

Ten Year Performance Projection

STR Near PGA Golf Tourney
Arizona
4bd | 3ba | Built: 1980

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$102,000	\$105,060	\$108,212	\$111,458	\$114,802	\$118,246	\$121,793	\$125,447	\$129,211	\$133,087
Vacancy Losses	-\$10,200	-\$10,506	-\$10,821	-\$11,146	-\$11,480	-\$11,825	-\$12,179	-\$12,545	-\$12,921	-\$13,309
Operating Income	\$91,800	\$94,554	\$97,391	\$100,312	\$103,322	\$106,421	\$109,614	\$112,902	\$116,289	\$119,778

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$3,262	-\$3,383	-\$3,508	-\$3,638	-\$3,773	-\$3,912	-\$4,057	-\$4,207	-\$4,363	-\$4,524
Insurance	-\$4,350	-\$4,511	-\$4,678	-\$4,851	-\$5,030	-\$5,217	-\$5,410	-\$5,610	-\$5,817	-\$6,033
Management Fees	-\$18,360	-\$18,911	-\$19,478	-\$20,062	-\$20,664	-\$21,284	-\$21,923	-\$22,580	-\$23,258	-\$23,956
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	-\$5,100	-\$5,289	-\$5,484	-\$5,687	-\$5,898	-\$6,116	-\$6,342	-\$6,577	-\$6,820	-\$7,073
Other	-\$14,400	-\$14,933	-\$15,485	-\$16,058	-\$16,652	-\$17,269	-\$17,908	-\$18,570	-\$19,257	-\$19,970
Operating Expenses	-\$45,472	-\$47,026	-\$48,634	-\$50,297	-\$52,018	-\$53,798	-\$55,639	-\$57,544	-\$59,516	-\$61,555

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	\$46,328	\$47,528	\$48,757	\$50,015	\$51,304	\$52,624	\$53,975	\$55,358	\$56,774	\$58,223
- Mortgage Payments	-\$37,383	-\$37,383	-\$37,383	-\$37,383	-\$37,383	-\$37,383	-\$37,383	-\$37,383	-\$37,383	-\$37,383
= Cash Flow	\$8,945	\$10,145	\$11,374	\$12,632	\$13,921	\$15,241	\$16,592	\$17,975	\$19,391	\$20,841
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$36,250	\$38,062	\$39,966	\$41,964	\$44,062	\$46,265	\$48,578	\$51,007	\$53,558	\$56,236
= Gross Equity Income	\$45,195	\$48,207	\$51,339	\$54,596	\$57,983	\$61,506	\$65,170	\$68,983	\$72,949	\$77,076
Capitalization Rate	6.1%	5.9%	5.8%	5.7%	5.5%	5.4%	5.3%	5.2%	5.0%	4.9%
Cash on Cash Return	4.4%	5.0%	5.6%	6.2%	6.9%	7.5%	8.2%	8.9%	9.6%	10.3%
Return on Equity	20.8%	18.9%	17.4%	16.2%	15.2%	14.4%	13.7%	13.1%	12.6%	12.1%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$761,250	\$799,312	\$839,278	\$881,242	\$925,304	\$971,569	\$1,020,148	\$1,071,155	\$1,124,713	\$1,180,949
- Loan Balance	-\$543,750	-\$543,750	-\$543,750	-\$543,750	-\$543,750	-\$543,750	-\$543,750	-\$543,750	-\$543,750	-\$543,750
= Equity	\$217,500	\$255,562	\$295,528	\$337,492	\$381,554	\$427,819	\$476,398	\$527,405	\$580,963	\$637,199
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	\$141,375	\$175,631	\$211,600	\$249,368	\$289,024	\$330,662	\$374,383	\$420,290	\$468,492	\$519,104

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$217,500	\$255,562	\$295,528	\$337,492	\$381,554	\$427,819	\$476,398	\$527,405	\$580,963	\$637,199
- Closing Costs	-\$53,288	-\$55,952	-\$58,749	-\$61,687	-\$64,771	-\$68,010	-\$71,410	-\$74,981	-\$78,730	-\$82,666
= Proceeds After Sale	\$164,212	\$199,611	\$236,779	\$275,805	\$316,783	\$359,809	\$404,987	\$452,424	\$502,233	\$554,532
+ Cumulative Cash Flow	\$8,945	\$19,090	\$30,463	\$43,096	\$57,017	\$72,258	\$88,850	\$106,825	\$126,216	\$147,057
- Approximate Cash Invest	-\$203,000	-\$203,000	-\$203,000	-\$203,000	-\$203,000	-\$203,000	-\$203,000	-\$203,000	-\$203,000	-\$203,000
= Net Profit	-\$29,843	\$15,700	\$64,242	\$115,901	\$170,800	\$229,067	\$290,837	\$356,249	\$425,449	\$498,589
Internal Rate of Return	-14.7%	3.9%	10.0%	12.7%	13.9%	14.6%	14.9%	15.1%	15.1%	15.0%
Return on Investment	-14.7%	7.7%	31.6%	57.1%	84.1%	112.8%	143.3%	175.5%	209.6%	245.6%

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