



Commercial Real Estate Group of Tucson LLC



You have a lot to consider when determining which location provides the maximum benefit for your business and financial objectives. Commercial Real Estate Group of Tucson has the knowledge and tools to help you determine the right decision for your business.

Our deep understanding of the local market, government requirements and economic conditions, coupled with high-powered, sophisticated analyzing tools, allows us to apply hard facts and intelligent assumptions to your specific situation.

The result: Comprehensive reports that suggest the best options for you.

Optimum Investment Opportunities

Don't know what type of investment is best for you?

We gather the information and weigh the options, including

- Buy Scenarios
- Lease Scenarios
- Lease vs. Buy
- Sale Leaseback



We take into account your goals and objectives and your key requirements to create customized analyses.

While we can't predict the future, we'll give you the information you need to make the decision that meets your objectives and goals.

Our state-of-the-art software programs, the best available, help us prepare for you detailed cash flow analyses and operating pro forma in clear, understandable presentations that allow you to confidently evaluate your real estate options.

The flexibility of the programs allows us to quickly react to changing conditions and your evolving requirements, giving you the information to make the right decision.

We're well equipped to provide *risk* and *sensitivity* analyses that help you understand what might happen under certain assumptions. That knowledge can drive smarter decisions that meet your goals.



Lease Scenarios

Renewing a lease, but management wants justification. One technique is to compare a renewal with relocating to a generic office in the market, to get costs such as rent, operating expenses, TI allowances and then complete a analysis to relocate the office. When complete, use the analysis to compare this cost to renewing. Making an Informed Decision is the heart and soul of our analysis As a your tenant representative it is our job to identify the alternative solutions available, negotiate the best deal possible, and present our clients with an un-biased complete analysis detailing the costs and assumptions for each alternative.

You can then make an informed decision based on the total cost to the company.

It's not just the rent! Intangibles such as location, view, elevator presence, a B building versus an A building, etc. are not "hard costs"; however, management can make an informed decision based on the real cost.

Examining Properties Wisely

We assess potential locations based on your goals and objectives.

Our thorough decision matrix considers all of your location requirements across several potential sites. Our scoring system allows you to quickly rank those sites according to how they meet your goals.

We provide important drive-time analyses to help you optimize your decision relating to the location of your employees, customers and delivery routes.

Our drive-time analysis helps you examine delivery costs, customer accessibility and ideal employee utilization. This can help pinpoint the best options for locating your business.

Sample Lease Comparison Analysis

October 26, 2008

Summary of Alternatives

Property	Ten Broadway	One Main
Rentable SF	46,353	52,806
Commencement Date	12/2008	12/2008
Termination Date	2/2014	11/2013
Lease Term (months)	63	60
Deal Points:		
Type of Lease	Net	Net
Starting Rent	\$7.80	\$6.60
Months of Rent Abatement	3	0
Estimated Operating Expenses	\$3.00	\$3.00
Estimated Real Estate Taxes \$/rsf/year	in op. exp.	in op. exp.
Construction Cos/rsf	\$20.00	\$25.00
Landlord Const. Allowance/rsf	\$12.00	\$15.00
Construction Financing/rsf	\$8.00	\$10.00
Total Concessions Impact on Rent/rsf/year	\$3.24	\$3.63
Concessions have been discounted at	8.0%	8.0%
Average Base Rent/rsf/year	\$7.95	\$7.01
Average Gross Rent/rsf/year	\$11.23	\$10.28
Average Total Cost/rsf/year	\$12.76	\$12.28
NPV - Base Rent/rsf/year	\$6.41	\$5.77
NPV - Gross Rent/rsf/year	\$9.09	\$8.47
NPV - Total Cost/rsf/year	\$10.62	\$10.47
Net Effective Rate/rsf/year @8%	\$12.95	\$12.65
Project Costs w/Construction	\$370,824	\$528,060
Average Monthly Cost	\$49,277	\$54,043
Average Annual Cost	\$591,324	\$648,518
NPV - Average Annual Cost	\$492,166	\$552,720
First Year Cost	\$784,872	\$1,039,354
Total Rent Over Term	\$1,933,933	\$1,850,338
Total Cost Over Term	\$3,104,450	\$3,242,590
NPV @ 8%	\$2,583,870	\$2,763,598

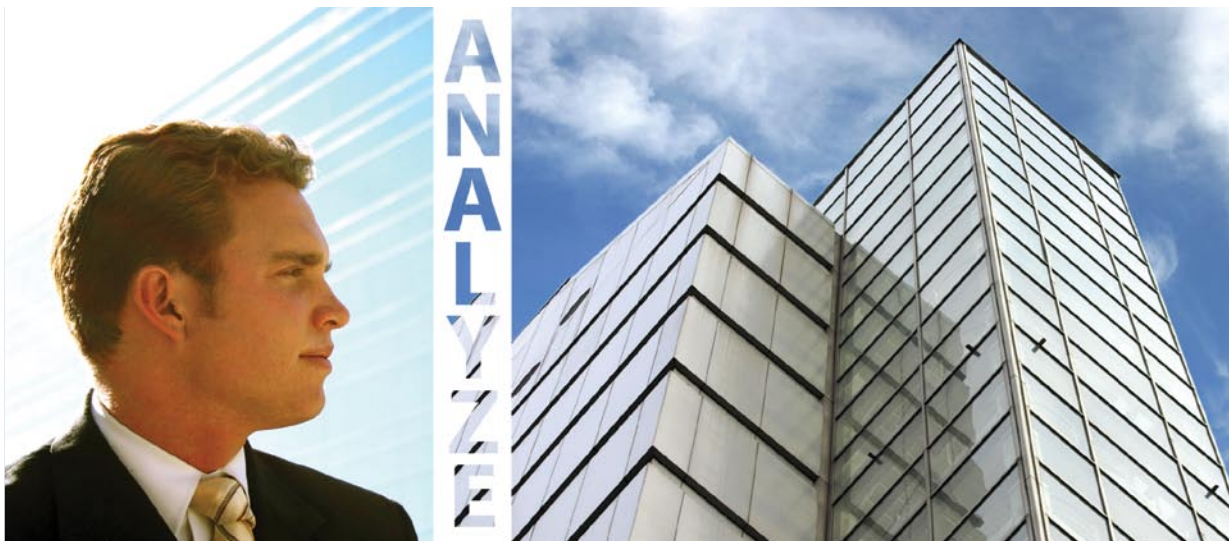




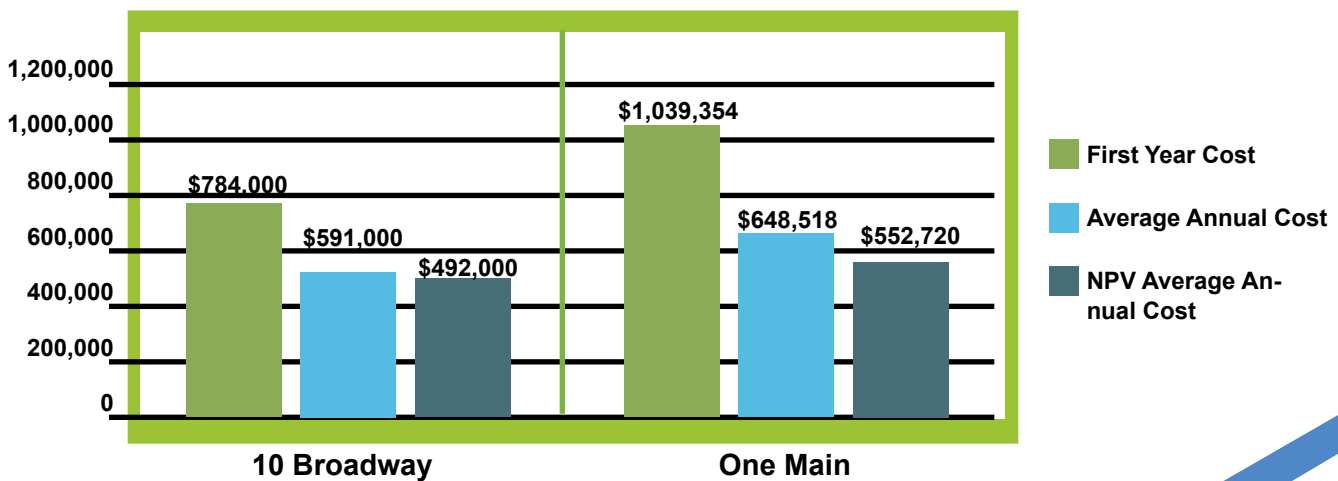
Commercial Real Estate Group of Tucson capabilities encompass virtually any scenario: Lease Analysis, Total Project Cost Analysis, Space Programming, Budgeting, Assumptions, Occupancy Scenario Analysis, Subleasing . . . and more.

Unique to our analysis is the inclusion of project infrastructure costs. From line item descriptions for construction, furniture, voice and data, We even take into account depreciation, parking costs and months of free parking

Do you really need all the cost assumptions? Absolutely! Have you ever gone to the supermarket, selected lots of stuff, and when the cost was totaled, found out you didn't have enough money? Don't get caught short leasing space without a Total Cost Analysis. We focuses on the real estate analysis and the TOTAL Project Cost before you lease property.



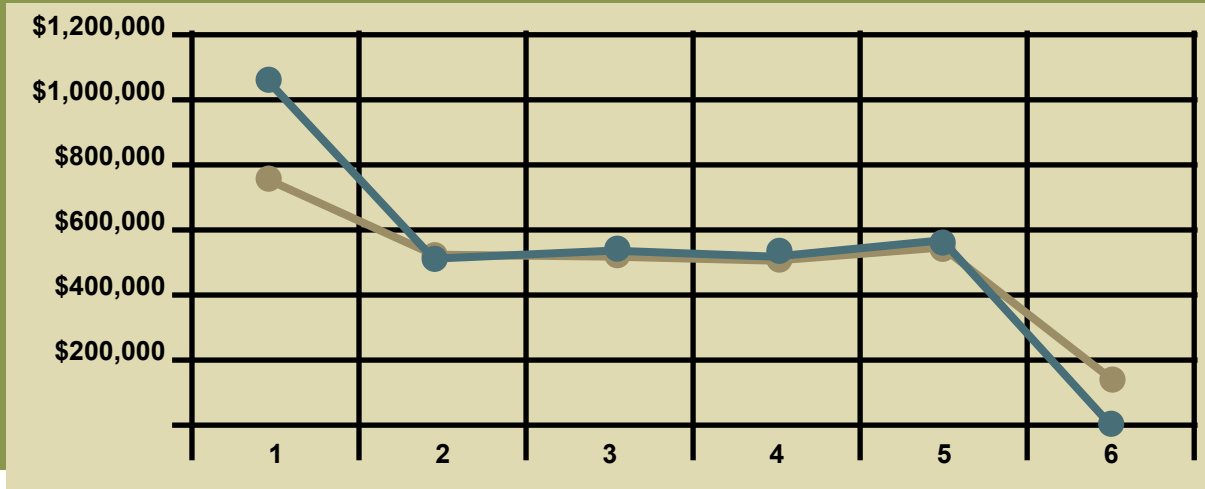
Cost In One Year and Average Annual Cost



For instance, the low cost alternative may be moving from an A building to a B or B- building. With our analysis you can be presented the costs associated with the each alternative and can make an informed decision. Are the real savings outweighed by the intangibles? You don't know unless you have a complete analysis that includes ALL the costs . . . let the numbers do the talking!

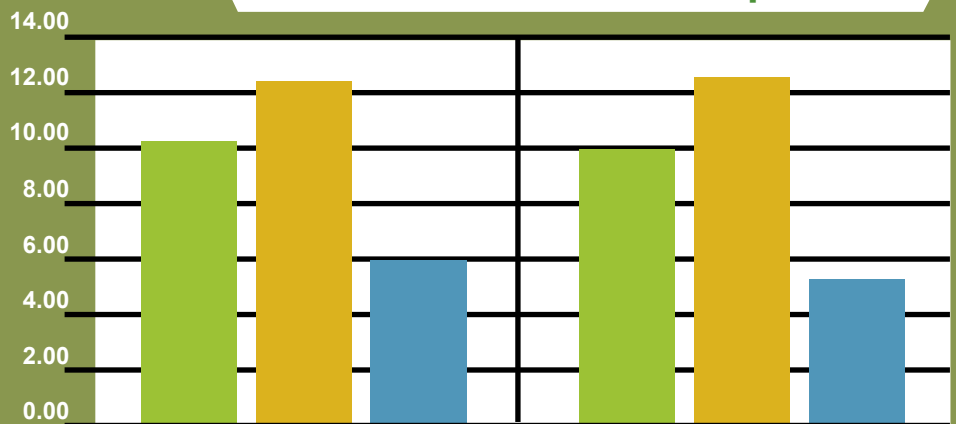
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Annual Cost Comparison



The Cash Flow report shows the cost to the corporation since it takes into account Capital, the cost of money (the net present value discount rate) and income taxes. Sometimes the P&L and the Net Present Value After Taxes indicate different properties should be selected based on cost alone— this is one of the challenges of life in corporate real estate. P&L, Cash Flow, before tax, after tax, net present value. Is cost an issue when considering relocation? What if management keeps saying go to B buildings, stepping down from A-? Select a B building, “the low cost alternative”, and run an analysis. You can quantify the difference in cost . . .management can then make an informed decision, hopefully realizing that cost isn't the only issue, but a quantifiable issue.

NPV & NER Rent Comparison



	10 Broadway	One Main
NPV - Total Cost/rsf/year	\$10.62	\$10.47
Net Effective Rate/rsf/year @ 8%	\$12.95	\$12.65
NPV - Base Rent/rsf/year	\$6.41	\$5.77