Ten Year Performance Projection

Cash Flow Fourplex
Arkansas
8bd | 6ba | Built: 1972 | Remodeled: 2024

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	$63,360	$65,261	$67,219	$69,235	$71,312	$73,452	$75,655	$77,925	$80,263	$82,670
Vacancy Losses	-$5,069	-$5,221	-$5,377	-$5,539	-$5,705	-$5,876	-$6,052	-$6,234	-$6,421	-$6,614
Operating Income	**$58,291**	**$60,040**	**$61,841**	**$63,696**	**$65,607**	**$67,575**	**$69,603**	**$71,691**	**$73,842**	**$76,057**

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-$6,000	-$6,210	-$6,427	-$6,652	-$6,885	-$7,126	-$7,376	-$7,634	-$7,901	-$8,177
Insurance	-$3,000	-$3,105	-$3,214	-$3,326	-$3,443	-$3,563	-$3,688	-$3,817	-$3,950	-$4,089
Management Fees	-$5,829	-$6,004	-$6,184	-$6,370	-$6,561	-$6,758	-$6,960	-$7,169	-$7,384	-$7,606
Leasing/Advertising Fees	-$2	-$2	-$2	-$2	-$2	-$2	-$2	-$3	-$3	-$3
Association Fees	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0
Maintenance	-$3,168	-$3,279	-$3,394	-$3,512	-$3,635	-$3,763	-$3,894	-$4,031	-$4,172	-$4,318
Other	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0	-$0
Operating Expenses	**-$17,999**	**-$18,600**	**-$19,221**	**-$19,863**	**-$20,526**	**-$21,212**	**-$21,920**	**-$22,653**	**-$23,410**	**-$24,192**

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	**$40,292**	**$41,440**	**$42,620**	**$43,834**	**$45,081**	**$46,364**	**$47,682**	**$49,038**	**$50,432**	**$51,865**
- Mortgage Payments	-$34,132	-$34,132	-$34,132	-$34,132	-$34,132	-$34,132	-$34,132	-$34,132	-$34,132	-$34,132
= Cash Flow	**$6,160**	**$7,308**	**$8,488**	**$9,702**	**$10,949**	**$12,232**	**$13,551**	**$14,906**	**$16,300**	**$17,733**
+ Principal Reduction	$5,030	$5,367	$5,726	$6,110	$6,519	$6,955	$7,421	$7,918	$8,448	$9,014
+ Appreciation	$36,000	$38,160	$40,450	$42,877	$45,449	$48,176	$51,067	$54,131	$57,379	$60,821
= Gross Equity Income	**$47,190**	**$50,835**	**$54,664**	**$58,688**	**$62,917**	**$67,363**	**$72,039**	**$76,955**	**$82,127**	**$87,568**
Capitalization Rate	6.3%	6.1%	6.0%	5.8%	5.6%	5.4%	5.3%	5.1%	5.0%	4.8%
Cash on Cash Return	3.9%	4.6%	5.4%	6.2%	7.0%	7.8%	8.6%	9.5%	10.3%	11.3%
Return on Equity	24.7%	21.7%	19.5%	17.8%	16.5%	15.4%	14.5%	13.8%	13.2%	12.6%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	$636,000	$674,160	$714,610	$757,486	$802,935	$851,111	$902,178	$956,309	$1,013,687	$1,074,509
- Loan Balance	-$444,970	-$439,603	-$433,877	-$427,768	-$421,249	-$414,294	-$406,873	-$398,955	-$390,506	-$381,492
= Equity	**$191,030**	**$234,557**	**$280,732**	**$329,718**	**$381,686**	**$436,818**	**$495,305**	**$557,354**	**$623,181**	**$693,017**
Loan-to-Value Ratio	70.0%	65.2%	60.7%	56.5%	52.5%	48.7%	45.1%	41.7%	38.5%	35.5%
Potential Cash-Out Refi	$127,430	$167,141	$209,271	$253,970	$301,393	$351,706	$405,088	$461,723	$521,812	$585,566

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	$191,030	$234,557	$280,732	$329,718	$381,686	$436,818	$495,305	$557,354	$623,181	$693,017
- Closing Costs	-$44,520	-$47,191	-$50,023	-$53,024	-$56,205	-$59,578	-$63,152	-$66,942	-$70,958	-$75,216
= Proceeds After Sale	**$146,510**	**$187,365**	**$230,710**	**$276,694**	**$325,481**	**$377,240**	**$432,153**	**$490,413**	**$552,223**	**$617,801**
+ Cumulative Cash Flow	$6,160	$13,469	$21,957	$31,659	$42,608	$54,841	$68,391	$83,298	$99,598	$117,331
- Approximate Cash Invest	-$157,500	-$157,500	-$157,500	-$157,500	-$157,500	-$157,500	-$157,500	-$157,500	-$157,500	-$157,500
= Net Profit	**-$4,830**	**$43,334**	**$95,167**	**$150,853**	**$210,589**	**$274,580**	**$343,044**	**$416,210**	**$494,321**	**$577,632**
Internal Rate of Return	-3.1%	13.1%	17.6%	19.1%	19.6%	19.6%	19.4%	19.1%	18.8%	18.5%
Return on Investment	-3.1%	27.5%	60.4%	95.8%	133.7%	174.3%	217.8%	264.3%	313.9%	366.8%

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