

# SOUTH SHORE PLAZA - UNIT 202

## NET COST OF BUYING (Cost/Benefits Analysis)

Net Cost BEFORE APPRECIATION of \$0.74 per sq. ft. per month\*

Floor Area	1,187 sq.ft.	Net Useable Area -
Purchase Price	\$ 398,000.00	<b>\$335 Per Sq. Ft.</b>
Interior Improvements @ \$0 per sq. ft.	\$ 0.00	<b>THE VALUE OF YOUR IMPROVEMENTS</b>
Total	\$ 398,000.00	<b>IS YOURS AND NOT THE LANDLORD'S</b>
First Mortgage (50%)	\$ 199,000.00	Bank Loan
Second Mortgage (40%)	\$ 159,200.00	SBA Loan
Cash Down Payment (10%)	\$ 39,800.00	Plus closing costs
First Mortgage Payment	\$ 1,106.11	Assuming 4.50%, 25 yr. amortization
Second Mortgage Payment	\$ 1,019.25	Assuming 4.64%, 20 yr. amortization
Total Monthly Payment	\$ 2,125.36	Plus Maint. Fee, RE Tax & Insurance
Per Sq. Ft. Per Month	\$ 1.79	Interest of \$1.13 & Principal of \$0.66
Savings of Future Rent Increases	\$ 0.13	<b>Assuming a rent of \$1.25, 3% annual increases,</b> 10-year term, and a 4.50% discount rate
Savings of General Excise Tax (1 <sup>st</sup> year)	\$ 0.05	General Excise Tax is only paid on rent.
Savings from Depreciation	\$ 0.21	85% on Unit, 100% on Interior Improvements, 39 yrs., 35% Tax Bracket
Net Cost after Cash Savings	\$ 1.40	
Principal Payment Per Sq. Ft. (1 <sup>st</sup> 12 mos.)	\$ 0.66	This is your money - Building Your Equity
<b>(Compare interest of \$1.13 with rent)</b>		<b>\$116,000 Principal paid over 10 years</b>
<b>Net Cost of Buying Before Appreciation</b>	\$ 0.74	<b>Compare with rent for a new space</b>
Appreciation Assuming a 25% increase in 10 years (Doubling in 32 years), Discounted at the First Mortgage Rate (4.50%)	\$ 0.55	Over the long run your equity will build. <b>This analysis assumes \$100,000 in 10 yrs.</b>
<b>Estimated Net Cost of Buying</b>	\$ 0.19	

**Build Equity with the Rent that Your Business would otherwise Pay!**

**(Approximately \$216,000 in Equity in 10 Years - a Return on Equity of 5.4x)**

**PEAKE // LEVOY**  
COMMERCIAL REAL ESTATE SERVICES

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**\*Brokers' Disclaimer.** Peake & Levoy, LLC, CardOneRealty Corp. and Mario Cardone ("Brokers") make no representations or warranties, expressed or implied with respect to the property or this analysis, including estimates, assumptions or future appreciation, short or long term. This analysis is based on owner occupancy with a minimum 10-year holding period, under certain estimates and assumptions, and may not include all expenses of ownership. In particular, this analysis omits maintenance fee, property tax and insurance, as these expenses apply to both a purchase and a lease. The prospective buyer ("Buyer") is encouraged to consult with Buyer's legal and tax advisors, as Brokers give no tax or legal advice.

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