




















# BUYING VS.



# LEASING

You may have entertained the idea that buying space for your business might be better than continuing to lease commercial real estate. Do a cash flow analysis to see the real pros and cons. Here are some issues you want to take a look at.

		
 <b>Cash Outlay</b>	Down payment = 10% - 25% purchase price	First and last month's rents of a lease
 <b>Opportunity Cost</b>	\$ Money  tied in property.	\$ Money available for business operations or other investments.
 <b>Fixed vs. Variable cost</b>	Can plan over the long-term with  fixed-rate mortgage.	 Changing market conditions dictate rent over long run.
 <b>Growth Considerations</b>	Good for a mature,  stable company.	Good for a company that's  relatively new or in high-growth mode.
 <b>Property Management</b>	Responsibility of the owner. 	Responsibility of the landlord. 
 <b>Appreciation</b>	 Long-term increase in value through market appreciation.	Flexibility of moving without concern of building value.
 <b>Taxes/Financial</b>	Building improvement depreciation asset and liability. Interest payment deduction.	Lease payment deduction asset and liability.



Contact Commercial Real Estate Group of Tucson. We can help you do your cash flow analysis.

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