

## 10 Year Performance Projection

Nice Cashflow!  
 Memphis, TN 38109  
 3bd | 1ba | Built: 1953

Projected Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Rent	\$13,140	\$13,534	\$13,940	\$14,358	\$14,789	\$15,233	\$15,690	\$16,161	\$16,645	\$17,145
Vacancy Losses	-\$1,051	-\$1,083	-\$1,115	-\$1,149	-\$1,183	-\$1,219	-\$1,255	-\$1,293	-\$1,332	-\$1,372
<b>Operating Income</b>	<b>\$12,089</b>	<b>\$12,451</b>	<b>\$12,825</b>	<b>\$13,210</b>	<b>\$13,606</b>	<b>\$14,014</b>	<b>\$14,435</b>	<b>\$14,868</b>	<b>\$15,314</b>	<b>\$15,773</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	-\$1,034	-\$1,065	-\$1,097	-\$1,130	-\$1,164	-\$1,199	-\$1,235	-\$1,272	-\$1,310	-\$1,349
Insurance	-\$747	-\$769	-\$792	-\$816	-\$841	-\$866	-\$892	-\$919	-\$946	-\$974
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	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Maintenance	-\$1,051	-\$1,083	-\$1,115	-\$1,149	-\$1,183	-\$1,219	-\$1,255	-\$1,293	-\$1,332	-\$1,372
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
<b>Operating Expenses</b>	<b>-\$2,832</b>	<b>-\$2,917</b>	<b>-\$3,005</b>	<b>-\$3,095</b>	<b>-\$3,188</b>	<b>-\$3,283</b>	<b>-\$3,382</b>	<b>-\$3,483</b>	<b>-\$3,588</b>	<b>-\$3,695</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>\$9,257</b>	<b>\$9,534</b>	<b>\$9,820</b>	<b>\$10,115</b>	<b>\$10,418</b>	<b>\$10,731</b>	<b>\$11,053</b>	<b>\$11,385</b>	<b>\$11,726</b>	<b>\$12,078</b>
- Mortgage Payments	-\$6,250	-\$6,250	-\$6,250	-\$6,250	-\$6,250	-\$6,250	-\$6,250	-\$6,250	-\$6,250	-\$6,250
<b>= Cash Flow</b>	<b>\$3,007</b>	<b>\$3,284</b>	<b>\$3,570</b>	<b>\$3,865</b>	<b>\$4,168</b>	<b>\$4,481</b>	<b>\$4,803</b>	<b>\$5,135</b>	<b>\$5,476</b>	<b>\$5,828</b>
+ Principal Reduction	\$1,044	\$1,109	\$1,178	\$1,252	\$1,330	\$1,413	\$1,501	\$1,595	\$1,695	\$1,800
+ Appreciation	\$6,894	\$7,308	\$7,746	\$8,211	\$8,704	\$9,226	\$9,779	\$10,366	\$10,988	\$11,647
<b>= Gross Equity Income</b>	<b>\$10,944</b>	<b>\$11,701</b>	<b>\$12,495</b>	<b>\$13,328</b>	<b>\$14,202</b>	<b>\$15,120</b>	<b>\$16,083</b>	<b>\$17,095</b>	<b>\$18,159</b>	<b>\$19,276</b>
Capitalization Rate	7.6%	7.4%	7.2%	7.0%	6.8%	6.6%	6.4%	6.2%	6.0%	5.9%
Cash on Cash Return	8.3%	9.1%	9.9%	10.7%	11.5%	12.4%	13.3%	14.2%	15.1%	16.1%
Return on Equity	29.9%	26.0%	23.1%	21.0%	19.3%	18.0%	16.9%	15.9%	15.1%	14.4%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$121,794	\$129,102	\$136,848	\$145,059	\$153,762	\$162,988	\$172,767	\$183,133	\$194,121	\$205,768
- Loan Balance	-\$85,131	-\$84,023	-\$82,845	-\$81,593	-\$80,263	-\$78,850	-\$77,349	-\$75,754	-\$74,060	-\$72,259
<b>= Equity</b>	<b>\$36,663</b>	<b>\$45,079</b>	<b>\$54,003</b>	<b>\$63,466</b>	<b>\$73,499</b>	<b>\$84,138</b>	<b>\$95,418</b>	<b>\$107,379</b>	<b>\$120,061</b>	<b>\$133,509</b>
Loan-to-Value Ratio	69.9%	65.1%	60.5%	56.2%	52.2%	48.4%	44.8%	41.4%	38.2%	35.1%
Potential Cash-Out Refi	\$24,483	\$32,169	\$40,318	\$48,960	\$58,123	\$67,839	\$78,141	\$89,066	\$100,649	\$112,932

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$36,663	\$45,079	\$54,003	\$63,466	\$73,499	\$84,138	\$95,418	\$107,379	\$120,061	\$133,509
- Closing Costs	-\$8,526	-\$9,037	-\$9,579	-\$10,154	-\$10,763	-\$11,409	-\$12,094	-\$12,819	-\$13,588	-\$14,404
<b>= Proceeds After Sale</b>	<b>\$28,137</b>	<b>\$36,042</b>	<b>\$44,424</b>	<b>\$53,311</b>	<b>\$62,736</b>	<b>\$72,728</b>	<b>\$83,324</b>	<b>\$94,560</b>	<b>\$106,473</b>	<b>\$119,105</b>
+ Cumulative Cash Flow	\$3,007	\$6,291	\$9,861	\$13,727	\$17,895	\$22,376	\$27,179	\$32,314	\$37,790	\$43,618
- Approximate Cash Invest	-\$36,194	-\$36,194	-\$36,194	-\$36,194	-\$36,194	-\$36,194	-\$36,194	-\$36,194	-\$36,194	-\$36,194
<b>= Net Profit</b>	<b>-\$5,050</b>	<b>\$6,139</b>	<b>\$18,092</b>	<b>\$30,845</b>	<b>\$44,437</b>	<b>\$58,911</b>	<b>\$74,310</b>	<b>\$90,680</b>	<b>\$108,069</b>	<b>\$126,529</b>
Internal Rate of Return	-14.0%	8.5%	15.5%	18.3%	19.5%	20.0%	20.2%	20.1%	20.0%	19.8%
Return on Investment	-14.0%	17.0%	50.0%	85.2%	122.8%	162.8%	205.3%	250.5%	298.6%	349.6%

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