

10 Year Performance Projection

Short term + long term rental
Chandler, AZ 85225

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$50,400	\$51,912	\$53,469	\$55,073	\$56,726	\$58,427	\$60,180	\$61,986	\$63,845	\$65,761
Vacancy Losses	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Income	\$50,400	\$51,912	\$53,469	\$55,073	\$56,726	\$58,427	\$60,180	\$61,986	\$63,845	\$65,761

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,300	-\$1,339	-\$1,379	-\$1,421	-\$1,463	-\$1,507	-\$1,552	-\$1,599	-\$1,647	-\$1,696
Insurance	-\$325	-\$335	-\$345	-\$355	-\$366	-\$377	-\$388	-\$400	-\$412	-\$424
Management Fees	-\$4,032	-\$4,153	-\$4,278	-\$4,406	-\$4,538	-\$4,674	-\$4,814	-\$4,959	-\$5,108	-\$5,261
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	-\$2,520	-\$2,596	-\$2,673	-\$2,754	-\$2,836	-\$2,921	-\$3,009	-\$3,099	-\$3,192	-\$3,288
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$8,177	-\$8,422	-\$8,675	-\$8,935	-\$9,203	-\$9,479	-\$9,764	-\$10,057	-\$10,358	-\$10,669

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	\$42,223	\$43,490	\$44,794	\$46,138	\$47,522	\$48,948	\$50,416	\$51,929	\$53,487	\$55,091
- Mortgage Payments	-\$30,144	-\$30,144	-\$30,144	-\$30,144	-\$30,144	-\$30,144	-\$30,144	-\$30,144	-\$30,144	-\$30,144
= Cash Flow	\$12,079	\$13,346	\$14,651	\$15,994	\$17,379	\$18,804	\$20,273	\$21,785	\$23,343	\$24,948
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$39,000	\$41,340	\$43,820	\$46,450	\$49,237	\$52,191	\$55,322	\$58,642	\$62,160	\$65,890
= Gross Equity Income	\$51,079	\$54,686	\$58,471	\$62,444	\$66,615	\$70,995	\$75,595	\$80,427	\$85,503	\$90,837
Capitalization Rate	6.1%	6.0%	5.8%	5.6%	5.5%	5.3%	5.2%	5.0%	4.9%	4.7%
Cash on Cash Return	5.4%	6.0%	6.6%	7.2%	7.8%	8.4%	9.1%	9.7%	10.4%	11.2%
Return on Equity	21.8%	19.9%	18.3%	17.1%	16.1%	15.2%	14.5%	13.8%	13.3%	12.8%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$689,000	\$730,340	\$774,160	\$820,610	\$869,847	\$922,037	\$977,360	\$1,036,001	\$1,098,161	\$1,164,051
- Loan Balance	-\$455,000	-\$455,000	-\$455,000	-\$455,000	-\$455,000	-\$455,000	-\$455,000	-\$455,000	-\$455,000	-\$455,000
= Equity	\$234,000	\$275,340	\$319,160	\$365,610	\$414,847	\$467,037	\$522,360	\$581,001	\$643,161	\$709,051
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	\$165,100	\$202,306	\$241,744	\$283,549	\$327,862	\$374,834	\$424,624	\$477,401	\$533,345	\$592,646

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$234,000	\$275,340	\$319,160	\$365,610	\$414,847	\$467,037	\$522,360	\$581,001	\$643,161	\$709,051
- Closing Costs	-\$48,230	-\$51,124	-\$54,191	-\$57,443	-\$60,889	-\$64,543	-\$68,415	-\$72,520	-\$76,871	-\$81,484
= Proceeds After Sale	\$185,770	\$224,216	\$264,969	\$308,167	\$353,957	\$402,495	\$453,944	\$508,481	\$566,290	\$627,567
+ Cumulative Cash Flow	\$12,079	\$25,425	\$40,076	\$56,070	\$73,449	\$92,253	\$112,526	\$134,311	\$157,654	\$182,602
- Initial Cash Invested	-\$223,600	-\$223,600	-\$223,600	-\$223,600	-\$223,600	-\$223,600	-\$223,600	-\$223,600	-\$223,600	-\$223,600
= Net Profit	-\$25,751	\$26,041	\$81,445	\$140,638	\$203,806	\$271,148	\$342,870	\$419,192	\$500,344	\$586,569
Internal Rate of Return	-11.5%	5.8%	11.4%	13.9%	15.0%	15.6%	15.9%	16.0%	16.0%	15.9%
Return on Investment	-11.5%	11.6%	36.4%	62.9%	91.1%	121.3%	153.3%	187.5%	223.8%	262.3%

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