

## Property Summary

2200 E 12th St  
Des Moines, Ia 50316



### Overview

Finished Area (Square Feet)	1263
Initial Market Value	\$139,750
Purchase Price	\$139,750
Downpayment	\$27,950
Closing Costs	\$1,805
<b>Initial Cash Invested</b>	<b>\$29,755</b>

Income & Expenses	Monthly	Annual
Gross Rent	\$1,195	\$14,340
Vacancy Losses	\$60	\$717
<b>Operating Income</b>	<b>\$1,135</b>	<b>\$13,623</b>
<b>Operating Expenses</b>	<b>\$533</b>	<b>\$6,399</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$602</b>	<b>\$7,224</b>
- Mortgage Payments	\$479	\$5,747
<b>= Cash Flow</b>	<b>\$123</b>	<b>\$1,477</b>
+ Principal Reduction	\$192	\$2,303
+ First-Year Appreciation	\$408	\$4,891
<b>= Gross Equity Income</b>	<b>\$723</b>	<b>\$8,671</b>

### Financial Indicators (Year 1)

Capitalization Rate	5.2%
Cash on Cash Return	5.0%
<b>Total Return on Investment</b>	<b>29.1%</b>
<b>Total ROI with Tax Savings</b>	<b>32.6%</b>

### Assumptions

Real Estate Appreciation Rate	3.5%
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

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### Overview

Finished Area (Square Feet)	1263
Initial Market Value	\$139,750
Purchase Price	\$139,750
Downpayment	\$27,950
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
<b>Initial Cash Invested</b>	<b>\$29,755</b>
Cost per Square Foot	\$111
Monthly Rent per Square Foot	\$0.95

Income	Monthly	Annual
Gross Rent	\$1,195	\$14,340
Vacancy Losses	-\$60	-\$717
<b>Operating Income</b>	<b>\$1,135</b>	<b>\$13,623</b>

Expenses	Monthly	Annual
Property Taxes	-\$259	-\$3,112
Insurance	-\$64	-\$770
Management Fees	-\$102	-\$1,226
Leasing/Advertising Fees	-\$18	-\$215
Association Fees	\$0	\$0
Maintenance	-\$90	-\$1,076
Other	\$0	\$0
<b>Operating Expenses</b>	<b>-\$533</b>	<b>-\$6,399</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$602</b>	<b>\$7,224</b>
- Mortgage Payments	-\$479	-\$5,747
<b>= Cash Flow</b>	<b>\$123</b>	<b>\$1,477</b>
+ Principal Reduction	\$192	\$2,303
+ First-Year Appreciation	\$408	\$4,891
<b>= Gross Equity Income</b>	<b>\$723</b>	<b>\$8,671</b>
+ Tax Savings	\$85	\$1,016
<b>= GEI w/Tax Savings</b>	<b>\$807</b>	<b>\$9,687</b>

### Mortgage Info

Loan-to-Value Ratio	80%
Loan Amount	\$111,800
Monthly Payment	\$479
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	3.13%

### Financial Indicators

Debt Coverage Ratio	1.3
Annual Gross Rent Multiplier	9.7
Monthly Gross Rent Multiplier	116.9
Capitalization Rate	5.2%
Cash on Cash Return	5.0%
<b>Total Return on Investment</b>	<b>29.1%</b>
<b>Total ROI with Tax Savings</b>	<b>32.6%</b>

### Assumptions

Real Estate Appreciation Rate	3.5%
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	\$14,340	\$14,842	\$15,361	\$15,899	\$16,455	\$17,031	\$17,628	\$18,244	\$18,883	\$19,544
Vacancy Losses	-\$717	-\$742	-\$768	-\$795	-\$823	-\$852	-\$881	-\$912	-\$944	-\$977
<b>Operating Income</b>	<b>\$13,623</b>	<b>\$14,100</b>	<b>\$14,593</b>	<b>\$15,104</b>	<b>\$15,633</b>	<b>\$16,180</b>	<b>\$16,746</b>	<b>\$17,332</b>	<b>\$17,939</b>	<b>\$18,567</b>

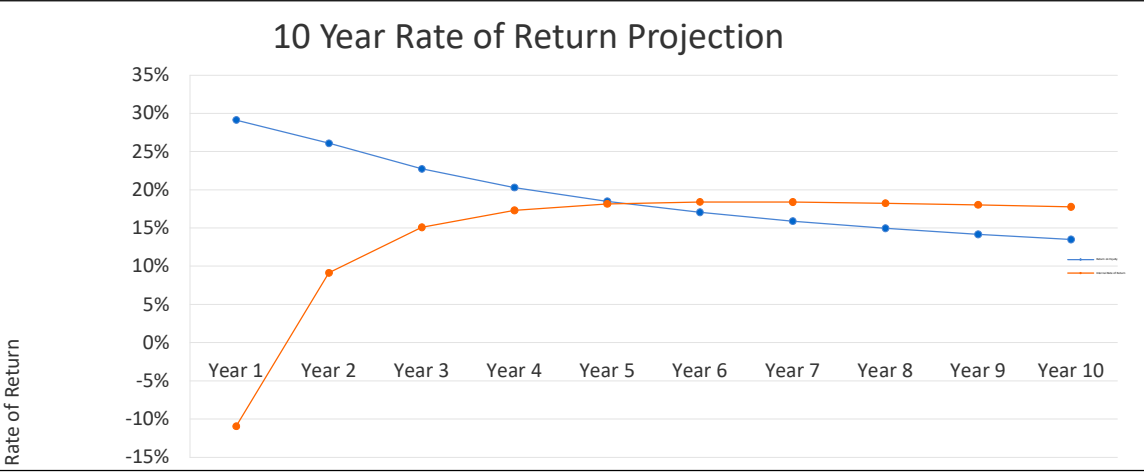
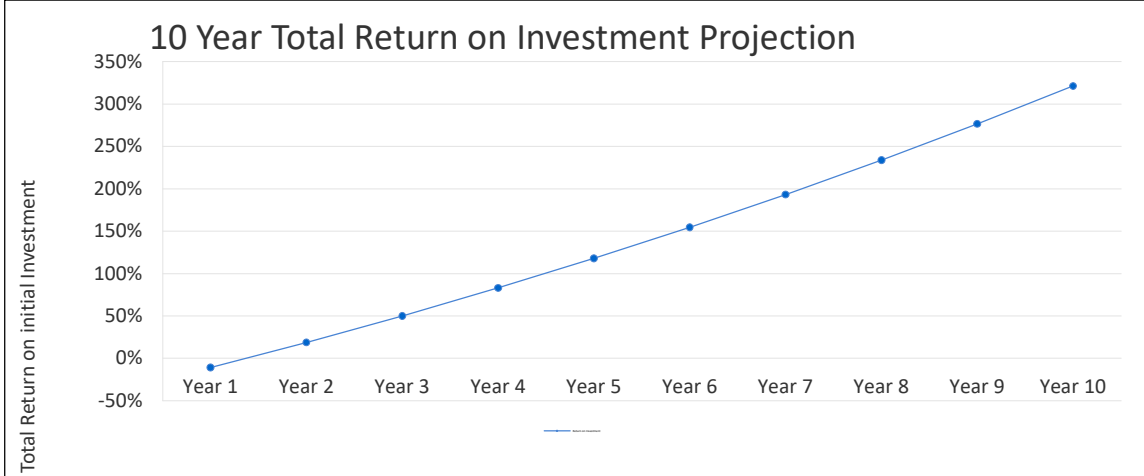
Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$3,112	-\$3,221	-\$3,334	-\$3,451	-\$3,571	-\$3,696	-\$3,826	-\$3,960	-\$4,098	-\$4,242
Insurance	-\$770	-\$797	-\$825	-\$854	-\$884	-\$915	-\$947	-\$980	-\$1,014	-\$1,049
Management Fees	-\$1,226	-\$1,269	-\$1,313	-\$1,359	-\$1,407	-\$1,456	-\$1,507	-\$1,560	-\$1,615	-\$1,671
Leasing/Advertising Fees	-\$215	-\$223	-\$230	-\$238	-\$247	-\$255	-\$264	-\$274	-\$283	-\$293
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$1,076	-\$1,113	-\$1,152	-\$1,192	-\$1,234	-\$1,277	-\$1,322	-\$1,368	-\$1,416	-\$1,466
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>	<b>-\$6,399</b>	<b>-\$6,623</b>	<b>-\$6,855</b>	<b>-\$7,095</b>	<b>-\$7,343</b>	<b>-\$7,600</b>	<b>-\$7,866</b>	<b>-\$8,141</b>	<b>-\$8,426</b>	<b>-\$8,721</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	\$7,224	\$7,477	\$7,739	\$8,010	\$8,290	\$8,580	\$8,880	\$9,191	\$9,513	\$9,846
- Mortgage Payments	-\$5,747	-\$5,747	-\$5,747	-\$5,747	-\$5,747	-\$5,747	-\$5,747	-\$5,747	-\$5,747	-\$5,747
= Cash Flow	\$1,477	\$1,730	\$1,992	\$2,262	\$2,543	\$2,833	\$3,133	\$3,444	\$3,766	\$4,099
+ Principal Reduction	\$2,303	\$2,375	\$2,449	\$2,525	\$2,604	\$2,686	\$2,770	\$2,856	\$2,945	\$3,038
+ Appreciation	\$4,891	\$5,062	\$5,240	\$5,423	\$5,613	\$5,809	\$6,013	\$6,223	\$6,441	\$6,666
= Gross Equity Income	\$8,671	\$9,167	\$9,680	\$10,211	\$10,760	\$11,328	\$11,915	\$12,523	\$13,152	\$13,802
Capitalization Rate	5.2%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Cash on Cash Return	5.0%	5.8%	6.7%	7.6%	8.5%	9.5%	10.5%	11.6%	12.7%	13.8%
<b>Return on Equity</b>	<b>29.1%</b>	<b>26.1%</b>	<b>22.7%</b>	<b>20.3%</b>	<b>18.5%</b>	<b>17.1%</b>	<b>15.9%</b>	<b>15.0%</b>	<b>14.2%</b>	<b>13.5%</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>\$144,641</b>	<b>\$149,704</b>	<b>\$154,943</b>	<b>\$160,366</b>	<b>\$165,979</b>	<b>\$171,788</b>	<b>\$177,801</b>	<b>\$184,024</b>	<b>\$190,465</b>	<b>\$197,131</b>
- Loan Balance	-\$109,497	-\$107,123	-\$104,674	-\$102,148	-\$99,544	-\$96,858	-\$94,088	-\$91,232	-\$88,287	-\$85,249
= Equity	\$35,144	\$42,581	\$50,270	\$58,218	\$66,435	\$74,930	\$83,713	\$92,792	\$102,178	\$111,882
Loan-to-Value Ratio	76%	72%	68%	64%	60%	56%	53%	50%	46%	43%
<b>Potential Cash-Out Refi</b>	<b>\$6,216</b>	<b>\$12,640</b>	<b>\$19,281</b>	<b>\$26,145</b>	<b>\$33,240</b>	<b>\$40,573</b>	<b>\$48,152</b>	<b>\$55,987</b>	<b>\$64,085</b>	<b>\$72,456</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>\$35,144</b>	<b>\$42,581</b>	<b>\$50,270</b>	<b>\$58,218</b>	<b>\$66,435</b>	<b>\$74,930</b>	<b>\$83,713</b>	<b>\$92,792</b>	<b>\$102,178</b>	<b>\$111,882</b>
- Closing Costs	-\$10,125	-\$10,479	-\$10,846	-\$11,226	-\$11,619	-\$12,025	-\$12,446	-\$12,882	-\$13,333	-\$13,799
= Proceeds After Sale	\$25,019	\$32,102	\$39,424	\$46,993	\$54,817	\$62,905	\$71,267	\$79,910	\$88,846	\$98,083
+ Cumulative Cash Flow	\$1,477	\$3,207	\$5,199	\$7,461	\$10,004	\$12,837	\$15,970	\$19,414	\$23,180	\$27,278
- Initial Cash Invested	-\$29,755	-\$29,755	-\$29,755	-\$29,755	-\$29,755	-\$29,755	-\$29,755	-\$29,755	-\$29,755	-\$29,755
= <b>Net Profit</b>	<b>-\$3,259</b>	<b>\$5,554</b>	<b>\$14,867</b>	<b>\$24,698</b>	<b>\$35,066</b>	<b>\$45,987</b>	<b>\$57,481</b>	<b>\$69,569</b>	<b>\$82,270</b>	<b>\$95,606</b>
Internal Rate of Return	-11.0%	9.1%	15.1%	17.3%	18.2%	18.4%	18.4%	18.3%	18.0%	17.8%
<b>Return on Investment</b>	<b>-11%</b>	<b>19%</b>	<b>50%</b>	<b>83%</b>	<b>118%</b>	<b>155%</b>	<b>193%</b>	<b>234%</b>	<b>276%</b>	<b>321%</b>

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Assumptions	
Closing Costs at Sale	7.0%
Rent Appreciation Rate	3.5%
Property Tax Appreciation	3.5%
Insurance Appreciation	3.5%
Management fee Appreciation	3.5%
Leasing/Advertising Fees Appr	3.5%
Association Fees Appreciation	3.5%
Maintenance Appreciation	3.5%
Other Appreciation	3.5%

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