

10 Year Performance Projection

Co-Living Opportunity
Mesa, AZ 85204

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$91,800	\$94,554	\$97,391	\$100,312	\$103,322	\$106,421	\$109,614	\$112,902	\$116,289	\$119,778
Vacancy Losses	-\$7,344	-\$7,564	-\$7,791	-\$8,025	-\$8,266	-\$8,514	-\$8,769	-\$9,032	-\$9,303	-\$9,582
Operating Income	\$84,456	\$86,990	\$89,599	\$92,287	\$95,056	\$97,908	\$100,845	\$103,870	\$106,986	\$110,196

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,819	-\$1,874	-\$1,930	-\$1,988	-\$2,047	-\$2,109	-\$2,172	-\$2,237	-\$2,304	-\$2,373
Insurance	-\$1,819	-\$1,874	-\$1,930	-\$1,988	-\$2,047	-\$2,109	-\$2,172	-\$2,237	-\$2,304	-\$2,373
Management Fees	-\$13,513	-\$13,918	-\$14,336	-\$14,766	-\$15,209	-\$15,665	-\$16,135	-\$16,619	-\$17,118	-\$17,631
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	-\$2,754	-\$2,837	-\$2,922	-\$3,009	-\$3,100	-\$3,193	-\$3,288	-\$3,387	-\$3,489	-\$3,593
Other	-\$9,600	-\$9,888	-\$10,185	-\$10,490	-\$10,805	-\$11,129	-\$11,463	-\$11,807	-\$12,161	-\$12,526
Operating Expenses	-\$29,505	-\$30,390	-\$31,302	-\$32,241	-\$33,208	-\$34,204	-\$35,230	-\$36,287	-\$37,376	-\$38,497

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	\$54,951	\$56,600	\$58,298	\$60,046	\$61,848	\$63,703	\$65,614	\$67,583	\$69,610	\$71,699
- Mortgage Payments	-\$30,434	-\$30,434	-\$30,434	-\$30,434	-\$30,434	-\$30,434	-\$30,434	-\$30,434	-\$30,434	-\$30,434
= Cash Flow	\$24,517	\$26,166	\$27,864	\$29,612	\$31,414	\$33,269	\$35,180	\$37,149	\$39,176	\$41,265
+ Principal Reduction	\$4,485	\$4,785	\$5,106	\$5,448	\$5,812	\$6,202	\$6,617	\$7,060	\$7,533	\$8,038
+ Appreciation	\$32,100	\$34,026	\$36,068	\$38,232	\$40,526	\$42,957	\$45,534	\$48,267	\$51,163	\$54,232
= Gross Equity Income	\$61,102	\$64,977	\$69,037	\$73,292	\$77,752	\$82,428	\$87,332	\$92,476	\$97,872	\$103,534
Capitalization Rate	9.7%	9.4%	9.1%	8.9%	8.6%	8.4%	8.2%	7.9%	7.7%	7.5%
Cash on Cash Return	15.9%	17.0%	18.1%	19.3%	20.4%	21.6%	22.9%	24.2%	25.5%	26.8%
Return on Equity	35.9%	31.1%	27.6%	24.9%	22.8%	21.2%	19.8%	18.6%	17.6%	16.8%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$567,100	\$601,126	\$637,194	\$675,425	\$715,951	\$758,908	\$804,442	\$852,709	\$903,871	\$958,104
- Loan Balance	-\$396,765	-\$391,980	-\$386,874	-\$381,427	-\$375,614	-\$369,412	-\$362,795	-\$355,735	-\$348,202	-\$340,165
= Equity	\$170,335	\$209,146	\$250,319	\$293,999	\$340,336	\$389,495	\$441,647	\$496,973	\$555,669	\$617,939
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	\$113,625	\$149,033	\$186,600	\$226,456	\$268,741	\$313,604	\$361,203	\$411,703	\$465,282	\$522,129

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$170,335	\$209,146	\$250,319	\$293,999	\$340,336	\$389,495	\$441,647	\$496,973	\$555,669	\$617,939
- Closing Costs	-\$39,697	-\$42,079	-\$44,604	-\$47,280	-\$50,117	-\$53,124	-\$56,311	-\$59,690	-\$63,271	-\$67,067
= Proceeds After Sale	\$130,638	\$167,067	\$205,716	\$246,719	\$290,220	\$336,372	\$385,336	\$437,284	\$492,398	\$550,872
+ Cumulative Cash Flow	\$24,517	\$50,683	\$78,546	\$108,158	\$139,572	\$172,842	\$208,022	\$245,171	\$284,347	\$325,612
- Initial Cash Invested	-\$153,812	-\$153,812	-\$153,812	-\$153,812	-\$153,812	-\$153,812	-\$153,812	-\$153,812	-\$153,812	-\$153,812
= Net Profit	\$1,342	\$63,937	\$130,449	\$201,065	\$275,980	\$355,401	\$439,545	\$528,642	\$622,933	\$722,671
Internal Rate of Return	0.9%	20.3%	25.7%	27.4%	27.8%	27.8%	27.5%	27.1%	26.7%	26.3%
Return on Investment	0.9%	41.6%	84.8%	130.7%	179.4%	231.1%	285.8%	343.7%	405.0%	469.8%

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