

Ten Year Performance Projection

New Construction in Birmingham Metro DSCR using 6pts from builder
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	-\$2,696	-\$2,796	-\$2,899	-\$3,007	-\$3,118	-\$3,233	-\$3,353	-\$3,477	-\$3,606	-\$3,739
Insurance	-\$2,489	-\$2,581	-\$2,676	-\$2,775	-\$2,878	-\$2,985	-\$3,095	-\$3,210	-\$3,328	-\$3,451
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	-\$6,925	-\$7,181	-\$7,447	-\$7,722	-\$8,008	-\$8,305	-\$8,612	-\$8,930	-\$9,261	-\$9,603

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	\$21,779	\$22,671	\$23,599	\$24,566	\$25,571	\$26,618	\$27,708	\$28,842	\$30,023	\$31,251
- Mortgage Payments	-\$23,596	-\$23,596	-\$23,596	-\$23,596	-\$23,596	-\$23,596	-\$23,596	-\$23,596	-\$23,596	-\$23,596
= Cash Flow	-\$1,817	-\$925	\$3	\$969	\$1,975	\$3,022	\$4,112	\$5,246	\$6,426	\$7,655
+ Principal Reduction	\$3,477	\$3,710	\$3,959	\$4,224	\$4,507	\$4,808	\$5,130	\$5,474	\$5,841	\$6,232
+ Appreciation	\$20,740	\$21,777	\$22,866	\$24,009	\$25,210	\$26,470	\$27,794	\$29,183	\$30,642	\$32,175
= Gross Equity Income	\$22,400	\$24,562	\$26,827	\$29,202	\$31,691	\$34,300	\$37,036	\$39,903	\$42,909	\$46,061
Capitalization Rate	5.0%	5.0%	4.9%	4.9%	4.8%	4.8%	4.7%	4.7%	4.7%	4.6%
Cash on Cash Return	-1.6%	-0.8%	0.0%	0.8%	1.7%	2.6%	3.6%	4.6%	5.6%	6.7%
Return on Equity	17.5%	16.0%	14.9%	14.0%	13.3%	12.7%	12.2%	11.8%	11.5%	11.2%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$435,540	\$457,317	\$480,183	\$504,192	\$529,402	\$555,872	\$583,665	\$612,849	\$643,491	\$675,665
- Loan Balance	-\$307,623	-\$303,913	-\$299,954	-\$295,731	-\$291,224	-\$286,416	-\$281,285	-\$275,811	-\$269,971	-\$263,739
= Equity	\$127,917	\$153,404	\$180,229	\$208,461	\$238,178	\$269,456	\$302,380	\$337,037	\$373,520	\$411,926
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	\$40,809	\$61,941	\$84,192	\$107,623	\$132,297	\$158,282	\$185,647	\$214,467	\$244,822	\$276,793

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$127,917	\$153,404	\$180,229	\$208,461	\$238,178	\$269,456	\$302,380	\$337,037	\$373,520	\$411,926
- Closing Costs	-\$30,488	-\$32,012	-\$33,613	-\$35,293	-\$37,058	-\$38,911	-\$40,857	-\$42,899	-\$45,044	-\$47,297
= Proceeds After Sale	\$97,429	\$121,392	\$146,616	\$173,168	\$201,119	\$230,545	\$261,523	\$294,138	\$328,476	\$364,630
+ Cumulative Cash Flow	-\$1,817	-\$2,743	-\$2,740	-\$1,770	\$205	\$3,227	\$7,338	\$12,584	\$19,010	\$26,665
- Approximate Cash Invest	-\$114,588	-\$114,588	-\$114,588	-\$114,588	-\$114,588	-\$114,588	-\$114,588	-\$114,588	-\$114,588	-\$114,588
= Net Profit	-\$18,976	\$4,061	\$29,288	\$56,809	\$86,736	\$119,183	\$154,273	\$192,133	\$232,898	\$276,707
Internal Rate of Return	-16.6%	1.7%	7.8%	10.5%	11.8%	12.5%	12.9%	13.1%	13.2%	13.2%
Return on Investment	-16.6%	3.5%	25.6%	49.6%	75.7%	104.0%	134.6%	167.7%	203.2%	241.5%

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