



RUBY
GUNG AHLIN

*Considering investing in Ruby?
Here's some compelling data that
might make the decision a little easier.*

Why buy now?

Historically low interest rates combined with Canberra's strong population growth and a very low unemployment rate have all combined to make the ACT the toast of investors. Adding to this rosy picture is the fact that properties in the ACT are a lot more affordable than close neighbours Sydney and Melbourne.

Since 2011 the ACT's population has grown by 11.4%, driven by the record growth of Gungahlin. New residents are moving to Canberra faster than ever before, attracted by the high standard of living, high quality jobs, healthcare and education services. It is a win/win for ACT investors at the moment with both rental rates and median house prices growing faster than the Sydney and Melbourne markets. Over the past twelve months, Canberra had the lowest vacancy rate at 1.1% and the highest unit rental yield in the nation at 5.77 per cent representing excellent return on investment.

Property prices in the ACT are expected to continue to grow steadily in the year ahead.

Why invest in Gungahlin?

Gungahlin is not only the fastest growing region in the ACT but also one of the fastest growing regions in the nation. In fact more than 3000 people are projected to be moving to Gungahlin each year for the next 10 years. There are many reasons for this:

- The Gungahlin to Canberra City Light Rail will be the first stage of the light rail network in the ACT, and is currently well under construction. It is due to be up and running early in 2019.
- In addition to a state of the art public transport system, local road upgrades are currently in full swing. Most of the main roads coming into and out of Gungahlin have either been duplicated or are in the process of duplication which will result in a smoother commute for local residents to Canberra City, Canberra Airport and other destinations including Sydney and the NSW south coast.
- The ACT Government and Federal Governments have invested heavily in infrastructure in the Gungahlin region. Residents have a good choice of highly regarded schools for children of all ages, from kindergarten through to college level.
- Recreational facilities are well provided for with indoor pools, ovals, gymnasiums, parks, lakes, walking & cycle paths and natural reserves dotted throughout the region.
- Retail and hospitality are well represented in the region giving local residents a huge variety of shopping and dining options, and also providing employment opportunities for local residents.
- Additional retail and commercial space are also in the pipeline. The Gungahlin Cinema Complex is due to start construction soon and will encompass 20,000 square meters of cinemas, retail and dining space as well as extra car parking for 310 cars. The 3000 m2 Eastlake Club is currently under construction and when finished will have a variety of family friendly facilities.

Characteristics of Gungahlin and its residents

Population 2017
(predicted to be more than 102,000 by 2027)

73,133

Median Age	Married	Homes rented
31	55%	32%

Average people per household	Educated to diploma level or above	Median weekly rent
2.9	48%	\$390

Median weekly household income
(well above the ACT average of \$2087 and the national average of \$1438)

\$2247



Unit types available at Ruby

(Below table summarises unit types, sizes, price range and forecast rental figures at the Ruby Gungahlin Development)

UNIT TYPE	UNIT NO	INT SQM	EXT SQM	TOTAL SQM	PRICE BRACKET	RENT P/W
2 Bedroom (A)	38	51	9	60	\$320,000 – \$340,000	\$370 – \$390
2 Bedroom (B)	38	58	10–17	68-75	\$360,000 – \$380,000	\$380 – \$400
2 Bedroom + Ensuite	52	73-90	9–54	82-144	\$420,000 – \$570,000	\$470 – \$520
3 Bedroom + Ensuite	20	106	11	117	\$585,000 – \$700,000	\$560 – \$580
Penthouse Collection	20	Note: Due to the unique nature not included in this rental analysis				

Depreciation

UNIT TYPE	AVG PRICE	PLANT & EQUIP	DIVISION 43	TOTAL
2 Bedroom (A)	\$300,000	\$6,519	\$4,521	\$11,040
2 Bedroom (B)	\$340,000	\$6,739	\$5,158	\$11,897
2 Bedroom + Ensuite (A)	\$460,000	\$7,459	\$7,016	\$14,475
2 Bedroom + Ensuite (B)	\$500,000	\$7,458	\$7,633	\$15,091
3 Bedroom + Ensuite	\$625,000	\$7,908	\$9,407	\$17,315

Depreciation of plant is based on the Diminishing value method applying low-value pooling in year 1. Division 43 allowance is calculated using 2.5% depending on the property type and date of construction. *Source: BMT Tax Depreciation.*

Property investment analysis

	2 BEDROOM (A)	2 BEDROOM (B)	2 BEDROOM+ENSUITE(A/B)	3 BED+ENSUITE
PURCHASE PRICE	\$320,000	\$360,000	\$470,000	\$620,000
ESTIMATED RENT P/W	\$390	\$400	\$490	\$580
DEPOSIT (10%)	\$32,000	\$36,000	\$47,000	\$62,000
GROSS RENTAL YIELD	6.34%	5.78%	5.42%	4.86%

Inflation rate 1.80% **Interest rate** 5.00% **Marginal Tax rate** 37% *Applicable to incomes between \$87,001–\$180,000*
Stamp Duty *Note, stamp duty on Investment properties in the ACT is a deductible expense*

Cost/(income) per week

1 YEAR	(108)	(115)	(152)	(142)
2 YEAR	(45)	(36)	(45)	(40)
3 YEAR	(42)	(33)	(40)	(35)
4 YEAR	(39)	(29)	(35)	(32)
5 YEAR	(38)	(31)	(36)	(32)

Above table outlines net income (net cash flow into your pocket) per week after tax. These figures are calculated as pre tax cash flow amounts less any tax credits assuming tax refunds are issued in the same year in which they are based.

Investment cost analysis

(2 Bedroom (B) with a 10% Deposit – Year 1)

INCOME/EXPENSE	PAYMENT MODE	37% MARGINAL TAX
TOTAL EXPENSES	Aggregate Costs of running Investment	\$23,200
TOTAL REVENUE		
TENANT	Rent	\$20,400
ATO	Tax saving	\$8,760
YOU	Profit	\$5,960

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