

Ten Year Performance Projection

New Construction in the Birmingham Metro
Alabama
4bd | 2.5ba | Built: 2026

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$27,600	\$28,704	\$29,852	\$31,046	\$32,288	\$33,580	\$34,923	\$36,320	\$37,773	\$39,283
Vacancy Losses	-\$2,208	-\$2,296	-\$2,388	-\$2,484	-\$2,583	-\$2,686	-\$2,794	-\$2,906	-\$3,022	-\$3,143
Operating Income	\$25,392	\$26,408	\$27,464	\$28,563	\$29,705	\$30,893	\$32,129	\$33,414	\$34,751	\$36,141

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,404	-\$2,493	-\$2,586	-\$2,681	-\$2,780	-\$2,883	-\$2,990	-\$3,101	-\$3,215	-\$3,334
Insurance	-\$2,219	-\$2,302	-\$2,387	-\$2,475	-\$2,567	-\$2,662	-\$2,760	-\$2,862	-\$2,968	-\$3,078
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	-\$960	-\$996	-\$1,032	-\$1,071	-\$1,110	-\$1,151	-\$1,194	-\$1,238	-\$1,284	-\$1,331
Maintenance	-\$828	-\$859	-\$890	-\$923	-\$958	-\$993	-\$1,030	-\$1,068	-\$1,107	-\$1,148
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$6,412	-\$6,649	-\$6,895	-\$7,150	-\$7,415	-\$7,689	-\$7,974	-\$8,269	-\$8,574	-\$8,892

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	\$18,980	\$19,759	\$20,569	\$21,412	\$22,290	\$23,204	\$24,155	\$25,146	\$26,176	\$27,249
- Mortgage Payments	-\$16,837	-\$16,837	-\$16,837	-\$16,837	-\$16,837	-\$16,837	-\$16,837	-\$16,837	-\$16,837	-\$16,837
= Cash Flow	\$2,143	\$2,921	\$3,732	\$4,575	\$5,453	\$6,367	\$7,318	\$8,308	\$9,339	\$10,412
+ Principal Reduction	\$3,093	\$3,276	\$3,469	\$3,674	\$3,891	\$4,120	\$4,364	\$4,621	\$4,894	\$5,183
+ Appreciation	\$18,495	\$19,420	\$20,391	\$21,410	\$22,481	\$23,605	\$24,785	\$26,024	\$27,326	\$28,692
= Gross Equity Income	\$23,731	\$25,617	\$27,591	\$29,659	\$31,825	\$34,092	\$36,467	\$38,954	\$41,559	\$44,287
Capitalization Rate	4.9%	4.8%	4.8%	4.8%	4.7%	4.7%	4.6%	4.6%	4.6%	4.5%
Cash on Cash Return	1.5%	2.1%	2.7%	3.3%	3.9%	4.6%	5.3%	6.0%	6.7%	7.5%
Return on Equity	15.7%	14.7%	14.0%	13.3%	12.8%	12.3%	11.9%	11.6%	11.3%	11.0%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$388,395	\$407,815	\$428,205	\$449,616	\$472,097	\$495,701	\$520,486	\$546,511	\$573,836	\$602,528
- Loan Balance	-\$237,342	-\$234,066	-\$230,597	-\$226,924	-\$223,033	-\$218,913	-\$214,549	-\$209,928	-\$205,034	-\$199,850
= Equity	\$151,053	\$173,748	\$197,608	\$222,692	\$249,064	\$276,789	\$305,938	\$336,583	\$368,803	\$402,678
Loan-to-Value Ratio	61.1%	57.4%	53.9%	50.5%	47.2%	44.2%	41.2%	38.4%	35.7%	33.2%
Potential Cash-Out Refi	\$73,374	\$92,185	\$111,967	\$132,769	\$154,644	\$177,649	\$201,840	\$227,281	\$254,036	\$282,172

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$151,053	\$173,748	\$197,608	\$222,692	\$249,064	\$276,789	\$305,938	\$336,583	\$368,803	\$402,678
- Closing Costs	-\$27,188	-\$28,547	-\$29,974	-\$31,473	-\$33,047	-\$34,699	-\$36,434	-\$38,256	-\$40,169	-\$42,177
= Proceeds After Sale	\$123,865	\$145,201	\$167,634	\$191,219	\$216,017	\$242,090	\$269,503	\$298,327	\$328,634	\$360,501
+ Cumulative Cash Flow	\$2,143	\$5,064	\$8,796	\$13,371	\$18,824	\$25,191	\$32,509	\$40,818	\$50,156	\$60,568
- Approximate Cash Invest	-\$138,620	-\$138,620	-\$138,620	-\$138,620	-\$138,620	-\$138,620	-\$138,620	-\$138,620	-\$138,620	-\$138,620
= Net Profit	-\$12,612	\$11,646	\$37,810	\$65,970	\$96,221	\$128,661	\$163,393	\$200,525	\$240,171	\$282,449
Internal Rate of Return	-9.1%	4.1%	8.5%	10.5%	11.5%	12.0%	12.3%	12.5%	12.6%	12.6%
Return on Investment	-9.1%	8.4%	27.3%	47.6%	69.4%	92.8%	117.9%	144.7%	173.3%	203.8%

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