

Analyze:	Rentable Square Feet 2056
Load Factor:	14.69%

Date Prepared: **January 28, 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	Aggregate
Rent:	\$6,168.00	\$74,016	\$888,644.02
Operating Expense:	\$0.00	\$0.00	\$11,715.76

Ownership Assumptions	
Acquisition	
Purchase Price:	\$1,202,760
Projected Annual Appreciation:	5.00%
Construction	
TI Cost Per Useable SF:	\$45.00
Seller TI Credit Per SF:	\$25.00
Useble Sq. Feet:	1754
Financing	
<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
Ownership Expenses	
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:	\$1,202,760	PPF: \$585
Tenant Improvement Cost:	\$78,929	
Seller TI Credit:	-\$43,849	
Total Adjusted Price:	\$1,237,839	PPF: \$602
Down Payment:	\$247,568	
	Amount	LTV
New 1st Loan:	\$990,272	80%
New 2nd Loan:	\$0	0%
	Points	
		Payment
		Cost Per RSF
1st TD Loan Payment:	\$6,380.33	\$3.10
2nd TD Loan Payment:	\$0.00	\$0.00
Real Estate Taxes (Assumes 1.25%):	\$1,289.42	\$0.63
Property Owner's Association:	\$596.24	\$0.29
Utilities & Janitorial:	\$514.00	\$0.25
Insurance:	\$30.84	\$0.02
Other Expense:	\$0.00	\$0.00
Total Monthly Ownership Cost:	\$8,810.83	\$4.29
Statistics after 10 Years of Ownership (Projected)		
Property Value:	\$2,016,310	
Estimated Prevailing Lease Rate:	\$4.27	
Total Principal Reduction:	\$146,362	
Total Equity (Value - Loan Balance):	\$1,172,401	
Total Depreciation Write-Off:	\$317,395	
Sum of Mortgage Payments:	\$765,640	
Sum of Ownership Expenses:	\$319,359	
Commission To Sell at appreciated value:	\$120,979	
Potential Monthly Rental Income:	\$8,778.99	
Commission to Lease to a new Tenant(5 Year):	\$34,236	

10 YEAR COST TO BUY (Projected)	
Down Payment:	\$247,568
Sum of Mortgage Payments:	\$765,640
Sum of Ownership Expenses:	\$319,359
Total Money out of Pocket:	\$1,332,567
Total Equity In Property:	\$1,172,401
Depreciation:	\$317,395
Total Value of Ownership Benefits:	\$1,489,795
Total Positive Position:	\$157,228
*Check with your CPA regarding further ownership benefits	

10 YEAR COST TO RENT (Projected)	
Total Rent Consideration:	\$888,644
Operating Expense Passthrough:	\$11,716
Total Cost to Rent:	\$900,360
Value of 28% Rent Tax Deduction:	\$252,101
Total Cost to Rent:	\$648,259
Analysis Summary	
Total Cost to Rent:	\$648,259
Total Ownership Positive:	\$157,228
Net Difference in Cost:	\$805,488

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