

Ten Year Performance Projection

Currently Occupied
Arizona
3bd | 2ba | Built: 1998

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$28,800	\$29,664	\$30,554	\$31,471	\$32,415	\$33,387	\$34,389	\$35,420	\$36,483	\$37,577
Vacancy Losses	-\$2,304	-\$2,373	-\$2,444	-\$2,518	-\$2,593	-\$2,671	-\$2,751	-\$2,834	-\$2,919	-\$3,006
Operating Income	\$26,496	\$27,291	\$28,110	\$28,953	\$29,821	\$30,716	\$31,638	\$32,587	\$33,564	\$34,571

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$844	-\$875	-\$908	-\$941	-\$976	-\$1,012	-\$1,050	-\$1,088	-\$1,129	-\$1,170
Insurance	-\$2,532	-\$2,626	-\$2,723	-\$2,824	-\$2,928	-\$3,036	-\$3,149	-\$3,265	-\$3,386	-\$3,511
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	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Maintenance	-\$1,440	-\$1,493	-\$1,549	-\$1,606	-\$1,665	-\$1,727	-\$1,791	-\$1,857	-\$1,926	-\$1,997
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$4,816	-\$4,994	-\$5,179	-\$5,371	-\$5,569	-\$5,775	-\$5,989	-\$6,211	-\$6,440	-\$6,679

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	\$21,680	\$22,297	\$22,931	\$23,582	\$24,252	\$24,941	\$25,649	\$26,376	\$27,124	\$27,893
- Mortgage Payments	-\$21,759	-\$21,759	-\$21,759	-\$21,759	-\$21,759	-\$21,759	-\$21,759	-\$21,759	-\$21,759	-\$21,759
= Cash Flow	-\$79	\$537	\$1,171	\$1,823	\$2,493	\$3,181	\$3,889	\$4,617	\$5,365	\$6,133
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$21,100	\$22,155	\$23,263	\$24,426	\$25,647	\$26,930	\$28,276	\$29,690	\$31,174	\$32,733
= Gross Equity Income	\$21,021	\$22,692	\$24,434	\$26,249	\$28,140	\$30,111	\$32,165	\$34,307	\$36,539	\$38,866
Capitalization Rate	4.9%	4.8%	4.7%	4.6%	4.5%	4.4%	4.3%	4.2%	4.1%	4.1%
Cash on Cash Return	-0.1%	0.5%	1.0%	1.5%	2.1%	2.7%	3.3%	3.9%	4.5%	5.2%
Return on Equity	16.6%	15.3%	14.2%	13.4%	12.7%	12.1%	11.6%	11.2%	10.8%	10.5%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$443,100	\$465,255	\$488,518	\$512,944	\$538,591	\$565,520	\$593,796	\$623,486	\$654,661	\$687,394
- Loan Balance	-\$316,500	-\$316,500	-\$316,500	-\$316,500	-\$316,500	-\$316,500	-\$316,500	-\$316,500	-\$316,500	-\$316,500
= Equity	\$126,600	\$148,755	\$172,018	\$196,444	\$222,091	\$249,020	\$277,296	\$306,986	\$338,161	\$370,894
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	\$82,290	\$102,230	\$123,166	\$145,149	\$168,232	\$192,468	\$217,917	\$244,638	\$272,694	\$302,154

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$126,600	\$148,755	\$172,018	\$196,444	\$222,091	\$249,020	\$277,296	\$306,986	\$338,161	\$370,894
- Closing Costs	-\$31,017	-\$32,568	-\$34,196	-\$35,906	-\$37,701	-\$39,586	-\$41,566	-\$43,644	-\$45,826	-\$48,118
= Proceeds After Sale	\$95,583	\$116,187	\$137,822	\$160,538	\$184,389	\$209,434	\$235,731	\$263,342	\$292,334	\$322,776
+ Cumulative Cash Flow	-\$79	\$458	\$1,629	\$3,452	\$5,945	\$9,126	\$13,016	\$17,632	\$22,997	\$29,130
- Approximate Cash Invest	-\$118,160	-\$118,160	-\$118,160	-\$118,160	-\$118,160	-\$118,160	-\$118,160	-\$118,160	-\$118,160	-\$118,160
= Net Profit	-\$22,656	-\$1,515	\$21,291	\$45,830	\$72,174	\$100,400	\$130,586	\$162,814	\$197,171	\$233,746
Internal Rate of Return	-19.2%	-0.6%	5.7%	8.6%	10.1%	10.9%	11.4%	11.7%	11.8%	11.9%
Return on Investment	-19.2%	-1.3%	18.0%	38.8%	61.1%	85.0%	110.5%	137.8%	166.9%	197.8%

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