



# COMMERCE PARK AT NORTHBROOK

## RENT VS. OWN COMPARISON

SAMPLE PROPERTY SIZE: 3,391 SQ FT SHELL PLUS BUILD-OUT: \$130/ SQ FT

RENT		OWN			
<b>LEASE ASSUMPTIONS:</b>		<b>PURCHASE ASSUMPTIONS:</b>			
Rent per square foot	\$17.00	Purchase Price	\$440,830		
Rent per month (total)	\$4,804	Down Payment	\$44,083		
<b>MONTHLY COSTS: Per Sq. Ft. Amount</b>		<b>MONTHLY COSTS: Per Sq. Ft. Amount</b>			
Rent payment	\$1.41	\$4,804	Mortgage payment	\$0.77	\$2,607
NNN operating costs	<u>\$0.30</u>	\$1,006	Operating costs	<u>\$0.30</u>	<u>\$1,017</u>
Total Monthly Costs	\$1.71	\$5,810	Total Monthly Costs	\$1.07	\$3,625
<b>MONTHLY OWNERSHIP BENEFITS:</b>		<b>MONTHLY OWNERSHIP BENEFITS:</b>			
Annual appreciation at 3%:	\$0	Appreciation at 3% Annually:	1,102		
Annual depreciation at 40% tax bracket:	\$0	Depreciation at 40% tax bracket:	377		
Average Monthly Principal Payment:	\$0	Average Monthly Principal Payment:	993		
Total Ownership Benefits:	\$0	Total Ownership Benefits:	2,472		
<b>TOTAL EFFECTIVE MONTHLY COST:</b>	<b>\$4,397</b>	<b>TOTAL EFFECTIVE MONTHLY COST :</b>	<b>\$1,153</b>		

### INCREASE IN PROPERTY VALUE & OWNER'S EQUITY

	Property Value	Loan Balance	Owner's Equity
YEAR 5:	\$511,043	\$315,552	\$195,490
YEAR 10:	\$592,439	\$246,397	\$346,041
YEAR 20:	\$796,188	\$0	\$796,188

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%. After 20 years, the rent would increase by 80% while mortgage payments would cease. Loan was computed based on a 20 year mortgage @ 4.95% with 10% down payment. Actual terms and rates will vary over time and by financial institution. The rent amount shown above is for the starting year. An appreciation of 3% per year is assumed for property appreciation. Depreciation per sq ft must be applied at your current tax bracket. Association (CAM) fees of 1.20 / sq/ft/yr is assumed. Insurance is assumed at \$.50/sq/ft/yr. 2008 Tax Mill Rate was 32.10.

**For More Information visit: [www.commercepark.net](http://www.commercepark.net) or call John Cape at 770-729-2920**