

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	\$66,228	\$68,215	\$70,261	\$72,369	\$74,540	\$76,776	\$79,080	\$81,452	\$83,896	\$86,413
Vacancy Losses	-\$5,298	-\$5,457	-\$5,621	-\$5,790	-\$5,963	-\$6,142	-\$6,326	-\$6,516	-\$6,712	-\$6,913
Operating Income	\$60,930	\$62,758	\$64,640	\$66,580	\$68,577	\$70,634	\$72,753	\$74,936	\$77,184	\$79,500

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	-\$3,311	-\$3,434	-\$3,561	-\$3,693	-\$3,829	-\$3,971	-\$4,118	-\$4,270	-\$4,428	-\$4,592
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$11,413	-\$11,836	-\$12,274	-\$12,728	-\$13,199	-\$13,687	-\$14,193	-\$14,719	-\$15,263	-\$15,828

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	\$49,516	\$50,922	\$52,367	\$53,852	\$55,378	\$56,947	\$58,560	\$60,217	\$61,921	\$63,672
- Mortgage Payments	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132	-\$34,132
= Cash Flow	\$15,385	\$16,790	\$18,235	\$19,720	\$21,247	\$22,816	\$24,428	\$26,086	\$27,789	\$29,540
+ 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	\$50,414	\$53,657	\$57,036	\$60,558	\$64,231	\$68,059	\$72,052	\$76,217	\$80,561	\$85,094
Capitalization Rate	7.9%	7.7%	7.5%	7.4%	7.2%	7.1%	6.9%	6.8%	6.7%	6.5%
Cash on Cash Return	9.7%	10.6%	11.5%	12.4%	13.4%	14.3%	15.4%	16.4%	17.5%	18.6%
Return on Equity	27.2%	24.2%	21.9%	20.1%	18.6%	17.5%	16.5%	15.6%	14.9%	14.3%

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	\$15,385	\$32,175	\$50,410	\$70,130	\$91,377	\$114,192	\$138,620	\$164,706	\$192,495	\$222,035
- 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	-\$2,686	\$48,766	\$103,487	\$161,615	\$223,293	\$288,672	\$357,910	\$431,172	\$508,630	\$590,466
Internal Rate of Return	-1.7%	14.9%	19.7%	21.3%	21.9%	22.0%	21.8%	21.6%	21.3%	21.0%
Return on Investment	-1.7%	30.7%	65.1%	101.6%	140.4%	181.6%	225.1%	271.2%	319.9%	371.4%

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