

10 Year Performance Projection

BEAUTIFUL NEW CONSTRUCTION HOME  
Queen Creek , AZ 85140

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518	\$41,734	\$42,986	\$44,275	\$45,604	\$46,972
Vacancy Losses	-\$2,880	-\$2,966	-\$3,055	-\$3,147	-\$3,241	-\$3,339	-\$3,439	-\$3,542	-\$3,648	-\$3,758
Operating Income	\$33,120	\$34,114	\$35,137	\$36,191	\$37,277	\$38,395	\$39,547	\$40,733	\$41,955	\$43,214

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,789	-\$2,873	-\$2,959	-\$3,048	-\$3,139	-\$3,234	-\$3,331	-\$3,431	-\$3,533	-\$3,639
Insurance	-\$1,162	-\$1,197	-\$1,233	-\$1,270	-\$1,308	-\$1,347	-\$1,388	-\$1,429	-\$1,472	-\$1,516
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	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Maintenance	-\$720	-\$742	-\$764	-\$787	-\$810	-\$835	-\$860	-\$886	-\$912	-\$939
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$5,704	-\$5,875	-\$6,051	-\$6,232	-\$6,419	-\$6,612	-\$6,810	-\$7,015	-\$7,225	-\$7,442

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	\$27,416	\$28,239	\$29,086	\$29,959	\$30,857	\$31,783	\$32,737	\$33,719	\$34,730	\$35,772
- Mortgage Payments	-\$21,559	-\$21,559	-\$21,559	-\$21,559	-\$21,559	-\$21,559	-\$21,559	-\$21,559	-\$21,559	-\$21,559
= Cash Flow	\$5,857	\$6,680	\$7,527	\$8,399	\$9,298	\$10,224	\$11,177	\$12,159	\$13,171	\$14,213
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$27,893	\$29,567	\$31,341	\$33,221	\$35,215	\$37,328	\$39,567	\$41,941	\$44,458	\$47,125
= Gross Equity Income	\$33,751	\$36,247	\$38,868	\$41,621	\$44,513	\$47,552	\$50,745	\$54,101	\$57,629	\$61,338
Capitalization Rate	5.6%	5.4%	5.3%	5.1%	5.0%	4.8%	4.7%	4.6%	4.4%	4.3%
Cash on Cash Return	4.0%	4.5%	5.1%	5.7%	6.3%	6.9%	7.6%	8.3%	8.9%	9.6%
Return on Equity	20.2%	18.4%	17.0%	15.9%	15.0%	14.2%	13.6%	13.0%	12.5%	12.1%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$492,783	\$522,350	\$553,691	\$586,913	\$622,128	\$659,455	\$699,023	\$740,964	\$785,422	\$832,547
- Loan Balance	-\$325,423	-\$325,423	-\$325,423	-\$325,423	-\$325,423	-\$325,423	-\$325,423	-\$325,423	-\$325,423	-\$325,423
= Equity	\$167,360	\$196,927	\$228,268	\$261,490	\$296,705	\$334,032	\$373,600	\$415,541	\$459,999	\$507,124
Loan-to-Value Ratio	66.0%	62.3%	58.8%	55.4%	52.3%	49.3%	46.6%	43.9%	41.4%	39.1%
Potential Cash-Out Refi	\$118,082	\$144,692	\$172,899	\$202,799	\$234,492	\$268,087	\$303,697	\$341,445	\$381,457	\$423,869

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$167,360	\$196,927	\$228,268	\$261,490	\$296,705	\$334,032	\$373,600	\$415,541	\$459,999	\$507,124
- Closing Costs	-\$34,495	-\$36,565	-\$38,758	-\$41,084	-\$43,549	-\$46,162	-\$48,932	-\$51,867	-\$54,980	-\$58,278
= Proceeds After Sale	\$132,866	\$160,363	\$189,510	\$220,406	\$253,156	\$287,870	\$324,668	\$363,674	\$405,019	\$448,846
+ Cumulative Cash Flow	\$5,857	\$12,537	\$20,063	\$28,463	\$37,761	\$47,985	\$59,162	\$71,322	\$84,493	\$98,706
- Initial Cash Invested	-\$147,370	-\$147,370	-\$147,370	-\$147,370	-\$147,370	-\$147,370	-\$147,370	-\$147,370	-\$147,370	-\$147,370
= Net Profit	-\$8,647	\$25,529	\$62,203	\$101,499	\$143,547	\$188,485	\$236,460	\$287,625	\$342,142	\$400,181
Internal Rate of Return	-5.9%	8.5%	12.9%	14.7%	15.5%	15.8%	15.9%	15.9%	15.8%	15.7%
Return on Investment	-5.9%	17.3%	42.2%	68.9%	97.4%	127.9%	160.5%	195.2%	232.2%	271.5%

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