



Input Data Summary
 Cedar Plaza
 Buy v Lease Analysis

September 23, 2009
 Investit Decisions
 Buy v Lease Scenario 2

Buy versus Lease Analysis

Note

For information on Revenue, Expenses and Vacancy inputs and projections see the Revenue, Expense and Vacancy projection description reports.

Project Information

Analysis Period 10 years
 Starting date January Year 1

Investor Information

Marginal Tax Rate 35.00%
 Capital Gain Tax Rate 15.00%
 Recaptured Deprec. Tax Rate 25.00%

Desired Return on Investment (Discount Rate)

Before Tax: 13.00%
 After Tax: 8.45%

Short Term Reinvestment Rates

Before Tax: 3.000%
 After Tax: 1.950%

Short Term Financing Rates

Before Tax: 8.000%
 After Tax: 5.200%

Investment information

Active Investor with no Loss limitation

Total Invested in Year 1 is \$ 930,000

	Investment Type	Date	Amount	Recovery Period Years
Land	Land (No Depreciation)	Jan, Year 1	\$ 300,000	-



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Cedar Plaza
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 Jan, Year 1 \$ 630,000 39.00

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Building Commercial Property. Straight Line

Financing

First Mortgage

Starts: January Year 1
 Type: Standard Mortgage
 Amount: \$ 700,000
 Interest Rate: Fixed
 Payment Frequency: Monthly
 Compounding Frequency: Monthly
 Addit. Payments/Borrowing: No
 Rounding Up to Nearest Cent
 No of Terms: 1

Nominal
 Annual

Term	Time Period	Interest Rate	Amortization
1	10 yrs & 0 mos	7.500%	20 yrs & 0 mos

Sale Information

Sale price at the end of 10 years is \$ 1,311,857 based on the total purchase price of \$ 930,000 in year 1 increasing at an Annual Compounding Rate of 3.50% for 10 years

Selling Expenses

Selling Expenses \$ 7,000

Real Estate Commissions

5.00% of the Sale Price

Allocation of Improvements on Sale

Same ratio as on acquisition