

Ten Year Performance Projection

Short Term Rental in High End Scottsdale
Arizona
5bd | 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	\$110,400	\$113,712	\$117,123	\$120,637	\$124,256	\$127,984	\$131,823	\$135,778	\$139,851	\$144,047
Vacancy Losses	-\$11,040	-\$11,371	-\$11,712	-\$12,064	-\$12,426	-\$12,798	-\$13,182	-\$13,578	-\$13,985	-\$14,405
Operating Income	\$99,360	\$102,341	\$105,411	\$108,573	\$111,831	\$115,185	\$118,641	\$122,200	\$125,866	\$129,642

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$3,596	-\$3,729	-\$3,867	-\$4,010	-\$4,158	-\$4,312	-\$4,472	-\$4,637	-\$4,809	-\$4,987
Insurance	-\$5,394	-\$5,594	-\$5,801	-\$6,015	-\$6,238	-\$6,469	-\$6,708	-\$6,956	-\$7,213	-\$7,480
Management Fees	-\$19,872	-\$20,468	-\$21,082	-\$21,715	-\$22,366	-\$23,037	-\$23,728	-\$24,440	-\$25,173	-\$25,928
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	-\$8,832	-\$9,159	-\$9,498	-\$9,849	-\$10,213	-\$10,591	-\$10,983	-\$11,390	-\$11,811	-\$12,248
Other	-\$14,400	-\$14,933	-\$15,485	-\$16,058	-\$16,652	-\$17,269	-\$17,908	-\$18,570	-\$19,257	-\$19,970
Operating Expenses	-\$52,094	-\$53,882	-\$55,733	-\$57,647	-\$59,628	-\$61,678	-\$63,799	-\$65,993	-\$68,264	-\$70,613

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	\$47,266	\$48,458	\$49,678	\$50,926	\$52,202	\$53,508	\$54,842	\$56,207	\$57,602	\$59,029
- Mortgage Payments	-\$46,355	-\$46,355	-\$46,355	-\$46,355	-\$46,355	-\$46,355	-\$46,355	-\$46,355	-\$46,355	-\$46,355
= Cash Flow	\$911	\$2,104	\$3,324	\$4,571	\$5,848	\$7,153	\$8,488	\$9,852	\$11,248	\$12,674
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$44,950	\$47,198	\$49,557	\$52,035	\$54,637	\$57,369	\$60,237	\$63,249	\$66,412	\$69,732
= Gross Equity Income	\$45,861	\$49,301	\$52,881	\$56,607	\$60,485	\$64,522	\$68,725	\$73,102	\$77,659	\$82,406
Capitalization Rate	5.0%	4.9%	4.8%	4.7%	4.5%	4.4%	4.3%	4.2%	4.1%	4.0%
Cash on Cash Return	0.4%	0.8%	1.3%	1.8%	2.3%	2.8%	3.4%	3.9%	4.5%	5.0%
Return on Equity	17.0%	15.6%	14.4%	13.5%	12.8%	12.2%	11.6%	11.2%	10.8%	10.4%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$943,950	\$991,148	\$1,040,705	\$1,092,740	\$1,147,377	\$1,204,746	\$1,264,983	\$1,328,232	\$1,394,644	\$1,464,376
- Loan Balance	-\$674,250	-\$674,250	-\$674,250	-\$674,250	-\$674,250	-\$674,250	-\$674,250	-\$674,250	-\$674,250	-\$674,250
= Equity	\$269,700	\$316,898	\$366,455	\$418,490	\$473,127	\$530,496	\$590,733	\$653,982	\$720,394	\$790,126
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	\$175,305	\$217,783	\$262,384	\$309,216	\$358,389	\$410,021	\$464,235	\$521,159	\$580,930	\$643,689

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$269,700	\$316,898	\$366,455	\$418,490	\$473,127	\$530,496	\$590,733	\$653,982	\$720,394	\$790,126
- Closing Costs	-\$66,076	-\$69,380	-\$72,849	-\$76,492	-\$80,316	-\$84,332	-\$88,549	-\$92,976	-\$97,625	-\$102,506
= Proceeds After Sale	\$203,624	\$247,517	\$293,606	\$341,998	\$392,811	\$446,164	\$502,184	\$561,006	\$622,769	\$687,620
+ Cumulative Cash Flow	\$911	\$3,015	\$6,339	\$10,910	\$16,758	\$23,911	\$32,398	\$42,251	\$53,498	\$66,173
- Approximate Cash Invest	-\$251,720	-\$251,720	-\$251,720	-\$251,720	-\$251,720	-\$251,720	-\$251,720	-\$251,720	-\$251,720	-\$251,720
= Net Profit	-\$47,185	-\$1,188	\$48,224	\$101,188	\$157,848	\$218,354	\$282,863	\$351,537	\$424,547	\$502,072
Internal Rate of Return	-18.7%	-0.2%	6.0%	8.9%	10.4%	11.2%	11.6%	11.8%	12.0%	12.0%
Return on Investment	-18.7%	-0.5%	19.2%	40.2%	62.7%	86.7%	112.4%	139.7%	168.7%	199.5%

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