

## INVESTMENT ANALYSIS

As a guide for purchasers we provide the following estimates of the anticipated financial return for The Ridge At Maleny

<b>Tallowood 2 Bedroom Cabin (2 Bathrooms)</b>						
	<b>Note</b>					
Sale Price	1	\$495,000	\$495,000	\$495,000	\$495,000	\$495,000
Average Nightly Rental Rate		\$350				
<b>INCOME</b>						
<b>Occupancy Rate</b>	2	<b>40%</b>	<b>50%</b>	<b>60%</b>	<b>70%</b>	<b>80%</b>
Owners Share of Rental Income	3	\$25,550	\$31,938	\$38,325	\$44,713	\$51,100
Gross Yield %		5.16%	6.45%	7.74%	9.03%	10.32%
<b>Less OPERATING COSTS</b>						
Body Corporate Fees		\$5,043	\$5,043	\$5,043	\$5,043	\$5,043
Utilities (estimate)		\$2,000	\$2,250	\$2,500	\$2,750	\$3,000
Rates (estimate)		\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Maintenance & Landlord Insurance (estimate)		\$800	\$800	\$800	\$800	\$800
<b>Total Estimated Operating Costs</b>	4	<b>\$9,043</b>	<b>\$9,293</b>	<b>\$9,543</b>	<b>\$9,793</b>	<b>\$10,043</b>
<b>Operating Profit</b>	5	<b>\$16,507</b>	<b>\$22,645</b>	<b>\$28,782</b>	<b>\$34,920</b>	<b>\$41,057</b>
Net Operating Yield %		3.33%	4.57%	5.81%	7.05%	8.29%
<b>Taxation Aspects from Ownership</b>						
Amount Borrowed (80%)		\$396,000	\$396,000	\$396,000	\$396,000	\$396,000
Interest Expense on Borrowings (6%)		\$23,760	\$23,760	\$23,760	\$23,760	\$23,760
Estimated Depreciation based on (3.5%)		\$17,325	\$17,325	\$17,325	\$17,325	\$17,325
Interest plus Depreciation		\$41,085	\$41,085	\$41,085	\$41,085	\$41,085
Less Operating Profit		\$16,507	\$22,645	\$28,782	\$34,920	\$41,057
<b>Net Tax Deduction</b>		<b>\$24,578</b>	<b>\$18,441</b>	<b>\$12,303</b>	<b>\$6,166</b>	<b>\$28</b>
Anticipated Tax Refund	6	\$11,552	\$8,667	\$5,782	\$2,898	\$13
<b>Investment Return After Tax, Based</b>						
<b>on 80% Borrowings</b>		<b>\$4,299</b>	<b>\$7,552</b>	<b>\$10,804</b>	<b>\$14,057</b>	<b>\$17,310</b>
<b>Return on Cash Invested</b>		<b>4.3%</b>	<b>7.6%</b>	<b>10.9%</b>	<b>14.2%</b>	<b>17.5%</b>

### Notes

- 1 Sale price does not include furniture or optional extras
- 2 Average occupancy rate for Maleny and surrounding area is 60-70%
- 3 Anticipated owner proportion of gross rental income is circa 50%. Approx 50% contribution for management and other fees operation and marketing. All figures include GST if applicable
- 4 Includes anticipated operating costs, excluding finance and depreciation
- 5 Cash yield before depreciation and finance costs
- 6 Assuming marginal tax rate of 45% plus 2% Medicare levy

Disclaimer: The figures above illustrate an outcome calculated from the values and assumptions contained in the model. The information is provided in good faith however it is in no way intended to be a guarantee of future performance. The figures are provided on the basis no person using the information, in whole or part, shall have any claim against The Ridge At Maleny, their owners, employees or agents. Interested parties should rely on their own enquiries and seek independent financial advice.