

## PROPERTY INVESTMENT FEASIBILITY STUDY

Investment:	Demo - Investment	page 1
Description:	Central Business District Office	13:18
Location:	Sydney	Nov 11
Capital City:	Sydney	2015
Prepared By:		File: Office Invt Demo

### Profit & Loss (Inclusive of GST)

Amounts are in \$'s

Income:	Investment Sale Price	44,908,261	
	Rent (inc. Recov Outgoings)	30,222,523	
	Less: GST Collected in Income	-6,830,071	68,300,713
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Less Purchase Price:	Building (Book)	10,000,000	
	Equipment (Book)	2,100,000	
	Imputed Land Value	2,900,000	15,000,000
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Less Costs:	Stamp Duty Fees	810,490	
	Finance Establishment Fees	42,804	
	Conveyancing Fees (Purchase)	3,000	
	Management Fees	604,450	
	Leasing Fees	222,400	
	Council Rates	401,997	
	Water & Sewer	13,880	
	Land Tax	534,864	
	Selling Fees	898,165	
	Conveyancing Fees (Sale)	5,000	
	Other	50,000	
	Less: GST Input Tax Credits	-1,525,729	
		<hr/>	<hr/>
		2,061,323	17,061,323
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Margin Before Interest and Tax			51,239,390
Less Interest			-816,644
			<hr/>
Net Income Before Tax			52,056,034
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Plus Income Tax Benefits:	Depreciation Tax Benefits	1,517,398	
	Non-Depreciation Tax Benefits	-8,759,450	-7,242,051
		<hr/>	<hr/>
Net Income Before Capital Gains Tax			44,813,983
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Less Capital Gains Tax:	Net Sale Price	40,004,633	
	Less: Cost Base	9,851,404	
		<hr/>	<hr/>
	Taxable Capital Gain	30,153,229	9,045,969
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Holding Period Return After Tax			35,768,014
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Internal Rate of Return After Tax			16.84%
Holding Period Return After Tax			262.30%
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Equity Amount:	7,434,821	(19.90% IRR on Equity)	
Margin on Equity After Tax:	35,768,014	(481.09% MoE After Tax)	
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Peak Level of Debt :	8,586,812	(Occurs on Jul 2011)	

Demo Report - Contents not to be used elsewhere  
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Categorised Cashflow

Amounts are in \$'s

The Investment spans 41 quarters  
Investment Cashflow begins July 2011 and ends July 2021

Cashflow Period	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Subtotals
Quarter Ending	2011 Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	2015 Jun	
Inflation Factor	1.0033	1.0084	1.0134	1.0185	1.0236	1.0287	1.0339	1.0390	1.0442	1.0495	1.0547	1.0600	1.0653	1.0707	1.0760	1.0814	
AUV	2,900,000	2,900,000	2,900,000	2,900,000	2,958,535	2,958,535	2,958,535	2,958,535	3,018,251	3,018,251	3,018,251	3,018,251	3,079,172	3,079,172	3,079,172	3,079,172	
ACV	15,000,000	15,000,000	15,000,000	15,000,000	15,302,765	15,302,765	15,302,765	15,302,765	15,611,642	15,611,642	15,611,642	15,611,642	15,926,753	15,926,753	15,926,753	15,926,753	
AAV	750,000	750,000	750,000	750,000	765,138	765,138	765,138	765,138	780,582	780,582	780,582	780,582	796,338	796,338	796,338	796,338	
Purchase & Costs	15,856,294																15,856,294
Management Fees	13,900	13,900	13,900	13,900	14,181	14,181	14,181	14,181	14,181	14,181	14,181	14,181	14,759	14,759	14,759	14,759	228,080
Leasing & Selling	222,400																222,400
Council Rates	36,682				37,422				38,178				38,948				151,231
Water & Sewer	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	5,552
Land Tax	47,924					49,095				50,289				51,508			198,817
Other Costs																	0
Contingency Costs																	0
GST Debits in Inc.		63,182	63,182	63,182	63,182	64,457	64,457	64,457	64,457	64,457	64,457	64,457	64,457	67,085	67,085	67,085	969,640
COSTS B4 INT.	16,177,548	77,429	77,429	77,429	115,132	128,080	78,985	78,985	117,163	129,274	78,985	78,985	118,511	133,699	82,191	82,191	17,632,014
Sell-On Income																	0
Rent Income	-695,000	-695,000	-695,000	-695,000	-709,028	-709,028	-709,028	-709,028	-709,028	-709,028	-709,028	-709,028	-737,940	-737,940	-737,940	-737,940	-11,403,983
Recov. R & T																	0
Recov. Man. Fees																	0
Other Income																	0
GST Tax Credits		-1,385,391	-1,264	-1,264	-1,264	-1,289	-1,289	-1,289	-1,289	-1,289	-1,289	-1,289	-1,289	-1,342	-1,342	-1,342	-1,403,520
Tax Refund/Paid					264,130				424,780				487,704				1,176,614
INCOME B4 INT.	-695,000	-2,080,391	-696,264	-696,264	-446,162	-710,317	-710,317	-710,317	-285,537	-710,317	-710,317	-710,317	-251,525	-739,281	-739,281	-739,281	-11,630,889
Net Outlay	15,482,548	-2,002,962	-618,835	-618,835	-331,030	-582,237	-631,333	-631,333	-168,374	-581,043	-631,333	-631,333	-133,014	-605,582	-657,090	-657,090	6,001,125
Equity Input	-7,434,821																-7,434,821
Cum. Debt B4 Int.	8,047,727	6,044,765	5,425,930	4,807,096	4,476,066	3,893,828	3,262,496	2,631,163	2,462,789	1,881,746	1,250,413	619,081	486,067	-119,515	-776,605	-1,433,696	
Interest	250,779	197,683	184,921	171,773	161,344	153,337	139,850	124,958	114,629	108,489	93,667	77,375	65,679	58,572	41,482	22,828	1,967,367
Cum. Interest	250,779	448,462	633,383	805,157	966,500	1,119,838	1,259,688	1,384,646	1,499,275	1,607,764	1,701,431	1,778,806	1,844,485	1,903,057	1,944,538	1,967,367	
Cum. Net Debt	8,298,506	6,493,227	6,059,314	5,612,252	5,442,566	5,013,666	4,522,184	4,015,809	3,962,064	3,489,510	2,951,844	2,397,886	2,330,551	1,783,541	1,167,933	533,671	
NET FLOW	15,733,327	-1,805,279	-433,913	-447,061	-169,686	-428,900	-491,482	-506,375	-53,745	-472,555	-537,666	-553,958	-67,335	-547,010	-615,608	-634,262	7,968,492
N.P.V. Factors	0.9725	0.9327	0.8945	0.8579	0.8227	0.7891	0.7567	0.7258	0.6960	0.6675	0.6402	0.6140	0.5889	0.5647	0.5416	0.5194	
N.P.V. Net Flow	-15,739,294	1,724,935	392,782	388,137	143,915	343,004	376,456	372,001	41,491	319,743	348,464	344,339	43,740	313,129	337,587	333,589	-9,915,980

Demo Report - Contents not to be used elsewhere  
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Categorised Cashflow

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The Investment spans 41 quarters  
Investment Cashflow begins July 2011 and ends July 2021

Cashflow Period	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	Subtotals
Quarter Ending	2015 Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	2019 Jun	
Inflation Factor	1.0868	1.0923	1.0977	1.1032	1.1088	1.1143	1.1199	1.1255	1.1311	1.1368	1.1425	1.1482	1.1540	1.1598	1.1656	1.1714	
AUV	3,141,323	3,141,323	3,141,323	3,141,323	3,204,729	3,204,729	3,204,729	3,204,729	3,269,414	3,269,414	3,269,414	3,269,414	3,335,405	3,335,405	3,335,405	3,335,405	
ACV	16,248,224	16,248,224	16,248,224	16,248,224	16,576,184	16,576,184	16,576,184	16,576,184	16,910,763	16,910,763	16,910,763	16,910,763	17,252,096	17,252,096	17,252,096	17,252,096	
AAV	812,411	812,411	812,411	812,411	828,809	828,809	828,809	828,809	845,538	845,538	845,538	845,538	862,605	862,605	862,605	862,605	
Purchase & Costs																	15,856,294
Management Fees	14,759	14,759	14,759	14,759	15,361	15,361	15,361	15,361	15,361	15,361	15,361	15,361	15,987	15,987	15,987	15,987	473,947
Leasing & Selling																	222,400
Council Rates	39,735				40,537				41,355				42,190				315,046
Water & Sewer	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	11,104
Land Tax		52,751				54,019				55,313				56,633			417,532
Other Costs					50,000												50,000
Contingency Costs																	0
GST Debits in Inc.	67,085	67,085	67,085	67,085	67,085	69,821	69,821	69,821	69,821	69,821	69,821	69,821	69,821	72,668	72,668	72,668	2,081,638
COSTS B4 INT.	121,926	134,942	82,191	82,191	173,330	139,548	85,528	85,528	126,883	140,841	85,528	85,528	128,344	145,634	89,002	89,002	19,427,963
Sell-On Income																	0
Rent Income	-737,940	-737,940	-737,940	-737,940	-768,030	-768,030	-768,030	-768,030	-768,030	-768,030	-768,030	-768,030	-799,347	-799,347	-799,347	-799,347	-23,697,369
Recov. R & T																	0
Recov. Man. Fees																	0
Other Income																	0
GST Tax Credits	-1,342	-1,342	-1,342	-1,342	-1,342	-5,942	-1,396	-1,396	-1,396	-1,396	-1,396	-1,396	-1,396	-1,453	-1,453	-1,453	-1,430,305
Tax Refund/Paid	590,508				659,505				734,210				839,603				4,000,440
INCOME B4 INT.	-148,773	-739,281	-739,281	-739,281	-109,867	-773,972	-769,426	-769,426	-35,216	-769,426	-769,426	-769,426	38,859	-800,800	-800,800	-800,800	-21,127,234
Net Outlay	-26,848	-604,339	-657,090	-657,090	63,463	-634,424	-683,898	-683,898	91,667	-628,585	-683,898	-683,898	167,204	-655,166	-711,799	-711,799	-1,699,271
Equity Input		82,739	657,090	657,090	-63,463	634,424	683,898	683,898	-91,667	628,585	683,898	683,898	-167,204	655,166	711,799	711,799	-282,872
Cum. Debt B4 Int.	-1,460,543	-2,064,882	-2,721,972	-3,379,062	-3,315,600	-3,950,024	-4,633,922	-5,317,819	-5,226,152	-5,854,737	-6,538,635	-7,222,532	-7,055,329	-7,710,495	-8,422,293	-9,134,092	
Interest	10,313	3,912	-10,034	-23,466	-31,617	-36,599	-50,378	-65,161	-74,794	-79,534	-94,160	-109,825	-120,055	-124,833	-140,915	-158,083	862,138
Cum. Interest	1,977,680	1,981,592	1,971,558	1,948,092	1,916,475	1,879,877	1,829,499	1,764,338	1,689,543	1,610,009	1,515,850	1,406,025	1,285,970	1,161,137	1,020,221	862,138	
Cum. Net Debt	517,137	-83,290	-750,414	-1,430,970	-1,399,124	-2,070,147	-2,804,422	-3,553,481	-3,536,608	-4,244,727	-5,022,785	-5,816,508	-5,769,359	-6,549,358	-7,402,072	-8,271,954	
NET FLOW	-16,534	-600,427	-667,124	-680,556	31,846	-671,023	-734,275	-749,059	16,873	-708,119	-778,058	-793,723	47,149	-779,999	-852,714	-869,882	-837,133
N.P.V. Factors	0.4982	0.4778	0.4582	0.4394	0.4215	0.4042	0.3876	0.3718	0.3566	0.3420	0.3280	0.3145	0.3016	0.2893	0.2774	0.2661	
N.P.V. Net Flow	12,049	290,797	309,546	302,856	-10,375	274,974	288,258	282,028	-2,747	245,476	258,426	252,841	-11,136	228,753	239,622	234,442	-6,720,171

Demo Report - Contents not to be used elsewhere  
PROPERTY INVESTMENT FEASIBILITY STUDY

Investment: Demo - Investment  
Description: Central Business District Office  
Location: Sydney  
Capital City: Sydney  
Prepared By:  
*Feastudy 7.0 was used to prepare this feasibility study.*

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File: Office Invt Demo  
*Licensed to Zollo & Co Pty Ltd*

Categorised Cashflow

Amounts are in \$'s

The Investment spans 41 quarters  
Investment Cashflow begins July 2011 and ends July 2021

Cashflow Period	33	34	35	36	37	38	39	40	41	Totals
Quarter Ending	2019 Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	2021 Sep	
Inflation Factor	1.1773	1.1832	1.1891	1.1950	1.2010	1.2070	1.2131	1.2192	1.2212	
AUV	3,402,728	3,402,728	3,402,728	3,402,728	3,471,410	3,471,410	3,471,410	3,471,410	3,541,478	
ACV	17,600,319	17,600,319	17,600,319	17,600,319	17,955,570	17,955,570	17,955,570	17,955,570	18,317,992	
AAV	880,016	880,016	880,016	880,016	897,778	897,778	897,778	897,778	915,900	
Purchase & Costs										15,856,294
Management Fees	15,987	15,987	15,987	15,987	16,639	16,639	16,639	16,639		604,450
Leasing & Selling									903,165	1,125,565
Council Rates	43,041				43,910					401,997
Water & Sewer	347	347	347	347	347	347	347	347		13,880
Land Tax		57,979				59,353				534,864
Other Costs										50,000
Contingency Costs										0
GST Debits in Inc.	72,668	72,668	72,668	72,668	72,668	75,631	75,631	75,631	4,158,200	6,830,071
COSTS B4 INT.	132,043	146,981	89,002	89,002	133,564	151,970	92,617	92,617	5,061,365	25,417,123
Sell-On Income									-44,908,261	-44,908,261
Rent Income	-799,347	-799,347	-799,347	-799,347	-831,941	-831,941	-831,941	-831,941		-30,222,523
Recov. R & T										0
Recov. Man. Fees										0
Other Income										0
GST Tax Credits	-1,453	-1,453	-1,453	-1,453	-1,453	-1,513	-1,513	-1,513	-83,619	-1,525,729
Tax Refund/Paid	1,003,285				1,066,202				10,218,092	16,288,020
INCOME B4 INT.	202,485	-800,800	-800,800	-800,800	232,808	-833,454	-833,454	-833,454	-34,773,788	-60,368,493
Net Outlay	334,528	-653,820	-711,799	-711,799	366,371	-681,484	-740,837	-740,837	-29,712,422	-34,951,370
Equity Input	-334,528	653,820	711,799	711,799	-366,371	681,484	740,837	740,837	29,712,422	32,969,227
Cum. Debt B4 Int.	-8,799,564	-9,453,384	-10,165,182	-10,876,981	-10,510,610	-11,192,094	-11,932,931	-12,673,768	-41,214,068	
Interest	-168,333	-171,865	-188,875	-207,009	-218,240	-222,499	-241,095	-260,865		-816,644
Cum. Interest	693,805	521,940	333,065	126,056	-92,184	-314,683	-555,779	-816,644	-816,644	
Cum. Net Debt	-8,105,759	-8,931,443	-9,832,117	-10,750,925	-10,602,794	-11,506,777	-12,488,710	-13,490,412	-42,030,712	
NET FLOW	166,195	-825,684	-900,674	-918,808	148,131	-903,984	-981,933	-1,001,702	-29,712,422	-35,768,014
N.P.V. Factors	0.2552	0.2447	0.2347	0.2251	0.2159	0.2071	0.1986	0.1904	0.1878	
N.P.V. Net Flow	-39,646	204,868	214,136	209,507	-29,394	189,754	197,513	193,243	5,580,192	0

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### GST Summary Report

Amounts are in \$'s

	With GST	GST	Pre-GST
<b>Income:</b>			
Investment Sale Price	44,908,261	4,082,569	40,825,692
Rental (inc. Recov Outgoings)	30,222,523	2,747,502	27,475,021
Lending Interest	2,798,788	0	2,798,788
<b>Totals</b>	<b>77,929,572</b>	<b>6,830,071</b>	<b>71,099,500</b>
<b>Investment Costs:</b>			
Investment Purchase Price	15,000,000	1,363,636	13,636,364
Stamp Duty on Transfer	810,490	0	810,490
Stamp Duty on Mortgage	0	0	0
Finance Establishment Fees	42,804	0	42,804
Conveyancing Fees (Purchase)	3,000	273	2,727
Management Fees	604,450	54,950	549,500
Leasing Fees	222,400	20,218	202,182
Rates and Taxes			
Council Rates	401,997		
Water & Sewer	13,880		
Land Tax	534,864		
Selling Fees	898,165	81,651	816,514
Conveyancing Fees (Sale)	5,000	455	4,545
Other	50,000	4,545	45,455
<b>Total Before Interest, Income Tax &amp; CGT</b>	<b>18,587,052</b>	<b>1,525,729</b>	<b>17,061,323</b>
Borrowing Interest	1,982,144	0	1,982,144
<b>Total Investment Cost Before Income Tax &amp; CGT</b>	<b>20,569,195</b>	<b>1,525,729</b>	<b>19,043,466</b>

Holding Period Return After Tax	35,768,014
Internal Rate of Return	16.84%
Holding Period Return (as a %)	262.30%
GST Collected in Income	6,830,071
GST Input Tax Credits	1,525,729

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### Escalated Rent and Sell-On Calculation

Amounts are in \$'s

Final Annual Total Positive Rental Income (ex GST) :	3,025,241
Final Annual Total Negative Rental Income (ex GST) :	0
Final Annual Total Management Fees (ex GST) :	-60,505
Final Annual Total Rates and Taxes :	-106,938
Final Annual Recov Management Fees and R&T (ex GST) :	0
<b>Annual Net Rent For Sell-On Calculation :</b>	<b>2,857,798</b>
Cap. Rate For Sell-On Calculation :	7.00%
Pre-GST Capital Value :	40,825,692
Add GST :	4,082,569
<b>Calculated Investment Sell-On Value :</b>	<b>44,908,261</b>

<b>Rent Item 1</b>		<b>Item Description: Ground Floor Bank</b>		<b>GST Applies</b>
Vacancy Rate:	0.00%	Esc. Rate:	2.00%	Final Esc Factor: 1.1970
Start Theoretical Rent:		280,000		Rate1: 700
Final Theoretical Rent:		335,171		Esc. Rate1: 838
<b>Rent Item 2</b>		<b>Item Description: Upper Level Offices</b>		<b>GST Applies</b>
Vacancy Rate:	0.00%	Esc. Rate:	2.00%	Final Esc Factor: 1.1970
Start Theoretical Rent:		2,500,000		Rate1: 500
Final Theoretical Rent:		2,992,595		Esc. Rate1: 599

## PROPERTY INVESTMENT FEASIBILITY STUDY

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Description:	Central Business District Office	13:18
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### Taxation Calculation Summary (ex GST)

Amounts are in \$'s

Net Income Before Depreciation, Investment Sale and CGT Summary:		
Rent (inc. rec outgoings)	27,475,021	
Other Income	0	
Management Fees	-549,500	
Leasing Fees	-202,182	
Rates & Taxes	-950,742	
Other Costs	-45,455	
Contingency	0	
Net Interest	816,644	
		<hr/>
Total Net Income Before Depreciation, Investment Sale and CGT		26,543,787
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Depreciation Tax Deductions Summary:		
Buildings Initial Book Value	10,000,000	
Plant & Equipment Initial Book Value	2,100,000	
Opening Balance		12,100,000
Buildings Final Book Value	7,500,000	
Plant & Equipment Final Book Value	1,823	
Closing Balance		7,501,823
Total Depreciation		<hr/> 4,598,177
<hr/>		
Capital Gains Tax Summary:		
Investment Sale Price (ex GST)		40,825,692
Less Selling Costs (ex GST)		821,059
Net Investment Sale Price		<hr/> 40,004,633
Less: Cost Base		
Investment Purchase Price (ex GST)	13,636,364	
Incidental Purchase Costs (ex GST)	813,217	
Depreciation Claimed	-4,598,177	
Taxable Capital Gain		<hr/> 30,153,229
<hr/>		
TAXATION TOTALS		
Income Tax Paid (Before CGT)	(26,543,787 - 4,598,177) x 33.00%	7,242,051
Add Capital Gains Tax	30,153,229 x 30.00%	9,045,969
		<hr/>
TOTAL TAX PAID		16,288,020

## PROPERTY INVESTMENT FEASIBILITY STUDY

Investment:	Demo - Investment	page 5
Description:	Central Business District Office	13:18
Location:	Sydney	Nov 11
Capital City:	Sydney	2015
Prepared By:		File: Office Invt Demo

### Depreciation Schedule

The Investment spans 11 Financial Years

Number Of Depreciation Items    Building : 1    Plant & Equipment : 2

Amounts are in \$'s

Investment Year:	1	2	3	4	Subtotals
Financial Year Ending June:	2012	2013	2014	2015	
<b>BUILDING DEPRECIATION</b>					
Building	250,000	250,000	250,000	250,000	1,000,000
<b>Total Building Depreciation</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>1,000,000</b>
<b>PLANT DEPRECIATION</b>					
Most Plant Items	300,000	300,000	300,000	300,000	1,200,000
Carpets	33,000	22,110	14,814	9,925	79,849
<b>Total P. &amp; E. Depreciation</b>	<b>333,000</b>	<b>322,110</b>	<b>314,814</b>	<b>309,925</b>	<b>1,279,849</b>
<b>Total Depreciation</b>	<b>583,000</b>	<b>572,110</b>	<b>564,814</b>	<b>559,925</b>	<b>2,279,849</b>
<b>Total Tax Benefit</b>	<b>192,390</b>	<b>188,796</b>	<b>186,389</b>	<b>184,775</b>	<b>752,350</b>



## PROPERTY INVESTMENT FEASIBILITY STUDY

Investment:	Demo - Investment	page 6
Description:	Central Business District Office	13:18
Location:	Sydney	Nov 11
Capital City:	Sydney	2015
Prepared By:		File: Office Invt Demo

### Depreciation Schedule

The Investment spans 11 Financial Years

Number Of Depreciation Items    Building : 1    Plant & Equipment : 2

Amounts are in \$'s

Investment Year:	5	6	7	8	Subtotals
Financial Year Ending June:	2016	2017	2018	2019	

#### BUILDING DEPRECIATION

Building	250,000	250,000	250,000	250,000	2,000,000
<b>Total Building Depreciation</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>2,000,000</b>

#### PLANT DEPRECIATION

Most Plant Items	300,000	300,000	200,000	0	2,000,000
Carpets	6,650	4,455	2,985	2,000	95,939
<b>Total P. &amp; E. Depreciation</b>	<b>306,650</b>	<b>304,455</b>	<b>202,985</b>	<b>2,000</b>	<b>2,095,939</b>

<b>Total Depreciation</b>	<b>556,650</b>	<b>554,455</b>	<b>452,985</b>	<b>252,000</b>	<b>4,095,939</b>
<b>Total Tax Benefit</b>	<b>183,694</b>	<b>182,970</b>	<b>149,485</b>	<b>83,160</b>	<b>1,351,660</b>

## PROPERTY INVESTMENT FEASIBILITY STUDY

Investment:	Demo - Investment	page 7
Description:	Central Business District Office	13:18
Location:	Sydney	Nov 11
Capital City:	Sydney	2015
Prepared By:		File: Office Invt Demo

### Depreciation Schedule

The Investment spans 11 Financial Years

Number Of Depreciation Items    Building : 1    Plant & Equipment : 2

Amounts are in \$'s

Investment Year:	9	10	11	Totals
Financial Year Ending June:	2020	2021	2022	

#### BUILDING DEPRECIATION

Building	250,000	250,000	0	2,500,000
<b>Total Building Depreciation</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>	<b>2,500,000</b>

#### PLANT DEPRECIATION

Most Plant Items	0	0	0	2,000,000
Carpets	1,340	898	0	98,177
<b>Total P. &amp; E. Depreciation</b>	<b>1,340</b>	<b>898</b>	<b>0</b>	<b>2,098,177</b>

<b>Total Depreciation</b>	<b>251,340</b>	<b>250,898</b>	<b>0</b>	<b>4,598,177</b>
<b>Total Tax Benefit</b>	<b>82,942</b>	<b>82,796</b>	<b>0</b>	<b>1,517,398</b>

## PROPERTY INVESTMENT FEASIBILITY STUDY

Investment:	Demo - Investment	page 8
Description:	Central Business District Office	13:18
Location:	Sydney	Nov 11
Capital City:	Sydney	2015
Prepared By:		File: Office Invt Demo

### Sensitivity Analysis for Capitalisation Rate Variations

Range is -1.25% to +1.25% in 0.25% Increments

Amounts are in \$'s

Cap. Rate	Sale Value	Inv. Cost	Margin	HPR	IRR
5.75%	54,670,927	19,169,671	41,930,827	307.49%	18.03%
6.00%	52,392,971	19,140,157	40,492,858	296.95%	17.76%
6.25%	50,297,253	19,113,083	39,169,902	287.25%	17.52%
6.50%	48,362,743	19,088,093	37,948,711	278.29%	17.28%
6.75%	46,571,530	19,064,953	36,817,980	270.00%	17.05%
7.00%	44,908,261	19,043,466	35,768,014	262.30%	16.84%
7.25%	43,359,701	19,023,462	34,790,460	255.13%	16.64%
7.50%	41,914,377	19,004,790	33,878,077	248.44%	16.44%
7.75%	40,562,300	18,987,324	33,024,556	242.18%	16.26%
8.00%	39,294,729	18,970,949	32,224,381	236.31%	16.08%
8.25%	38,103,979	18,955,566	31,472,702	230.80%	15.91%

### Sensitivity Analysis for Borrowing Interest Rate Variations

Range is -2.50% to +2.50% in 0.50% Increments

Amounts are in \$'s

Interest	Sale Value	Inv. Cost	Margin	HPR	IRR
9.50%	44,908,261	18,536,907	36,230,513	265.69%	17.18%
10.00%	44,908,261	18,633,318	36,142,189	265.04%	17.12%
10.50%	44,908,261	18,731,870	36,051,899	264.38%	17.05%
11.00%	44,908,261	18,832,726	35,959,575	263.70%	16.98%
11.50%	44,908,261	18,936,709	35,864,942	263.01%	16.91%
12.00%	44,908,261	19,043,466	35,768,014	262.30%	16.84%
12.50%	44,908,261	19,152,700	35,668,833	261.57%	16.77%
13.00%	44,908,261	19,265,203	35,567,090	260.83%	16.69%
13.50%	44,908,261	19,380,454	35,462,904	260.06%	16.62%
14.00%	44,908,261	19,499,060	35,356,006	259.28%	16.54%
14.50%	44,908,261	19,620,838	35,246,407	258.47%	16.47%

## PROPERTY INVESTMENT FEASIBILITY STUDY

Investment:	Demo - Investment	page 9
Description:	Central Business District Office	13:18
Location:	Sydney	Nov 11
Capital City:	Sydney	2015
Prepared By:		File: Office Invt Demo

### Sensitivity Analysis for Rent Escalation Rate Variations

Range is -10.00% to +10.00% in 2.00% Increments Amounts are in \$'s

W/Ave Esc. Rate	Sale Value	Inv. Cost	Margin	HPR	IRR
-8.00%	17,218,326	18,905,331	11,032,838	80.91%	8.01%
-6.00%	20,969,404	18,878,519	14,561,941	106.79%	9.76%
-4.00%	25,456,782	18,877,695	18,681,421	137.00%	11.51%
-2.00%	30,823,378	18,908,776	23,498,040	172.32%	13.28%
0.00%	37,239,543	18,963,350	29,142,949	213.71%	15.06%
2.00%	44,908,261	19,043,466	35,768,014	262.30%	16.84%
4.00%	54,071,336	19,157,045	43,551,529	319.38%	18.63%
6.00%	65,016,727	19,314,005	52,704,626	386.50%	20.43%
8.00%	78,087,259	19,513,283	63,481,587	465.53%	22.24%
10.00%	93,690,963	19,761,616	76,181,236	558.66%	24.06%
12.00%	112,313,334	20,066,185	91,157,974	668.49%	25.89%

### Sensitivity Analysis for Equity Variations

Range is -25.00% to +25.00% in 5.00% Increments Amounts are in \$'s

Equity	Sale Value	Inv. Cost	Margin	HPR	IRR
5,578,925	44,908,261	20,496,568	33,925,952	248.79%	15.84%
5,950,254	44,908,261	20,164,931	34,306,520	251.58%	16.04%
6,321,508	44,908,261	19,849,862	34,682,258	254.34%	16.25%
6,692,687	44,908,261	19,563,026	35,049,610	257.03%	16.45%
7,063,791	44,908,261	19,296,123	35,410,990	259.68%	16.64%
7,434,821	44,908,261	19,043,466	35,768,014	262.30%	16.84%
7,805,775	44,908,261	18,810,989	36,118,742	264.87%	17.03%
8,176,654	44,908,261	18,602,041	36,462,062	267.39%	17.23%
8,547,459	44,908,261	18,405,626	36,801,369	269.88%	17.42%
8,918,189	44,908,261	18,221,138	37,136,796	272.34%	17.60%
9,288,843	44,908,261	18,056,834	37,465,539	274.75%	17.79%

## PROPERTY INVESTMENT FEASIBILITY STUDY

Investment:	Demo - Investment	page 10
Description:	Central Business District Office	13:18
Location:	Sydney	Nov 11
Capital City:	Sydney	2015
Prepared By:		File: Office Invt Demo

### Sensitivity Analysis for Investment Period Variations

Range is 97 months to 217 months, in 12 month Increments

Amounts are in \$'s

End Date	Sale Value	Inv. Cost	Margin	HPR	IRR
07/2019	43,154,168	18,793,689	29,658,837	217.50%	17.78%
07/2020	44,944,210	18,926,942	33,173,943	243.28%	17.37%
07/2021	44,908,261	19,043,466	35,768,014	262.30%	16.84%
07/2022	46,771,294	19,189,495	39,722,774	291.30%	16.67%
07/2023	46,733,879	19,315,964	42,733,938	313.38%	16.38%
07/2024	48,672,879	19,470,658	47,184,059	346.02%	16.33%
07/2025	48,633,939	19,605,017	50,668,226	371.57%	16.19%
07/2026	50,652,004	19,770,097	55,674,429	408.28%	16.21%
07/2027	50,611,475	19,912,471	59,693,947	437.76%	16.15%
07/2028	52,711,829	20,086,602	65,325,850	479.06%	16.21%
07/2029	52,669,648	20,236,198	69,951,548	512.98%	16.20%

### Sensitivity Analysis for Leasing Vacancy Rate Variations

Range is -5.00% to +5.00% in 1.00% Increments

Amounts are in \$'s

W/Ave Vac. Rate	Sale Value	Inv. Cost	Margin	HPR	IRR
-5.00%	44,908,261	19,043,466	35,768,014	262.30%	16.84%
-4.00%	44,908,261	19,043,466	35,768,014	262.30%	16.84%
-3.00%	44,908,261	19,043,466	35,768,014	262.30%	16.84%
-2.00%	44,908,261	19,043,466	35,768,014	262.30%	16.84%
-1.00%	44,908,261	19,043,466	35,768,014	262.30%	16.84%
0.00%	44,908,261	19,043,466	35,768,014	262.30%	16.84%
1.00%	44,432,866	19,065,177	35,210,953	258.21%	16.65%
2.00%	43,957,471	19,087,715	34,653,639	254.13%	16.45%
3.00%	43,482,076	19,111,027	34,096,089	250.04%	16.26%
4.00%	43,006,681	19,134,686	33,538,434	245.95%	16.06%
5.00%	42,531,286	19,159,108	32,980,548	241.86%	15.86%

## PROPERTY INVESTMENT FEASIBILITY STUDY

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Investment:	Demo - Investment	page 11
Description:	Central Business District Office	13:18
Location:	Sydney	Nov 11
Capital City:	Sydney	2015
Prepared By:		File: Office Invt Demo

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### Inputs Report

Amounts are in \$'s

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#### Investment Settings

##### Investment Identification

Investment Name :	Demo - Investment
Type of Investment :	Offices
Capital City :	Sydney
Description :	Central Business District Office
Location :	Sydney
Prepared By :	

##### Investment Dates

Reference Date :	July 2011
Completion Date :	July 2021
First month of financial year :	July

##### Residual Investment Value Calculation

Residual Investment Value Calculation is NOT required.

##### Equity

Equity has been provisionally injected as a percentage of costs before interest : 40.00%

##### Loans and Interest

Both Primary and Secondary Debt Funds apply to borrowings.

Primary Debt interest rate per annum throughout cashflow :	12.00%
Primary Debt Finance Establishment Fee :	0.50%
Lending interest rate per annum :	8.00%

##### Inflation Rate

Inflation rate per annum :	2.00%
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## PROPERTY INVESTMENT FEASIBILITY STUDY

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Investment:	Demo - Investment	page 12
Description:	Central Business District Office	13:18
Location:	Sydney	Nov 11
Capital City:	Sydney	2015
Prepared By:		File: Office Invt Demo

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### Inputs Report (continued)

Amounts are in \$'s

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#### Tax Rates

Marginal/Company tax rate :	33.00%
Effective Capital gains tax rate :	30.00%

#### GST Settings

This Investment is a Non-Residential Property.	
GST rate :	10.00%
GST is remitted/refunded quarterly.	

#### Other Settings

Contingency as a percentage of all costs before interest :	0.00%
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Monetary amounts are shown in units, rather than in thousands.

#### Investment Purchase Price

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Investment Purchase Price:	15,000,000
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An Input Tax Credit is Available for the Investment Purchase Price.

#### Building Depreciation

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Total Building Depreciation :	2,500,000
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#### Building Depreciation Item 1 of 1

Description :	Building
Original Cost :	10,000,000
Starting Book Value :	10,000,000
Depreciation Start Date :	Jul 2011
Depreciation Rate :	2.50%

## PROPERTY INVESTMENT FEASIBILITY STUDY

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Investment:	Demo - Investment	page 13
Description:	Central Business District Office	13:18
Location:	Sydney	Nov 11
Capital City:	Sydney	2015
Prepared By:		File: Office Invt Demo

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### Inputs Report (continued)

Amounts are in \$'s

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#### Plant & Equipment Depreciation

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Total Plant & Equipment Depreciation : 2,098,177

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#### Plant & Equipment Depreciation Item 1 of 2

Description : Most Plant Items  
Original Cost / Starting Book Value : 2,000,000  
Depreciation Start Date : Jul 2011  
Depreciation Rate : 15.00%  
Depreciation is calculated using the 'P' method.

---

#### Plant & Equipment Depreciation Item 2 of 2

Description : Carpets  
Original Cost / Starting Book Value : 100,000  
Depreciation Start Date : Jul 2011  
Depreciation Rate : 33.00%  
Depreciation is calculated using the 'D' method.

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#### Rates and Taxes

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Total Rates and Taxes : 950,742

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#### Rates and Taxes Item 1 of 3

Description : Council Rates  
Fee Basis : Assessed Unimproved Value  
Fee Frequency : Annual  
Fee Paid : August  
Fee Method : Use Tax Scales

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#### Rates and Taxes Item 2 of 3

Description : Water & Sewer  
Fee Basis : Assessed Annual Value  
Fee Frequency : Quarterly  
Fee Paid : August  
Fee Method : Use Tax Scales



## PROPERTY INVESTMENT FEASIBILITY STUDY

Investment:	Demo - Investment	page 14
Description:	Central Business District Office	13:18
Location:	Sydney	Nov 11
Capital City:	Sydney	2015
Prepared By:		File: Office Invt Demo

### Inputs Report (continued)

Amounts are in \$'s

#### Rates and Taxes Item 3 of 3

Description :	Land Tax
Fee Basis :	Assessed Unimproved Value
Fee Frequency :	Annual
Fee Paid :	December
Fee Method :	Use Tax Scales

#### Assessed Values for Rates and Taxes

Assessed Unimproved Value is calculated as a percentage  
of Escalated Imputed Land Value: 100.00%  
Assessed Capital Value is calculated as a percentage  
of Escalated Imputed Capital Value: 100.00%  
Assessed Annual Value is calculated as a percentage  
of Assessed Capital Value: 5.00%

#### Stamp Duty on Transfer and Conveyancing Fees

Stamp Duty on Transfer is calculated using the tax library.	810,490
Purchaser's Conveyancing Fees :	3,000
Vendor's Conveyancing Fees :	5,000

#### Selling, Leasing and Management Fees

Selling Fees :	2.00%	898,165
Leasing Fees :	8.00%	222,400
Management Fees :	2.00%	604,450

## PROPERTY INVESTMENT FEASIBILITY STUDY

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Investment:	Demo - Investment	page 15
Description:	Central Business District Office	13:18
Location:	Sydney	Nov 11
Capital City:	Sydney	2015
Prepared By:		File: Office Invt Demo

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### Inputs Report (continued)

Amounts are in \$'s

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#### Other Costs

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Total Other Costs : 50,000

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#### Other Cost Item 1 of 1

Description : Major Services Overhaul  
Total Amount : 50,000  
Commencement : Jul 2016  
Finish Month : Jul 2016  
GST applies to this item.

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#### Capitalisation or CV Escalation Rate

Cap. Rate for Sell-On: 7.00%

GST Applies to the Investment Sale Price.

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#### Rent Income Items

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Total Rent Income Received : 30,222,523

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#### Rent Income Item 1 of 2

Description : Ground Floor Bank  
Leasing Vacancy : 0.00%  
Rent is escalated at the inflation rate: 2.00%  
Leasing Fees Date : Jul 2011 Leasing Fees apply to this item.  
Rent Start Date : Jul 2011  
First Review Date : Jul 2012  
Quarters Between Reviews : 8  
This tenant does NOT pay pro-rata Rates and Taxes.  
This tenant does NOT pay pro-rata Management Fees.  
GST applies to this item  
... from the rent start date.

Quantity :	Rate1 :	Rate2 :	Amount :
400	700	1	280,000

## PROPERTY INVESTMENT FEASIBILITY STUDY

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Investment:	Demo - Investment	page 16
Description:	Central Business District Office	13:18
Location:	Sydney	Nov 11
Capital City:	Sydney	2015
Prepared By:		File: Office Invt Demo

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### Inputs Report (continued)

Amounts are in \$'s

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#### Rent Income Item 2 of 2

Description : Upper Level Offices  
Leasing Vacancy : 0.00%  
Rent is escalated at the inflation rate: 2.00%  
Leasing Fees Date : Jul 2011 Leasing Fees apply to this item.  
Rent Start Date : Jul 2011  
First Review Date : Jul 2012  
Quarters Between Reviews : 8  
This tenant does NOT pay pro-rata Rates and Taxes.  
This tenant does NOT pay pro-rata Management Fees.  
GST applies to this item  
... from the rent start date.

Quantity :	Rate1 :	Rate2 :	Amount :
5000	500	1	2,500,000