

10 Year Performance Projection

13 Unit Occupied \*Asking \$3.4M  
Phoenix, AZ 85013

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$232,272	\$239,240	\$246,417	\$253,810	\$261,424	\$269,267	\$277,345	\$285,665	\$294,235	\$303,062
Vacancy Losses	-\$18,582	-\$19,139	-\$19,713	-\$20,305	-\$20,914	-\$21,541	-\$22,188	-\$22,853	-\$23,539	-\$24,245
Operating Income	\$213,690	\$220,101	\$226,704	\$233,505	\$240,510	\$247,726	\$255,157	\$262,812	\$270,696	\$278,817

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$8,125	-\$8,369	-\$8,620	-\$8,878	-\$9,145	-\$9,419	-\$9,702	-\$9,993	-\$10,293	-\$10,601
Insurance	-\$3,250	-\$3,348	-\$3,448	-\$3,551	-\$3,658	-\$3,768	-\$3,881	-\$3,997	-\$4,117	-\$4,241
Management Fees	-\$17,095	-\$17,608	-\$18,136	-\$18,680	-\$19,241	-\$19,818	-\$20,413	-\$21,025	-\$21,656	-\$22,305
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	-\$18,582	-\$19,139	-\$19,713	-\$20,305	-\$20,914	-\$21,541	-\$22,188	-\$22,853	-\$23,539	-\$24,245
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$47,052	-\$48,464	-\$49,917	-\$51,415	-\$52,957	-\$54,546	-\$56,183	-\$57,868	-\$59,604	-\$61,392

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	\$166,638	\$171,637	\$176,787	\$182,090	\$187,553	\$193,179	\$198,975	\$204,944	\$211,092	\$217,425
- Mortgage Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Cash Flow	\$166,638	\$171,637	\$176,787	\$182,090	\$187,553	\$193,179	\$198,975	\$204,944	\$211,092	\$217,425
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$195,000	\$206,700	\$219,102	\$232,248	\$246,183	\$260,954	\$276,611	\$293,208	\$310,800	\$329,448
= Gross Equity Income	\$361,638	\$378,337	\$395,889	\$414,338	\$433,736	\$454,133	\$475,586	\$498,152	\$521,893	\$546,874
Capitalization Rate	4.8%	4.7%	4.6%	4.4%	4.3%	4.2%	4.1%	4.0%	3.8%	3.7%
Cash on Cash Return	5.0%	5.1%	5.3%	5.4%	5.6%	5.8%	5.9%	6.1%	6.3%	6.5%
Return on Equity	10.5%	10.4%	10.2%	10.1%	10.0%	9.9%	9.7%	9.6%	9.5%	9.4%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$3,445,000	\$3,651,700	\$3,870,802	\$4,103,050	\$4,349,233	\$4,610,187	\$4,886,798	\$5,180,006	\$5,490,807	\$5,820,255
- Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Equity	\$3,445,000	\$3,651,700	\$3,870,802	\$4,103,050	\$4,349,233	\$4,610,187	\$4,886,798	\$5,180,006	\$5,490,807	\$5,820,255
Loan-to-Value Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Potential Cash-Out Refi	\$3,100,500	\$3,286,530	\$3,483,722	\$3,692,745	\$3,914,310	\$4,149,168	\$4,398,119	\$4,662,006	\$4,941,726	\$5,238,230

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$3,445,000	\$3,651,700	\$3,870,802	\$4,103,050	\$4,349,233	\$4,610,187	\$4,886,798	\$5,180,006	\$5,490,807	\$5,820,255
- Closing Costs	-\$241,150	-\$255,619	-\$270,956	-\$287,214	-\$304,446	-\$322,713	-\$342,076	-\$362,600	-\$384,356	-\$407,418
= Proceeds After Sale	\$3,203,850	\$3,396,081	\$3,599,846	\$3,815,837	\$4,044,787	\$4,287,474	\$4,544,722	\$4,817,406	\$5,106,450	\$5,412,837
+ Cumulative Cash Flow	\$166,638	\$338,276	\$515,062	\$697,152	\$884,705	\$1,077,885	\$1,276,859	\$1,481,803	\$1,692,896	\$1,910,321
- Initial Cash Invested	-\$3,347,500	-\$3,347,500	-\$3,347,500	-\$3,347,500	-\$3,347,500	-\$3,347,500	-\$3,347,500	-\$3,347,500	-\$3,347,500	-\$3,347,500
= Net Profit	\$22,988	\$386,857	\$767,408	\$1,165,489	\$1,581,992	\$2,017,859	\$2,474,082	\$2,951,709	\$3,451,846	\$3,975,658
Internal Rate of Return	0.7%	5.8%	7.5%	8.3%	8.8%	9.1%	9.3%	9.4%	9.5%	9.5%
Return on Investment	0.7%	11.6%	22.9%	34.8%	47.3%	60.3%	73.9%	88.2%	103.1%	118.8%

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