

HORIZON CAPITAL | INTERNATIONAL

ROI Example For A Typical Bath Property

Property Information

		Effective percentage
Cost of Property	£266 000	
Stamp Duty	£3 300	1.2%
HC Upfront Fee	£13 300	5.0%
Lease Fee	£498	50.0%
Solicitor's Fee	£2 450	0.9%
Bank Raising Fee	£1 729	0.7%
Bank Valuation Fee	£445	0.2%
Bank Solicitor's Fee	£1 500	0.6%
Surveyor's Fee	£475	0.2%
Search Fee	£400	0.2%
Upfront Repairs and Maintenance	£0	0.0% newly renovated, no repairs necessary
White Goods	£750	0.3%
Gas and Electrical Searches	£250	0.1%
Other	£850	0.3%
Total Cost	£291 947	

Rental Information (Monthly)

Rental Income	£995
Body Corporate Levy	£75
HC Management Fee	£99.50
Maintenance Provision	£20

Financing Information

	%	£	Rate	Term (Yrs)
Portfolio Loan	0%	£0	2.50%	5 Interest Only
Mortgage Loan	65%	£172 900 *	3.80%	5 Interest Only
Equity	35%	£119 047		
		£291 947		

Performance Summary

	Base Estimate		Optimistic Estimate	
	Pounds	Rands	Pounds	Rands
Gross Yield**	4.5%		4.5%	
Monthly Cash Flow (excl. maintenance provision)	£273		£273	
Total Anticipated Returns				
Net Yield on cost of property	3.7%	3.7%	3.9%	3.9%
Capital Gain	10.0%	10.0%	17.8%	17.8% *****
Rand Depreciation	-	11.6% ***	-	15.0% *****
	13.7%	25.3%	21.7%	36.7%

Note:

Loan terms may vary depending on negotiations with the chosen finance provider.

* Percentage used relates to the cost of the property.

** Rental returns / yields may differ depending on location and style of the property.

*** Rand Depreciation over 5 year period to July 2016 against Sterling

**** 2016 Bath UK figure used.

***** Worst case scenario if South Africa's rating is downgraded

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