

10 Year Performance Projection

BEAUTIFUL NEW CONSTRUCTION HOME with NEXT GEN/SUITE
San Tan Valley, AZ 85143

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	-\$2,238	-\$2,305	-\$2,374	-\$2,445	-\$2,519	-\$2,594	-\$2,672	-\$2,752	-\$2,835	-\$2,920
Insurance	-\$1,399	-\$1,441	-\$1,484	-\$1,528	-\$1,574	-\$1,622	-\$1,670	-\$1,720	-\$1,772	-\$1,825
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	-\$1,140	-\$1,174	-\$1,209	-\$1,246	-\$1,283	-\$1,322	-\$1,361	-\$1,402	-\$1,444	-\$1,487
Maintenance	-\$720	-\$742	-\$764	-\$787	-\$810	-\$835	-\$860	-\$886	-\$912	-\$939
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$6,529	-\$6,725	-\$6,926	-\$7,134	-\$7,348	-\$7,569	-\$7,796	-\$8,029	-\$8,270	-\$8,518

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	\$26,591	\$27,389	\$28,211	\$29,057	\$29,929	\$30,827	\$31,751	\$32,704	\$33,685	\$34,696
- Mortgage Payments	-\$25,200	-\$25,200	-\$25,200	-\$25,200	-\$25,200	-\$25,200	-\$25,200	-\$31,406	-\$31,406	-\$31,406
= Cash Flow	\$1,391	\$2,189	\$3,010	\$3,857	\$4,728	\$5,626	\$6,551	\$1,298	\$2,279	\$3,290
+ Principal Reduction	\$5,789	\$6,084	\$6,395	\$6,721	\$7,064	\$7,425	\$7,804	\$11,080	\$11,762	\$12,486
+ Appreciation	\$33,569	\$35,584	\$37,719	\$39,982	\$42,381	\$44,923	\$47,619	\$50,476	\$53,505	\$56,715
= Gross Equity Income	\$40,749	\$43,856	\$47,124	\$50,560	\$54,173	\$57,975	\$61,974	\$62,854	\$67,545	\$72,491
Capitalization Rate	4.5%	4.4%	4.2%	4.1%	4.0%	3.9%	3.8%	3.7%	3.6%	3.5%
Cash on Cash Return	0.8%	1.2%	1.7%	2.2%	2.7%	3.2%	3.7%	0.7%	1.3%	1.9%
Return on Equity	19.7%	17.6%	16.1%	14.9%	13.9%	13.1%	12.5%	11.3%	10.8%	10.5%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$593,059	\$628,643	\$666,362	\$706,343	\$748,724	\$793,647	\$841,266	\$891,742	\$945,247	\$1,001,961
- Loan Balance	-\$385,854	-\$379,770	-\$373,376	-\$366,654	-\$359,590	-\$352,165	-\$344,361	-\$333,281	-\$321,519	-\$309,033
= Equity	\$207,205	\$248,873	\$292,986	\$339,689	\$389,134	\$441,483	\$496,906	\$558,461	\$623,727	\$692,928
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	\$147,899	\$186,008	\$226,350	\$269,055	\$314,262	\$362,118	\$412,779	\$469,287	\$529,203	\$592,732

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$207,205	\$248,873	\$292,986	\$339,689	\$389,134	\$441,483	\$496,906	\$558,461	\$623,727	\$692,928
- Closing Costs	-\$41,514	-\$44,005	-\$46,645	-\$49,444	-\$52,411	-\$55,555	-\$58,889	-\$62,422	-\$66,167	-\$70,137
= Proceeds After Sale	\$165,691	\$204,868	\$246,341	\$290,245	\$336,723	\$385,927	\$438,017	\$496,039	\$557,560	\$622,791
+ Cumulative Cash Flow	\$1,391	\$3,580	\$6,590	\$10,447	\$15,175	\$20,801	\$27,352	\$28,651	\$30,930	\$34,220
- Initial Cash Invested	-\$177,358	-\$177,358	-\$177,358	-\$177,358	-\$177,358	-\$177,358	-\$177,358	-\$177,358	-\$177,358	-\$177,358
= Net Profit	-\$10,277	\$31,089	\$75,572	\$123,333	\$174,540	\$229,370	\$288,011	\$347,331	\$411,132	\$479,652
Internal Rate of Return	-5.8%	8.4%	12.7%	14.3%	14.9%	15.1%	15.2%	15.0%	14.7%	14.5%
Return on Investment	-5.8%	17.5%	42.6%	69.5%	98.4%	129.3%	162.4%	195.8%	231.8%	270.4%

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