

OWNERSHIP COST ANALYSIS



3950 E. BIJOU STREET, COLORADO SPRINGS, CO

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 Depreciation 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 (Depreciation+Average Interest Expense+Operating Expenses-Rental Income)	(420,183.57)
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. (Average Cost Per Occupied SF minus Average Annual Principal Reduction)	(11.16)
Annual Net Cash Outlay Per Sq. Ft. (on ~20,000 SF occupied) (Based on total debt service and operating costs minus rental income and tax savings)	(13.55)
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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Additional expenses may also be deductible. Core Commercial does not make any representations or warranties about the validity of this information. All information, while not guaranteed, is from sources deemed reliable and should be verified by the recipient. Additionally, please address these items further with a tax advisor. This example assumes depreciation = 75% of cost for 39 year schedule, interest expense averaged over 300 months, assumes 25% effective tax bracket, blended interest rate - 6.65% at the time, blended loan term - 300 months. This analysis may not include all occupancy/operating costs