

## Property Summary

911 Frazier Ave  
Des Moines, Ia 50315



### Overview

Finished Area (Square Feet)	744
Initial Market Value	\$107,700
Purchase Price	\$107,700
Downpayment	\$21,540
Closing Costs	\$1,805
<b>Initial Cash Invested</b>	<b>\$23,345</b>

Income & Expenses	Monthly	Annual
Gross Rent	\$950	\$11,400
Vacancy Losses	\$48	\$570
<b>Operating Income</b>	<b>\$903</b>	<b>\$10,830</b>
<b>Operating Expenses</b>	<b>\$355</b>	<b>\$4,261</b>



Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$547</b>	<b>\$6,569</b>
- Mortgage Payments	\$372	\$4,464
<b>= Cash Flow</b>	<b>\$175</b>	<b>\$2,105</b>
+ Principal Reduction	\$146	\$1,757
+ First-Year Appreciation	\$269	\$3,231
<b>= Gross Equity Income</b>	<b>\$591</b>	<b>\$7,092</b>

### Financial Indicators (Year 1)

Capitalization Rate	6.1%
Cash on Cash Return	9.0%
<b>Total Return on Investment</b>	<b>30.4%</b>
<b>Total ROI with Tax Savings</b>	<b>33.7%</b>

### Assumptions

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

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## Year 1 Performance Projection

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### Overview

Finished Area (Square Feet)	744
Initial Market Value	\$107,700
Purchase Price	\$107,700
Downpayment	\$21,540
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
<b>Initial Cash Invested</b>	<b>\$23,345</b>
Cost per Square Foot	\$145
Monthly Rent per Square Foot	\$1.28



Income	Monthly	Annual
Gross Rent	\$950	\$11,400
Vacancy Losses	-\$48	-\$570
<b>Operating Income</b>	<b>\$903</b>	<b>\$10,830</b>

Expenses	Monthly	Annual
Property Taxes	-\$147	-\$1,760
Insurance	-\$42	-\$500
Management Fees	-\$81	-\$975
Leasing/Advertising Fees	-\$14	-\$171
Association Fees	\$0	\$0
Maintenance	-\$71	-\$855
Other	\$0	\$0
<b>Operating Expenses</b>	<b>-\$355</b>	<b>-\$4,261</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$547</b>	<b>\$6,569</b>
- Mortgage Payments	-\$372	-\$4,464
<b>= Cash Flow</b>	<b>\$175</b>	<b>\$2,105</b>
+ Principal Reduction	\$146	\$1,757
+ First-Year Appreciation	\$269	\$3,231
<b>= Gross Equity Income</b>	<b>\$591</b>	<b>\$7,092</b>
+ Tax Savings	\$65	\$783
<b>= GEI w/Tax Savings</b>	<b>\$656</b>	<b>\$7,876</b>

### Mortgage Info

Loan-to-Value Ratio	80%
Loan Amount	\$86,160
Monthly Payment	\$372
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	3.19%

### Financial Indicators

Debt Coverage Ratio	1.5
Annual Gross Rent Multiplier	9.4
Monthly Gross Rent Multiplier	113.4
Capitalization Rate	6.1%
Cash on Cash Return	9.0%
<b>Total Return on Investment</b>	<b>30.4%</b>
<b>Total ROI with Tax Savings</b>	<b>33.7%</b>

### 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	\$11,400	\$11,742	\$12,094	\$12,457	\$12,831	\$13,216	\$13,612	\$14,021	\$14,441	\$14,874
Vacancy Losses	-\$570	-\$587	-\$605	-\$623	-\$642	-\$661	-\$681	-\$701	-\$722	-\$744
<b>Operating Income</b>	<b>\$10,830</b>	<b>\$11,155</b>	<b>\$11,490</b>	<b>\$11,834</b>	<b>\$12,189</b>	<b>\$12,555</b>	<b>\$12,932</b>	<b>\$13,320</b>	<b>\$13,719</b>	<b>\$14,131</b>

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,760	-\$1,813	-\$1,867	-\$1,923	-\$1,981	-\$2,041	-\$2,102	-\$2,165	-\$2,230	-\$2,297
Insurance	-\$500	-\$515	-\$530	-\$546	-\$563	-\$580	-\$597	-\$615	-\$633	-\$652
Management Fees	-\$975	-\$1,004	-\$1,034	-\$1,065	-\$1,097	-\$1,130	-\$1,164	-\$1,199	-\$1,235	-\$1,272
Leasing/Advertising Fees	-\$171	-\$176	-\$181	-\$187	-\$192	-\$198	-\$204	-\$210	-\$217	-\$223
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$855	-\$881	-\$907	-\$934	-\$962	-\$991	-\$1,021	-\$1,052	-\$1,083	-\$1,116
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>	<b>-\$4,261</b>	<b>-\$4,389</b>	<b>-\$4,520</b>	<b>-\$4,656</b>	<b>-\$4,796</b>	<b>-\$4,940</b>	<b>-\$5,088</b>	<b>-\$5,240</b>	<b>-\$5,398</b>	<b>-\$5,560</b>

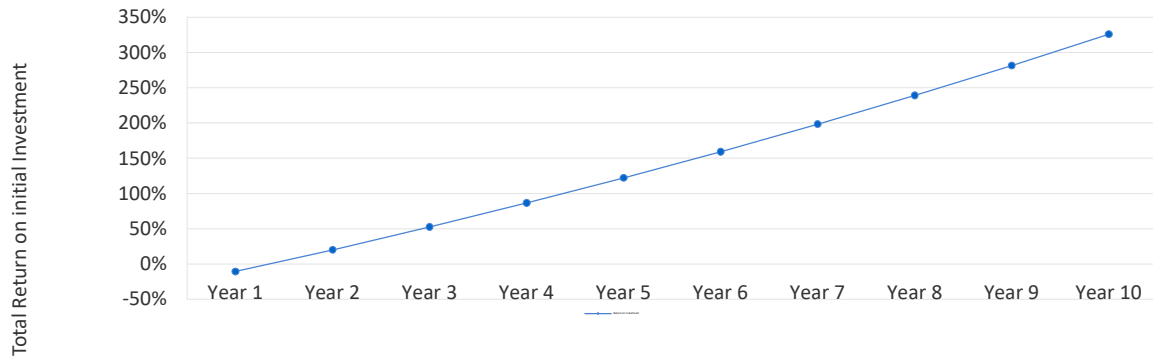
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$6,569	\$6,766	\$6,969	\$7,178	\$7,394	\$7,615	\$7,844	\$8,079	\$8,322	\$8,571
- Mortgage Payments	-\$4,464	-\$4,464	-\$4,464	-\$4,464	-\$4,464	-\$4,464	-\$4,464	-\$4,464	-\$4,464	-\$4,464
= Cash Flow	\$2,105	\$2,302	\$2,505	\$2,714	\$2,929	\$3,151	\$3,380	\$3,615	\$3,857	\$4,107
+ Principal Reduction	\$1,757	\$1,813	\$1,870	\$1,930	\$1,992	\$2,055	\$2,121	\$2,188	\$2,258	\$2,330
+ Appreciation	\$3,231	\$3,328	\$3,428	\$3,531	\$3,637	\$3,746	\$3,858	\$3,974	\$4,093	\$4,216
= Gross Equity Income	\$7,092	\$7,442	\$7,803	\$8,175	\$8,557	\$8,952	\$9,358	\$9,777	\$10,208	\$10,653
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%	9.9%	10.7%	11.6%	12.5%	13.5%	14.5%	15.5%	16.5%	17.6%
<b>Return on Equity</b>	<b>30.4%</b>	<b>28.1%</b>	<b>24.6%</b>	<b>22.1%</b>	<b>20.2%</b>	<b>18.6%</b>	<b>17.4%</b>	<b>16.3%</b>	<b>15.5%</b>	<b>14.7%</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>\$110,931</b>	<b>\$114,259</b>	<b>\$117,687</b>	<b>\$121,217</b>	<b>\$124,854</b>	<b>\$128,599</b>	<b>\$132,457</b>	<b>\$136,431</b>	<b>\$140,524</b>	<b>\$144,740</b>
- Loan Balance	-\$84,403	-\$82,591	-\$80,720	-\$78,790	-\$76,799	-\$74,743	-\$72,623	-\$70,435	-\$68,177	-\$65,847
= Equity	\$26,528	\$31,668	\$36,966	\$42,427	\$48,055	\$53,856	\$59,835	\$65,996	\$72,347	\$78,893
Loan-to-Value Ratio	76%	72%	69%	65%	62%	58%	55%	52%	49%	45%
<b>Potential Cash-Out Refi</b>	<b>\$4,341</b>	<b>\$8,816</b>	<b>\$13,429</b>	<b>\$18,184</b>	<b>\$23,085</b>	<b>\$28,136</b>	<b>\$33,343</b>	<b>\$38,710</b>	<b>\$44,242</b>	<b>\$49,945</b>

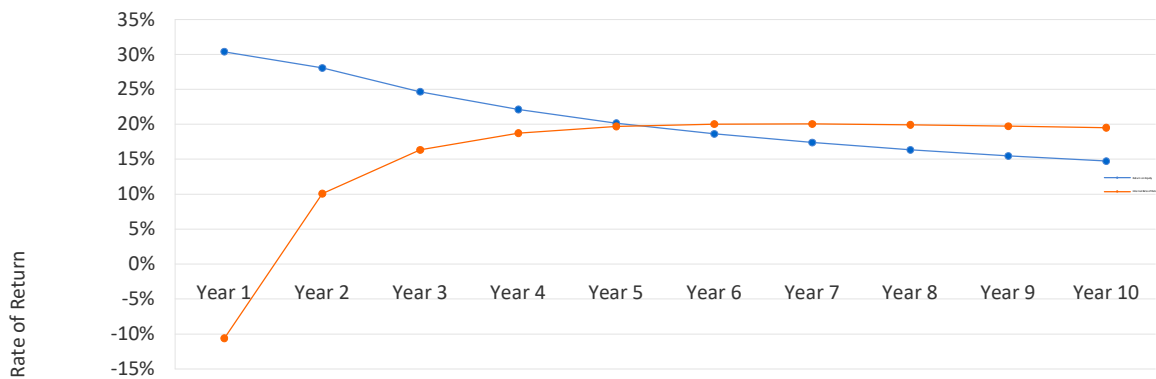
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Equity</b>	<b>\$26,528</b>	<b>\$31,668</b>	<b>\$36,966</b>	<b>\$42,427</b>	<b>\$48,055</b>	<b>\$53,856</b>	<b>\$59,835</b>	<b>\$65,996</b>	<b>\$72,347</b>	<b>\$78,893</b>
- Closing Costs	-\$7,765	-\$7,998	-\$8,238	-\$8,485	-\$8,740	-\$9,002	-\$9,272	-\$9,550	-\$9,837	-\$10,132
= Proceeds After Sale	\$18,763	\$23,670	\$28,728	\$33,942	\$39,316	\$44,854	\$50,563	\$56,446	\$62,511	\$68,761
+ Cumulative Cash Flow	\$2,105	\$4,407	\$6,912	\$9,625	\$12,555	\$15,706	\$19,085	\$22,700	\$26,558	\$30,664
- Initial Cash Invested	-\$23,345	-\$23,345	-\$23,345	-\$23,345	-\$23,345	-\$23,345	-\$23,345	-\$23,345	-\$23,345	-\$23,345
= <b>Net Profit</b>	<b>-\$2,478</b>	<b>\$4,732</b>	<b>\$12,295</b>	<b>\$20,222</b>	<b>\$28,525</b>	<b>\$37,215</b>	<b>\$46,303</b>	<b>\$55,802</b>	<b>\$65,723</b>	<b>\$76,081</b>
Internal Rate of Return	-10.6%	10.1%	16.3%	18.7%	19.7%	20.0%	20.0%	19.9%	19.7%	19.5%
<b>Return on Investment</b>	<b>-11%</b>	<b>20%</b>	<b>53%</b>	<b>87%</b>	<b>122%</b>	<b>159%</b>	<b>198%</b>	<b>239%</b>	<b>282%</b>	<b>326%</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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