Ten Year Performance Projection

New Construction in Birmingham Metro
Alabama
4bd | 2.5ba | 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	$25,200	$26,208	$27,256	$28,347	$29,480	$30,660	$31,886	$33,161	$34,488	$35,867
Vacancy Losses	-$2,016	-$2,097	-$2,181	-$2,268	-$2,358	-$2,453	-$2,551	-$2,653	-$2,759	-$2,869
Operating Income	**$23,184**	**$24,111**	**$25,076**	**$26,079**	**$27,122**	**$28,207**	**$29,335**	**$30,509**	**$31,729**	**$32,998**

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-$2,313	-$2,394	-$2,478	-$2,565	-$2,655	-$2,748	-$2,844	-$2,943	-$3,046	-$3,153
Insurance	-$1,602	-$1,658	-$1,716	-$1,776	-$1,838	-$1,902	-$1,969	-$2,038	-$2,109	-$2,183
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	-$660	-$683	-$707	-$732	-$757	-$784	-$811	-$840	-$869	-$900
Maintenance	-$756	-$782	-$810	-$838	-$868	-$898	-$929	-$962	-$996	-$1,030
Other	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0
Operating Expenses	**-$5,331**	**-$5,517**	**-$5,711**	**-$5,910**	**-$6,117**	**-$6,331**	**-$6,553**	**-$6,782**	**-$7,020**	**-$7,265**

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	**$17,853**	**$18,594**	**$19,365**	**$20,168**	**$21,005**	**$21,875**	**$22,782**	**$23,726**	**$24,709**	**$25,733**
- Mortgage Payments	-$15,062	-$15,062	-$15,062	-$15,062	-$15,062	-$15,062	-$15,062	-$15,673	-$15,673	-$15,673
= Cash Flow	**$2,791**	**$3,532**	**$4,303**	**$5,106**	**$5,943**	**$6,813**	**$7,720**	**$8,053**	**$9,036**	**$10,060**
+ Principal Reduction	$4,804	$4,993	$5,190	$5,395	$5,607	$5,829	$6,059	$9,493	$9,757	$10,029
+ Appreciation	$21,354	$22,635	$23,993	$25,433	$26,959	$28,576	$30,291	$32,109	$34,035	$36,077
= Gross Equity Income	**$28,948**	**$31,160**	**$33,486**	**$35,934**	**$38,509**	**$41,218**	**$44,070**	**$49,655**	**$52,829**	**$56,166**
Capitalization Rate	4.7%	4.6%	4.6%	4.5%	4.4%	4.3%	4.3%	4.2%	4.1%	4.0%
Cash on Cash Return	2.9%	3.7%	4.5%	5.4%	6.2%	7.2%	8.1%	8.5%	9.5%	10.6%
Return on Equity	25.1%	21.8%	19.5%	17.7%	16.4%	15.3%	14.4%	14.3%	13.5%	12.8%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	$377,254	$399,889	$423,883	$449,316	$476,274	$504,851	$535,142	$567,251	$601,286	$637,363
- Loan Balance	-$262,121	-$257,128	-$251,938	-$246,544	-$240,936	-$235,108	-$229,049	-$219,556	-$209,799	-$199,769
= Equity	**$115,133**	**$142,761**	**$171,944**	**$202,772**	**$235,338**	**$269,743**	**$306,093**	**$347,695**	**$391,487**	**$437,593**
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	$39,682	$62,783	$87,168	$112,909	$140,083	$168,773	$199,065	$234,244	$271,230	$310,121

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	$115,133	$142,761	$171,944	$202,772	$235,338	$269,743	$306,093	$347,695	$391,487	$437,593
- Closing Costs	-$26,408	-$27,992	-$29,672	-$31,452	-$33,339	-$35,340	-$37,460	-$39,708	-$42,090	-$44,615
= Proceeds After Sale	**$88,725**	**$114,769**	**$142,272**	**$171,320**	**$201,999**	**$234,404**	**$268,633**	**$307,987**	**$349,397**	**$392,978**
+ Cumulative Cash Flow	$2,791	$6,323	$10,626	$15,732	$21,674	$28,488	$36,208	$44,261	$53,297	$63,357
- Approximate Cash Invest	-$95,203	-$95,203	-$95,203	-$95,203	-$95,203	-$95,203	-$95,203	-$95,203	-$95,203	-$95,203
= Net Profit	**-$3,688**	**$25,888**	**$57,695**	**$91,848**	**$128,470**	**$167,688**	**$209,638**	**$257,045**	**$307,491**	**$361,132**
Internal Rate of Return	-3.9%	12.9%	17.5%	19.1%	19.5%	19.5%	19.3%	19.1%	18.8%	18.5%
Return on Investment	-3.9%	27.2%	60.6%	96.5%	134.9%	176.1%	220.2%	270.0%	323.0%	379.3%

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