

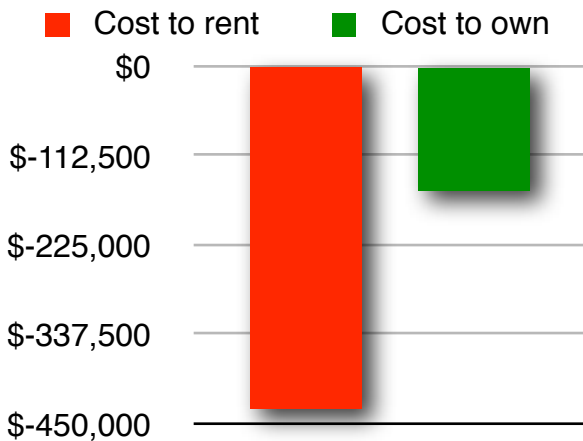
10 Year Rent vs. Own Comparison

2,504 SF ground floor plus 630 SF storage
\$500,000 price for 3,134 SF total
Includes \$150,000 interior improvements

10 Year Cost to Rent

Assume monthly NNN rental of	\$3,488
Annual NNN rental of	\$41,856
Annual tax and CAM or condo fee	\$10,397
Annual effective rent	<u>\$52,253</u>
10 year effective rent (Assumes 3% annual increase)	\$599,022
Tax benefit of effective rent at 28% tax bracket	\$167,726

Net 10 year cost to rent \$431,296



10 Year Cost to Own

Down payment (10%)	\$50,000
Closing costs	\$9,000
Sum of mortgage payments (10 yrs, 7% interest, 20 yr amortization)	\$418,662
10 yr condo fee and taxes (3% annual increase)	\$119,190
Total out of pocket cost to own	<u>\$596,852</u>
Principal paid on mortgage	\$149,518
Total tax benefit during 10 years of interest, depreciation, condo fees and property taxes at 28% tax bracket	\$144,272
Return of down payment	\$50,000
Net income from theoretical sale after 10 years assuming 4% annual appreciation, after tax and depreciation recapture, less opportunity cost and selling expenses.	\$99,169

Net 10 year cost to own \$153,893

**Ownership saves \$277,403
over 10 years!**

**Your \$50,000 initial investment
can grow to more than
\$1,100,000 over 20 years,
a return of 15.6%!**

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