Ten Year Performance Projection

Short term + long term rental
Arizona
3bd | 3ba | Built: 1940

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	$50,400	$51,912	$53,469	$55,073	$56,726	$58,427	$60,180	$61,986	$63,845	$65,761
Vacancy Losses	-$4,032	-$4,153	-$4,278	-$4,406	-$4,538	-$4,674	-$4,814	-$4,959	-$5,108	-$5,261
Operating Income	**$46,368**	**$47,759**	**$49,192**	**$50,668**	**$52,188**	**$53,753**	**$55,366**	**$57,027**	**$58,738**	**$60,500**

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-$1,070	-$1,107	-$1,146	-$1,186	-$1,228	-$1,271	-$1,315	-$1,361	-$1,409	-$1,458
Insurance	-$268	-$277	-$287	-$297	-$307	-$318	-$329	-$340	-$352	-$365
Management Fees	-$3,709	-$3,821	-$3,935	-$4,053	-$4,175	-$4,300	-$4,429	-$4,562	-$4,699	-$4,840
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	-$2,520	-$2,608	-$2,699	-$2,794	-$2,892	-$2,993	-$3,098	-$3,206	-$3,318	-$3,435
Other	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0
Operating Expenses	**-$7,567**	**-$7,813**	**-$8,068**	**-$8,330**	**-$8,602**	**-$8,882**	**-$9,171**	**-$9,470**	**-$9,779**	**-$10,097**

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	**$38,801**	**$39,946**	**$41,124**	**$42,337**	**$43,586**	**$44,871**	**$46,195**	**$47,557**	**$48,959**	**$50,402**
- Mortgage Payments	-$24,811	-$24,811	-$24,811	-$24,811	-$24,811	-$24,811	-$24,811	-$24,811	-$24,811	-$24,811
= Cash Flow	**$13,990**	**$15,135**	**$16,314**	**$17,527**	**$18,775**	**$20,061**	**$21,384**	**$22,746**	**$24,148**	**$25,592**
+ Principal Reduction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
+ Appreciation	$148,700	$41,022	$43,483	$46,092	$48,858	$51,789	$54,897	$58,190	$61,682	$65,383
= Gross Equity Income	**$162,690**	**$56,157**	**$59,797**	**$63,619**	**$67,633**	**$71,850**	**$76,281**	**$80,937**	**$85,830**	**$90,975**
Capitalization Rate	5.7%	5.5%	5.4%	5.2%	5.0%	4.9%	4.8%	4.6%	4.5%	4.4%
Cash on Cash Return	7.6%	8.2%	8.9%	9.5%	10.2%	10.9%	11.6%	12.4%	13.1%	13.9%
Return on Equity	52.6%	16.0%	15.2%	14.5%	13.8%	13.3%	12.8%	12.4%	12.0%	11.7%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	$683,700	$724,722	$768,205	$814,298	$863,155	$914,945	$969,842	$1,028,032	$1,089,714	$1,155,097
- Loan Balance	-$374,500	-$374,500	-$374,500	-$374,500	-$374,500	-$374,500	-$374,500	-$374,500	-$374,500	-$374,500
= Equity	**$309,200**	**$350,222**	**$393,705**	**$439,798**	**$488,655**	**$540,445**	**$595,342**	**$653,532**	**$715,214**	**$780,597**
Loan-to-Value Ratio	54.8%	51.7%	48.7%	46.0%	43.4%	40.9%	38.6%	36.4%	34.4%	32.4%
Potential Cash-Out Refi	$240,830	$277,750	$316,885	$358,368	$402,340	$448,950	$498,357	$550,729	$606,243	$665,087

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	$309,200	$350,222	$393,705	$439,798	$488,655	$540,445	$595,342	$653,532	$715,214	$780,597
- Closing Costs	-$47,859	-$50,731	-$53,774	-$57,001	-$60,421	-$64,046	-$67,889	-$71,962	-$76,280	-$80,857
= Proceeds After Sale	**$261,341**	**$299,491**	**$339,931**	**$382,797**	**$428,235**	**$476,399**	**$527,453**	**$581,570**	**$638,934**	**$699,740**
+ Cumulative Cash Flow	$13,990	$29,126	$45,439	$62,966	$81,741	$101,802	$123,186	$145,933	$170,081	$195,673
- Approximate Cash Invest	-$184,040	-$184,040	-$184,040	-$184,040	-$184,040	-$184,040	-$184,040	-$184,040	-$184,040	-$184,040
= Net Profit	**$91,291**	**$144,577**	**$201,330**	**$261,723**	**$325,936**	**$394,161**	**$466,599**	**$543,462**	**$624,975**	**$711,373**
Internal Rate of Return	49.6%	34.6%	29.5%	26.7%	24.8%	23.5%	22.4%	21.6%	20.9%	20.3%
Return on Investment	49.6%	78.6%	109.4%	142.2%	177.1%	214.2%	253.5%	295.3%	339.6%	386.5%

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