

10 Year Performance Projection

Pre-Leased Property
 Memphis, TN 38128
 3bd | 2ba | Built: 1964

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$15,480	\$15,944	\$16,423	\$16,915	\$17,423	\$17,946	\$18,484	\$19,038	\$19,610	\$20,198
Vacancy Losses	-\$1,238	-\$1,276	-\$1,314	-\$1,353	-\$1,394	-\$1,436	-\$1,479	-\$1,523	-\$1,569	-\$1,616
Operating Income	\$14,242	\$14,669	\$15,109	\$15,562	\$16,029	\$16,510	\$17,005	\$17,515	\$18,041	\$18,582

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,584	-\$1,632	-\$1,680	-\$1,731	-\$1,783	-\$1,836	-\$1,891	-\$1,948	-\$2,007	-\$2,067
Insurance	-\$880	-\$906	-\$934	-\$962	-\$990	-\$1,020	-\$1,051	-\$1,082	-\$1,115	-\$1,148
Management Fees	-\$1,139	-\$1,174	-\$1,209	-\$1,245	-\$1,282	-\$1,321	-\$1,360	-\$1,401	-\$1,443	-\$1,487
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	-\$1,238	-\$1,276	-\$1,314	-\$1,353	-\$1,394	-\$1,436	-\$1,479	-\$1,523	-\$1,569	-\$1,616
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$4,842	-\$4,987	-\$5,137	-\$5,291	-\$5,449	-\$5,613	-\$5,781	-\$5,955	-\$6,133	-\$6,317

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	\$9,400	\$9,682	\$9,972	\$10,271	\$10,580	\$10,897	\$11,224	\$11,561	\$11,907	\$12,265
- Mortgage Payments	-\$9,497	-\$9,497	-\$9,497	-\$9,497	-\$9,497	-\$9,497	-\$9,497	-\$9,497	-\$9,497	-\$9,497
= Cash Flow	-\$97	\$185	\$475	\$775	\$1,083	\$1,400	\$1,727	\$2,064	\$2,411	\$2,768
+ Principal Reduction	\$1,621	\$1,721	\$1,827	\$1,940	\$2,059	\$2,187	\$2,321	\$2,465	\$2,617	\$2,778
+ Appreciation	\$10,560	\$11,194	\$11,865	\$12,577	\$13,332	\$14,132	\$14,980	\$15,878	\$16,831	\$17,841
= Gross Equity Income	\$12,084	\$13,100	\$14,168	\$15,292	\$16,474	\$17,718	\$19,028	\$20,407	\$21,858	\$23,387
Capitalization Rate	5.0%	4.9%	4.8%	4.6%	4.5%	4.4%	4.2%	4.1%	4.0%	3.9%
Cash on Cash Return	-0.2%	0.3%	0.8%	1.3%	1.8%	2.3%	2.8%	3.4%	3.9%	4.5%
Return on Equity	21.5%	19.0%	17.1%	15.7%	14.6%	13.7%	13.0%	12.4%	11.9%	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	\$186,560	\$197,754	\$209,619	\$222,196	\$235,528	\$249,659	\$264,639	\$280,517	\$297,348	\$315,189
- Loan Balance	-\$130,379	-\$128,658	-\$126,831	-\$124,891	-\$122,832	-\$120,645	-\$118,324	-\$115,859	-\$113,243	-\$110,465
= Equity	\$56,181	\$69,096	\$82,788	\$97,305	\$112,696	\$129,014	\$146,315	\$164,658	\$184,106	\$204,725
Loan-to-Value Ratio	69.9%	65.1%	60.5%	56.2%	52.2%	48.3%	44.7%	41.3%	38.1%	35.0%
Potential Cash-Out Refi	\$37,525	\$49,320	\$61,826	\$75,085	\$89,143	\$104,048	\$119,851	\$136,606	\$154,371	\$173,206

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$56,181	\$69,096	\$82,788	\$97,305	\$112,696	\$129,014	\$146,315	\$164,658	\$184,106	\$204,725
- Closing Costs	-\$13,059	-\$13,843	-\$14,673	-\$15,554	-\$16,487	-\$17,476	-\$18,525	-\$19,636	-\$20,814	-\$22,063
= Proceeds After Sale	\$43,122	\$55,253	\$68,115	\$81,751	\$96,209	\$111,538	\$127,791	\$145,022	\$163,291	\$182,661
+ Cumulative Cash Flow	-\$97	\$88	\$563	\$1,338	\$2,421	\$3,821	\$5,548	\$7,611	\$10,022	\$12,790
- Approximate Cash Invest	-\$61,040	-\$61,040	-\$61,040	-\$61,040	-\$61,040	-\$61,040	-\$61,040	-\$61,040	-\$61,040	-\$61,040
= Net Profit	-\$18,015	-\$5,699	\$7,638	\$22,049	\$37,590	\$54,319	\$72,298	\$91,593	\$112,273	\$134,411
Internal Rate of Return	-29.5%	-4.8%	4.0%	8.0%	10.1%	11.3%	11.9%	12.3%	12.5%	12.6%
Return on Investment	-29.5%	-9.3%	12.5%	36.1%	61.6%	89.0%	118.4%	150.1%	183.9%	220.2%

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