OWNERSHIP COST ANALYSIS

Purchase Transaction with SBA 504 Financing	
Sale Price (28,838 SF)	5,500,000.00
Estimated Closing Costs	11,500.00
Total Project Cost	5,511,500.00
Down Payment (10.2%)	(564,900.00)
Total Financed (89.8%)	4,960,350.00
Monthly Debt Service	(33,949.00)
Ownership Cost Analysis	
Annual Debt Service (25 year amortization)	(407,388.00)
Annual Depriciation Expense	(135,897.44)
Years 1-5 Average Annual Interest Expense	(315,536.13)
Operating Expenses	(108,750.00)
Rental Income (9,000 SF tenant at $15.56/SF modified gross)	**140,000.00**
Average Net PreTax Expense	(420,183.57)
(Depreciation+Average Interest Expense+Operating Expenses-Rental Income)	
AVERAGE ANNUAL TAX SAVINGS (25% tax bracket)	**105,045.89**
Effective Average Annual Expense (avg. net pretax expense - avg tax savings)	**(315,137.67)**
Effective Average Cost Per Occupied* SF (includes NNN Expenses)	**(15.76)**
AVERAGE ANNUAL PRINCIPAL REDUCTION	**91,851.87**
ANNUAL NET EFFECTIVE COST PER Sq. Ft.	**(11.16)**
(Average Cost Per Occupied SF minus Average Annual Principal Reduction)	
Annual Net Cash Outlay Per Sq. Ft. (on ~20,000 SF occupied)	**(13.55)**
(Based on total debt service and operating costs minus rental income and tax savings)	
Current Asking Lease Rate Per SF (Base Rent + Operating Costs)	**15.15**

Call us to discuss how you or your client can:

- **BUILD EQUITY**
- **REDUCE INCOME TAXES**
- **OWN FOR LESS THAN THE COST OF LEASING!!!**

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