

Analyze:	Rentable Square Feet 973
Load Factor:	14.69%

Date Prepared: February 1, 2008  
 Prepared For: \_\_\_\_\_  
 Prepared by: \_\_\_\_\_

5 Year Analysis       10 Year Analysis

Lease Assumptions	
Monthly Rental Rate:	\$3.00
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
	Monthly	Annual
Rent:	\$2,919.00	\$35,028
Operating Expense:	\$0.00	\$0.00
		Aggregate \$420,549.92
		\$5,544.47

Ownership Assumptions	
<b>Acquisition</b>	
Purchase Price:	\$549,745
Projected Annual Appreciation:	5.00%
<b>Construction</b>	
TI Cost Per Useable SF:	\$45.00
Seller TI Credit Per SF:	\$25.00
Useble Sq. Feet:	830
<b>Financing</b>	
<input type="checkbox"/> SBA	
Down Payment %:	20.00%
Interest Rate:	6.000%
Loan Term:	300
2nd TD Interest Rate:	
2nd TD Loan Term:	
1st TD Points:	1.000%
2nd TD Points:	2.625%
Fees (Lender, Appraisal, Phase I, etc.):	\$5,000
<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:	\$549,745	PPF: \$565
Tenant Improvement Cost:	\$37,353	
Seller TI Credit:	-\$20,752	
Total Adjusted Price:	<b>\$566,346</b>	PPF: \$582
Down Payment:	<b>\$113,269</b>	
	<b>Amount</b>	<b>LTV</b>
New 1st Loan:	\$453,077	80%
New 2nd Loan:	\$0	0%
		<b>Points</b>
		\$4,531
		\$0
		<b>Payment</b>
		\$3.00
		\$0.00
Real Estate Taxes (Assumes 1.25%):	\$589.94	\$0.61
Property Owner's Association:	\$282.17	\$0.29
Utilities & Janitorial:	\$243.25	\$0.25
Insurance:	\$14.60	\$0.02
Other Expense:	\$0.00	\$0.00
<b>Total Monthly Ownership Cost:</b>	<b>\$4,049.14</b>	<b>\$4.16</b>
<b>Statistics after 10 Years of Ownership (Projected)</b>		
Property Value:	\$922,518	
Estimated Prevailing Lease Rate:	\$4.27	
Total Principal Reduction:	\$66,965	
Total Equity (Value - Loan Balance):	\$536,406	
Total Depreciation Write-Off:	\$145,217	
Sum of Mortgage Payments:	\$350,302	
Sum of Ownership Expenses:	\$148,473	
Commission To Sell at appreciated value:	\$55,351	
Potential Monthly Rental Income:	\$4,154.65	
Commission to Lease to a new Tenant(5 Year):	\$16,202	

10 YEAR COST TO BUY (Projected)	
Down Payment:	\$113,269
Sum of Mortgage Payments:	\$350,302
Sum of Ownership Expenses:	\$148,473
<b>Total Money out of Pocket:</b>	<b>\$612,044</b>
Total Equity In Property:	\$536,406
Depreciation:	\$145,217
Total Value of Ownership Benefits:	<b>\$681,623</b>
Total Positive Position:	<b>\$69,579</b>
*Check with your CPA regarding further ownership benefits	

10 YEAR COST TO RENT (Projected)	
Total Rent Consideration:	\$420,550
Operating Expense Passthrough:	\$5,544
Total Cost to Rent:	\$426,094
Value of 28% Rent Tax Deduction:	\$119,306
<b>Total Cost to Rent:</b>	<b>\$306,788</b>
<b>Analysis Summary</b>	
<b>Total Cost to Rent:</b>	<b>\$306,788</b>
<b>Total Ownership Positive:</b>	<b>\$69,579</b>
<b>Net Difference in Cost:</b>	<b>\$376,367</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