

Property Summary

2720 51st St
Des Moines, Ia 50310



Overview

Finished Area (Square Feet)	2568
Initial Market Value	\$265,000
Purchase Price	\$265,000
Downpayment	\$265,000
Closing Costs	\$1,805
Initial Cash Invested	\$266,805

Income & Expenses	Monthly	Annual
Gross Rent	\$2,250	\$27,000
Vacancy Losses	\$113	\$1,350
Operating Income	\$2,138	\$25,650
Operating Expenses	\$933	\$11,199



Net Performance	Monthly	Annual
Net Operating Income	\$1,204	\$14,452
- Mortgage Payments	\$0	\$0
= Cash Flow	\$1,204	\$14,452
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$663	\$7,950
= Gross Equity Income	\$1,867	\$22,402

Financial Indicators (Year 1)

Capitalization Rate	5.5%
Cash on Cash Return	5.4%
Total Return on Investment	8.4%
Total ROI with Tax Savings	9.1%

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)	2568
Initial Market Value	\$265,000
Purchase Price	\$265,000
Downpayment	\$265,000
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
Initial Cash Invested	\$266,805
Cost per Square Foot	\$103
Monthly Rent per Square Foot	\$0.88



Income	Monthly	Annual
Gross Rent	\$2,250	\$27,000
Vacancy Losses	-\$113	-\$1,350
Operating Income	\$2,138	\$25,650

Expenses	Monthly	Annual
Property Taxes	-\$455	-\$5,460
Insurance	-\$83	-\$1,000
Management Fees	-\$192	-\$2,309
Leasing/Advertising Fees	-\$34	-\$405
Association Fees	\$0	\$0
Maintenance	-\$169	-\$2,025
Other	\$0	\$0
Operating Expenses	-\$933	-\$11,199

Net Performance	Monthly	Annual
Net Operating Income	\$1,204	\$14,452
- Mortgage Payments	\$0	\$0
= Cash Flow	\$1,204	\$14,452
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$663	\$7,950
= Gross Equity Income	\$1,867	\$22,402
+ Tax Savings	\$161	\$1,927
= GEI w/Tax Savings	\$2,027	\$24,329

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	9.8
Monthly Gross Rent Multiplier	117.8
Capitalization Rate	5.5%
Cash on Cash Return	5.4%
Total Return on Investment	8.4%
Total ROI with Tax Savings	9.1%

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	\$27,000	\$27,810	\$28,644	\$29,504	\$30,389	\$31,300	\$32,239	\$33,207	\$34,203	\$35,229
Vacancy Losses	-\$1,350	-\$1,391	-\$1,432	-\$1,475	-\$1,519	-\$1,565	-\$1,612	-\$1,660	-\$1,710	-\$1,761
Operating Income	\$25,650	\$26,420	\$27,212	\$28,028	\$28,869	\$29,735	\$30,627	\$31,546	\$32,493	\$33,467

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$5,460	-\$5,624	-\$5,793	-\$5,966	-\$6,145	-\$6,330	-\$6,520	-\$6,715	-\$6,917	-\$7,124
Insurance	-\$1,000	-\$1,030	-\$1,061	-\$1,093	-\$1,126	-\$1,159	-\$1,194	-\$1,230	-\$1,267	-\$1,305
Management Fees	-\$2,309	-\$2,378	-\$2,449	-\$2,523	-\$2,598	-\$2,676	-\$2,756	-\$2,839	-\$2,924	-\$3,012
Leasing/Advertising Fees	-\$405	-\$417	-\$430	-\$443	-\$456	-\$470	-\$484	-\$498	-\$513	-\$528
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$2,025	-\$2,086	-\$2,148	-\$2,213	-\$2,279	-\$2,348	-\$2,418	-\$2,490	-\$2,565	-\$2,642
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	-\$11,199	-\$11,534	-\$11,880	-\$12,237	-\$12,604	-\$12,982	-\$13,372	-\$13,773	-\$14,186	-\$14,612

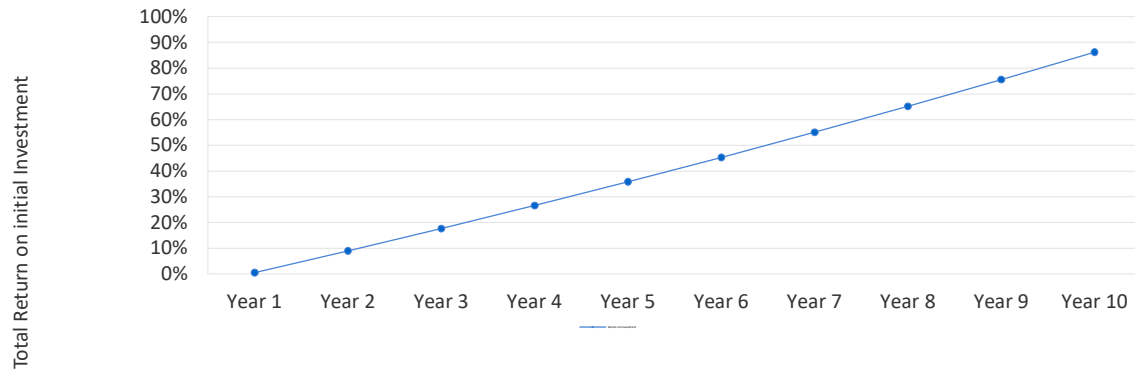
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$14,452	\$14,885	\$15,332	\$15,792	\$16,265	\$16,753	\$17,256	\$17,774	\$18,307	\$18,856
- Mortgage Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Cash Flow	\$14,452	\$14,885	\$15,332	\$15,792	\$16,265	\$16,753	\$17,256	\$17,774	\$18,307	\$18,856
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$7,950	\$8,189	\$8,434	\$8,687	\$8,948	\$9,216	\$9,493	\$9,777	\$10,071	\$10,373
= Gross Equity Income	\$22,402	\$23,074	\$23,766	\$24,479	\$25,213	\$25,969	\$26,749	\$27,551	\$28,378	\$29,229
Capitalization Rate	5.5%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Cash on Cash Return	5.4%	5.6%	5.7%	5.9%	6.1%	6.3%	6.5%	6.7%	6.9%	7.1%
Return on Equity	8.4%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$272,950	\$281,139	\$289,573	\$298,260	\$307,208	\$316,424	\$325,917	\$335,694	\$345,765	\$356,138
- Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Equity	\$272,950	\$281,139	\$289,573	\$298,260	\$307,208	\$316,424	\$325,917	\$335,694	\$345,765	\$356,138
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

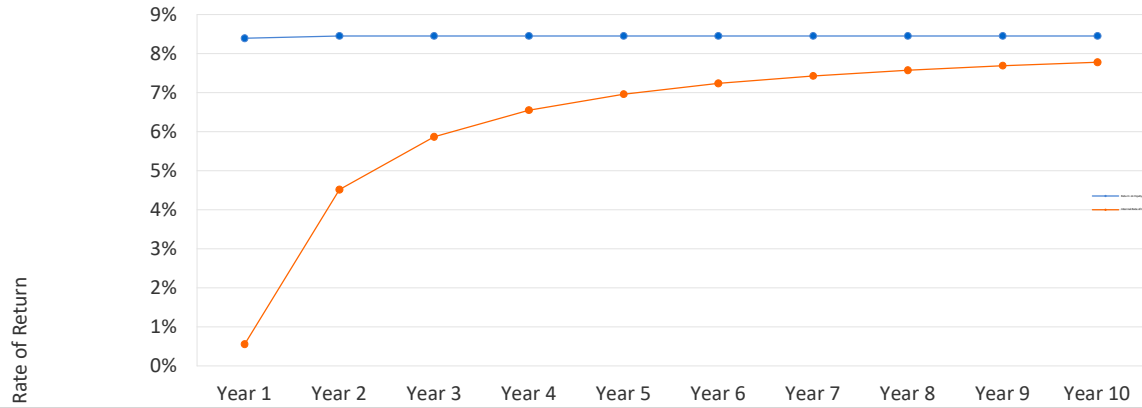
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$272,950	\$281,139	\$289,573	\$298,260	\$307,208	\$316,424	\$325,917	\$335,694	\$345,765	\$356,138
- Closing Costs	-\$19,107	-\$19,680	-\$20,270	-\$20,878	-\$21,505	-\$22,150	-\$22,814	-\$23,499	-\$24,204	-\$24,930
= Proceeds After Sale	\$253,844	\$261,459	\$269,303	\$277,382	\$285,703	\$294,274	\$303,102	\$312,195	\$321,561	\$331,208
+ Cumulative Cash Flow	\$14,452	\$29,337	\$44,668	\$60,460	\$76,725	\$93,478	\$110,734	\$128,508	\$146,814	\$165,670
- Initial Cash Invested	-\$266,805	-\$266,805	-\$266,805	-\$266,805	-\$266,805	-\$266,805	-\$266,805	-\$266,805	-\$266,805	-\$266,805
= Net Profit	\$1,490	\$23,990	\$47,166	\$71,036	\$95,623	\$120,947	\$147,031	\$173,898	\$201,571	\$230,073
Internal Rate of Return	0.6%	4.5%	5.9%	6.6%	7.0%	7.2%	7.4%	7.6%	7.7%	7.8%
Return on Investment	1%	9%	18%	27%	36%	45%	55%	65%	76%	86%

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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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