

## Property Summary

1537 13th St  
Des Moines, IA 50314



### Overview

Finished Area (Square Feet)	1790
Initial Market Value	\$205,750
Purchase Price	\$205,750
Downpayment	\$205,750
Closing Costs	\$1,805
<b>Initial Cash Invested</b>	<b>\$207,555</b>

Income & Expenses	Monthly	Annual
Gross Rent	\$1,625	\$19,500
Vacancy Losses	\$81	\$975
<b>Operating Income</b>	<b>\$1,544</b>	<b>\$18,525</b>
<b>Operating Expenses</b>	<b>\$463</b>	<b>\$5,552</b>



Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$1,081</b>	<b>\$12,973</b>
- Mortgage Payments	\$0	\$0
<b>= Cash Flow</b>	<b>\$1,081</b>	<b>\$12,973</b>
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$943	\$11,316
<b>= Gross Equity Income</b>	<b>\$2,024</b>	<b>\$24,289</b>

### Financial Indicators (Year 1)

Capitalization Rate	6.3%
Cash on Cash Return	6.3%
<b>Total Return on Investment</b>	<b>11.7%</b>
<b>Total ROI with Tax Savings</b>	<b>12.4%</b>

### Assumptions

Real Estate Appreciation Rate	5.5%
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)	1790
Initial Market Value	\$205,750
Purchase Price	\$205,750
Downpayment	\$205,750
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
<b>Initial Cash Invested</b>	<b>\$207,555</b>
Cost per Square Foot	\$115
Monthly Rent per Square Foot	\$0.91

Income	Monthly	Annual
Gross Rent	\$1,625	\$19,500
Vacancy Losses	-\$81	-\$975
<b>Operating Income</b>	<b>\$1,544</b>	<b>\$18,525</b>

Expenses	Monthly	Annual
Property Taxes	-\$119	-\$1,430
Insurance	-\$58	-\$700
Management Fees	-\$139	-\$1,667
Leasing/Advertising Fees	-\$24	-\$293
Association Fees	\$0	\$0
Maintenance	-\$122	-\$1,463
Water/Trash/Lawn & Snow	\$0	\$0
<b>Operating Expenses</b>	<b>-\$463</b>	<b>-\$5,552</b>

Net Performance	Monthly	Annual
<b>Net Operating Income</b>	<b>\$1,081</b>	<b>\$12,973</b>
- Mortgage Payments	\$0	\$0
<b>= Cash Flow</b>	<b>\$1,081</b>	<b>\$12,973</b>
+ Principal Reduction	\$0	\$0
+ First-Year Appreciation	\$943	\$11,316
<b>= Gross Equity Income</b>	<b>\$2,024</b>	<b>\$24,289</b>
+ Tax Savings	\$125	\$1,496
<b>= GEI w/Tax Savings</b>	<b>\$2,149</b>	<b>\$25,785</b>

### Mortgage Info

Loan-to-Value Ratio	0%
Loan Amount	\$0
Monthly Payment	\$0
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	5.88%

### Financial Indicators

Debt Coverage Ratio	#DIV/0!
Annual Gross Rent Multiplier	10.6
Monthly Gross Rent Multiplier	126.6
Capitalization Rate	6.3%
Cash on Cash Return	6.3%
<b>Total Return on Investment</b>	<b>11.7%</b>
<b>Total ROI with Tax Savings</b>	<b>12.4%</b>

### 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	\$19,500	\$20,573	\$21,704	\$22,898	\$24,157	\$25,486	\$26,887	\$28,366	\$29,926	\$31,572
Vacancy Losses	-\$975	-\$1,029	-\$1,085	-\$1,145	-\$1,208	-\$1,274	-\$1,344	-\$1,418	-\$1,496	-\$1,579
<b>Operating Income</b>	<b>\$18,525</b>	<b>\$19,544</b>	<b>\$20,619</b>	<b>\$21,753</b>	<b>\$22,949</b>	<b>\$24,211</b>	<b>\$25,543</b>	<b>\$26,948</b>	<b>\$28,430</b>	<b>\$29,994</b>

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property Taxes	-\$1,430	-\$1,509	-\$1,592	-\$1,679	-\$1,772	-\$1,869	-\$1,972	-\$2,080	-\$2,195	-\$2,315
Insurance	-\$700	-\$739	-\$779	-\$822	-\$867	-\$915	-\$965	-\$1,018	-\$1,074	-\$1,133
Management Fees	-\$1,667	-\$1,759	-\$1,856	-\$1,958	-\$2,065	-\$2,179	-\$2,299	-\$2,425	-\$2,559	-\$2,699
Leasing/Advertising Fees	-\$293	-\$309	-\$326	-\$343	-\$362	-\$382	-\$403	-\$425	-\$449	-\$474
Association Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	-\$1,463	-\$1,543	-\$1,628	-\$1,717	-\$1,812	-\$1,911	-\$2,017	-\$2,127	-\$2,244	-\$2,368
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Expenses</b>	<b>-\$5,552</b>	<b>-\$5,858</b>	<b>-\$6,180</b>	<b>-\$6,520</b>	<b>-\$6,878</b>	<b>-\$7,257</b>	<b>-\$7,656</b>	<b>-\$8,077</b>	<b>-\$8,521</b>	<b>-\$8,990</b>

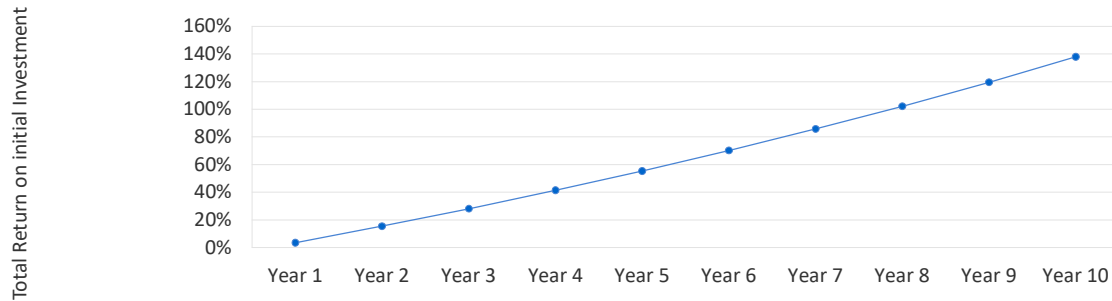
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$12,973	\$13,686	\$14,439	\$15,233	\$16,071	\$16,955	\$17,887	\$18,871	\$19,909	\$21,004
- Mortgage Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Cash Flow	\$12,973	\$13,686	\$14,439	\$15,233	\$16,071	\$16,955	\$17,887	\$18,871	\$19,909	\$21,004
+ Principal Reduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
+ Appreciation	\$11,316	\$11,939	\$12,595	\$13,288	\$14,019	\$14,790	\$15,603	\$16,462	\$17,367	\$18,322
= Gross Equity Income	\$24,289	\$25,625	\$27,034	\$28,521	\$30,090	\$31,745	\$33,491	\$35,333	\$37,276	\$39,326
Capitalization Rate	6.3%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Cash on Cash Return	6.3%	6.6%	7.0%	7.3%	7.7%	8.2%	8.6%	9.1%	9.6%	10.1%
<b>Return on Equity</b>	<b>11.7%</b>	<b>11.8%</b>	<b>11.8%</b>	<b>11.8%</b>	<b>11.8%</b>	<b>11.8%</b>	<b>11.8%</b>	<b>11.8%</b>	<b>11.8%</b>	<b>11.8%</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>\$217,066</b>	<b>\$229,005</b>	<b>\$241,600</b>	<b>\$254,888</b>	<b>\$268,907</b>	<b>\$283,697</b>	<b>\$299,300</b>	<b>\$315,762</b>	<b>\$333,129</b>	<b>\$351,451</b>
- Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
= Equity	\$217,066	\$229,005	\$241,600	\$254,888	\$268,907	\$283,697	\$299,300	\$315,762	\$333,129	\$351,451
Loan-to-Value Ratio	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Potential Cash-Out Refi</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

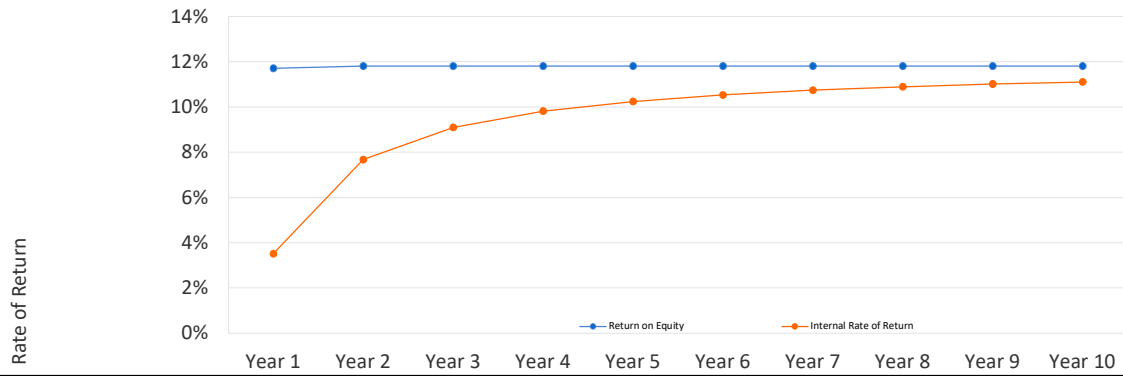
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Equity</b>	<b>\$217,066</b>	<b>\$229,005</b>	<b>\$241,600</b>	<b>\$254,888</b>	<b>\$268,907</b>	<b>\$283,697</b>	<b>\$299,300</b>	<b>\$315,762</b>	<b>\$333,129</b>	<b>\$351,451</b>
- Closing Costs	-\$15,195	-\$16,030	-\$16,912	-\$17,842	-\$18,823	-\$19,859	-\$20,951	-\$22,103	-\$23,319	-\$24,602
= Proceeds After Sale	\$201,872	\$212,975	\$224,688	\$237,046	\$250,084	\$263,838	\$278,349	\$293,658	\$309,810	\$326,849
+ Cumulative Cash Flow	\$12,973	\$26,659	\$41,098	\$56,331	\$72,402	\$89,357	\$107,244	\$126,116	\$146,025	\$167,029
- Initial Cash Invested	-\$207,555	-\$207,555	-\$207,555	-\$207,555	-\$207,555	-\$207,555	-\$207,555	-\$207,555	-\$207,555	-\$207,555
= <b>Net Profit</b>	<b>\$7,289</b>	<b>\$32,079</b>	<b>\$58,231</b>	<b>\$85,822</b>	<b>\$114,931</b>	<b>\$145,640</b>	<b>\$178,039</b>	<b>\$212,219</b>	<b>\$248,279</b>	<b>\$286,323</b>
Internal Rate of Return	3.5%	7.7%	9.1%	9.8%	10.2%	10.5%	10.7%	10.9%	11.0%	11.1%
<b>Return on Investment</b>	<b>4%</b>	<b>15%</b>	<b>28%</b>	<b>41%</b>	<b>55%</b>	<b>70%</b>	<b>86%</b>	<b>102%</b>	<b>120%</b>	<b>138%</b>

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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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