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	**$505/wk**	**$26,260**
Less Vacancy Allowance (2 weeks)		-$1,010
Rental Income After Vacancy		**$25,250**

Annual Operating Costs

	ANNUAL
Property Management (7.15%)	$1,805
Additional PM Fees	$0
Council / Water	$2,400
Strata / Body Corporate	$0
Building & Landlord Insurance	$2,000
Maintenance / Capex Reserve (2% of Purchase Price)	$10,720
Land Tax (VIC)	$975
Total Annual Operating Costs	**$17,900**

RENT AFTER VACANCY	NET OPERATING INCOME	ESTIMATED ANNUAL CASH FLOW AFTER TAX BENEFIT	ESTIMATED WEEKLY CASH FLOW AFTER TAX BENEFIT
$25,250	**$7,350**	**-$27,732**	**-$533**

Loan Repayments

	ANNUAL
Interest (6.75%)	$36,005
Principal Repayment	$5,712
Total Annual Loan Repayments	**$41,718**

Estimated Negative Gearing Benefit

	ANNUAL
Estimated Tax-Deductible Rental Expenses	$43,186
Estimated Taxable Rental Position	-$17,936
Estimated Tax Benefit (37% marginal rate)	**$6,636**

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.