



COMMERCE PARK

AT NORTHBROOK

RENT VS. OWN COMPARISON

SAMPLE PROPERTY SIZE: 3,391 SQ FT SHELL PLUS BUILD-OUT: \$145 / SQ FT

RENT		OWN	
LEASE ASSUMPTIONS:		PURCHASE ASSUMPTIONS:	
Rent per square foot per month	\$1.00	Purchase Price	\$491,695
Rent per month (total)	\$3,391	Down Payment	\$49,170
MONTHLY COSTS: Per Sq. Ft. Amount		MONTHLY COSTS: Per Sq. Ft. Amount	
Rent payment	\$1.00 \$3,391	Mortgage payment	\$1.01 \$3,431
NNN operating costs	\$0.30 \$1,006	Operating costs	\$0.30 \$1,006
Total Monthly Costs	\$1.30 \$4,397	Total Monthly Costs	\$1.31 \$4,437
MONTHLY OWNERSHIP BENEFITS:		MONTHLY OWNERSHIP BENEFITS:	
Annual appreciation at 3%:	\$0	Annual appreciation at 3%:	\$1,229
Annual depreciation at 40% tax bracket:	\$0	Annual depreciation at 40% tax bracket:	\$420
Average Monthly Principal Payment:	\$0	Average Monthly Principal Payment:	\$877
Total Ownership Benefits:	\$0	Total Ownership Benefits:	\$2,526
TOTAL EFFECTIVE MONTHLY COST:	\$4,397	TOTAL EFFECTIVE MONTHLY COST	\$1,911

INCREASE IN PROPERTY VALUE & OWNER'S EQUITY

	Property Value	Loan Balance	Owner's Equity
YEAR 5:	\$570,009	\$381,708	\$188,301
YEAR 10:	\$660,797	\$295,491	\$365,306
YEAR 20:	\$888,056	\$ 0	\$888,056

Owner's Equity is the difference between the Property Value (appreciating at 3% per year) and the remaining Loan Balance.

Important Notes: This Proforma is an estimate and for illustration purposes only. Most leases provide for rent increases of about 3% per year. After 10 years, the mortgage payment would remain the same, but the rent would increase by 34%. Calculations based on a 20 year mortgage @ 7% with 10% down. Actual terms and rates will vary over time and by financial institution. An appreciation rate of 3% per year is assumed for property appreciation. Depreciation must be applied at your current tax bracket. Association (CAM) Fees of \$1.50 / sq ft / yr is assumed. Insurance is assumed at \$.20 / sq ft / yr. 2006 Tax Mill Rate was 32.100.

For more information visit: www.commercepark.net or call 770-729-2820