

Ten Year Performance Projection

New Construction in 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	\$31,200	\$32,448	\$33,746	\$35,096	\$36,500	\$37,960	\$39,478	\$41,057	\$42,699	\$44,407
Vacancy Losses	-\$2,496	-\$2,596	-\$2,700	-\$2,808	-\$2,920	-\$3,037	-\$3,158	-\$3,285	-\$3,416	-\$3,553
Operating Income	\$28,704	\$29,852	\$31,046	\$32,288	\$33,580	\$34,923	\$36,320	\$37,773	\$39,283	\$40,855

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,438	-\$2,528	-\$2,621	-\$2,718	-\$2,819	-\$2,923	-\$3,031	-\$3,143	-\$3,260	-\$3,380
Insurance	-\$2,250	-\$2,333	-\$2,420	-\$2,509	-\$2,602	-\$2,698	-\$2,798	-\$2,902	-\$3,009	-\$3,120
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	-\$804	-\$834	-\$865	-\$897	-\$930	-\$964	-\$1,000	-\$1,037	-\$1,075	-\$1,115
Maintenance	-\$936	-\$971	-\$1,007	-\$1,044	-\$1,082	-\$1,122	-\$1,164	-\$1,207	-\$1,252	-\$1,298
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$6,428	-\$6,665	-\$6,912	-\$7,168	-\$7,433	-\$7,708	-\$7,993	-\$8,289	-\$8,596	-\$8,914

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	\$22,276	\$23,187	\$24,134	\$25,120	\$26,147	\$27,215	\$28,327	\$29,484	\$30,688	\$31,941
- Mortgage Payments	-\$16,603	-\$16,603	-\$16,603	-\$16,603	-\$16,603	-\$16,603	-\$16,603	-\$16,514	-\$16,514	-\$16,514
= Cash Flow	\$5,674	\$6,584	\$7,531	\$8,517	\$9,544	\$10,612	\$11,724	\$12,970	\$14,174	\$15,427
+ Principal Reduction	\$4,741	\$4,947	\$5,161	\$5,385	\$5,618	\$5,862	\$6,116	\$9,945	\$10,222	\$10,506
+ Appreciation	\$18,750	\$19,688	\$20,672	\$21,705	\$22,791	\$23,930	\$25,127	\$26,383	\$27,702	\$29,087
= Gross Equity Income	\$29,165	\$31,218	\$33,365	\$35,608	\$37,953	\$40,404	\$42,966	\$49,297	\$52,098	\$55,021
Capitalization Rate	5.7%	5.6%	5.6%	5.5%	5.5%	5.4%	5.4%	5.3%	5.3%	5.2%
Cash on Cash Return	5.5%	6.4%	7.3%	8.2%	9.2%	10.2%	11.3%	12.5%	13.7%	14.9%
Return on Equity	24.9%	22.0%	19.9%	18.3%	17.0%	16.0%	15.1%	15.4%	14.5%	13.8%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$393,750	\$413,438	\$434,109	\$455,815	\$478,606	\$502,536	\$527,663	\$554,046	\$581,748	\$610,835
- Loan Balance	-\$276,509	-\$271,562	-\$266,400	-\$261,015	-\$255,397	-\$249,535	-\$243,419	-\$233,474	-\$223,253	-\$212,746
= Equity	\$117,241	\$141,876	\$167,709	\$194,800	\$223,209	\$253,001	\$284,244	\$320,572	\$358,495	\$398,089
Loan-to-Value Ratio	70.2%	65.7%	61.4%	57.3%	53.4%	49.7%	46.1%	42.1%	38.4%	34.8%
Potential Cash-Out Refi	\$38,491	\$59,188	\$80,887	\$103,637	\$127,488	\$152,494	\$178,711	\$209,762	\$242,146	\$275,922

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$117,241	\$141,876	\$167,709	\$194,800	\$223,209	\$253,001	\$284,244	\$320,572	\$358,495	\$398,089
- Closing Costs	-\$27,563	-\$28,941	-\$30,388	-\$31,907	-\$33,502	-\$35,178	-\$36,936	-\$38,783	-\$40,722	-\$42,758
= Proceeds After Sale	\$89,679	\$112,935	\$137,322	\$162,893	\$189,707	\$217,824	\$247,307	\$281,788	\$317,773	\$355,331
+ Cumulative Cash Flow	\$5,674	\$12,257	\$19,789	\$28,306	\$37,850	\$48,462	\$60,186	\$73,155	\$87,329	\$102,757
- Approximate Cash Invest	-\$103,594	-\$103,594	-\$103,594	-\$103,594	-\$103,594	-\$103,594	-\$103,594	-\$103,594	-\$103,594	-\$103,594
= Net Profit	-\$8,241	\$21,599	\$53,517	\$87,605	\$123,963	\$162,692	\$203,899	\$251,350	\$301,509	\$354,493
Internal Rate of Return	-8.0%	10.2%	15.6%	17.7%	18.5%	18.8%	18.8%	18.8%	18.7%	18.6%
Return on Investment	-8.0%	20.8%	51.7%	84.6%	119.7%	157.0%	196.8%	242.6%	291.0%	342.2%

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