

Own vs. Lease Comparison

8840 South Maryland Parkway, Las Vegas, NV 89123



Property Square Footage 3,026 sf

Own

Trophy Office for Sale (\$421.68 psf)	\$1,276,000
Interior Improvements (\$0 psf-estimate)	\$0
Total Project Cost	\$1,276,000

Start-Up Costs

Cash Down Payment	10%	\$127,600
Estimated Bank Fees	1.00%	\$6,380
Estimated Appraisal & Environmental		\$4,800
Total Cash Required		\$138,780

Monthly Costs

Mortgage Payment (monthly)	\$2.57	\$7,780
Cam Fees	\$0.50	\$1,513
Total Monthly Payment	\$3.07 PSF	\$9,293

Total Adjusted Monthly Costs

Total Monthly Payment	\$3.07	\$9,293
Less Depreciation	(\$0.72)	-\$2,181

\$7,111.67 **\$2.35 PSF**

Forecasted Ownership Benefits

Monthly Mortgage Payment in 10 years	\$7,780
Cash Savings After 10 Years	\$330,847
Equity After 10 Years	\$629,548

Assumptions: Depreciation est. at 80% allocation of purchase price. Future mortgage rate assumes fixed-rate 1st mortgage. Cash savings est. based on fixed mortgage payments vs. appreciated lease payments less additional start up costs to purchase. Equity assumes 2% annual building appreciation.

Lease

Monthly Lease Rate	\$7,565
Interior Improvements (\$00 psf-estimate)**	\$0

Lease Rate per Sq. Ft.*	\$2.50 PSF
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Start-Up Costs

Prepaid Lease	1 Months Rent	\$7,565
Security Deposit	1 Months Rent	\$7,565
		\$0
Total Cash Required		\$15,130

Monthly Costs

Lease Payment	\$2.50	\$7,565
Cam Fees	\$0.50	\$1,513
Total Monthly Payment	\$3.00 PSF	\$9,078

Total Adjusted Monthly Costs

Total Monthly Payment	\$3.00	\$9,078
Less Depreciation	\$0.00	\$0

\$9,078.00 **\$3.00 PSF**

Forecasted Cost of Continuing to Lease

Monthly Lease Payment in 10 years	\$12,921
Cash Savings After 10 Years	
Equity in 10 Years	\$0

Assumptions: Assumes lease rate increase of 4% each year.

90% Financing Example

Financing Package	%	Loan Size	Term	Rate	Monthly Pymt
Bank 1st Mortgage	50%	\$638,000	25 Years	6.50%	\$ 4,307.82
SBA 504 2nd Mortgage*	40%	\$530,000	25 Years	6.18%	\$ 3,472.04
Total Financing		\$1,168,000		6.34%	\$ 7,779.87

Bank interest rate and terms are estimated. Actual rate negotiated with Lender
*SBA loan includes SBA fees of \$19,600 (2.65% plus \$5,000 in closing Costs)

For more information contact us.

Your SBA 504 Expert

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