

PROPERTY INVESTMENT CALCULATOR



Property Name:

Purchase Price

Loan 1 Rate Gearing

Purchase Costs

Solicitors fees (basic)	£700
Disbursements (extra solicitor work)	£0
Mortgage Application/Arrangement fee	£1,275
Broker fee	£638
Valuation/Survey	£350
Stamp Duty	£0
Furniture etc (fitting out new place)	£1,500
Refrurbishment costs	£0
Finders fee	£0
Documentation & tenant checks	£0
Miscellaneous (e.g. repairs)	£0
Total Purchase Costs	£4,463

Real Total Investment

Real Total Cash Invested

General Inputs

Current property value	<input type="text" value="£110,000"/>	77.3% i.e.	Current gearing	<input type="text" value="14.2"/> years
Annual Growth Rate	<input type="text" value="5%"/>		Doubles every	<input type="text" value="20"/>
Type of Loan	<input type="text" value="Interest Only"/>			
Inflation rate	<input type="text" value="5%"/>			
Annual vacancy Rate (Mths)	<input type="text" value="0.50"/>			
Outgoings as % income	<input type="text" value="7%"/>			
Letting cost per annum	<input type="text" value="10%"/>			
Tax rate	<input type="text" value="40%"/>			
Annual depreciation amount	<input type="text" value="£720"/>			

STEP 1
Fill in all blue cells as appropriate

STEP 2
Check key results & financial results below

Key Results

1st year net cash return	£175
1st year yield on purchase price	7.2%
1st year cash on cash return	2.4%
IRR	22%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	£	£	£	£	£	£	£	£	£	£
Income										
Weekly rent	138	145	153	160	168	177	186	195	205	215
Monthly Rent	600	630	662	695	729	766	804	844	886	931
Gross Rent (p.a.)	7,200	7,560	7,938	8,335	8,752	9,189	9,649	10,131	10,638	11,170
Total Revenue	7,200	7,560	7,938	8,335	8,752	9,189	9,649	10,131	10,638	11,170
Less Costs (p.a.)										
Letting agent costs	-720	-756	-794	-833	-875	-919	-965	-1,013	-1,064	-1,117
Vacancy	-300	-315	-331	-347	-365	-383	-402	-422	-443	-465
Insurance	-500	-525	-551	-579	-608	-638	-670	-704	-739	-776
Service charges	-250	-263	-276	-289	-304	-319	-335	-352	-369	-388
Ground Rent	0	0	0	0	0	0	0	0	0	0
Outgoings (maintance/expenses/repairs)	-504	-529	-556	-583	-613	-643	-675	-709	-745	-782
Net Costs	-2,274	-2,388	-2,507	-2,632	-2,764	-2,902	-3,047	-3,200	-3,360	-3,528
<i>i.e. net costs per month</i>	<i>-190</i>	<i>-199</i>	<i>-209</i>	<i>-219</i>	<i>-230</i>	<i>-242</i>	<i>-254</i>	<i>-267</i>	<i>-280</i>	<i>-294</i>
Net Income p.a.	4,926	5,172	5,431	5,702	5,988	6,287	6,601	6,931	7,278	7,642
interest only (p.a.)	-4,752	-4,752	-4,752	-4,752	-4,752	-4,752	-4,752	-4,752	-4,752	-4,752
<i>i.e. Interest per month</i>	<i>-396</i>	<i>-396</i>	<i>-396</i>	<i>-396</i>	<i>-396</i>	<i>-396</i>	<i>-396</i>	<i>-396</i>	<i>-396</i>	<i>-396</i>
Net Return (loss) p.a. pre depreciation	175	421	679	951	1,236	1,535	1,850	2,180	2,526	2,890
Per Month	15	35	57	79	103	128	154	182	211	241
Depreciation (p.a)	288	288	288	288	288	288	288	288	288	288
Net Return (loss) p.a.	463	709	967	1,239	1,524	1,823	2,138	2,468	2,814	3,178
Per Month	39	59	81	103	127	152	178	206	235	265
Gross Basic Yield on purchase price	7.2%	7.6%	7.9%	8.3%	8.8%	9.2%	9.6%	10.1%	10.6%	11.2%
Cash Flow (includes deposit & start up costs)	-104,000	709	967	1,239	1,524	1,823	2,138	2,468	2,814	3,178
Property Value at end of period	115,500	121,275	127,339	133,706	140,391	147,411	154,781	162,520	170,646	179,178
Total Capital Gain	£15,500	£21,275	£27,339	£33,706	£40,391	£47,411	£54,781	£62,520	£70,646	£79,178
Repayments made	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Plus (minus): net return (rent etc.)	£463	£1,171	£2,139	£3,378	£4,902	£6,725	£8,863	£11,331	£14,145	£17,324
Less purchase costs	-£4,463	-£4,463	-£4,463	-£4,463	-£4,463	-£4,463	-£4,463	-£4,463	-£4,463	-£4,463
Overall Gain (Loss)	£11,500	£17,984	£25,015	£32,621	£40,830	£49,673	£59,182	£69,389	£80,329	£92,040

Cash on cash return (i.e. on cash paid)

Rental Yield (cash on cash)	2.4%	3.6%	5.0%	6.4%	7.8%	9.4%	11.0%	12.7%	14.5%	16.3%
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IRR	-£19,000	£709	£967	£1,239	£1,524	£1,823	£2,138	£2,468	£2,814	£32,357
	22%									

Total
£77,040