

Property Summary

1748 Capitol Ave
Des Moines, IA



Overview

Finished Area (Square Feet)	1198
Initial Market Value	\$98,900
Purchase Price	\$98,900
Downpayment	\$98,900
Closing Costs	\$1,805
Initial Cash Invested	\$100,705

Income & Expenses	Monthly	Annual
Gross Rent	\$1,065	\$12,780
Vacancy Losses	\$53	\$639
Operating Income	\$1,012	\$12,141
Operating Expenses	\$348	\$4,171

Net Performance	Monthly	Annual
Net Operating Income	\$664	\$7,970
- Mortgage Payments	\$0	\$0
= Cash Flow	\$664	\$7,970
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$247	\$2,967
= Gross Equity Income	\$911	\$10,937

Financial Indicators (Year 1)

Capitalization Rate	8.1%
Cash on Cash Return	7.9%
Total Return on Investment	10.9%
Total ROI with Tax Savings	11.6%

Assumptions

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

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Year 1 Performance Projection

1748 Capitol Ave
Des Moines, IA



Overview

Finished Area (Square Feet)	1198
Initial Market Value	\$98,900
Purchase Price	\$98,900
Downpayment	\$98,900
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
Initial Cash Invested	\$100,705
Cost per Square Foot	\$83
Monthly Rent per Square Foot	\$0.89

Income	Monthly	Annual
Gross Rent	\$1,065	\$12,780
Vacancy Losses	-\$53	-\$639
Operating Income	\$1,012	\$12,141

Expenses	Monthly	Annual
Property Taxes	-\$127	-\$1,526
Insurance	-\$50	-\$600
Management Fees	-\$101	-\$1,214
Leasing/Advertising Fees	-\$16	-\$192
Association Fees	\$0	\$0
Maintenance	-\$53	-\$639
Other	\$0	\$0
Operating Expenses	-\$348	-\$4,171

Net Performance	Monthly	Annual
Net Operating Income	\$664	\$7,970
- Mortgage Payments	\$0	\$0
= Cash Flow	\$664	\$7,970
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$247	\$2,967
= Gross Equity Income	\$911	\$10,937
+ Tax Savings	\$60	\$719
= GEI w/Tax Savings	\$971	\$11,656

Mortgage Info

Loan-to-Value Ratio	0%
Loan Amount	\$0
Monthly Payment	\$0
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	4.75%

Financial Indicators

Debt Coverage Ratio	#DIV/0!
Annual Gross Rent Multiplier	7.7
Monthly Gross Rent Multiplier	92.9
Capitalization Rate	8.1%
Cash on Cash Return	7.9%
Total Return on Investment	10.9%
Total ROI with Tax Savings	11.6%

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

1748 Capitol Ave
Des Moines, IA



Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$12,780	\$13,163	\$13,558	\$13,965	\$14,384	\$14,816	\$15,260	\$15,718	\$16,189	\$16,675
Vacancy Losses	-\$639	-\$658	-\$678	-\$698	-\$719	-\$741	-\$763	-\$786	-\$809	-\$834
Operating Income	\$12,141	\$12,505	\$12,880	\$13,267	\$13,665	\$14,075	\$14,497	\$14,932	\$15,380	\$15,841

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,526	-\$1,572	-\$1,619	-\$1,668	-\$1,718	-\$1,769	-\$1,822	-\$1,877	-\$1,933	-\$1,991
Insurance	-\$600	-\$618	-\$637	-\$656	-\$675	-\$696	-\$716	-\$738	-\$760	-\$783
Management Fees	-\$1,214	-\$1,251	-\$1,288	-\$1,327	-\$1,366	-\$1,407	-\$1,450	-\$1,493	-\$1,538	-\$1,584
Leasing/Advertising Fees	-\$192	-\$197	-\$203	-\$209	-\$216	-\$222	-\$229	-\$236	-\$243	-\$250
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$639	-\$658	-\$678	-\$698	-\$719	-\$741	-\$763	-\$786	-\$809	-\$834
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	-\$4,171	-\$4,296	-\$4,425	-\$4,558	-\$4,694	-\$4,835	-\$4,980	-\$5,130	-\$5,283	-\$5,442

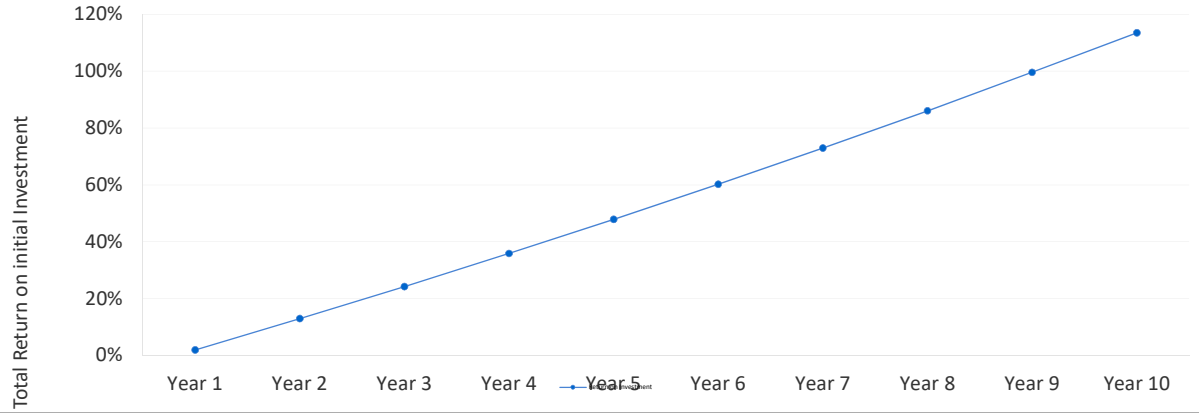
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$7,970	\$8,209	\$8,456	\$8,709	\$8,971	\$9,240	\$9,517	\$9,802	\$10,096	\$10,399
- Mortgage Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Cash Flow	\$7,970	\$8,209	\$8,456	\$8,709	\$8,971	\$9,240	\$9,517	\$9,802	\$10,096	\$10,399
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$2,967	\$3,056	\$3,148	\$3,242	\$3,339	\$3,440	\$3,543	\$3,649	\$3,759	\$3,871
= Gross Equity Income	\$10,937	\$11,265	\$11,603	\$11,951	\$12,310	\$12,679	\$13,060	\$13,451	\$13,855	\$14,271
Capitalization Rate	8.1%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
Cash on Cash Return	7.9%	8.2%	8.4%	8.6%	8.9%	9.2%	9.5%	9.7%	10.0%	10.3%
Return on Equity	10.9%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$101,867	\$104,923	\$108,071	\$111,313	\$114,652	\$118,092	\$121,635	\$125,284	\$129,042	\$132,913
- Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Equity	\$101,867	\$104,923	\$108,071	\$111,313	\$114,652	\$118,092	\$121,635	\$125,284	\$129,042	\$132,913
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

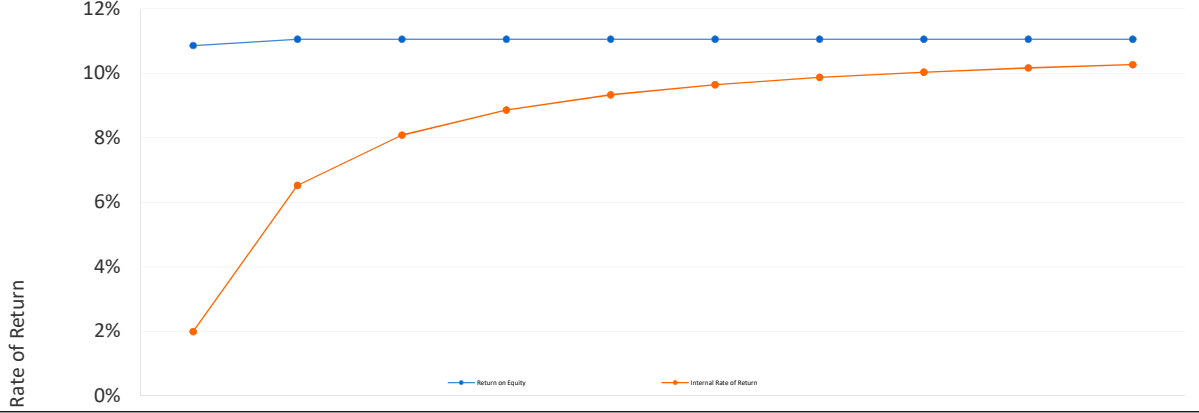
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$101,867	\$104,923	\$108,071	\$111,313	\$114,652	\$118,092	\$121,635	\$125,284	\$129,042	\$132,913
- Closing Costs	-\$7,131	-\$7,345	-\$7,565	-\$7,792	-\$8,026	-\$8,266	-\$8,514	-\$8,770	-\$9,033	-\$9,304
= Proceeds After Sale	\$94,736	\$97,578	\$100,506	\$103,521	\$106,627	\$109,825	\$113,120	\$116,514	\$120,009	\$123,609
+ Cumulative Cash Flow	\$7,970	\$16,180	\$24,635	\$33,344	\$42,315	\$51,555	\$61,071	\$70,874	\$80,970	\$91,369
- Initial Cash Invested	-\$100,705	-\$100,705	-\$100,705	-\$100,705	-\$100,705	-\$100,705	-\$100,705	-\$100,705	-\$100,705	-\$100,705
= Net Profit	\$2,002	\$13,053	\$24,436	\$36,160	\$48,236	\$60,675	\$73,486	\$86,682	\$100,274	\$114,274
Internal Rate of Return	2.0%	6.5%	8.1%	8.9%	9.3%	9.6%	9.9%	10.0%	10.2%	10.3%
Return on Investment	2%	13%	24%	36%	48%	60%	73%	86%	100%	113%

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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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