

CASH FLOW OFFICE over 50 Years								
Base Case								
Year	1	2	3	19	20	21	22	23
BUY								
Payment	20,000	20,000	20,000	20,000	20,000			
RE Taxes	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total	21,000	21,000	21,000	21,000	21,000	1,000	1,000	1,000
RENT								
	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
				Summary After 20 Years				
				Total		Net		
				Payments		Equity Cost		
				Buy	\$420,000	\$250,000	\$170,000	
				Rent	\$240,000	\$240,000		
				Savings	\$70,000			
Assumptions:								
Comparison of Buy vs Rent								
Annual Mortgage shown at \$20,000. Plan is for \$19,200								
There is no inflation.								
Rent is at \$1,000 per month, the current rental rate.								
Building has the same value throughout the time period								

	BREAKEVEN CALCULATED FROM BASE CASE								
		Breakeven @ 50 years							
		Buy - Annual Payment (Mortgage)							
Rent - Annual Payment	\$400,000	\$26,000	\$28,000	\$30,000	\$32,000	\$34,000	\$36,000	\$38,000	\$40,000
	\$6,000	(\$20,000)	(\$60,000)	(\$100,000)	(\$140,000)	(\$180,000)	(\$220,000)	(\$260,000)	(\$300,000)
	\$7,000	\$30,000	(\$10,000)	(\$50,000)	(\$90,000)	(\$130,000)	(\$170,000)	(\$210,000)	(\$250,000)
	\$8,000	\$80,000	\$40,000	\$0	(\$40,000)	(\$80,000)	(\$120,000)	(\$160,000)	(\$200,000)
	\$9,000	\$130,000	\$90,000	\$50,000	\$10,000	(\$30,000)	(\$70,000)	(\$110,000)	(\$150,000)
	\$10,000	\$180,000	\$140,000	\$100,000	\$60,000	\$20,000	(\$20,000)	(\$60,000)	(\$100,000)
	\$11,000	\$230,000	\$190,000	\$150,000	\$110,000	\$70,000	\$30,000	(\$10,000)	(\$50,000)
	\$12,000	\$280,000	\$240,000	\$200,000	\$160,000	\$120,000	\$80,000	\$40,000	\$0
		Approximate Breakeven Points							
		Rent*		Buy**					
		Annual	Per Mon	Annual	Per Mon				
		\$8,000	\$667	\$30,000	\$2,500				
		\$9,000	\$750	\$33,000	\$2,750				
		\$10,000	\$833	\$35,000	\$2,917				
		\$11,000	\$917	\$37,000	\$3,083				
		\$12,000	\$1,000	\$40,000	\$3,333				
		*Rent Payments Continue for full 50 year term.							
		**Annual Mortgage is limited to 20 years. Property is owned in 20 years.							
		Taxes are computed for the entire 50 years; only mortgage payment is shown.							
		Savings are shown in Black.							