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	**$570/wk**	**$29,640**
Less Vacancy Allowance (2 weeks)		-$1,140
Rental Income After Vacancy		**$28,500**

Annual Operating Costs

	ANNUAL
Property Management (8.8%)	$2,508
Additional PM Fees	$0
Council / Water	$2,400
Strata / Body Corporate	$0
Building & Landlord Insurance	$2,000
Maintenance / Capex Reserve (2% of Purchase Price)	$10,600
Land Tax (WA)	$0
Total Annual Operating Costs	**$17,508**

RENT AFTER VACANCY	NET OPERATING INCOME	ESTIMATED ANNUAL CASH FLOW AFTER TAX BENEFIT	ESTIMATED WEEKLY CASH FLOW AFTER TAX BENEFIT
$28,500	**$10,992**	**-$19,459**	**-$374**

Loan Repayments

	ANNUAL
Interest (6.75%)	$28,482
Principal Repayment	$4,519
Total Annual Loan Repayments	**$33,001**

Estimated Negative Gearing Benefit

	ANNUAL
Estimated Tax-Deductible Rental Expenses	$35,390
Estimated Taxable Rental Position	-$6,890
Estimated Tax Benefit (37% marginal rate)	**$2,549**

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.