

10 Year Performance Projection

TURNKEY INVESTMENT - CASH FLOWING TRIPLEX
Stockton, CA 95210

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$57,600	\$59,328	\$61,108	\$62,941	\$64,829	\$66,774	\$68,777	\$70,841	\$72,966	\$75,155
Vacancy Losses	-\$2,880	-\$2,966	-\$3,055	-\$3,147	-\$3,241	-\$3,339	-\$3,439	-\$3,542	-\$3,648	-\$3,758
Operating Income	\$54,720	\$56,362	\$58,052	\$59,794	\$61,588	\$63,435	\$65,339	\$67,299	\$69,318	\$71,397

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$3,125	-\$3,219	-\$3,315	-\$3,415	-\$3,517	-\$3,623	-\$3,731	-\$3,843	-\$3,959	-\$4,077
Insurance	-\$1,875	-\$1,931	-\$1,989	-\$2,049	-\$2,110	-\$2,174	-\$2,239	-\$2,306	-\$2,375	-\$2,446
Management Fees	-\$1,200	-\$1,236	-\$1,273	-\$1,311	-\$1,351	-\$1,391	-\$1,433	-\$1,476	-\$1,520	-\$1,566
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	-\$2,880	-\$2,966	-\$3,055	-\$3,147	-\$3,241	-\$3,339	-\$3,439	-\$3,542	-\$3,648	-\$3,758
Other	-\$8,270	-\$8,519	-\$8,774	-\$9,037	-\$9,308	-\$9,588	-\$9,875	-\$10,172	-\$10,477	-\$10,791
Operating Expenses	-\$17,350	-\$17,871	-\$18,407	-\$18,959	-\$19,528	-\$20,114	-\$20,717	-\$21,339	-\$21,979	-\$22,638

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	\$37,370	\$38,491	\$39,645	\$40,835	\$42,060	\$43,322	\$44,621	\$45,960	\$47,339	\$48,759
- Mortgage Payments	-\$35,554	-\$35,554	-\$35,554	-\$35,554	-\$35,554	-\$35,554	-\$35,554	-\$35,554	-\$35,554	-\$35,554
= Cash Flow	\$1,816	\$2,937	\$4,092	\$5,281	\$6,506	\$7,768	\$9,067	\$10,406	\$11,785	\$13,205
+ Principal Reduction	\$5,239	\$5,590	\$5,965	\$6,364	\$6,790	\$7,245	\$7,730	\$8,248	\$8,800	\$9,390
+ Appreciation	\$31,250	\$32,812	\$34,453	\$36,176	\$37,985	\$39,884	\$41,878	\$43,972	\$46,170	\$48,479
= Gross Equity Income	\$38,305	\$41,340	\$44,509	\$47,821	\$51,281	\$54,897	\$58,676	\$62,626	\$66,756	\$71,074
Capitalization Rate	5.7%	5.6%	5.5%	5.4%	5.3%	5.2%	5.1%	5.0%	4.9%	4.8%
Cash on Cash Return	1.0%	1.7%	2.4%	3.0%	3.8%	4.5%	5.2%	6.0%	6.8%	7.6%
Return on Equity	19.9%	17.9%	16.4%	15.2%	14.3%	13.5%	12.9%	12.3%	11.9%	11.5%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$656,250	\$689,062	\$723,516	\$759,691	\$797,676	\$837,560	\$879,438	\$923,410	\$969,580	\$1,018,059
- Loan Balance	-\$463,511	-\$457,920	-\$451,956	-\$445,592	-\$438,801	-\$431,556	-\$423,826	-\$415,578	-\$406,778	-\$397,388
= Equity	\$192,739	\$231,142	\$271,560	\$314,100	\$358,875	\$406,003	\$455,612	\$507,832	\$562,802	\$620,671
Loan-to-Value Ratio	70.6%	66.5%	62.5%	58.7%	55.0%	51.5%	48.2%	45.0%	42.0%	39.0%
Potential Cash-Out Refi	\$127,114	\$162,236	\$199,208	\$238,131	\$279,107	\$322,247	\$367,668	\$415,491	\$465,844	\$518,865

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$192,739	\$231,142	\$271,560	\$314,100	\$358,875	\$406,003	\$455,612	\$507,832	\$562,802	\$620,671
- Closing Costs	-\$45,938	-\$48,234	-\$50,646	-\$53,178	-\$55,837	-\$58,629	-\$61,561	-\$64,639	-\$67,871	-\$71,264
= Proceeds After Sale	\$146,802	\$182,908	\$220,914	\$260,921	\$303,037	\$347,374	\$394,051	\$443,193	\$494,932	\$549,407
+ Cumulative Cash Flow	\$1,816	\$4,753	\$8,844	\$14,125	\$20,631	\$28,399	\$37,466	\$47,872	\$59,657	\$72,862
- Initial Cash Invested	-\$173,438	-\$173,438	-\$173,438	-\$173,438	-\$173,438	-\$173,438	-\$173,438	-\$173,438	-\$173,438	-\$173,438
= Net Profit	-\$24,820	\$14,223	\$56,320	\$101,609	\$150,231	\$202,336	\$258,080	\$317,628	\$381,151	\$448,832
Internal Rate of Return	-14.3%	4.0%	9.9%	12.4%	13.6%	14.2%	14.4%	14.5%	14.5%	14.4%
Return on Investment	-14.3%	8.2%	32.5%	58.6%	86.6%	116.7%	148.8%	183.1%	219.8%	258.8%

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