

# FOR SALE



**1811 E Garry Ave, Santa Ana, CA 92705**

Freestanding 5,495-SF Owner-User Office Building Immediately  
Off the 55 Freeway and Within Walking Distance of Amenities



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- **Financials.** Providing solid support to purchase and occupy this property, the financials consist of a description of the owner-user opportunity, a purchase-vs-lease analysis, loan illustration, and the tax benefits of depreciation. **Pages 15-18**
- **Market.** This section contains key sale comps demonstrating 1811 E Garry Ave is priced extremely well. **Page 19**

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# SUMMARY

**Offering** Amberwood Office Park  
1811 E Garry Ave, Santa Ana, California 92705

Freestanding single story office building built in 1978 with a Class-A reception area and multiple private offices with windows, conference room, open area with cubicles, restrooms, and a kitchenette/employee lounge.

Owner-user opportunity for a buyer to occupy the entire building.

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**Size** ±5,495 square feet which was recently confirmed by a BOMA study.

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**Sale Price** \$2,359,000 (±\$429 per square foot)

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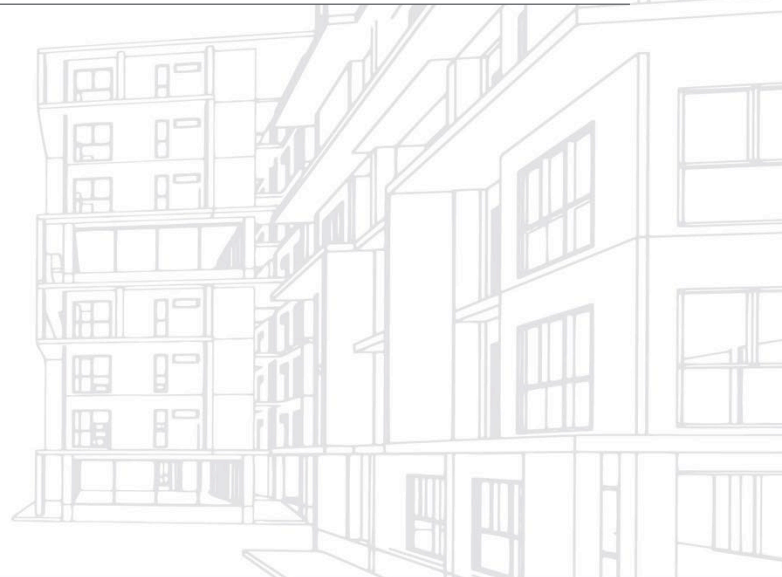
**Parking** Surface parking is free and in-common within Amberwood Office Park.

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**Association** Association dues are currently \$1,126 per month.

The association is responsible for landscaping, parking lot, tree trimming/removal, exterior and common area maintenance.

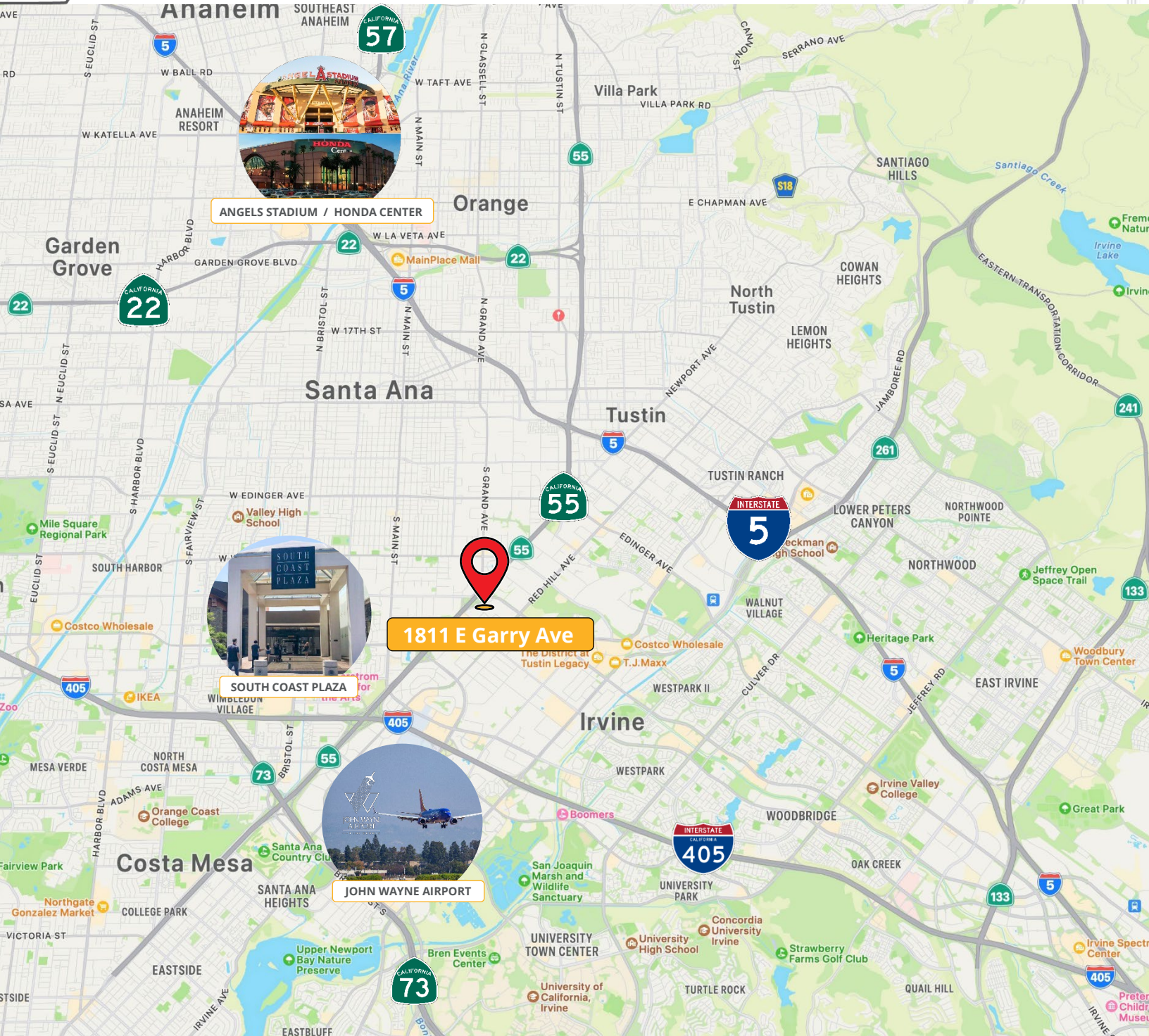
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# HIGHLIGHTS

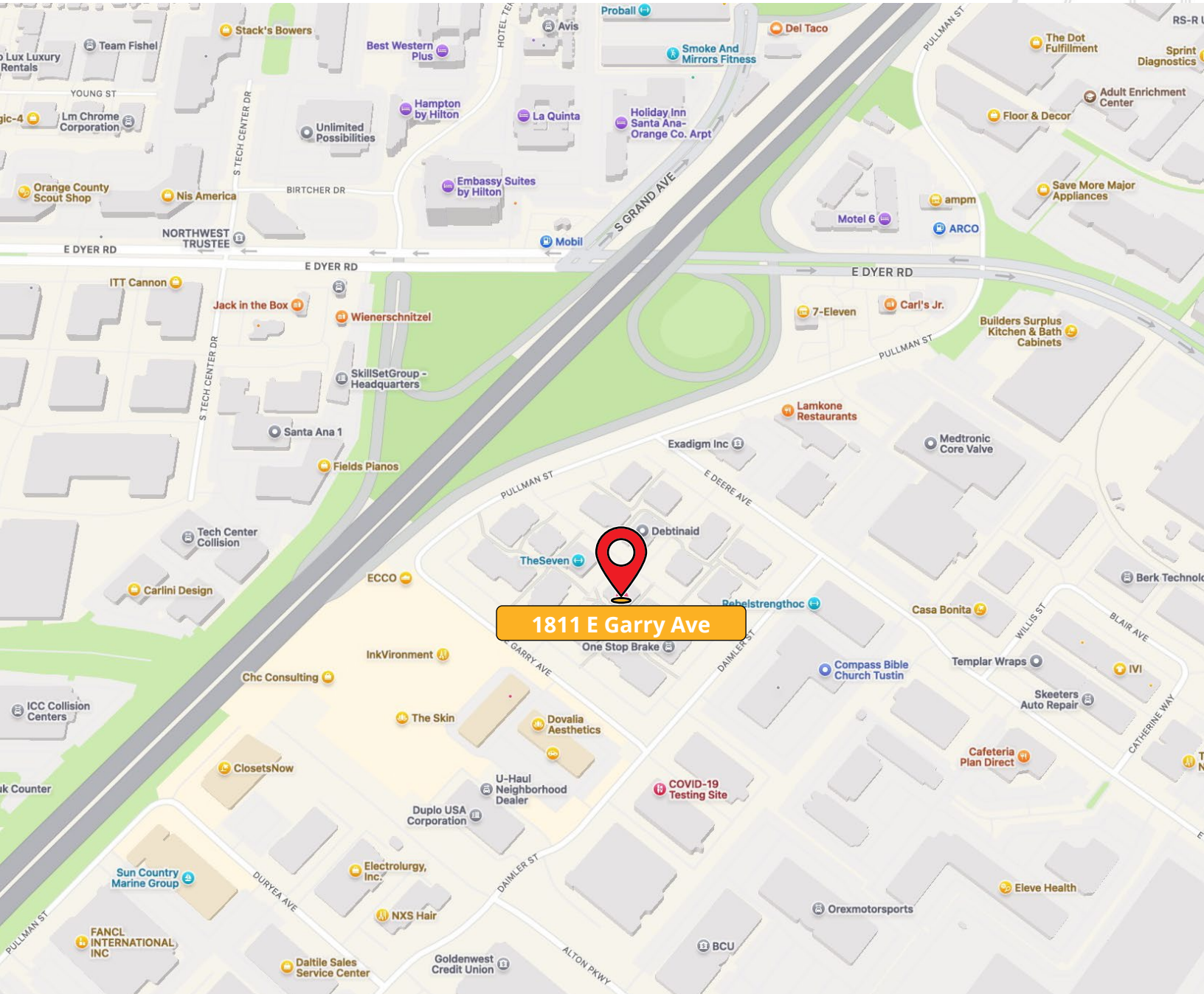
- Office building configured for single occupant with vaulted ceilings and an abundance of natural light throughout and a high image Class-A finished lobby.
- Owner-user opportunity – the owner currently occupies the entire building but will vacate upon close of escrow which will satisfy an SBA loan requirement.
- The layout of the building is a very functional mix of private offices, cubicles, a conference room, a lobby, and multiple restrooms.
- Single story which means there is a maximum usable square footage (no lost square footage for stairwells or an elevator).
- The dynamic location is within close-proximity to the 55 freeway, and sits in between the 5 and 405 Freeways, and is just one block off the 55 Freeway. The building is also located just minutes from South Coast Plaza, John Wayne Airport, and Old Town Tustin.
- Numerous restaurants and other amenities are within a short drive of the building, offering easily-accessible convenient services.
- Lock in your cost of occupancy with a 25-year fully-amortized 90% SBA loan, protecting against runaway lease rates. Build equity for yourself instead of a landlord.
- Priced to sell, this offering is a more attractive value compared to the sale comps on Page 19.

# LOCATION



Property

# AMENITIES

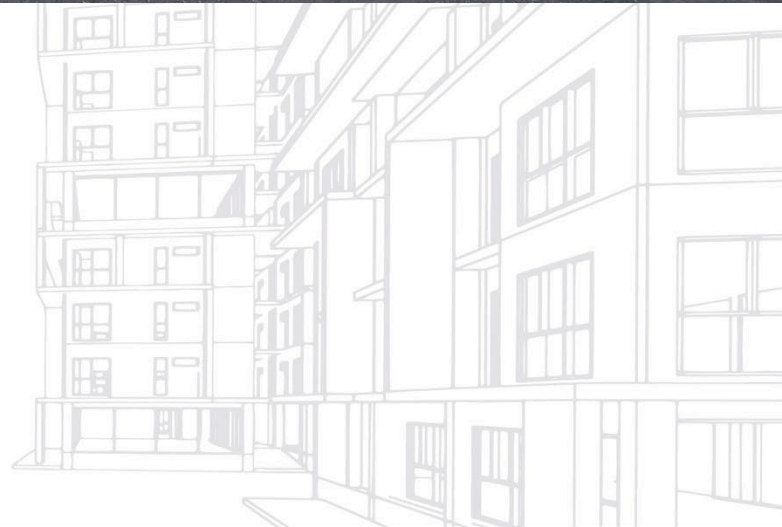


1811 E Garry Ave

# PHOTOGRAPHS



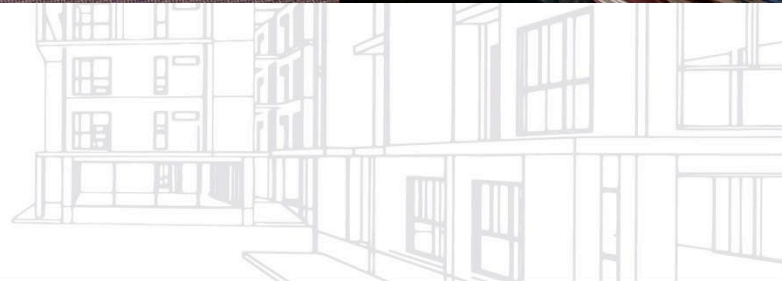
Freestanding Office Building with  
Building Top Signage



# PHOTOGRAPHS



Spacious Private Offices with an Abundance of Natural Light

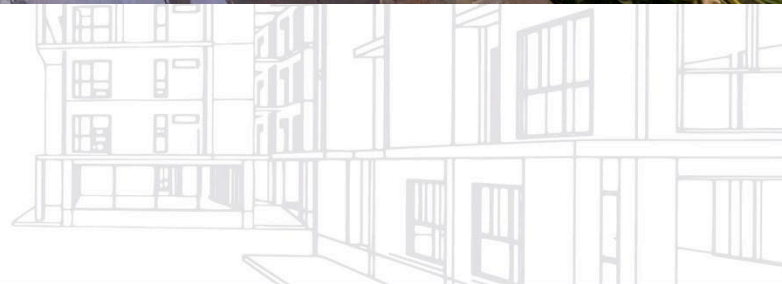




# PHOTOGRAPHS



Inviting Entrance and Reception Area with Class-A Finishes

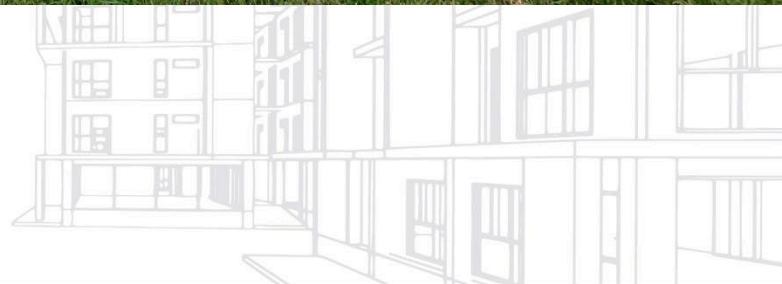


Images

# PHOTOGRAPHS



Numerous Windows and  
Walk-Around Exposure



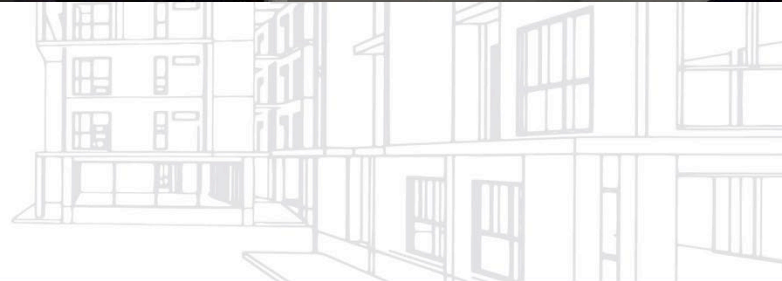
# PHOTOGRAPHS



Expansive Conference Room With Large Windows



# PHOTOGRAPHS



Images

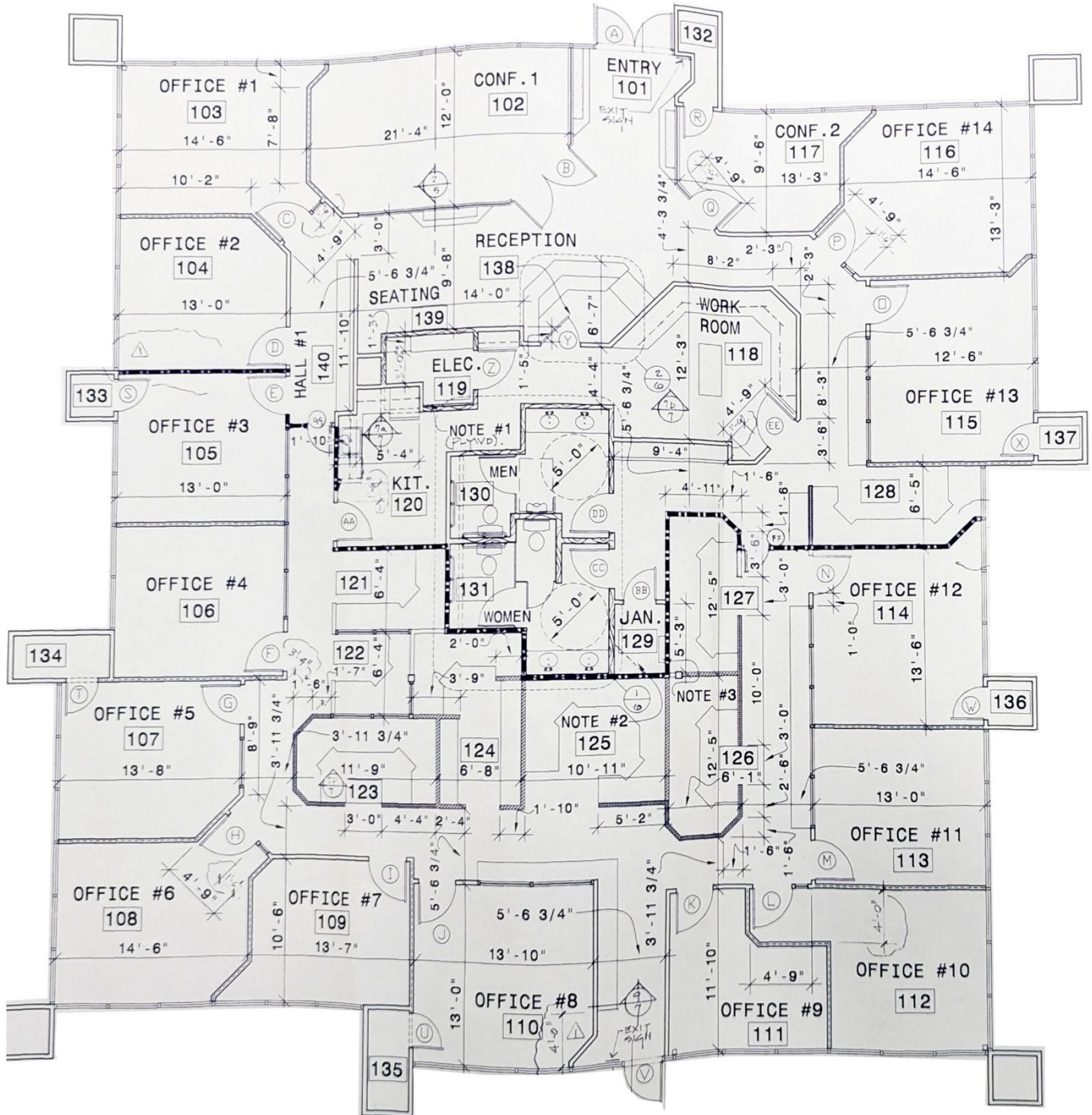
# PHOTOGRAPHS



Convenient Surface  
Parking



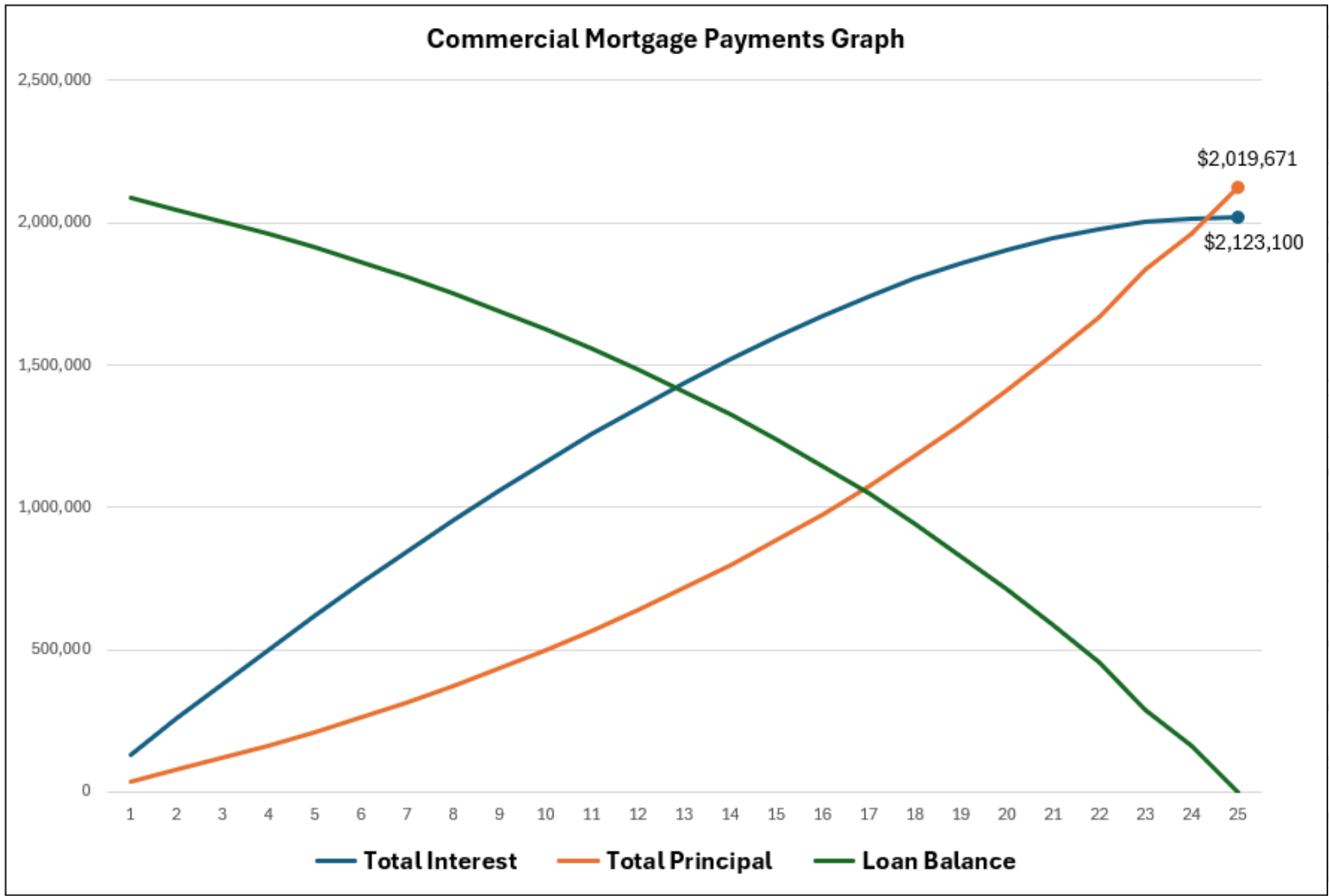
# FLOOR PLAN



# OWNER-USER OPPORTUNITY

In the analysis on the following page, we assume that a user secures a 25-year, fully-amortized SBA 7A loan option with a 10% down payment and financed loan fees.

As the percentage of principal accumulation increases year-over-year, it becomes increasingly favorable to purchase instead of lease. Following are charts depicting the principal payments paid over 25 years, ending in a loan balance of zero when the building is owned free-and-clear:



# PURCHASE VS LEASE ILLUSTRATION

**Situation:** Business owner purchases and occupies 1811 E Garry for \$429/SF, with an initial investment of \$43/SF (10% down + estimated closing costs).

## Estimated Monthly Costs

Typical Operating Expenses	\$0.82
Mortgage Payment	\$2.51
Amount of Principal in Mortgage Payment*	\$0.55

\*This money is simply cash being converted to savings

<b>Estimated Monthly Cost to Own Year 1</b>	<b>\$2.78</b>
<b>Estimated Starting Lease Rate + Expenses</b>	<b>\$2.55</b>

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	Annual Savings	Cumulative
1	\$2.55	\$2.78	(\$2.76)	(\$2.76)
2	\$2.63	\$2.77	(\$1.67)	(\$4.43)
3	\$2.71	\$2.75	(\$0.54)	(\$4.97)
4	\$2.79	\$2.73	\$0.64	(\$4.33)
5	\$2.87	\$2.71	\$1.88	(\$2.45)
6	\$2.96	\$2.69	\$3.17	\$0.72
7	\$3.04	\$2.67	\$4.52	\$5.23
8	\$3.14	\$2.64	\$5.92	\$11.16
9	\$3.23	\$2.61	\$7.40	\$18.55
10	\$3.33	\$2.58	\$8.93	\$27.48

**\$27.48**



# LOAN ILLUSTRATION

<b>Project Price</b>	<b>\$2,359,000</b>
	SBA 7(a)
	Fixed
<b>Down Payment</b>	\$235,900
<b>Combined LTV%</b>	90%
<b>Loan Amount</b>	\$2,123,100
<b>Financed Fee</b>	\$0
<b>Rate (%)</b>	6.10%
<b>Amortization (Years)</b>	25
<b>Term (Years)</b>	25
<b>1st &amp; 2nd TD Payments</b>	
<b>Total Monthly Loan Payments</b>	\$13,809

## Estimated Closing Costs

	SBA 7(a)
<b>SBA Guaranty Fee (Financed)</b>	\$0
<b>Appraisal</b>	TBD
<b>Environmental Report</b>	TBD
<b>SFR</b>	TBD



# TAX BENEFITS OF DEPRECIATION

Assume a business owner or trust personally purchases 1811 E Garry Ave and leases it to his/her business at a market rate (this is allowable under the SBA program). Cash flow and taxable income of the business are not affected. However, this owner's personal financial situation would benefit from depreciation of the building. In terms of this scenario, depreciation is the spreading of cost over the useful life of an asset. The Internal Revenue Service allows for a tax deduction of commercial property improvements depreciation based on a 39-year life. Simply stated, a portion of the cost of the building (excluding land) reduces taxable income, and thus tax liability, for a period of up to 39 years.



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

Purchase Price:	\$ 2,359,000
Building Size:	5,495
Percentage of Building to Land:	45/55%
Owner's personal income tax bracket:	33%

The amount subject to depreciation, in this example, is 45% of \$2,359,000, or \$1,061,550. Spread over the IRS' mandated 39 years, the deduction per year is approximately \$27,219. At a tax rate of 33%, the tax savings due to depreciation is \$8,982 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 \$0.14/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 it is at a standard 25% as opposed to the 33% 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.

It is important to note that this example may differ from your situation. Please consult with your tax advisor.

# OFFICE SALE COMPS

Property	Sale Date	Size	Price P.S.F.	Market Insight
 <p>17500 Red Hill, 220 Irvine</p>	Oct 2024	6,495 SF	<u>\$2,800,000</u> \$431	This 1980 office building similar in age to 1811 E Garry Ave but is 1,000 SF larger. As a smaller building, 1811 E Garry Ave should be worth more per foot as smaller buildings command a premium but is priced less per foot.
 <p>151 S Yorba St Tustin</p>	Apr 2024	5,296 SF	<u>\$2,167,500</u> \$409	This 1988 office building similar in age and size to 1811 E Garry Ave and is two stories without an elevator. 1811 E Garry Ave is a single-story building without the wasted square footage and should be worth more per square foot.
 <p>2014 N Broadway Santa Ana</p>	Mar 2024	3,317 SF	<u>\$1,540,000</u> \$464	This 1968 freestanding office building sold in March for \$464/sf. 1811 E Garry Ave is a newer building in nicer condition and should be worth more per foot but is priced \$35/sf less.
 <p><b>Amberwood Office Park</b> 2922 Daimler St Santa Ana</p>	Nov 2023	8,762 SF	<u>\$3,152,000</u> \$361	This building is in the same Amberwood Office Park as 1811 E Garry, and sold in November 2023 for \$361/sf. As a smaller single-story building with much nicer finishes, 1811 E Garry should command a much higher premium per foot but is priced less than 20% higher.



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