

10 Year Performance Projection

Occupied duplex
Phoenix, AZ 85020

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$36,540	\$37,636	\$38,765	\$39,928	\$41,126	\$42,360	\$43,631	\$44,940	\$46,288	\$47,676
Vacancy Losses	-\$2,923	-\$3,011	-\$3,101	-\$3,194	-\$3,290	-\$3,389	-\$3,490	-\$3,595	-\$3,703	-\$3,814
Operating Income	\$33,617	\$34,625	\$35,664	\$36,734	\$37,836	\$38,971	\$40,140	\$41,344	\$42,585	\$43,862

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,200	-\$2,266	-\$2,334	-\$2,404	-\$2,476	-\$2,550	-\$2,627	-\$2,706	-\$2,787	-\$2,871
Insurance	-\$1,320	-\$1,360	-\$1,400	-\$1,442	-\$1,486	-\$1,530	-\$1,576	-\$1,623	-\$1,672	-\$1,722
Management Fees	-\$2,689	-\$2,770	-\$2,853	-\$2,939	-\$3,027	-\$3,118	-\$3,211	-\$3,308	-\$3,407	-\$3,509
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	-\$1,827	-\$1,882	-\$1,938	-\$1,996	-\$2,056	-\$2,118	-\$2,182	-\$2,247	-\$2,314	-\$2,384
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$8,036	-\$8,277	-\$8,526	-\$8,782	-\$9,045	-\$9,316	-\$9,596	-\$9,884	-\$10,180	-\$10,486

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	\$25,580	\$26,348	\$27,138	\$27,952	\$28,791	\$29,655	\$30,544	\$31,461	\$32,405	\$33,377
- Mortgage Payments	-\$20,405	-\$20,405	-\$20,405	-\$20,405	-\$20,405	-\$20,405	-\$20,405	-\$20,405	-\$20,405	-\$20,405
= Cash Flow	\$5,175	\$5,943	\$6,733	\$7,547	\$8,386	\$9,250	\$10,139	\$11,056	\$12,000	\$12,972
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$26,400	\$27,984	\$29,663	\$31,443	\$33,329	\$35,329	\$37,449	\$39,696	\$42,078	\$44,602
= Gross Equity Income	\$31,575	\$33,927	\$36,396	\$38,990	\$41,715	\$44,579	\$47,588	\$50,752	\$54,077	\$57,574
Capitalization Rate	5.5%	5.3%	5.2%	5.0%	4.9%	4.8%	4.6%	4.5%	4.4%	4.2%
Cash on Cash Return	3.1%	3.6%	4.1%	4.6%	5.1%	5.6%	6.1%	6.7%	7.2%	7.8%
Return on Equity	19.9%	18.2%	16.8%	15.8%	14.9%	14.1%	13.5%	12.9%	12.4%	12.0%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$466,400	\$494,384	\$524,047	\$555,490	\$588,819	\$624,148	\$661,597	\$701,293	\$743,371	\$787,973
- Loan Balance	-\$308,000	-\$308,000	-\$308,000	-\$308,000	-\$308,000	-\$308,000	-\$308,000	-\$308,000	-\$308,000	-\$308,000
= Equity	\$158,400	\$186,384	\$216,047	\$247,490	\$280,819	\$316,148	\$353,597	\$393,293	\$435,371	\$479,973
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	\$111,760	\$136,946	\$163,642	\$191,941	\$221,937	\$253,734	\$287,438	\$323,164	\$361,034	\$401,176

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$158,400	\$186,384	\$216,047	\$247,490	\$280,819	\$316,148	\$353,597	\$393,293	\$435,371	\$479,973
- Closing Costs	-\$32,648	-\$34,607	-\$36,683	-\$38,884	-\$41,217	-\$43,690	-\$46,312	-\$49,091	-\$52,036	-\$55,158
= Proceeds After Sale	\$125,752	\$151,777	\$179,364	\$208,606	\$239,602	\$272,458	\$307,286	\$344,203	\$383,335	\$424,815
+ Cumulative Cash Flow	\$5,175	\$11,118	\$17,852	\$25,399	\$33,785	\$43,035	\$53,174	\$64,230	\$76,229	\$89,201
- Initial Cash Invested	-\$165,728	-\$165,728	-\$165,728	-\$165,728	-\$165,728	-\$165,728	-\$165,728	-\$165,728	-\$165,728	-\$165,728
= Net Profit	-\$34,801	-\$2,833	\$31,487	\$68,276	\$107,659	\$149,765	\$194,731	\$242,704	\$293,836	\$348,288
Internal Rate of Return	-21.0%	-0.9%	6.2%	9.4%	11.1%	12.1%	12.6%	13.0%	13.2%	13.2%
Return on Investment	-21.0%	-1.7%	19.0%	41.2%	65.0%	90.4%	117.5%	146.4%	177.3%	210.2%

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