

10 Year Performance Projection

Renovated STR in Davenport Iowa
Davenport, IA 52803

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$40,200	\$41,406	\$42,648	\$43,928	\$45,245	\$46,603	\$48,001	\$49,441	\$50,924	\$52,452
Vacancy Losses	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Income	\$40,200	\$41,406	\$42,648	\$43,928	\$45,245	\$46,603	\$48,001	\$49,441	\$50,924	\$52,452

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,992	-\$2,052	-\$2,113	-\$2,177	-\$2,242	-\$2,309	-\$2,379	-\$2,450	-\$2,523	-\$2,599
Insurance	-\$1,170	-\$1,205	-\$1,242	-\$1,279	-\$1,317	-\$1,357	-\$1,397	-\$1,439	-\$1,483	-\$1,527
Management Fees	-\$4,020	-\$4,141	-\$4,265	-\$4,393	-\$4,525	-\$4,660	-\$4,800	-\$4,944	-\$5,092	-\$5,245
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	-\$4,020	-\$4,141	-\$4,265	-\$4,393	-\$4,525	-\$4,660	-\$4,800	-\$4,944	-\$5,092	-\$5,245
Other	-\$9,360	-\$9,641	-\$9,930	-\$10,228	-\$10,535	-\$10,851	-\$11,176	-\$11,512	-\$11,857	-\$12,213
Operating Expenses	-\$20,562	-\$21,179	-\$21,815	-\$22,469	-\$23,143	-\$23,837	-\$24,552	-\$25,289	-\$26,048	-\$26,829

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	\$19,638	\$20,227	\$20,834	\$21,459	\$22,102	\$22,765	\$23,448	\$24,152	\$24,876	\$25,623
- Mortgage Payments	-\$14,165	-\$14,165	-\$14,165	-\$14,165	-\$14,165	-\$14,165	-\$14,165	-\$14,165	-\$14,165	-\$14,165
= Cash Flow	\$5,473	\$6,062	\$6,669	\$7,294	\$7,938	\$8,601	\$9,284	\$9,987	\$10,712	\$11,458
+ Principal Reduction	\$2,087	\$2,227	\$2,376	\$2,536	\$2,705	\$2,886	\$3,080	\$3,286	\$3,506	\$3,741
+ Appreciation	\$7,470	\$7,694	\$7,925	\$8,163	\$8,408	\$8,660	\$8,920	\$9,187	\$9,463	\$9,747
= Gross Equity Income	\$15,030	\$15,983	\$16,970	\$17,992	\$19,051	\$20,147	\$21,283	\$22,460	\$23,681	\$24,946
Capitalization Rate	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%
Cash on Cash Return	4.6%	5.1%	5.7%	6.2%	6.7%	7.3%	7.9%	8.5%	9.1%	9.7%
Return on Equity	20.9%	19.6%	18.4%	17.5%	16.7%	16.1%	15.5%	15.0%	14.5%	14.1%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$256,470	\$264,164	\$272,089	\$280,252	\$288,659	\$297,319	\$306,239	\$315,426	\$324,889	\$334,635
- Loan Balance	-\$184,663	-\$182,435	-\$180,059	-\$177,524	-\$174,818	-\$171,932	-\$168,852	-\$165,566	-\$162,060	-\$158,319
= Equity	\$71,807	\$81,729	\$92,030	\$102,728	\$113,841	\$125,387	\$137,387	\$149,860	\$162,829	\$176,316
Loan-to-Value Ratio	72.0%	69.1%	66.2%	63.3%	60.6%	57.8%	55.1%	52.5%	49.9%	47.3%
Potential Cash-Out Refi	\$46,160	\$55,312	\$64,821	\$74,703	\$84,975	\$95,655	\$106,763	\$118,317	\$130,340	\$142,853

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$71,807	\$81,729	\$92,030	\$102,728	\$113,841	\$125,387	\$137,387	\$149,860	\$162,829	\$176,316
- Closing Costs	-\$17,953	-\$18,491	-\$19,046	-\$19,618	-\$20,206	-\$20,812	-\$21,437	-\$22,080	-\$22,742	-\$23,424
= Proceeds After Sale	\$53,854	\$63,237	\$72,984	\$83,111	\$93,635	\$104,575	\$115,950	\$127,780	\$140,086	\$152,892
+ Cumulative Cash Flow	\$5,473	\$11,535	\$18,204	\$25,498	\$33,436	\$42,037	\$51,320	\$61,308	\$72,019	\$83,477
- Initial Cash Invested	-\$117,852	-\$117,852	-\$117,852	-\$117,852	-\$117,852	-\$117,852	-\$117,852	-\$117,852	-\$117,852	-\$117,852
= Net Profit	-\$58,525	-\$43,080	-\$26,665	-\$9,244	\$9,218	\$28,759	\$49,418	\$71,235	\$94,253	\$118,517
Internal Rate of Return	-49.7%	-21.0%	-8.7%	-2.2%	1.7%	4.2%	5.9%	7.1%	8.0%	8.7%
Return on Investment	-49.7%	-36.6%	-22.6%	-7.8%	7.8%	24.4%	41.9%	60.4%	80.0%	100.6%

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