

Property Summary

2815 E Grand Ave
Des Moines, IA 50317



Overview

Finished Area (Square Feet)	1328
Initial Market Value	\$148,800
Purchase Price	\$148,800
Downpayment	\$148,800
Closing Costs	\$1,805
Initial Cash Invested	\$150,605

Income & Expenses	Monthly	Annual
Gross Rent	\$1,200	\$14,400
Vacancy Losses	\$60	\$720
Operating Income	\$1,140	\$13,680
Operating Expenses	\$384	\$4,609

Net Performance	Monthly	Annual
Net Operating Income	\$756	\$9,071
- Mortgage Payments	\$0	\$0
= Cash Flow	\$756	\$9,071
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$372	\$4,464
= Gross Equity Income	\$1,128	\$13,535

Financial Indicators (Year 1)

Capitalization Rate	6.1%
Cash on Cash Return	6.0%
Total Return on Investment	9.0%
Total ROI with Tax Savings	9.7%

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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Des Moines, IA 50317



Overview

Finished Area (Square Feet)	1328
Initial Market Value	\$148,800
Purchase Price	\$148,800
Downpayment	\$148,800
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
Initial Cash Invested	\$150,605
Cost per Square Foot	\$112
Monthly Rent per Square Foot	\$0.90

Income	Monthly	Annual
Gross Rent	\$1,200	\$14,400
Vacancy Losses	-\$60	-\$720
Operating Income	\$1,140	\$13,680

Expenses	Monthly	Annual
Property Taxes	-\$124	-\$1,482
Insurance	-\$50	-\$600
Management Fees	-\$103	-\$1,231
Leasing/Advertising Fees	-\$18	-\$216
Association Fees	\$0	\$0
Maintenance	-\$90	-\$1,080
Other	\$0	\$0
Operating Expenses	-\$384	-\$4,609

Net Performance	Monthly	Annual
Net Operating Income	\$756	\$9,071
- Mortgage Payments	\$0	\$0
= Cash Flow	\$756	\$9,071
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$372	\$4,464
= Gross Equity Income	\$1,128	\$13,535
+ Tax Savings	\$90	\$1,082
= GEI w/Tax Savings	\$1,218	\$14,617

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	10.3
Monthly Gross Rent Multiplier	124.0
Capitalization Rate	6.1%
Cash on Cash Return	6.0%
Total Return on Investment	9.0%
Total ROI with Tax Savings	9.7%

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

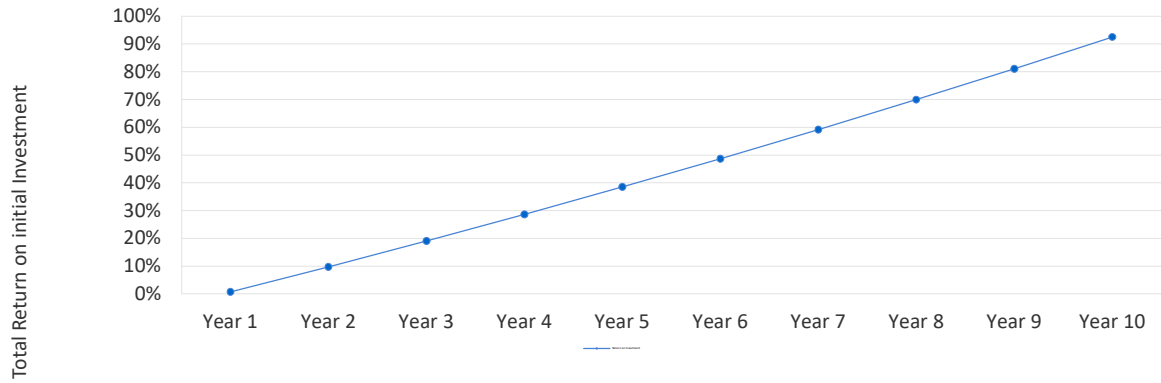
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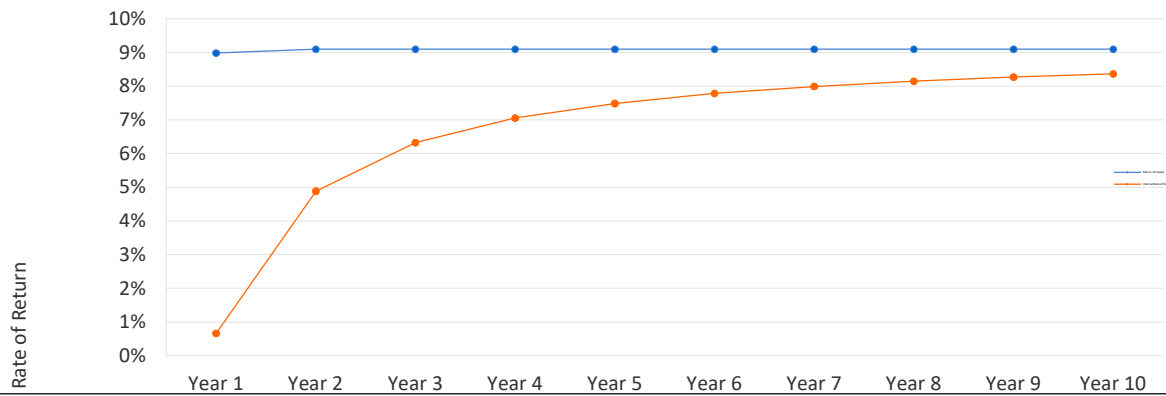
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income										
Gross Rent	\$14,400	\$14,832	\$15,277	\$15,735	\$16,207	\$16,694	\$17,194	\$17,710	\$18,241	\$18,789
Vacancy Losses	-\$720	-\$742	-\$764	-\$787	-\$810	-\$835	-\$860	-\$886	-\$912	-\$939
Operating Income	\$13,680	\$14,090	\$14,513	\$14,949	\$15,397	\$15,859	\$16,335	\$16,825	\$17,329	\$17,849
Expenses										
Property Taxes	-\$1,482	-\$1,526	-\$1,572	-\$1,619	-\$1,668	-\$1,718	-\$1,770	-\$1,823	-\$1,877	-\$1,934
Insurance	-\$600	-\$618	-\$637	-\$656	-\$675	-\$696	-\$716	-\$738	-\$760	-\$783
Management Fees	-\$1,231	-\$1,268	-\$1,306	-\$1,345	-\$1,386	-\$1,427	-\$1,470	-\$1,514	-\$1,560	-\$1,606
Leasing/Advertising Fees	-\$216	-\$222	-\$229	-\$236	-\$243	-\$250	-\$258	-\$266	-\$274	-\$282
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$1,080	-\$1,112	-\$1,146	-\$1,180	-\$1,216	-\$1,252	-\$1,290	-\$1,328	-\$1,368	-\$1,409
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	-\$4,609	-\$4,747	-\$4,890	-\$5,037	-\$5,188	-\$5,343	-\$5,504	-\$5,669	-\$5,839	-\$6,014
Income Analysis										
Net Operating Income	\$9,071	\$9,343	\$9,623	\$9,912	\$10,209	\$10,516	\$10,831	\$11,156	\$11,491	\$11,835
- Mortgage Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Cash Flow	\$9,071	\$9,343	\$9,623	\$9,912	\$10,209	\$10,516	\$10,831	\$11,156	\$11,491	\$11,835
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$4,464	\$4,598	\$4,736	\$4,878	\$5,024	\$5,175	\$5,330	\$5,490	\$5,655	\$5,825
= Gross Equity Income	\$13,535	\$13,941	\$14,359	\$14,790	\$15,234	\$15,691	\$16,161	\$16,646	\$17,145	\$17,660
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	6.0%	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.9%
Return on Equity	9.0%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
Loan Analysis										
Market Value	\$153,264	\$157,862	\$162,598	\$167,476	\$172,500	\$177,675	\$183,005	\$188,495	\$194,150	\$199,975
- Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Equity	\$153,264	\$157,862	\$162,598	\$167,476	\$172,500	\$177,675	\$183,005	\$188,495	\$194,150	\$199,975
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										
Equity	\$153,264	\$157,862	\$162,598	\$167,476	\$172,500	\$177,675	\$183,005	\$188,495	\$194,150	\$199,975
- Closing Costs	-\$10,728	-\$11,050	-\$11,382	-\$11,723	-\$12,075	-\$12,437	-\$12,810	-\$13,195	-\$13,591	-\$13,998
= Proceeds After Sale	\$142,536	\$146,812	\$151,216	\$155,752	\$160,425	\$165,238	\$170,195	\$175,301	\$180,560	\$185,977
+ Cumulative Cash Flow	\$9,071	\$18,414	\$28,037	\$37,949	\$48,158	\$58,674	\$69,505	\$80,661	\$92,151	\$103,987
- Initial Cash Invested	-\$150,605	-\$150,605	-\$150,605	-\$150,605	-\$150,605	-\$150,605	-\$150,605	-\$150,605	-\$150,605	-\$150,605
= Net Profit	\$1,001	\$14,620	\$28,648	\$43,096	\$57,978	\$73,306	\$89,095	\$105,356	\$122,106	\$139,358
Internal Rate of Return	0.7%	4.9%	6.3%	7.1%	7.5%	7.8%	8.0%	8.1%	8.3%	8.4%
Return on Investment	1%	10%	19%	29%	38%	49%	59%	70%	81%	93%

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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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