

Own Vs. Rent Analysis

Assumptions:	5 Year Hold
Lease Term of 5 years	Purchase Price of: \$ 750,000.00
Starting Lease Rate of \$2.50 FSG	25% Down Payment
5% annual escalations	8.00% Interest Rate- Fixed 25 Years
	Expenses increase 2% per year:
	Assumes five (5%) percent annual appreciation
1,500 square feet	1,500 square feet

5 YEAR COST TO RENT

5 YEAR COST TO BUY

Total Rent Consideration:	\$ 248,653.41	Down Payment (25% of Purchase Price):	\$ 187,500.00
Operating Expense Pass Thur:	\$ 1,836.36	Sum of Mortgage Payments (5 years)	\$ 260,487.97
Total Money out of Pocket:	\$250,489.77	Operating Expenses:	\$ 100,112.72
Value of rent Deduction Write off: (Based on 28%)	\$70,137.13	Total Money out of Pocket:	\$ 548,100.69
Total 5 Year Cost of Rent:	\$178,516.27	Equity Build up (due to principal reduction of Loan)	\$ 41,639.00
		Increase in Value + return of equity	\$ 314,216.00
		Depreciation write off :	\$ 162,190.00
		Total Possitive Benefits:	\$ 518,045.00
		Total Possitive Cash Position in 5 years:	\$ (30,055.69)

Total Rent Cost:	\$178,516.27
Total Possitive Cash (Own):	\$ (30,055.69)
NET DIFFERENCE IN 5 YEAR COST	\$148,460.58

** These numbers are estimates only, and buyer should consult with a CPA and/or attorney prior to any investment decisions and any future tax implecations.