

10 Year Performance Projection

Duplex - Currently Occupied!  
Phoenix, AZ 85032

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$53,400	\$55,002	\$56,652	\$58,352	\$60,102	\$61,905	\$63,762	\$65,675	\$67,646	\$69,675
Vacancy Losses	-\$4,272	-\$4,400	-\$4,532	-\$4,668	-\$4,808	-\$4,952	-\$5,101	-\$5,254	-\$5,412	-\$5,574
Operating Income	\$49,128	\$50,602	\$52,120	\$53,683	\$55,294	\$56,953	\$58,661	\$60,421	\$62,234	\$64,101

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,875	-\$1,931	-\$1,989	-\$2,049	-\$2,110	-\$2,174	-\$2,239	-\$2,306	-\$2,375	-\$2,446
Insurance	-\$1,125	-\$1,159	-\$1,194	-\$1,229	-\$1,266	-\$1,304	-\$1,343	-\$1,384	-\$1,425	-\$1,468
Management Fees	-\$3,930	-\$4,048	-\$4,170	-\$4,295	-\$4,424	-\$4,556	-\$4,693	-\$4,834	-\$4,979	-\$5,128
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	-\$1,602	-\$1,650	-\$1,700	-\$1,751	-\$1,803	-\$1,857	-\$1,913	-\$1,970	-\$2,029	-\$2,090
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$8,532	-\$8,788	-\$9,052	-\$9,323	-\$9,603	-\$9,891	-\$10,188	-\$10,494	-\$10,808	-\$11,133

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	\$40,596	\$41,814	\$43,068	\$44,360	\$45,691	\$47,062	\$48,473	\$49,928	\$51,425	\$52,968
- Mortgage Payments	-\$34,781	-\$34,781	-\$34,781	-\$34,781	-\$34,781	-\$34,781	-\$34,781	-\$34,781	-\$34,781	-\$34,781
= Cash Flow	\$5,814	\$7,032	\$8,287	\$9,579	\$10,910	\$12,280	\$13,692	\$15,146	\$16,644	\$18,187
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$45,000	\$47,700	\$50,562	\$53,596	\$56,811	\$60,220	\$63,833	\$67,663	\$71,723	\$76,027
= Gross Equity Income	\$50,814	\$54,732	\$58,849	\$63,175	\$67,721	\$72,500	\$77,526	\$82,810	\$88,367	\$94,214
Capitalization Rate	5.1%	5.0%	4.8%	4.7%	4.6%	4.4%	4.3%	4.2%	4.1%	3.9%
Cash on Cash Return	2.3%	2.7%	3.2%	3.7%	4.2%	4.8%	5.3%	5.9%	6.5%	7.0%
Return on Equity	18.8%	17.2%	16.0%	15.0%	14.1%	13.5%	12.9%	12.4%	11.9%	11.5%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$795,000	\$842,700	\$893,262	\$946,858	\$1,003,669	\$1,063,889	\$1,127,723	\$1,195,386	\$1,267,109	\$1,343,136
- Loan Balance	-\$525,000	-\$525,000	-\$525,000	-\$525,000	-\$525,000	-\$525,000	-\$525,000	-\$525,000	-\$525,000	-\$525,000
= Equity	\$270,000	\$317,700	\$368,262	\$421,858	\$478,669	\$538,889	\$602,723	\$670,386	\$742,109	\$818,136
Loan-to-Value Ratio	66.0%	62.3%	58.8%	55.4%	52.3%	49.3%	46.6%	43.9%	41.4%	39.1%
Potential Cash-Out Refi	\$190,500	\$233,430	\$278,936	\$327,172	\$378,302	\$432,500	\$489,950	\$550,847	\$615,398	\$683,822

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$270,000	\$317,700	\$368,262	\$421,858	\$478,669	\$538,889	\$602,723	\$670,386	\$742,109	\$818,136
- Closing Costs	-\$55,650	-\$58,989	-\$62,528	-\$66,280	-\$70,257	-\$74,472	-\$78,941	-\$83,677	-\$88,698	-\$94,020
= Proceeds After Sale	\$214,350	\$258,711	\$305,734	\$355,578	\$408,412	\$464,417	\$523,782	\$586,709	\$653,412	\$724,116
+ Cumulative Cash Flow	\$5,814	\$12,847	\$21,134	\$30,712	\$41,622	\$53,902	\$67,595	\$82,741	\$99,385	\$117,572
- Initial Cash Invested	-\$258,000	-\$258,000	-\$258,000	-\$258,000	-\$258,000	-\$258,000	-\$258,000	-\$258,000	-\$258,000	-\$258,000
= Net Profit	-\$37,836	\$13,558	\$68,867	\$128,290	\$192,034	\$260,319	\$333,377	\$411,450	\$494,797	\$583,688
Internal Rate of Return	-14.7%	2.6%	8.4%	10.9%	12.2%	12.9%	13.3%	13.5%	13.6%	13.6%
Return on Investment	-14.7%	5.3%	26.7%	49.7%	74.4%	100.9%	129.2%	159.5%	191.8%	226.2%

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