

## 10 Year Performance Projection

Pre-Leased Property  
 Memphis, TN 38133  
 3bd | 2ba | Built: 1976

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$15,540	\$16,006	\$16,486	\$16,981	\$17,490	\$18,015	\$18,556	\$19,112	\$19,686	\$20,276
Vacancy Losses	-\$1,243	-\$1,280	-\$1,319	-\$1,358	-\$1,399	-\$1,441	-\$1,484	-\$1,529	-\$1,575	-\$1,622
<b>Operating Income</b>	<b>\$14,297</b>	<b>\$14,726</b>	<b>\$15,167</b>	<b>\$15,622</b>	<b>\$16,091</b>	<b>\$16,574</b>	<b>\$17,071</b>	<b>\$17,583</b>	<b>\$18,111</b>	<b>\$18,654</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	-\$1,575	-\$1,622	-\$1,671	-\$1,721	-\$1,773	-\$1,826	-\$1,881	-\$1,937	-\$1,995	-\$2,055
Insurance	-\$875	-\$901	-\$928	-\$956	-\$985	-\$1,014	-\$1,045	-\$1,076	-\$1,108	-\$1,142
Management Fees	-\$1,144	-\$1,178	-\$1,213	-\$1,250	-\$1,287	-\$1,326	-\$1,366	-\$1,407	-\$1,449	-\$1,492
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	-\$1,243	-\$1,280	-\$1,319	-\$1,358	-\$1,399	-\$1,441	-\$1,484	-\$1,529	-\$1,575	-\$1,622
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
<b>Operating Expenses</b>	<b>-\$4,837</b>	<b>-\$4,982</b>	<b>-\$5,132</b>	<b>-\$5,285</b>	<b>-\$5,444</b>	<b>-\$5,607</b>	<b>-\$5,776</b>	<b>-\$5,949</b>	<b>-\$6,127</b>	<b>-\$6,311</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>\$9,460</b>	<b>\$9,744</b>	<b>\$10,036</b>	<b>\$10,337</b>	<b>\$10,647</b>	<b>\$10,967</b>	<b>\$11,296</b>	<b>\$11,634</b>	<b>\$11,983</b>	<b>\$12,343</b>
- Mortgage Payments	-\$9,443	-\$9,443	-\$9,443	-\$9,443	-\$9,443	-\$9,443	-\$9,443	-\$9,443	-\$9,443	-\$9,443
<b>= Cash Flow</b>	<b>\$17</b>	<b>\$301</b>	<b>\$593</b>	<b>\$894</b>	<b>\$1,204</b>	<b>\$1,524</b>	<b>\$1,853</b>	<b>\$2,192</b>	<b>\$2,541</b>	<b>\$2,900</b>
+ Principal Reduction	\$1,612	\$1,711	\$1,817	\$1,929	\$2,048	\$2,174	\$2,308	\$2,450	\$2,602	\$2,762
+ Appreciation	\$10,500	\$11,130	\$11,798	\$12,506	\$13,256	\$14,051	\$14,894	\$15,788	\$16,735	\$17,740
<b>= Gross Equity Income</b>	<b>\$12,129</b>	<b>\$13,142</b>	<b>\$14,208</b>	<b>\$15,329</b>	<b>\$16,508</b>	<b>\$17,749</b>	<b>\$19,055</b>	<b>\$20,430</b>	<b>\$21,878</b>	<b>\$23,402</b>
Capitalization Rate	5.1%	5.0%	4.8%	4.7%	4.5%	4.4%	4.3%	4.2%	4.1%	3.9%
Cash on Cash Return	0.0%	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.6%	4.2%	4.8%
Return on Equity	21.7%	19.1%	17.3%	15.8%	14.7%	13.8%	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	\$185,500	\$196,630	\$208,428	\$220,933	\$234,189	\$248,241	\$263,135	\$278,923	\$295,659	\$313,398
- Loan Balance	-\$129,638	-\$127,927	-\$126,110	-\$124,182	-\$122,134	-\$119,960	-\$117,652	-\$115,201	-\$112,600	-\$109,838
<b>= Equity</b>	<b>\$55,862</b>	<b>\$68,703</b>	<b>\$82,317</b>	<b>\$96,752</b>	<b>\$112,056</b>	<b>\$128,281</b>	<b>\$145,484</b>	<b>\$163,722</b>	<b>\$183,059</b>	<b>\$203,561</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	\$37,312	\$49,040	\$61,475	\$74,659	\$88,637	\$103,457	\$119,170	\$135,830	\$153,493	\$172,221

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$55,862	\$68,703	\$82,317	\$96,752	\$112,056	\$128,281	\$145,484	\$163,722	\$183,059	\$203,561
- Closing Costs	-\$12,985	-\$13,764	-\$14,590	-\$15,465	-\$16,393	-\$17,377	-\$18,419	-\$19,525	-\$20,696	-\$21,938
<b>= Proceeds After Sale</b>	<b>\$42,877</b>	<b>\$54,939</b>	<b>\$67,727</b>	<b>\$81,287</b>	<b>\$95,662</b>	<b>\$110,904</b>	<b>\$127,064</b>	<b>\$144,198</b>	<b>\$162,363</b>	<b>\$181,623</b>
+ Cumulative Cash Flow	\$17	\$318	\$911	\$1,805	\$3,009	\$4,533	\$6,385	\$8,577	\$11,117	\$14,017
- Approximate Cash Invest	-\$60,750	-\$60,750	-\$60,750	-\$60,750	-\$60,750	-\$60,750	-\$60,750	-\$60,750	-\$60,750	-\$60,750
<b>= Net Profit</b>	<b>-\$17,856</b>	<b>-\$5,494</b>	<b>\$7,888</b>	<b>\$22,341</b>	<b>\$37,921</b>	<b>\$54,687</b>	<b>\$72,699</b>	<b>\$92,024</b>	<b>\$112,730</b>	<b>\$134,890</b>
Internal Rate of Return	-29.4%	-4.6%	4.2%	8.2%	10.3%	11.4%	12.1%	12.4%	12.6%	12.7%
Return on Investment	-29.4%	-9.0%	13.0%	36.8%	62.4%	90.0%	119.7%	151.5%	185.6%	222.0%

\*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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