

Property Summary

3720 Williams St
Des Moines, IA 50317

Overview

Finished Area (Square Feet)	1152
Initial Market Value	\$143,750
Purchase Price	\$143,750
Downpayment	\$143,750
Closing Costs	\$1,805
Initial Cash Invested	\$145,555



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	\$0	\$0
= Cash Flow	\$707	\$8,478
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$359	\$4,313
= Gross Equity Income	\$1,066	\$12,791

Financial Indicators (Year 1)

Capitalization Rate	5.9%
Cash on Cash Return	5.8%
Total Return on Investment	8.8%
Total ROI with Tax Savings	9.5%

Assumptions

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

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Year 1 Performance Projection

3720 Williams St
Des Moines, IA 50317

Overview

Finished Area (Square Feet)	1152
Initial Market Value	\$143,750
Purchase Price	\$143,750
Downpayment	\$143,750
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
Initial Cash Invested	\$145,555
Cost per Square Foot	\$125
Monthly Rent per Square Foot	\$1.12



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

Expenses	Monthly	Annual
Property Taxes	-\$246	-\$2,958
Insurance	-\$50	-\$600
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	\$0	\$0
= Cash Flow	\$707	\$8,478
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$359	\$4,313
= Gross Equity Income	\$1,066	\$12,791
+ Tax Savings	\$87	\$1,045
= GEI w/Tax Savings	\$1,153	\$13,836

Mortgage Info

Loan-to-Value Ratio	0%
Loan Amount	\$0
Monthly Payment	\$0
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	3.19%

Financial Indicators

Debt Coverage Ratio	#DIV/0!
Annual Gross Rent Multiplier	9.3
Monthly Gross Rent Multiplier	111.0
Capitalization Rate	5.9%
Cash on Cash Return	5.8%
Total Return on Investment	8.8%
Total ROI with Tax Savings	9.5%

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	-\$2,958	-\$3,046	-\$3,138	-\$3,232	-\$3,329	-\$3,429	-\$3,531	-\$3,637	-\$3,746	-\$3,859
Insurance	-\$600	-\$618	-\$637	-\$656	-\$675	-\$696	-\$716	-\$738	-\$760	-\$783
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	-\$6,668	-\$6,868	-\$7,074	-\$7,286	-\$7,504	-\$7,729	-\$7,961	-\$8,200

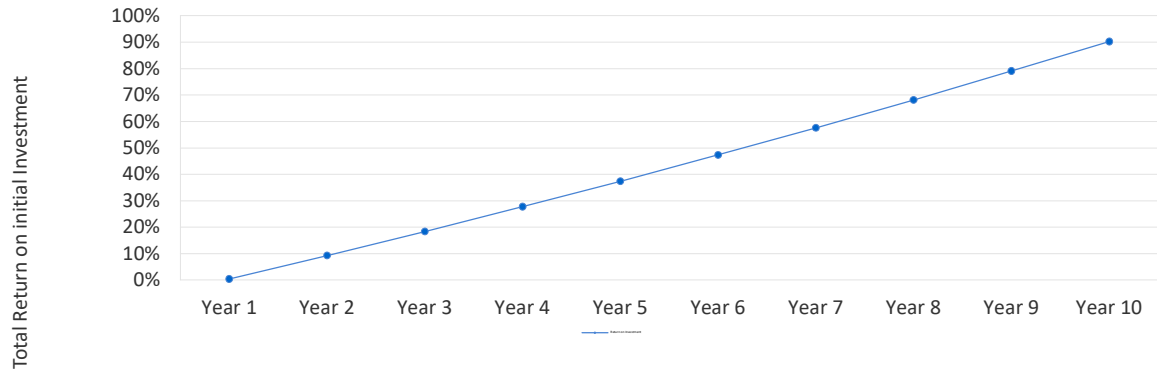
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$8,478	\$8,733	\$8,995	\$9,264	\$9,542	\$9,829	\$10,123	\$10,427	\$10,740	\$11,062
- Mortgage Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Cash Flow	\$8,478	\$8,733	\$8,995	\$9,264	\$9,542	\$9,829	\$10,123	\$10,427	\$10,740	\$11,062
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$4,313	\$4,442	\$4,575	\$4,712	\$4,854	\$4,999	\$5,149	\$5,304	\$5,463	\$5,627
= Gross Equity Income	\$12,791	\$13,174	\$13,570	\$13,977	\$14,396	\$14,828	\$15,273	\$15,731	\$16,203	\$16,689
Capitalization Rate	5.9%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%
Cash on Cash Return	5.8%	6.0%	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%
Return on Equity	8.8%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$148,063	\$152,504	\$157,080	\$161,792	\$166,646	\$171,645	\$176,794	\$182,098	\$187,561	\$193,188
- Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Equity	\$148,063	\$152,504	\$157,080	\$161,792	\$166,646	\$171,645	\$176,794	\$182,098	\$187,561	\$193,188
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

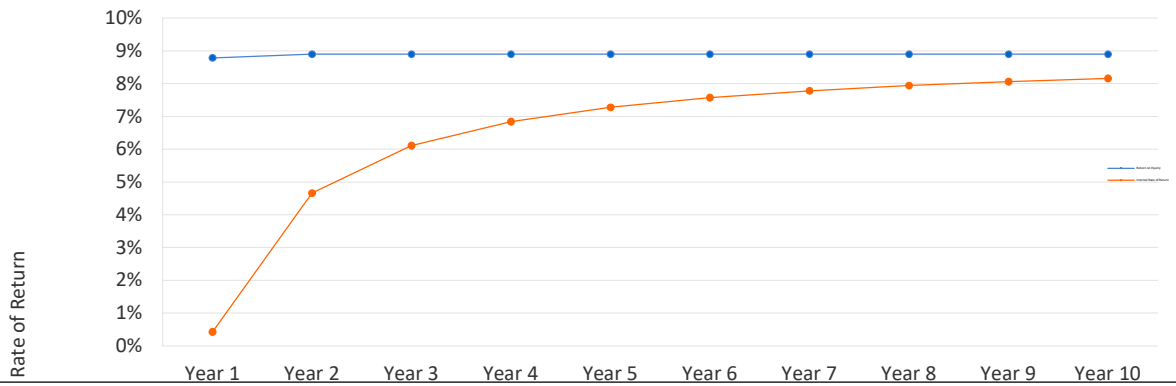
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$148,063	\$152,504	\$157,080	\$161,792	\$166,646	\$171,645	\$176,794	\$182,098	\$187,561	\$193,188
- Closing Costs	-\$10,364	-\$10,675	-\$10,996	-\$11,325	-\$11,665	-\$12,015	-\$12,376	-\$12,747	-\$13,129	-\$13,523
= Proceeds After Sale	\$137,698	\$141,829	\$146,084	\$150,466	\$154,980	\$159,630	\$164,419	\$169,351	\$174,432	\$179,665
+ Cumulative Cash Flow	\$8,478	\$17,211	\$26,205	\$35,470	\$45,012	\$54,841	\$64,964	\$75,391	\$86,131	\$97,193
- Initial Cash Invested	-\$145,555	-\$145,555	-\$145,555	-\$145,555	-\$145,555	-\$145,555	-\$145,555	-\$145,555	-\$145,555	-\$145,555
= Net Profit	\$621	\$13,485	\$26,734	\$40,381	\$54,438	\$68,916	\$83,828	\$99,188	\$115,008	\$131,303
Internal Rate of Return	0.4%	4.7%	6.1%	6.8%	7.3%	7.6%	7.8%	7.9%	8.1%	8.2%
Return on Investment	0%	9%	18%	28%	37%	47%	58%	68%	79%	90%

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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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