

10 Year Performance Projection

BEAUTIFUL NEW CONSTRUCTION HOME  
Mesa, AZ 85212

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$34,800	\$35,844	\$36,919	\$38,027	\$39,168	\$40,343	\$41,553	\$42,800	\$44,084	\$45,406
Vacancy Losses	-\$2,784	-\$2,868	-\$2,954	-\$3,042	-\$3,133	-\$3,227	-\$3,324	-\$3,424	-\$3,527	-\$3,632
Operating Income	\$32,016	\$32,976	\$33,966	\$34,985	\$36,034	\$37,115	\$38,229	\$39,376	\$40,557	\$41,774

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,522	-\$2,598	-\$2,675	-\$2,756	-\$2,838	-\$2,924	-\$3,011	-\$3,102	-\$3,195	-\$3,291
Insurance	-\$1,236	-\$1,273	-\$1,312	-\$1,351	-\$1,391	-\$1,433	-\$1,476	-\$1,520	-\$1,566	-\$1,613
Management Fees	-\$1,032	-\$1,063	-\$1,095	-\$1,128	-\$1,162	-\$1,196	-\$1,232	-\$1,269	-\$1,307	-\$1,347
Leasing/Advertising Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Association Fees	-\$1,332	-\$1,372	-\$1,413	-\$1,456	-\$1,499	-\$1,544	-\$1,590	-\$1,638	-\$1,687	-\$1,738
Maintenance	-\$696	-\$717	-\$738	-\$761	-\$783	-\$807	-\$831	-\$856	-\$882	-\$908
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$6,818	-\$7,023	-\$7,233	-\$7,450	-\$7,674	-\$7,904	-\$8,141	-\$8,385	-\$8,637	-\$8,896

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	\$25,198	\$25,954	\$26,732	\$27,534	\$28,360	\$29,211	\$30,088	\$30,990	\$31,920	\$32,878
- Mortgage Payments	-\$22,273	-\$22,273	-\$22,273	-\$22,273	-\$22,273	-\$22,273	-\$22,273	-\$27,757	-\$27,757	-\$27,757
= Cash Flow	\$2,925	\$3,681	\$4,460	\$5,262	\$6,088	\$6,939	\$7,815	\$3,233	\$4,163	\$5,120
+ Principal Reduction	\$5,116	\$5,377	\$5,652	\$5,940	\$6,244	\$6,563	\$6,898	\$9,792	\$10,395	\$11,035
+ Appreciation	\$29,669	\$31,450	\$33,337	\$35,337	\$37,457	\$39,704	\$42,087	\$44,612	\$47,289	\$50,126
= Gross Equity Income	\$37,711	\$40,508	\$43,448	\$46,539	\$49,788	\$53,205	\$56,799	\$57,637	\$61,847	\$66,282
Capitalization Rate	4.8%	4.7%	4.5%	4.4%	4.3%	4.2%	4.0%	3.9%	3.8%	3.7%
Cash on Cash Return	1.9%	2.3%	2.8%	3.4%	3.9%	4.4%	5.0%	2.1%	2.7%	3.3%
Return on Equity	20.6%	18.4%	16.8%	15.5%	14.5%	13.6%	12.9%	11.7%	11.2%	10.8%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$524,159	\$555,609	\$588,946	\$624,282	\$661,739	\$701,444	\$743,530	\$788,142	\$835,430	\$885,556
- Loan Balance	-\$341,027	-\$335,649	-\$329,998	-\$324,057	-\$317,813	-\$311,251	-\$304,353	-\$294,561	-\$284,165	-\$273,130
= Equity	\$183,133	\$219,959	\$258,948	\$300,225	\$343,926	\$390,193	\$439,177	\$493,581	\$551,265	\$612,426
Loan-to-Value Ratio	65.1%	60.4%	56.0%	51.9%	48.0%	44.4%	40.9%	37.4%	34.0%	30.8%
Potential Cash-Out Refi	\$130,717	\$164,399	\$200,053	\$237,797	\$277,752	\$320,048	\$364,824	\$414,767	\$467,722	\$523,871

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$183,133	\$219,959	\$258,948	\$300,225	\$343,926	\$390,193	\$439,177	\$493,581	\$551,265	\$612,426
- Closing Costs	-\$36,691	-\$38,893	-\$41,226	-\$43,700	-\$46,322	-\$49,101	-\$52,047	-\$55,170	-\$58,480	-\$61,989
= Proceeds After Sale	\$146,441	\$181,067	\$217,722	\$256,525	\$297,604	\$341,092	\$387,130	\$438,411	\$492,785	\$550,437
+ Cumulative Cash Flow	\$2,925	\$6,606	\$11,066	\$16,328	\$22,415	\$29,354	\$37,169	\$40,402	\$44,564	\$49,685
- Initial Cash Invested	-\$156,753	-\$156,753	-\$156,753	-\$156,753	-\$156,753	-\$156,753	-\$156,753	-\$156,753	-\$156,753	-\$156,753
= Net Profit	-\$7,387	\$30,920	\$72,034	\$116,100	\$163,266	\$213,692	\$267,545	\$322,060	\$380,596	\$443,369
Internal Rate of Return	-4.7%	9.5%	13.7%	15.2%	15.8%	16.0%	16.0%	15.8%	15.5%	15.2%
Return on Investment	-4.7%	19.7%	46.0%	74.1%	104.2%	136.3%	170.7%	205.5%	242.8%	282.8%

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