10 Year Performance Projection

NEW CONSTRUCTION
Queen Creek, AZ 85140
3 bedrooms 2.5 bathrooms 2025 year built

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	$32,400	$33,372	$34,373	$35,404	$36,466	$37,560	$38,687	$39,848	$41,043	$42,275
Vacancy Losses	-$2,592	-$2,670	-$2,750	-$2,832	-$2,917	-$3,005	-$3,095	-$3,188	-$3,283	-$3,382
Operating Income	**$29,808**	**$30,702**	**$31,623**	**$32,572**	**$33,549**	**$34,556**	**$35,592**	**$36,660**	**$37,760**	**$38,893**

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-$2,867	-$2,953	-$3,042	-$3,133	-$3,227	-$3,324	-$3,424	-$3,526	-$3,632	-$3,741
Insurance	-$1,195	-$1,231	-$1,267	-$1,306	-$1,345	-$1,385	-$1,427	-$1,469	-$1,513	-$1,559
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	-$1,500	-$1,545	-$1,591	-$1,639	-$1,688	-$1,739	-$1,791	-$1,845	-$1,900	-$1,957
Maintenance	-$648	-$667	-$687	-$708	-$729	-$751	-$774	-$797	-$821	-$845
Other	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0
Operating Expenses	**-$7,242**	**-$7,459**	**-$7,683**	**-$7,914**	**-$8,151**	**-$8,396**	**-$8,647**	**-$8,907**	**-$9,174**	**-$9,449**

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	**$22,566**	**$23,243**	**$23,940**	**$24,658**	**$25,398**	**$26,160**	**$26,945**	**$27,753**	**$28,586**	**$29,443**
- Mortgage Payments	-$21,525	-$21,525	-$21,525	-$21,525	-$21,525	-$21,525	-$21,525	-$26,825	-$26,825	-$26,825
= Cash Flow	**$1,041**	**$1,718**	**$2,415**	**$3,133**	**$3,873**	**$4,635**	**$5,420**	**$928**	**$1,760**	**$2,618**
+ Principal Reduction	$4,944	$5,197	$5,462	$5,741	$6,034	$6,342	$6,666	$9,464	$10,046	$10,665
+ Appreciation	$28,673	$30,394	$32,217	$34,150	$36,200	$38,371	$40,674	$43,114	$45,701	$48,443
= Gross Equity Income	**$34,659**	**$37,309**	**$40,095**	**$43,025**	**$46,107**	**$49,349**	**$52,760**	**$53,506**	**$57,508**	**$61,726**
Capitalization Rate	4.5%	4.3%	4.2%	4.1%	4.0%	3.9%	3.7%	3.6%	3.5%	3.4%
Cash on Cash Return	0.7%	1.1%	1.6%	2.1%	2.6%	3.1%	3.6%	0.6%	1.2%	1.7%
Return on Equity	19.6%	17.6%	16.0%	14.8%	13.9%	13.1%	12.4%	11.2%	10.8%	10.4%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	$506,563	$536,957	$569,175	$603,325	$639,525	$677,896	$718,570	$761,684	$807,385	$855,828
- Loan Balance	-$329,579	-$324,382	-$318,920	-$313,179	-$307,144	-$300,802	-$294,136	-$284,673	-$274,626	-$263,961
= Equity	**$176,985**	**$212,575**	**$250,255**	**$290,146**	**$332,380**	**$377,094**	**$424,434**	**$477,012**	**$532,759**	**$591,867**
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	$126,328	$158,880	$193,338	$229,814	$268,428	$309,304	$352,577	$400,843	$452,020	$506,284

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	$176,985	$212,575	$250,255	$290,146	$332,380	$377,094	$424,434	$477,012	$532,759	$591,867
- Closing Costs	-$35,459	-$37,587	-$39,842	-$42,233	-$44,767	-$47,453	-$50,300	-$53,318	-$56,517	-$59,908
= Proceeds After Sale	**$141,525**	**$174,988**	**$210,413**	**$247,914**	**$287,613**	**$329,641**	**$374,134**	**$423,694**	**$476,242**	**$531,959**
+ Cumulative Cash Flow	$1,041	$2,759	$5,174	$8,307	$12,181	$16,816	$22,236	$23,163	$24,924	$27,542
- Approximate Cash Invest	-$151,491	-$151,491	-$151,491	-$151,491	-$151,491	-$151,491	-$151,491	-$151,491	-$151,491	-$151,491
= Net Profit	**-$8,925**	**$26,256**	**$64,096**	**$104,730**	**$148,303**	**$194,966**	**$244,878**	**$295,366**	**$349,675**	**$408,010**
Internal Rate of Return	-5.9%	8.3%	12.6%	14.2%	14.8%	15.1%	15.1%	14.9%	14.7%	14.4%
Return on Investment	-5.9%	17.3%	42.3%	69.1%	97.9%	128.7%	161.6%	195.0%	230.8%	269.3%

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