

Sample Co.

Price to Own **\$486,000**

Enter input data in highlighted boxes

5 Year Rent vs. Own Comparison

5 year Cost to Rent

(current monthly rental rate)

\$ 3,375

Based on market rent of \$25 nnn for 1,620 sf

5 yr Rent Cost with Increases
Assume 4 % annual increase

\$ 219,361

Sales Tax on Rent

\$ 15,355

Total "Out of Pocket" Cost

\$ 234,716

Value of Rent Deduction Write Off
at 28% tax rate

\$ 65,721

Net 5 year Cost to Rent

\$ 168,996

5 Year Cost to Own

Down Payment (10% down)

\$ 48,600

Sum of Mortgage payments

\$ 211,420

7.50% for 20 year amo and 5 year term

Total "Out of Pocket" Cost

\$ 260,020

Principal paid to Mortgage

\$ 57,727

Increase in Value @ 6% /yr

\$ 164,378

Return of Down Payment

\$ 48,600

Interest/ Depreciation Write Off
at 28% tax rate

\$ 56,814

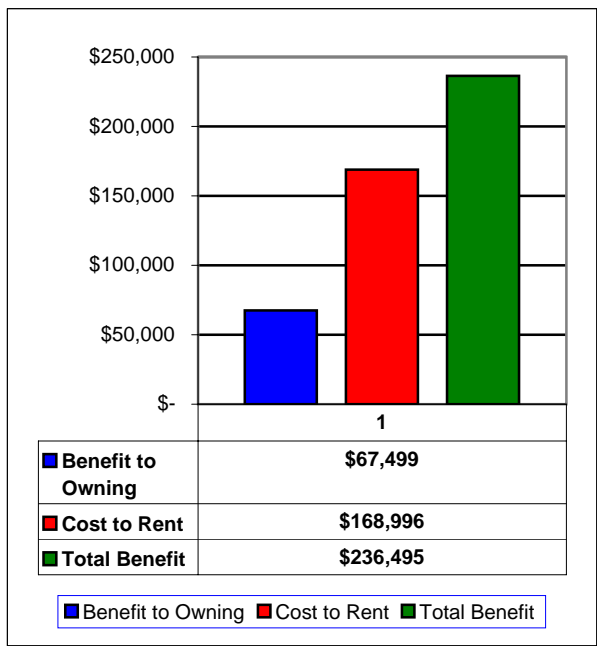
Total Positive Return

\$ 327,519

Net Positive Cash Position in

5 Years

\$ 67,499



5yr TOTAL BENEFIT of OWNERSHIP vs. LEASING

plus **\$ 168,996**

\$ 67,499

equals **\$ 236,495**

Sample Co.

Price to Own **\$ 486,000**

10 Year Rent vs. Own Comparison

10 year Cost to Rent

(current monthly rental rate) **\$ 3,375**
Based on market rent of \$25 nnn for 1,620 sf

10 yr Rent Cost with Increases **\$ 486,247**
Assume 4 % annual increase

Sales Tax on Rent **\$ 34,037**

Total "Out of Pocket" Cost **\$ 520,285**

Value of Rent Deduction Write Off
at 28% tax rate **\$ 145,680**

Net 10 year Cost to Rent \$ 374,605

10 Year Cost to Own

Down Payment (10% down) **\$ 48,600**

Sum of Mortgage payments **\$ 429,055**

7.50% for 20 year amo and 10 year term

Total "Out of Pocket" Cost **\$ 477,655**

Principal paid to Mortgage **\$ 142,893**

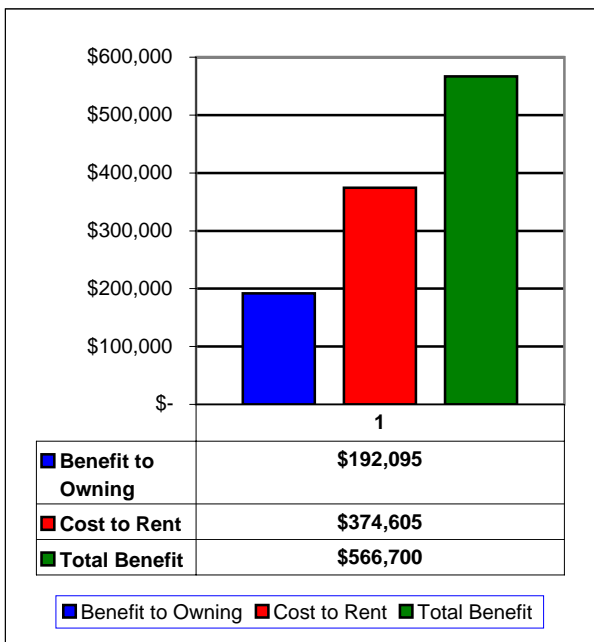
Increase in Value @ 6% /yr **\$ 384,352**

Return of Down Payment **\$ 48,600**

Interest/ Depreciation Write Off
at 28% tax rate **\$ 93,906**

Total Positive Return **\$ 669,751**

**Net Positive Cash Position in
10 Years \$ 192,095**



10yr TOTAL BENEFIT of OWNERSHIP vs. LEASING

plus **\$ 374,605**
 \$ 192,095
 equals **\$ 566,700**

Sample Co.

Price to Own \$ 486,000

20 Year Rent vs. Own Comparison

20 year Cost to Rent

(current monthly rental rate) \$ 3,375
Based on market rent of \$25 nnn for 1,620 sf

20 yr Rent Cost with Increases **\$ 1,206,012**
Assume 4 % annual increase

Sales Tax on Rent **\$ 84,421**

Total "Out of Pocket" Cost **\$ 1,290,433**

Value of Rent Deduction Write Off
at 28% tax rate **\$ 361,321**

Net 20 year Cost to Rent \$ 929,112

20 Year Cost to Own

Down Payment (10% down) **\$48,600**

Sum of Mortgage payments **\$858,110**

7.50% for 20 year self liquidating loan

Total "Out of Pocket" Cost **\$906,710**

Principal paid to Mortgage **\$437,400**

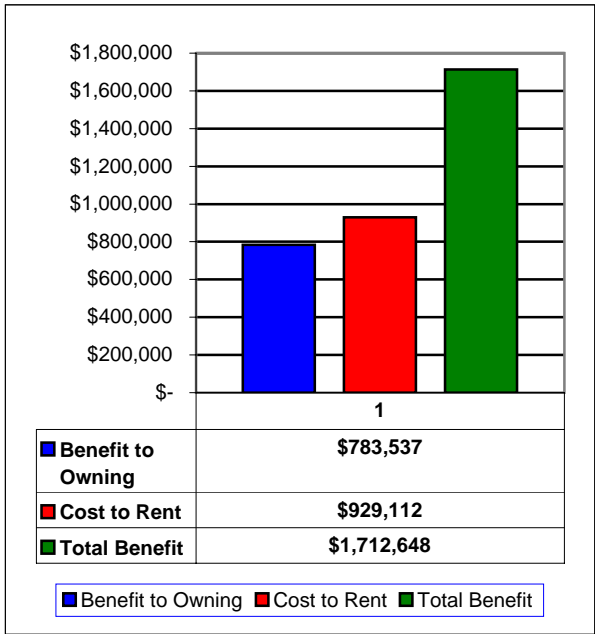
Increase in Value @ 6% /yr **\$1,072,668**

Return of Down Payment **\$48,600**

Interest/ Depreciation Write Off
at 28% tax rate **\$131,579**

Total Positive Return **\$1,690,247**

**Net Positive Cash Position in
20 Years \$783,537**



20yr TOTAL BENEFIT of OWNERSHIP vs. LEASING

\$ 929,112

plus

\$ 783,537

equals

\$ 1,712,648