

**Goal Seeking Results**  
 Cedar Plaza  
 Buy v Lease Analysis

September 23, 2009  
 Investit Decisions  
 Buy v Lease

**SUMMARY**

	<b>Internal Rate of Return (IRR)</b>	<b>Buy</b>	<b>Sell</b>	<b>Compounding Appreciation Rate</b>
<b>BEFORE TAX</b>				
<b>With Financing</b>				
Based on data entered	11.77%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	13.00%	\$ 830,288	\$ 1,199,009	3.74%
	13.00%	\$ 850,000	\$ 1,269,442	4.09%
<b>Without Financing</b>				
Based on data entered	8.76%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	13.00%	\$ 633,731	\$ 1,199,009	6.58%
	13.00%	\$ 850,000	\$ 1,971,785	8.78%
<b>AFTER TAX</b>				
<b>With Financing</b>				
Based on data entered	10.13%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	8.32%	\$ 886,036	\$ 1,199,009	3.07%
	8.32%	\$ 850,000	\$ 1,104,311	2.65%
<b>Without Financing</b>				
Based on data entered	6.02%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	8.32%	\$ 694,586	\$ 1,199,009	5.61%
	8.32%	\$ 850,000	\$ 1,607,428	6.58%

**GOAL SEEKING RESULTS BEFORE TAX**

**With Financing**

To achieve an Internal Rate of Return (IRR) of 13.00% before tax, you would have to either:

- a) Buy the property for \$ 830,288 and sell for \$ 1,199,009 in 10 years which is 3.74% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,269,442 in 10 years which is 4.09% compounding increase in value per year.

**Without Financing**

To achieve an Internal Rate of Return (IRR) of 13.00% before tax, you would have to either:

- a) Buy the property for \$ 633,731 and sell for \$ 1,199,009 in 10 years which is 6.58% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,971,785 in 10 years which is 8.78% compounding increase in value per year.

**GOAL SEEKING RESULTS AFTER TAX**

**With Financing**

To achieve an Internal Rate of Return (IRR) of 8.32% after tax, you would have to either:

- a) Buy the property for \$ 886,036 and sell for \$ 1,199,009 in 10 years which is 3.07% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,104,311 in 10 years which is 2.65% compounding increase in value per year.

**Without Financing**

To achieve an Internal Rate of Return (IRR) of 8.32% after tax, you would have to either:

- a) Buy the property for \$ 694,586 and sell for \$ 1,199,009 in 10 years which is 5.61% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,607,428 in 10 years which is 6.58% compounding increase in value per year.

**INVESTMENT TAB ENTRIES.** Allocations of the Purchase Price between Land and Improvements to achieve the desired Internal Rate of Return (IRR)

	% Allocation	BEFORE TAX		AFTER TAX	
		With Financing 13.00% IRR	No Financing 13.00% IRR	With Financing 8.320% IRR	No Financing 8.320% IRR
Land	35.29%	293,043	223,670	312,719	245,148
Building	64.71%	537,245	410,061	573,318	449,438
<b>Purchase Price (Year 1 Total)</b>	<b>100.00%</b>	<b>\$ 830,288</b>	<b>\$ 633,731</b>	<b>\$ 886,036</b>	<b>\$ 633,731</b>

**Notes:**

The allocation of the Purchase Price between Land and Improvements uses the same % allocation used in the First Year of the Investment Folder grid.

The Purchase Price (Year 1 Total) excludes entries using the Depreciation methods "Amort. Mortgage Fees" and "Amortize"