



# REAL ESTATE PURCHASE SCENARIO

## Hawthorn Business Center

Purchase Price: \$400,000

Prepared for:

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Financing Offered By

CIT Small Business Lending  
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### LOAN STRUCTURE

Purchase Price	\$400,000
Additional Buildouts	\$20,000
Appraisal	\$3,500
Escrow, Title, Etc.	\$4,300
Lender Fee	\$5,170
Total Project Costs	\$432,970
Borrower Down-Payment: 5%*	\$33,970
<b>CIT Loan - 95% of Appraisal</b>	<b>\$399,000</b>
<b>Blended Rate &amp; Total Payment:</b>	<b>7.94% \$3,064</b>

### Ownership vs. Lease Analysis

<u>Purchase Assumptions</u>		<u>Lease Assumptions</u>	
Size (Sq. Ft.)	3,000	Size (Sq. Ft.)	3,000
		Lease Rate/ NNN	\$0.75 NNN start rate
<u>Monthly Costs</u>		<u>Monthly Costs</u>	
Mortgage Payment:	\$3,064	Lease Pymt: Avg 10 yrs (3%/yr bump)	\$2,579
Principal Reduction (calculated below*)	(\$628)	Operating Costs	\$600
Operating Costs	\$600	Total Monthly Costs	\$3,179
Total Monthly Costs	\$3,036		
<u>Monthly Ownership Benefits</u>		<u>Monthly Lease Benefits</u>	
Tax Benefits		Tax Benefits	
Depreciation Benefit:	\$298	Depreciation Benefit:	\$0
Interest Deduction:	\$1,023	Lease Deduction	\$1,083
Net Monthly Ownership Costs	\$1,715	Net Monthly Lease Costs	\$2,096

<u>Ownership Cost In 10 Years</u>			<u>Lease Costs for 10 years</u>	
Appreciation-Net Down Pymt	\$ 598,859	5%	Total Lease Costs	\$ 251,524
Loan Balance:	\$ (323,633)			
Taxes- 24%	\$ (63,357)		COMPARE!	VS.
Net After Tax Proceeds	\$ 211,869			
Less Cost of Ownership:	\$ (281,134)		Net Ownership Cost 10 years	\$ 69,265

The information on this sheet is not a commitment to lend. These are estimates based on basic information provided and may change. Please consult with your tax advisor. \*\*Rates subject to change. \* Average Monthly Principal Reduction

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