

Ten Year Performance Projection

Desirable area!
Arizona
3bd | 2ba | Built: 2004

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$25,200	\$25,956	\$26,735	\$27,537	\$28,363	\$29,214	\$30,090	\$30,993	\$31,923	\$32,880
Vacancy Losses	-\$2,016	-\$2,076	-\$2,139	-\$2,203	-\$2,269	-\$2,337	-\$2,407	-\$2,479	-\$2,554	-\$2,630
Operating Income	\$23,184	\$23,880	\$24,596	\$25,334	\$26,094	\$26,877	\$27,683	\$28,513	\$29,369	\$30,250

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,390	-\$1,441	-\$1,495	-\$1,550	-\$1,607	-\$1,667	-\$1,729	-\$1,793	-\$1,859	-\$1,928
Insurance	-\$2,085	-\$2,162	-\$2,242	-\$2,325	-\$2,411	-\$2,500	-\$2,593	-\$2,689	-\$2,788	-\$2,891
Management Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Leasing/Advertising Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Association Fees	-\$1,080	-\$1,120	-\$1,161	-\$1,204	-\$1,249	-\$1,295	-\$1,343	-\$1,393	-\$1,444	-\$1,498
Maintenance	-\$504	-\$523	-\$542	-\$562	-\$583	-\$604	-\$627	-\$650	-\$674	-\$699
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$5,059	-\$5,246	-\$5,440	-\$5,642	-\$5,850	-\$6,067	-\$6,291	-\$6,524	-\$6,765	-\$7,016

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	\$18,125	\$18,633	\$19,156	\$19,692	\$20,243	\$20,810	\$21,392	\$21,989	\$22,603	\$23,234
- Mortgage Payments	-\$17,918	-\$17,918	-\$17,918	-\$17,918	-\$17,918	-\$17,918	-\$17,918	-\$17,918	-\$17,918	-\$17,918
= Cash Flow	\$207	\$715	\$1,238	\$1,774	\$2,326	\$2,892	\$3,474	\$4,071	\$4,685	\$5,316
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$17,375	\$18,244	\$19,156	\$20,114	\$21,119	\$22,175	\$23,284	\$24,448	\$25,671	\$26,954
= Gross Equity Income	\$17,582	\$18,959	\$20,394	\$21,888	\$23,445	\$25,067	\$26,758	\$28,520	\$30,356	\$32,271
Capitalization Rate	5.0%	4.9%	4.8%	4.7%	4.6%	4.5%	4.4%	4.3%	4.2%	4.1%
Cash on Cash Return	0.2%	0.8%	1.3%	1.9%	2.5%	3.1%	3.8%	4.4%	5.1%	5.8%
Return on Equity	16.9%	15.5%	14.4%	13.5%	12.8%	12.2%	11.7%	11.3%	10.9%	10.6%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$364,875	\$383,119	\$402,275	\$422,388	\$443,508	\$465,683	\$488,967	\$513,416	\$539,087	\$566,041
- Loan Balance	-\$260,625	-\$260,625	-\$260,625	-\$260,625	-\$260,625	-\$260,625	-\$260,625	-\$260,625	-\$260,625	-\$260,625
= Equity	\$104,250	\$122,494	\$141,650	\$161,763	\$182,883	\$205,058	\$228,342	\$252,791	\$278,462	\$305,416
Loan-to-Value Ratio	71.4%	68.0%	64.8%	61.7%	58.8%	56.0%	53.3%	50.8%	48.3%	46.0%
Potential Cash-Out Refi	\$67,762	\$84,182	\$101,422	\$119,525	\$138,532	\$158,490	\$179,446	\$201,449	\$224,553	\$248,812

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$104,250	\$122,494	\$141,650	\$161,763	\$182,883	\$205,058	\$228,342	\$252,791	\$278,462	\$305,416
- Closing Costs	-\$25,541	-\$26,818	-\$28,159	-\$29,567	-\$31,046	-\$32,598	-\$34,228	-\$35,939	-\$37,736	-\$39,623
= Proceeds After Sale	\$78,709	\$95,675	\$113,490	\$132,196	\$151,837	\$172,460	\$194,115	\$216,852	\$240,725	\$265,793
+ Cumulative Cash Flow	\$207	\$922	\$2,160	\$3,934	\$6,260	\$9,152	\$12,626	\$16,697	\$21,383	\$26,699
- Approximate Cash Invest	-\$92,088	-\$92,088	-\$92,088	-\$92,088	-\$92,088	-\$92,088	-\$92,088	-\$92,088	-\$92,088	-\$92,088
= Net Profit	-\$13,172	\$4,510	\$23,563	\$44,043	\$66,010	\$89,525	\$114,653	\$141,461	\$170,021	\$200,404
Internal Rate of Return	-14.3%	2.4%	7.9%	10.3%	11.5%	12.2%	12.5%	12.7%	12.7%	12.7%
Return on Investment	-14.3%	4.9%	25.6%	47.8%	71.7%	97.2%	124.5%	153.6%	184.6%	217.6%

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