

Benefits of Ownership - SBA Loan

Property Address: The Park at Horizon Ridge

OWN

Purchase Assumptions	
Size (Square Feet)	4,256
Total Project Cost	\$1,270,000

Start-Up Costs:	
Down Payment	10% \$127,000
Total Start-Up Costs	\$127,000

Monthly Costs	Per Sq. ft.	
Mortgage Payment (P&I)	\$2.05	\$8,708
Operating Expenses	\$0.25	\$1,064
Property Taxes	\$0.10	<u>\$426</u>
Total Monthly Costs		\$10,198

Monthly Ownership Benefits (Estimated)	
Tax Benefits	
Depreciation Benefit	\$760
Operating Expense Deduction	\$426
Property Tax Deduction	\$170
Interest Deduction (7 yr Avg.)	\$2,505
Other Benefits	
Rental Income	\$0
Avg. Appreciation	2.0% <u>\$2,117</u>
Total Ownership Benefits	\$5,978
Total Effective Monthly Cost:	\$4,220

LEASE

Lease Assumptions	
Size (Square Feet)	4,256
Lease rate per sq ft/mth NNN	\$1.95
Monthly Lease	\$8,299

Start-Up Costs	
Prepaid Rent	\$9,789
Security Deposit	<u>\$9,789</u>
Total Start-Up Costs	\$19,578

Monthly Costs	Per Sq. ft.	
Lease Payment	\$1.95	\$8,299
Operating Expense	\$0.25	\$1,064
Property Taxes	\$0.10	<u>\$426</u>
Total Monthly Costs		\$9,789

Monthly Lease Benefits (Estimated)	
Tax Benefits	
Depreciation Benefit	n/a
Operating Expense Deduction	\$426
Lease Deduction	\$3,320
Interest Deduction	n/a
Other Benefits	
Rental Income	\$0
Avg. Appreciation	<u>n/a</u>
Total Lease Benefits	\$3,745
Total Effective Monthly Cost:	\$6,044

* Rate for this scenario is 7.32% / Tax Bracket is based on 40% / Assumes \$70 per Sq Ft improvement costs

Ownership Analysis Summary	
Annual Effective Cost Difference	\$21,881
Average Annual Principal Pay down	<u>\$29,341</u>
Annual Wealth Creation	\$51,222
15 Year Wealth Creation	\$768,323

Financing with GE Business Property Offers You Real Benefits

25 Year Fixed Rates, No Balloon or Resets
Lock Rate 12 Months Prior to Closing
No Restrictive Financial Covenants

Quick Response (24 Hour Pre-Qualification Available)
Low Down Payments
Longer Terms to Preserve Cash Flow

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