



FASA-Newcastle

PROPERTY INVESTMENT ANALYSIS

25-Jul-2005

Prepared for:  
 Consultant: Hamish Ferguson  
 Property: Unit 809  
 Description:

SUMMARY

Assumptions		Projected results over	10 yrs
Property value	\$384,000	Property value	\$687,686
Initial investment	\$38,400	Equity	\$325,497
Gross rental yield	7.84%	After-tax return /yr	31.60%
Net rental yield	3.07%	Net present value	\$260,135
Cap. growth rate	6.00%	<b>IF SOLD</b>	
Inflation rate	3.00%	Selling costs & CGT	\$115,658
Interest rate	6.85%	Equity	\$209,839
Taxable income	\$85,000	After-tax return /yr	27.57%

COMPUTER PROJECTIONS

Investment Analysis	Projections over 10 years					
	2005	1yr	2yr	3yr	5yr	10yr
End of year						
Property value	\$384,000	407,040	431,462	457,350	513,879	687,686
Purchase costs	\$14,270					
Investments	\$38,400					
Loan amount	\$362,189	362,189	362,189	362,189	362,189	362,189
Equity	\$21,811	44,851	69,274	95,161	151,690	325,497
Capital growth rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Inflation rate (CPI)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Gross rent /year	\$30,113	30,113	35,989	40,734	45,078	52,258
Cash deductions						
Interest (I/O)	6.85%	24,810	24,810	24,810	24,810	24,810
Rental expenses	60.86%	18,327	18,877	19,444	20,628	23,913
Pre-tax cash flow	<b>-\$38,400</b>	<b>-13,024</b>	<b>-7,698</b>	<b>-3,519</b>	<b>-360</b>	3,535
Non-cash deductions						
Deprec.of building	2.50%	6,000	6,000	6,000	6,000	6,000
Deprec.of fittings	\$51,829	7,898	5,934	3,883	2,501	1,613
Loan costs	\$2,319	464	464	464	464	
Total deductions		57,499	56,085	54,600	54,402	56,336
Tax credit (single)	\$85,000	12,617	9,619	6,725	4,522	1,978
After-tax cash flow	<b>-\$38,400</b>	<b>-407</b>	1,921	3,206	4,162	5,513
Rate of return (IRR)	31.60%	Your cost /(income) per week				
Pre-tax equivalent	61.36%	8	(37)	(62)	(80)	(106)

*Disclaimer: Note that the computer 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 FASA-Newcastle, its servants, employees or consultants..*

### Tabulated Breakdown of Spreadsheet Items

#### PROPERTY VALUE (average growth of 6.00% per year)

Property price (\$):	384,000
Total book value (\$):	384,000
<b>Property market value (\$):</b>	<b>384,000</b>

#### PURCHASE COSTS

Conveyancing costs (\$):	1,500
Govt. Stamp duty (\$):	12,770
<b>Total Purchase costs (\$):</b>	<b>14,270</b>

#### LOAN COSTS

Establishment fees (0.14% of loan):	500
Mortgagee stamp duty (0.40% of loan):	1,449
Registration of mortgage (\$):	150
Registration of title (\$):	75
Search fees (\$):	145
<b>Total loan costs (\$):</b>	<b>2,319</b>

#### CONTRIBUTION TOWARD TOTAL COSTS

	<b>Investments</b>	<b>Loan</b>	<b>Total Cost</b>
Property costs (\$):	38,400	345,600	384,000
Renovation costs (\$):	0	0	0
Purchase costs (\$):	0	14,270	14,270
Furniture costs (\$):	0	0	0
Loan costs (\$):	0	2,319	2,319
<b>Totals (\$):</b>	<b>38,400</b>	<b>362,189</b>	<b>400,589</b>

#### LOAN DETAILS

Loan type:	I/O Yrs 1-40
Interest rate (yr 1) (%)	6.85
Loan (\$):	362,189
Loan costs (written off over 5 yrs):	2,319
Monthly payment (\$):	2,067
<b>Annual payment (\$):</b>	<b>24,810</b>

#### RENT

Rent per week (\$):	579
Potential annual rent (\$):	30,113
Vacancy rate (%):	0.00
<b>Annual rent (\$):</b>	<b>30,113</b>

#### CASH DEDUCTIONS

<b>Loan interest (\$):</b>		<b>24,810</b>
<b>Rental expenses</b>		
Regular Expenses:		
Agent's commission (12.50%):	3,764	
Sinking Fund:	540	
Rates:	999	
Insurance:	390	
Maintenance:	343	
Body corporate:	2,700	
Electricity:	800	
Cleaning:	5,579	
Advertising:	1,506	
Other expenses:	1,706	
Special expenses:	0	
<b>Total expenses (\$):</b>		<b>18,327</b>
Regular expenses as % of annual rent:		60.86%
Net yield or Capitalisation rate:		3.07%

**PRE-TAX CASH FLOW**

<b>Year</b>	<b>Initial</b>	<b>1yr</b>	<b>2yr</b>	<b>3yr</b>	<b>5yr</b>	<b>10yr</b>
Rent		30,113	35,989	40,734	45,078	52,258
Cash invested	38,400	0	0	0	0	0
Principal payments		0	0	0	0	0
Interest		24,810	24,810	24,810	24,810	24,810
Expenses		18,327	18,877	19,444	20,628	23,913
<b>Pre-tax cash</b>	<b>-38,400</b>	<b>-13,024</b>	<b>-7,698</b>	<b>-3,519</b>	<b>-360</b>	<b>3,535</b>

**NON-CASH DEDUCTIONS****Depreciation on the building (Capital allowance)**

Property value (\$):	384,000
Construction cost (\$):	240,000
Depreciation allowance rate (%):	2.50
<b>Depreciation allowance (\$):</b>	<b>6,000</b>

**Depreciation of fittings (annual claim)**

<b>Loan costs (written off over 5 yrs):</b>	<b>2,319</b>
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**TOTAL TAX DEDUCTIONS (Cash & Non-Cash Deductions)**

<b>Year</b>	<b>1yr</b>	<b>2yr</b>	<b>3yr</b>	<b>5yr</b>	<b>10yr</b>
Interest	24,810	24,810	24,810	24,810	24,810
Expenses	18,327	18,877	19,444	20,628	23,913
Deprec.-building	6,000	6,000	6,000	6,000	6,000
Deprec.-fittings	7,898	5,934	3,883	2,501	1,613
Loan costs	464	464	464	464	0
<b>Total deductions</b>	<b>57,499</b>	<b>56,085</b>	<b>54,600</b>	<b>54,402</b>	<b>56,336</b>

**TAX CREDITS & AFTER-TAX CASH FLOW**

(Refunds credited in same year as deductions incurred)

<b>Year</b>	<b>2005</b>	<b>1yr</b>	<b>2yr</b>	<b>3yr</b>	<b>5yr</b>	<b>10yr</b>
Pre-tax cash	-38,400	-13,024	-7,698	-3,519	-360	3,535
Tax credits		12,617	9,619	6,725	4,522	1,978
After-tax cash	-38,400	-407	1,921	3,206	4,162	5,513
<b>Cost /(income) per week</b>		<b>8</b>	<b>-37</b>	<b>-62</b>	<b>-80</b>	<b>-106</b>

**INTERNAL RATE OF RETURN (over 10 years)**

Internal rate of return (IRR)	31.60%
Pre-tax equivalent of IRR	61.36%
Net present value (NPV)	\$260,135
Cash on cash return	-1.06%
Cash positive by year	2
Cash neutral investment	\$47,783

## PROJECTIONS OVER 20 YEARS

Year	Property value	Equity	Rent	Total deductions	Pre-tax cash flow	Tax credit	After-tax cash flow
	\$384,000	\$21,811			\$-38,400		\$-38,400
1yr	\$407,040	\$44,851	\$30,113	\$57,499	\$-13,024	\$12,617	\$-407
2yr	\$431,462	\$69,274	\$35,989	\$56,085	\$-7,698	\$9,619	\$1,921
3yr	\$457,350	\$95,161	\$40,734	\$54,600	\$-3,519	\$6,725	\$3,206
4yr	\$484,791	\$122,602	\$93,048	\$55,707	\$48,211	\$-18,110	\$30,101
5yr	\$513,879	\$151,690	\$45,078	\$54,402	\$-360	\$4,522	\$4,162
6yr	\$544,711	\$182,523	\$46,430	\$53,272	\$374	\$3,318	\$3,692
7yr	\$577,394	\$215,205	\$47,823	\$53,641	\$1,129	\$2,822	\$3,951
8yr	\$612,038	\$249,849	\$49,258	\$54,110	\$1,908	\$2,354	\$4,262
9yr	\$648,760	\$286,571	\$50,736	\$54,653	\$2,709	\$1,900	\$4,609
10yr	\$678,686	\$325,497	\$52,258	\$56,336	\$3,535	\$1,978	\$5,513
11yr	\$728,947	\$366,758	\$53,825	\$55,893	\$4,385	\$1,003	\$5,388
12yr	\$772,683	\$410,495	\$55,440	\$56,573	\$5,261	\$549	\$5,810
13yr	\$819,044	\$456,856	\$57,103	\$57,286	\$6,163	\$88	\$6,251
14yr	\$868,187	\$505,998	\$58,817	\$58,030	\$7,092	\$-382	\$6,710
15yr	\$920,278	\$558,090	\$60,581	\$58,803	\$8,049	\$-862	\$7,187
16yr	\$975,495	\$613,306	\$62,398	\$59,605	\$9,035	\$-1,355	\$7,680
17yr	\$1.034m	\$671,836	\$64,270	\$60,436	\$10,050	\$-1,859	\$8,191
18yr	\$1.096m	\$733,877	\$66,199	\$61,296	\$11,096	\$-2,377	\$8,719
19yr	\$1.162m	\$799,641	\$68,185	\$62,185	\$12,173	\$-2,910	\$9,263
20yr	\$1.232m	\$869,351	\$70,230	\$63,103	\$13,283	\$-3,457	\$9,826

## EQUITY PROJECTIONS

Projected values over	5 yrs	10 yrs	15 yrs	20 yrs
Property value (\$)	513,879	687,686	920,278	1.232m
Loan (\$)	362,189	362,189	362,189	362,189
<b>EQUITY (\$)</b>	<b>151,690</b>	<b>325,497</b>	<b>558,090</b>	<b>869,351</b>
<b>Approximate costs if sold...</b>				
Capital Gains Tax (\$)	35,611	84,369	145,910	225,470
Solicitor's fees (\$)	514	688	920	1,232
Sales commission (\$)	11,305	15,129	20,246	27,094
Vendor duty on sale	11,562	15,473	20,706	20,706
<b>EQUITY (after sale) (\$)</b>	<b>92,697</b>	<b>209,839</b>	<b>370,307</b>	<b>587,847</b>

**TAX BENEFITS**

These are shown below for the given taxable incomes and are based on current tax scales.

Number of properties: 1

	<b>Investor</b>	<b>Partner</b>	<b>Total</b>
Ownership: single name	100.00%	0.00%	100%
Present taxable income:	85,000	0	85,000
Rental income:	30,113	0	30,113
Total income:	115,113	0	115,113
Rental deductions:	57,499	0	57,499
New taxable income:	57,614	0	57,614
Present tax:	26,937	0	26,937
New tax:	14,320	0	14,320
<b>Tax saving:</b>	<b>12,617</b>	<b>0</b>	<b>12,617</b>

**INVESTMENT CAPACITY**

Buying 1 such properties (registered in single name), and taking into account current net incomes and living expenses as shown, the difference between total income and total committed expenses in the first year would be \$4,279. Total initial outlay would be \$38,400.

Number of Properties: 1  
 Ownership: Investor (100.00%) Registered: single name  
 Partner (0.00%)

**Income****Present net income**

Taxable income (investor) (\$):	85,000
Taxable income (partner) (\$):	0
Rebates & non-cash deductions:	0
Total net income	85,000
New rental income (\$):	30,113
<b>Total income (\$):</b>	<b>115,113</b>

**Expenses**

New tax (investor) (\$):	14,320
New tax (partner) (\$):	0
Rental expenses (\$):	18,327
Investment loan expenses(\$):	24,810
Home loan payments (\$):	24,426
Living expenses (\$):	28,950
<b>Total expenses (\$):</b>	<b>110,834</b>
<b>Net surplus (first year of investment) (\$):</b>	<b>4,279</b>
Total initial outlay required (\$):	38,400



FASA-Newcastle

PROPERTY INVESTMENT ANALYSIS

25-Jul-2005

Prepared for:  
 Consultant: Hamish Ferguson  
 Property: Unit 809  
 Description:

SUMMARY

Assumptions		Projected results over	10 yrs
Property value	\$384,000	Property value	\$687,686
Initial investment	\$0	Equity	\$286,943
Gross rental yield	7.84%	After-tax return /yr	160.02%
Net rental yield	3.07%	Net present value	\$257,146
Cap. growth rate	6.00%	<b>IF SOLD</b>	
Inflation rate	3.00%	Selling costs & CGT	\$115,658
Interest rate	6.85%	Equity	\$171,284
Taxable income	\$85,000	After-tax return /yr	159.51%

COMPUTER PROJECTIONS

Investment Analysis	Projections over 10 years					
	2005	1yr	2yr	3yr	5yr	10yr
End of year						
Property value	\$384,000	407,040	431,462	457,350	513,879	687,686
Purchase costs	\$14,270					
Investments	\$0					
Loan amount	\$400,743	400,743	400,743	400,743	400,743	400,743
Equity	<b>-\$16,743</b>	6,297	30,719	56,607	113,136	286,943
Capital growth rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Inflation rate (CPI)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Gross rent /year	\$30,113	30,113	35,989	40,734	45,078	52,258
Cash deductions						
Interest (I/O)	6.85%	27,451	27,451	27,451	27,451	27,451
Rental expenses	60.86%	18,327	18,877	19,444	20,628	23,913
Pre-tax cash flow	\$0	<b>-15,665</b>	<b>-10,339</b>	<b>-6,160</b>	<b>-3,001</b>	894
Non-cash deductions						
Deprec.of building	2.50%	6,000	6,000	6,000	6,000	6,000
Deprec.of fittings	\$51,829	7,898	5,934	3,883	2,501	1,613
Loan costs	\$2,473	495	495	495	495	
Total deductions		60,171	58,757	57,272	57,074	58,977
Tax credit (single)	\$85,000	13,458	10,782	8,021	5,818	3,259
After-tax cash flow	\$0	<b>-2,207</b>	443	1,861	2,817	4,153
Rate of return (IRR)	160.02%	Your cost /(income) per week				
Pre-tax equivalent	310.71%	42	(9)	(36)	(54)	(80)

*Disclaimer: Note that the computer 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 FASA-Newcastle, its servants, employees or consultants..*

### Tabulated Breakdown of Spreadsheet Items

#### PROPERTY VALUE (average growth of 6.00% per year)

Property price (\$):	384,000
Total book value (\$):	384,000
<b>Property market value (\$):</b>	<b>384,000</b>

#### PURCHASE COSTS

Conveyancing costs (\$):	1,500
Govt. Stamp duty (\$):	12,770
<b>Total Purchase costs (\$):</b>	<b>14,270</b>

#### LOAN COSTS

Establishment fees (0.12% of loan):	500
Mortgagee stamp duty (0.40% of loan):	1,603
Registration of mortgage (\$):	150
Registration of title (\$):	75
Search fees (\$):	145
<b>Total loan costs (\$):</b>	<b>2,473</b>

#### CONTRIBUTION TOWARD TOTAL COSTS

	Investments	Loan	Total Cost
Property costs (\$):	0	384,000	384,000
Renovation costs (\$):	0	0	0
Purchase costs (\$):	0	14,270	14,270
Furniture costs (\$):	0	0	0
Loan costs (\$):	0	2,473	2,473
<b>Totals (\$):</b>	<b>0</b>	<b>400,743</b>	<b>400,743</b>

#### LOAN DETAILS

Loan type:	I/O Yrs 1-40
Interest rate (yr 1) (%)	6.85
Loan (\$):	400,743
Loan costs (written off over 5 yrs):	2,473
Monthly payment (\$):	2,288
<b>Annual payment (\$):</b>	<b>27,451</b>

#### RENT

Rent per week (\$):	579
Potential annual rent (\$):	30,113
Vacancy rate (%):	0.00
<b>Annual rent (\$):</b>	<b>30,113</b>

#### CASH DEDUCTIONS

<b>Loan interest (\$):</b>	<b>27,451</b>
<b>Rental expenses</b>	
Regular Expenses:	
Agent's commission (12.50%):	3,764
Sinking Fund:	540
Rates:	999
Insurance:	390
Maintenance:	343
Body corporate:	2,700
Electricity:	800
Cleaning:	5,579
Advertising:	1,506
Other expenses:	1,706
Special expenses:	0
<b>Total expenses (\$):</b>	<b>18,327</b>
Regular expenses as % of annual rent:	60.86%
Net yield or Capitalisation rate:	3.07%

**PRE-TAX CASH FLOW**

<b>Year</b>	<b>Initial</b>	<b>1yr</b>	<b>2yr</b>	<b>3yr</b>	<b>5yr</b>	<b>10yr</b>
Rent		30,113	35,989	40,734	45,078	52,258
Cash invested	0	0	0	0	0	0
Principal payments		0	0	0	0	0
Interest		27,451	27,451	27,451	27,451	27,451
Expenses		18,327	18,877	19,444	20,628	23,913
<b>Pre-tax cash</b>	<b>0</b>	<b>-15,665</b>	<b>-10,339</b>	<b>-6,160</b>	<b>-3,001</b>	<b>894</b>

**NON-CASH DEDUCTIONS****Depreciation on the building (Capital allowance)**

Property value (\$):	384,000
Construction cost (\$):	240,000
Depreciation allowance rate (%):	2.50
<b>Depreciation allowance (\$):</b>	<b>6,000</b>

**Depreciation of fittings (annual claim)**

<b>Loan costs (written off over 5 yrs):</b>	<b>2,473</b>
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**TOTAL TAX DEDUCTIONS (Cash & Non-Cash Deductions)**

<b>Year</b>	<b>1yr</b>	<b>2yr</b>	<b>3yr</b>	<b>5yr</b>	<b>10yr</b>
Interest	27,451	27,451	27,451	27,451	27,451
Expenses	18,327	18,877	19,444	20,628	23,913
Deprec.-building	6,000	6,000	6,000	6,000	6,000
Deprec.-fittings	7,898	5,934	3,883	2,501	1,613
Loan costs	495	495	495	495	0
<b>Total deductions</b>	<b>60,171</b>	<b>58,757</b>	<b>57,272</b>	<b>57,074</b>	<b>58,977</b>

**TAX CREDITS & AFTER-TAX CASH FLOW**

(Refunds credited in same year as deductions incurred)

<b>Year</b>	<b>2005</b>	<b>1yr</b>	<b>2yr</b>	<b>3yr</b>	<b>5yr</b>	<b>10yr</b>
Pre-tax cash	0	-15,665	-10,339	-6,160	-3,001	894
Tax credits		13,458	10,782	8,021	5,818	3,259
After-tax cash	0	-2,207	443	1,861	2,817	4,153
<b>Cost /(income) per week</b>		<b>42</b>	<b>-9</b>	<b>-36</b>	<b>-54</b>	<b>-80</b>

**INTERNAL RATE OF RETURN (over 10 years)**

Internal rate of return (IRR)	160.02%
Pre-tax equivalent of IRR	310.71%
Net present value (NPV)	\$257,146
Cash on cash return	??????%
Cash positive by year	2
Cash neutral investment	\$47,783

## PROJECTIONS OVER 20 YEARS

Year	Property value	Equity	Rent	Total deductions	Pre-tax cash flow	Tax credit	After-tax cash flow
	\$384,000	<b>\$-16,743</b>			\$0		\$0
1yr	\$407,040	\$6,297	\$30,113	\$60,171	<b>\$-15,665</b>	\$13,458	<b>\$-2,207</b>
2yr	\$431,462	\$30,719	\$35,989	\$58,757	<b>\$-10,339</b>	\$10,782	\$443
3yr	\$457,350	\$56,607	\$40,734	\$57,272	<b>\$-6,160</b>	\$8,021	\$1,861
4yr	\$484,791	\$84,048	\$93,048	\$58,379	\$45,570	<b>\$-16,814</b>	\$28,756
5yr	\$513,879	\$113,136	\$45,078	\$57,074	<b>\$-3,001</b>	\$5,818	\$2,817
6yr	\$544,711	\$143,968	\$46,430	\$55,913	<b>\$-2,267</b>	\$4,599	\$2,332
7yr	\$577,394	\$176,651	\$47,823	\$56,282	<b>\$-1,511</b>	\$4,103	\$2,592
8yr	\$612,038	\$211,295	\$49,258	\$56,751	<b>\$-733</b>	\$3,635	\$2,902
9yr	\$648,760	\$248,017	\$50,736	\$57,294	\$68	\$3,181	\$3,249
10yr	\$687,686	\$286,943	\$52,258	\$58,977	\$894	\$3,259	\$4,153
11yr	\$728,947	\$328,204	\$53,825	\$58,534	\$1,744	\$2,284	\$4,028
12yr	\$772,683	\$371,940	\$55,440	\$59,214	\$2,620	\$1,830	\$4,450
13yr	\$819,044	\$418,301	\$57,103	\$59,927	\$3,522	\$1,369	\$4,891
14yr	\$868,187	\$467,444	\$58,817	\$60,671	\$4,451	\$899	\$5,350
15yr	\$920,278	\$519,535	\$60,581	\$61,444	\$5,408	\$419	\$5,827
16yr	\$975,495	\$574,752	\$62,398	\$62,246	\$6,394	<b>\$-74</b>	\$6,320
17yr	\$1.034m	\$633,282	\$64,270	\$63,077	\$7,410	<b>\$-579</b>	\$6,831
18yr	\$1.096m	\$695,323	\$66,199	\$63,937	\$8,455	<b>\$-1,096</b>	\$7,359
19yr	\$1.162m	\$761,087	\$68,185	\$64,826	\$9,533	<b>\$-1,629</b>	\$7,904
20yr	\$1.232m	\$830,797	\$70,230	\$65,744	\$10,642	<b>\$-2,176</b>	\$8,466

## EQUITY PROJECTIONS

Projected values over	5 yrs	10 yrs	15 yrs	20 yrs
Property value (\$)	513,879	687,686	920,278	1.232m
Loan (\$)	400,743	400,743	400,743	400,743
<b>EQUITY (\$)</b>	<b>113,136</b>	<b>286,943</b>	<b>519,535</b>	<b>830,797</b>
<b>Approximate costs if sold...</b>				
Capital Gains Tax (\$)	35,611	84,369	145,910	225,470
Solicitor's fees (\$)	514	688	920	1,232
Sales commission (\$)	11,305	15,129	20,246	27,094
Vendor duty on sale	11,562	15,473	20,706	20,706
<b>EQUITY (after sale) (\$)</b>	<b>54,143</b>	<b>171,284</b>	<b>331,753</b>	<b>549,292</b>

**TAX BENEFITS**

These are shown below for the given taxable incomes and are based on current tax scales.

Number of properties: 1

	<b>Investor</b>	<b>Partner</b>	<b>Total</b>
Ownership: single name	100.00%	0.00%	100%
Present taxable income:	85,000	0	85,000
Rental income:	30,113	0	30,113
Total income:	115,113	0	115,113
Rental deductions:	60,171	0	60,171
New taxable income:	54,942	0	54,942
Present tax:	26,937	0	26,937
New tax:	13,479	0	13,479
<b>Tax saving:</b>	<b>13,458</b>	<b>0</b>	<b>13,458</b>

**INVESTMENT CAPACITY**

Buying 1 such properties (registered in single name), and taking into account current net incomes and living expenses as shown, the difference between total income and total committed expenses in the first year would be \$2,480. Total initial outlay would be \$0.

Number of Properties: 1  
 Ownership: Investor (100.00%) Registered: single name  
 Partner (0.00%)

**Income****Present net income**

Taxable income (investor) (\$):	85,000
Taxable income (partner) (\$):	0
Rebates & non-cash deductions:	0
Total net income	85,000
New rental income (\$):	30,113
<b>Total income (\$):</b>	<b>115,113</b>

**Expenses**

New tax (investor) (\$):	13,479
New tax (partner) (\$):	0
Rental expenses (\$):	18,327
Investment loan expenses(\$):	27,451
Home loan payments (\$):	24,426
Living expenses (\$):	28,950
<b>Total expenses (\$):</b>	<b>112,633</b>
<b>Net surplus (first year of investment) (\$):</b>	<b>2,480</b>
Total initial outlay required (\$):	0