

# 300 EAST MAIN LEASE VS. OWN WHICH IS BETTER FOR YOU?

Let's use our current model of Unit 310

**LEASE:** \$16 per sf to lease unit  
We assume a lease of 5 years w/ a 5 year renewable option, a 2.5% annual increase, and 1148 rentable (1255 gross) square feet.

**OWN:** Purchase price of \$159,900 on a newly remodeled unit. Pass-through expenses of \$3.97 per sf annually plus \$.99 per sf for property taxes. Financing assumes 10% down and 6% rate over 25 years with a 2.5% annual increase in value of unit.

Lease Cost (Actual Out of Pocket)

Year 1	\$18,368
Year 2	\$18,827
Year 3	\$19,298
Year 4	\$19,780
Year 5	\$20,275

Own Cost (Actual Out of Pocket)

Year 1	\$37,296
Year 2	\$17,296
Year 3	\$17,296
Year 4	\$17,296
Year 5**	\$17,296

\*\*Assume 5 year hold then sale with proceeds in the amount of \$51,169.

FIVE YEAR COST TO **LEASE**  
**\$96,548**

FIVE YEAR COST TO **OWN** (After Sale)  
**\$55,311**

**THIS IS A DIFFERENCE OF \$41,237. I KNOW WHICH I LIKE BETTER!!**

Lease Cost (Actual Out of Pocket)

Year 6	\$20,782
Year 7	\$21,301
Year 8	\$21,834
Year 9	\$22,380
Year 10	\$22,939

Own Cost (Actual Out of Pocket)

Year 6	\$17,296
Year 7	\$17,296
Year 8	\$17,296
Year 9	\$17,296
Year 10**	\$17,296

\*\*Assume 10 year hold then sale with proceeds in the amount of \$94,051.

TEN YEAR COST TO **LEASE**  
**\$205,784**

TEN YEAR COST TO **OWN** (After Sale)  
**\$98,908**

**\$106,876 DIFFERENCE**

**CAN YOU AFFORD THIS DIFFERENCE OVER 10 YEARS?  
NOW WHICH OPTION IS BETTER FOR YOU?**

\*\*These cash flow numbers do not reflect depreciation, recapture, and other accounting effects on your decision. Please consult your CPA for this information.