

# (RENTAL PROPERTY CASH FLOW REPORT)

## Rental property cash flow report

At Account(able), we work with clients in building their wealth and investment portfolios. One common method of this is for clients to borrow to invest in rental properties, and claim on negative gearing. Cash flow is one of the most important issues to consider when negative gearing occurs – allow Account(able) to provide to you a 10 year cash flow forecast and meeting to discuss how a negative geared rental property will affect your cash flow. Important issues that will be discussed are:

1. Rental income;
2. Interest costs;
3. Depreciation;
4. Tax minimisation and maximum expense claim;
5. Potential property growth;
6. Importance of capital growth being more than cash flow loss when negative gearing.

We highly recommend all clients to undertake this forecast before they purchase a property, so they can take into consideration the future cash flow affects before they purchase an investment property, and avoid costly mistakes and stressful cash flow issues. Below is a small preview of the report we will calculate you with.

Cost	\$ 325,000
Plus Stamp Duty	\$ 14,570
Legal Fees	\$ 500
	\$ 340,070
Plus Setup Costs	\$ 0

### Annual Details

YEAR	YEAR 1	YEAR 2	YEAR 3
Income	15,600	16,068	16,550
Expenses			
Interest Rate %	7.0%	7.0%	7.0%
Interest	23,805	23,805	23,805
Rates	1,000	1,000	1,003
Water	500	525	551
Insurance	300	315	331
Commission	1,092	1,125	1,159
Depreciation	2,000	1,600	1,280
Capital Allowance	3,750	3,750	3,750
Maintenance	500	525	551
Yearly Cost/Tax Deduction	17,347	16,627	15,979
Ownership %	100%	17,347	16,627
Less Tax Saving @	31.5%	5,464	5,237
Yearly Cost After Tax	11,883	11,389	10,946
Out Of Pocket Yearly Cost	<b>\$6,133</b>	<b>\$6,039</b>	<b>\$5,916</b>
Property Value	344,500	365,170	387,080
Increase In Value	6.0%	19,500	20,670
		20,670	20,046

The value of this report, rental property issues report and meeting with a partner is \$500+GST  
- Speak to Account(able) to help you build your property portfolio.

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Directors Russell W. Gilbert FCA Brent Delahey DipAcc, MIPA Patrick J. Hoey BBus Acc, CPA

( Bacchus Marsh P 03 5366 1000 Melbourne P 03 9863 8133 Geelong P 03 5222 7683 E mail@weareaccountable.com.au )

www.weareaccountable.com.au