

Analyze:	1044
Load Factor:	14.69%

Date Prepared: August 26, 2008

Prepared For: \_\_\_\_\_

Prepared by: \_\_\_\_\_

5 Year Analysis

10 Year Analysis

Lease Assumptions	
Monthly Rental Rate:	\$3.15
Annual Rent Increases:	4.00%
Lease Term (Months):	60
Lease Type:	FSG
Operating Expense Passthrough:	\$0.50
Projected Annual Expense Increase:	2.00%

Lease Assumption Results			
	First Year		10 Year Aggregate
	Monthly	Annual	
Rent:	\$3,288.60	\$39,463	\$473,799.41
Operating Expense:	\$0.00	\$0.00	\$5,949.05

Ownership Assumptions	
<b>Acquisition</b>	
Purchase Price:	\$548,100
Projected Annual Appreciation:	5.00%
<b>Construction</b>	
TI Cost Per Useable SF:	\$35.00
Seller TI Credit Per SF:	\$25.00
Useable Sq. Feet:	891
<b>Financing</b>	
<input type="checkbox"/> SBA	Down Payment %: 10.00% <b>Increase DP</b>
	1st TD Interest Rate: 6.950%
	Interest Only Term: 120
	2nd TD Interest Rate: 0.000%
	2nd TD Loan Term: 240
	1st TD Points: 0.000%
	2nd TD Points: 0.000%
	Fees (Lender, Appraisal, Phase I, etc.): \$0
<b>Ownership Expenses</b>	
POA Cost Per SF:	\$0.29
Utilities & Janitorial Per SF:	\$0.25
Insurance Expense Per SF:	\$0.02
Other Expense Per SF:	\$0.00
Projected Annual Expense Increase:	2.00%
Commissions to Sell:	6.00%
Commissions to Lease:	6.00%

Ownership Assumption Results			
Purchase Price:	\$548,100	PPF:	\$525
Tenant Improvement Cost:	\$31,172		
Seller TI Credit:	-\$22,266		
Total Adjusted Price:	\$557,006	PPF:	\$534
Down Payment:	\$55,701		
	<b>Amount</b>	<b>LTV</b>	<b>Points</b>
New 1st Loan:	\$501,306	90%	\$0
New 2nd Loan:	\$0	0%	\$0
		<b>Payment</b>	<b>Cost Per RSF</b>
	1st TD Loan Payment:	\$2,903.40	\$2.78
	2nd TD Loan Payment:	\$0.00	\$0.00
	Real Estate Taxes (Assumes 1.25%):	\$580.21	\$0.56
	Property Owner's Association:	\$302.76	\$0.29
	Utilities & Janitorial:	\$261.00	\$0.25
	Insurance:	\$15.66	\$0.02
	Other Expense:	\$0.00	\$0.00
	<b>Total Monthly Ownership Cost:</b>	<b>\$4,063.03</b>	<b>\$3.89</b>
<b>Statistics after 10 Years of Ownership (Projected)</b>			
	Property Value:	\$907,305	
	Estimated Prevailing Lease Rate:	\$4.48	
	Total Principal Reduction:	\$0	
	Total Equity (Value - Loan Balance):	\$405,999	
	Total Depreciation Write-Off:	\$142,822	
	Sum of Mortgage Payments:	\$348,407	
	Sum of Ownership Expenses:	\$152,372	
	Commission To Sell at appreciated value:	\$54,438	
	Potential Monthly Rental Income:	\$4,680.70	
	Commission to Lease to a new Tenant(5 Year):	\$18,254	

10 YEAR COST TO BUY (Projected)	
Down Payment:	\$55,701
Sum of Mortgage Payments:	\$348,407
Sum of Ownership Expenses:	\$152,372
<b>Total Money out of Pocket:</b>	<b>\$556,480</b>
Total Equity In Property:	\$405,999
Depreciation:	\$142,822
Total Value of Ownership Benefits:	\$548,821
Total Positive Position:	-\$7,659

\*Check with your CPA regarding further ownership benefits

10 YEAR COST TO RENT (Projected)	
Total Rent Consideration:	\$473,799
Operating Expense Passthrough:	\$5,949
Total Cost to Rent:	\$479,748
Value of 28% Rent Tax Deduction:	\$134,330
<b>Total Cost to Rent:</b>	<b>\$345,419</b>
<b>Analysis Summary</b>	
Total Cost to Rent:	\$345,419
Total Ownership Positive:	-\$7,659
<b>Net Difference in Cost:</b>	<b>\$337,760</b>

Westcord has provided this analysis as a tool to depict aspects of ownership vs. leasing. All numbers herein are intended as an example only. Decisions regarding investment, financing, construction, or taxation should be only be considered after receiving the advice of a CPA or attorney