

## Property Summary

1550 13th St  
Des Moines, Ia 50314



### Overview

Finished Area (Square Feet)	1430
Initial Market Value	\$122,900
Purchase Price	\$122,900
Downpayment	\$122,900
Closing Costs	\$1,805
<b>Initial Cash Invested</b>	<b>\$124,705</b>

Income & Expenses	Monthly	Annual
Gross Rent	\$1,250	\$15,000
Vacancy Losses	\$63	\$750
<b>Operating Income</b>	<b>\$1,188</b>	<b>\$14,250</b>
<b>Operating Expenses</b>	<b>\$465</b>	<b>\$5,583</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$722</b>	<b>\$8,667</b>
- Mortgage Payments	\$0	\$0
<b>= Cash Flow</b>	<b>\$722</b>	<b>\$8,667</b>
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$205	\$2,458
<b>= Gross Equity Income</b>	<b>\$927</b>	<b>\$11,125</b>

### Financial Indicators (Year 1)

Capitalization Rate	7.1%
Cash on Cash Return	7.0%
<b>Total Return on Investment</b>	<b>8.9%</b>
<b>Total ROI with Tax Savings</b>	<b>9.6%</b>

### Assumptions

Real Estate Appreciation Rate	2.0%
Vacancy Rate	5.0%
Management Fee	9.0%

\*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)	1430
Initial Market Value	\$122,900
Purchase Price	\$122,900
Downpayment	\$122,900
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
<b>Initial Cash Invested</b>	<b>\$124,705</b>
Cost per Square Foot	\$86
Monthly Rent per Square Foot	\$0.87

Income	Monthly	Annual
Gross Rent	\$1,250	\$15,000
Vacancy Losses	-\$63	-\$750
<b>Operating Income</b>	<b>\$1,188</b>	<b>\$14,250</b>

Expenses	Monthly	Annual
Property Taxes	-\$196	-\$2,350
Insurance	-\$50	-\$600
Management Fees	-\$107	-\$1,283
Leasing/Advertising Fees	-\$19	-\$225
Association Fees	\$0	\$0
Maintenance	-\$94	-\$1,125
Other	\$0	\$0
<b>Operating Expenses</b>	<b>-\$465</b>	<b>-\$5,583</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$722</b>	<b>\$8,667</b>
- Mortgage Payments	\$0	\$0
<b>= Cash Flow</b>	<b>\$722</b>	<b>\$8,667</b>
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$205	\$2,458
<b>= Gross Equity Income</b>	<b>\$927</b>	<b>\$11,125</b>
+ Tax Savings	\$74	\$894
<b>= GEI w/Tax Savings</b>	<b>\$1,002</b>	<b>\$12,019</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	4.00%

### Financial Indicators

Debt Coverage Ratio	#DIV/0!
Annual Gross Rent Multiplier	8.2
Monthly Gross Rent Multiplier	98.3
Capitalization Rate	7.1%
Cash on Cash Return	7.0%
<b>Total Return on Investment</b>	<b>8.9%</b>
<b>Total ROI with Tax Savings</b>	<b>9.6%</b>

### Assumptions

Real Estate Appreciation Rate	2.0%
Vacancy Rate	5.0%
Management Fee	9.0%
Maintenance Percentage	7.5%

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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	\$15,000	\$15,300	\$15,606	\$15,918	\$16,236	\$16,561	\$16,892	\$17,230	\$17,575	\$17,926
Vacancy Losses	-\$750	-\$765	-\$780	-\$796	-\$812	-\$828	-\$845	-\$862	-\$879	-\$896
<b>Operating Income</b>	<b>\$14,250</b>	<b>\$14,535</b>	<b>\$14,826</b>	<b>\$15,122</b>	<b>\$15,425</b>	<b>\$15,733</b>	<b>\$16,048</b>	<b>\$16,369</b>	<b>\$16,696</b>	<b>\$17,030</b>

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,350	-\$2,397	-\$2,445	-\$2,494	-\$2,544	-\$2,595	-\$2,647	-\$2,700	-\$2,754	-\$2,809
Insurance	-\$600	-\$612	-\$624	-\$637	-\$649	-\$662	-\$676	-\$689	-\$703	-\$717
Management Fees	-\$1,283	-\$1,308	-\$1,334	-\$1,361	-\$1,388	-\$1,416	-\$1,444	-\$1,473	-\$1,503	-\$1,533
Leasing/Advertising Fees	-\$225	-\$230	-\$234	-\$239	-\$244	-\$248	-\$253	-\$258	-\$264	-\$269
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$1,125	-\$1,148	-\$1,170	-\$1,194	-\$1,218	-\$1,242	-\$1,267	-\$1,292	-\$1,318	-\$1,344
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>	<b>-\$5,583</b>	<b>-\$5,695</b>	<b>-\$5,808</b>	<b>-\$5,925</b>	<b>-\$6,043</b>	<b>-\$6,164</b>	<b>-\$6,287</b>	<b>-\$6,413</b>	<b>-\$6,541</b>	<b>-\$6,672</b>

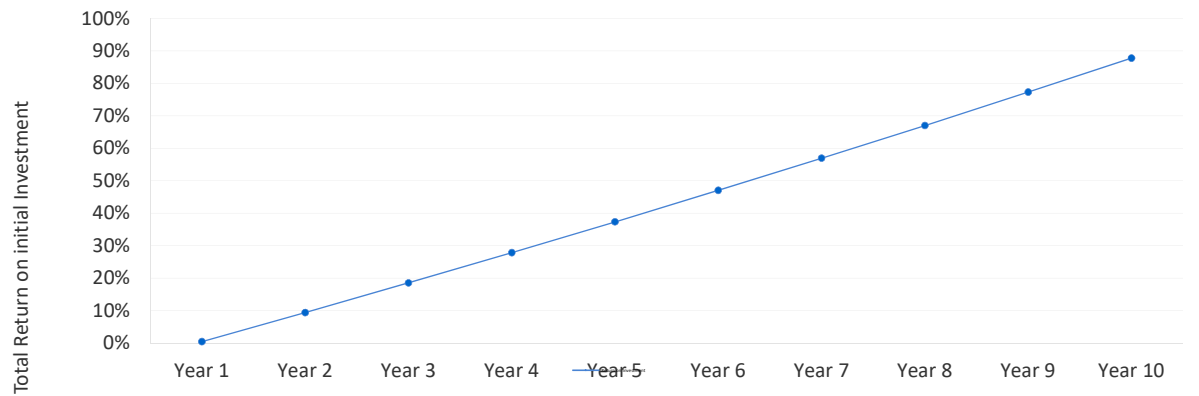
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$8,667	\$8,840	\$9,017	\$9,198	\$9,382	\$9,569	\$9,761	\$9,956	\$10,155	\$10,358
- Mortgage Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Cash Flow	\$8,667	\$8,840	\$9,017	\$9,198	\$9,382	\$9,569	\$9,761	\$9,956	\$10,155	\$10,358
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$2,458	\$2,507	\$2,557	\$2,608	\$2,661	\$2,714	\$2,768	\$2,823	\$2,880	\$2,938
= Gross Equity Income	\$11,125	\$11,348	\$11,575	\$11,806	\$12,042	\$12,283	\$12,529	\$12,779	\$13,035	\$13,296
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%	7.1%	7.2%	7.4%	7.5%	7.7%	7.8%	8.0%	8.1%	8.3%
<b>Return on Equity</b>	<b>8.9%</b>	<b>9.1%</b>	<b>9.1%</b>	<b>9.1%</b>	<b>9.1%</b>	<b>9.1%</b>	<b>9.1%</b>	<b>9.1%</b>	<b>9.1%</b>	<b>9.1%</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>\$125,358</b>	<b>\$127,865</b>	<b>\$130,422</b>	<b>\$133,031</b>	<b>\$135,692</b>	<b>\$138,405</b>	<b>\$141,173</b>	<b>\$143,997</b>	<b>\$146,877</b>	<b>\$149,814</b>
- Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Equity	\$125,358	\$127,865	\$130,422	\$133,031	\$135,692	\$138,405	\$141,173	\$143,997	\$146,877	\$149,814
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>

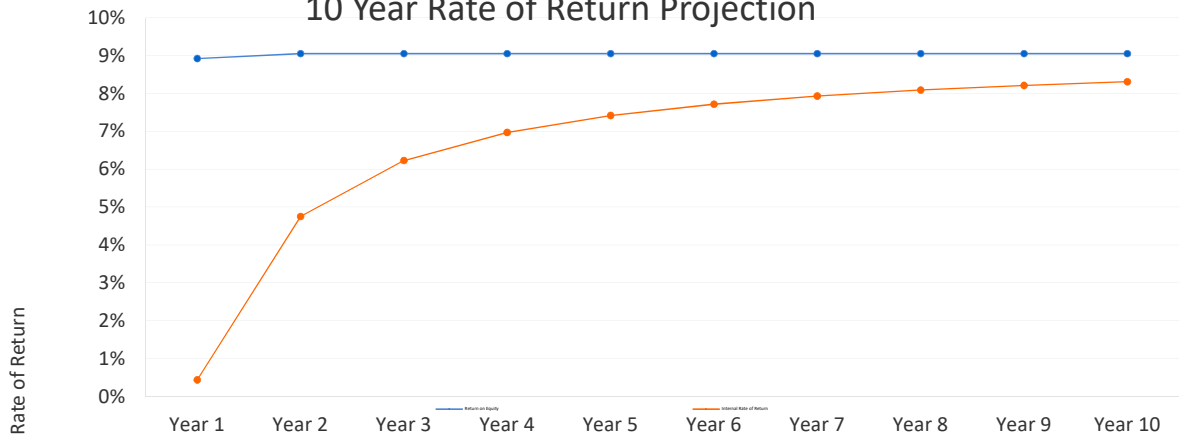
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Equity</b>	<b>\$125,358</b>	<b>\$127,865</b>	<b>\$130,422</b>	<b>\$133,031</b>	<b>\$135,692</b>	<b>\$138,405</b>	<b>\$141,173</b>	<b>\$143,997</b>	<b>\$146,877</b>	<b>\$149,814</b>
- Closing Costs	-\$8,775	-\$8,951	-\$9,130	-\$9,312	-\$9,498	-\$9,688	-\$9,882	-\$10,080	-\$10,281	-\$10,487
= Proceeds After Sale	\$116,583	\$118,915	\$121,293	\$123,719	\$126,193	\$128,717	\$131,291	\$133,917	\$136,595	\$139,327
+ Cumulative Cash Flow	\$8,667	\$17,508	\$26,525	\$35,722	\$45,104	\$54,673	\$64,434	\$74,389	\$84,544	\$94,902
- Initial Cash Invested	-\$124,705	-\$124,705	-\$124,705	-\$124,705	-\$124,705	-\$124,705	-\$124,705	-\$124,705	-\$124,705	-\$124,705
= <b>Net Profit</b>	<b>\$545</b>	<b>\$11,717</b>	<b>\$23,113</b>	<b>\$34,736</b>	<b>\$46,592</b>	<b>\$58,685</b>	<b>\$71,020</b>	<b>\$83,602</b>	<b>\$96,435</b>	<b>\$109,525</b>
Internal Rate of Return	0.4%	4.8%	6.2%	7.0%	7.4%	7.7%	7.9%	8.1%	8.2%	8.3%
<b>Return on Investment</b>	<b>0%</b>	<b>9%</b>	<b>19%</b>	<b>28%</b>	<b>37%</b>	<b>47%</b>	<b>57%</b>	<b>67%</b>	<b>77%</b>	<b>88%</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	2.0%
Property Tax Appreciation	2.0%
Insurance Appreciation	2.0%
Management fee Appreciation	2.0%
Leasing/Advertising Fees Appr	2.0%
Association Fees Appreciation	2.0%
Maintenance Appreciation	2.0%
Other Appreciation	2.0%

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