

MADRONA

MEDICAL & PROFESSIONAL CENTER

SBA Loan: 6.25%, 10% Downpayment

OWN vs. LEASE - 10 Year Comparison

Sale Price	\$475,000.00	N/A
Build Out	\$40,000.00	
Total Project Cost	\$515,000.00	
Total Loan (90% + SBA Fees)	\$470,959.00	N/A
Downpayment (10%)	\$51,500.00	
Mortgage Payment (6.25%, 25 years, blended)	\$413,084.40	N/A
Lease Payments (\$2.75 NNN, 3% annual increases)	N/A	\$275,133.10
Cummulative Principal	\$164,370.72	N/A
Cummulative Interest	\$248,713.68	N/A
Mortgage Balance at 2018	\$306,588.28	N/A
ESTIMATE AT END OF 10-YEAR PERIOD		
EQUITY:		
<i>Estimated Building Value in 2018</i>	762,325.81	N/A
<i>(4% in appreciation)</i>		
Less: Loan Balance	(\$306,588.28)	N/A
OWNER EQUITY VALUE	\$455,737.53	\$ 0
CASH OUTLAY TOTALS:		
Mortgage Payments	\$413,084.40	N/A
Lease Payments	N/A	\$275,133.10
Property Tax	\$52,250.00	\$9,600.00
Insurance	\$18,000.00	\$18,000.00
Utilities	\$20,400.00	\$20,400.00
Owners Association Dues	\$22,680.00	N/A
ADD BACK TAX BENEFITS (40% TAX BRACKET):		
Depreciation	(\$34,333.33)	N/A
Property Tax	(\$20,900.00)	N/A
Mortgage Deduction	(\$99,485.47)	N/A
Lease Deduction	N/A	(\$110,053.24)
NET 10-YEAR COST	\$371,695.59	\$213,079.86
ACCUMULATED EQUITY	\$455,737.53	\$ 0

ADVANTAGES OF OWNERSHIP

Build Equity
Hedge Against Inflation
Improvements Add to Future Value
Real Estate Appreciation
Interest & Depreciation Deduction
Pride of Ownership
Controlled Occupancy Costs
Estate Planning Asset

OWNERSHIP

YES
YES
YES
YES
YES
YES
YES
YES

LEASING

NO
NO
NO
NO
NO
NO
NO
NO

NOTE: This is not nor can it be construed as a commitment to lend. Any and all terms and conditions subject to change. All facts and figures are estimates only and are not guaranteed to be accurate. Please consult with a certified public accountant to get an assessment of your own personal financial situation prior to making a decision to purchase.