

10 Year Performance Projection

2 Houses on 1 Parcel
Mobile, AL 36605

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$15,600	\$16,068	\$16,550	\$17,047	\$17,558	\$18,085	\$18,627	\$19,186	\$19,762	\$20,354
Vacancy Losses	-\$1,248	-\$1,285	-\$1,324	-\$1,364	-\$1,405	-\$1,447	-\$1,490	-\$1,535	-\$1,581	-\$1,628
Operating Income	\$14,352	\$14,783	\$15,226	\$15,683	\$16,153	\$16,638	\$17,137	\$17,651	\$18,181	\$18,726

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$945	-\$973	-\$1,003	-\$1,033	-\$1,064	-\$1,096	-\$1,128	-\$1,162	-\$1,197	-\$1,233
Insurance	-\$1,260	-\$1,298	-\$1,337	-\$1,377	-\$1,418	-\$1,461	-\$1,505	-\$1,550	-\$1,596	-\$1,644
Management Fees	-\$1,148	-\$1,183	-\$1,218	-\$1,255	-\$1,292	-\$1,331	-\$1,371	-\$1,412	-\$1,454	-\$1,498
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	-\$1,248	-\$1,285	-\$1,324	-\$1,364	-\$1,405	-\$1,447	-\$1,490	-\$1,535	-\$1,581	-\$1,628
Other	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0	-\$0
Operating Expenses	-\$4,601	-\$4,739	-\$4,881	-\$5,028	-\$5,179	-\$5,334	-\$5,494	-\$5,659	-\$5,829	-\$6,003

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	\$9,751	\$10,043	\$10,345	\$10,655	\$10,975	\$11,304	\$11,643	\$11,992	\$12,352	\$12,723
- Mortgage Payments	-\$6,281	-\$6,281	-\$6,281	-\$6,281	-\$6,281	-\$6,281	-\$6,281	-\$6,281	-\$6,281	-\$6,281
= Cash Flow	\$3,470	\$3,763	\$4,064	\$4,374	\$4,694	\$5,023	\$5,362	\$5,712	\$6,071	\$6,442
+ Principal Reduction	\$802	\$859	\$921	\$988	\$1,059	\$1,136	\$1,218	\$1,306	\$1,400	\$1,501
+ Appreciation	\$6,300	\$6,678	\$7,079	\$7,503	\$7,954	\$8,431	\$8,937	\$9,473	\$10,041	\$10,644
= Gross Equity Income	\$10,572	\$11,300	\$12,064	\$12,866	\$13,707	\$14,590	\$15,517	\$16,490	\$17,512	\$18,586
Capitalization Rate	8.8%	8.5%	8.3%	8.0%	7.8%	7.6%	7.4%	7.2%	7.0%	6.8%
Cash on Cash Return	10.4%	11.3%	12.2%	13.1%	14.1%	15.1%	16.1%	17.2%	18.2%	19.4%
Return on Equity	31.7%	27.6%	24.7%	22.4%	20.6%	19.2%	18.0%	17.0%	16.2%	15.4%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$111,300	\$117,978	\$125,057	\$132,560	\$140,514	\$148,945	\$157,881	\$167,354	\$177,395	\$188,039
- Loan Balance	-\$77,948	-\$77,089	-\$76,168	-\$75,180	-\$74,120	-\$72,985	-\$71,767	-\$70,461	-\$69,062	-\$67,561
= Equity	\$33,352	\$40,889	\$48,889	\$57,380	\$66,393	\$75,960	\$86,114	\$96,893	\$108,334	\$120,478
Loan-to-Value Ratio	70.0%	65.3%	60.9%	56.7%	52.7%	49.0%	45.5%	42.1%	38.9%	35.9%
Potential Cash-Out Refi	\$22,222	\$29,091	\$36,383	\$44,124	\$52,342	\$61,065	\$70,326	\$80,157	\$90,594	\$101,674

Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$33,352	\$40,889	\$48,889	\$57,380	\$66,393	\$75,960	\$86,114	\$96,893	\$108,334	\$120,478
- Closing Costs	-\$5,565	-\$5,899	-\$6,253	-\$6,628	-\$7,026	-\$7,447	-\$7,894	-\$8,368	-\$8,870	-\$9,402
= Proceeds After Sale	\$27,787	\$34,990	\$42,636	\$50,752	\$59,368	\$68,513	\$78,220	\$88,525	\$99,464	\$111,076
+ Cumulative Cash Flow	\$3,470	\$7,233	\$11,296	\$15,671	\$20,365	\$25,388	\$30,750	\$36,461	\$42,533	\$48,974
- Initial Cash Invested	-\$33,272	-\$33,272	-\$33,272	-\$33,272	-\$33,272	-\$33,272	-\$33,272	-\$33,272	-\$33,272	-\$33,272
= Net Profit	-\$2,015	\$8,951	\$20,661	\$33,151	\$46,460	\$60,628	\$75,698	\$91,714	\$108,725	\$126,779
Internal Rate of Return	-6.1%	13.3%	19.0%	21.2%	22.0%	22.3%	22.2%	22.1%	21.8%	21.6%
Return on Investment	-6.1%	26.9%	62.1%	99.6%	139.6%	182.2%	227.5%	275.7%	326.8%	381.0%

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