



Net Cash Flow Hold versus Sell (Before Tax)
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

Year	Investment	HOLD					Operating Cash Flow (Before Tax)	Sale Proceeds (Before Tax)	Net Cash Flow (Before Tax)	SELL NOW	HOLD vs SELL
		Financing		Replacement Reserve Acct. Cash Flow		Sale Proceeds				Cash Flow	
		Borrow	Paid Back	Additions	Reductions	(Before Tax)				(Before Tax)	
Year 1 Jan-Year 1 Dec	-	-	-	-	-	24,854	-	24,854	1,324,280	(1,299,426)	
Year 2 Jan-Year 2 Dec	-	-	-	(75,000)	-	33,554	-	(41,446)	-	(41,446)	
Year 3 Jan-Year 3 Dec	(200,000)	-	-	-	200,000	42,404	-	42,404	-	42,404	
Year 4 Jan-Year 4 Dec	-	-	-	-	-	51,554	-	51,554	-	51,554	
Year 5 Jan-Year 5 Dec	-	-	-	-	-	61,154	-	61,154	-	61,154	
Year 6 Jan-Year 6 Dec	-	-	-	-	-	70,904	-	70,904	-	70,904	
Year 7 Jan-Year 7 Dec	-	-	-	-	-	80,954	-	80,954	-	80,954	
Year 8 Jan-Year 8 Dec	-	-	-	-	-	91,304	-	91,304	-	91,304	
Year 9 Jan-Year 9 Dec	-	-	-	-	-	101,954	-	101,954	-	101,954	
Year 10 Jan-Year 10 Dec	-	-	(1,590,542)	-	196,269	112,904	4,760,080	3,478,711	-	3,478,711	
								Total	3,962,346	1,324,280	2,638,066
								Net Present Value (NPV) at 13.00%	1,219,618	1,324,280	(104,662)

HOLD vs SELL Financial Returns (Before Tax)

Internal Rate of Return (IRR)	12.039%
Net Present Value (NPV) at 13.00%	(\$ 104,662)
Modified Internal Rate of Return (MIRR)	10.840%
Short Term Financing Rate (Before Tax)	7.000%
Short Term Reinvestment Rate (Before Tax)	2.000%

Conclusion. Hold or Sell?

Decision Rule

If the Net Present Value (NPV) is positive consider holding.
 If the Net Present Value (NPV) is negative consider selling.

Conclusion: Consider selling because the Net Present Value at 13.00% is negative.



Net Cash Flow Hold versus Sell (After Tax)
 Plaza 500
 15,000 Sq. Ft Office Building

Investor Pro
 Hold versus Sell Office Monthly

Year	Investment	HOLD					Operating Cash Flow (After Tax)	Sale Proceeds (After Tax)	Net Cash Flow (After Tax)	SELL NOW	HOLD vs SELL
		Financing		Replacement Reserve Acct. Cash Flow		Sale Proceeds (After Tax)				Cash Flow (After Tax)	Cash Flow (After Tax)
		Borrow	Paid Back	Additions	Reductions						
Year 1 Jan-Year 1 Dec	-	-	-	-	-	13,502	-	13,502	824,280	(810,778)	
Year 2 Jan-Year 2 Dec	-	-	-	(75,000)	-	16,493	-	(58,507)	-	(58,507)	
Year 3 Jan-Year 3 Dec	(200,000)	-	-	-	200,000	23,568	-	23,568	-	23,568	
Year 4 Jan-Year 4 Dec	-	-	-	-	-	27,307	-	27,307	-	27,307	
Year 5 Jan-Year 5 Dec	-	-	-	-	-	31,091	-	31,091	-	31,091	
Year 6 Jan-Year 6 Dec	-	-	-	-	-	34,786	-	34,786	-	34,786	
Year 7 Jan-Year 7 Dec	-	-	-	-	-	38,476	-	38,476	-	38,476	
Year 8 Jan-Year 8 Dec	-	-	-	-	-	42,146	-	42,146	-	42,146	
Year 9 Jan-Year 9 Dec	-	-	-	-	-	45,780	-	45,780	-	45,780	
Year 10 Jan-Year 10 Dec	-	-	(1,590,542)	-	196,269	48,228	4,182,299	2,836,254	-	2,836,254	
								Total	3,034,405	824,280	2,210,125
								Net Present Value (NPV) at 8.45%	1,350,512	824,280	526,232

HOLD vs SELL Financial Returns (After Tax)

Internal Rate of Return (IRR)	13.850%
Net Present Value (NPV) at 8.45%	\$ 526,232
Modified Internal Rate of Return (MIRR)	12.156%
Short Term Financing Rate (After Tax)	4.550%
Short Term Reinvestment Rate (After Tax)	1.300%

Conclusion. Hold or Sell?

Decision Rule

If the Net Present Value (NPV) is positive consider holding.

If the Net Present Value (NPV) is negative consider selling.

Conclusion: Consider holding because the Net Present Value at 8.45% is positive.