

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	\$39,780
Closing Costs	\$1,805
Initial Cash Invested	\$41,585

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	\$783	\$9,393
= Cash Flow	\$82	\$989
+ Principal Reduction	\$227	\$2,721
+ First-Year Appreciation	\$829	\$9,945
= Gross Equity Income	\$1,138	\$13,655

Financial Indicators (Year 1)

Capitalization Rate	5.2%
Cash on Cash Return	2.4%
Total Return on Investment	32.8%
Total ROI with Tax Savings	36.3%

Assumptions

Real Estate Appreciation Rate	5.0%
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

819 E Sheridan Ave
Des Moines, IA 50316



Overview

Finished Area (Square Feet)	1344
Initial Market Value	\$198,900
Purchase Price	\$198,900
Downpayment	\$39,780
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
Initial Cash Invested	\$41,585
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	-\$783	-\$9,393
= Cash Flow	\$82	\$989
+ Principal Reduction	\$227	\$2,721
+ First-Year Appreciation	\$829	\$9,945
= Gross Equity Income	\$1,138	\$13,655
+ Tax Savings	\$121	\$1,447
= GEI w/Tax Savings	\$1,258	\$15,101

Mortgage Info

Loan-to-Value Ratio	80%
Loan Amount	\$159,120
Monthly Payment	\$783
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	4.25%

Financial Indicators

Debt Coverage Ratio	1.1
Annual Gross Rent Multiplier	11.1
Monthly Gross Rent Multiplier	133.0
Capitalization Rate	5.2%
Cash on Cash Return	2.4%
Total Return on Investment	32.8%
Total ROI with Tax Savings	36.3%

Assumptions

Real Estate Appreciation Rate	5.0%
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

819 E Sheridan Ave
Des Moines, IA 50316



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

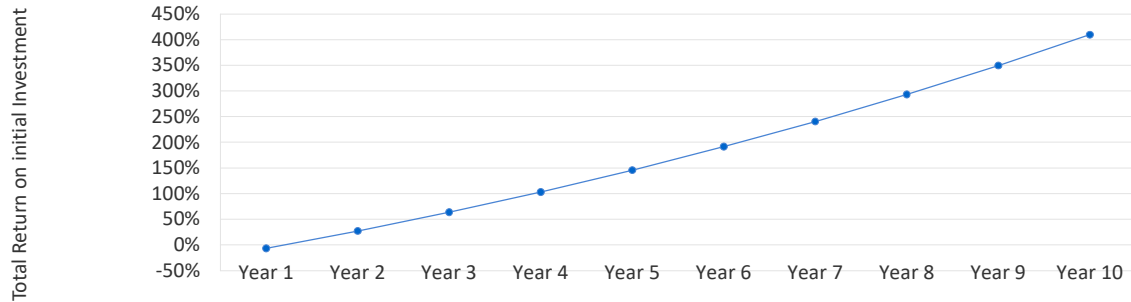
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$10,383	\$10,902	\$11,447	\$12,019	\$12,620	\$13,251	\$13,914	\$14,609	\$15,340	\$16,107
- Mortgage Payments	-\$9,393	-\$9,393	-\$9,393	-\$9,393	-\$9,393	-\$9,393	-\$9,393	-\$9,393	-\$9,393	-\$9,393
= Cash Flow	\$989	\$1,508	\$2,053	\$2,626	\$3,227	\$3,858	\$4,520	\$5,216	\$5,946	\$6,713
+ Principal Reduction	\$2,721	\$2,836	\$2,957	\$3,083	\$3,214	\$3,350	\$3,492	\$3,641	\$3,796	\$3,957
+ Appreciation	\$9,945	\$10,442	\$10,964	\$11,513	\$12,088	\$12,693	\$13,327	\$13,994	\$14,693	\$15,428
= Gross Equity Income	\$13,655	\$14,787	\$15,975	\$17,221	\$18,528	\$19,900	\$21,340	\$22,850	\$24,435	\$26,098
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	2.4%	3.6%	4.9%	6.3%	7.8%	9.3%	10.9%	12.5%	14.3%	16.1%
Return on Equity	32.8%	28.2%	24.3%	21.6%	19.7%	18.2%	17.0%	16.0%	15.3%	14.6%

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	-\$156,399	-\$153,563	-\$150,606	-\$147,524	-\$144,310	-\$140,960	-\$137,468	-\$133,827	-\$130,031	-\$126,074
= Equity	\$52,446	\$65,724	\$79,645	\$94,241	\$109,542	\$125,585	\$142,405	\$160,039	\$178,528	\$197,913
Loan-to-Value Ratio	75%	70%	65%	61%	57%	53%	49%	46%	42%	39%
Potential Cash-Out Refi	\$10,677	\$21,867	\$33,595	\$45,888	\$58,772	\$72,276	\$86,430	\$101,266	\$116,816	\$133,116

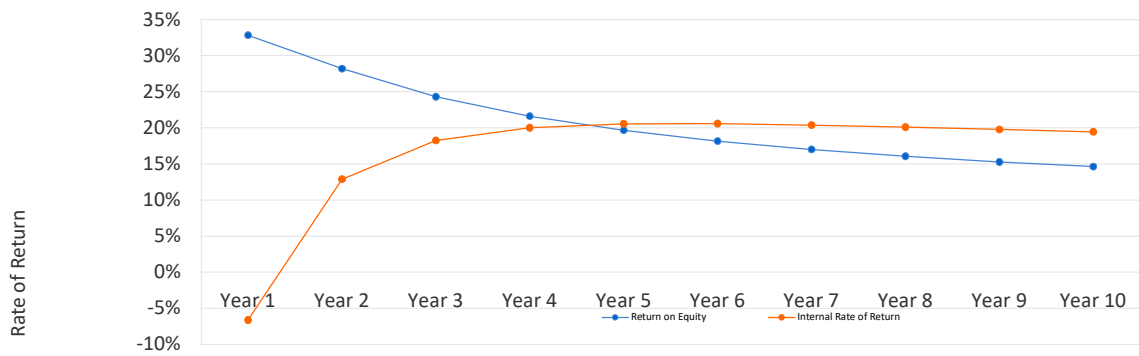
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$52,446	\$65,724	\$79,645	\$94,241	\$109,542	\$125,585	\$142,405	\$160,039	\$178,528	\$197,913
- Closing Costs	-\$14,619	-\$15,350	-\$16,118	-\$16,923	-\$17,770	-\$18,658	-\$19,591	-\$20,571	-\$21,599	-\$22,679
= Proceeds After Sale	\$37,827	\$50,374	\$63,528	\$77,317	\$91,773	\$106,927	\$122,814	\$139,469	\$156,929	\$175,234
+ Cumulative Cash Flow	\$989	\$2,498	\$4,551	\$7,177	\$10,404	\$14,261	\$18,782	\$23,998	\$29,944	\$36,657
- Initial Cash Invested	-\$41,585	-\$41,585	-\$41,585	-\$41,585	-\$41,585	-\$41,585	-\$41,585	-\$41,585	-\$41,585	-\$41,585
= Net Profit	-\$2,769	\$11,287	\$26,494	\$42,909	\$60,591	\$79,603	\$100,010	\$121,881	\$145,288	\$170,306
Internal Rate of Return	-6.7%	12.9%	18.2%	20.0%	20.6%	20.6%	20.4%	20.1%	19.8%	19.4%
Return on Investment	-7%	27%	64%	103%	146%	191%	240%	293%	349%	410%

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

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%

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