10 Year Performance Projection

Pre-Leased Property
Edmond, OK 73013
3 bedrooms 2 bathrooms

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	$22,740	$23,422	$24,125	$24,849	$25,594	$26,362	$27,153	$27,967	$28,806	$29,671
Vacancy Losses	-$1,819	-$1,874	-$1,930	-$1,988	-$2,048	-$2,109	-$2,172	-$2,237	-$2,305	-$2,374
Operating Income	**$20,921**	**$21,548**	**$22,195**	**$22,861**	**$23,547**	**$24,253**	**$24,981**	**$25,730**	**$26,502**	**$27,297**

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-$3,500	-$3,605	-$3,713	-$3,825	-$3,939	-$4,057	-$4,179	-$4,305	-$4,434	-$4,567
Insurance	-$1,176	-$1,211	-$1,248	-$1,285	-$1,324	-$1,363	-$1,404	-$1,446	-$1,490	-$1,534
Management Fees	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0
Leasing/Advertising Fees	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0
Association Fees	-$288	-$297	-$306	-$315	-$324	-$334	-$344	-$354	-$365	-$376
Maintenance	-$455	-$468	-$482	-$497	-$512	-$527	-$543	-$559	-$576	-$593
Other	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0
Operating Expenses	**-$5,419**	**-$5,581**	**-$5,749**	**-$5,921**	**-$6,099**	**-$6,282**	**-$6,470**	**-$6,664**	**-$6,864**	**-$7,070**

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	**$15,502**	**$15,967**	**$16,446**	**$16,939**	**$17,448**	**$17,971**	**$18,510**	**$19,066**	**$19,637**	**$20,227**
- Mortgage Payments	-$15,722	-$15,722	-$15,722	-$15,722	-$15,722	-$15,722	-$15,722	-$15,722	-$15,722	-$15,722
= Cash Flow	**-$220**	**$246**	**$725**	**$1,218**	**$1,726**	**$2,250**	**$2,789**	**$3,344**	**$3,916**	**$4,505**
+ Principal Reduction	$2,403	$2,561	$2,729	$2,909	$3,099	$3,303	$3,520	$3,751	$3,997	$4,259
+ Appreciation	$16,800	$17,808	$18,876	$20,009	$21,210	$22,482	$23,831	$25,261	$26,777	$28,383
= Gross Equity Income	**$18,984**	**$20,615**	**$22,330**	**$24,136**	**$26,035**	**$28,035**	**$30,140**	**$32,356**	**$34,690**	**$37,148**
Capitalization Rate	5.2%	5.1%	4.9%	4.8%	4.7%	4.5%	4.4%	4.3%	4.2%	4.0%
Cash on Cash Return	-0.3%	0.3%	0.8%	1.4%	2.0%	2.6%	3.2%	3.9%	4.5%	5.2%
Return on Equity	21.3%	18.8%	17.0%	15.7%	14.6%	13.7%	13.0%	12.4%	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	$296,800	$314,608	$333,484	$353,494	$374,703	$397,185	$421,016	$446,277	$473,054	$501,437
- Loan Balance	-$207,597	-$205,035	-$202,306	-$199,397	-$196,298	-$192,995	-$189,475	-$185,724	-$181,727	-$177,468
= Equity	**$89,203**	**$109,573**	**$131,179**	**$154,096**	**$178,405**	**$204,191**	**$231,541**	**$260,553**	**$291,327**	**$323,970**
Loan-to-Value Ratio	69.9%	65.2%	60.7%	56.4%	52.4%	48.6%	45.0%	41.6%	38.4%	35.4%
Potential Cash-Out Refi	$15,003	$30,921	$47,807	$65,723	$84,730	$104,894	$126,287	$148,984	$173,064	$198,610

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	$89,203	$109,573	$131,179	$154,096	$178,405	$204,191	$231,541	$260,553	$291,327	$323,970
- Closing Costs	-$20,776	-$22,023	-$23,344	-$24,745	-$26,229	-$27,803	-$29,471	-$31,239	-$33,114	-$35,101
= Proceeds After Sale	**$68,427**	**$87,550**	**$107,835**	**$129,352**	**$152,176**	**$176,388**	**$202,070**	**$229,314**	**$258,213**	**$288,869**
+ Cumulative Cash Flow	-$220	$26	$750	$1,968	$3,694	$5,944	$8,733	$12,077	$15,992	$20,497
- Approximate Cash Invest	-$86,625	-$86,625	-$86,625	-$86,625	-$86,625	-$86,625	-$86,625	-$86,625	-$86,625	-$86,625
= Net Profit	**-$18,417**	**$951**	**$21,960**	**$44,695**	**$69,246**	**$95,706**	**$124,178**	**$154,765**	**$187,581**	**$222,742**
Internal Rate of Return	-21.3%	0.5%	7.8%	11.0%	12.5%	13.3%	13.7%	13.9%	13.9%	13.9%
Return on Investment	-21.3%	1.1%	25.4%	51.6%	79.9%	110.5%	143.4%	178.7%	216.5%	257.1%

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