

10 Year Performance Projection

New Construction in Tuscaloosa
Tuscaloosa, AL 35405

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$14,400	\$14,832	\$15,277	\$15,735	\$16,207	\$16,694	\$17,194	\$17,710	\$18,241	\$18,789
Vacancy Losses	-\$1,152	-\$1,187	-\$1,222	-\$1,259	-\$1,297	-\$1,335	-\$1,376	-\$1,417	-\$1,459	-\$1,503
Operating Income	\$13,248	\$13,645	\$14,055	\$14,476	\$14,911	\$15,358	\$15,819	\$16,293	\$16,782	\$17,286

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,299	-\$1,338	-\$1,378	-\$1,420	-\$1,462	-\$1,506	-\$1,551	-\$1,598	-\$1,646	-\$1,695
Insurance	-\$840	-\$865	-\$891	-\$917	-\$945	-\$973	-\$1,003	-\$1,033	-\$1,064	-\$1,095
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	-\$504	-\$519	-\$535	-\$551	-\$567	-\$584	-\$602	-\$620	-\$638	-\$658
Maintenance	-\$720	-\$742	-\$764	-\$787	-\$810	-\$835	-\$860	-\$886	-\$912	-\$939
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$4,395	-\$4,527	-\$4,663	-\$4,802	-\$4,947	-\$5,095	-\$5,248	-\$5,405	-\$5,567	-\$5,734

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	\$8,853	\$9,119	\$9,392	\$9,674	\$9,964	\$10,263	\$10,571	\$10,888	\$11,215	\$11,551
- Mortgage Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Cash Flow	\$8,853	\$9,119	\$9,392	\$9,674	\$9,964	\$10,263	\$10,571	\$10,888	\$11,215	\$11,551
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$11,994	\$12,714	\$13,476	\$14,285	\$15,142	\$16,051	\$17,014	\$18,035	\$19,117	\$20,264
= Gross Equity Income	\$20,847	\$21,832	\$22,869	\$23,959	\$25,106	\$26,314	\$27,585	\$28,923	\$30,331	\$31,815
Capitalization Rate	4.2%	4.1%	3.9%	3.8%	3.7%	3.6%	3.5%	3.4%	3.3%	3.2%
Cash on Cash Return	4.3%	4.4%	4.5%	4.7%	4.8%	4.9%	5.1%	5.2%	5.4%	5.6%
Return on Equity	9.8%	9.7%	9.6%	9.5%	9.4%	9.3%	9.2%	9.1%	9.0%	8.9%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$211,894	\$224,608	\$238,084	\$252,369	\$267,511	\$283,562	\$300,576	\$318,610	\$337,727	\$357,990
- Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Equity	\$211,894	\$224,608	\$238,084	\$252,369	\$267,511	\$283,562	\$300,576	\$318,610	\$337,727	\$357,990
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	\$190,705	\$202,147	\$214,276	\$227,132	\$240,760	\$255,206	\$270,518	\$286,749	\$303,954	\$322,191

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$211,894	\$224,608	\$238,084	\$252,369	\$267,511	\$283,562	\$300,576	\$318,610	\$337,727	\$357,990
- Closing Costs	-\$14,833	-\$15,723	-\$16,666	-\$17,666	-\$18,726	-\$19,849	-\$21,040	-\$22,303	-\$23,641	-\$25,059
= Proceeds After Sale	\$197,061	\$208,885	\$221,418	\$234,703	\$248,786	\$263,713	\$279,535	\$296,308	\$314,086	\$332,931
+ Cumulative Cash Flow	\$8,853	\$17,972	\$27,364	\$37,038	\$47,002	\$57,265	\$67,836	\$78,724	\$89,939	\$101,491
- Initial Cash Invested	-\$207,896	-\$207,896	-\$207,896	-\$207,896	-\$207,896	-\$207,896	-\$207,896	-\$207,896	-\$207,896	-\$207,896
= Net Profit	-\$1,982	\$18,961	\$40,886	\$63,845	\$87,892	\$113,082	\$139,476	\$167,136	\$196,129	\$226,526
Internal Rate of Return	-1.0%	4.6%	6.4%	7.3%	7.9%	8.2%	8.4%	8.6%	8.7%	8.8%
Return on Investment	-1.0%	9.1%	19.7%	30.7%	42.3%	54.4%	67.1%	80.4%	94.3%	109.0%

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