

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

September 28, 2009  
Investit Decisions  
Real Estate Investment Yearly

**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	15.69%	\$ 1,648,000	\$ 2,428,090	3.95%
Goal seeking results for IRR	13.00%	\$ 1,781,484	\$ 2,428,090	3.15%
	13.00%	\$ 1,648,000	\$ 1,935,571	1.62%
<b>Without Financing</b>				
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%
<b>AFTER TAX</b>				
<b>With Financing</b>				
Based on data entered	12.23%	\$ 1,648,000	\$ 2,428,090	3.95%
Goal seeking results for IRR	8.45%	\$ 1,892,210	\$ 2,428,090	2.52%
	8.45%	\$ 1,648,000	\$ 1,785,006	0.80%
<b>Without Financing</b>				
Based on data entered	8.40%	\$ 1,648,000	\$ 2,428,090	3.95%
Goal seeking results for IRR	8.45%	\$ 1,641,845	\$ 2,428,090	3.99%
	8.45%	\$ 1,648,000	\$ 2,444,295	4.02%

**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 \$ 1,781,484 and sell for \$ 2,428,090 in 10 years which is 3.15% compounding increase in value per year.
- b) Buy the property for \$ 1,648,000 and sell for \$ 1,935,571 in 10 years which is 1.62% 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 \$ 1,892,210 and sell for \$ 2,428,090 in 10 years which is 2.52% compounding increase in value per year.
- b) Buy the property for \$ 1,648,000 and sell for \$ 1,785,006 in 10 years which is 0.80% 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 \$ 1,641,845 and sell for \$ 2,428,090 in 10 years which is 3.99% compounding increase in value per year.
- b) Buy the property for \$ 1,648,000 and sell for \$ 2,444,295 in 10 years which is 4.02% 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	No Financing	With Financing	No Financing
	Allocation	13.00% IRR	13.00% IRR	8.450% IRR	8.450% IRR
Land	39.32%	700,486	585,384	744,025	645,580
Improvements	60.68%	1,080,998	903,370	1,148,186	996,265
<b>Purchase Price (Year 1 Total)</b>	<b>100.00%</b>	<b>\$ 1,781,484</b>	<b>\$ 1,488,754</b>	<b>\$ 1,892,210</b>	<b>\$ 1,488,754</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"