

Year 1 Comparison

PROVIDENCE HOUSING - NRAS CALCULATOR			
INVESTOR YIELDS - YEAR 1 (Marginal Tax rate of 38.5% income between \$80,000 to \$180,000)			
	LVR of 80%		
	Non-NRAS	NRAS	Variance
Purchase Price	\$520,000	\$520,000	
Rental Income	\$25,480	\$20,384	(\$5,096)
Less Expenses			
Management Fee	(\$3,083)	(\$3,338)	(\$255)
Property Holding costs (i.e. rates, strata, insurance, etc)	(\$5,150)	(\$5,150)	\$0
Interest costs	(\$28,080)	(\$28,080)	\$0
Total expenses	(\$36,313)	(\$36,568)	(\$255)
Net Cashflow	(\$10,833)	(\$16,184)	(\$5,351)
Tax depreciation allowances	(\$13,699)	(\$13,699)	\$0
Net taxable position (i.e. negative gearing)	(\$24,532)	(\$29,883)	(\$5,351)
Tax refund	\$9,445	\$11,505	\$2,060
NRAS Incentive Federal component	\$0	\$7,472	\$7,472
NRAS incentive State component	\$0	\$2,491	\$2,491
Total NRAS indexed	\$0	\$9,962	\$9,962
Net cash position after tax	(\$1,388)	\$5,283	\$6,671
Net cash position on a weekly basis	-\$27	\$102	
Net cash return on Equity after tax	-1.10%	4.20%	
Tax effective return	-1.79%	6.83%	