

10 Year Performance Projection

Pre-Leased Property
 Memphis, TN 38141
 3bd | 2ba | Built: 1983

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$17,340	\$17,860	\$18,396	\$18,948	\$19,516	\$20,102	\$20,705	\$21,326	\$21,966	\$22,625
Vacancy Losses	-\$1,387	-\$1,429	-\$1,472	-\$1,516	-\$1,561	-\$1,608	-\$1,656	-\$1,706	-\$1,757	-\$1,810
Operating Income	\$15,953	\$16,431	\$16,924	\$17,432	\$17,955	\$18,494	\$19,048	\$19,620	\$20,209	\$20,815

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,755	-\$1,808	-\$1,862	-\$1,918	-\$1,975	-\$2,035	-\$2,096	-\$2,158	-\$2,223	-\$2,290
Insurance	-\$975	-\$1,004	-\$1,034	-\$1,065	-\$1,097	-\$1,130	-\$1,164	-\$1,199	-\$1,235	-\$1,272
Management Fees	-\$1,276	-\$1,315	-\$1,354	-\$1,395	-\$1,436	-\$1,479	-\$1,524	-\$1,570	-\$1,617	-\$1,665
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	-\$1,387	-\$1,429	-\$1,472	-\$1,516	-\$1,561	-\$1,608	-\$1,656	-\$1,706	-\$1,757	-\$1,810
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$5,393	-\$5,555	-\$5,722	-\$5,894	-\$6,070	-\$6,252	-\$6,440	-\$6,633	-\$6,832	-\$7,037

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	\$10,559	\$10,876	\$11,202	\$11,539	\$11,885	\$12,241	\$12,608	\$12,987	\$13,376	\$13,778
- Mortgage Payments	-\$10,522	-\$10,522	-\$10,522	-\$10,522	-\$10,522	-\$10,522	-\$10,522	-\$10,522	-\$10,522	-\$10,522
= Cash Flow	\$37	\$354	\$680	\$1,016	\$1,363	\$1,719	\$2,086	\$2,465	\$2,854	\$3,256
+ Principal Reduction	\$1,796	\$1,907	\$2,024	\$2,149	\$2,282	\$2,422	\$2,572	\$2,730	\$2,899	\$3,078
+ Appreciation	\$11,700	\$12,402	\$13,146	\$13,935	\$14,771	\$15,657	\$16,597	\$17,592	\$18,648	\$19,767
= Gross Equity Income	\$13,533	\$14,663	\$15,851	\$17,100	\$18,415	\$19,799	\$21,255	\$22,788	\$24,401	\$26,100
Capitalization Rate	5.1%	5.0%	4.8%	4.7%	4.6%	4.4%	4.3%	4.2%	4.1%	3.9%
Cash on Cash Return	0.1%	0.5%	1.0%	1.5%	2.0%	2.6%	3.1%	3.7%	4.3%	4.9%
Return on Equity	21.7%	19.2%	17.3%	15.9%	14.7%	13.9%	13.1%	12.5%	12.0%	11.5%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$206,700	\$219,102	\$232,248	\$246,183	\$260,954	\$276,611	\$293,208	\$310,800	\$329,448	\$349,215
- Loan Balance	-\$144,454	-\$142,547	-\$140,523	-\$138,374	-\$136,092	-\$133,670	-\$131,098	-\$128,367	-\$125,469	-\$122,391
= Equity	\$62,246	\$76,555	\$91,725	\$107,809	\$124,862	\$142,941	\$162,110	\$182,433	\$203,980	\$226,824
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	\$41,576	\$54,644	\$68,500	\$83,191	\$98,766	\$115,280	\$132,789	\$151,353	\$171,035	\$191,903

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$62,246	\$76,555	\$91,725	\$107,809	\$124,862	\$142,941	\$162,110	\$182,433	\$203,980	\$226,824
- Closing Costs	-\$14,469	-\$15,337	-\$16,257	-\$17,233	-\$18,267	-\$19,363	-\$20,525	-\$21,756	-\$23,061	-\$24,445
= Proceeds After Sale	\$47,777	\$61,217	\$75,468	\$90,576	\$106,595	\$123,579	\$141,585	\$160,677	\$180,918	\$202,379
+ Cumulative Cash Flow	\$37	\$391	\$1,072	\$2,088	\$3,451	\$5,170	\$7,256	\$9,721	\$12,575	\$15,831
- Approximate Cash Invest	-\$66,550	-\$66,550	-\$66,550	-\$66,550	-\$66,550	-\$66,550	-\$66,550	-\$66,550	-\$66,550	-\$66,550
= Net Profit	-\$18,736	-\$4,941	\$9,989	\$26,114	\$43,496	\$62,199	\$82,292	\$103,848	\$126,944	\$151,660
Internal Rate of Return	-28.2%	-3.8%	4.8%	8.7%	10.7%	11.8%	12.4%	12.7%	12.9%	13.0%
Return on Investment	-28.2%	-7.4%	15.0%	39.2%	65.4%	93.5%	123.7%	156.0%	190.7%	227.9%

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