**Exercise 5: Calculating return**

Shoebox Unit

Purchase price = $600,000

Stamp duty = 1,800 + 3,600 + (purchase price - 360,000) x 3%

Legal fee = $3,000

Agent commission = 1 month rental + GST

Misc expenses = $5,000

Monthly rental = $3,000

Loan repayment = 2,071 (1.5%) or $2,694 (3.5%)

Management fee = $320

Annual value = $24,000