

Ten Year Performance Projection

Renovated Fourplex - Four 2BD/1.5BA Townhomes
Arkansas
8bd | 6ba | Built: 1972 | Remodeled: 2024

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$62,520	\$64,396	\$66,327	\$68,317	\$70,367	\$72,478	\$74,652	\$76,892	\$79,198	\$81,574
Vacancy Losses	-\$5,002	-\$5,152	-\$5,306	-\$5,465	-\$5,629	-\$5,798	-\$5,972	-\$6,151	-\$6,336	-\$6,526
Operating Income	\$57,518	\$59,244	\$61,021	\$62,852	\$64,737	\$66,680	\$68,680	\$70,740	\$72,863	\$75,048

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$4,500	-\$4,666	-\$4,839	-\$5,018	-\$5,204	-\$5,396	-\$5,596	-\$5,803	-\$6,018	-\$6,241
Insurance	-\$3,600	-\$3,733	-\$3,871	-\$4,015	-\$4,163	-\$4,317	-\$4,477	-\$4,643	-\$4,814	-\$4,992
Management Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Leasing/Advertising Fees	-\$2	-\$2	-\$2	-\$2	-\$2	-\$2	-\$2	-\$3	-\$3	-\$3
Association Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Maintenance	-\$3,126	-\$3,242	-\$3,362	-\$3,486	-\$3,615	-\$3,749	-\$3,887	-\$4,031	-\$4,180	-\$4,335
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$11,228	-\$11,643	-\$12,074	-\$12,521	-\$12,984	-\$13,465	-\$13,963	-\$14,480	-\$15,015	-\$15,571

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	\$46,290	\$47,601	\$48,947	\$50,331	\$51,753	\$53,215	\$54,717	\$56,261	\$57,847	\$59,478
- Mortgage Payments	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132
= Cash Flow	\$12,159	\$13,469	\$14,815	\$16,199	\$17,621	\$19,083	\$20,585	\$22,129	\$23,716	\$25,346
+ Principal Reduction	\$5,030	\$5,367	\$5,726	\$6,110	\$6,519	\$6,955	\$7,421	\$7,918	\$8,448	\$9,014
+ Appreciation	\$30,000	\$31,500	\$33,075	\$34,729	\$36,465	\$38,288	\$40,203	\$42,213	\$44,324	\$46,540
= Gross Equity Income	\$47,189	\$50,335	\$53,616	\$57,038	\$60,605	\$64,327	\$68,209	\$72,260	\$76,488	\$80,900
Capitalization Rate	7.3%	7.2%	7.0%	6.9%	6.8%	6.6%	6.5%	6.3%	6.2%	6.1%
Cash on Cash Return	7.6%	8.5%	9.3%	10.2%	11.1%	12.0%	12.9%	13.9%	14.9%	15.9%
Return on Equity	25.5%	22.7%	20.6%	18.9%	17.6%	16.5%	15.6%	14.8%	14.2%	13.6%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$630,000	\$661,500	\$694,575	\$729,304	\$765,769	\$804,057	\$844,260	\$886,473	\$930,797	\$977,337
- Loan Balance	-\$444,970	-\$439,603	-\$433,877	-\$427,768	-\$421,249	-\$414,294	-\$406,873	-\$398,955	-\$390,506	-\$381,492
= Equity	\$185,030	\$221,897	\$260,698	\$301,536	\$344,520	\$389,764	\$437,388	\$487,519	\$540,291	\$595,845
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	\$122,030	\$155,747	\$191,240	\$228,606	\$267,943	\$309,358	\$352,962	\$398,871	\$447,211	\$498,111

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$185,030	\$221,897	\$260,698	\$301,536	\$344,520	\$389,764	\$437,388	\$487,519	\$540,291	\$595,845
- Closing Costs	-\$44,100	-\$46,305	-\$48,620	-\$51,051	-\$53,604	-\$56,284	-\$59,098	-\$62,053	-\$65,156	-\$68,414
= Proceeds After Sale	\$140,930	\$175,592	\$212,077	\$250,485	\$290,916	\$333,480	\$378,289	\$425,466	\$475,135	\$527,431
+ Cumulative Cash Flow	\$12,159	\$25,627	\$40,443	\$56,642	\$74,263	\$93,347	\$113,932	\$136,061	\$159,777	\$185,123
- Approximate Cash Invest	-\$159,000	-\$159,000	-\$159,000	-\$159,000	-\$159,000	-\$159,000	-\$159,000	-\$159,000	-\$159,000	-\$159,000
= Net Profit	-\$5,911	\$42,219	\$93,520	\$148,127	\$206,179	\$267,826	\$333,221	\$402,527	\$475,912	\$553,554
Internal Rate of Return	-3.7%	12.9%	17.8%	19.5%	20.1%	20.3%	20.2%	20.0%	19.8%	19.5%
Return on Investment	-3.7%	26.6%	58.8%	93.2%	129.7%	168.4%	209.6%	253.2%	299.3%	348.1%

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