

## MAKE INFLATION WORK FOR YOU

A RECENT CLIENT WHO BOUGHT ONE OF OUR 5 BEDROOM EXECUTIVE HOMES AT NORTH HARBOUR BRISBANE HAS ASKED FOR A "BALLPARK" FIGURE OF HIS FINANCIAL GAIN OVER THE NEXT 10 YEARS.

### FACTS:

- Total "turn key" house package \$497,950
- Borrow using equity 100% plus legals, stamp duty etc, Principle and Interest 30 years at 4.65% variable
- Initial equity – minus \$18,000
- Client Salary \$110,000 per annum
- Rent \$480 per week
- Tax refund \$157 per week
- Client contribution \$154 per week = \$8,008 per annum
- Ballpark contribution 10 years at \$8,008 per annum = \$80,000
- Estimated value of house in 10 years = \$1,000,000
- Estimated owing on house in 10 years = \$400,000
- Estimated equity in 10 years = \$600,000

I do not have a crystal ball, however base the above on results of investing in quality Residential Real Estate in Brisbane over the last 40 years.

**Fact** – the average price of a house in Brisbane in 1972 was \$15,000, today it is \$632,000 There will be other variables like future rates of inflation and interest rates, but the fact remains that with our Government spending money it does not have, inflation is here to stay.

The main cause of inflation is our Government budgeting for a deficit, but funding it by just printing more money, which in turn dilutes the value of existing currency. Whilst the **REAL** value of a house in Brisbane might well remain constant, with inflation, the **DOLLAR** value can double in 10 years!

Whilst inflation is a cruel enemy of retirees **MAKE IT WORK FOR YOU!**

- STEVE TAYLOR



### DISCLAIMER:

Steve Taylor & Partners Editorial is opinion and not advice. Readers should seek their own professional advice on the subject being discussed.

# LOOKING AT AN INVESTMENT PROPERTY IN BRISBANE?

"My Dad was a client of Steve's for over 20 years and recently retired owning six houses and debt free. I am now also a very happy client of Steve's and wish I had listened to Dad 10 years ago when he suggested I talk to Steve."

**Mark (Fitter)**



(07) 4987 7567  
2 Borilla St, Emerald QLD  
office@stevetaylor.com.au

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& PARTNERS  
PROPERTY DEVELOPERS AND CONSULTANTS