

Property Summary

1548 32nd St
Des Moines, Ia 50311



Overview

Finished Area (Square Feet)	1264
Initial Market Value	\$139,900
Purchase Price	\$139,900
Downpayment	\$27,980
Closing Costs	\$1,805
Initial Cash Invested	\$29,785

Income & Expenses	Monthly	Annual
Gross Rent	\$1,295	\$15,540
Vacancy Losses	\$65	\$777
Operating Income	\$1,230	\$14,763
Operating Expenses	\$524	\$6,285

Net Performance	Monthly	Annual
Net Operating Income	\$707	\$8,478
- Mortgage Payments	\$483	\$5,799
= Cash Flow	\$223	\$2,679
+ Principal Reduction	\$190	\$2,282
+ First-Year Appreciation	\$350	\$4,197
= Gross Equity Income	\$763	\$9,158

Financial Indicators (Year 1)

Capitalization Rate	6.1%
Cash on Cash Return	9.0%
Total Return on Investment	30.7%
Total ROI with Tax Savings	34.2%

Assumptions

Real Estate Appreciation Rate	3.0%
Vacancy Rate	5.0%
Management Fee	9.0%

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Year 1 Performance Projection

1548 32nd St
Des Moines, Ia 50311



Overview

Finished Area (Square Feet)	1264
Initial Market Value	\$139,900
Purchase Price	\$139,900
Downpayment	\$27,980
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
Initial Cash Invested	\$29,785
Cost per Square Foot	\$111
Monthly Rent per Square Foot	\$1.02

Income	Monthly	Annual
Gross Rent	\$1,295	\$15,540
Vacancy Losses	-\$65	-\$777
Operating Income	\$1,230	\$14,763

Expenses	Monthly	Annual
Property Taxes	-\$238	-\$2,857
Insurance	-\$58	-\$700
Management Fees	-\$111	-\$1,329
Leasing/Advertising Fees	-\$19	-\$233
Association Fees	\$0	\$0
Maintenance	-\$97	-\$1,166
Other	\$0	\$0
Operating Expenses	-\$524	-\$6,285

Net Performance	Monthly	Annual
Net Operating Income	\$707	\$8,478
- Mortgage Payments	-\$483	-\$5,799
= Cash Flow	\$223	\$2,679
+ Principal Reduction	\$190	\$2,282
+ First-Year Appreciation	\$350	\$4,197
= Gross Equity Income	\$763	\$9,158
+ Tax Savings	\$85	\$1,017
= GEI w/Tax Savings	\$848	\$10,176

Mortgage Info

Loan-to-Value Ratio	80%
Loan Amount	\$111,920
Monthly Payment	\$483
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	3.19%

Financial Indicators

Debt Coverage Ratio	1.5
Annual Gross Rent Multiplier	9.0
Monthly Gross Rent Multiplier	108.0
Capitalization Rate	6.1%
Cash on Cash Return	9.0%
Total Return on Investment	30.7%
Total ROI with Tax Savings	34.2%

Assumptions

Real Estate Appreciation Rate	3.0%
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	\$15,540	\$16,006	\$16,486	\$16,981	\$17,490	\$18,015	\$18,556	\$19,112	\$19,686	\$20,276
Vacancy Losses	-\$777	-\$800	-\$824	-\$849	-\$875	-\$901	-\$928	-\$956	-\$984	-\$1,014
Operating Income	\$14,763	\$15,206	\$15,662	\$16,132	\$16,616	\$17,114	\$17,628	\$18,157	\$18,701	\$19,262

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,857	-\$2,943	-\$3,031	-\$3,122	-\$3,216	-\$3,313	-\$3,412	-\$3,514	-\$3,620	-\$3,728
Insurance	-\$700	-\$721	-\$743	-\$765	-\$788	-\$811	-\$836	-\$861	-\$887	-\$913
Management Fees	-\$1,329	-\$1,369	-\$1,410	-\$1,452	-\$1,495	-\$1,540	-\$1,587	-\$1,634	-\$1,683	-\$1,734
Leasing/Advertising Fees	-\$233	-\$240	-\$247	-\$255	-\$262	-\$270	-\$278	-\$287	-\$295	-\$304
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$1,166	-\$1,200	-\$1,236	-\$1,274	-\$1,312	-\$1,351	-\$1,392	-\$1,433	-\$1,476	-\$1,521
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	-\$6,285	-\$6,473	-\$6,667	-\$6,867	-\$7,073	-\$7,286	-\$7,504	-\$7,729	-\$7,961	-\$8,200

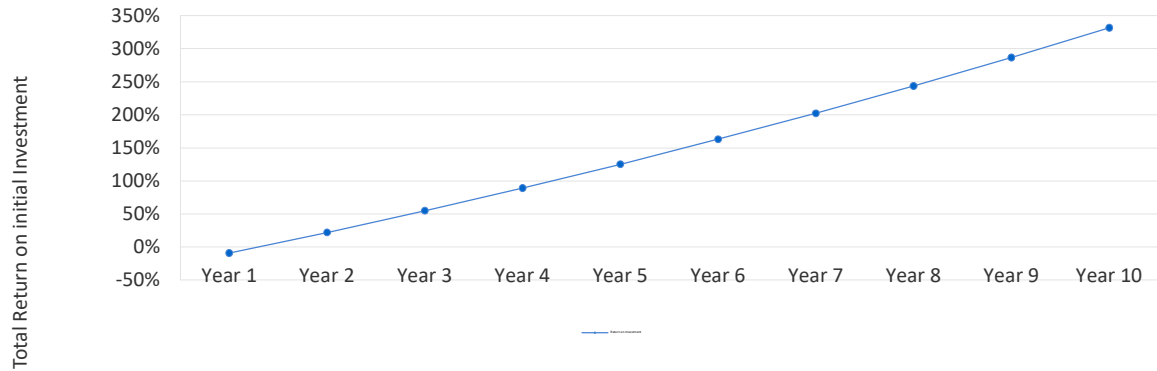
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$8,478	\$8,733	\$8,995	\$9,265	\$9,542	\$9,829	\$10,124	\$10,427	\$10,740	\$11,062
- Mortgage Payments	-\$5,799	-\$5,799	-\$5,799	-\$5,799	-\$5,799	-\$5,799	-\$5,799	-\$5,799	-\$5,799	-\$5,799
= Cash Flow	\$2,679	\$2,934	\$3,196	\$3,465	\$3,743	\$4,030	\$4,325	\$4,628	\$4,941	\$5,263
+ Principal Reduction	\$2,282	\$2,355	\$2,430	\$2,507	\$2,587	\$2,669	\$2,755	\$2,842	\$2,933	\$3,026
+ Appreciation	\$4,197	\$4,323	\$4,453	\$4,586	\$4,724	\$4,865	\$5,011	\$5,162	\$5,317	\$5,476
= Gross Equity Income	\$9,158	\$9,611	\$10,078	\$10,559	\$11,054	\$11,565	\$12,091	\$12,632	\$13,191	\$13,766
Capitalization Rate	6.1%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
Cash on Cash Return	9.0%	9.8%	10.7%	11.6%	12.6%	13.5%	14.5%	15.5%	16.6%	17.7%
Return on Equity	30.7%	27.9%	24.5%	22.0%	20.1%	18.5%	17.3%	16.3%	15.4%	14.6%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$144,097	\$148,420	\$152,873	\$157,459	\$162,182	\$167,048	\$172,059	\$177,221	\$182,538	\$188,014
- Loan Balance	-\$109,638	-\$107,283	-\$104,854	-\$102,347	-\$99,760	-\$97,090	-\$94,336	-\$91,493	-\$88,560	-\$85,534
= Equity	\$34,459	\$41,136	\$48,019	\$55,112	\$62,423	\$69,958	\$77,724	\$85,728	\$93,978	\$102,480
Loan-to-Value Ratio	76%	72%	69%	65%	62%	58%	55%	52%	49%	45%
Potential Cash-Out Refi	\$5,639	\$11,452	\$17,444	\$23,620	\$29,986	\$36,548	\$43,312	\$50,284	\$57,470	\$64,877

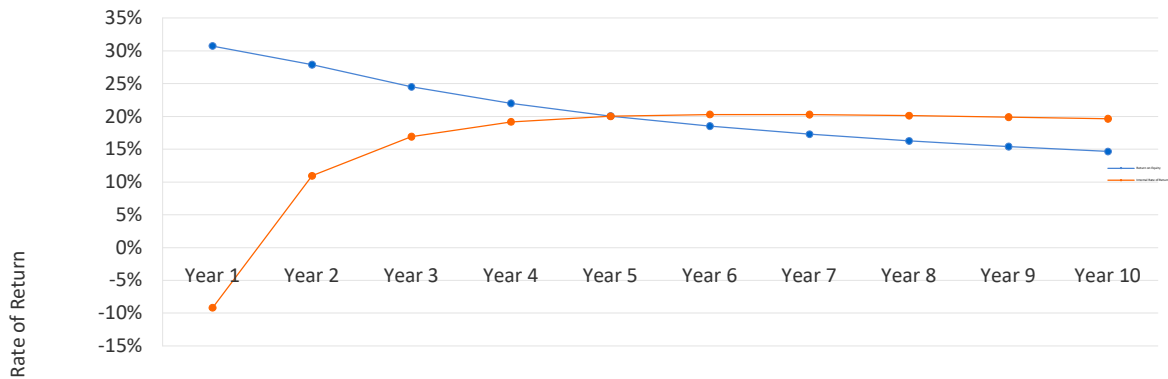
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$34,459	\$41,136	\$48,019	\$55,112	\$62,423	\$69,958	\$77,724	\$85,728	\$93,978	\$102,480
- Closing Costs	-\$10,087	-\$10,389	-\$10,701	-\$11,022	-\$11,353	-\$11,693	-\$12,044	-\$12,405	-\$12,778	-\$13,161
= Proceeds After Sale	\$24,372	\$30,747	\$37,318	\$44,090	\$51,070	\$58,264	\$65,680	\$73,322	\$81,200	\$89,319
+ Cumulative Cash Flow	\$2,679	\$5,613	\$8,809	\$12,274	\$16,017	\$20,047	\$24,372	\$29,000	\$33,941	\$39,204
- Initial Cash Invested	-\$29,785	-\$29,785	-\$29,785	-\$29,785	-\$29,785	-\$29,785	-\$29,785	-\$29,785	-\$29,785	-\$29,785
= Net Profit	-\$2,734	\$6,575	\$16,341	\$26,579	\$37,302	\$48,527	\$60,266	\$72,537	\$85,356	\$98,739
Internal Rate of Return	-9.2%	10.9%	16.9%	19.2%	20.0%	20.3%	20.3%	20.1%	19.9%	19.7%
Return on Investment	-9%	22%	55%	89%	125%	163%	202%	244%	287%	332%

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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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