

Ten Year Performance Projection

Currently lease to own in place
Arizona
3bd | 2ba | Built: 1985

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$42,000	\$43,260	\$44,558	\$45,895	\$47,271	\$48,690	\$50,150	\$51,655	\$53,204	\$54,800
Vacancy Losses	-\$3,360	-\$3,461	-\$3,565	-\$3,672	-\$3,782	-\$3,895	-\$4,012	-\$4,132	-\$4,256	-\$4,384
Operating Income	\$38,640	\$39,799	\$40,993	\$42,223	\$43,490	\$44,794	\$46,138	\$47,522	\$48,948	\$50,416

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,884	-\$1,954	-\$2,026	-\$2,101	-\$2,179	-\$2,259	-\$2,343	-\$2,430	-\$2,519	-\$2,613
Insurance	-\$2,355	-\$2,442	-\$2,532	-\$2,626	-\$2,723	-\$2,824	-\$2,929	-\$3,037	-\$3,149	-\$3,266
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	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$4,239	-\$4,396	-\$4,558	-\$4,727	-\$4,902	-\$5,083	-\$5,272	-\$5,467	-\$5,669	-\$5,879

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	\$34,401	\$35,403	\$36,435	\$37,496	\$38,588	\$39,711	\$40,867	\$42,056	\$43,279	\$44,538
- Mortgage Payments	-\$26,793	-\$26,793	-\$26,793	-\$26,793	-\$26,793	-\$26,793	-\$26,793	-\$26,793	-\$26,793	-\$26,793
= Cash Flow	\$7,608	\$8,610	\$9,641	\$10,702	\$11,794	\$12,918	\$14,073	\$15,262	\$16,486	\$17,744
+ Principal Reduction	\$3,948	\$4,213	\$4,495	\$4,796	\$5,117	\$5,460	\$5,826	\$6,216	\$6,632	\$7,076
+ Appreciation	\$23,550	\$24,728	\$25,964	\$27,262	\$28,625	\$30,056	\$31,559	\$33,137	\$34,794	\$36,534
= Gross Equity Income	\$35,106	\$37,550	\$40,100	\$42,760	\$45,537	\$48,434	\$51,458	\$54,615	\$57,912	\$61,354
Capitalization Rate	7.0%	6.8%	6.7%	6.5%	6.4%	6.3%	6.2%	6.0%	5.9%	5.8%
Cash on Cash Return	6.1%	6.9%	7.7%	8.6%	9.4%	10.3%	11.3%	12.2%	13.2%	14.2%
Return on Equity	24.2%	21.6%	19.6%	18.1%	16.8%	15.8%	15.0%	14.3%	13.7%	13.1%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$494,550	\$519,278	\$545,241	\$572,503	\$601,129	\$631,185	\$662,744	\$695,882	\$730,676	\$767,209
- Loan Balance	-\$349,302	-\$345,089	-\$340,594	-\$335,798	-\$330,681	-\$325,221	-\$319,395	-\$313,180	-\$306,548	-\$299,472
= Equity	\$145,248	\$174,189	\$204,647	\$236,706	\$270,448	\$305,964	\$343,349	\$382,702	\$424,128	\$467,738
Loan-to-Value Ratio	70.6%	66.5%	62.5%	58.7%	55.0%	51.5%	48.2%	45.0%	42.0%	39.0%
Potential Cash-Out Refi	\$95,793	\$122,261	\$150,123	\$179,455	\$210,335	\$242,846	\$277,074	\$313,114	\$351,060	\$391,017

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$145,248	\$174,189	\$204,647	\$236,706	\$270,448	\$305,964	\$343,349	\$382,702	\$424,128	\$467,738
- Closing Costs	-\$34,618	-\$36,349	-\$38,167	-\$40,075	-\$42,079	-\$44,183	-\$46,392	-\$48,712	-\$51,147	-\$53,705
= Proceeds After Sale	\$110,630	\$137,839	\$166,481	\$196,630	\$228,369	\$261,781	\$296,957	\$333,990	\$372,980	\$414,033
+ Cumulative Cash Flow	\$7,608	\$16,218	\$25,859	\$36,561	\$48,356	\$61,273	\$75,347	\$90,609	\$107,095	\$124,839
- Approximate Cash Invest	-\$124,815	-\$124,815	-\$124,815	-\$124,815	-\$124,815	-\$124,815	-\$124,815	-\$124,815	-\$124,815	-\$124,815
= Net Profit	-\$6,577	\$29,242	\$67,525	\$108,377	\$151,909	\$198,239	\$247,488	\$299,784	\$355,260	\$414,057
Internal Rate of Return	-5.3%	11.4%	16.3%	18.2%	18.9%	19.1%	19.0%	18.9%	18.7%	18.4%
Return on Investment	-5.3%	23.4%	54.1%	86.8%	121.7%	158.8%	198.3%	240.2%	284.6%	331.7%

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