

LEASE VS PURCHASE ANALYSIS

\$/RSF/YR	LEASE VS PURCHASE COMPARISON
\$34.00	Gross Lease equiv in downtown - class "B" buildings
\$0.95	Janitorial*
\$34.95	Total cost (if rent)
(\$12.23)	Tax deduction***
\$22.72	After tax cost (if rent)
\$310.00	\$/rsf assumed sales price
\$13.17	Interest at 4.25% on 100% of purchase amount
\$0.95	Janitorial*
\$1.70	Electric*
\$0.66	HVAC allowance based on \$5,000/yr/floor*
\$0.66	MEP allowance based on \$5,000/yr/floor*
\$2.55	Association dues based on 2015
\$7.38	property tax based on purchase price @ 2.3798% rate*
\$27.07	Total cost (if purchase)
(\$12.26)	Tax deduction*** - See (t) below
\$14.81	After tax cost (if purchase)
\$7.95	Depreciation over 39 years
\$27.07	Expenses
\$35.02	Taxable expense
(\$12.26)	(t) Tax***
(\$7.90)	\$/rsf/year savings if purchase v rent

* to be verified

** Assumes the cost of the down payment is 4.25%*

*** Assuming 35%* (corporate, franchise & personal)

lease vs purchase analysis