

## Property Summary

4021 3rd St  
Des Moines, IA 50313



### Overview

Finished Area (Square Feet)	1004
Purchase Price	\$116,700
Initial Market Value	\$116,700
Downpayment	\$116,700
Closing Costs	\$1,805
<b>Initial Cash Invested</b>	<b>\$118,505</b>

Income & Expenses	Monthly	Annual
Gross Rent	\$1,050	\$12,600
Vacancy Losses	\$53	\$630
<b>Operating Income</b>	<b>\$998</b>	<b>\$11,970</b>
<b>Operating Expenses</b>	<b>\$448</b>	<b>\$5,376</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$550</b>	<b>\$6,594</b>
- Mortgage Payments	\$0	\$0
<b>= Cash Flow</b>	<b>\$550</b>	<b>\$6,594</b>
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$292	\$3,501
<b>= Gross Equity Income</b>	<b>\$841</b>	<b>\$10,095</b>

### Financial Indicators (Year 1)

Capitalization Rate	5.7%
Cash on Cash Return	5.6%
<b>Total Return on Investment</b>	<b>8.5%</b>
<b>Total ROI with Tax Savings</b>	<b>9.2%</b>

### Assumptions

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

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



## Year 1 Performance Projection

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### Overview

Finished Area (Square Feet)	1004
Initial Market Value	\$116,700
Purchase Price	\$116,700
Downpayment	\$116,700
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
<b>Initial Cash Invested</b>	<b>\$118,505</b>
Cost per Square Foot	\$116
Monthly Rent per Square Foot	\$1.05

Income	Monthly	Annual
Gross Rent	\$1,050	\$12,600
Vacancy Losses	-\$53	-\$630
<b>Operating Income</b>	<b>\$998</b>	<b>\$11,970</b>

Expenses	Monthly	Annual
Property Taxes	-\$230	-\$2,760
Insurance	-\$50	-\$600
Management Fees	-\$100	-\$1,197
Leasing/Advertising Fees	-\$16	-\$189
Association Fees	\$0	\$0
Maintenance	-\$53	-\$630
Other	\$0	\$0
<b>Operating Expenses</b>	<b>-\$448</b>	<b>-\$5,376</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$550</b>	<b>\$6,594</b>
- Mortgage Payments	\$0	\$0
<b>= Cash Flow</b>	<b>\$550</b>	<b>\$6,594</b>
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$292	\$3,501
<b>= Gross Equity Income</b>	<b>\$841</b>	<b>\$10,095</b>
+ Tax Savings	\$71	\$849
<b>= GEI w/Tax Savings</b>	<b>\$912</b>	<b>\$10,944</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	4.75%

### Financial Indicators

Debt Coverage Ratio	#DIV/0!
Annual Gross Rent Multiplier	9.3
Monthly Gross Rent Multiplier	111.1
Capitalization Rate	5.7%
Cash on Cash Return	5.6%
<b>Total Return on Investment</b>	<b>8.5%</b>
<b>Total ROI with Tax Savings</b>	<b>9.2%</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	\$12,600	\$12,978	\$13,367	\$13,768	\$14,181	\$14,607	\$15,045	\$15,496	\$15,961	\$16,440
Vacancy Losses	-\$630	-\$649	-\$668	-\$688	-\$709	-\$730	-\$752	-\$775	-\$798	-\$822
<b>Operating Income</b>	<b>\$11,970</b>	<b>\$12,329</b>	<b>\$12,699</b>	<b>\$13,080</b>	<b>\$13,472</b>	<b>\$13,877</b>	<b>\$14,293</b>	<b>\$14,722</b>	<b>\$15,163</b>	<b>\$15,618</b>

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,760	-\$2,843	-\$2,928	-\$3,016	-\$3,106	-\$3,200	-\$3,296	-\$3,394	-\$3,496	-\$3,601
Insurance	-\$600	-\$618	-\$637	-\$656	-\$675	-\$696	-\$716	-\$738	-\$760	-\$783
Management Fees	-\$1,197	-\$1,233	-\$1,270	-\$1,308	-\$1,347	-\$1,388	-\$1,429	-\$1,472	-\$1,516	-\$1,562
Leasing/Advertising Fees	-\$189	-\$195	-\$201	-\$207	-\$213	-\$219	-\$226	-\$232	-\$239	-\$247
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$630	-\$649	-\$668	-\$688	-\$709	-\$730	-\$752	-\$775	-\$798	-\$822
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>	<b>-\$5,376</b>	<b>-\$5,537</b>	<b>-\$5,703</b>	<b>-\$5,875</b>	<b>-\$6,051</b>	<b>-\$6,232</b>	<b>-\$6,419</b>	<b>-\$6,612</b>	<b>-\$6,810</b>	<b>-\$7,014</b>

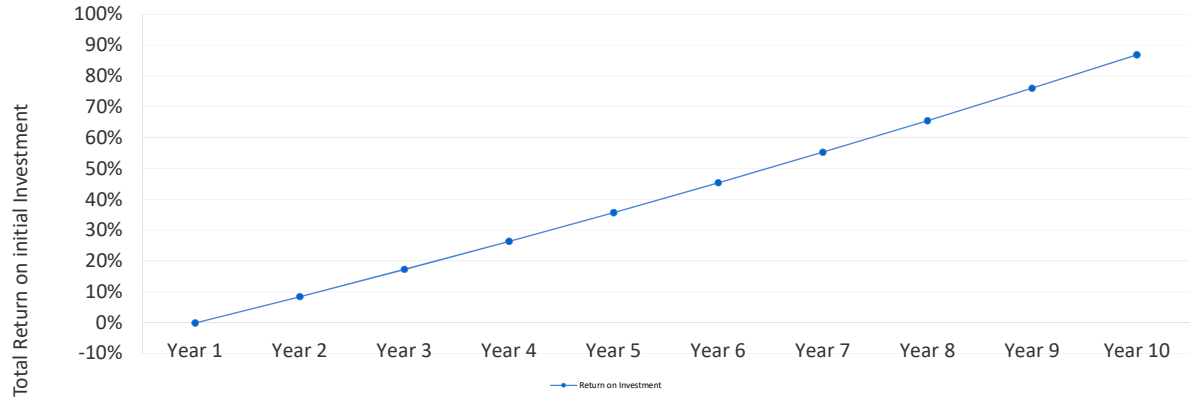
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$6,594	\$6,792	\$6,996	\$7,205	\$7,422	\$7,644	\$7,874	\$8,110	\$8,353	\$8,604
- Mortgage Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Cash Flow	\$6,594	\$6,792	\$6,996	\$7,205	\$7,422	\$7,644	\$7,874	\$8,110	\$8,353	\$8,604
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$3,501	\$3,606	\$3,714	\$3,826	\$3,940	\$4,059	\$4,180	\$4,306	\$4,435	\$4,568
= Gross Equity Income	\$10,095	\$10,398	\$10,710	\$11,031	\$11,362	\$11,703	\$12,054	\$12,416	\$12,788	\$13,172
Capitalization Rate	5.7%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Cash on Cash Return	5.6%	5.7%	5.9%	6.1%	6.3%	6.5%	6.6%	6.8%	7.0%	7.3%
<b>Return on Equity</b>	<b>8.5%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.7%</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>\$120,201</b>	<b>\$123,807</b>	<b>\$127,521</b>	<b>\$131,347</b>	<b>\$135,287</b>	<b>\$139,346</b>	<b>\$143,526</b>	<b>\$147,832</b>	<b>\$152,267</b>	<b>\$156,835</b>
- Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Equity	\$120,201	\$123,807	\$127,521	\$131,347	\$135,287	\$139,346	\$143,526	\$147,832	\$152,267	\$156,835
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>

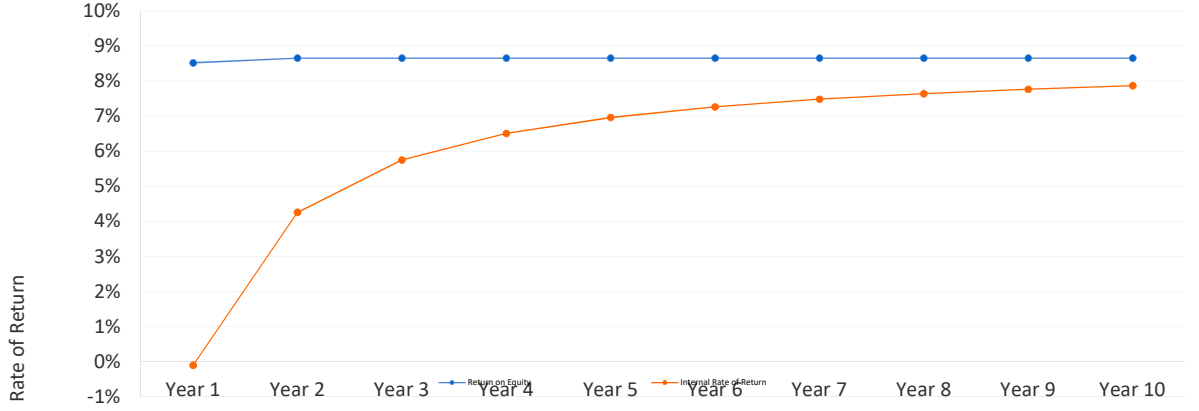
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Equity</b>	<b>\$120,201</b>	<b>\$123,807</b>	<b>\$127,521</b>	<b>\$131,347</b>	<b>\$135,287</b>	<b>\$139,346</b>	<b>\$143,526</b>	<b>\$147,832</b>	<b>\$152,267</b>	<b>\$156,835</b>
- Closing Costs	-\$8,414	-\$8,666	-\$8,926	-\$9,194	-\$9,470	-\$9,754	-\$10,047	-\$10,348	-\$10,659	-\$10,978
= <b>Proceeds After Sale</b>	<b>\$111,787</b>	<b>\$115,141</b>	<b>\$118,595</b>	<b>\$122,153</b>	<b>\$125,817</b>	<b>\$129,592</b>	<b>\$133,479</b>	<b>\$137,484</b>	<b>\$141,608</b>	<b>\$145,857</b>
+ <b>Cumulative Cash Flow</b>	<b>\$6,594</b>	<b>\$13,386</b>	<b>\$20,381</b>	<b>\$27,587</b>	<b>\$35,008</b>	<b>\$42,653</b>	<b>\$50,526</b>	<b>\$58,636</b>	<b>\$66,989</b>	<b>\$75,593</b>
- Initial Cash Invested	-\$118,505	-\$118,505	-\$118,505	-\$118,505	-\$118,505	-\$118,505	-\$118,505	-\$118,505	-\$118,505	-\$118,505
= <b>Net Profit</b>	<b>-\$124</b>	<b>\$10,021</b>	<b>\$20,471</b>	<b>\$31,234</b>	<b>\$42,321</b>	<b>\$53,739</b>	<b>\$65,501</b>	<b>\$77,615</b>	<b>\$90,092</b>	<b>\$102,944</b>
Internal Rate of Return	-0.1%	4.3%	5.8%	6.5%	7.0%	7.3%	7.5%	7.6%	7.8%	7.9%
<b>Return on Investment</b>	<b>0%</b>	<b>8%</b>	<b>17%</b>	<b>26%</b>	<b>36%</b>	<b>45%</b>	<b>55%</b>	<b>65%</b>	<b>76%</b>	<b>87%</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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