

Ten Year Performance Projection

Renovated Fourplex - Four 2BD/1.5BA Townhomes
Arkansas
8bd | 6ba | Built: 1982

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$60,360	\$62,171	\$64,036	\$65,957	\$67,936	\$69,974	\$72,073	\$74,235	\$76,462	\$78,756
Vacancy Losses	-\$4,829	-\$4,974	-\$5,123	-\$5,277	-\$5,435	-\$5,598	-\$5,766	-\$5,939	-\$6,117	-\$6,300
Operating Income	\$55,531	\$57,197	\$58,913	\$60,680	\$62,501	\$64,376	\$66,307	\$68,296	\$70,345	\$72,456

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	-\$3,018	-\$3,130	-\$3,245	-\$3,366	-\$3,490	-\$3,619	-\$3,753	-\$3,892	-\$4,036	-\$4,185
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$11,120	-\$11,531	-\$11,958	-\$12,401	-\$12,859	-\$13,335	-\$13,829	-\$14,340	-\$14,871	-\$15,421

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	\$44,411	\$45,666	\$46,955	\$48,280	\$49,641	\$51,041	\$52,479	\$53,956	\$55,474	\$57,035
- Mortgage Payments	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132
= Cash Flow	\$10,279	\$11,534	\$12,823	\$14,148	\$15,510	\$16,909	\$18,347	\$19,824	\$21,343	\$22,903
+ 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	\$45,309	\$48,401	\$51,624	\$54,986	\$58,494	\$62,153	\$65,971	\$69,956	\$74,115	\$78,457
Capitalization Rate	7.0%	6.9%	6.8%	6.6%	6.5%	6.3%	6.2%	6.1%	6.0%	5.8%
Cash on Cash Return	6.5%	7.3%	8.1%	8.9%	9.8%	10.6%	11.5%	12.5%	13.4%	14.4%
Return on Equity	24.5%	21.8%	19.8%	18.2%	17.0%	15.9%	15.1%	14.3%	13.7%	13.2%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$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	\$10,279	\$21,813	\$34,637	\$48,785	\$64,295	\$81,204	\$99,550	\$119,375	\$140,718	\$163,620
- 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	-\$7,791	\$38,405	\$87,714	\$140,269	\$196,211	\$255,683	\$318,840	\$385,840	\$456,853	\$532,052
Internal Rate of Return	-4.9%	11.8%	16.6%	18.5%	19.1%	19.3%	19.3%	19.1%	18.9%	18.7%
Return on Investment	-4.9%	24.2%	55.2%	88.2%	123.4%	160.8%	200.5%	242.7%	287.3%	334.6%

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