

# Sample Comparative Lease Analysis

May 30, 2009

## ABC Company Orange County Office Relocation Project



Property:	2211 Michelson Dr. Irvine, CA	20 Pacifica, Irvine, CA	30 Enterprise Aliso Viejo, CA
<b>Key Lease Information</b>			
Rentable SF	30,000	29,200	31,400
Usable SF	26,087	25,956	27,837
Commencement Date	1 / 2009	1 / 2009	1 / 2009
Termination Date	4 / 2014	4 / 2014	6 / 2014
Lease Term (months)	64	64	66
<b>Other Factors</b>			
Class of Building	A	A	A
Parking Ratio	4/1000	4/1000	4/1000
Renewal Options	2 5 Yr at FMV	1 5 Yr at FMV	1 5 Yr at FMV
Expansion	None	None	None
Cancellation	None	None	None
<b>Deal Points</b>			
Type of Lease	NNN	Full Service	Full Service
Starting Rent	\$1.90	\$2.40	\$2.60
Starting Full Service Rent	\$2.54	\$2.40	\$2.60
Months of Rent Abatement	6	3.5	6
Calendar Yr. Base Year Operating Expenses	n/a	2009	2010
Estimated Operating Expenses \$/rsf/month	\$0.64	\$0.95	\$1.00
Calendar Yr. Base Year Real Estate Taxes	n/a	n/a	n/a
Cap Controllable Expenses	3.0%	3.0%	2.5%
Construction Cost / rsf	\$30.43	\$60.67	\$67.02
Landlord Const. Allowance / rsf	\$30.43	\$57.78	\$57.62
Construction Financing / rsf	\$0.00	\$0.00	\$9.40
Tenant Paid Const. Cost / rsf	\$0.00	\$2.89	\$0.00
Total Concessions Impact on Rent / rsf / month	\$0.87	\$1.26	\$1.35
Concessions have been discounted at	8.0%	8.0%	8.0%
<b>Rent</b>			
Average Base Rent / rsf / month	\$1.85	\$2.49	\$2.54
Average Gross Rent / rsf / month	\$3.08	\$2.94	\$2.84
NPV - Base Rent / rsf / month	\$1.47	\$1.99	\$2.03
NPV - Gross Rent / rsf / month	\$2.46	\$2.36	\$2.27
Total Rent over Term	\$3,553,763	\$4,648,640	\$5,254,035
<b>Occupancy Cost</b>			
Project Costs w/Construction	\$266,700	\$338,104	\$324,676
First Year Occupancy Cost	\$1,052,700	\$1,213,824	\$1,561,466
Total Occupancy Cost over Term	\$6,481,924	\$6,351,578	\$7,883,523
Average Total Cost / rsf / month	\$3.38	\$3.40	\$3.80
Average Monthly Occupancy Cost	\$101,280	\$99,243	\$119,447
Average Annual Occupancy Cost	\$1,215,361	\$1,190,921	\$1,433,368
NPV - Average Annual Occupancy Cost	\$985,972	\$971,596	\$1,164,064
NPV - Total Occupancy Cost / rsf / month	\$2.74	\$2.77	\$3.09
Net Effective Rate / rsf / month @ 8%	\$3.35	\$3.39	\$3.80
Net Effective Rate / Year @ 8%	\$1,206,416	\$1,188,826	\$1,433,137
Net Effective Base Rent / rsf / month @ 8%	\$1.80	\$2.44	\$2.50
Net Effective Base Rent / usf / month @ 8%	\$2.07	\$2.75	\$2.82
NPV @ 8%	\$5,258,515	\$5,181,847	\$6,402,350

Prepared by: Voit Commercial Tenant Solutions

Notes: This sample report does not necessarily reflect a real leasing scenario.



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May 30, 2009

## Comparison of Unit Metrics

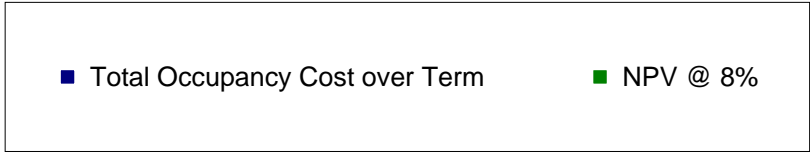
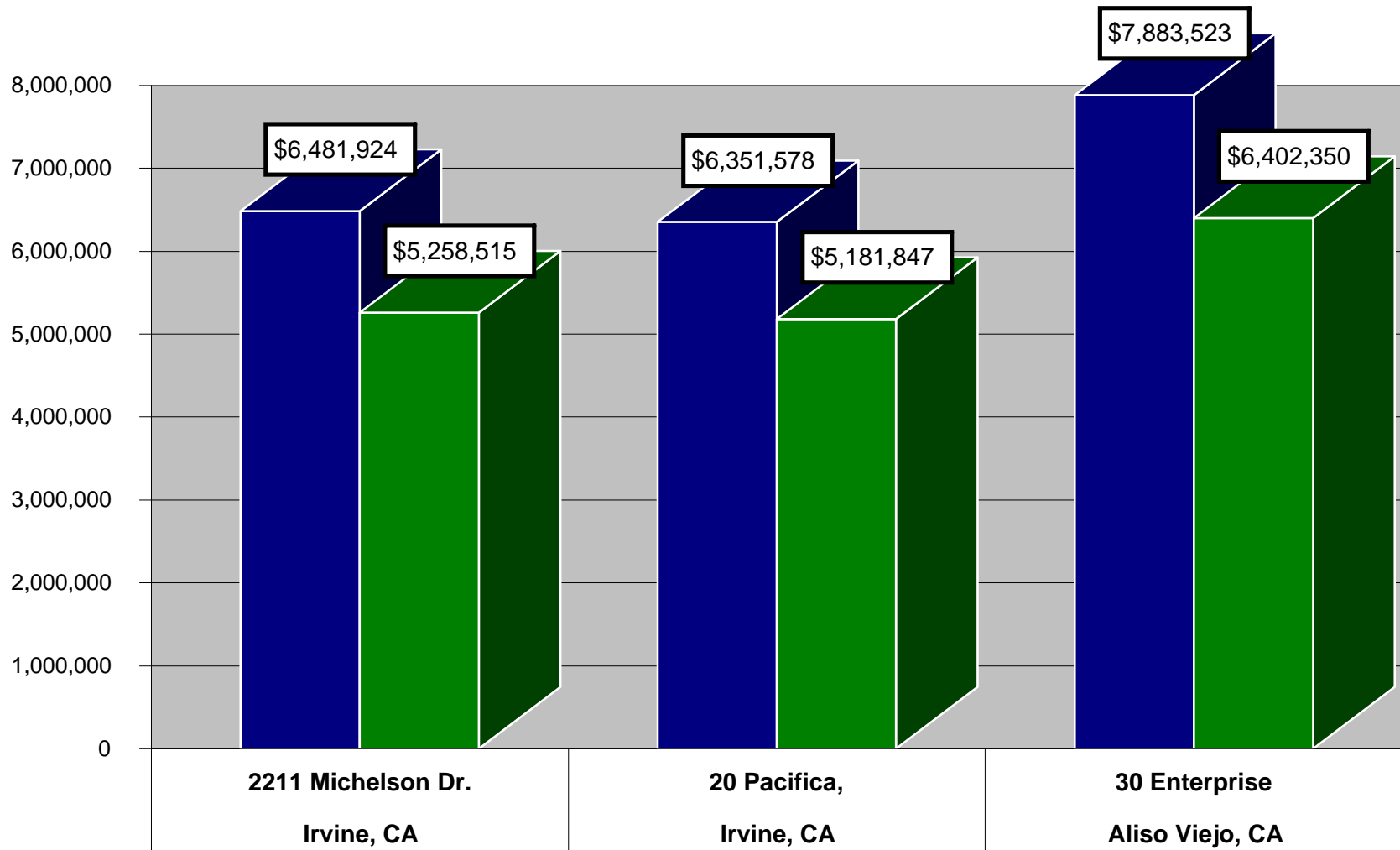
Property:	2211 Michelson, Ir	20 Pacifica, Irvine, CA	30 Enterprise, A
<b>Space Programming</b>			
Rentable SF	30,000	29,200	31,400
Usable SF	26,087	25,956	27,837
Planned HdCt	95	95	95
RSF / Planned HdCt	316	307	331
Average Cost / Planned HdCt / Year	\$12,793	\$12,536	\$15,088
Seats	95	95	95
\$/Seat/Yr	\$12,793	\$12,536	\$15,088
<b>Rent</b>			
Average Base Rent / usf / month	\$2.13	\$2.80	\$2.86
Average Base Rent / rsf / month	\$1.85	\$2.49	\$2.54
Average Gross Rent / usf / month	\$3.54	\$3.31	\$3.20
Average Gross Rent / rsf / month	\$3.08	\$2.94	\$2.84
NPV - Base Rent / usf / month	\$1.70	\$2.24	\$2.29
NPV - Base Rent / rsf / month	\$1.47	\$1.99	\$2.03
NPV - Gross Rent / usf / month	\$2.83	\$2.65	\$2.56
NPV - Gross Rent / rsf / month	\$2.46	\$2.36	\$2.27
<b>Occupancy Cost</b>			
Net Effective Rate / usf / month @ 8%	\$3.85	\$3.82	\$4.29
Net Effective Rate / rsf / month @ 8%	\$3.35	\$3.39	\$3.80
NPV - Total Occupancy Cost / rsf / month	\$2.74	\$2.77	\$3.09

*Prepared by: Voit Commercial Tenant Solutions*

Notes:

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## TOTAL OCCUPANCY COST and NET PRESENT VALUE



FINANCIAL SUMMARY							30May09
Client: ABC Corporation							Revision 1.0
Property: 30 Enterprise, Aliso Viejo, CA							
Prepared by: Voit Commercial Tenant Solutions							
2020 Main Street, Suite 100, Irvine, CA 92614 (Stefan Rogers - 949 263 5362)							
<b>KEY ASSUMPTIONS</b>	<b>BASE RENT</b>	<b>OP. EXPENSES AND TAXES</b>					
Discount Rate NPV @ 8%	Base Rental Rate - \$/rsf/mo.	\$2.60	Base Year for Op. Exp.	2010			
Rentable SF 31,400	Months of Gross Free Rent	6	Base Year Operating Expenses	\$1.00			
Usable SF 27,837	@3% eff.1/2010 based on	\$2.60	Estimated Operating Expenses	\$1.00			
Add-on Factor 12.8%			Annual % increase (eff.1/2011)	3.0%			
Loss Factor 11.35%			Pass through costs start: Op. Exp. 1/2011				
Commencement Date 1 / 2009	Rent Schedule - \$/rsf/mo.		Base Year Real Estate Taxes	in op. exp.	Notes:		
Termination Date 6 / 2014	1/2009 \$0.00	1/2014 \$3.01	Estimated Real Estate Taxes	in op. exp.			
Term of Lease 5 Yrs. & 6 Mos.	2/2010 -\$0.00						
Type of Lease Full Service	1/2011 -\$0.00		Cap Controllable Expenses	2.5%			
Construction Cost \$75.60	1/2012 \$0.00		<b>OTHER DIRECT OP. EXPENSES</b>	\$/rsf/mo.			
LL Const. Allowance \$65.00	2/2012 \$2.84						
Const. Fin. @5.25% * \$10.60	1/2013 \$0.00		Other Direct Op. Exp.:				
Net Cost to Tenant \$0.00	2/2013 \$2.93		Telecommunications	\$0.15			
Const. \$ based on 27,837 usf	<b>OTHER ANNUAL COSTS</b>	\$/rsf/mo.	After Hrs. HVAC	\$0.10			
* 60 mo. from 8/08. \$5,602.21/mo.	Employee Toll Road Rebate	\$0.44	Annual % Increase	3.0% eff.1/2010			
<b>OTHER FIT-UP / INFRASTRUCTURE</b>							
Furniture \$/rsf \$3.50							
Voice / Data \$1.60							
Legal / Consultants \$0.20							
Security System \$1.10							
Contingency % 10%							
<b>Year</b> (lease starts 1 / 2009)	1	2	3	4	5	6	Total
<b>Calendar Year</b>	2009	2010	2011	2012	2013	2014	
<b>Months Leased Each Year</b>	12	12	12	12	12	6	66
<b>Months of Gross Free Rent</b>	2	1	1	1	1		6
<b>RSF Leased - Weighted Average</b>	31,400	31,400	31,400	31,400	31,400	31,400	31,400
<b>COSTS PER RENTABLE SQUARE FOOT based on 31,400 Rentable Square Feet</b>							
	Average / Month						Total
Base Rent *	\$2.60	\$2.60	\$2.60	\$2.60	\$2.60	\$2.60	\$2.60 5,388,240
Free Rent / Special Adjustments *	-\$0.43	-\$0.22	-\$0.23	-\$0.24	-\$0.24		-\$0.25 -515,078
Percentage Rent Increases *	\$0.08	\$0.08	\$0.16	\$0.24	\$0.33	\$0.41	\$0.18 380,873
Fixed Increases *							\$0.00 0
<b>Total Rent *</b>	\$2.17	\$2.45	\$2.53	\$2.60	\$2.68	\$3.01	\$2.54 5,254,035
Operating Expenses *			\$0.03	\$0.06	\$0.08	\$0.13	\$0.04 87,071
Taxes *							\$0.00 0
Tenant Electric *							\$0.00 0
Other Operating Expenses *	\$0.25	\$0.25	\$0.26	\$0.27	\$0.28	\$0.28	\$0.26 544,829
<b>Total Operating Exp./Taxes *</b>	\$0.25	\$0.25	\$0.29	\$0.32	\$0.36	\$0.41	\$0.30 631,900
Parking *		\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.13 264,600
Moving	\$3.30						\$0.05 103,620
Construction Costs							\$0.00 0
Construction Financing *	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18		\$0.16 336,133
Furniture	\$3.85						\$0.06 120,890
Voice / Data	\$1.76						\$0.03 55,264
Other Fit-up / Infrastructure	\$1.43						\$0.02 44,902
Special Taxes *							\$0.00 0
Other Annual Costs *	\$0.44	\$0.45	\$0.47	\$0.48	\$0.50	\$0.51	\$0.47 977,536
Security Deposit	\$3.01						\$0.05 94,643
BuyOut of Lease							\$0.00 0
Restoration							\$0.00 0
Other							\$0.00 0
Other							\$0.00 0
Other							\$0.00 0
Other							\$0.00 0
<b>TOTAL COST</b>	\$16.39	\$3.50	\$3.62	\$3.74	\$3.87	\$4.09	\$3.80 7,883,523
* Annualized cost per square foot per month							
NPV @ 8%							\$3.09 6,402,350
Net Effective Rate per Year of Total Occupancy Cost @ 8%							\$3.80 1,433,137
<b>FINANCIAL SUMMARY</b>							Total Avg / Month
<b>Rent</b>							
Base Rent	979,680	979,680	979,680	979,680	979,680	489,840	5,388,240 \$2.60
Rent Abatement	-163,280	-84,089	-86,612	-89,210	-91,887		-515,078 -\$0.25
Special One-Time Adjustments							\$0.00 0
Percentage Rent Increases		29,390	59,663	90,843	122,958	78,019	380,873 \$0.18
Fixed Increases							0 \$0.00
<b>Total Rent</b>	816,400	924,981	952,731	981,313	1,010,752	567,859	5,254,035 \$2.54
<b>Operating Exp./Taxes</b>							
Operating Expenses			10,362	21,035	32,028	23,646	87,071 \$0.04
Taxes							0 \$0.00
Tenant Electric							0 \$0.00
Other Operating Expenses	92,520	95,296	98,154	101,099	104,132	53,628	544,829 \$0.26
<b>Total Operating Exp./Taxes</b>	92,520	95,296	108,516	122,134	136,160	77,274	631,900 \$0.30
<b>Parking</b>		58,800	58,800	58,800	58,800	29,400	264,600 \$0.13
<b>Moving</b>	103,620						103,620 \$0.05
<b>Construction Costs</b>							0 \$0.00
Construction Financing	67,227	67,227	67,227	67,227	67,227		336,133 \$0.16
Furniture	120,890						120,890 \$0.06
Voice / Data	55,264						55,264 \$0.03
Other Fit-Up/Infrastructure	44,902						44,902 \$0.02
Special Taxes							0 \$0.00
Other Annual Costs	166,000	170,980	176,109	181,393	186,834	96,220	977,536 \$0.47
Security Deposit	94,643						94,643 \$0.05
<b>All Other</b>							
BuyOut of Lease							0 \$0.00
Restoration							0 \$0.00
Other							0 \$0.00
Other							0 \$0.00
Other							0 \$0.00
Other							0 \$0.00
<b>Total All Other</b>	0	0	0	0	0	0	0 \$0.00
<b>TOTAL COST</b>	1,561,466	1,317,283	1,363,383	1,410,866	1,459,773	770,752	7,883,523 \$3.80
<b>CUMULATIVE</b>	1,561,466	2,878,749	4,242,132	5,652,998	7,112,771	7,883,523	
<b>Average Monthly Cost</b>	130,122	109,774	113,615	117,572	121,648	128,459	119,447
<b>Net Present Value Discounted @ 8%</b>							6,402,350 \$3.09
<b>Net Effective Rate per Year of Total Occupancy Cost @ 8%</b>							1,433,137 \$3.80
Security Deposit: \$94,643 (1/2009); Returned \$0 (1/2014)							
Notes:							
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**ASSUMPTIONS**

Client: ABC Corporation  
 Property: 30 Enterprise, Aliso Viejo, CA  
 Prepared by: Voit Commercial Tenant Solutions  
 2020 Main Street, Suite 100, Irvine, CA 92614 (Stefan Rogers - 949 263 5362)

**FINANCIAL ASSUMPTIONS**

NPV Discount Rate (Beginning of Mo. Calc.) 8.0%

**SQUARE FOOTAGE ASSUMPTIONS**

Rentable SF to be Leased 31,400  
 Usable SF to be Leased 27,837  
 Add-on Factor, (Loss %) (11.35%) 12.80%

**RENT ASSUMPTIONS**

Proposal Date  
 Commencement Date 1 / 2009  
 Termination Date 6 / 2014  
 Term of Lease (5 Yrs. & 6 Mos.) 66 months  
 Base Rental Rate \$2.60 \$/rsf/mo.  
 Type of Lease Full Service  
 Months of Gross Free Rent 6  
 Landlord Construction Allowance \$65.00 \$/usf

**ANNUAL % RENT INCREASES**

1st @ 3% starting 1/10 based on \$2.60  
 2nd Percentage Increase

**FIXED AMOUNT RENT INCREASES**

1st Increase  
 2nd Increase  
 3rd Increase  
 4th Increase  
 5th Increase

**SECURITY DEPOSIT**

Amount Paid on 1/2009 \$94,643  
 Amount Returned on 1/2014 none

**PARKING**

Parking Ratio 4/1000  
 Type Reserved Unreserved  
 Spaces 9 100  
 Cost / Space / Month \$100.00 \$40.00 \$/mo.  
 Months of Free Parking 12 12 months  
 Annual % Increase 0.0% (eff. 1/2010)  
 Total Monthly Parking Cost \$4,900 \$/mo.

**OTHER ANNUAL COSTS**

Employee Toll Road Rebate \$166,000 \$/yr  
 Roof Rent  
 Other  
 Other  
 Other  
 Total Other Annual Costs Costs \$166,000 \$/yr  
 Annual % Increase (eff. 1/2010) 3.0%

**CONCESSIONS IMPACT \***

Free Rent (based on NPV) \$0.27 \$/rsf/mo  
 Landlord Construction Allowance \$1.07 \$/rsf/mo  
 Other Impact  
 Total Impact \$1.35 \$/rsf/mo

\* Amount rent increased due to concessions discounted @8% over 66 mo.

**KEY RATIOS - calculations based on**

27,837 usf 31,400 rsf  
 Average Gross Rent/RSF/Month \* \$2.84 \$/rsf/mo.  
 Average Gross Rent/USF/Month \* \$3.20 \$/usf/mo.  
 \* Rent, Operating Expenses, Taxes  
 Average Base Rent / Month Over Term \$2.54 \$/rsf/mo.

**METRICS / UNIT**

RSF/Head Count 331  
 Average Cost / Head Count / Year \$15,088  
 based on a head count of 95  
 Average Cost / Seat / Year \$15,088  
 based on 95 units

**OPERATING EXPENSES AND TAXES \***

Base Year Operating Expenses (2010) \$1.00 \$/rsf/mo.  
 Estimated Operating Expenses \$1.00 \$/rsf/mo.  
 Op.Expense Annual % Increase 3.0% (eff. 1/2011)  
 Base Year Real Estate Taxes in op. exp.  
 Estimated Real Estate Taxes in op. exp.  
 Taxes Annual % Increase

\* Pass through costs start: Op. Exp. 1/2011

Cap Controllable Expenses 2.5%  
 Special Taxes - n/a  
 Op. Expenses Tenant Pays Directly:  
 Tenant Electric  
 Janitorial  
 Telecommunications @\$0.15/rsf/mo \$4,710 \$/mo.  
 After Hrs. HVAC \$3,000 \$/mo.  
 Other  
 Total Direct Cost/Month \$7,710 \$/mo.  
 Annual % Increase (eff. 1/2010) 3.0%

**SPECIAL EXPENSES / CREDITS**

BuyOut of Lease  
 Restoration  
 Other  
 Other  
 Other  
 Other

**MOVING EXPENSE**

Cost @ \$3.00 /rsf \$94,200  
 Contingency 10%  
 Landlord Rebate  
 Total Moving Cost \$103,620

**CONSTRUCTION / NEW BUILDOUT**

Office Space Construction 27,837 usf at \$72.00 \$/usf  
 Contingency 5%  
 Total Construction Cost \$2,104,468  
 Landlord Construction Allowance \$65.00 \$/usf  
 Construction Financing \* \$10.60 \$/usf  
 Net Cost to the Tenant \$0  
 (Allowance based on 27,837 usf)  
 Total Construction Cost: \$75.60/usf; \$67.02/rsf  
 \* \$295,071 @5.25% over 60 mo. from 8/08, mo. payment of \$5,602.21

**OTHER FIT-UP / INFRASTRUCTURE**

Furniture \$109,900  
 Voice / Data \$50,240  
 Legal / Consultants \$6,280  
 Security System \$34,540  
 Other  
 Contingency % 10%  
 Total Cost \$221,056

**OTHER FACTORS**

Class of Building A  
 Renewal Options 1 5 Yr at FMV  
 Expansion None  
 Cancellation None  
 Ceiling Height 12 ft  
 Column Spacing  
 Other  
 Other  
 Other

**PRESENT VALUE**

Calculations based on 8% discount rate calculated monthly starting 1 / 2009 (beginning of mo. payment)  
 NPV Occupancy Cost: \$/usf/mo \$/rsf/mo  
 Total Cost \$3.48 \$3.09  
 NPV Rent Calculations:  
 Base Rent \$2.29 \$2.03  
 Operating Exp. & Taxes \$0.27 \$0.24  
 Gross Rent \$2.56 \$2.27

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