

Ten Year Performance Projection

Co-Living - Currently Occupied
Arizona
8bd | 3ba | Built: 1958

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$74,400	\$76,632	\$78,931	\$81,299	\$83,738	\$86,250	\$88,837	\$91,503	\$94,248	\$97,075
Vacancy Losses	-\$5,952	-\$6,131	-\$6,314	-\$6,504	-\$6,699	-\$6,900	-\$7,107	-\$7,320	-\$7,540	-\$7,766
Operating Income	\$68,448	\$70,501	\$72,616	\$74,795	\$77,039	\$79,350	\$81,730	\$84,182	\$86,708	\$89,309

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,860	-\$1,929	-\$2,000	-\$2,074	-\$2,151	-\$2,231	-\$2,313	-\$2,399	-\$2,487	-\$2,579
Insurance	-\$2,790	-\$2,893	-\$3,000	-\$3,111	-\$3,226	-\$3,346	-\$3,470	-\$3,598	-\$3,731	-\$3,869
Management Fees	-\$6,845	-\$7,050	-\$7,262	-\$7,479	-\$7,704	-\$7,935	-\$8,173	-\$8,418	-\$8,671	-\$8,931
Leasing/Advertising Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Association Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Maintenance	-\$3,720	-\$3,858	-\$4,000	-\$4,148	-\$4,302	-\$4,461	-\$4,626	-\$4,797	-\$4,975	-\$5,159
Other	-\$14,400	-\$14,933	-\$15,485	-\$16,058	-\$16,652	-\$17,269	-\$17,908	-\$18,570	-\$19,257	-\$19,970
Operating Expenses	-\$29,615	-\$30,663	-\$31,748	-\$32,872	-\$34,036	-\$35,241	-\$36,489	-\$37,782	-\$39,121	-\$40,508

Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$38,833	\$39,839	\$40,869	\$41,923	\$43,003	\$44,109	\$45,241	\$46,400	\$47,587	\$48,801
- Mortgage Payments	-\$26,452	-\$26,452	-\$26,452	-\$26,452	-\$26,452	-\$26,452	-\$26,452	-\$26,452	-\$26,452	-\$26,452
= Cash Flow	\$12,381	\$13,387	\$14,417	\$15,471	\$16,551	\$17,657	\$18,789	\$19,948	\$21,135	\$22,349
+ Principal Reduction	\$3,898	\$4,159	\$4,438	\$4,735	\$5,052	\$5,390	\$5,751	\$6,137	\$6,548	\$6,986
+ Appreciation	\$23,250	\$24,412	\$25,633	\$26,915	\$28,261	\$29,674	\$31,157	\$32,715	\$34,351	\$36,068
= Gross Equity Income	\$39,529	\$41,958	\$44,487	\$47,121	\$49,864	\$52,721	\$55,698	\$58,800	\$62,033	\$65,403
Capitalization Rate	8.0%	7.8%	7.6%	7.4%	7.2%	7.1%	6.9%	6.8%	6.6%	6.4%
Cash on Cash Return	9.2%	9.9%	10.7%	11.5%	12.3%	13.1%	13.9%	14.8%	15.7%	16.6%
Return on Equity	27.6%	24.4%	22.0%	20.2%	18.7%	17.5%	16.4%	15.6%	14.8%	14.2%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$488,250	\$512,662	\$538,296	\$565,210	\$593,471	\$623,144	\$654,302	\$687,017	\$721,368	\$757,436
- Loan Balance	-\$344,852	-\$340,693	-\$336,255	-\$331,520	-\$326,468	-\$321,078	-\$315,326	-\$309,190	-\$302,642	-\$295,656
= Equity	\$143,398	\$171,970	\$202,041	\$233,690	\$267,003	\$302,067	\$338,975	\$377,827	\$418,725	\$461,780
Loan-to-Value Ratio	70.6%	66.5%	62.5%	58.7%	55.0%	51.5%	48.2%	45.0%	42.0%	39.0%
Potential Cash-Out Refi	\$94,573	\$120,704	\$148,211	\$177,169	\$207,656	\$239,752	\$273,545	\$309,125	\$346,589	\$386,036

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$143,398	\$171,970	\$202,041	\$233,690	\$267,003	\$302,067	\$338,975	\$377,827	\$418,725	\$461,780
- Closing Costs	-\$34,178	-\$35,886	-\$37,681	-\$39,565	-\$41,543	-\$43,620	-\$45,801	-\$48,091	-\$50,496	-\$53,021
= Proceeds After Sale	\$109,221	\$136,083	\$164,360	\$194,126	\$225,460	\$258,447	\$293,174	\$329,736	\$368,230	\$408,759
+ Cumulative Cash Flow	\$12,381	\$25,768	\$40,184	\$55,656	\$72,207	\$89,864	\$108,653	\$128,601	\$149,736	\$172,085
- Approximate Cash Invest	-\$134,850	-\$134,850	-\$134,850	-\$134,850	-\$134,850	-\$134,850	-\$134,850	-\$134,850	-\$134,850	-\$134,850
= Net Profit	-\$13,248	\$27,001	\$69,694	\$114,931	\$162,817	\$213,461	\$266,977	\$323,487	\$383,115	\$445,994
Internal Rate of Return	-9.8%	10.0%	16.1%	18.5%	19.5%	19.9%	20.0%	20.0%	19.8%	19.6%
Return on Investment	-9.8%	20.0%	51.7%	85.2%	120.7%	158.3%	198.0%	239.9%	284.1%	330.7%

*Information is not guaranteed and investors should do their own research, get professional advice and conduct due diligence prior to investing.