment	0.00	0.00	0.00	0.00	0.00
Total loan payment	10,344.05	10,344.05	10,344.05	10,344.05	10,344.05
Special expenses	0.00	0.00	0.00	0.00	0.00
Total property expenses	3,721.44	3,948.08	4,188.51	4,443.59	4,855.64
Pre-tax cash flow	-1,451.09	-909.51	-334.94	274.61	1,259.24
Pre-tax cash on cash	-3.92%	-2.46%	-0.91%	0.74%	3.40%
Depreciation-Building	3,675.00	3,675.00	3,675.00	3,675.00	3,675.00
Depreciation-Contents	0.00	0.00	0.00	0.00	0.00
Total deductions	16,099.98	16,108.79	16,102.46	16,078.03	15,999.70
Tax credit	975.96	763.33	533.36	284.42	-128.58
After-tax cash flow	-475.13	-146.18	198.42	559.03	1,130.66
After-tax cash on cash	-1.28%	-0.40%	0.54%	1.51%	3.06%
Your income per week	-9.14	-2.81	3.82	10.75	21.74
Internal Rate of Return	21.12%	21.48%	19.69%	18.17%	16.43%

**Notes:** The loan costs are included in the deductions for the first year.

Depreciation rates : Building = 3%