

10 Year Performance Projection

Stability Housing  
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	-\$4,590	-\$4,728	-\$4,870	-\$5,016	-\$5,166	-\$5,321	-\$5,481	-\$5,645	-\$5,814	-\$5,989
Operating Income	\$87,210	\$89,826	\$92,521	\$95,297	\$98,156	\$101,100	\$104,133	\$107,257	\$110,475	\$113,789

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Insurance	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Management Fees	-\$10,465	-\$10,779	-\$11,103	-\$11,436	-\$11,779	-\$12,132	-\$12,496	-\$12,871	-\$13,257	-\$13,655
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	-\$1,836	-\$1,891	-\$1,948	-\$2,006	-\$2,066	-\$2,128	-\$2,192	-\$2,258	-\$2,326	-\$2,396
Other	-\$9,600	-\$9,888	-\$10,185	-\$10,490	-\$10,805	-\$11,129	-\$11,463	-\$11,807	-\$12,161	-\$12,526
Operating Expenses	-\$21,901	-\$22,558	-\$23,235	-\$23,932	-\$24,650	-\$25,389	-\$26,151	-\$26,936	-\$27,744	-\$28,576

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	\$65,309	\$67,268	\$69,286	\$71,365	\$73,506	\$75,711	\$77,982	\$80,322	\$82,731	\$85,213
- Mortgage Payments	-\$35,912	-\$35,912	-\$35,912	-\$35,912	-\$35,912	-\$35,912	-\$35,912	-\$35,912	-\$35,912	-\$35,912
= Cash Flow	\$29,397	\$31,356	\$33,374	\$35,453	\$37,594	\$39,799	\$42,070	\$44,410	\$46,820	\$49,301
+ Principal Reduction	\$3,945	\$4,252	\$4,582	\$4,938	\$5,321	\$5,734	\$6,179	\$6,659	\$7,176	\$7,733
+ Appreciation	\$32,100	\$34,026	\$36,068	\$38,232	\$40,526	\$42,957	\$45,534	\$48,267	\$51,163	\$54,232
= Gross Equity Income	\$65,443	\$69,634	\$74,024	\$78,622	\$83,440	\$88,490	\$93,784	\$99,335	\$105,158	\$111,267
Capitalization Rate	11.5%	11.2%	10.9%	10.6%	10.3%	10.0%	9.7%	9.4%	9.2%	8.9%
Cash on Cash Return	22.3%	23.8%	25.4%	26.9%	28.6%	30.2%	32.0%	33.7%	35.6%	37.5%
Return on Equity	45.7%	38.4%	33.3%	29.7%	26.8%	24.6%	22.8%	21.3%	20.0%	19.0%

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	-\$424,055	-\$419,803	-\$415,221	-\$410,283	-\$404,963	-\$399,229	-\$393,050	-\$386,391	-\$379,215	-\$371,482
= Equity	\$143,045	\$181,323	\$221,973	\$265,142	\$310,988	\$359,679	\$411,393	\$466,318	\$524,656	\$586,621
Loan-to-Value Ratio	74.8%	69.8%	65.2%	60.7%	56.6%	52.6%	48.9%	45.3%	42.0%	38.8%
Potential Cash-Out Refi	\$86,335	\$121,211	\$158,253	\$197,599	\$239,393	\$283,788	\$330,948	\$381,047	\$434,269	\$490,811

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$143,045	\$181,323	\$221,973	\$265,142	\$310,988	\$359,679	\$411,393	\$466,318	\$524,656	\$586,621
- 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	\$103,348	\$139,244	\$177,369	\$217,862	\$260,872	\$306,556	\$355,082	\$406,628	\$461,385	\$519,554
+ Cumulative Cash Flow	\$29,397	\$60,754	\$94,128	\$129,581	\$167,175	\$206,974	\$249,044	\$293,454	\$340,274	\$389,575
- Initial Cash Invested	-\$131,610	-\$131,610	-\$131,610	-\$131,610	-\$131,610	-\$131,610	-\$131,610	-\$131,610	-\$131,610	-\$131,610
= Net Profit	\$1,136	\$68,388	\$139,887	\$215,833	\$296,437	\$381,920	\$472,516	\$568,473	\$670,049	\$777,519
Internal Rate of Return	0.9%	25.6%	32.1%	34.1%	34.5%	34.3%	33.9%	33.4%	32.8%	32.4%
Return on Investment	0.9%	52.0%	106.3%	164.0%	225.2%	290.2%	359.0%	431.9%	509.1%	590.8%

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