

HAWTHORN BUSINESS PARK

THE NUMBERS MATTER - A BUSINESS CASE FOR LEASE VS OWNERSHIP COST COMPARISON

It's true, the last 24 months have been a really challenging time for many small businesses. Along with those challenges have come some real opportunities for those with foresight to make investments in their future.

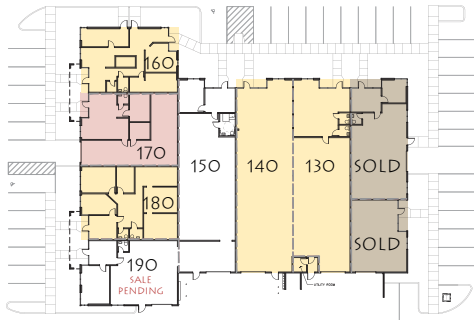
Important questions to answer are: How much will it cost to get in, what can I expect my ongoing costs to be, and is it cheaper to rent or to own over the long run? The answers to these questions are specific to your business, but owning your own commercial real estate is more obtainable than you may think.

The business condominium concept is fairly new in the Northwest, and even today, there are not many business condo options available. The Hawthorn Business Park, a mixed-use light industrial park, located just south of NE Cornell in the heart of the Sunset Corridor, is one great example. Recently renovated, this 4 building complex is situated 2 blocks from light rail, close to Orenco Station, shopping and retail amenities.

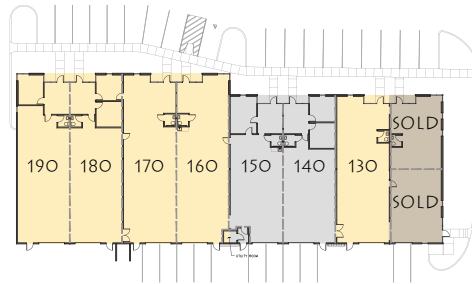
There are a mix of condo sizes and unit finishes available, from 100% office, to light industrial units featuring roll up doors, to 100% warehouse spaces. This quality project has new roofing and exteriors, refurbished parking lots, new signage, and beautiful mature landscaping.

For more information or to arrange a tour contact: Cindy Brown, SIOR Managing Principal Broker or Julie Myles, Principal Broker at [503] 452 4000.

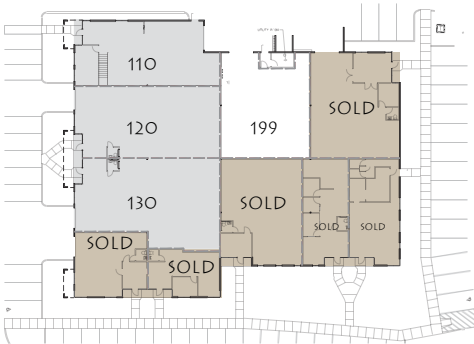
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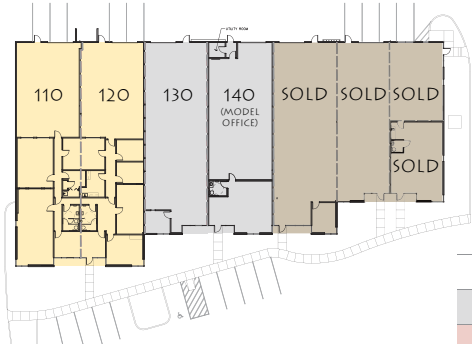
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	M-t-M Tenant
	Vacant Units
	Lease Ends in 2011
	Lease Ends after 2011
	SOLD Units

How does owning your commercial space compare to leasing?

Following analysis compares two different unit configurations in an easy to understand matrix.



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TO LEARN MORE OR SCHEDULE A TOUR CONTACT:

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HAWTHORN BUSINESS PARK

5289 - 5295 NE ELAM YOUNG PARKWAY, HILLSBORO, OR

PURCHASE	2,594 SF	3,439 SF	7,874 SF	LEASE	2,594 SF	3,439 SF	7,874 SF
Purchase Price	\$350,190.00	\$429,875.00	\$995,485.00				
Closing Costs							
Appraisal	\$3,500.00	\$3,500.00	\$3,500.00				
Environmental Site Assessment	\$1,800.00	\$1,800.00	\$1,800.00				
Title, Escrow, Legal	\$7,300.00	\$7,300.00	\$7,300.00				
Total Purchase Price	\$362,790.00	\$442,475.00	\$1,008,085.00				
Down Payment	\$36,279.00	\$44,248.00	\$100,809.00				
Total Amount Borrowed	\$326,511.00	\$398,228.00	\$907,277.00				
Annual Costs				Annual Leasing Costs			
Mortgage Payment	\$26,045.00	\$31,765.00	\$72,371.00	Lease Payment (Avg. over term of lease)	\$21,473.00	\$28,468.00	\$65,181.00
Annual HOA Dues	\$4,233.00	\$5,612.00	\$12,850.00	Annual CAMS	\$6,630.00	\$8,790.00	\$20,126.00
Annual Real Estate Taxes	\$2,455.00	\$3,255.00	\$7,453.00				
Total Annual Costs	\$32,734.00	\$40,633.00	\$92,674.00	Total Annual Costs	\$28,103.00	\$37,258.00	\$85,307.00
Total Monthly Costs	\$2,728.00	\$3,386.00	\$7,723.00	Total Monthly Costs	\$2,342.00	\$3,105.00	\$7,109.00
Average Annual Benefits (Initial 10 Years)				Average Annual Benefits (Initial 10 Years)			
Depreciation After Tax	\$3,467.00	\$4,256.00	\$9,855.00	Lease Deduction (Avg.) -After Tax	\$9,448.00	\$12,526.00	\$28,680.00
Operating Costs Deduction - After Tax	\$2,943.00	\$3,902.00	\$8,933.00	Operating Costs Deduction- After Tax	\$2,917.00	\$3,868.00	\$8,855.00
Interest Deduction (Avg.) - After Tax	\$5,972.00	\$7,284.00	\$16,595.00				
Annual Appreciation (Avg.)	\$7,945.00	\$9,690.00	\$22,076.00				
Annual Principal Reduction (Avg.)	\$12,471.00	\$15,211.00	\$34,654.00				
Total Annual Benefits	\$32,799.00	\$40,342.00	\$92,115.00	Total Annual Benefits	\$12,365.00	\$16,394.00	\$37,535.00
Total Monthly Benefits	\$2,733.00	\$3,362.00	\$7,676.00	Total Monthly Benefits	\$1,030.00	\$1,366.00	\$3,128.00
Net Annual Cost (Benefit) of Occupancy	(\$65.00)	\$291.00	\$559.00	Net Annual Cost of Occupancy	\$15,738.00	\$20,865.00	\$47,772.00

Net Annual Savings of Ownership Scenario Over Lease Scenario	\$15,803.00	\$20,574.00	\$47,213.00
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NOTES:

1. Quoted rate is a fixed rate for owner/users SBA 504 Rate per Evergreen Business Capital
2. Assumed Annual Appreciation 2%
3. Ordinary Income Tax Rate 44%
4. Capital Gains Tax Rate 24%
5. This analysis is for illustrative purposes only. Please consult with your attorney and or accountant to determine the actual costs/benefits to your business

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Information contained herein has been obtained from others and considered to be reliable. However, a prospective buyer or tenant is expected to verify all information to his/her own satisfaction.