



Why Lease...When You Can Own?

5 Year Analysis

OWN

LEASE

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Purchase Assumptions	Per sq ft	
Purchased Suite Size (\$F)	3101	\$126 390,000
Tenant Improvements	2294	\$45 103,230
Purchase Price (plus tenant improvements)		\$493,230

Lease Assumptions	Per sq ft	
Size (Square feet)		3,101
Lease rate per sq ft/mnth NNN	17.00	\$1.42
Monthly lease		\$4,393

Start-up Costs		
Down Payment	15%	(\$73,985)
Closing Costs (Incl. Loan Costs)		(\$9,600)
Total out of pocket costs		(\$83,585)

Start-up Costs		
Tenant Improvements	\$25.00	(\$57,350)
Prepaid Rent and Security Deposit		(\$8,786)
Total out of pocket costs		(\$66,136)

Monthly Costs		
*Mortgage Payment (P&I)	(\$0.87)	(\$2,701)
Common Area Operating Expenses/ Insurance and Property Taxes	(\$0.39)	(\$1,212)
Total Monthly Costs	(\$1.26)	(\$3,914)

Monthly Costs		
Lease Payment	(\$1.42)	(\$4,393)
Common Area Operating Expenses/ Insurance and Property Taxes	(\$0.39)	(\$1,212)
Total Monthly Costs	(\$1.81)	(\$5,605)

Monthly Ownership Benefits (Estimated)		
*Tax Benefits		
Depreciation Deduction Benefit	\$0.10	\$316
Operating Expense Deduction Benefit	\$0.16	\$364
Interest Deduction Benefit	\$0.19	\$599
Other Benefits		
Rental Income		\$0
*Average Annual Appreciation @ 3%	\$0.44	\$1,350
Total Ownership Benefits	\$0.01	\$2,629

Monthly Lease Benefits (Estimated)		
*Tax Benefits		
Depreciation Deduction Benefit	\$0.01	\$37
Operating Expense Deduction Benefit	\$0.12	\$364
Lease Deduction Benefit	\$0.43	\$1,318
Interest Deduction Benefit		n/a
Other Benefits		
Rental Income		\$0
Average Appreciation		n/a
Total Lease Benefits	\$0.55	\$1,718

Ownership Analysis Summary		
Monthly Ownership (Cost) Benefits	(\$0.41)	(\$1,285)
Annual Ownership (Cost) Benefits	(\$4.97)	(\$15,419)
Avg Annual Principal Paydown	\$2.72	\$8,442
Total Avg Annual Ownership (Cost) Benefits	(\$2.25)	(\$6,977)
Total Ownership (Cost) Benefits	(\$11.25)	(\$34,883)

Lease Analysis Summary		
Monthly Lease (Cost) Benefits	(\$1.25)	(\$3,887)
Annual Lease (Cost) Benefits	(\$15.04)	(\$46,645)
Average Annual Improvements Costs	(\$3.70)	(\$11,470)
Total Annual Lease (Cost) Benefits	(\$18.74)	(\$58,115)
Total Lease (Cost) Benefits	(\$93.70)	(\$290,574)

Ownership vs. Lease Comparison - 5 Years		
Avg Annual Net Benefit of Ownership	=	\$51,138
Total Net Benefit of Ownership	=	\$255,691

*Assumes marginal tax rate of: **30%**
 * Do not rely on the assumptions used in this analysis; please consult your financial advisor; this is not a commitment to lend or sale.
 *Financing scenario is based on sample financing. Other Options may be available and results would vary accordingly.