Combined Cash-Flow Projections — All-Cash vs Leveraged

Top Pick Per Country | 5-Year Total Return Analysis

> **Disclaimer:** Projections use current market yields, estimated operating costs, and conservative growth forecasts. All amounts in USD. Exchange rates as at August 2026. This is not financial advice — consult licensed professionals in each jurisdiction.

Executive Summary — Side-by-Side Comparison

Rank	Country	Property	All-Cash: Annualised	Leveraged: Annualised	Leverage Verdict
1	UAE	Sparkle Tower 2, Dubai Marina	6.5%	**7.6%**	✓ Leverage helps (+1.1%)
2	UK	Wardley, Manchester	6.2%	**7.3%**	✓ Leverage helps (+1.1%)
3	Spain	Penthouse, Valencia	6.2%	**6.3%**	✓ Leverage marginal (+0.1%)
4	Australia	Arca Residences, Brisbane	**5.4%**	4.1%	✗ Leverage hurts (-1.3%)
5	Canada	Campground, Saugeen Shores	**5.1%**	3.1%	✗ Leverage hurts (-2.0%)
6	USA	501 First Residences, Miami	**4.8%**	1.2%	✗ Leverage kills (-3.6%)
7	Portugal	Matosinhos, Porto	**4.4%**	2.0%	✗ Leverage hurts (-2.4%)
8	Germany	Köpenick, Berlin	**4.3%**	3.1%	✗ Leverage hurts (-1.2%)
9	Singapore	Seahill (1-bed)	**2.6%**	1.6%	✗ Leverage hurts (-1.0%)
10	Japan	1LDK, Shinjuku, Tokyo	1.8%	N/A	Mortgages not available

Key Insight

Leverage only works in 2 of 9 markets. Mortgage rates are too high relative to rental yields in most countries. Dubai and UK Manchester are the only places where borrowing money to buy property is net-positive after all costs. Everywhere else, you're better off paying cash or not buying at all with a mortgage.

Detailed Comparison Table

Rank	Country	Property	Price	Cash Invested (All-Cash)	Net CF/Yr (Cash)	Net Yield (Cash)	Cash Invested (Leveraged)	Net CF/Yr (Leveraged)	Net Yield (Leveraged)	5yr Return (Cash)	5yr Return (Leveraged)
1	UAE	Sparkle Tower 2	$869k	$921k	+$30,791	3.3%	$313k	-$9,782	-3.1%	37.2%	44.5%
2	UK	Wardley, Manchester	$159k	$169k	+$6,586	3.9%	$66k	+$334	0.5%	34.9%	42.2%
3	Spain	Penthouse, Valencia	$420k	$460k	+$9,439	2.1%	$208k	-$8,099	-3.9%	35.3%	35.9%
4	Australia	Arca, Brisbane	$776k	$850k	+$1,452	0.2%	$384k	-$32,046	-8.3%	29.8%	22.3%
5	Canada	Campground, ON	$1.2M	$1.24M	+$40,601	3.3%	$638k	-$7,841	-1.2%	28.0%	16.4%
6	USA	501 First, Miami	$540k	$551k	-$1,980	-0.4%	$200k	-$28,603	-14.3%	26.4%	6.1%
7	Portugal	Matosinhos, Porto	$278k	$297k	+$4,465	1.5%	$131k	-$7,144	-5.5%	24.1%	10.4%
8	Germany	Köpenick, Berlin	$185k	$200k	+$3,439	1.7%	$89k	-$2,937	-3.3%	23.4%	16.6%
9	Singapore	Seahill	$615k	$990k	+$7,226	0.7%	$683k	-$8,581	-1.3%	13.5%	8.1%
10	Japan	Shinjuku, Tokyo	$502k	$522k	-$1,205	-0.2%	N/A	N/A	N/A	9.5%	N/A

Detailed Breakdown — All 10 Properties

#1: UAE — Sparkle Tower 2, Dubai Marina

Property: $869,000 | Gross yield: 5.8% | Growth: 4.0%/yr | Tax: Zero income tax, zero CGT

Scenario A: All-Cash

Line Item	Amount
Total cash invested (property + 4% DLD + legal)	$921,140
Gross rental income	$50,402/yr

Line Item	Amount
Service charges (AED 150/sqm)	$5,798/yr
Property management (5%)	$2,520/yr
Insurance (0.3%)	$2,607/yr
Maintenance (1%)	$8,690/yr
Property tax	$0
Net operating income	**$30,791/yr**
Income tax (0%)	$0
Net cash flow	**+$30,791/yr (3.3% yield)**
5-year property value (4% growth)	$1,057,271
Capital gain	$188,271
CGT (0%)	$0
Total rental income (5yr)	$153,956
Total 5-year return	**$342,228 (37.2%)**
Annualised return	**6.5%**

Scenario B: Leveraged (70% LTV @ 4.5%, 25yr)

Line Item	Amount
Cash invested (30% deposit + costs)	$312,840
Loan amount	$608,300
Monthly mortgage	$3,381
Annual mortgage	$40,574/yr
Net cash flow (after debt + tax)	**-$9,782/yr (-3.1% yield)**
Principal paydown (year 1)	$13,200
Total rental income (5yr, net)	-$48,911
Total 5-year return (incl. equity build)	**$139,360 (44.5%)**
Annualised return	**7.6%**
Verdict	**✓ Leverage helps (+1.1%)**

Why leverage works here: Zero tax means the full NOI covers debt service. Property growth (4%) exceeds mortgage rate after tax adjustment. You lose $9.8k/yr in cash flow but gain $13.2k/yr in equity + $188k in tax-free capital gain on only $313k invested.

#2: UK — Wardley, Manchester

Property: $159,000 | Gross yield: 7.5% | Growth: 4.0%/yr | Tax: 24% on profit, 24% CGT

Scenario A: All-Cash

Line Item	Amount
Total cash invested (property + 5% SDLT + legal)	$169,335

Line Item	Amount
Gross rental income	$11,925/yr
Operating expenses (mgmt, insurance, maintenance)	$3,260/yr
Net operating income	**$8,666/yr**
Income tax (24% on profit)	$2,080/yr
Net cash flow	**+$6,586/yr (3.9% yield)**
5-year property value	$193,448
Capital gain	$34,448
CGT (24%)	$8,267
Total rental income (5yr)	$32,929
Total 5-year return	**$59,109 (34.9%)**
Annualised return	**6.2%**

Scenario B: Leveraged (65% LTV @ 5.5%, 25yr)

Line Item	Amount
Cash invested (35% deposit + costs)	$65,985
Loan amount	$103,350
Monthly mortgage	$635
Annual mortgage	$7,616/yr
Net cash flow (after debt + tax)	**+$334/yr (0.5% yield)**
Principal paydown (year 1)	$1,932
Total 5-year return	**$27,851 (42.2%)**
Annualised return	**7.3%**
Verdict	**✓ Leverage helps (+1.1%)**

Why leverage works here: Lowest entry point ($66k) with positive cash flow even with a mortgage. The 7.5% gross yield covers the 5.5% mortgage rate. You're building equity with just $66k down.

#3: Spain — Penthouse, Valencia

Property: $420,000 | Gross yield: 6.5% | Growth: 6.0%/yr | Tax: 24% on gross rent, 19% CGT

Scenario A: All-Cash

Line Item	Amount
Total cash invested (property + 8% ITP + legal)	$459,900
Gross rental income	$27,300/yr
Operating expenses (IBI, community, mgmt, insurance, maint)	$11,309/yr
Net operating income	**$15,991/yr**
Income tax (24% on gross rent — not profit!)	$6,552/yr
Net cash flow	**+$9,439/yr (2.1% yield)**

Line Item	Amount
5-year property value (6% growth)	$562,055
Capital gain	$142,055
CGT (19%)	$26,990
Total rental income (5yr)	$47,196
Total 5-year return	**$162,260 (35.3%)**
Annualised return	**6.2%**

Scenario B: Leveraged (60% LTV @ 3.5%, 20yr)

Line Item	Amount
Cash invested	$207,900
Loan amount	$252,000
Monthly mortgage	$1,461
Net cash flow (after debt + tax)	**-$8,099/yr (-3.9% yield)**
Principal paydown (year 1)	$8,718
Total 5-year return	**$74,570 (35.9%)**
Annualised return	**6.3%**
Verdict	**✓ Leverage marginal (+0.1%)**

Note: Spain's 24% tax on **gross** rent (not profit) is the drag. Mortgage interest isn't deductible against this gross-rent tax. Leverage is barely positive because the 3.5% mortgage rate is low (Euribor-based), but you bleed $8k/yr in cash flow.

#4: Australia — Arca Residences, Brisbane

Property: $776,000 | Gross yield: 4.2% | Growth: 6.0%/yr | Tax: 30% on profit, 12.5% CGT (50% discount)

Scenario A: All-Cash

Line Item	Amount
Total cash invested (property + 8% foreign stamp + legal)	$849,720
Gross rental income	$32,592/yr
Operating expenses (strata, foreign land tax 2%, mgmt, insurance, maint)	$31,140/yr
Net operating income	**$1,452/yr**
Income tax (30% on profit)	$0 (NOI too low)
Net cash flow	**+$1,452/yr (0.2% yield)**
5-year property value (6% growth)	$1,038,463
Capital gain	$262,463
CGT (12.5% after 50% discount)	$16,404
Total rental income (5yr)	$7,258
Total 5-year return	**$253,317 (29.8%)**

Line Item	Amount
Annualised return	**5.4%**

Scenario B: Leveraged (60% LTV @ 6.0%, 30yr)

Line Item	Amount
Cash invested	$384,120
Monthly mortgage	$2,792
Net cash flow (after debt + tax)	**-$32,046/yr (-8.3% yield)**
Total 5-year return	**$85,827 (22.3%)**
Annualised return	**4.1%**
Verdict	**✗ Leverage hurts (-1.3%)**

Note: Foreign stamp duty (8%) + foreign land tax (2%/yr) + 6% mortgage rate = triple penalty. Pure growth play — all return comes from capital appreciation (Brisbane Olympics 2032). Cash only.

#5: Canada — Campground, Saugeen Shores, Ontario

Property: $1,203,000 | Gross yield: 10.0% | Growth: 3.0%/yr | Tax: 25% on profit, 25% CGT

Scenario A: All-Cash

Line Item	Amount
Total cash invested	$1,239,090
Gross rental income	$120,300/yr
Operating expenses (prop tax, mgmt, insurance, maint 3%)	$72,180/yr
Net operating income	**$48,120/yr**
Income tax (25%)	$7,519/yr
Net cash flow	**+$40,601/yr (3.3% yield)**
5-year property value	$1,394,607
Capital gain	$191,607
CGT (25%)	$47,902
Total rental income (5yr)	$203,006
Total 5-year return	**$346,711 (28.0%)**
Annualised return	**5.1%**

Scenario B: Leveraged (50% LTV @ 7.0%, 20yr)

Line Item	Amount
Cash invested	$637,590
Monthly mortgage	$4,663
Net cash flow	**-$7,841/yr (-1.2% yield)**
Total 5-year return	**$104,500 (16.4%)**

Line Item	Amount
Annualised return	**3.1%**
Verdict	**✗ Leverage hurts (-2.0%)**

Note: Highest gross yield (10%) and highest absolute cash flow ($40k/yr) — but commercial 7% mortgage rate kills leverage. Cash buyer only. Active management required (it's a campground).

#6: USA — 501 First Residences, Miami

Property: $540,000 | Gross yield: 8.0% | Growth: 6.0%/yr | Tax: 30% on profit, 15% FIRPTA

Scenario A: All-Cash

Line Item	Amount
Total cash invested	$551,340
Gross rental income (STR)	$43,200/yr
Operating expenses (HOA $450/sqm, prop tax 1.1%, STR mgmt 10%, insurance 0.8%, maint)	$45,180/yr
Net operating income	**-$1,980/yr**
Net cash flow	**-$1,980/yr (-0.4% yield)**
5-year property value (6% growth)	$722,642
Capital gain	$182,642
CGT/FIRPTA (15%)	$27,396
Total 5-year return	**$145,346 (26.4%)**
Annualised return	**4.8%**

Scenario B: Leveraged (65% LTV @ 6.5%, 30yr)

Line Item	Amount
Cash invested	$200,340
Monthly mortgage	$2,219
Net cash flow	**-$28,603/yr (-14.3% yield)**
Total 5-year return	**$12,232 (6.1%)**
Annualised return	**1.2%**
Verdict	**✗ Leverage kills (-3.6%)**

Note: HOA fees ($25k/yr) exceed the mortgage. This property is cash-flow negative even with no mortgage. The entire return is capital growth. **Verify actual HOA before buying** — if HOA is $300/sqm instead of $450, it turns positive.

#7: Portugal — Matosinhos, Porto

Property: $278,000 | Gross yield: 6.0% | Growth: 4.5%/yr | Tax: 25% on gross rent, 28% CGT

Scenario A: All-Cash

Line Item	Amount
Total cash invested	$297,460
Gross rental income	$16,680/yr
Operating expenses	$8,045/yr
Net operating income	**$8,635/yr**
Income tax (25% on gross)	$4,170/yr
Net cash flow	**+$4,465/yr (1.5% yield)**
5-year property value	$346,439
Capital gain	$68,439
CGT (28%)	$19,163
Total rental income (5yr)	$22,323
Total 5-year return	**$71,599 (24.1%)**
Annualised return	**4.4%**

Scenario B: Leveraged (60% LTV @ 3.5%, 20yr)

Line Item	Amount
Cash invested	$130,660
Monthly mortgage	$967
Net cash flow	**-$7,144/yr (-5.5% yield)**
Total 5-year return	**$13,556 (10.4%)**
Annualised return	**2.0%**
Verdict	**✗ Leverage hurts (-2.4%)**

Note: Same problem as Spain — 25% tax on **gross** rent (not profit) means mortgage interest isn’t deductible. The 28% CGT is also the highest on this list.

#8: Germany — Köpenick, Berlin

Property: $185,000 | Gross yield: 3.95% | Growth: 3.0%/yr | Tax: 15% on profit, 0% CGT if held >10yr

Scenario A: All-Cash

Line Item	Amount
Total cash invested	$199,800
Gross rental income	$7,308/yr
Operating expenses	$3,360/yr
Net operating income	**$3,948/yr**
Income tax (15% on profit)	$509/yr
Net cash flow	**+$3,439/yr (1.7% yield)**
5-year property value	$214,466

Line Item	Amount
Capital gain	$29,466
CGT (0% if >10yr)	$0
Total rental income (5yr)	$17,195
Total 5-year return	**$46,661 (23.4%)**
Annualised return	**4.3%**

Scenario B: Leveraged (60% LTV @ 3.8%, 25yr)

Line Item	Amount
Cash invested	$88,800
Monthly mortgage	$574
Net cash flow	**-$2,937/yr (-3.3% yield)**
Total 5-year return	**$14,783 (16.6%)**
Annualised return	**3.1%**
Verdict	**✗ Leverage hurts (-1.2%)**

Note: The 10-year CGT exemption is the standout feature. Hold 10+ years, pay zero CGT. Second-lowest entry ($200k all-cash, $89k leveraged). Low yield (3.95%) means leverage doesn’t work — but long-term hold for tax-free appreciation is attractive.

#9: Singapore — Seahill (1-bed)

Property: $615,000 | Gross yield: 3.0% | Growth: 3.0%/yr | Tax: 22% on profit, 0% CGT

Scenario A: All-Cash

Line Item	Amount
Total cash invested (property + 60% ABSD + legal)	$990,150
Gross rental income	$18,450/yr
Operating expenses	$9,532/yr
Net operating income	**$8,918/yr**
Income tax (22% on profit)	$1,691/yr
Net cash flow	**+$7,226/yr (0.7% yield)**
5-year property value	$712,954
Capital gain	$97,954
CGT (0%)	$0
Total rental income (5yr)	$36,131
Total 5-year return	**$134,085 (13.5%)**
Annualised return	**2.6%**

Scenario B: Leveraged (50% LTV @ 3.0%, 25yr)

Line Item	Amount
Cash invested (deposit + 60% ABSD + legal)	$682,650
Net cash flow	**-$8,581/yr (-1.3% yield)**
Total 5-year return	**$55,049 (8.1%)**
Annualised return	**1.6%**
Verdict	**✗ Leverage hurts (-1.0%)**

Note: $375k of your investment is pure tax (60% ABSD). You'd earn 2.6% annualised all-cash — barely above a savings account. **Avoid unless you have PR status (5% ABSD instead of 60%).**

#10: Japan — 1LDK, Shinjuku, Tokyo

Property: $502,000 | Gross yield: 2.8% | Growth: 2.5%/yr | Tax: 20.42% withholding, 15.315% CGT

Scenario A: All-Cash (Only Option)

Line Item	Amount
Total cash invested	$522,080
Gross rental income	$14,056/yr
Operating expenses (prop tax 1.4%, city plan 0.3%, mgmt, insurance, maint)	$15,261/yr
Net operating income	**-$1,205/yr**
Income tax	$0 (negative)
Net cash flow	**-$1,205/yr (-0.2% yield)**
5-year property value	$567,967
Capital gain	$65,967
CGT (15.315%)	$10,103
Total rental income (5yr)	-$6,024
Total 5-year return	**$49,840 (9.5%)**
Annualised return	**1.8%**

Scenario B: N/A — Mortgages Not Available

Non-resident foreigners cannot obtain mortgages in Japan. Cash purchase only.

Note: Japanese apartments depreciate (building value drops to ~0 over 20-30 years). The land underneath is the real asset — but in a 36sqm apartment, land value is minimal. This is a weak-yen currency play more than a property investment.

Leverage Decision Guide

Country	Leverage Works?	Why
UAE	Yes	Zero tax, 4.5% rate < 5.8% yield, zero CGT
UK	Yes	7.5% yield > 5.5% mortgage, interest deductible via SPV
Spain	Marginal	3.5% rate is low, but 24% gross-rent tax kills cash flow
Australia	No	6% rate + 2% foreign land tax = too expensive
Canada	No	7% commercial rate too high vs 10% yield after costs
USA	No	6.5% rate + $25k HOA = massively negative
Portugal	No	25% gross-rent tax, 28% CGT = worst tax combo
Germany	No	3.95% yield < 3.8% rate (barely breaks even)
Singapore	No	60% ABSD already, low yield, low growth
Japan	N/A	No mortgages for non-residents

Methodology

- **Gross yields** from Numbeo 2026 city averages, cross-referenced with listing data
- **Growth forecasts** based on 1-3 year market trends (conservative)
- **Purchase taxes** from official government sources
- **Operating costs** from typical market rates (service charges, HOA, management)
- **Tax treatment** modelled on non-resident rates (often higher than resident rates)
- **Mortgage terms** represent typical non-resident lending (higher rates, lower LTV)
- **5-year total return** = (after-tax net rental income × 5) + (capital gain after CGT)
- **Leveraged return** includes principal paydown as equity build
- **Annualised return** = compound annual growth rate

This analysis is for informational purposes only and does not constitute financial or tax advice. Consult licensed professionals in each jurisdiction before making investment decisions.

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