

10 Year Performance Projection

17 Units - 100% Occupied
Phoenix, 85032

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$308,400	\$317,652	\$327,182	\$336,997	\$347,107	\$357,520	\$368,246	\$379,293	\$390,672	\$402,392
Vacancy Losses	-\$24,672	-\$25,412	-\$26,175	-\$26,960	-\$27,769	-\$28,602	-\$29,460	-\$30,343	-\$31,254	-\$32,191
Operating Income	\$283,728	\$292,240	\$301,007	\$310,037	\$319,338	\$328,919	\$338,786	\$348,950	\$359,418	\$370,201

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$4,750	-\$4,892	-\$5,039	-\$5,190	-\$5,346	-\$5,507	-\$5,672	-\$5,842	-\$6,017	-\$6,198
Insurance	-\$7,500	-\$7,725	-\$7,957	-\$8,195	-\$8,441	-\$8,695	-\$8,955	-\$9,224	-\$9,501	-\$9,786
Management Fees	-\$8,512	-\$8,767	-\$9,030	-\$9,301	-\$9,580	-\$9,868	-\$10,164	-\$10,468	-\$10,783	-\$11,106
Leasing/Advertising Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Association Fees	-\$76,500	-\$78,795	-\$81,159	-\$83,594	-\$86,101	-\$88,684	-\$91,345	-\$94,085	-\$96,908	-\$99,815
Maintenance	-\$9,252	-\$9,530	-\$9,815	-\$10,110	-\$10,413	-\$10,726	-\$11,047	-\$11,379	-\$11,720	-\$12,072
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$106,514	-\$109,709	-\$113,001	-\$116,391	-\$119,882	-\$123,479	-\$127,183	-\$130,999	-\$134,929	-\$138,976

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	\$177,214	\$182,531	\$188,007	\$193,647	\$199,456	\$205,440	\$211,603	\$217,951	\$224,490	\$231,224
- Mortgage Payments	-\$142,215	-\$142,215	-\$142,215	-\$142,215	-\$142,215	-\$142,215	-\$142,215	-\$142,215	-\$142,215	-\$142,215
= Cash Flow	\$34,999	\$40,315	\$45,791	\$51,431	\$57,241	\$63,224	\$69,388	\$75,736	\$82,274	\$89,009
+ Principal Reduction	\$20,957	\$22,361	\$23,859	\$25,456	\$27,161	\$28,980	\$30,921	\$32,992	\$35,202	\$37,559
+ Appreciation	\$150,000	\$159,000	\$168,540	\$178,652	\$189,372	\$200,734	\$212,778	\$225,545	\$239,077	\$253,422
= Gross Equity Income	\$205,956	\$221,676	\$238,190	\$255,540	\$273,774	\$292,939	\$313,087	\$334,272	\$356,553	\$379,990
Capitalization Rate	6.7%	6.5%	6.3%	6.1%	6.0%	5.8%	5.6%	5.5%	5.3%	5.2%
Cash on Cash Return	4.9%	5.6%	6.4%	7.2%	8.0%	8.8%	9.7%	10.5%	11.4%	12.4%
Return on Equity	25.9%	22.7%	20.4%	18.6%	17.2%	16.1%	15.2%	14.4%	13.7%	13.2%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$2,650,000	\$2,809,000	\$2,977,540	\$3,156,192	\$3,345,564	\$3,546,298	\$3,759,076	\$3,984,620	\$4,223,697	\$4,477,119
- Loan Balance	-\$1,854,043	-\$1,831,682	-\$1,807,823	-\$1,782,367	-\$1,755,206	-\$1,726,225	-\$1,695,304	-\$1,662,312	-\$1,627,111	-\$1,589,552
= Equity	\$795,957	\$977,318	\$1,169,717	\$1,373,826	\$1,590,358	\$1,820,073	\$2,063,772	\$2,322,308	\$2,596,587	\$2,887,568
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	\$530,957	\$696,418	\$871,963	\$1,058,206	\$1,255,802	\$1,465,443	\$1,687,864	\$1,923,846	\$2,174,217	\$2,439,856

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$795,957	\$977,318	\$1,169,717	\$1,373,826	\$1,590,358	\$1,820,073	\$2,063,772	\$2,322,308	\$2,596,587	\$2,887,568
- Closing Costs	-\$185,500	-\$196,630	-\$208,428	-\$220,933	-\$234,189	-\$248,241	-\$263,135	-\$278,923	-\$295,659	-\$313,398
= Proceeds After Sale	\$610,457	\$780,688	\$961,289	\$1,152,892	\$1,356,169	\$1,571,832	\$1,800,636	\$2,043,385	\$2,300,928	\$2,574,169
+ Cumulative Cash Flow	\$34,999	\$75,314	\$121,105	\$172,537	\$229,777	\$293,002	\$362,389	\$438,125	\$520,399	\$609,408
- Initial Cash Invested	-\$718,750	-\$718,750	-\$718,750	-\$718,750	-\$718,750	-\$718,750	-\$718,750	-\$718,750	-\$718,750	-\$718,750
= Net Profit	-\$73,294	\$137,252	\$363,644	\$606,679	\$867,196	\$1,146,083	\$1,444,276	\$1,762,760	\$2,102,577	\$2,464,827
Internal Rate of Return	-10.2%	9.3%	15.2%	17.5%	18.4%	18.7%	18.8%	18.7%	18.5%	18.2%
Return on Investment	-10.2%	19.1%	50.6%	84.4%	120.7%	159.5%	200.9%	245.3%	292.5%	342.9%

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