

10 Year Performance Projection

Vaughn Single Family  
Montgomery, AL 36106

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$18,000	\$18,540	\$19,096	\$19,669	\$20,259	\$20,867	\$21,493	\$22,138	\$22,802	\$23,486
Vacancy Losses	-\$1,440	-\$1,483	-\$1,528	-\$1,574	-\$1,621	-\$1,669	-\$1,719	-\$1,771	-\$1,824	-\$1,879
Operating Income	\$16,560	\$17,057	\$17,569	\$18,096	\$18,638	\$19,198	\$19,774	\$20,367	\$20,978	\$21,607

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,259	-\$1,297	-\$1,336	-\$1,376	-\$1,417	-\$1,460	-\$1,504	-\$1,549	-\$1,595	-\$1,643
Insurance	-\$1,224	-\$1,261	-\$1,299	-\$1,338	-\$1,378	-\$1,419	-\$1,462	-\$1,506	-\$1,551	-\$1,597
Management Fees	-\$1,325	-\$1,365	-\$1,405	-\$1,448	-\$1,491	-\$1,536	-\$1,582	-\$1,629	-\$1,678	-\$1,729
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	-\$900	-\$927	-\$955	-\$983	-\$1,013	-\$1,043	-\$1,075	-\$1,107	-\$1,140	-\$1,174
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$4,708	-\$4,850	-\$4,995	-\$5,145	-\$5,299	-\$5,458	-\$5,622	-\$5,791	-\$5,964	-\$6,143

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	\$11,852	\$12,207	\$12,573	\$12,951	\$13,339	\$13,739	\$14,151	\$14,576	\$15,013	\$15,464
- Mortgage Payments	-\$10,462	-\$10,462	-\$10,462	-\$10,462	-\$10,462	-\$10,462	-\$10,462	-\$10,462	-\$10,462	-\$10,462
= Cash Flow	\$1,390	\$1,745	\$2,111	\$2,489	\$2,877	\$3,277	\$3,689	\$4,114	\$4,551	\$5,002
+ Principal Reduction	\$1,335	\$1,431	\$1,535	\$1,646	\$1,764	\$1,892	\$2,028	\$2,175	\$2,332	\$2,500
+ Appreciation	\$10,494	\$11,124	\$11,791	\$12,499	\$13,248	\$14,043	\$14,886	\$15,779	\$16,726	\$17,729
= Gross Equity Income	\$13,219	\$14,300	\$15,437	\$16,633	\$17,890	\$19,212	\$20,604	\$22,068	\$23,609	\$25,231
Capitalization Rate	6.4%	6.2%	6.0%	5.9%	5.7%	5.5%	5.4%	5.2%	5.1%	4.9%
Cash on Cash Return	2.5%	3.1%	3.8%	4.5%	5.2%	5.9%	6.7%	7.4%	8.2%	9.0%
Return on Equity	23.8%	21.0%	19.0%	17.4%	16.2%	15.2%	14.4%	13.7%	13.1%	12.6%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$185,394	\$196,518	\$208,309	\$220,807	\$234,056	\$248,099	\$262,985	\$278,764	\$295,490	\$313,219
- Loan Balance	-\$129,840	-\$128,408	-\$126,874	-\$125,228	-\$123,464	-\$121,572	-\$119,544	-\$117,369	-\$115,038	-\$112,538
= Equity	\$55,554	\$68,109	\$81,435	\$95,579	\$110,592	\$126,527	\$143,441	\$161,395	\$180,452	\$200,681
Loan-to-Value Ratio	70.0%	65.3%	60.9%	56.7%	52.7%	49.0%	45.5%	42.1%	38.9%	35.9%
Potential Cash-Out Refi	\$37,015	\$48,457	\$60,604	\$73,498	\$87,186	\$101,717	\$117,142	\$133,518	\$150,903	\$169,360

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$55,554	\$68,109	\$81,435	\$95,579	\$110,592	\$126,527	\$143,441	\$161,395	\$180,452	\$200,681
- Closing Costs	-\$12,978	-\$13,756	-\$14,582	-\$15,457	-\$16,384	-\$17,367	-\$18,409	-\$19,513	-\$20,684	-\$21,925
= Proceeds After Sale	\$42,576	\$54,353	\$66,853	\$80,123	\$94,208	\$109,160	\$125,032	\$141,881	\$159,768	\$178,756
+ Cumulative Cash Flow	\$1,390	\$3,135	\$5,246	\$7,735	\$10,612	\$13,889	\$17,579	\$21,693	\$26,244	\$31,246
- Initial Cash Invested	-\$55,421	-\$55,421	-\$55,421	-\$55,421	-\$55,421	-\$55,421	-\$55,421	-\$55,421	-\$55,421	-\$55,421
= Net Profit	-\$11,455	\$2,066	\$16,678	\$32,436	\$49,399	\$67,628	\$87,189	\$108,153	\$130,591	\$154,581
Internal Rate of Return	-20.7%	1.9%	9.4%	12.6%	14.2%	15.0%	15.4%	15.5%	15.6%	15.5%
Return on Investment	-20.7%	3.7%	30.1%	58.5%	89.1%	122.0%	157.3%	195.1%	235.6%	278.9%

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