# ROR SALE

22331 El Paseo, Rancho Santa Margarita, CA 92688

±22,000-SF Owner-User Offering or ±1.67-Acre Covered Land Play







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**Property.** This section opens with a property description followed by an aerial showcasing its prominent location, an amenities map, and surrounding communities. **Pages 3-6** 

**Images.** Here you'll find attractive photographs of 22331 El Paseo. **Pages 7-9** 

**Market.** This section includes a complete owner-user section highlighting the benefits of ownership as well as a covered land strategy, highlighting the redevelopment potential. **Pages 10-23** 

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## SUMMARY

Offering

A **stunning**, free-standing 22,000-SF Spanish-style **trophy** building with impressive high ceilings in a **dynamic** location built in 1993.

**Address** 

22331 El Paseo, Rancho Santa Margarita

Sale Price

\$10,978,000 apx \$499/SF, **substantially below** land and replacement value with lucrative **tax benefits** and **future value appreciation**, plus **protection** from rising rents.

Owner-User Opportunity The existing tenant, 24-Hour Fitness, can be terminated by the buyer with 12-months' notice. This provides the buyer an **incredible income** stream while designing its **ideal space**, far superior to buying a vacant building.

**Property Details** 

The building **prominently sits** on its own ±1.67-acre parcel with 84 parking stalls yet enjoys access to ±**243 parking stalls** shared with the building next door. Liberal CG Zoning allows **many uses**, including medical, retail, and office (a more complete list is p. 17). A signalized intersection, **15-foot ceilings**, and 600 amps of power round out the truly unique property details.

Plus, this is a **rare opportunity** that can accommodate uses that neighboring buildings cannot. This is due to the excess parking and no exclusivity use clauses, which the neighboring projects do have. This is a blank canvass **for a visionary company**.



### LOCATION

Dynamic Location in the Heart of Rancho Santa Margarita Near the 241 Toll Road



### AMENITIES

Institutional Quality Retail in the Immediate Vicinity

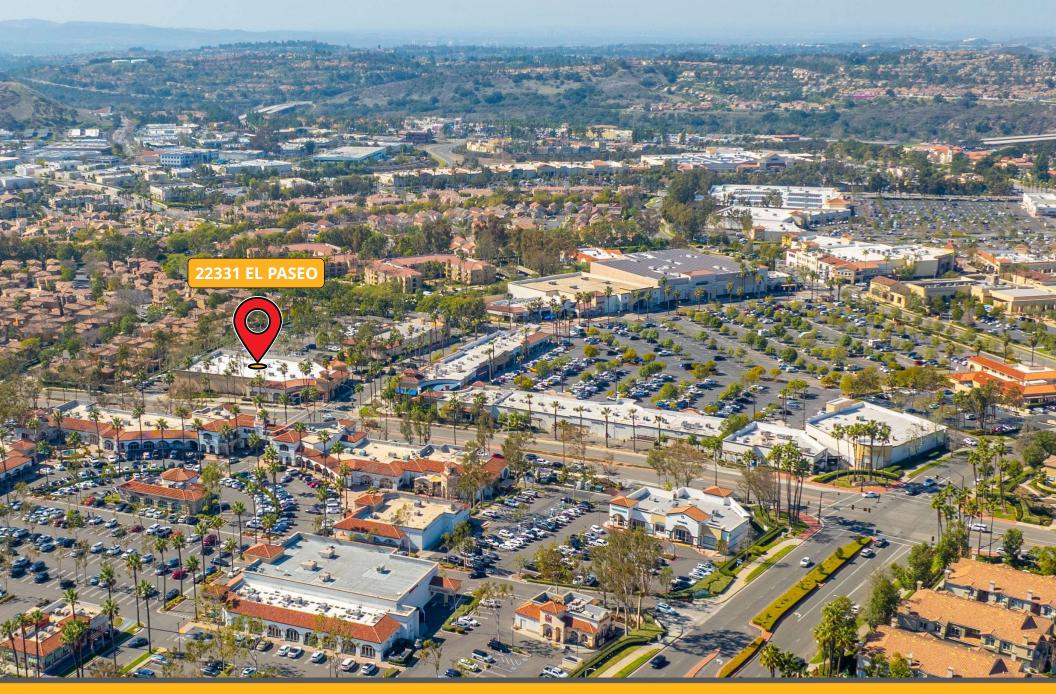






# **PHOTOGRAPHS**

Within Walking Distance of Class-A Amenities







### OWNER-USER

### A Once-in-a-Generation Opportunity

- ➤ Available for the first time in over 20 years, this is a **Spanish-style** jewel with incredible presence at a signalized intersection in the heart of Rancho Santa Margarita.
- ➤ Offered at just \$499/SF, it's **substantially below replacement cost** estimated at \$750-\$900/SF.
- Extremely rare situation to accommodate many uses, such as medical, office, retail and others per the CG Zoning and shared parking agreement (see p. 16).
- A buyer can **collect rent for a year** before moving in and then benefit from long-term appreciation and controlled occupancy costs.
- There is potential to increase the square footage and create an outdoor dining or play area, which can be seen on Pages 15.
- A truly walkable location with restaurants, coffee, boutiques, wine bar: dining and shopping just steps away.
- ➤ Not only far below replacement cost, this offering is also a **clear value compared to sale comps** described on Page 14.
- ➤ Convert business income to real estate income sheltered by depreciation (example on Page 18).
- A cost segregation study can reclassify 12–25% of its basis into short-life assets that qualify for 100% bonus depreciation, reinstated by the One Big Beautiful Bill Act (effective for property placed in service after Jan 19, 2025). This lets an investor immediately expense those components in year one, often generating substantial federal tax savings and stronger early cash flow.



# ONWER-USER FINANCING EXAMPLES

# harvest

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#### **Commercial Real Estate Finance Illustration**

SBA 504		
Purchase Price		\$10,978,000
Improvements		\$ -
Other / Soft Costs *		\$ 100,100
		* * * * * * * * * * * * * * * * * * * *
Total Project Costs		\$11,078,100
Total Project Costs  Loan Structure		\$11,078,100
	50.0%	\$11,078,100 \$ 5,540,000
Loan Structure	50.0% 40.0%	
Loan Structure Bank Loan		\$ 5,540,000

* Includes	financed SBA	fee of	\$95,272	and \$2,500 legs	al fee.
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#### Loan Terms & Monthly Payment

	Amort.	Rate	<b>Payment</b>
Bank Loan (1st TD)	30 yrs.	5.95%	\$ 33,331
SBA 504 Loan (2nd TD)	25 yrs.	5.86%	\$ 28,165
<b>Total Monthly Payment</b>	Blended rate>	5.91%	\$ 61,497

#### **Collateral Requirements**

- 1st TD Mortgage on subject property (Bank)
- 2nd TD Mortgage on subject property (SBA)

#### Fees & Out of Pocket Cash Required\*\*

SBA 504 Guaranteed Loan Amount (net)	100.0%	\$ 4,430,100
SBA fee (Financed) *		\$ 97,747
Interim Loan Fee (Financed) *		\$ 83,100
Appraisal, Enviro, Processing/Doc Fee, Title-Esc	row (Financed) *	\$ 17,000
Cash Injection (Down Payment)	10.0%	\$ 1,108,000
Total Fees & Out of Pocket Cash Required	d	\$ 1,108,000

Purchase Price	LLOAN	\$10,978,000	
Improvements	٩ -		
Other / Soft Costs		\$ -	
Total Project Costs	s \$10,97		
Loan Structure			
Bank Loan	75.0%	\$ 8,233,500	
Cash Injection	25.0%	\$ 2,744,500	
Total Financing		\$ 8,233,500	

	Amort.	Rate		<b>Payment</b>
Bank Loan (1st TD)	25 yrs.	6.00%	\$	53,469
Total Monthly Payment		6.00%	······	64,904

#### **Collateral Requirements**

- 1st TD Mortgage on subject property (Bank)
- Additional Collateral may be required

Fees & Out of Pocket Cash Required*	:\$		
Bank Loan	75.0%	\$	8,233,500
Bank Loan fee	1.00%	\$	82,335
Appraisal, Enviro, Processing/Doc Fee, Title	-Escrow	\$	17,000
Cash Injection (Down Payment)	25.0%	\$	2,744,500
Total Fees & Out of Pocket Cash Regu	ired	S	2.843.835

#### As of 11-20-2025

Appraisal, Environmental Report, and Doc Fees may be financed in some situations but are shown here as out of pocket fees

- \*SBA loan fees are financed into the loan. SBA 504 includes 2.15% plus a legal fee of \$2,500. SBA 7(a) includes SBA Guarantee fee.
- \*\*All terms and fees are estimates for illustration purposes; this is not a commitment to lend. Note all applicants may qualify for these terms.

# ONWER-USER FINANCING PUPILES

### SBA 504 Highlights

- ➤ Secure a once-in-a-generation asset with only a 10% down payment when getting an SBA 504 loan.
- > 5.91% quoted interest rate remains one of the **lowest in recent** years.
- Under \$62,000 estimated monthly payment to own and occupy a building in a Class A location.
- Over 2.5X less of a down payment required when getting an SBA 504 loan compared to conventional financing.
- ➤ Loan payment is **over 5% less per month** when comparing an SBA 504 loan to conventional financing scenario.
- ➤ With only 10% down, buyers keep **more capital available** for hiring, equipment, marketing, and growth initiatives **instead of tying it up in the building**.
- ➤ Instead of paying rent to a landlord, **build equity** in your own real estate over time, with a portion of each **payment going toward principal**.
- ➤ SBA 504 financing provides **predictable**, **stable payments** and a built-in **hedge against future rate increases**.



# SALE COMPS

### 22331 El Paseo is a Clear Value to an Owner-User

Property	Sale Date	Size	Price P.S.F.	Market Insight
30451-30465 Avenida De Las Flores	Nov	29,342	<u>\$22,760,000</u>	This portfolio of three retail buildings sold to an investor for \$776/sf. 22331 El Paseo is very close by and is available for an owner-user, which typically commands a premium yet is priced \$277/sf less.
Ranch Santa Margarita	2024	SF	\$776	
81 Auto Center Dr	Jul	28,211	\$32,000,000	This retail building reportedly sold to a user. As a smaller building in a superior location 22331 El Paseo is a clear value priced at \$499/sf.
Foothill Ranch	2024	SF	\$1,134	
841 Baker St	Feb	12,087	<u>\$7,220,000</u>	This 1986 retail building sold to an owner-user for \$597/sf. 22331 El Paseo is in nicer condition, in a superior retail location, and is surrounded by better household income demographics as well as better per capita household spending. 22331 El Paseo should command a large premium but is priced almost \$100/sf less.
Costa Mesa	2024	SF	\$597	

### POTENTIAL BUILDING EXPANSION

### **Single-Tenant Expansion Option**



#### Notations

- 3,800 SF new construction
- 1,120 SF new construction
- 4,920 SF total new construction
- 25,900 SF total building
- 16 four top tables and chairs
- 232 global parking spaces



## CG ZONING

### **Uses Permitted in the CG Zoning**

- ➤ Restaurant (sit-down)
- ➤ Medical and Dental Offices
- > Retail Sales and Services
- ➤ Pet Stores / Pet Grooming
- ➤ Office Uses (general)
- ➤ Message Establishments
- > Financial Services
- ➤ Convenience Services
- ➤ Contact Us For Full List



### PURCHASE VS LEASE

### \$189.27 / SF POTENTIAL SAVINGS IN 10 YEARS (APX \$4M) Plus Equity Built Up and Annual Appreciation

### Purchase vs. Lease Analysis

**Situation:** Business owner purchases and occupies 22331 El Paseo for \$499/SF, with an initial investment of \$50/SF (10% down + estimated closing costs).

#### **Estimated Monthly Costs**

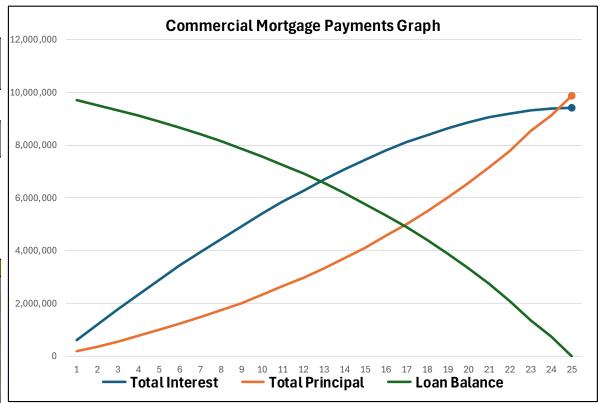
Typical Operating Expenses	\$1.35
Mortgage Payment	\$2.92
Amount of Principal in Mortgage Payment*	\$0.64

<sup>\*</sup>This money is simply cash being converted to savings

Estimated Monthly Cost to Own Year 1	\$3.63
Estimated Starting Lease Rate + Expenses	\$4.50

The advantage of owning over leasing increases every year. Assuming lease rates increase by 3% annually and operating expenses increase by 2.5% annually, below is a ten-year comparative analysis of purchasing vs. leasing (per square foot):

Year	Lease Rate	Ownership Cost	<b>Annual Savings</b>	Cumulative
1	\$4.50	\$3.63	\$10.40	\$10.40
2	\$4.64	\$3.63	\$12.10	\$22.51
3	\$4.77	\$3.62	\$13.86	\$36.37
4	\$4.92	\$3.61	\$15.70	\$52.07
5	\$5.06	\$3.60	\$17.61	\$69.68
6	\$5.22	\$3.58	\$19.60	\$89.28
7	\$5.37	\$3.57	\$21.67	\$110.95
8	\$5.53	\$3.55	\$23.83	\$134.78
9	\$5.70	\$3.53	\$26.07	\$160.85
10	\$5.87	\$3.50	\$28.41	\$189.27



**Build Equity by Owning Your Building Instead of Leasing and Creating Zero Wealth** 

### DEPRECIATION BENEFITS

### Illustration of Tax Benefits of Depreciation

Assume a business owner or trust personally purchases the building and leases it to his/her business at a market rate (this is allowable under the SBA program). This enables the owner to convert business income to real estate income sheltered in part by depreciation. In terms of this scenario, depreciation is the spreading of cost over the useful life of an asset. Simply stated, a portion of the cost of the building (excluding land) reduces taxable income, and thus tax liability, for a period of 10 years in this example. Cost segregation and depreciation schedule should be confirmed with a tax professional.

### In this scenario, let us assume the following facts:

Purchase Price:	\$10,978,000
Building Size:	22,000
Percentage of Building Value to Land:	65/35%
Owner's Personal Income Tax Bracket:	50%

The amount subject to depreciation, in this example, is 65% of \$10,978,000, or \$7,135,700. Spread over 10 years, the deduction per year is approximately \$713,570. At a tax rate of 50%, the tax savings due to depreciation would be approximately \$357,000 per year of ownership. If you are considering this on a monthly per-square-foot basis consistent with the example on the previous page, this tax savings equates to an additional ownership benefit of \$1.35/sf per month. As time progresses, the cost basis of the building is being reduced by depreciation accumulated since purchase. Should the owner decide to sell, the depreciation is recaptured and taxed, but typically at a lower rate than ordinary income rate used when the deduction was realized. This yields an overall tax benefit during the building ownership period, especially if the building is kept and passed down to future generations.

This example is for informational purposes only and may not reflect your specific situation. Tax laws and regulations are subject to change. Please consult a qualified tax professional, CPA, or tax attorney to determine how these concepts apply to your circumstances.





### COVERED LAND OPPORTUNITY

### Potential Redevelopment Play - \$6.57M/acre

- ➤ Potential to create a **best-in-class**, **lifestyle-oriented project** that **integrates seamlessly** into the surrounding retail and residential fabric of Rancho Santa Margarita.
- ➤ 22331 El Paseo is one of the best locations in all of Rancho Santa Margarita, **offering a corner lot** with a signalized intersection providing maximum visibility.
- ➤ Infill location adjacent to existing residential neighborhoods and walkable retail aligns with typical city priorities around smart growth, housing, and services-based uses.
- Landlord 12-month termination option provides built-in flexibility to unlock the site's highest and best use on the ownership's schedule, rather than waiting on a natural lease rollover.
- ➤ Secure **a once-in-a-generation** asset with **in-place income** while going through city permitting and entitlements.
- ➤ Benefit from being in the **immediate vicinity of three high-income neighborhoods** Coto De Caza, Dove Canyon, and Robinson Ranch.
- ➤ 22331 El Paseo is surrounded by, and in walking distance of, institutional quality retail destinations filled with national brands and local favorites.
- ➤ Potential redevelopment could include multifamily housing, townhomes, senior living facilities, memory care, assisted living, hotel use, and more.

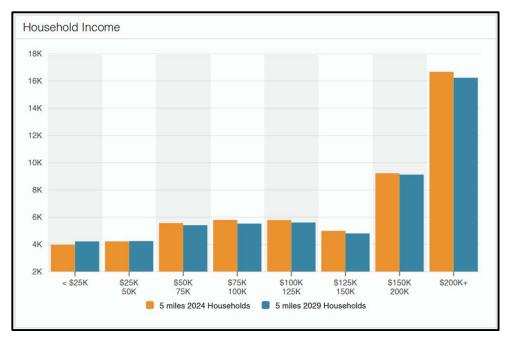


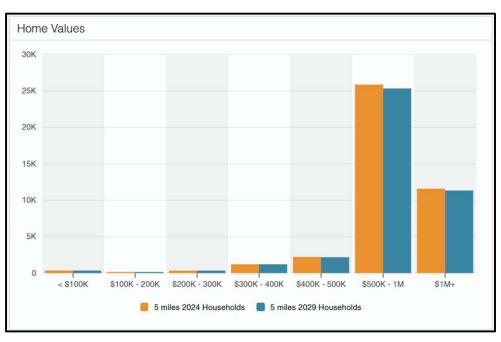
# RENDERING

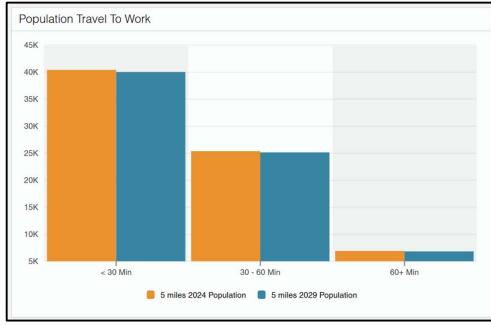
**Multifamily Development Rendering** 

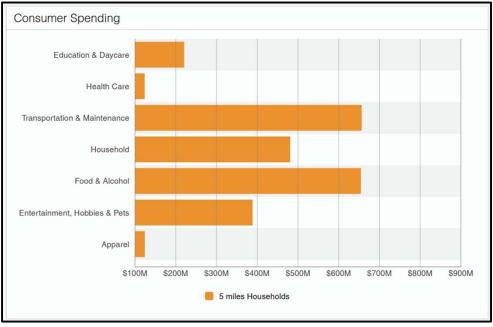


### AFFLUENT LOCAL DEMOGRAPHICS









### SITE PLAN

### **Current Site Plan**





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