

10 Year Performance Projection

Newly Renovated Duplex
Kansas City, MO 64131

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$32,400	\$33,372	\$34,373	\$35,404	\$36,466	\$37,560	\$38,687	\$39,848	\$41,043	\$42,275
Vacancy Losses	-\$2,592	-\$2,670	-\$2,750	-\$2,832	-\$2,917	-\$3,005	-\$3,095	-\$3,188	-\$3,283	-\$3,382
Operating Income	\$29,808	\$30,702	\$31,623	\$32,572	\$33,549	\$34,556	\$35,592	\$36,660	\$37,760	\$38,893

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$4,558	-\$4,786	-\$5,026	-\$5,277	-\$5,541	-\$5,818	-\$6,109	-\$6,414	-\$6,735	-\$7,072
Insurance	-\$1,500	-\$1,574	-\$1,653	-\$1,736	-\$1,823	-\$1,914	-\$2,009	-\$2,110	-\$2,215	-\$2,326
Management Fees	-\$2,385	-\$2,456	-\$2,530	-\$2,606	-\$2,684	-\$2,764	-\$2,847	-\$2,933	-\$3,021	-\$3,111
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	-\$2,592	-\$2,722	-\$2,858	-\$3,001	-\$3,151	-\$3,308	-\$3,474	-\$3,647	-\$3,830	-\$4,021
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$11,035	-\$11,539	-\$12,066	-\$12,619	-\$13,198	-\$13,804	-\$14,439	-\$15,104	-\$15,801	-\$16,530

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	\$18,773	\$19,164	\$19,557	\$19,953	\$20,351	\$20,751	\$21,153	\$21,556	\$21,959	\$22,362
- Mortgage Payments	-\$17,060	-\$17,060	-\$17,060	-\$17,060	-\$17,060	-\$17,060	-\$17,060	-\$17,060	-\$17,060	-\$17,060
= Cash Flow	\$1,713	\$2,103	\$2,497	\$2,893	\$3,291	\$3,691	\$4,093	\$4,496	\$4,899	\$5,302
+ Principal Reduction	\$2,514	\$2,682	\$2,862	\$3,054	\$3,258	\$3,476	\$3,709	\$3,958	\$4,223	\$4,506
+ Appreciation	\$17,994	\$19,074	\$20,218	\$21,431	\$22,717	\$24,080	\$25,525	\$27,056	\$28,680	\$30,400
= Gross Equity Income	\$22,221	\$23,859	\$25,577	\$27,378	\$29,266	\$31,248	\$33,327	\$35,510	\$37,801	\$40,208
Capitalization Rate	5.9%	5.7%	5.5%	5.3%	5.1%	4.9%	4.7%	4.5%	4.3%	4.2%
Cash on Cash Return	2.0%	2.4%	2.9%	3.4%	3.8%	4.3%	4.7%	5.2%	5.7%	6.1%
Return on Equity	23.3%	20.4%	18.2%	16.6%	15.3%	14.3%	13.5%	12.7%	12.1%	11.6%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$317,894	\$336,968	\$357,186	\$378,617	\$401,334	\$425,414	\$450,939	\$477,995	\$506,675	\$537,075
- Loan Balance	-\$222,411	-\$219,728	-\$216,866	-\$213,813	-\$210,554	-\$207,078	-\$203,369	-\$199,411	-\$195,188	-\$190,682
= Equity	\$95,483	\$117,239	\$140,319	\$164,804	\$190,779	\$218,336	\$247,570	\$278,584	\$311,487	\$346,393
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	\$16,010	\$32,997	\$51,023	\$70,150	\$90,446	\$111,982	\$134,835	\$159,085	\$184,818	\$212,124

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$95,483	\$117,239	\$140,319	\$164,804	\$190,779	\$218,336	\$247,570	\$278,584	\$311,487	\$346,393
- Closing Costs	-\$22,253	-\$23,588	-\$25,003	-\$26,503	-\$28,093	-\$29,779	-\$31,566	-\$33,460	-\$35,467	-\$37,595
= Proceeds After Sale	\$73,230	\$93,651	\$115,316	\$138,301	\$162,686	\$188,557	\$216,004	\$245,125	\$276,019	\$308,798
+ Cumulative Cash Flow	\$1,713	\$3,817	\$6,313	\$9,206	\$12,497	\$16,188	\$20,281	\$24,777	\$29,676	\$34,978
- Initial Cash Invested	-\$86,221	-\$86,221	-\$86,221	-\$86,221	-\$86,221	-\$86,221	-\$86,221	-\$86,221	-\$86,221	-\$86,221
= Net Profit	-\$11,278	\$11,247	\$35,408	\$61,286	\$88,962	\$118,524	\$150,064	\$183,680	\$219,474	\$257,554
Internal Rate of Return	-13.1%	6.4%	12.4%	14.7%	15.7%	16.1%	16.2%	16.1%	16.0%	15.8%
Return on Investment	-13.1%	13.0%	41.1%	71.1%	103.2%	137.5%	174.0%	213.0%	254.5%	298.7%

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