

## Property Summary

805 Clinton Ave  
Des Moines, Ia 50313



### Overview

Finished Area (Square Feet)	1416
Initial Market Value	\$131,900
Purchase Price	\$131,900
Downpayment	\$26,380
Closing Costs	\$1,805
<b>Initial Cash Invested</b>	<b>\$28,185</b>

Income & Expenses	Monthly	Annual
Gross Rent	\$1,325	\$15,900
Vacancy Losses	\$66	\$795
<b>Operating Income</b>	<b>\$1,259</b>	<b>\$15,105</b>
<b>Operating Expenses</b>	<b>\$503</b>	<b>\$6,040</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$755</b>	<b>\$9,065</b>
- Mortgage Payments	\$456	\$5,467
<b>= Cash Flow</b>	<b>\$300</b>	<b>\$3,598</b>
+ Principal Reduction	\$179	\$2,151
+ First-Year Appreciation	\$330	\$3,957
<b>= Gross Equity Income</b>	<b>\$809</b>	<b>\$9,706</b>

### Financial Indicators (Year 1)

Capitalization Rate	6.9%
Cash on Cash Return	12.8%
<b>Total Return on Investment</b>	<b>34.4%</b>
<b>Total ROI with Tax Savings</b>	<b>37.8%</b>

### Assumptions

Real Estate Appreciation Rate	3.0%
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

805 Clinton Ave  
Des Moines, Ia 50313



### Overview

Finished Area (Square Feet)	1416
Initial Market Value	\$131,900
Purchase Price	\$131,900
Downpayment	\$26,380
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
<b>Initial Cash Invested</b>	<b>\$28,185</b>
Cost per Square Foot	\$93
Monthly Rent per Square Foot	\$0.94

Income	Monthly	Annual
Gross Rent	\$1,325	\$15,900
Vacancy Losses	-\$66	-\$795
<b>Operating Income</b>	<b>\$1,259</b>	<b>\$15,105</b>

Expenses	Monthly	Annual
Property Taxes	-\$221	-\$2,649
Insurance	-\$50	-\$600
Management Fees	-\$113	-\$1,359
Leasing/Advertising Fees	-\$20	-\$239
Association Fees	\$0	\$0
Maintenance	-\$99	-\$1,193
Other	\$0	\$0
<b>Operating Expenses</b>	<b>-\$503</b>	<b>-\$6,040</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$755</b>	<b>\$9,065</b>
- Mortgage Payments	-\$456	-\$5,467
<b>= Cash Flow</b>	<b>\$300</b>	<b>\$3,598</b>
+ Principal Reduction	\$179	\$2,151
+ First-Year Appreciation	\$330	\$3,957
<b>= Gross Equity Income</b>	<b>\$809</b>	<b>\$9,706</b>
+ Tax Savings	\$80	\$959
<b>= GEI w/Tax Savings</b>	<b>\$889</b>	<b>\$10,665</b>

### Mortgage Info

Loan-to-Value Ratio	80%
Loan Amount	\$105,520
Monthly Payment	\$456
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	3.19%

### Financial Indicators

Debt Coverage Ratio	1.7
Annual Gross Rent Multiplier	8.3
Monthly Gross Rent Multiplier	99.5
Capitalization Rate	6.9%
Cash on Cash Return	12.8%
<b>Total Return on Investment</b>	<b>34.4%</b>
<b>Total ROI with Tax Savings</b>	<b>37.8%</b>

### Assumptions

Real Estate Appreciation Rate	3.0%
Vacancy Rate	5.0%
Management Fee	9.0%
Maintenance Percentage	7.5%

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

## 10 Year Performance Projection

805 Clinton Ave  
Des Moines, Ia 50313



Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$15,900	\$16,377	\$16,868	\$17,374	\$17,896	\$18,432	\$18,985	\$19,555	\$20,142	\$20,746
Vacancy Losses	-\$795	-\$819	-\$843	-\$869	-\$895	-\$922	-\$949	-\$978	-\$1,007	-\$1,037
<b>Operating Income</b>	<b>\$15,105</b>	<b>\$15,558</b>	<b>\$16,025</b>	<b>\$16,506</b>	<b>\$17,001</b>	<b>\$17,511</b>	<b>\$18,036</b>	<b>\$18,577</b>	<b>\$19,135</b>	<b>\$19,709</b>

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,649	-\$2,729	-\$2,811	-\$2,895	-\$2,982	-\$3,071	-\$3,164	-\$3,258	-\$3,356	-\$3,457
Insurance	-\$600	-\$618	-\$637	-\$656	-\$675	-\$696	-\$716	-\$738	-\$760	-\$783
Management Fees	-\$1,359	-\$1,400	-\$1,442	-\$1,486	-\$1,530	-\$1,576	-\$1,623	-\$1,672	-\$1,722	-\$1,774
Leasing/Advertising Fees	-\$239	-\$246	-\$253	-\$261	-\$268	-\$276	-\$285	-\$293	-\$302	-\$311
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$1,193	-\$1,228	-\$1,265	-\$1,303	-\$1,342	-\$1,382	-\$1,424	-\$1,467	-\$1,511	-\$1,556
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>	<b>-\$6,040</b>	<b>-\$6,221</b>	<b>-\$6,408</b>	<b>-\$6,600</b>	<b>-\$6,798</b>	<b>-\$7,002</b>	<b>-\$7,212</b>	<b>-\$7,428</b>	<b>-\$7,651</b>	<b>-\$7,881</b>

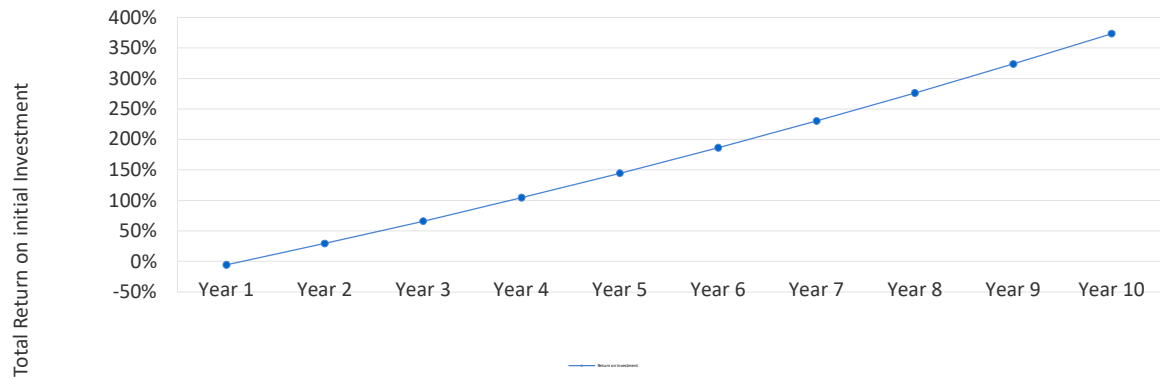
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$9,065	\$9,337	\$9,617	\$9,906	\$10,203	\$10,509	\$10,824	\$11,149	\$11,483	\$11,828
- Mortgage Payments	-\$5,467	-\$5,467	-\$5,467	-\$5,467	-\$5,467	-\$5,467	-\$5,467	-\$5,467	-\$5,467	-\$5,467
= Cash Flow	\$3,598	\$3,870	\$4,150	\$4,438	\$4,735	\$5,042	\$5,357	\$5,682	\$6,016	\$6,361
+ Principal Reduction	\$2,151	\$2,220	\$2,291	\$2,364	\$2,439	\$2,517	\$2,597	\$2,680	\$2,765	\$2,853
+ Appreciation	\$3,957	\$4,076	\$4,198	\$4,324	\$4,454	\$4,587	\$4,725	\$4,867	\$5,013	\$5,163
= Gross Equity Income	\$9,706	\$10,165	\$10,639	\$11,126	\$11,628	\$12,146	\$12,679	\$13,228	\$13,794	\$14,377
Capitalization Rate	6.9%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
Cash on Cash Return	12.8%	13.7%	14.7%	15.7%	16.8%	17.9%	19.0%	20.2%	21.3%	22.6%
<b>Return on Equity</b>	<b>34.4%</b>	<b>31.3%</b>	<b>27.4%</b>	<b>24.6%</b>	<b>22.4%</b>	<b>20.6%</b>	<b>19.2%</b>	<b>18.1%</b>	<b>17.1%</b>	<b>16.2%</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>\$135,857</b>	<b>\$139,933</b>	<b>\$144,131</b>	<b>\$148,455</b>	<b>\$152,908</b>	<b>\$157,495</b>	<b>\$162,220</b>	<b>\$167,087</b>	<b>\$172,100</b>	<b>\$177,263</b>
- Loan Balance	-\$103,369	-\$101,149	-\$98,858	-\$96,494	-\$94,055	-\$91,538	-\$88,941	-\$86,261	-\$83,496	-\$80,643
= Equity	\$32,488	\$38,784	\$45,273	\$51,960	\$58,853	\$65,957	\$73,279	\$80,826	\$88,604	\$96,620
Loan-to-Value Ratio	76%	72%	69%	65%	62%	58%	55%	52%	49%	45%
<b>Potential Cash-Out Refi</b>	<b>\$5,317</b>	<b>\$10,798</b>	<b>\$16,447</b>	<b>\$22,270</b>	<b>\$28,272</b>	<b>\$34,458</b>	<b>\$40,835</b>	<b>\$47,408</b>	<b>\$54,184</b>	<b>\$61,167</b>

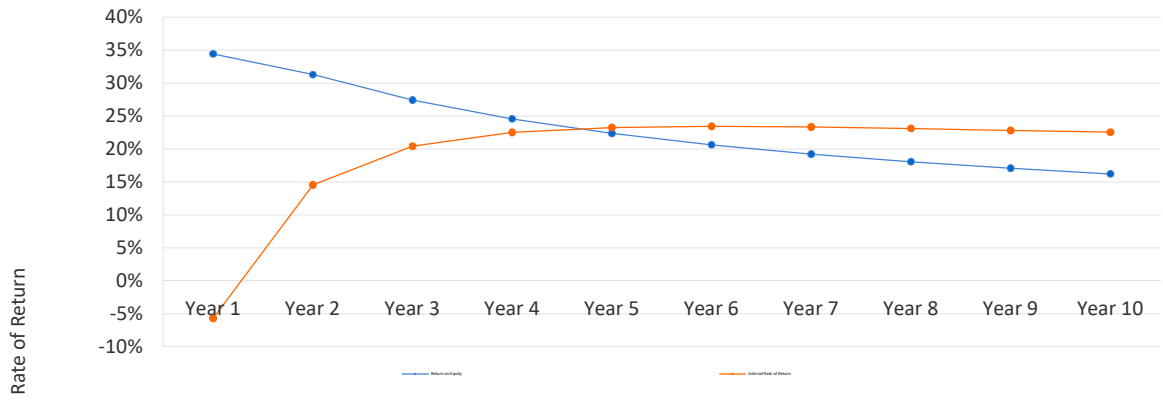
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Equity</b>	<b>\$32,488</b>	<b>\$38,784</b>	<b>\$45,273</b>	<b>\$51,960</b>	<b>\$58,853</b>	<b>\$65,957</b>	<b>\$73,279</b>	<b>\$80,826</b>	<b>\$88,604</b>	<b>\$96,620</b>
- Closing Costs	-\$9,510	-\$9,795	-\$10,089	-\$10,392	-\$10,704	-\$11,025	-\$11,355	-\$11,696	-\$12,047	-\$12,408
= <b>Proceeds After Sale</b>	<b>\$22,978</b>	<b>\$28,989</b>	<b>\$35,184</b>	<b>\$41,569</b>	<b>\$48,150</b>	<b>\$54,933</b>	<b>\$61,924</b>	<b>\$69,130</b>	<b>\$76,557</b>	<b>\$84,212</b>
+ <b>Cumulative Cash Flow</b>	<b>\$3,598</b>	<b>\$7,467</b>	<b>\$11,617</b>	<b>\$16,056</b>	<b>\$20,791</b>	<b>\$25,833</b>	<b>\$31,189</b>	<b>\$36,871</b>	<b>\$42,887</b>	<b>\$49,248</b>
- Initial Cash Invested	-\$28,185	-\$28,185	-\$28,185	-\$28,185	-\$28,185	-\$28,185	-\$28,185	-\$28,185	-\$28,185	-\$28,185
= <b>Net Profit</b>	<b>-\$1,609</b>	<b>\$8,271</b>	<b>\$18,616</b>	<b>\$29,439</b>	<b>\$40,756</b>	<b>\$52,580</b>	<b>\$64,928</b>	<b>\$77,816</b>	<b>\$91,259</b>	<b>\$105,274</b>
Internal Rate of Return	-5.7%	14.5%	20.4%	22.5%	23.3%	23.4%	23.3%	23.1%	22.8%	22.5%
<b>Return on Investment</b>	<b>-6%</b>	<b>29%</b>	<b>66%</b>	<b>104%</b>	<b>145%</b>	<b>187%</b>	<b>230%</b>	<b>276%</b>	<b>324%</b>	<b>374%</b>

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

## 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%

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