

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	\$41,150
Closing Costs	\$1,805
Initial Cash Invested	\$42,955

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

Net Performance	Monthly	Annual
Net Operating Income	\$1,081	\$12,973
- Mortgage Payments	\$974	\$11,684
= Cash Flow	\$107	\$1,289
+ Principal Reduction	\$177	\$2,128
+ First-Year Appreciation	\$943	\$11,316
= Gross Equity Income	\$1,228	\$14,733

Financial Indicators (Year 1)

Capitalization Rate	6.3%
Cash on Cash Return	3.0%
Total Return on Investment	34.3%
Total ROI with Tax Savings	37.8%

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

1537 13th St
Des Moines, IA 50314



Overview

Finished Area (Square Feet)	1790
Initial Market Value	\$205,750
Purchase Price	\$205,750
Downpayment	\$41,150
Loan Origination Fees	\$634
Depreciable Closing Costs	\$1,171
Other Closing Costs and Fixup	\$0
Initial Cash Invested	\$42,955
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
Operating Income	\$1,544	\$18,525

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
Operating Expenses	-\$463	-\$5,552

Net Performance	Monthly	Annual
Net Operating Income	\$1,081	\$12,973
- Mortgage Payments	-\$974	-\$11,684
= Cash Flow	\$107	\$1,289
+ Principal Reduction	\$177	\$2,128
+ First-Year Appreciation	\$943	\$11,316
= Gross Equity Income	\$1,228	\$14,733
+ Tax Savings	\$125	\$1,496
= GEI w/Tax Savings	\$1,352	\$16,230

Mortgage Info

Loan-to-Value Ratio	80%
Loan Amount	\$164,600
Monthly Payment	\$974
Loan Type	Fully Amortizing Fixed Rate
Term (Years)	30
Interest Rate	5.88%

Financial Indicators

Debt Coverage Ratio	1.1
Annual Gross Rent Multiplier	10.6
Monthly Gross Rent Multiplier	126.6
Capitalization Rate	6.3%
Cash on Cash Return	3.0%
Total Return on Investment	34.3%
Total ROI with Tax Savings	37.8%

Assumptions

Real Estate Appreciation Rate	5.5%
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

1537 13th St
Des Moines, IA 50314



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
Operating Income	\$18,525	\$19,544	\$20,619	\$21,753	\$22,949	\$24,211	\$25,543	\$26,948	\$28,430	\$29,994

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
Operating Expenses	-\$5,552	-\$5,858	-\$6,180	-\$6,520	-\$6,878	-\$7,257	-\$7,656	-\$8,077	-\$8,521	-\$8,990

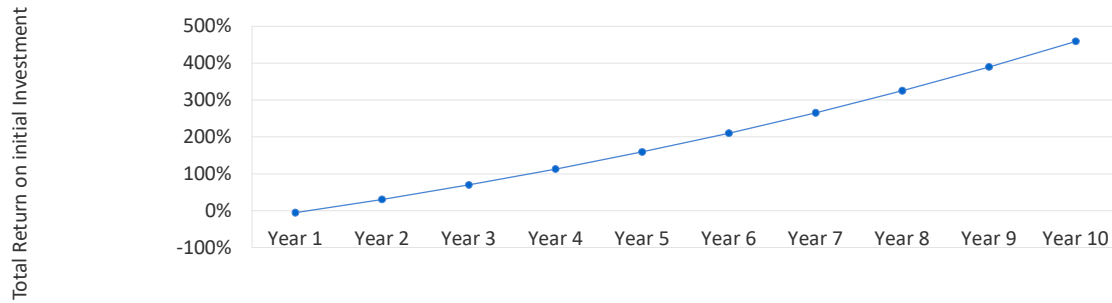
Income Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income	\$12,973	\$13,686	\$14,439	\$15,233	\$16,071	\$16,955	\$17,887	\$18,871	\$19,909	\$21,004
- Mortgage Payments	-\$11,684	-\$11,684	-\$11,684	-\$11,684	-\$11,684	-\$11,684	-\$11,684	-\$11,684	-\$11,684	-\$11,684
= Cash Flow	\$1,289	\$2,002	\$2,755	\$3,549	\$4,387	\$5,271	\$6,203	\$7,187	\$8,225	\$9,320
+ Principal Reduction	\$2,128	\$2,253	\$2,386	\$2,526	\$2,674	\$2,831	\$2,998	\$3,174	\$3,360	\$3,558
+ Appreciation	\$11,316	\$11,939	\$12,595	\$13,288	\$14,019	\$14,790	\$15,603	\$16,462	\$17,367	\$18,322
= Gross Equity Income	\$14,733	\$16,194	\$17,736	\$19,363	\$21,080	\$22,892	\$24,804	\$26,822	\$28,952	\$31,200
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	3.0%	4.7%	6.4%	8.3%	10.2%	12.3%	14.4%	16.7%	19.1%	21.7%
Return on Equity	34.3%	29.7%	25.8%	23.1%	21.2%	19.7%	18.5%	17.6%	16.8%	16.2%

Loan Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Value	\$217,066	\$229,005	\$241,600	\$254,888	\$268,907	\$283,697	\$299,300	\$315,762	\$333,129	\$351,451
- Loan Balance	-\$162,472	-\$160,218	-\$157,833	-\$155,307	-\$152,633	-\$149,801	-\$146,804	-\$143,630	-\$140,270	-\$136,712
= Equity	\$54,595	\$68,786	\$83,767	\$99,581	\$116,274	\$133,896	\$152,497	\$172,132	\$192,859	\$214,739
Loan-to-Value Ratio	75%	70%	65%	61%	57%	53%	49%	45%	42%	39%
Potential Cash-Out Refi	\$11,181	\$22,985	\$35,447	\$48,604	\$62,493	\$77,156	\$92,636	\$108,979	\$126,233	\$144,449

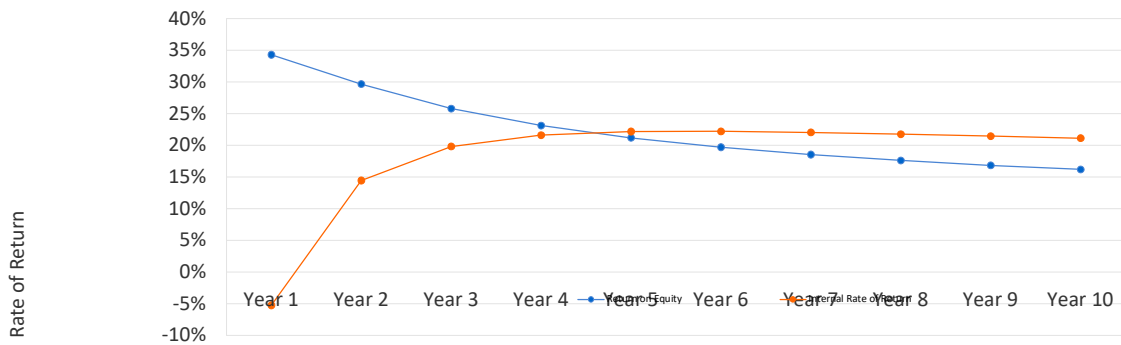
Sale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity	\$54,595	\$68,786	\$83,767	\$99,581	\$116,274	\$133,896	\$152,497	\$172,132	\$192,859	\$214,739
- Closing Costs	-\$15,195	-\$16,030	-\$16,912	-\$17,842	-\$18,823	-\$19,859	-\$20,951	-\$22,103	-\$23,319	-\$24,602
= Proceeds After Sale	\$39,400	\$52,756	\$66,855	\$81,739	\$97,451	\$114,037	\$131,546	\$150,029	\$169,540	\$190,137
+ Cumulative Cash Flow	\$1,289	\$3,291	\$6,046	\$9,595	\$13,962	\$19,253	\$25,456	\$32,643	\$40,868	\$50,188
- Initial Cash Invested	-\$42,955	-\$42,955	-\$42,955	-\$42,955	-\$42,955	-\$42,955	-\$42,955	-\$42,955	-\$42,955	-\$42,955
= Net Profit	-\$2,266	\$13,092	\$29,946	\$48,379	\$68,478	\$90,334	\$114,046	\$139,717	\$167,453	\$197,370
Internal Rate of Return	-5.3%	14.4%	19.8%	21.6%	22.1%	22.2%	22.0%	21.7%	21.4%	21.1%
Return on Investment	-5%	30%	70%	113%	159%	210%	266%	325%	390%	459%

*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	5.5%
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%

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