

10 Year Performance Projection

New Construction in Tuscaloosa Metro  
Tuscaloosa, AL 35474

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$19,800	\$20,394	\$21,006	\$21,636	\$22,285	\$22,954	\$23,642	\$24,352	\$25,082	\$25,835
Vacancy Losses	-\$1,584	-\$1,632	-\$1,680	-\$1,731	-\$1,783	-\$1,836	-\$1,891	-\$1,948	-\$2,007	-\$2,067
Operating Income	\$18,216	\$18,762	\$19,325	\$19,905	\$20,502	\$21,117	\$21,751	\$22,403	\$23,075	\$23,768

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,693	-\$1,743	-\$1,796	-\$1,850	-\$1,905	-\$1,962	-\$2,021	-\$2,082	-\$2,144	-\$2,208
Insurance	-\$1,094	-\$1,126	-\$1,160	-\$1,195	-\$1,231	-\$1,268	-\$1,306	-\$1,345	-\$1,385	-\$1,427
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	-\$360	-\$371	-\$382	-\$393	-\$405	-\$417	-\$430	-\$443	-\$456	-\$470
Maintenance	-\$990	-\$1,020	-\$1,050	-\$1,082	-\$1,114	-\$1,148	-\$1,182	-\$1,218	-\$1,254	-\$1,292
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$5,168	-\$5,323	-\$5,483	-\$5,648	-\$5,817	-\$5,991	-\$6,171	-\$6,356	-\$6,547	-\$6,743

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	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024
- Mortgage Payments	-\$12,076	-\$12,076	-\$12,076	-\$12,076	-\$12,076	-\$12,076	-\$12,076	-\$12,076	-\$12,076	-\$12,076
= Cash Flow	\$972	\$1,363	\$1,766	\$2,182	\$2,609	\$3,050	\$3,504	\$3,971	\$4,452	\$4,948
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$15,624	\$16,561	\$17,555	\$18,608	\$19,725	\$20,908	\$22,163	\$23,493	\$24,902	\$26,396
= Gross Equity Income	\$16,596	\$17,925	\$19,321	\$20,790	\$22,334	\$23,958	\$25,667	\$27,464	\$29,355	\$31,345
Capitalization Rate	4.7%	4.6%	4.5%	4.3%	4.2%	4.1%	4.0%	3.9%	3.8%	3.7%
Cash on Cash Return	1.0%	1.4%	1.9%	2.3%	2.7%	3.2%	3.7%	4.2%	4.7%	5.2%
Return on Equity	17.7%	16.2%	15.1%	14.2%	13.4%	12.8%	12.3%	11.8%	11.4%	11.0%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$276,024	\$292,585	\$310,141	\$328,749	\$348,474	\$369,382	\$391,545	\$415,038	\$439,940	\$466,337
- Loan Balance	-\$182,280	-\$182,280	-\$182,280	-\$182,280	-\$182,280	-\$182,280	-\$182,280	-\$182,280	-\$182,280	-\$182,280
= Equity	\$93,744	\$110,305	\$127,861	\$146,469	\$166,194	\$187,102	\$209,265	\$232,758	\$257,660	\$284,057
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	\$66,142	\$81,047	\$96,847	\$113,594	\$131,347	\$150,164	\$170,111	\$191,254	\$213,666	\$237,423

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$93,744	\$110,305	\$127,861	\$146,469	\$166,194	\$187,102	\$209,265	\$232,758	\$257,660	\$284,057
- Closing Costs	-\$19,322	-\$20,481	-\$21,710	-\$23,012	-\$24,393	-\$25,857	-\$27,408	-\$29,053	-\$30,796	-\$32,644
= Proceeds After Sale	\$74,422	\$89,824	\$106,151	\$123,457	\$141,801	\$161,246	\$181,857	\$203,705	\$226,864	\$251,413
+ Cumulative Cash Flow	\$972	\$2,335	\$4,101	\$6,282	\$8,892	\$11,942	\$15,445	\$19,416	\$23,868	\$28,817
- Initial Cash Invested	-\$94,916	-\$94,916	-\$94,916	-\$94,916	-\$94,916	-\$94,916	-\$94,916	-\$94,916	-\$94,916	-\$94,916
= Net Profit	-\$19,522	-\$2,757	\$15,336	\$34,823	\$55,777	\$78,271	\$102,386	\$128,206	\$155,817	\$185,314
Internal Rate of Return	-20.6%	-1.5%	5.2%	8.3%	9.9%	10.8%	11.4%	11.7%	11.9%	12.0%
Return on Investment	-20.6%	-2.9%	16.2%	36.7%	58.8%	82.5%	107.9%	135.1%	164.2%	195.2%

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