

STUDENT ACCOMMODATION > UniLodge 88 Hindley St, Adelaide SA



Capitalise on the ever increasing number of students seeking inner city accommodation.

Prices from \$199,950* with a 5%* return outlook



SUBURB PROFILE

- Adelaide represents the cheapest mainland capital city making investment relatively affordable compared to other states
- 20,100 new people to Adelaide over the last 1.5 years and experiencing record population growth
- Strong demand for rental and housing accommodation
- Vacancy rates at historic lows of around 1.2%
- Billions of dollars being injected in Mining, Education and Defence

LOCATION FEATURES

- Centre of Adelaide university campuses
- Cafes, restaurants, shopping, cinemas etc
- Major student accommodation shortage in Adelaide
- International students doubled to 23,300 in last 5 years

PROPERTY FEATURES

- 300 apartments over 15 floors
- 1 & 2 bedroom apartments available
- Pooled income – greatly reduced vacancy risk
- Expert on site student management company
- Occupancy rates Australia wide virtually 100%*
- Rental demand will drive up prices
- Could suit self managed super funds

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PRPROPERTY
INVESTMENT AGGREGATORS

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Research Methodology

Correct property selection is critical. To qualify, every property recommended is analysed to meet our strict criteria for strong capital growth potential and sound returns. Below is a summary of this project's credentials.

CATEGORY	SUMMARY
PROPERTY FUNDAMENTALS	
1. Location	In the heart of the Adelaide University precinct, CBD, and entertainment areas.
2. Desire	High quality, excellent secure facilities, sizes and amenities. On-site student support.
3. Quality	Brand new, includes furniture and appliances.
4. Design	Purpose built for students with great common areas and attractive outlooks from most apartments.
5. Developer	Specialist in student accommodation and high quality construction.
INVESTMENT FUNDAMENTALS	
6. Capital Gain	Excess demand for CBD student accommodation is forecast to persist. Rents are expected to rise steadily. Analysis of Rundle Mall student accommodation sales shows an average annual gain of around 6% during a time of largely rising interest rates.
7. Value	Particularly for the small investor or a superfund – from \$199,950. Likely to be cash flow positive for many investors.
8. Rental Yield	About 5.3% net. Since 2001, rentals on Rundle Mall student accommodation increased at an average of 6 – 7% pa. After the initial student intake period, UniLodge have tenancy rates of 98% – 100% nationally. A rental guarantee of 5% net is available from settlement until end of 2010.
9. Supply & Demand	A shortage of student accommodation in Adelaide makes this a sought after investment.
10. Finance	A number of funders have approved the project at up to 70% of valuation.

FINANCIALS

Price	From around \$199,950
Net Yield	5%+
Gross Income	\$17k p/a
Rental Expenses	\$6k p/a
1ST Year Tax Deductions (70% & 100% LVR)	\$26k & \$31k p/a
Holding Costs at 7.59% interest & 41.5% Marginal Tax Rate	
• 70% LVR = cash flow positive!	+\$40 per week
• 100% LVR = cash flow positive!	+\$2 per week

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Disclaimer: This document is intended as a general guide only. It does not take into account the specific circumstances of any prospective interest holder who should therefore not rely on the information contained in this report to make a decision to take any interest in all or any part of the properties reviewed, but rather satisfy itself by its own inspection and by undertaking all necessary searches and enquiries as to the accuracy and comprehensiveness of all information provided or otherwise made available to it by any one of the authors, including the suitability of any property to their specific circumstances. Figures used are based on assumed input values that can be varied and can in no way be relied upon as a guarantee of current or future performance. Developers reserve the right to change prices at any time.