

Commercial Property Cash-flow Masterclass

Residential Comparison To Commercial Property In Beenleigh QLD

Welcome to your Masterclass series. This Masterclass we are looking at a comparison between 2 residential investments in Beenleigh and 2 commercial investments as of June 2019.

Commercial Property 1- Office at Manila St- Beenleigh

Property Details

- Corridor Business Centre, Suite 110 58-60 Manila Street, Beenleigh, QLD 4207
- Offices - Strata
- Offers Over \$310,000,
- Currently Leased at \$350 Per Sqm Net + GST = \$26,600 Net per annum
- Floor area. 76.0m²

RIO, Yield and Cashflow calculations

Estimated Outgoings:

- All outgoings paid by tenant (includes insurance, all rates etc)
- Maybe a special levies fund fee- check body corporate details.
- Self Manage- No agent letting fee

Total = \$0

Net Rent = \$26,600

Yield = $\$26,600 / \$310,000 = 8.58\%$

Cash-flow estimate - Manila St Office

Purchase Price	\$310,000
Stamp Duty & Legals (5%)	\$15,500
Money Out = Total Cost	\$325,500
Commercial Loan (70% of Price)	\$227,850
Deposit = Home Equity Release (Deposit + Stamp Duty)	\$97,650
Money In = Total Funding	\$325,500
Net Rent from leases (8.58% Yield)	\$26,600
Loan Interest (Blended rate on both loans 4.7%)	\$15,298
Positive Cash Flow (Rent - Loan Interest) Per annum	\$11,302
This property is generating income of \$217.35 per month	

Commercial Property 2- Logan River Rd Beenleigh

Property Details

- Unit 5/29 Logan River Road, Beenleigh, QLD 4207
- Offices- Strata
- SALE PRICE. \$260,000
- Floor area 105.0m²
- Vacant Possession
- Annual Lease: \$19 200 + GST + Outgoings (Net \$182.85 per square meter)

RIO, Yield and Cashflow calculations

Estimated Outgoings:

- All outgoings paid by tenant (includes insurance, all rates etc)
- Maybe a special levies fund fee- check body corporate details.
- Self Manage- No agent letting fee

Total = \$0

Assume 6 to 12 months to lease- plus 2 months rent free period as a tenant incentive- So negotiate price down based on this and check market rates.

Net Rent = Gross Rent - Outgoings = \$19,200

Yield = \$19,200 / \$260,000 = 7.38%

Cash-flow estimate - Logan River Rd Office

Purchase Price	\$260,000
Stamp Duty & Legals (5%)	\$13,000
Money Out = Total Cost	\$273,000
Commercial Loan (70% of Price)	\$191,100
Deposit = Home Equity Release (Deposit + Stamp Duty)	\$81,900
Money In = Total Funding	\$273,000
Net Rent from leases (7.38% Yield)	\$19,200
Loan Interest (Blended rate on both loans 4.7%)	\$12,831
Positive Cash Flow (Rent - Loan Interest) Per annum	\$6,369
This property is generating income of \$122.48 per month	

Residential Property 1- House at Adelaide Circuit- Beenleigh

Property Details

- 60 Adelaide Circuit, Beenleigh, Qld 4207
- 3BD 1 bath 1 car space
- 706 m²House
- Offers Over \$299,000 - We will assume \$310,000
- Currently tenanted at \$350 per week = \$18,200 per annum

RIO, Yield and Cashflow calculations

Estimated Outgoings:

- Council rates: \$750 per year
- Water Rates: \$800 per year
- Building insurance \$500
- Landlords insurance \$335
- Minor maintenance \$250
- Agents letting fee of 7% = \$1,274

Total = \$3,909

Net Rent = Gross Rent - Outgoings = \$14,291

Yield = \$14,291 / \$310,000 = 4.6%

Cash-flow estimate - House Adelaide Circuit

Purchase Price	\$310,000
Stamp Duty & Legals (5%)	\$15,500
Money Out = Total Cost	\$325,500
Residential Loan (70% of Price)	\$227,850
Deposit = Home Equity Release (Deposit + Stamp Duty)	\$97,650
Money In = Total Funding	\$325,500
Net Rent from lease (4.6% Yield)	\$14,291
Loan Interest at 3.5% on full amount	\$11,392
Positive Cash Flow (Rent - Loan Interest) Per annum	\$2,899
This property is generating income of \$55.75 per month	

Residential Property 2- House at Benjul Drive - Beenleigh

Property Details

- 5 Benjul Drive, Beenleigh, Qld 4207
- 3BR 1 bath 1 car space
- 600 m² House
- Offers Over \$299,000
- Currently tenanted at \$350 per week = \$18,200 per annum

RIO, Yield and Cashflow calculations

Estimated Outgoings:

- Council rates: \$750 per year
- Water Rates: \$800 per year
- Building insurance \$500
- Landlords insurance \$335
- Minor maintenance \$250
- Agents letting fee of 7% = \$1,274

Total = \$3,909

Net Rent = Gross Rent - Outgoings = \$14,291

Yield = \$14,291 / \$299,000 = 4.78%

Cash-flow estimate- House Benjul Drive

Purchase Price	\$299,000
Stamp Duty & Legals (5%)	\$14,950
Money Out = Total Cost	\$313,950
Residential Loan (70% of Price)	\$219,765
Deposit = Home Equity Release (Deposit + Stamp Duty)	\$94,185
Money In = Total Funding	\$313,950
Net Rent from lease (4.78% Yield)	\$14,291
Loan Interest at 3.5% on full amount	\$10,988
Positive Cash Flow (Rent - Loan Interest) Per annum	\$3,303
This property is generating income of \$63.52 per month	

Comparison & Conclusions

Property Beenleigh QLD	House- Adeliade Circuit	House- Benjul Drive	Office-Manila Street	Office- Logan River Rd
Price	\$310,000	\$299,000	\$310,000	\$260,000
Net Rent	\$14,291	\$14,291	\$26,600	\$19,200
Yield	4.6%	4.78%	8.58%	7.38%
Cash-flow Per Month	\$55.75	\$63.52	\$217.35	\$122.48

Conclusions

The commercial properties are still providing a positive cashflow, that's more than double the residential properties.

The commercial offices when vacant- will most likely take longer to re-tenant- than residential properties.

The leases on the commercial offices are likely to be longer - eg. 2 to 4 years and will most likely attract rental increases each year of 2.5% to 4% each year.

General maintenance on the commercial properties is taken care of by the body corporate, as they are start titled.

The growth in the commercial properties will be created from rental increases over time. You may also get some capital growth effects from the suburb growth.

The growth of residential properties will grow as per the suburb demographics.

Beenleigh
QLD 4207

 Houses  Units

Upgrade to Premium



Here you can find what you need to know about **Beenleigh, QLD**, including house prices in the area, median values, annual growth, recent sale prices, maps, a suburb profile and much more.

Suburb Insights for Houses in last 12 months

At a Glance

\$345k

Median Sale Price 

(National Average \$485k)



652nd in QLD

2.99%

Median Price Change (1 yr) 

(National Average 4.30%)



345th in QLD

\$350_{pw}

Median Rent 

(National Average \$395)



579th in QLD

5.3%

Median Gross Yield 

(National Average 4.24%)



236th in QLD