

Recommended property: *“Princess Court”* Princess Mary Street, St. Marys



Type:	2 & 3 bedroom apartments
Price range:	\$305,000 - \$315,000 (2 BR)
Rental (est.):	5.87% gross
Project size:	50 apartments
Status:	Off the plan
Stamp duty:	25% discount
Deposit:	10% cash, bank guarantee or deposit bond.
Settlement:	Late 2012

Princess Court is a new development located in the Sydney suburb of St Marys, consisting of two and three bedroom apartments. The average price of a two bedroom apartment in this project is \$310,000.

“These developers have an excellent track record in quality of construction as well as in post-settlement follow up. The St Marys area has been experiencing the same tight rental market that is evident across the Sydney metropolitan area. A gross rental yield of over 5.8% provides solid income with commensurately low holding costs.”

These apartments are currently available for off-the-plan purchase with all apartments qualifying for the NSW Government’s 25% stamp duty discount. Investors borrowing 100% at a purchase price of \$310,000 and receiving a rental income of \$350 per week may hold a unit for an expected cost in year one of approximately \$1,599 (37% tax rate).

At a tax rate of 45% the expected cost in year one is \$128.

Holding cost summary (year one)	
Gross rental income (less 2% vacancy rate)	\$17,836
Total tax deductions	\$36,233
Tax surplus/deficit	(\$18,397)
Before tax cash flow	(\$8,682)
Estimated holding cost at marginal tax rates	
15% (SMSF—Nil borrowings)	\$11,760
30%	(\$2,887)
37%	(\$1,599)
45%	\$128



Inclusions:	
<ul style="list-style-type: none"> Clothes dryer Air conditioning Light fittings Carpets Fly screens Intercom security 	<ul style="list-style-type: none"> Caesar stone bench tops Blinds Separate storage BBQ gas bayonet Mirrored robes

