

HAWTHORN BUSINESS PARK

5289 - 5295 NE ELAM YOUNG PARKWAY, HILLSBORO, OR

BENEFITS OF OWNERSHIP LEASE VS. OWN

Ownership Highlights:

- Benefit from appreciation of property values.
- Benefit from principal payments included in your loan payments.
- Benefit from tax deductions for depreciation and loan interest payments.
- Benefit from fixed occupancy costs (no increases in lease rates).

A QUALITY PROJECT BY



Lease Vs. Own Comparison Example

Ownership Scenario		Lease Scenario	
Assumptions		Assumptions	
Unit Size (SF)	2,000	Unit Size (SF)	2,000
Purchase Price	\$240,000	Monthly NNN Lease Rate/SF	\$0.63

Annual Costs		Annual Costs	
Mortgage Payment	\$17,481	Lease Payment (Avg over term of lease)	\$16,556
Operating Costs	\$4,300	Operating Costs	\$4,704
<i>Total Annual Costs</i>	\$21,781	<i>Total Annual Costs</i>	\$21,260

Average Annual Benefits (Initial 10 years)		Average Annual Benefits (Initial 10 years)	
Depreciation - After Tax	\$2,376	Lease Deduction (Average) - After Tax	\$7,285
Operating Costs Deduction - After Tax	\$1,892	Operating Costs Deduction - After Tax	\$2,070
Interest Deduction (Average) - After Tax	\$5,248		
Annual Appreciation (Average)	\$5,532		
Annual Principal Reduction (Average)	\$5,555		
<i>Total Annual Benefits</i>	\$20,602	<i>Total Annual Benefits</i>	\$9,354

<i>Net Annual Cost (Benefit) of Occupancy</i>	\$1,179	<i>Net Cost (Benefit) of Occupancy</i>	\$11,906
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Ownership provides a \$10,727 annual advantage when compared to leasing.

The information on this chart is not a commitment to lend. These are estimates based on basic information provided and may change. Please consult your tax advisor. **Rates subject to change.



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