

## Property Summary

1212 Fremont St.  
Des Moines, Ia 50316



### Overview

Finished Area (Square Feet)	1170
Initial Market Value	\$109,850
Purchase Price	\$109,850
Downpayment	\$109,850
Closing Costs	\$1,805
<b>Initial Cash Invested</b>	<b>\$111,655</b>

Income & Expenses	Monthly	Annual
Gross Rent	\$970	\$11,640
Vacancy Losses	\$49	\$582
<b>Operating Income</b>	<b>\$922</b>	<b>\$11,058</b>
<b>Operating Expenses</b>	<b>\$351</b>	<b>\$4,214</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$570</b>	<b>\$6,844</b>
- Mortgage Payments	\$0	\$0
<b>= Cash Flow</b>	<b>\$570</b>	<b>\$6,844</b>
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$275	\$3,296
<b>= Gross Equity Income</b>	<b>\$845</b>	<b>\$10,139</b>

### Financial Indicators (Year 1)

Capitalization Rate	6.2%
Cash on Cash Return	6.1%
<b>Total Return on Investment</b>	<b>9.1%</b>
<b>Total ROI with Tax Savings</b>	<b>9.8%</b>

### Assumptions

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

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## Year 1 Performance Projection

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### Overview

Finished Area (Square Feet)	1170
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
<b>Initial Cash Invested</b>	<b>\$111,655</b>
Cost per Square Foot	\$94
Monthly Rent per Square Foot	\$0.83



Income	Monthly	Annual
Gross Rent	\$970	\$11,640
Vacancy Losses	-\$49	-\$582
<b>Operating Income</b>	<b>\$922</b>	<b>\$11,058</b>

Expenses	Monthly	Annual
Property Taxes	-\$146	-\$1,752
Insurance	-\$50	-\$600
Management Fees	-\$92	-\$1,106
Leasing/Advertising Fees	-\$15	-\$175
Association Fees	\$0	\$0
Maintenance	-\$49	-\$582
Other	\$0	\$0
<b>Operating Expenses</b>	<b>-\$351</b>	<b>-\$4,214</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$570</b>	<b>\$6,844</b>
- Mortgage Payments	\$0	\$0
<b>= Cash Flow</b>	<b>\$570</b>	<b>\$6,844</b>
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$275	\$3,296
<b>= Gross Equity Income</b>	<b>\$845</b>	<b>\$10,139</b>
+ Tax Savings	\$67	\$799
<b>= GEI w/Tax Savings</b>	<b>\$912</b>	<b>\$10,938</b>

### 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	9.4
Monthly Gross Rent Multiplier	113.2
Capitalization Rate	6.2%
Cash on Cash Return	6.1%
<b>Total Return on Investment</b>	<b>9.1%</b>
<b>Total ROI with Tax Savings</b>	<b>9.8%</b>

### 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	\$11,640	\$11,989	\$12,349	\$12,719	\$13,101	\$13,494	\$13,899	\$14,316	\$14,745	\$15,188
Vacancy Losses	-\$582	-\$599	-\$617	-\$636	-\$655	-\$675	-\$695	-\$716	-\$737	-\$759
<b>Operating Income</b>	<b>\$11,058</b>	<b>\$11,390</b>	<b>\$11,731</b>	<b>\$12,083</b>	<b>\$12,446</b>	<b>\$12,819</b>	<b>\$13,204</b>	<b>\$13,600</b>	<b>\$14,008</b>	<b>\$14,428</b>

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,752	-\$1,805	-\$1,859	-\$1,914	-\$1,972	-\$2,031	-\$2,092	-\$2,155	-\$2,219	-\$2,286
Insurance	-\$600	-\$618	-\$637	-\$656	-\$675	-\$696	-\$716	-\$738	-\$760	-\$783
Management Fees	-\$1,106	-\$1,139	-\$1,173	-\$1,208	-\$1,245	-\$1,282	-\$1,320	-\$1,360	-\$1,401	-\$1,443
Leasing/Advertising Fees	-\$175	-\$180	-\$185	-\$191	-\$197	-\$202	-\$208	-\$215	-\$221	-\$228
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$582	-\$599	-\$617	-\$636	-\$655	-\$675	-\$695	-\$716	-\$737	-\$759
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>	<b>-\$4,214</b>	<b>-\$4,341</b>	<b>-\$4,471</b>	<b>-\$4,605</b>	<b>-\$4,743</b>	<b>-\$4,886</b>	<b>-\$5,032</b>	<b>-\$5,183</b>	<b>-\$5,339</b>	<b>-\$5,499</b>

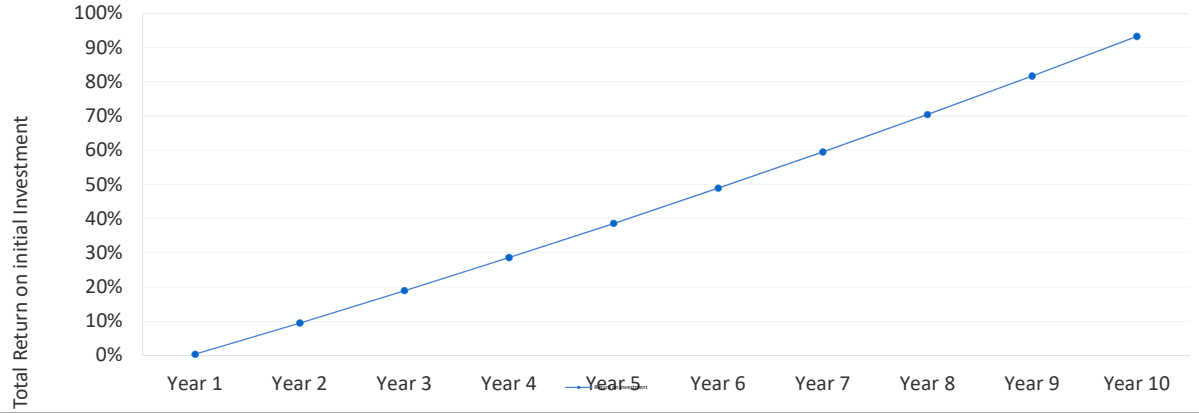
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$6,844	\$7,049	\$7,260	\$7,478	\$7,703	\$7,934	\$8,172	\$8,417	\$8,669	\$8,929
- Mortgage Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Cash Flow	\$6,844	\$7,049	\$7,260	\$7,478	\$7,703	\$7,934	\$8,172	\$8,417	\$8,669	\$8,929
+ 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	\$10,139	\$10,443	\$10,757	\$11,079	\$11,412	\$11,754	\$12,107	\$12,470	\$12,844	\$13,229
Capitalization Rate	6.2%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Cash on Cash Return	6.1%	6.3%	6.5%	6.7%	6.9%	7.1%	7.3%	7.5%	7.8%	8.0%
<b>Return on Equity</b>	<b>9.1%</b>	<b>9.2%</b>	<b>9.2%</b>	<b>9.2%</b>	<b>9.2%</b>	<b>9.2%</b>	<b>9.2%</b>	<b>9.2%</b>	<b>9.2%</b>	<b>9.2%</b>

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

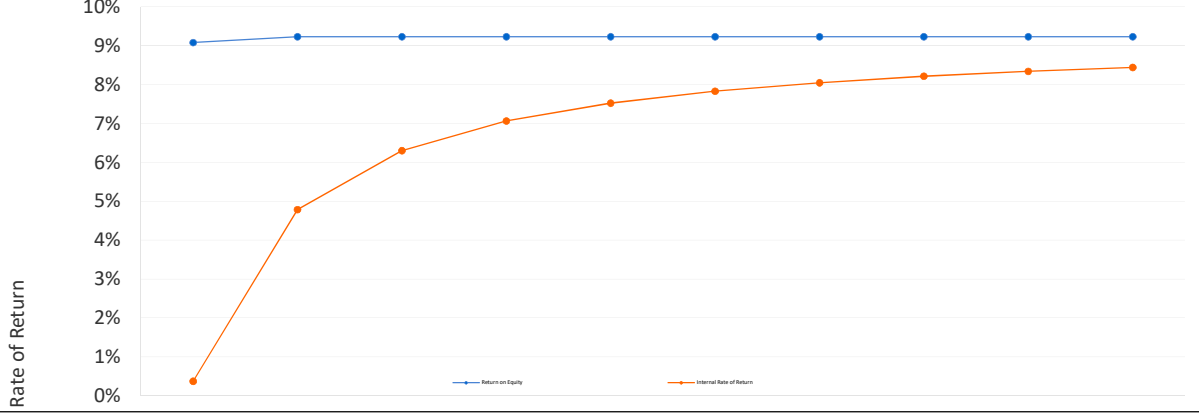
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Equity</b>	<b>\$113,146</b>	<b>\$116,540</b>	<b>\$120,036</b>	<b>\$123,637</b>	<b>\$127,346</b>	<b>\$131,167</b>	<b>\$135,102</b>	<b>\$139,155</b>	<b>\$143,329</b>	<b>\$147,629</b>
- Closing Costs	-\$7,920	-\$8,158	-\$8,403	-\$8,655	-\$8,914	-\$9,182	-\$9,457	-\$9,741	-\$10,033	-\$10,334
= <b>Proceeds After Sale</b>	<b>\$105,225</b>	<b>\$108,382</b>	<b>\$111,634</b>	<b>\$114,983</b>	<b>\$118,432</b>	<b>\$121,985</b>	<b>\$125,645</b>	<b>\$129,414</b>	<b>\$133,296</b>	<b>\$137,295</b>
+ <b>Cumulative Cash Flow</b>	<b>\$6,844</b>	<b>\$13,893</b>	<b>\$21,153</b>	<b>\$28,631</b>	<b>\$36,334</b>	<b>\$44,267</b>	<b>\$52,439</b>	<b>\$60,856</b>	<b>\$69,525</b>	<b>\$78,454</b>
- Initial Cash Invested	-\$111,655	-\$111,655	-\$111,655	-\$111,655	-\$111,655	-\$111,655	-\$111,655	-\$111,655	-\$111,655	-\$111,655
= <b>Net Profit</b>	<b>\$414</b>	<b>\$10,620</b>	<b>\$21,131</b>	<b>\$31,959</b>	<b>\$43,111</b>	<b>\$54,597</b>	<b>\$66,428</b>	<b>\$78,614</b>	<b>\$91,166</b>	<b>\$104,094</b>
Internal Rate of Return	0.4%	4.8%	6.3%	7.1%	7.5%	7.8%	8.1%	8.2%	8.3%	8.4%
<b>Return on Investment</b>	<b>0%</b>	<b>10%</b>	<b>19%</b>	<b>29%</b>	<b>39%</b>	<b>49%</b>	<b>59%</b>	<b>70%</b>	<b>82%</b>	<b>93%</b>

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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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