Ten Year Performance Projection

New Construction in Birmingham Metro
Alabama
4bd | 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	$23,400	$24,336	$25,309	$26,322	$27,375	$28,470	$29,608	$30,793	$32,025	$33,305
Vacancy Losses	-$1,872	-$1,947	-$2,025	-$2,106	-$2,190	-$2,278	-$2,369	-$2,463	-$2,562	-$2,664
Operating Income	**$21,528**	**$22,389**	**$23,285**	**$24,216**	**$25,185**	**$26,192**	**$27,240**	**$28,329**	**$29,463**	**$30,641**

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-$2,204	-$2,281	-$2,360	-$2,443	-$2,529	-$2,617	-$2,709	-$2,803	-$2,902	-$3,003
Insurance	-$1,526	-$1,579	-$1,634	-$1,691	-$1,751	-$1,812	-$1,875	-$1,941	-$2,009	-$2,079
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	-$1,020	-$1,056	-$1,093	-$1,131	-$1,170	-$1,211	-$1,254	-$1,298	-$1,343	-$1,390
Maintenance	-$702	-$727	-$752	-$778	-$806	-$834	-$863	-$893	-$924	-$957
Other	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0
Operating Expenses	**-$5,451**	**-$5,642**	**-$5,839**	**-$6,044**	**-$6,255**	**-$6,474**	**-$6,701**	**-$6,935**	**-$7,178**	**-$7,429**

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	**$16,077**	**$16,747**	**$17,445**	**$18,172**	**$18,930**	**$19,718**	**$20,539**	**$21,394**	**$22,285**	**$23,212**
- Mortgage Payments	-$14,347	-$14,347	-$14,347	-$14,347	-$14,347	-$14,347	-$14,347	-$14,929	-$14,929	-$14,929
= Cash Flow	**$1,730**	**$2,400**	**$3,098**	**$3,825**	**$4,583**	**$5,371**	**$6,192**	**$6,466**	**$7,356**	**$8,283**
+ Principal Reduction	$4,575	$4,756	$4,944	$5,139	$5,341	$5,552	$5,771	$9,042	$9,294	$9,553
+ Appreciation	$20,340	$21,560	$22,854	$24,225	$25,679	$27,220	$28,853	$30,584	$32,419	$34,364
= Gross Equity Income	**$26,646**	**$28,717**	**$30,896**	**$33,189**	**$35,603**	**$38,143**	**$40,816**	**$46,092**	**$49,069**	**$52,200**
Capitalization Rate	4.5%	4.4%	4.3%	4.2%	4.2%	4.1%	4.0%	4.0%	3.9%	3.8%
Cash on Cash Return	1.9%	2.6%	3.4%	4.2%	5.1%	5.9%	6.8%	7.1%	8.1%	9.1%
Return on Equity	24.3%	21.1%	18.9%	17.2%	15.9%	14.8%	14.0%	13.9%	13.2%	12.5%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	$359,340	$380,900	$403,754	$427,980	$453,658	$480,878	$509,731	$540,314	$572,733	$607,097
- Loan Balance	-$249,675	-$244,919	-$239,975	-$234,836	-$229,495	-$223,943	-$218,172	-$209,130	-$199,836	-$190,283
= Equity	**$109,665**	**$135,982**	**$163,779**	**$193,143**	**$224,163**	**$256,935**	**$291,558**	**$331,184**	**$372,897**	**$416,814**
Loan-to-Value Ratio	69.5%	64.3%	59.4%	54.9%	50.6%	46.6%	42.8%	38.7%	34.9%	31.3%
Potential Cash-Out Refi	$37,797	$59,802	$83,028	$107,547	$133,432	$160,759	$189,612	$223,121	$258,351	$295,395

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	$109,665	$135,982	$163,779	$193,143	$224,163	$256,935	$291,558	$331,184	$372,897	$416,814
- Closing Costs	-$25,154	-$26,663	-$28,263	-$29,959	-$31,756	-$33,661	-$35,681	-$37,822	-$40,091	-$42,497
= Proceeds After Sale	**$84,512**	**$109,319**	**$135,517**	**$163,185**	**$192,407**	**$223,273**	**$255,877**	**$293,362**	**$332,806**	**$374,317**
+ Cumulative Cash Flow	$1,730	$4,130	$7,229	$11,054	$15,637	$21,008	$27,200	$33,666	$41,022	$49,305
- Approximate Cash Invest	-$90,682	-$90,682	-$90,682	-$90,682	-$90,682	-$90,682	-$90,682	-$90,682	-$90,682	-$90,682
= Net Profit	**-$4,441**	**$22,767**	**$52,063**	**$83,557**	**$117,362**	**$153,599**	**$192,395**	**$236,346**	**$283,145**	**$332,940**
Internal Rate of Return	-4.9%	12.0%	16.6%	18.2%	18.7%	18.7%	18.5%	18.4%	18.1%	17.8%
Return on Investment	-4.9%	25.1%	57.4%	92.1%	129.4%	169.4%	212.2%	260.6%	312.2%	367.1%

*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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