



Owning vs Leasing

An SBA 504 Wealth Creation Strategy

Turning a Franchise Opportunity Into Long-Term Ownership

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Why Franchise Owners Are Moving From Leasing To Owning Their Locations

THE OPPORTUNITY After three years of strong performance, Jessica had built a successful franchise with consistent revenue and a loyal customer base. However, rising lease costs and limited control over her space made it difficult to scale efficiently.

Jessica identified an opportunity to purchase a nearby commercial property that would allow her to:

- secure a permanent location for her franchise
- expand her footprint with additional space
- control long-term occupancy costs
- position herself for future multi-unit growth

The challenge was securing financing without draining the working capital she needed to operate and scale the business.

Assumptions

- Total project cost: \$2,900,000
- Down payment: \$290,000 (10%)
- SBA 504 fixed rate loan: 6.5%
- 25-year amortization
- 6% annual property appreciation
- Franchise operating income supports mortgage payments

Hypothetical Case Study	Own	Lease
Beginning property value	~\$2,900,000	NA
Ending property value (Year 10)	~\$5,190,000	NA
Total monthly cash outlay	~\$17,800	~\$19,500
Total paid over 10 years	~\$2.14M	~\$2,340,000
Loan balance after 10 years	~\$1,875,000	\$0
Total equity at Year 10	\$3,315,000	

The Result: A **\$290,000 down payment** could create over **\$3.3 million in projected equity**, while Jessica maintains full control of her franchise location and benefits from long-term business growth and real estate appreciation.

By combining franchise revenue growth, loan amortization, and real estate appreciation, owning a franchise location can become a powerful long-term wealth-building strategy. This represents over **11x potential equity growth**, transforming lease payments into lasting real estate value and long-term financial stability.

Why Access Private Capital for Franchise Ownership?

Stop Paying Your Landlord's Rent — Start Building Equity in Your Franchise Location



Industry expertise



Nationwide lender



Speed —no lender in the SBA 504 industry moves faster



Ease of use —we're not a traditional bank and certainly don't act like one.

Are You Ready To Own Your Future?

Contact us today:



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