

10 Year Performance Projection

Upcoming area of West Phoenix  
Goodyear, AZ 85338

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$27,600	\$28,428	\$29,281	\$30,159	\$31,064	\$31,996	\$32,956	\$33,945	\$34,963	\$36,012
Vacancy Losses	-\$2,208	-\$2,274	-\$2,342	-\$2,413	-\$2,485	-\$2,560	-\$2,636	-\$2,716	-\$2,797	-\$2,881
Operating Income	\$25,392	\$26,154	\$26,938	\$27,747	\$28,579	\$29,436	\$30,319	\$31,229	\$32,166	\$33,131

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,660	-\$1,710	-\$1,761	-\$1,814	-\$1,868	-\$1,924	-\$1,982	-\$2,042	-\$2,103	-\$2,166
Insurance	-\$830	-\$855	-\$881	-\$907	-\$934	-\$962	-\$991	-\$1,021	-\$1,051	-\$1,083
Management Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Leasing/Advertising Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Association Fees	-\$1,428	-\$1,471	-\$1,515	-\$1,560	-\$1,607	-\$1,655	-\$1,705	-\$1,756	-\$1,809	-\$1,863
Maintenance	-\$552	-\$569	-\$586	-\$603	-\$621	-\$640	-\$659	-\$679	-\$699	-\$720
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$4,470	-\$4,604	-\$4,742	-\$4,884	-\$5,031	-\$5,182	-\$5,337	-\$5,498	-\$5,662	-\$5,832

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	\$20,922	\$21,550	\$22,196	\$22,862	\$23,548	\$24,254	\$24,982	\$25,731	\$26,503	\$27,298
- Mortgage Payments	-\$19,246	-\$19,246	-\$19,246	-\$19,246	-\$19,246	-\$19,246	-\$19,246	-\$19,246	-\$19,246	-\$19,246
= Cash Flow	\$1,676	\$2,304	\$2,951	\$3,616	\$4,302	\$5,009	\$5,736	\$6,486	\$7,258	\$8,053
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$24,900	\$26,394	\$27,978	\$29,656	\$31,436	\$33,322	\$35,321	\$37,440	\$39,687	\$42,068
= Gross Equity Income	\$26,576	\$28,698	\$30,928	\$33,273	\$35,738	\$38,331	\$41,057	\$43,926	\$46,945	\$50,121
Capitalization Rate	4.8%	4.6%	4.5%	4.4%	4.2%	4.1%	4.0%	3.9%	3.8%	3.7%
Cash on Cash Return	1.2%	1.6%	2.1%	2.5%	3.0%	3.5%	4.0%	4.5%	5.1%	5.6%
Return on Equity	17.8%	16.3%	15.2%	14.3%	13.5%	12.9%	12.3%	11.8%	11.4%	11.1%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$439,900	\$466,294	\$494,272	\$523,928	\$555,364	\$588,685	\$624,007	\$661,447	\$701,134	\$743,202
- Loan Balance	-\$290,500	-\$290,500	-\$290,500	-\$290,500	-\$290,500	-\$290,500	-\$290,500	-\$290,500	-\$290,500	-\$290,500
= Equity	\$149,400	\$175,794	\$203,772	\$233,428	\$264,864	\$298,185	\$333,507	\$370,947	\$410,634	\$452,702
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	\$105,410	\$129,165	\$154,344	\$181,035	\$209,327	\$239,317	\$271,106	\$304,802	\$340,520	\$378,382

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$149,400	\$175,794	\$203,772	\$233,428	\$264,864	\$298,185	\$333,507	\$370,947	\$410,634	\$452,702
- Closing Costs	-\$30,793	-\$32,641	-\$34,599	-\$36,675	-\$38,875	-\$41,208	-\$43,680	-\$46,301	-\$49,079	-\$52,024
= Proceeds After Sale	\$118,607	\$143,153	\$169,173	\$196,753	\$225,988	\$256,977	\$289,826	\$324,646	\$361,554	\$400,678
+ Cumulative Cash Flow	\$1,676	\$3,980	\$6,931	\$10,547	\$14,850	\$19,858	\$25,595	\$32,081	\$39,338	\$47,391
- Initial Cash Invested	-\$142,760	-\$142,760	-\$142,760	-\$142,760	-\$142,760	-\$142,760	-\$142,760	-\$142,760	-\$142,760	-\$142,760
= Net Profit	-\$22,477	\$4,374	\$33,344	\$64,540	\$98,078	\$134,076	\$172,661	\$213,966	\$258,133	\$305,309
Internal Rate of Return	-15.7%	1.5%	7.3%	9.9%	11.3%	12.0%	12.4%	12.6%	12.7%	12.8%
Return on Investment	-15.7%	3.1%	23.4%	45.2%	68.7%	93.9%	120.9%	149.9%	180.8%	213.9%

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