

Financial Feasibility (Pre-Tax) - Cosmetic Renovation

PROPERTY:	36 Letters St, Evatt
LOAN STRUCTURE:	80% LVR / Interest Only / 5.11%
Purchase Costs	\$ 154,282.00
Proposed Renovation Cost	\$ 45,000.00
Milk Chocolate Project Concierge Fee (10%)	\$ 4,500.00
TOTAL	\$ 203,782.00

CURRENT

Monthly Cash Flow

Rent (\$470/wk)	\$ 1,863.33
Rental Expenses	\$ 580.39
Agent commission (8%)	\$ 149.07
Rates	\$ 311.32
Insurance	\$ 120.00
Loan Interest (5.11% @ 30yrs @ IO)	\$ 1,755.00
BALANCE (GROSS)	\$ (472.06)

Equity Realization

Property Value	\$ 515,000.00
Purchasing Costs	\$ 120,829.00
Stamp Duty	\$ 13,929.00
Bank Fees	\$ 700.00
Legal	\$ 2,200.00
Deposit	\$ 103,000.00
Misc.	\$ 1,000.00
Milk Chocolate (Remainder)	\$ 0.00
Loan Amount	\$ 412,000.00
Loan to Value Ratio (LVR)	80.00%
AVAILABLE EQUITY (@90%)	\$ 51,500.00

POST RENOVATION

Monthly Cash Flow

Rent (\$520/wk)	\$ 2,253.33
Rental Expenses	\$ 611.59
Agent commission (8%)	\$ 180.27
Rates	\$ 311.32
Insurance	\$ 120.00
Loan Interest (5.11% @ 30yrs @ IO)	\$ 1,755.00
BALANCE (GROSS)	\$ (113.26)

Equity Realization

Post Renovation Property Value	\$ 580,000.00
Current LVR	80.00%
Loan Amount	\$ 412,000.00
New LVR	71%
AVAILABLE EQUITY (@80%)	\$ 52,000.00
NET AVAILABLE EQUITY (@90% -INC. LMI)	\$ 88,000.00
* NOTE: IF YOU TAKE THE 80% OR 90% EQUITY RELEASE, THE MONTHLY MORTGAGE PAYMENTS WILL ALSO INCREASE, MEANING THE MONTHLY CASH FLOW BALANCE WILL BE DIFFERENT TO WHAT'S ABOVE. WE CAN TALK THROUGH THIS WHEN THAT TIME COMES AND SEE WHAT WORKS BEST FOR YOU	