

10 Year Performance Projection

New Construction in Birmingham Suburbs
Vance, AL 35490

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$21,600	\$22,248	\$22,915	\$23,603	\$24,311	\$25,040	\$25,792	\$26,565	\$27,362	\$28,183
Vacancy Losses	-\$1,728	-\$1,780	-\$1,833	-\$1,888	-\$1,945	-\$2,003	-\$2,063	-\$2,125	-\$2,189	-\$2,255
Operating Income	\$19,872	\$20,468	\$21,082	\$21,715	\$22,366	\$23,037	\$23,728	\$24,440	\$25,173	\$25,928

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,788	-\$1,841	-\$1,896	-\$1,953	-\$2,012	-\$2,072	-\$2,134	-\$2,198	-\$2,264	-\$2,332
Insurance	-\$1,155	-\$1,190	-\$1,225	-\$1,262	-\$1,300	-\$1,339	-\$1,379	-\$1,421	-\$1,463	-\$1,507
Management Fees	-\$1,032	-\$1,063	-\$1,095	-\$1,128	-\$1,162	-\$1,196	-\$1,232	-\$1,269	-\$1,307	-\$1,347
Leasing/Advertising Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Association Fees	-\$540	-\$556	-\$573	-\$590	-\$608	-\$626	-\$645	-\$664	-\$684	-\$705
Maintenance	-\$1,080	-\$1,112	-\$1,146	-\$1,180	-\$1,216	-\$1,252	-\$1,290	-\$1,328	-\$1,368	-\$1,409
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$5,594	-\$5,762	-\$5,935	-\$6,113	-\$6,297	-\$6,486	-\$6,680	-\$6,881	-\$7,087	-\$7,300

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	\$14,278	\$14,706	\$15,147	\$15,601	\$16,069	\$16,552	\$17,048	\$17,560	\$18,086	\$18,629
- Mortgage Payments	-\$13,298	-\$13,298	-\$13,298	-\$13,298	-\$13,298	-\$13,298	-\$13,298	-\$13,298	-\$13,298	-\$13,298
= Cash Flow	\$980	\$1,408	\$1,849	\$2,304	\$2,772	\$3,254	\$3,750	\$4,262	\$4,789	\$5,331
+ Principal Reduction	\$2,534	\$2,681	\$2,835	\$2,999	\$3,172	\$3,355	\$3,549	\$3,754	\$3,970	\$4,199
+ Appreciation	\$16,500	\$17,490	\$18,539	\$19,652	\$20,831	\$22,081	\$23,406	\$24,810	\$26,298	\$27,876
= Gross Equity Income	\$20,014	\$21,579	\$23,224	\$24,954	\$26,775	\$28,690	\$30,705	\$32,825	\$35,057	\$37,407
Capitalization Rate	4.9%	4.8%	4.6%	4.5%	4.4%	4.2%	4.1%	4.0%	3.9%	3.8%
Cash on Cash Return	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.6%	5.1%	5.7%
Return on Equity	19.7%	17.7%	16.2%	15.1%	14.1%	13.3%	12.7%	12.1%	11.6%	11.2%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$291,500	\$308,990	\$327,529	\$347,181	\$368,012	\$390,093	\$413,498	\$438,308	\$464,607	\$492,483
- Loan Balance	-\$189,966	-\$187,285	-\$184,450	-\$181,451	-\$178,279	-\$174,924	-\$171,375	-\$167,622	-\$163,651	-\$159,452
= Equity	\$101,534	\$121,705	\$143,079	\$165,730	\$189,733	\$215,169	\$242,123	\$270,687	\$300,955	\$333,031
Loan-to-Value Ratio	65.2%	60.6%	56.3%	52.3%	48.4%	44.8%	41.4%	38.2%	35.2%	32.4%
Potential Cash-Out Refi	\$72,384	\$90,806	\$110,326	\$131,012	\$152,932	\$176,159	\$200,773	\$226,856	\$254,495	\$283,783

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$101,534	\$121,705	\$143,079	\$165,730	\$189,733	\$215,169	\$242,123	\$270,687	\$300,955	\$333,031
- Closing Costs	-\$20,405	-\$21,629	-\$22,927	-\$24,303	-\$25,761	-\$27,306	-\$28,945	-\$30,682	-\$32,522	-\$34,474
= Proceeds After Sale	\$81,129	\$100,075	\$120,152	\$141,427	\$163,972	\$187,862	\$213,178	\$240,005	\$268,433	\$298,557
+ Cumulative Cash Flow	\$980	\$2,388	\$4,237	\$6,541	\$9,313	\$12,567	\$16,317	\$20,579	\$25,368	\$30,699
- Initial Cash Invested	-\$93,500	-\$93,500	-\$93,500	-\$93,500	-\$93,500	-\$93,500	-\$93,500	-\$93,500	-\$93,500	-\$93,500
= Net Profit	-\$11,391	\$8,963	\$30,890	\$54,468	\$79,785	\$106,929	\$135,995	\$167,084	\$200,300	\$235,756
Internal Rate of Return	-12.2%	4.7%	10.1%	12.4%	13.4%	13.9%	14.1%	14.2%	14.1%	14.1%
Return on Investment	-12.2%	9.6%	33.0%	58.3%	85.3%	114.4%	145.4%	178.7%	214.2%	252.1%

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