

10 Year Performance Projection

New Construction in Birmingham Metro

Chelsea, AL 35147

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	\$22,200	\$23,088	\$24,012	\$24,972	\$25,971	\$27,010	\$28,090	\$29,214	\$30,382	\$31,598
Vacancy Losses	-\$1,776	-\$1,847	-\$1,921	-\$1,998	-\$2,078	-\$2,161	-\$2,247	-\$2,337	-\$2,431	-\$2,528
Operating Income	\$20,424	\$21,241	\$22,091	\$22,974	\$23,893	\$24,849	\$25,843	\$26,877	\$27,952	\$29,070

Estimated Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,047	-\$2,108	-\$2,172	-\$2,237	-\$2,304	-\$2,373	-\$2,444	-\$2,517	-\$2,593	-\$2,671
Insurance	-\$1,260	-\$1,297	-\$1,336	-\$1,376	-\$1,418	-\$1,460	-\$1,504	-\$1,549	-\$1,596	-\$1,643
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	-\$240	-\$247	-\$255	-\$262	-\$270	-\$278	-\$287	-\$295	-\$304	-\$313
Maintenance	-\$444	-\$457	-\$471	-\$485	-\$500	-\$515	-\$530	-\$546	-\$562	-\$579
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$3,990	-\$4,110	-\$4,233	-\$4,360	-\$4,491	-\$4,626	-\$4,765	-\$4,908	-\$5,055	-\$5,207

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	\$16,434	\$17,131	\$17,857	\$18,614	\$19,402	\$20,223	\$21,078	\$21,969	\$22,897	\$23,863
- Mortgage Payments	-\$13,327	-\$13,327	-\$13,327	-\$13,327	-\$13,327	-\$13,327	-\$13,327	-\$13,867	-\$13,867	-\$13,867
= Cash Flow	\$3,107	\$3,804	\$4,530	\$5,287	\$6,075	\$6,896	\$7,751	\$8,102	\$9,029	\$9,996
+ Principal Reduction	\$4,250	\$4,418	\$4,592	\$4,773	\$4,961	\$5,157	\$5,361	\$8,399	\$8,633	\$8,874
+ Appreciation	\$18,894	\$20,028	\$21,229	\$22,503	\$23,853	\$25,284	\$26,802	\$28,410	\$30,114	\$31,921
= Gross Equity Income	\$26,251	\$28,249	\$30,352	\$32,563	\$34,890	\$37,338	\$39,913	\$44,911	\$47,777	\$50,791
Capitalization Rate	4.9%	4.8%	4.8%	4.7%	4.6%	4.5%	4.5%	4.4%	4.3%	4.2%
Cash on Cash Return	3.7%	4.5%	5.4%	6.3%	7.2%	8.2%	9.2%	9.6%	10.7%	11.9%
Return on Equity	25.8%	22.4%	20.0%	18.1%	16.8%	15.6%	14.7%	14.6%	13.8%	13.1%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$333,794	\$353,822	\$375,051	\$397,554	\$421,407	\$446,692	\$473,493	\$501,903	\$532,017	\$563,938
- Loan Balance	-\$231,925	-\$227,507	-\$222,915	-\$218,142	-\$213,180	-\$208,023	-\$202,663	-\$194,263	-\$185,630	-\$176,756
= Equity	\$101,869	\$126,315	\$152,136	\$179,412	\$208,227	\$238,668	\$270,831	\$307,640	\$346,387	\$387,182
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	\$35,110	\$55,550	\$77,126	\$99,901	\$123,945	\$149,330	\$176,132	\$207,259	\$239,984	\$274,394

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$101,869	\$126,315	\$152,136	\$179,412	\$208,227	\$238,668	\$270,831	\$307,640	\$346,387	\$387,182
- Closing Costs	-\$23,366	-\$24,768	-\$26,254	-\$27,829	-\$29,499	-\$31,268	-\$33,145	-\$35,133	-\$37,241	-\$39,476
= Proceeds After Sale	\$78,504	\$101,547	\$125,882	\$151,583	\$178,728	\$207,400	\$237,686	\$272,506	\$309,146	\$347,706
+ Cumulative Cash Flow	\$3,107	\$6,910	\$11,441	\$16,727	\$22,802	\$29,698	\$37,449	\$45,551	\$54,580	\$64,576
- Approximate Cash Invest	-\$84,236	-\$84,236	-\$84,236	-\$84,236	-\$84,236	-\$84,236	-\$84,236	-\$84,236	-\$84,236	-\$84,236
= Net Profit	-\$2,626	\$24,222	\$53,087	\$84,075	\$117,295	\$152,863	\$190,900	\$233,822	\$279,490	\$328,047
Internal Rate of Return	-3.1%	13.7%	18.2%	19.7%	20.1%	20.1%	19.9%	19.7%	19.4%	19.1%
Return on Investment	-3.1%	28.8%	63.0%	99.8%	139.2%	181.5%	226.6%	277.6%	331.8%	389.4%

*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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