

10 Year Performance Projection

Occupied 3 Townhome Package
Phoenix, AZ 85019

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$67,200	\$69,216	\$71,292	\$73,431	\$75,634	\$77,903	\$80,240	\$82,648	\$85,127	\$87,681
Vacancy Losses	-\$5,376	-\$5,537	-\$5,703	-\$5,875	-\$6,051	-\$6,232	-\$6,419	-\$6,612	-\$6,810	-\$7,014
Operating Income	\$61,824	\$63,679	\$65,589	\$67,557	\$69,583	\$71,671	\$73,821	\$76,036	\$78,317	\$80,666

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,710	-\$1,761	-\$1,814	-\$1,869	-\$1,925	-\$1,982	-\$2,042	-\$2,103	-\$2,166	-\$2,231
Insurance	-\$1,140	-\$1,174	-\$1,209	-\$1,246	-\$1,283	-\$1,322	-\$1,361	-\$1,402	-\$1,444	-\$1,487
Management Fees	-\$4,946	-\$5,094	-\$5,247	-\$5,405	-\$5,567	-\$5,734	-\$5,906	-\$6,083	-\$6,265	-\$6,453
Leasing/Advertising Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Association Fees	-\$7,572	-\$7,799	-\$8,033	-\$8,274	-\$8,522	-\$8,778	-\$9,041	-\$9,313	-\$9,592	-\$9,880
Maintenance	-\$5,376	-\$5,537	-\$5,703	-\$5,875	-\$6,051	-\$6,232	-\$6,419	-\$6,612	-\$6,810	-\$7,014
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$20,744	-\$21,366	-\$22,007	-\$22,667	-\$23,347	-\$24,048	-\$24,769	-\$25,512	-\$26,278	-\$27,066

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	\$41,080	\$42,312	\$43,582	\$44,889	\$46,236	\$47,623	\$49,052	\$50,523	\$52,039	\$53,600
- Mortgage Payments	-\$32,425	-\$32,425	-\$32,425	-\$32,425	-\$32,425	-\$32,425	-\$32,425	-\$32,425	-\$32,425	-\$32,425
= Cash Flow	\$8,655	\$9,887	\$11,157	\$12,464	\$13,811	\$15,198	\$16,627	\$18,098	\$19,614	\$21,175
+ Principal Reduction	\$4,778	\$5,098	\$5,440	\$5,804	\$6,193	\$6,607	\$7,050	\$7,522	\$8,026	\$8,563
+ Appreciation	\$34,200	\$36,252	\$38,427	\$40,733	\$43,177	\$45,767	\$48,513	\$51,424	\$54,510	\$57,780
= Gross Equity Income	\$47,633	\$51,238	\$55,024	\$59,001	\$63,180	\$67,573	\$72,190	\$77,045	\$82,149	\$87,519
Capitalization Rate	6.8%	6.6%	6.4%	6.2%	6.1%	5.9%	5.7%	5.6%	5.4%	5.3%
Cash on Cash Return	5.3%	6.0%	6.8%	7.6%	8.4%	9.3%	10.1%	11.0%	12.0%	12.9%
Return on Equity	26.2%	23.0%	20.6%	18.8%	17.4%	16.3%	15.3%	14.6%	13.9%	13.3%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$604,200	\$640,452	\$678,879	\$719,612	\$762,789	\$808,556	\$857,069	\$908,493	\$963,003	\$1,020,783
- Loan Balance	-\$422,722	-\$417,623	-\$412,184	-\$406,380	-\$400,187	-\$393,579	-\$386,530	-\$379,007	-\$370,981	-\$362,418
= Equity	\$181,478	\$222,829	\$266,695	\$313,232	\$362,602	\$414,976	\$470,540	\$529,486	\$592,022	\$658,365
Loan-to-Value Ratio	70.0%	65.2%	60.7%	56.5%	52.5%	48.7%	45.1%	41.7%	38.5%	35.5%
Potential Cash-Out Refi	\$121,058	\$158,783	\$198,807	\$241,271	\$286,323	\$334,121	\$384,833	\$438,637	\$495,721	\$556,287

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$181,478	\$222,829	\$266,695	\$313,232	\$362,602	\$414,976	\$470,540	\$529,486	\$592,022	\$658,365
- Closing Costs	-\$42,294	-\$44,832	-\$47,522	-\$50,373	-\$53,395	-\$56,599	-\$59,995	-\$63,595	-\$67,410	-\$71,455
= Proceeds After Sale	\$139,184	\$177,997	\$219,174	\$262,859	\$309,206	\$358,377	\$410,545	\$465,892	\$524,611	\$586,910
+ Cumulative Cash Flow	\$8,655	\$18,542	\$29,699	\$42,163	\$55,974	\$71,172	\$87,799	\$105,897	\$125,511	\$146,686
- Initial Cash Invested	-\$163,875	-\$163,875	-\$163,875	-\$163,875	-\$163,875	-\$163,875	-\$163,875	-\$163,875	-\$163,875	-\$163,875
= Net Profit	-\$16,036	\$32,664	\$84,998	\$141,148	\$201,306	\$265,675	\$334,469	\$407,914	\$486,248	\$569,722
Internal Rate of Return	-9.8%	9.7%	15.6%	17.9%	18.8%	19.1%	19.1%	19.0%	18.8%	18.5%
Return on Investment	-9.8%	19.9%	51.9%	86.1%	122.8%	162.1%	204.1%	248.9%	296.7%	347.7%

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