

## Ten Year Performance Projection

Financed - Cottage  
Phoenix, AZ 85037  
2bd | 2ba | Built: 2026

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$24,000	\$24,720	\$25,462	\$26,225	\$27,012	\$27,823	\$28,657	\$29,517	\$30,402	\$31,315
Vacancy Losses	-\$1,920	-\$1,978	-\$2,037	-\$2,098	-\$2,161	-\$2,226	-\$2,293	-\$2,361	-\$2,432	-\$2,505
<b>Operating Income</b>	<b>\$22,080</b>	<b>\$22,742</b>	<b>\$23,425</b>	<b>\$24,127</b>	<b>\$24,851</b>	<b>\$25,597</b>	<b>\$26,365</b>	<b>\$27,156</b>	<b>\$27,970</b>	<b>\$28,809</b>

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,786	-\$1,840	-\$1,895	-\$1,952	-\$2,010	-\$2,071	-\$2,133	-\$2,197	-\$2,263	-\$2,331
Insurance	-\$1,072	-\$1,104	-\$1,137	-\$1,171	-\$1,206	-\$1,242	-\$1,280	-\$1,318	-\$1,358	-\$1,398
Management Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Leasing/Advertising Fees	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Association Fees	-\$2,388	-\$2,460	-\$2,533	-\$2,609	-\$2,688	-\$2,768	-\$2,851	-\$2,937	-\$3,025	-\$3,116
Maintenance	-\$480	-\$494	-\$509	-\$525	-\$540	-\$556	-\$573	-\$590	-\$608	-\$626
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
<b>Operating Expenses</b>	<b>-\$5,726</b>	<b>-\$5,898</b>	<b>-\$6,075</b>	<b>-\$6,257</b>	<b>-\$6,445</b>	<b>-\$6,638</b>	<b>-\$6,837</b>	<b>-\$7,042</b>	<b>-\$7,253</b>	<b>-\$7,471</b>

Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Net Operating Income</b>	<b>\$16,354</b>	<b>\$16,845</b>	<b>\$17,350</b>	<b>\$17,871</b>	<b>\$18,407</b>	<b>\$18,959</b>	<b>\$19,528</b>	<b>\$20,113</b>	<b>\$20,717</b>	<b>\$21,338</b>
- Mortgage Payments	-\$19,277	-\$19,277	-\$19,277	-\$19,277	-\$19,277	-\$19,277	-\$19,277	-\$19,277	-\$19,277	-\$19,277
<b>= Cash Flow</b>	<b>-\$2,922</b>	<b>-\$2,432</b>	<b>-\$1,927</b>	<b>-\$1,406</b>	<b>-\$870</b>	<b>-\$318</b>	<b>\$251</b>	<b>\$837</b>	<b>\$1,440</b>	<b>\$2,062</b>
+ Principal Reduction	\$3,290	\$3,493	\$3,709	\$3,937	\$4,180	\$4,438	\$4,712	\$5,002	\$5,311	\$5,639
+ Appreciation	\$21,434	\$22,720	\$24,084	\$25,529	\$27,060	\$28,684	\$30,405	\$32,229	\$34,163	\$36,213
<b>= Gross Equity Income</b>	<b>\$21,802</b>	<b>\$23,782</b>	<b>\$25,866</b>	<b>\$28,060</b>	<b>\$30,371</b>	<b>\$32,804</b>	<b>\$35,368</b>	<b>\$38,069</b>	<b>\$40,914</b>	<b>\$43,913</b>
Capitalization Rate	4.3%	4.2%	4.1%	4.0%	3.9%	3.7%	3.6%	3.5%	3.4%	3.3%
Cash on Cash Return	-3.0%	-2.5%	-2.0%	-1.5%	-0.9%	-0.3%	0.3%	0.9%	1.5%	2.1%
Return on Equity	19.1%	17.0%	15.4%	14.2%	13.3%	12.5%	11.9%	11.4%	10.9%	10.6%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$378,674	\$401,395	\$425,479	\$451,007	\$478,068	\$506,752	\$537,157	\$569,386	\$603,549	\$639,762
- Loan Balance	-\$264,640	-\$261,147	-\$257,438	-\$253,501	-\$249,320	-\$244,882	-\$240,170	-\$235,168	-\$229,857	-\$224,218
<b>= Equity</b>	<b>\$114,035</b>	<b>\$140,248</b>	<b>\$168,041</b>	<b>\$197,507</b>	<b>\$228,747</b>	<b>\$261,870</b>	<b>\$296,987</b>	<b>\$334,218</b>	<b>\$373,693</b>	<b>\$415,544</b>
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	\$76,167	\$100,109	\$125,493	\$152,406	\$180,941	\$211,194	\$243,271	\$277,280	\$313,338	\$351,568

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$114,035	\$140,248	\$168,041	\$197,507	\$228,747	\$261,870	\$296,987	\$334,218	\$373,693	\$415,544
- Closing Costs	-\$26,507	-\$28,098	-\$29,783	-\$31,571	-\$33,465	-\$35,473	-\$37,601	-\$39,857	-\$42,248	-\$44,783
<b>= Proceeds After Sale</b>	<b>\$87,527</b>	<b>\$112,151</b>	<b>\$138,257</b>	<b>\$165,936</b>	<b>\$195,283</b>	<b>\$226,397</b>	<b>\$259,386</b>	<b>\$294,361</b>	<b>\$331,444</b>	<b>\$370,761</b>
+ Cumulative Cash Flow	-\$2,922	-\$5,354	-\$7,281	-\$8,687	-\$9,557	-\$9,874	-\$9,623	-\$8,787	-\$7,346	-\$5,284
- Approximate Cash Invest	-\$96,455	-\$96,455	-\$96,455	-\$96,455	-\$96,455	-\$96,455	-\$96,455	-\$96,455	-\$96,455	-\$96,455
<b>= Net Profit</b>	<b>-\$11,850</b>	<b>\$10,342</b>	<b>\$34,522</b>	<b>\$60,795</b>	<b>\$89,271</b>	<b>\$120,068</b>	<b>\$153,307</b>	<b>\$189,120</b>	<b>\$227,643</b>	<b>\$269,021</b>
Internal Rate of Return	-12.3%	5.2%	10.5%	12.6%	13.5%	13.9%	14.0%	14.0%	13.9%	13.7%
Return on Investment	-12.3%	10.7%	35.8%	63.0%	92.6%	124.5%	158.9%	196.1%	236.0%	278.9%

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

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