

Goal Seeking Results
Pentium Place
12,000 Sq. Ft Office Building

September 28, 2009
Investit Decisions
Real Estate Investment Yearly

SUMMARY

	Internal Rate of Return (IRR)	Buy	Sell	Compounding Appreciation Rate
BEFORE TAX				
With Financing				
Based on data entered	15.78%	\$ 1,648,000	\$ 2,428,090	3.95%
Goal seeking results for IRR	13.00%	\$ 1,786,040	\$ 2,428,090	3.12%
	13.00%	\$ 1,648,000	\$ 1,918,762	1.53%
Without Financing				
Based on data entered	11.40%	\$ 1,648,000	\$ 2,428,090	3.95%
Goal seeking results for IRR	13.00%	\$ 1,488,754	\$ 2,428,090	5.01%
	13.00%	\$ 1,648,000	\$ 3,015,661	6.23%
AFTER TAX				
With Financing				
Based on data entered	12.98%	\$ 1,648,000	\$ 2,428,090	3.95%
Goal seeking results for IRR	8.45%	\$ 1,922,731	\$ 2,428,090	2.36%
	8.45%	\$ 1,648,000	\$ 1,765,320	0.69%
Without Financing				
Based on data entered	8.84%	\$ 1,648,000	\$ 2,428,090	3.95%
Goal seeking results for IRR	8.45%	\$ 1,694,877	\$ 2,428,090	3.66%
	8.45%	\$ 1,648,000	\$ 2,315,004	3.46%

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 \$ 1,786,040 and sell for \$ 2,428,090 in 10 years which is 3.12% compounding increase in value per year.
- b) Buy the property for \$ 1,648,000 and sell for \$ 1,918,762 in 10 years which is 1.53% 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 \$ 1,488,754 and sell for \$ 2,428,090 in 10 years which is 5.01% compounding increase in value per year.
- b) Buy the property for \$ 1,648,000 and sell for \$ 3,015,661 in 10 years which is 6.23% compounding increase in value per year.

GOAL SEEKING RESULTS AFTER TAX

With Financing

To achieve an Internal Rate of Return (IRR) of 8.45% after tax, you would have to either:

- a) Buy the property for \$ 1,922,731 and sell for \$ 2,428,090 in 10 years which is 2.36% compounding increase in value per year.
- b) Buy the property for \$ 1,648,000 and sell for \$ 1,765,320 in 10 years which is 0.69% compounding increase in value per year.

Without Financing

To achieve an Internal Rate of Return (IRR) of 8.45% after tax, you would have to either:

- a) Buy the property for \$ 1,694,877 and sell for \$ 2,428,090 in 10 years which is 3.66% compounding increase in value per year.
- b) Buy the property for \$ 1,648,000 and sell for \$ 2,315,004 in 10 years which is 3.46% 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)

	%	BEFORE TAX		AFTER TAX	
		With Financing 13.00% IRR	No Financing 13.00% IRR	With Financing 8.450% IRR	No Financing 8.450% IRR
Land	39.32%	702,278	585,384	756,025	666,432
Building	60.68%	1,083,762	903,370	1,166,706	1,028,445
Purchase Price (Year 1 Total)	100.00%	\$ 1,786,040	\$ 1,488,754	\$ 1,922,731	\$ 1,488,754

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"