

Property Summary

3114 4th St
Des Moines, Ia 50313



Overview

Finished Area (Square Feet)	1128
Initial Market Value	\$109,850
Purchase Price	\$109,850
Downpayment	\$109,850
Closing Costs	\$1,805
Initial Cash Invested	\$111,655

Income & Expenses	Monthly	Annual
Gross Rent	\$1,100	\$13,200
Vacancy Losses	\$55	\$660
Operating Income	\$1,045	\$12,540
Operating Expenses	\$392	\$4,698

Net Performance	Monthly	Annual
Net Operating Income	\$654	\$7,842
- Mortgage Payments	\$0	\$0
= Cash Flow	\$654	\$7,842
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$275	\$3,296
= Gross Equity Income	\$928	\$11,138

Financial Indicators (Year 1)

Capitalization Rate	7.1%
Cash on Cash Return	7.0%
Total Return on Investment	10.0%
Total ROI with Tax Savings	10.7%

Assumptions

Real Estate Appreciation Rate	3.0%
Vacancy Rate	5.0%
Management Fee	10.0%

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Year 1 Performance Projection

3114 4th St
Des Moines, Ia 50313



Overview

Finished Area (Square Feet)	1128
Initial Market Value	\$109,850
Purchase Price	\$109,850
Downpayment	\$109,850
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
Initial Cash Invested	\$111,655
Cost per Square Foot	\$97
Monthly Rent per Square Foot	\$0.98

Income	Monthly	Annual
Gross Rent	\$1,100	\$13,200
Vacancy Losses	-\$55	-\$660
Operating Income	\$1,045	\$12,540

Expenses	Monthly	Annual
Property Taxes	-\$166	-\$1,986
Insurance	-\$50	-\$600
Management Fees	-\$105	-\$1,254
Leasing/Advertising Fees	-\$17	-\$198
Association Fees	\$0	\$0
Maintenance	-\$55	-\$660
Other	\$0	\$0
Operating Expenses	-\$392	-\$4,698

Net Performance	Monthly	Annual
Net Operating Income	\$654	\$7,842
- Mortgage Payments	\$0	\$0
= Cash Flow	\$654	\$7,842
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$275	\$3,296
= Gross Equity Income	\$928	\$11,138
+ Tax Savings	\$67	\$799
= GEI w/Tax Savings	\$995	\$11,936

Mortgage Info

Loan-to-Value Ratio	0%
Loan Amount	\$0
Monthly Payment	\$0
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	4.25%

Financial Indicators

Debt Coverage Ratio	#DIV/0!
Annual Gross Rent Multiplier	8.3
Monthly Gross Rent Multiplier	99.9
Capitalization Rate	7.1%
Cash on Cash Return	7.0%
Total Return on Investment	10.0%
Total ROI with Tax Savings	10.7%

Assumptions

Real Estate Appreciation Rate	3.0%
Vacancy Rate	5.0%
Management Fee	10.0%
Maintenance Percentage	5.0%

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10 Year Performance Projection

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Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$13,200	\$13,596	\$14,004	\$14,424	\$14,857	\$15,302	\$15,761	\$16,234	\$16,721	\$17,223
Vacancy Losses	-\$660	-\$680	-\$700	-\$721	-\$743	-\$765	-\$788	-\$812	-\$836	-\$861
Operating Income	\$12,540	\$12,916	\$13,304	\$13,703	\$14,114	\$14,537	\$14,973	\$15,423	\$15,885	\$16,362

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,986	-\$2,046	-\$2,107	-\$2,170	-\$2,235	-\$2,302	-\$2,371	-\$2,443	-\$2,516	-\$2,591
Insurance	-\$600	-\$618	-\$637	-\$656	-\$675	-\$696	-\$716	-\$738	-\$760	-\$783
Management Fees	-\$1,254	-\$1,292	-\$1,330	-\$1,370	-\$1,411	-\$1,454	-\$1,497	-\$1,542	-\$1,589	-\$1,636
Leasing/Advertising Fees	-\$198	-\$204	-\$210	-\$216	-\$223	-\$230	-\$236	-\$244	-\$251	-\$258
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$660	-\$680	-\$700	-\$721	-\$743	-\$765	-\$788	-\$812	-\$836	-\$861
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	-\$4,698	-\$4,839	-\$4,984	-\$5,134	-\$5,288	-\$5,446	-\$5,610	-\$5,778	-\$5,951	-\$6,130

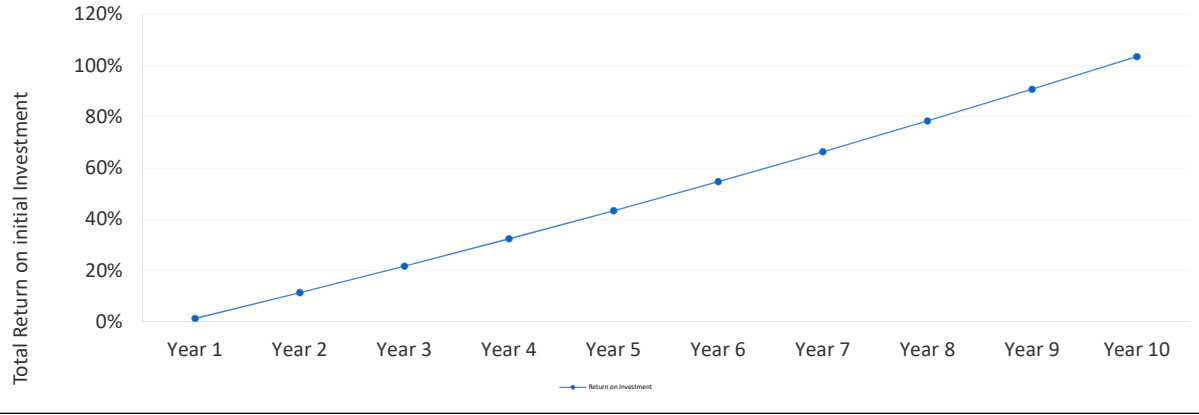
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$7,842	\$8,077	\$8,320	\$8,569	\$8,826	\$9,091	\$9,364	\$9,645	\$9,934	\$10,232
- Mortgage Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Cash Flow	\$7,842	\$8,077	\$8,320	\$8,569	\$8,826	\$9,091	\$9,364	\$9,645	\$9,934	\$10,232
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$3,296	\$3,394	\$3,496	\$3,601	\$3,709	\$3,820	\$3,935	\$4,053	\$4,175	\$4,300
= Gross Equity Income	\$11,138	\$11,472	\$11,816	\$12,170	\$12,535	\$12,911	\$13,299	\$13,698	\$14,109	\$14,532
Capitalization Rate	7.1%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%
Cash on Cash Return	7.0%	7.2%	7.5%	7.7%	7.9%	8.1%	8.4%	8.6%	8.9%	9.2%
Return on Equity	10.0%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$113,146	\$116,540	\$120,036	\$123,637	\$127,346	\$131,167	\$135,102	\$139,155	\$143,329	\$147,629
- Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Equity	\$113,146	\$116,540	\$120,036	\$123,637	\$127,346	\$131,167	\$135,102	\$139,155	\$143,329	\$147,629
Loan-to-Value Ratio	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Potential Cash-Out Refi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

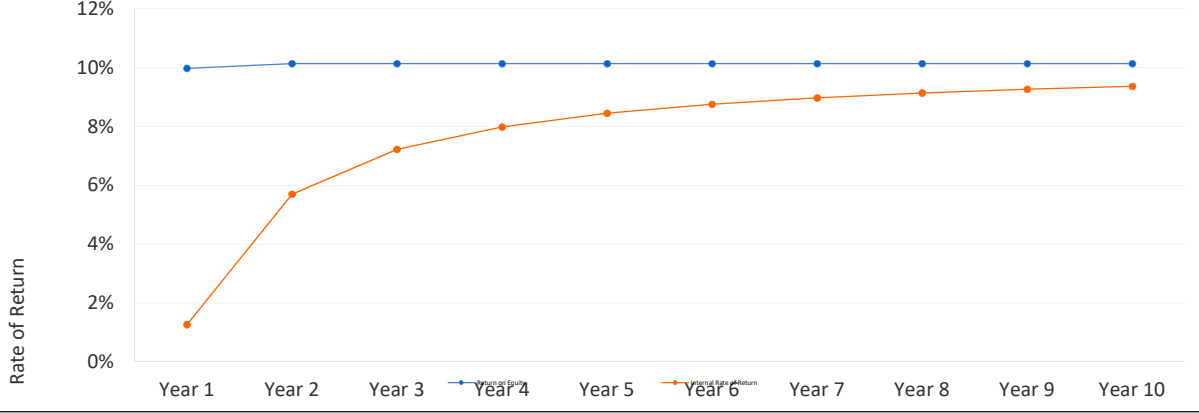
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$113,146	\$116,540	\$120,036	\$123,637	\$127,346	\$131,167	\$135,102	\$139,155	\$143,329	\$147,629
- Closing Costs	-\$7,920	-\$8,158	-\$8,403	-\$8,655	-\$8,914	-\$9,182	-\$9,457	-\$9,741	-\$10,033	-\$10,334
= Proceeds After Sale	\$105,225	\$108,382	\$111,634	\$114,983	\$118,432	\$121,985	\$125,645	\$129,414	\$133,296	\$137,295
+ Cumulative Cash Flow	\$7,842	\$15,919	\$24,239	\$32,808	\$41,634	\$50,725	\$60,089	\$69,734	\$79,668	\$89,900
- Initial Cash Invested	-\$111,655	-\$111,655	-\$111,655	-\$111,655	-\$111,655	-\$111,655	-\$111,655	-\$111,655	-\$111,655	-\$111,655
= Net Profit	\$1,412	\$12,646	\$24,217	\$36,136	\$48,411	\$61,055	\$74,079	\$87,493	\$101,309	\$115,540
Internal Rate of Return	1.3%	5.7%	7.2%	8.0%	8.4%	8.8%	9.0%	9.1%	9.3%	9.4%
Return on Investment	1%	11%	22%	32%	43%	55%	66%	78%	91%	103%

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10 Year Total Return on Investment Projection



10 Year Rate of Return Projection



Assumptions

Closing Costs at Sale	7.0%
Rent Appreciation Rate	3.0%
Property Tax Appreciation	3.0%
Insurance Appreciation	3.0%
Management fee Appreciation	3.0%
Leasing/Advertising Fees Appr	3.0%
Association Fees Appreciation	3.0%
Maintenance Appreciation	3.0%
Other Appreciation	3.0%

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