

10 Year Performance Projection

Upgraded Duplex - Asking \$550k
Phoenix, AZ 85016

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$43,200	\$44,496	\$45,831	\$47,206	\$48,622	\$50,081	\$51,583	\$53,131	\$54,724	\$56,366
Vacancy Losses	-\$3,456	-\$3,560	-\$3,666	-\$3,776	-\$3,890	-\$4,006	-\$4,127	-\$4,250	-\$4,378	-\$4,509
Operating Income	\$39,744	\$40,936	\$42,164	\$43,429	\$44,732	\$46,074	\$47,456	\$48,880	\$50,347	\$51,857

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,160	-\$2,225	-\$2,292	-\$2,360	-\$2,431	-\$2,504	-\$2,579	-\$2,657	-\$2,736	-\$2,818
Insurance	-\$1,080	-\$1,112	-\$1,146	-\$1,180	-\$1,216	-\$1,252	-\$1,290	-\$1,328	-\$1,368	-\$1,409
Management Fees	-\$3,180	-\$3,275	-\$3,373	-\$3,474	-\$3,579	-\$3,686	-\$3,797	-\$3,910	-\$4,028	-\$4,149
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	-\$2,160	-\$2,225	-\$2,292	-\$2,360	-\$2,431	-\$2,504	-\$2,579	-\$2,657	-\$2,736	-\$2,818
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$8,580	-\$8,837	-\$9,102	-\$9,375	-\$9,656	-\$9,946	-\$10,244	-\$10,552	-\$10,868	-\$11,194

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	\$31,164	\$32,099	\$33,062	\$34,054	\$35,076	\$36,128	\$37,212	\$38,328	\$39,478	\$40,663
- Mortgage Payments	-\$25,043	-\$25,043	-\$25,043	-\$25,043	-\$25,043	-\$25,043	-\$25,043	-\$25,043	-\$25,043	-\$25,043
= Cash Flow	\$6,122	\$7,057	\$8,020	\$9,012	\$10,033	\$11,086	\$12,169	\$13,286	\$14,436	\$15,620
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$32,400	\$34,344	\$36,405	\$38,589	\$40,904	\$43,359	\$45,960	\$48,718	\$51,641	\$54,739
= Gross Equity Income	\$38,522	\$41,401	\$44,424	\$47,601	\$50,938	\$54,444	\$58,129	\$62,003	\$66,076	\$70,359
Capitalization Rate	5.4%	5.3%	5.1%	5.0%	4.9%	4.7%	4.6%	4.5%	4.3%	4.2%
Cash on Cash Return	3.1%	3.6%	4.1%	4.6%	5.1%	5.6%	6.1%	6.7%	7.3%	7.9%
Return on Equity	19.8%	18.1%	16.8%	15.7%	14.8%	14.0%	13.4%	12.8%	12.4%	11.9%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$572,400	\$606,744	\$643,149	\$681,738	\$722,642	\$766,000	\$811,960	\$860,678	\$912,319	\$967,058
- Loan Balance	-\$378,000	-\$378,000	-\$378,000	-\$378,000	-\$378,000	-\$378,000	-\$378,000	-\$378,000	-\$378,000	-\$378,000
= Equity	\$194,400	\$228,744	\$265,149	\$303,738	\$344,642	\$388,000	\$433,960	\$482,678	\$534,319	\$589,058
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	\$137,160	\$168,070	\$200,834	\$235,564	\$272,378	\$311,400	\$352,764	\$396,610	\$443,087	\$492,352

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$194,400	\$228,744	\$265,149	\$303,738	\$344,642	\$388,000	\$433,960	\$482,678	\$534,319	\$589,058
- Closing Costs	-\$40,068	-\$42,472	-\$45,020	-\$47,722	-\$50,585	-\$53,620	-\$56,837	-\$60,247	-\$63,862	-\$67,694
= Proceeds After Sale	\$154,332	\$186,272	\$220,128	\$256,016	\$294,057	\$334,380	\$377,123	\$422,431	\$470,456	\$521,364
+ Cumulative Cash Flow	\$6,122	\$13,179	\$21,199	\$30,210	\$40,244	\$51,329	\$63,499	\$76,785	\$91,220	\$106,840
- Initial Cash Invested	-\$197,988	-\$197,988	-\$197,988	-\$197,988	-\$197,988	-\$197,988	-\$197,988	-\$197,988	-\$197,988	-\$197,988
= Net Profit	-\$37,534	\$1,463	\$43,339	\$88,238	\$136,313	\$187,722	\$242,634	\$301,227	\$363,689	\$430,216
Internal Rate of Return	-19.0%	0.4%	7.0%	10.1%	11.6%	12.5%	13.0%	13.3%	13.4%	13.5%
Return on Investment	-19.0%	0.7%	21.9%	44.6%	68.8%	94.8%	122.5%	152.1%	183.7%	217.3%

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