

Property Summary

1326 De Wolf St
Des Moines, IA 50316



Overview

Finished Area (Square Feet)	1658
Initial Market Value	\$214,500
Purchase Price	\$214,500
Downpayment	\$42,900
Closing Costs	\$1,805
Initial Cash Invested	\$44,705

Income & Expenses	Monthly	Annual
Gross Rent	\$1,645	\$19,740
Vacancy Losses	\$82	\$987
Operating Income	\$1,563	\$18,753
Operating Expenses	\$472	\$5,659



Net Performance	Monthly	Annual
Net Operating Income	\$1,091	\$13,094
- Mortgage Payments	\$1,015	\$12,181
= Cash Flow	\$76	\$913
+ Principal Reduction	\$185	\$2,219
+ First-Year Appreciation	\$983	\$11,798
= Gross Equity Income	\$1,244	\$14,929

Financial Indicators (Year 1)

Capitalization Rate	6.1%
Cash on Cash Return	2.0%
Total Return on Investment	33.4%
Total ROI with Tax Savings	36.9%

Assumptions

Real Estate Appreciation Rate	5.5%
Vacancy Rate	5.0%
Management Fee	9.0%

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Year 1 Performance Projection

1326 De Wolf St
Des Moines, IA 50316



Overview

Finished Area (Square Feet)	1658
Initial Market Value	\$214,500
Purchase Price	\$214,500
Downpayment	\$42,900
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
Initial Cash Invested	\$44,705
Cost per Square Foot	\$129
Monthly Rent per Square Foot	\$0.99



Income	Monthly	Annual
Gross Rent	\$1,645	\$19,740
Vacancy Losses	-\$82	-\$987
Operating Income	\$1,563	\$18,753

Expenses	Monthly	Annual
Property Taxes	-\$125	-\$1,495
Insurance	-\$58	-\$700
Management Fees	-\$141	-\$1,688
Leasing/Advertising Fees	-\$25	-\$296
Association Fees	\$0	\$0
Maintenance	-\$123	-\$1,481
Water/Trash/Lawn & Snow	\$0	\$0
Operating Expenses	-\$472	-\$5,659

Net Performance	Monthly	Annual
Net Operating Income	\$1,091	\$13,094
- Mortgage Payments	-\$1,015	-\$12,181
= Cash Flow	\$76	\$913
+ Principal Reduction	\$185	\$2,219
+ First-Year Appreciation	\$983	\$11,798
= Gross Equity Income	\$1,244	\$14,929
+ Tax Savings	\$130	\$1,560
= GEI w/Tax Savings	\$1,374	\$16,489

Mortgage Info

Loan-to-Value Ratio	80%
Loan Amount	\$171,600
Monthly Payment	\$1,015
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	5.88%

Financial Indicators

Debt Coverage Ratio	1.1
Annual Gross Rent Multiplier	10.9
Monthly Gross Rent Multiplier	130.4
Capitalization Rate	6.1%
Cash on Cash Return	2.0%
Total Return on Investment	33.4%
Total ROI with Tax Savings	36.9%

Assumptions

Real Estate Appreciation Rate	5.5%
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	\$19,740	\$20,826	\$21,971	\$23,180	\$24,454	\$25,799	\$27,218	\$28,715	\$30,295	\$31,961
Vacancy Losses	-\$987	-\$1,041	-\$1,099	-\$1,159	-\$1,223	-\$1,290	-\$1,361	-\$1,436	-\$1,515	-\$1,598
Operating Income	\$18,753	\$19,784	\$20,873	\$22,021	\$23,232	\$24,509	\$25,857	\$27,280	\$28,780	\$30,363

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,495	-\$1,577	-\$1,664	-\$1,755	-\$1,852	-\$1,954	-\$2,061	-\$2,175	-\$2,294	-\$2,421
Insurance	-\$700	-\$739	-\$779	-\$822	-\$867	-\$915	-\$965	-\$1,018	-\$1,074	-\$1,133
Management Fees	-\$1,688	-\$1,781	-\$1,879	-\$1,982	-\$2,091	-\$2,206	-\$2,327	-\$2,455	-\$2,590	-\$2,733
Leasing/Advertising Fees	-\$296	-\$312	-\$330	-\$348	-\$367	-\$387	-\$408	-\$431	-\$454	-\$479
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$1,481	-\$1,562	-\$1,648	-\$1,738	-\$1,834	-\$1,935	-\$2,041	-\$2,154	-\$2,272	-\$2,397
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	-\$5,659	-\$5,971	-\$6,299	-\$6,645	-\$7,011	-\$7,397	-\$7,803	-\$8,233	-\$8,685	-\$9,163

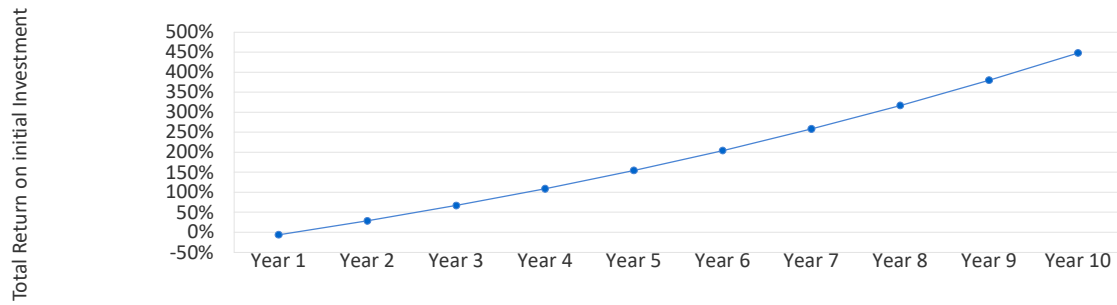
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$13,094	\$13,814	\$14,574	\$15,375	\$16,221	\$17,113	\$18,054	\$19,047	\$20,095	\$21,200
- Mortgage Payments	-\$12,181	-\$12,181	-\$12,181	-\$12,181	-\$12,181	-\$12,181	-\$12,181	-\$12,181	-\$12,181	-\$12,181
= Cash Flow	\$913	\$1,633	\$2,393	\$3,194	\$4,040	\$4,932	\$5,873	\$6,866	\$7,914	\$9,019
+ Principal Reduction	\$2,219	\$2,349	\$2,487	\$2,633	\$2,788	\$2,952	\$3,125	\$3,309	\$3,503	\$3,709
+ Appreciation	\$11,798	\$12,446	\$13,131	\$13,853	\$14,615	\$15,419	\$16,267	\$17,162	\$18,105	\$19,101
= Gross Equity Income	\$14,929	\$16,428	\$18,011	\$19,680	\$21,443	\$23,303	\$25,265	\$27,336	\$29,522	\$31,829
Capitalization Rate	6.1%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Cash on Cash Return	2.0%	3.7%	5.4%	7.1%	9.0%	11.0%	13.1%	15.4%	17.7%	20.2%
Return on Equity	33.4%	28.9%	25.1%	22.5%	20.7%	19.2%	18.1%	17.2%	16.5%	15.8%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$226,298	\$238,744	\$251,875	\$265,728	\$280,343	\$295,762	\$312,029	\$329,190	\$347,296	\$366,397
- Loan Balance	-\$169,381	-\$167,032	-\$164,545	-\$161,912	-\$159,124	-\$156,172	-\$153,047	-\$149,738	-\$146,235	-\$142,526
= Equity	\$56,916	\$71,712	\$87,330	\$103,816	\$121,219	\$139,590	\$158,982	\$179,452	\$201,061	\$223,871
Loan-to-Value Ratio	75%	70%	65%	61%	57%	53%	49%	45%	42%	39%
Potential Cash-Out Refi	\$11,657	\$23,963	\$36,955	\$50,671	\$65,151	\$80,437	\$96,576	\$113,614	\$131,602	\$150,592

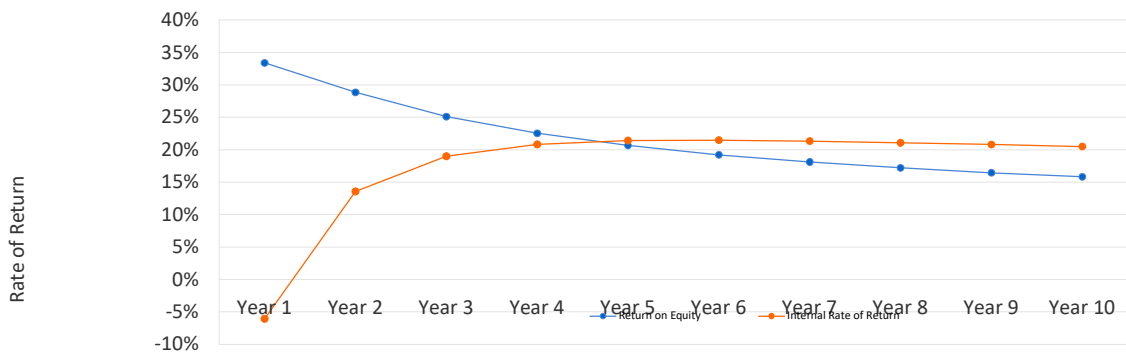
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$56,916	\$71,712	\$87,330	\$103,816	\$121,219	\$139,590	\$158,982	\$179,452	\$201,061	\$223,871
- Closing Costs	-\$15,841	-\$16,712	-\$17,631	-\$18,601	-\$19,624	-\$20,703	-\$21,842	-\$23,043	-\$24,311	-\$25,648
= Proceeds After Sale	\$41,075	\$55,000	\$69,699	\$85,215	\$101,595	\$118,886	\$137,140	\$156,409	\$176,750	\$198,223
+ Cumulative Cash Flow	\$913	\$2,546	\$4,938	\$8,132	\$12,172	\$17,104	\$22,977	\$29,843	\$37,757	\$46,776
- Initial Cash Invested	-\$44,705	-\$44,705	-\$44,705	-\$44,705	-\$44,705	-\$44,705	-\$44,705	-\$44,705	-\$44,705	-\$44,705
= Net Profit	-\$2,717	\$12,840	\$29,932	\$48,642	\$69,062	\$91,285	\$115,412	\$141,547	\$169,802	\$200,294
Internal Rate of Return	-6.1%	13.6%	19.0%	20.8%	21.4%	21.5%	21.3%	21.1%	20.8%	20.5%
Return on Investment	-6%	29%	67%	109%	154%	204%	258%	317%	380%	448%

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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	5.5%
Property Tax Appreciation	5.5%
Insurance Appreciation	5.5%
Management fee Appreciation	5.5%
Leasing/Advertising Fees Appr	5.5%
Association Fees Appreciation	5.5%
Maintenance Appreciation	5.5%
Other Appreciation	5.5%

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