

## Property Summary

3721 Williams St  
Des Moines, IA 50317



### Overview

Finished Area (Square Feet)	1171
Initial Market Value	\$148,800
Purchase Price	\$148,800
Downpayment	\$29,760
Closing Costs	\$1,805
<b>Initial Cash Invested</b>	<b>\$31,565</b>

Income & Expenses	Monthly	Annual
Gross Rent	\$1,295	\$15,540
Vacancy Losses	\$65	\$777
<b>Operating Income</b>	<b>\$1,230</b>	<b>\$14,763</b>
<b>Operating Expenses</b>	<b>\$494</b>	<b>\$5,927</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$736</b>	<b>\$8,836</b>
- Mortgage Payments	\$528	\$6,335
<b>= Cash Flow</b>	<b>\$208</b>	<b>\$2,501</b>
+ Principal Reduction	\$195	\$2,344
+ First-Year Appreciation	\$372	\$4,464
<b>= Gross Equity Income</b>	<b>\$776</b>	<b>\$9,309</b>

### Financial Indicators (Year 1)

Capitalization Rate	5.9%
Cash on Cash Return	7.9%
<b>Total Return on Investment</b>	<b>29.5%</b>
<b>Total ROI with Tax Savings</b>	<b>32.9%</b>

### 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

3721 Williams St  
Des Moines, IA 50317



### Overview

Finished Area (Square Feet)	1171
Initial Market Value	\$148,800
Purchase Price	\$148,800
Downpayment	\$29,760
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
<b>Initial Cash Invested</b>	<b>\$31,565</b>
Cost per Square Foot	\$127
Monthly Rent per Square Foot	\$1.11

Income	Monthly	Annual
Gross Rent	\$1,295	\$15,540
Vacancy Losses	-\$65	-\$777
<b>Operating Income</b>	<b>\$1,230</b>	<b>\$14,763</b>

Expenses	Monthly	Annual
Property Taxes	-\$217	-\$2,600
Insurance	-\$50	-\$600
Management Fees	-\$111	-\$1,329
Leasing/Advertising Fees	-\$19	-\$233
Association Fees	\$0	\$0
Maintenance	-\$97	-\$1,166
Other	\$0	\$0
<b>Operating Expenses</b>	<b>-\$494</b>	<b>-\$5,927</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$736</b>	<b>\$8,836</b>
- Mortgage Payments	-\$528	-\$6,335
<b>= Cash Flow</b>	<b>\$208</b>	<b>\$2,501</b>
+ Principal Reduction	\$195	\$2,344
+ First-Year Appreciation	\$372	\$4,464
<b>= Gross Equity Income</b>	<b>\$776</b>	<b>\$9,309</b>
+ Tax Savings	\$90	\$1,082
<b>= GEI w/Tax Savings</b>	<b>\$866</b>	<b>\$10,391</b>

### Mortgage Info

Loan-to-Value Ratio	80%
Loan Amount	\$119,040
Monthly Payment	\$528
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	3.40%

### Financial Indicators

Debt Coverage Ratio	1.4
Annual Gross Rent Multiplier	9.6
Monthly Gross Rent Multiplier	114.9
Capitalization Rate	5.9%
Cash on Cash Return	7.9%
<b>Total Return on Investment</b>	<b>29.5%</b>
<b>Total ROI with Tax Savings</b>	<b>32.9%</b>

### Assumptions

Real Estate Appreciation Rate	3.0%
Vacancy Rate	5.0%
Management Fee	9.0%
Maintenance Percentage	7.5%

\*Information is not guaranteed and investors should do their own research, get professional advice and conduct due diligence prior to investing.

## 10 Year Performance Projection

3721 Williams St  
Des Moines, IA 50317



Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent	\$15,540	\$16,006	\$16,486	\$16,981	\$17,490	\$18,015	\$18,556	\$19,112	\$19,686	\$20,276
Vacancy Losses	-\$777	-\$800	-\$824	-\$849	-\$875	-\$901	-\$928	-\$956	-\$984	-\$1,014
<b>Operating Income</b>	<b>\$14,763</b>	<b>\$15,206</b>	<b>\$15,662</b>	<b>\$16,132</b>	<b>\$16,616</b>	<b>\$17,114</b>	<b>\$17,628</b>	<b>\$18,157</b>	<b>\$18,701</b>	<b>\$19,262</b>

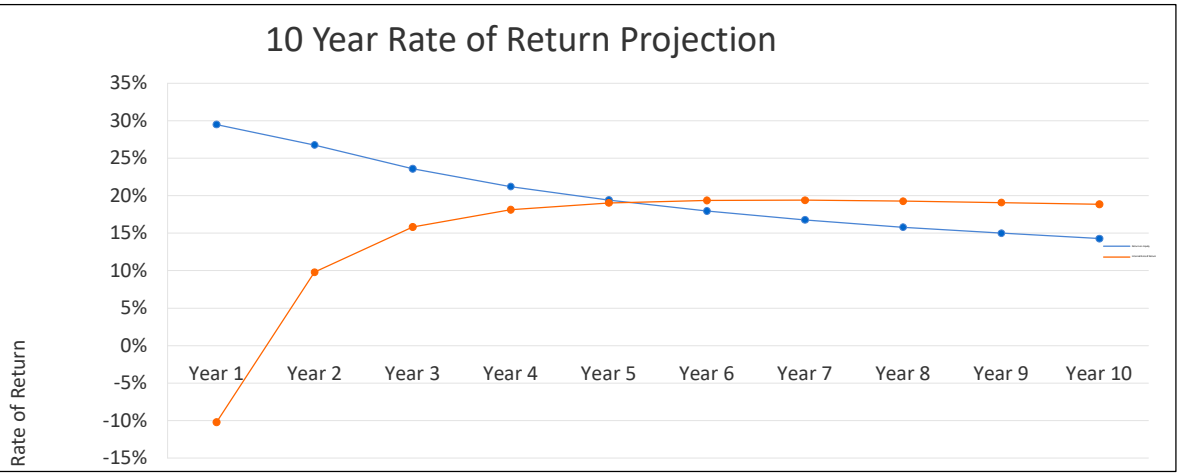
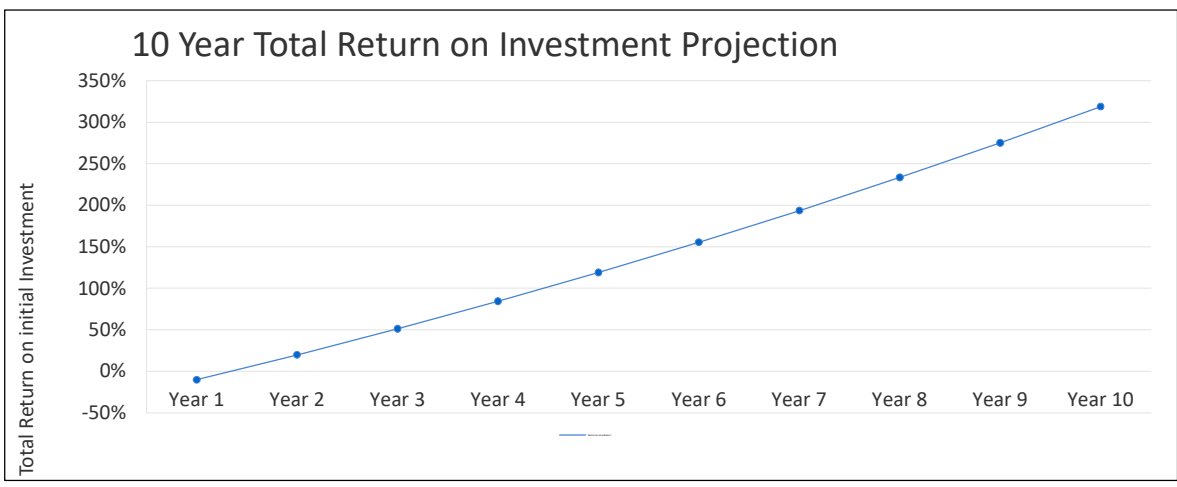
Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,600	-\$2,678	-\$2,758	-\$2,841	-\$2,926	-\$3,014	-\$3,105	-\$3,198	-\$3,294	-\$3,392
Insurance	-\$600	-\$618	-\$637	-\$656	-\$675	-\$696	-\$716	-\$738	-\$760	-\$783
Management Fees	-\$1,329	-\$1,369	-\$1,410	-\$1,452	-\$1,495	-\$1,540	-\$1,587	-\$1,634	-\$1,683	-\$1,734
Leasing/Advertising Fees	-\$233	-\$240	-\$247	-\$255	-\$262	-\$270	-\$278	-\$287	-\$295	-\$304
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$1,166	-\$1,200	-\$1,236	-\$1,274	-\$1,312	-\$1,351	-\$1,392	-\$1,433	-\$1,476	-\$1,521
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>	<b>-\$5,927</b>	<b>-\$6,105</b>	<b>-\$6,288</b>	<b>-\$6,477</b>	<b>-\$6,671</b>	<b>-\$6,871</b>	<b>-\$7,077</b>	<b>-\$7,290</b>	<b>-\$7,508</b>	<b>-\$7,734</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	\$8,836	\$9,101	\$9,374	\$9,655	\$9,945	\$10,243	\$10,550	\$10,867	\$11,193	\$11,529
- Mortgage Payments	-\$6,335	-\$6,335	-\$6,335	-\$6,335	-\$6,335	-\$6,335	-\$6,335	-\$6,335	-\$6,335	-\$6,335
= Cash Flow	\$2,501	\$2,766	\$3,039	\$3,320	\$3,610	\$3,908	\$4,215	\$4,532	\$4,858	\$5,194
+ Principal Reduction	\$2,344	\$2,424	\$2,506	\$2,591	\$2,680	\$2,771	\$2,865	\$2,962	\$3,063	\$3,167
+ Appreciation	\$4,464	\$4,598	\$4,736	\$4,878	\$5,024	\$5,175	\$5,330	\$5,490	\$5,655	\$5,825
= Gross Equity Income	\$9,309	\$9,788	\$10,281	\$10,789	\$11,314	\$11,854	\$12,410	\$12,984	\$13,576	\$14,185
Capitalization Rate	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Cash on Cash Return	7.9%	8.8%	9.6%	10.5%	11.4%	12.4%	13.4%	14.4%	15.4%	16.5%
<b>Return on Equity</b>	<b>29.5%</b>	<b>26.8%</b>	<b>23.6%</b>	<b>21.2%</b>	<b>19.4%</b>	<b>18.0%</b>	<b>16.8%</b>	<b>15.8%</b>	<b>15.0%</b>	<b>14.3%</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>\$153,264</b>	<b>\$157,862</b>	<b>\$162,598</b>	<b>\$167,476</b>	<b>\$172,500</b>	<b>\$177,675</b>	<b>\$183,005</b>	<b>\$188,495</b>	<b>\$194,150</b>	<b>\$199,975</b>
- Loan Balance	-\$116,696	-\$114,272	-\$111,766	-\$109,174	-\$106,495	-\$103,724	-\$100,859	-\$97,897	-\$94,834	-\$91,666
= Equity	\$36,568	\$43,590	\$50,832	\$58,302	\$66,005	\$73,951	\$82,146	\$90,599	\$99,317	\$108,308
Loan-to-Value Ratio	76%	72%	69%	65%	62%	58%	55%	52%	49%	46%
<b>Potential Cash-Out Refi</b>	<b>\$5,915</b>	<b>\$12,018</b>	<b>\$18,313</b>	<b>\$24,806</b>	<b>\$31,505</b>	<b>\$38,416</b>	<b>\$45,545</b>	<b>\$52,900</b>	<b>\$60,487</b>	<b>\$68,313</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>\$36,568</b>	<b>\$43,590</b>	<b>\$50,832</b>	<b>\$58,302</b>	<b>\$66,005</b>	<b>\$73,951</b>	<b>\$82,146</b>	<b>\$90,599</b>	<b>\$99,317</b>	<b>\$108,308</b>
- Closing Costs	-\$10,728	-\$11,050	-\$11,382	-\$11,723	-\$12,075	-\$12,437	-\$12,810	-\$13,195	-\$13,591	-\$13,998
= <b>Proceeds After Sale</b>	<b>\$25,840</b>	<b>\$32,540</b>	<b>\$39,450</b>	<b>\$46,578</b>	<b>\$53,930</b>	<b>\$61,514</b>	<b>\$69,336</b>	<b>\$77,404</b>	<b>\$85,726</b>	<b>\$94,310</b>
+ <b>Cumulative Cash Flow</b>	<b>\$2,501</b>	<b>\$5,266</b>	<b>\$8,305</b>	<b>\$11,625</b>	<b>\$15,235</b>	<b>\$19,143</b>	<b>\$23,358</b>	<b>\$27,890</b>	<b>\$32,748</b>	<b>\$37,941</b>
- Initial Cash Invested	-\$31,565	-\$31,565	-\$31,565	-\$31,565	-\$31,565	-\$31,565	-\$31,565	-\$31,565	-\$31,565	-\$31,565
= <b>Net Profit</b>	<b>-\$3,225</b>	<b>\$6,241</b>	<b>\$16,190</b>	<b>\$26,638</b>	<b>\$37,600</b>	<b>\$49,092</b>	<b>\$61,129</b>	<b>\$73,729</b>	<b>\$86,909</b>	<b>\$100,686</b>
Internal Rate of Return	-10.2%	9.8%	15.8%	18.1%	19.1%	19.4%	19.4%	19.3%	19.1%	18.8%
<b>Return on Investment</b>	<b>-10%</b>	<b>20%</b>	<b>51%</b>	<b>84%</b>	<b>119%</b>	<b>156%</b>	<b>194%</b>	<b>234%</b>	<b>275%</b>	<b>319%</b>

\*Information is not guaranteed and investors should do their own research, get professional advice and conduct due diligence prior to investing.



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%

\*Information is not guaranteed and investors should do their own research, get professional advice and conduct due diligence prior to investing.