Cash Flow Picture

This 12-month cash-flow snapshot uses current rent, review inputs and the established finance-model cost defaults. Loan repayments are modelled from the initial purchase price and original LVR.

Annual Rental Income

	WEEKLY	ANNUAL
Potential Annual Rental Income	**$580/wk**	**$30,160**
Less Vacancy Allowance (2 weeks)		-$1,160
Rental Income After Vacancy		**$29,000**

Annual Operating Costs

	ANNUAL
Property Management (5%)	$1,450
Additional PM Fees	$8
Council / Water	$2,400
Strata / Body Corporate	$0
Building & Landlord Insurance	$2,000
Maintenance / Capex Reserve (2% of Purchase Price)	$12,200
Land Tax (VIC)	$975
Total Annual Operating Costs	**$19,033**

RENT AFTER VACANCY	NET OPERATING INCOME	ESTIMATED ANNUAL CASH FLOW AFTER TAX BENEFIT	ESTIMATED WEEKLY CASH FLOW AFTER TAX BENEFIT
$29,000	**$9,967**	**-$29,915**	**-$575**

Loan Repayments

	ANNUAL
Interest (7.14%)	$41,191
Principal Repayment	$5,730
Total Annual Loan Repayments	**$46,921**

Estimated Negative Gearing Benefit

	ANNUAL
Estimated Tax-Deductible Rental Expenses	$48,024
Estimated Taxable Rental Position	-$19,024
Estimated Tax Benefit (37% marginal rate)	**$7,039**

Principal is estimated on a standard 30-year principal-and-interest schedule. Maintenance is modelled at 2% of the initial purchase price per annum. Negative gearing is estimated at a 37% marginal tax rate on the modelled taxable rental loss; it excludes principal repayments and the generic maintenance/capex reserve. Obtain personal tax advice before relying on it.