PROPERTY A

Internal Rate of Return on purchase

OPTIMISTIC SCENARIO

Purchase price: 4,400,000

Exit initial yield: 0.085 Exit value based on Yr10 net rental income; exit initial yield; sale costs @ 1.5% and purchaser's costs at 5.8%

Year start date:

		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11
Purchase / Exit value		- 4,655,200										5,311,804
Net Rental income		384,969	393,765	431,262	431,262	431,262	419,536	444,071	471,325	483,545	484,965	
Void expenditure		- 16,000	-	-	-	-	- 9,003	- 27,500	-	- 25,000	-	
Cash flow		- 4,286,231	393,765	431,262	431,262	431,262	410,534	416,571	471,325	458,545	484,965	5,311,804
IRR	0.109											

CENTRAL SCENARIO

Purchase price: 4,400,000

Exit initial yield: 0.090 Exit value based on Yr10 net rental income; exit initial yield; sale costs @ 1.5% and purchaser's costs at 5.8%

Year start date:

		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11
Purchase / Exit value		- 4,655,200										4,604,901
Net Rental income		384,969	381,370	427,112	429,612	429,612	414,186	423,646	408,776	437,956	445,156	
Void expenditure		- 23,000	-	-	-	-	- 12,504	- 33,500	- 37,000	- 30,000	-	
Cash flow		- 4,293,231	381,370	427,112	429,612	429,612	401,683	390,146	371,776	407,956	445,156	4,604,901
IRR	0.094											

PESSIMISTIC SCENARIO

Purchase price: 4,400,000

Exit initial yield: 0.100 Exit value based on Yr10 net rental income; exit initial yield; sale costs @ 1.5% and purchaser's costs at 5.8%

Year start date:

		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11
Purchase / Exit value		- 4,655,200										4,239,811
Net Rental income		384,969	349,670	380,062	427,812	427,812	409,798	405,708	394,018	429,278	455,403	
Void expenditure		- 30,000	- 30,000	-	-	-	- 12,504	- 63,500	- 39,000	-	-	
Cash flow		- 4,300,231	319,670	380,062	427,812	427,812	397,295	342,208	355,018	429,278	455,403	4,239,811
IRR	0.083											