



Cost Comparison

Mainstreet Plaza Executive Suites compared to a **Conventional Office**

Monthly Recurring Costs

Consideration	Conventional Office	Mainstreet Executive Suites
Office Space Rental	Reception area, conference room, kitchen, work space (750 sqft) \$ 950.00	Private Executive Suite office (214 sqft) \$ 710.00
Staffing Requirements	Administrative assistant to act as office manager, operator, receptionist \$ 1,800.00	Executive Office Suite staff \$ -
Employee Benefits	Vacation, sick leave, disability, health insurance, training \$ 400.00	Executive Office Suite staff \$ -
Equipment Leases	Photocopier, computer/printer for staff, fax machine \$ 250.00	Use of Executive Suite equipment \$ -
Telephone Equipment	Lease complex equipment \$ 100.00	Use of Executive Suite telephone equipment \$ -
Telephone Service	Including 500 minutes of long distance (first line of service) \$ 75.00	Including 500 minutes of long distance (first line of service) \$ 50.00
Photocopies	Use own copier (supplies included above) \$ -	Assuming 500 copies per month at \$.05 each \$ 25.00
Office Maintenance	Security service, utilities, repairs, janitorial \$ 75.00	Included with Executive Office Suite \$ -
Cost per Month	\$ 3,650.00	\$ 785.00
Cost Savings Monthly	\$ 2,865.00	
Cost Savings Annually	\$ 34,380.00	

Upfront Costs

Consideration	Conventional Office	Mainstreet Executive Suites
Space build-out in excess of landlord allowance, 1,000 sf office	\$ 28,500.00	\$ -
Receptionist station	\$ 3,800.00	\$ -
Conference room setup	\$ 11,400.00	\$ -
Staff recruiting costs	\$ 4,275.00	\$ -
Phones	\$ 2,850.00	\$ -
Fax machine	\$ 950.00	\$ -
Other office equipment	\$ 950.00	\$ -
Setup fees (telephone, signs, keys, etc.)	\$ 280.00	\$ 135.00
Total Upfront Capital Required	\$ 53,005.00	\$ 135.00

Mainstreet Plaza Executive Suites vs. Office Cost Comparison

One of the more important things you should realize when comparing these two choices is the concept of what is called a "Loss Factor". Simply put the "Loss Factor" is the amount of space in a office used by such things as the hallways, closets, columns, storage area, bathrooms, reception area, to an extent conference rooms, etc.. This space is included in the total amount of square footage but in most cases is not considered "useable." The loss factor in most areas is 20%.

An example would be if a company rents a 500 square foot traditional office space. The loss factor is 100 square feet (500 x .20 = 100). This means that the total usable square footage is 400 square feet. In an Executive Office Space environment there is NO Loss Factor and no need to maintain or furnish that space. This is one of the many reasons why when comparing the two choices one must not simply compare on a PRICE PER SQUARE FOOT basis.