

10 Year Performance Projection

BEAUTIFUL NEW CONSTRUCTION HOME
Queen Creek , AZ 85142

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	-\$2,640	-\$2,719	-\$2,801	-\$2,885	-\$2,971	-\$3,060	-\$3,152	-\$3,247	-\$3,344	-\$3,445
Insurance	-\$1,100	-\$1,133	-\$1,167	-\$1,202	-\$1,238	-\$1,275	-\$1,313	-\$1,353	-\$1,393	-\$1,435
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	-\$1,788	-\$1,842	-\$1,897	-\$1,954	-\$2,012	-\$2,073	-\$2,135	-\$2,199	-\$2,265	-\$2,333
Maintenance	-\$696	-\$717	-\$738	-\$761	-\$783	-\$807	-\$831	-\$856	-\$882	-\$908
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$7,256	-\$7,474	-\$7,698	-\$7,929	-\$8,167	-\$8,412	-\$8,664	-\$8,924	-\$9,192	-\$9,467

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	\$24,760	\$25,503	\$26,268	\$27,056	\$27,868	\$28,704	\$29,565	\$30,452	\$31,365	\$32,306
- Mortgage Payments	-\$19,818	-\$19,818	-\$19,818	-\$19,818	-\$19,818	-\$19,818	-\$19,818	-\$24,698	-\$24,698	-\$24,698
= Cash Flow	\$4,942	\$5,685	\$6,450	\$7,238	\$8,049	\$8,885	\$9,747	\$5,753	\$6,667	\$7,608
+ Principal Reduction	\$4,552	\$4,785	\$5,029	\$5,286	\$5,556	\$5,839	\$6,137	\$8,713	\$9,250	\$9,819
+ Appreciation	\$26,400	\$27,984	\$29,663	\$31,443	\$33,329	\$35,329	\$37,449	\$39,696	\$42,077	\$44,602
= Gross Equity Income	\$35,894	\$38,453	\$41,142	\$43,966	\$46,934	\$50,054	\$53,333	\$54,162	\$57,994	\$62,029
Capitalization Rate	5.3%	5.2%	5.0%	4.9%	4.7%	4.6%	4.5%	4.3%	4.2%	4.1%
Cash on Cash Return	3.5%	4.1%	4.6%	5.2%	5.8%	6.4%	7.0%	4.1%	4.8%	5.5%
Return on Equity	22.0%	19.6%	17.9%	16.5%	15.3%	14.4%	13.6%	12.3%	11.8%	11.4%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$466,399	\$494,383	\$524,046	\$555,489	\$588,818	\$624,147	\$661,596	\$701,292	\$743,369	\$787,971
- Loan Balance	-\$303,447	-\$298,662	-\$293,633	-\$288,348	-\$282,792	-\$276,953	-\$270,815	-\$262,102	-\$252,852	-\$243,033
= Equity	\$162,952	\$195,721	\$230,412	\$267,141	\$306,026	\$347,194	\$390,780	\$439,189	\$490,517	\$544,938
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	\$116,312	\$146,282	\$178,008	\$211,592	\$247,144	\$284,780	\$324,621	\$369,060	\$416,180	\$466,141

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$162,952	\$195,721	\$230,412	\$267,141	\$306,026	\$347,194	\$390,780	\$439,189	\$490,517	\$544,938
- Closing Costs	-\$32,648	-\$34,607	-\$36,683	-\$38,884	-\$41,217	-\$43,690	-\$46,312	-\$49,090	-\$52,036	-\$55,158
= Proceeds After Sale	\$130,304	\$161,114	\$193,729	\$228,257	\$264,809	\$303,504	\$344,469	\$390,099	\$438,481	\$489,780
+ Cumulative Cash Flow	\$4,942	\$10,626	\$17,076	\$24,314	\$32,363	\$41,248	\$50,995	\$56,748	\$63,415	\$71,023
- Initial Cash Invested	-\$139,480	-\$139,480	-\$139,480	-\$139,480	-\$139,480	-\$139,480	-\$139,480	-\$139,480	-\$139,480	-\$139,480
= Net Profit	-\$4,234	\$32,260	\$71,326	\$113,091	\$157,692	\$205,273	\$255,984	\$307,368	\$362,416	\$421,323
Internal Rate of Return	-3.0%	11.1%	15.2%	16.7%	17.2%	17.3%	17.3%	17.0%	16.7%	16.4%
Return on Investment	-3.0%	23.1%	51.1%	81.1%	113.1%	147.2%	183.5%	220.4%	259.8%	302.1%

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