

Property Summary

3218 2nd Ave
Des Moines, IA 50313



Overview

Finished Area (Square Feet)	904
Initial Market Value	\$103,800
Purchase Price	\$103,800
Downpayment	\$103,800
Closing Costs	\$1,805
Initial Cash Invested	\$105,605

Income & Expenses	Monthly	Annual
Gross Rent	\$975	\$11,700
Vacancy Losses	\$49	\$585
Operating Income	\$926	\$11,115
Operating Expenses	\$384	\$4,603

Net Performance	Monthly	Annual
Net Operating Income	\$543	\$6,512
- Mortgage Payments	\$0	\$0
= Cash Flow	\$543	\$6,512
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$260	\$3,114
= Gross Equity Income	\$802	\$9,626

Financial Indicators (Year 1)

Capitalization Rate	6.3%
Cash on Cash Return	6.2%
Total Return on Investment	9.1%
Total ROI with Tax Savings	9.8%

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

3218 2nd Ave
Des Moines, IA 50313



Overview

Finished Area (Square Feet)	904
Initial Market Value	\$103,800
Purchase Price	\$103,800
Downpayment	\$103,800
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
Initial Cash Invested	\$105,605
Cost per Square Foot	\$115
Monthly Rent per Square Foot	\$1.08

Income	Monthly	Annual
Gross Rent	\$975	\$11,700
Vacancy Losses	-\$49	-\$585
Operating Income	\$926	\$11,115

Expenses	Monthly	Annual
Property Taxes	-\$163	-\$1,950
Insurance	-\$50	-\$600
Management Fees	-\$83	-\$1,000
Leasing/Advertising Fees	-\$15	-\$176
Association Fees	\$0	\$0
Maintenance	-\$73	-\$878
Other	\$0	\$0
Operating Expenses	-\$384	-\$4,603

Net Performance	Monthly	Annual
Net Operating Income	\$543	\$6,512
- Mortgage Payments	\$0	\$0
= Cash Flow	\$543	\$6,512
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$260	\$3,114
= Gross Equity Income	\$802	\$9,626
+ Tax Savings	\$63	\$755
= GEI w/Tax Savings	\$865	\$10,381

Mortgage Info

Loan-to-Value Ratio	0%
Loan Amount	\$0
Monthly Payment	\$0
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	3.40%

Financial Indicators

Debt Coverage Ratio	#DIV/0!
Annual Gross Rent Multiplier	8.9
Monthly Gross Rent Multiplier	106.5
Capitalization Rate	6.3%
Cash on Cash Return	6.2%
Total Return on Investment	9.1%
Total ROI with Tax Savings	9.8%

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	\$11,700	\$12,051	\$12,413	\$12,785	\$13,168	\$13,564	\$13,970	\$14,390	\$14,821	\$15,266
Vacancy Losses	-\$585	-\$603	-\$621	-\$639	-\$658	-\$678	-\$699	-\$719	-\$741	-\$763
Operating Income	\$11,115	\$11,448	\$11,792	\$12,146	\$12,510	\$12,885	\$13,272	\$13,670	\$14,080	\$14,503

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,950	-\$2,009	-\$2,069	-\$2,131	-\$2,195	-\$2,261	-\$2,328	-\$2,398	-\$2,470	-\$2,544
Insurance	-\$600	-\$618	-\$637	-\$656	-\$675	-\$696	-\$716	-\$738	-\$760	-\$783
Management Fees	-\$1,000	-\$1,030	-\$1,061	-\$1,093	-\$1,126	-\$1,160	-\$1,194	-\$1,230	-\$1,267	-\$1,305
Leasing/Advertising Fees	-\$176	-\$181	-\$186	-\$192	-\$198	-\$203	-\$210	-\$216	-\$222	-\$229
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$878	-\$904	-\$931	-\$959	-\$988	-\$1,017	-\$1,048	-\$1,079	-\$1,112	-\$1,145
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	-\$4,603	-\$4,741	-\$4,884	-\$5,030	-\$5,181	-\$5,337	-\$5,497	-\$5,662	-\$5,831	-\$6,006

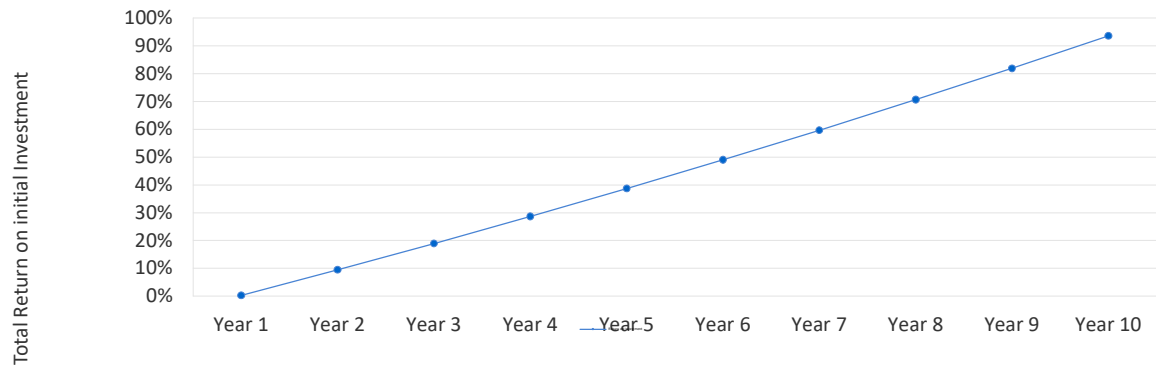
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$6,512	\$6,707	\$6,908	\$7,115	\$7,329	\$7,549	\$7,775	\$8,009	\$8,249	\$8,496
- Mortgage Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Cash Flow	\$6,512	\$6,707	\$6,908	\$7,115	\$7,329	\$7,549	\$7,775	\$8,009	\$8,249	\$8,496
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$3,114	\$3,207	\$3,304	\$3,403	\$3,505	\$3,610	\$3,718	\$3,830	\$3,945	\$4,063
= Gross Equity Income	\$9,626	\$9,914	\$10,212	\$10,518	\$10,834	\$11,159	\$11,494	\$11,838	\$12,193	\$12,559
Capitalization Rate	6.3%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%
Cash on Cash Return	6.2%	6.4%	6.5%	6.7%	6.9%	7.1%	7.4%	7.6%	7.8%	8.0%
Return on Equity	9.1%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$106,914	\$110,121	\$113,425	\$116,828	\$120,333	\$123,943	\$127,661	\$131,491	\$135,435	\$139,499
- Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Equity	\$106,914	\$110,121	\$113,425	\$116,828	\$120,333	\$123,943	\$127,661	\$131,491	\$135,435	\$139,499
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

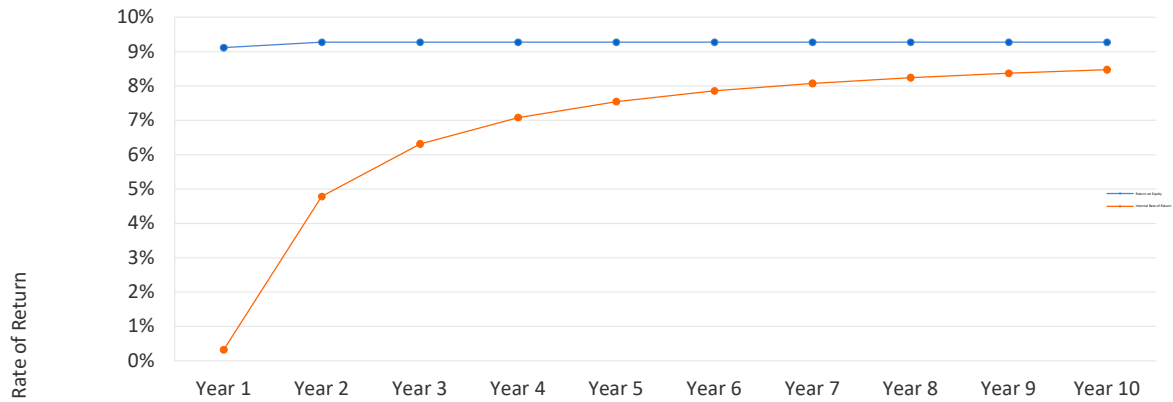
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$106,914	\$110,121	\$113,425	\$116,828	\$120,333	\$123,943	\$127,661	\$131,491	\$135,435	\$139,499
- Closing Costs	-\$7,484	-\$7,708	-\$7,940	-\$8,178	-\$8,423	-\$8,676	-\$8,936	-\$9,204	-\$9,480	-\$9,765
= Proceeds After Sale	\$99,430	\$102,413	\$105,485	\$108,650	\$111,909	\$115,267	\$118,725	\$122,286	\$125,955	\$129,734
+ Cumulative Cash Flow	\$6,512	\$13,219	\$20,127	\$27,242	\$34,571	\$42,120	\$49,895	\$57,904	\$66,153	\$74,649
- Initial Cash Invested	-\$105,605	-\$105,605	-\$105,605	-\$105,605	-\$105,605	-\$105,605	-\$105,605	-\$105,605	-\$105,605	-\$105,605
= Net Profit	\$337	\$10,027	\$20,007	\$30,287	\$40,876	\$51,782	\$63,015	\$74,585	\$86,503	\$98,777
Internal Rate of Return	0.3%	4.8%	6.3%	7.1%	7.5%	7.9%	8.1%	8.2%	8.4%	8.5%
Return on Investment	0%	9%	19%	29%	39%	49%	60%	71%	82%	94%

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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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