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	**$650/wk**	**$33,800**
Less Vacancy Allowance (2 weeks)		-$1,300
Rental Income After Vacancy		**$32,500**

Annual Operating Costs

	ANNUAL
Property Management (5%)	$1,625
Additional PM Fees	$0
Council / Water	$2,400
Strata / Body Corporate	$0
Building & Landlord Insurance	$2,000
Maintenance / Capex Reserve (2% of Purchase Price)	$16,300
Land Tax (VIC)	$0
Total Annual Operating Costs	**$22,325**

RENT AFTER VACANCY	NET OPERATING INCOME	ESTIMATED ANNUAL CASH FLOW AFTER TAX BENEFIT	ESTIMATED WEEKLY CASH FLOW AFTER TAX BENEFIT
$32,500	**$10,175**	**-$33,147**	**-$637**

Loan Repayments

	ANNUAL
Interest (6.38%)	$41,382
Principal Repayment	$7,455
Total Annual Loan Repayments	**$48,837**

Estimated Negative Gearing Benefit

	ANNUAL
Estimated Tax-Deductible Rental Expenses	$47,407
Estimated Taxable Rental Position	-$14,907
Estimated Tax Benefit (37% marginal rate)	**$5,516**

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.