

August 1, 2012  
Stockholm

## Offer to Property Owners

Dear Sirs,

**We, NAI REA Caucasus LLC** observed that very frequently property owners are facing dilemma to what is financially beneficial for them to sell the real property or to hold it (renovate and lease-up).

And if solution for buy vs hold decision is well described in literature and most of property and financial managers know the algorithm for it the tool for evaluation lease vs sale is not well-known.

We offer streamline and financially solid approach to answer on your question.

Should you be interested in solution of this problem and desire to discuss our offer in more detail please advise at your earliest dates and times suitable for you to meet by email to [thomas.foehrer@rea-caucasus.com](mailto:thomas.foehrer@rea-caucasus.com) or please call or email me +43 664 2533719 or my partner Levan vachnadze +995 599 579500,

With best regards,

NAI REA Caucasus LLC



Thomas Foehrer

Managing Partner

# Sample Case

LLC owning 2000 sqm of office space 2 floors in high-rise building was renting them since year 2000, and there was no capital renovation carried out till year 2011 and therefore lease income was subsequently less than market rent.

In 2011 Property Manager received a purchase offer and at the same time LLC Partner CEO informed Manager that finally funds for planned renovation are secured.

We provided her with our simple comparison analyses, requiring from her just one financial number - the approximate budget for renovation.

Final chart Sufficient for decision making is displayed below:



Since Partner's hurdle rate on equity was 15% LLC decided to proceed with development.

