

Property Summary

819 E Sheridan Ave
Des Moines, IA 50316

Overview

Finished Area (Square Feet)	1344
Initial Market Value	\$198,900
Purchase Price	\$198,900
Downpayment	\$198,900
Closing Costs	\$1,805
Initial Cash Invested	\$200,705

Income & Expenses	Monthly	Annual
Gross Rent	\$1,495	\$17,940
Vacancy Losses	\$75	\$897
Operating Income	\$1,420	\$17,043
Operating Expenses	\$555	\$6,660

Net Performance	Monthly	Annual
Net Operating Income	\$865	\$10,383
- Mortgage Payments	\$0	\$0
= Cash Flow	\$865	\$10,383
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$829	\$9,945
= Gross Equity Income	\$1,694	\$20,328

Financial Indicators (Year 1)

Capitalization Rate	5.2%
Cash on Cash Return	5.2%
Total Return on Investment	10.1%
Total ROI with Tax Savings	10.8%

Assumptions

Real Estate Appreciation Rate	5.0%
Vacancy Rate	5.0%
Management Fee	9.0%

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Year 1 Performance Projection

819 E Sheridan Ave
Des Moines, IA 50316



Overview

Finished Area (Square Feet)	1344
Initial Market Value	\$198,900
Purchase Price	\$198,900
Downpayment	\$198,900
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
Initial Cash Invested	\$200,705
Cost per Square Foot	\$148
Monthly Rent per Square Foot	\$1.11

Income	Monthly	Annual
Gross Rent	\$1,495	\$17,940
Vacancy Losses	-\$75	-\$897
Operating Income	\$1,420	\$17,043

Expenses	Monthly	Annual
Property Taxes	-\$243	-\$2,912
Insurance	-\$50	-\$600
Management Fees	-\$128	-\$1,534
Leasing/Advertising Fees	-\$22	-\$269
Association Fees	\$0	\$0
Maintenance	-\$112	-\$1,346
Water/Trash/Lawn & Snow	\$0	\$0
Operating Expenses	-\$555	-\$6,660

Net Performance	Monthly	Annual
Net Operating Income	\$865	\$10,383
- Mortgage Payments	\$0	\$0
= Cash Flow	\$865	\$10,383
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$829	\$9,945
= Gross Equity Income	\$1,694	\$20,328
+ Tax Savings	\$121	\$1,447
= GEI w/Tax Savings	\$1,815	\$21,774

Mortgage Info

Loan-to-Value Ratio	0%
Loan Amount	\$0
Monthly Payment	\$0
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	4.25%

Financial Indicators

Debt Coverage Ratio	#DIV/0!
Annual Gross Rent Multiplier	11.1
Monthly Gross Rent Multiplier	133.0
Capitalization Rate	5.2%
Cash on Cash Return	5.2%
Total Return on Investment	10.1%
Total ROI with Tax Savings	10.8%

Assumptions

Real Estate Appreciation Rate	5.0%
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	\$17,940	\$18,837	\$19,779	\$20,768	\$21,806	\$22,896	\$24,041	\$25,243	\$26,506	\$27,831
Vacancy Losses	-\$897	-\$942	-\$989	-\$1,038	-\$1,090	-\$1,145	-\$1,202	-\$1,262	-\$1,325	-\$1,392
Operating Income	\$17,043	\$17,895	\$18,790	\$19,729	\$20,716	\$21,752	\$22,839	\$23,981	\$25,180	\$26,439

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$2,912	-\$3,058	-\$3,210	-\$3,371	-\$3,540	-\$3,717	-\$3,902	-\$4,097	-\$4,302	-\$4,517
Insurance	-\$600	-\$630	-\$662	-\$695	-\$729	-\$766	-\$804	-\$844	-\$886	-\$931
Management Fees	-\$1,534	-\$1,611	-\$1,691	-\$1,776	-\$1,864	-\$1,958	-\$2,056	-\$2,158	-\$2,266	-\$2,380
Leasing/Advertising Fees	-\$269	-\$283	-\$297	-\$312	-\$327	-\$343	-\$361	-\$379	-\$398	-\$417
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$1,346	-\$1,413	-\$1,483	-\$1,558	-\$1,635	-\$1,717	-\$1,803	-\$1,893	-\$1,988	-\$2,087
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	-\$6,660	-\$6,993	-\$7,343	-\$7,710	-\$8,096	-\$8,501	-\$8,926	-\$9,372	-\$9,841	-\$10,333

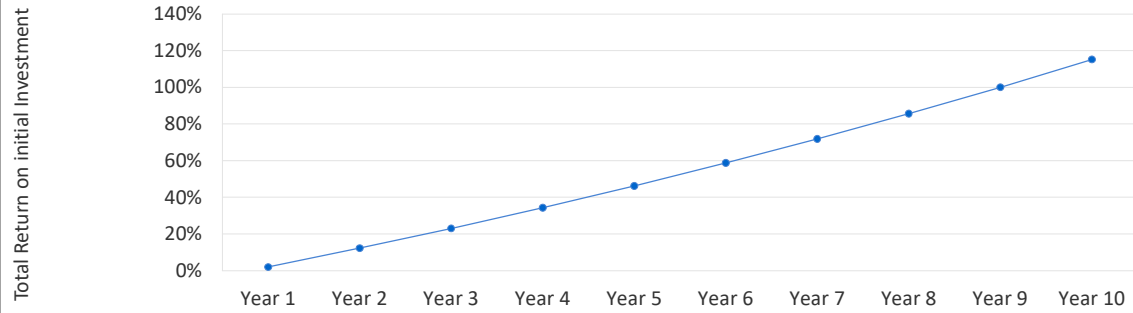
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$10,383	\$10,902	\$11,447	\$12,019	\$12,620	\$13,251	\$13,914	\$14,609	\$15,340	\$16,107
- Mortgage Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Cash Flow	\$10,383	\$10,902	\$11,447	\$12,019	\$12,620	\$13,251	\$13,914	\$14,609	\$15,340	\$16,107
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$9,945	\$10,442	\$10,964	\$11,513	\$12,088	\$12,693	\$13,327	\$13,994	\$14,693	\$15,428
= Gross Equity Income	\$20,328	\$21,344	\$22,411	\$23,532	\$24,708	\$25,944	\$27,241	\$28,603	\$30,033	\$31,535
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	5.2%	5.4%	5.7%	6.0%	6.3%	6.6%	6.9%	7.3%	7.6%	8.0%
Return on Equity	10.1%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$208,845	\$219,287	\$230,252	\$241,764	\$253,852	\$266,545	\$279,872	\$293,866	\$308,559	\$323,987
- Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Equity	\$208,845	\$219,287	\$230,252	\$241,764	\$253,852	\$266,545	\$279,872	\$293,866	\$308,559	\$323,987
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

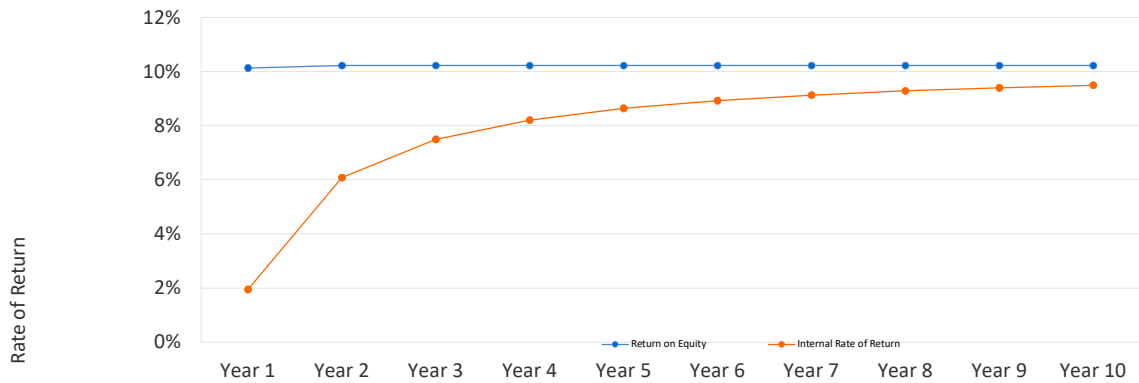
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$208,845	\$219,287	\$230,252	\$241,764	\$253,852	\$266,545	\$279,872	\$293,866	\$308,559	\$323,987
- Closing Costs	-\$14,619	-\$15,350	-\$16,118	-\$16,923	-\$17,770	-\$18,658	-\$19,591	-\$20,571	-\$21,599	-\$22,679
= Proceeds After Sale	\$194,226	\$203,937	\$214,134	\$224,841	\$236,083	\$247,887	\$260,281	\$273,295	\$286,960	\$301,308
+ Cumulative Cash Flow	\$10,383	\$21,284	\$32,731	\$44,750	\$57,370	\$70,621	\$84,535	\$99,144	\$114,484	\$130,590
- Initial Cash Invested	-\$200,705	-\$200,705	-\$200,705	-\$200,705	-\$200,705	-\$200,705	-\$200,705	-\$200,705	-\$200,705	-\$200,705
= Net Profit	\$3,903	\$24,516	\$46,160	\$68,886	\$92,748	\$117,803	\$144,111	\$171,734	\$200,739	\$231,193
Internal Rate of Return	1.9%	6.1%	7.5%	8.2%	8.6%	8.9%	9.1%	9.3%	9.4%	9.5%
Return on Investment	2%	12%	23%	34%	46%	59%	72%	86%	100%	115%

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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	5.0%
Property Tax Appreciation	5.0%
Insurance Appreciation	5.0%
Management fee Appreciation	5.0%
Leasing/Advertising Fees Appr	5.0%
Association Fees Appreciation	5.0%
Maintenance Appreciation	5.0%
Other Appreciation	5.0%

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