



Goal Seeking Results
 Cedar Plaza
 Buy v Lease Analysis

September 23, 2009
 Investit Decisions
 Buy v Lease

SUMMARY

	Internal Rate of Return (IRR)	Buy	Sell	Compounding Appreciation Rate
BEFORE TAX				
With Financing				
Based on data entered	11.55%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	13.00%	\$ 826,588	\$ 1,199,009	3.79%
	13.00%	\$ 850,000	\$ 1,282,663	4.20%
Without Financing				
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%
AFTER TAX				
With Financing				
Based on data entered	10.57%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	8.32%	\$ 896,252	\$ 1,199,009	2.95%
	8.32%	\$ 850,000	\$ 1,082,725	2.45%
Without Financing				
Based on data entered	6.63%	\$ 850,000	\$ 1,199,009	3.50%
Goal seeking results for IRR	8.32%	\$ 736,493	\$ 1,199,009	4.99%
	8.32%	\$ 850,000	\$ 1,484,382	5.73%



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 \$ 826,588 and sell for \$ 1,199,009 in 10 years which is 3.79% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,282,663 in 10 years which is 4.20% 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 \$ 896,252 and sell for \$ 1,199,009 in 10 years which is 2.95% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,082,725 in 10 years which is 2.45% 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 \$ 736,493 and sell for \$ 1,199,009 in 10 years which is 4.99% compounding increase in value per year.
- b) Buy the property for \$ 850,000 and sell for \$ 1,484,382 in 10 years which is 5.73% 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 8.320% IRR	No Financing 8.320% IRR
Land	35.29%	291,737	223,670	316,324	259,939
Building	64.71%	534,851	410,061	579,928	476,554
Purchase Price (Year 1 Total)	100.00%	\$ 826,588	\$ 633,731	\$ 896,252	\$ 633,731

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"