

FOR SALE OR LEASE



531 Queensland Circle, Corona, CA 92879

Single-Story Jewel Box Office Condo Near 91 & 15 Freeways



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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 17-20**
- **Market.** This section contains key sale comps demonstrating 531 Queensland Circle is priced extremely well. **Page 21**

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SUMMARY

Offering & Addresses

Jewel box single-story, office condo building built in 2007 and renovated in 2022-2023 with a highly functional interior buildout.

531 Queensland Circle, Corona, California 92879

Size

±3,648 square feet

Sale Price

\$1,565,000 (±\$429 per square foot)

Lease Rate

\$1.95/SF Modified Gross (tenant pays electrical and janitorial in addition to base rent)

Parking

Surface parking is free and in-common at an approximate ratio of four spaces per 1,000 square feet.

Condition

The high-end interior buildout has two front entrances, upgraded energy efficient lighting, digital thermostats, and an upgraded security system.

The roof and HVAC are original and there are two HVAC units that have been regularly maintained. The current configuration of the building is for use by a single occupant.

Association

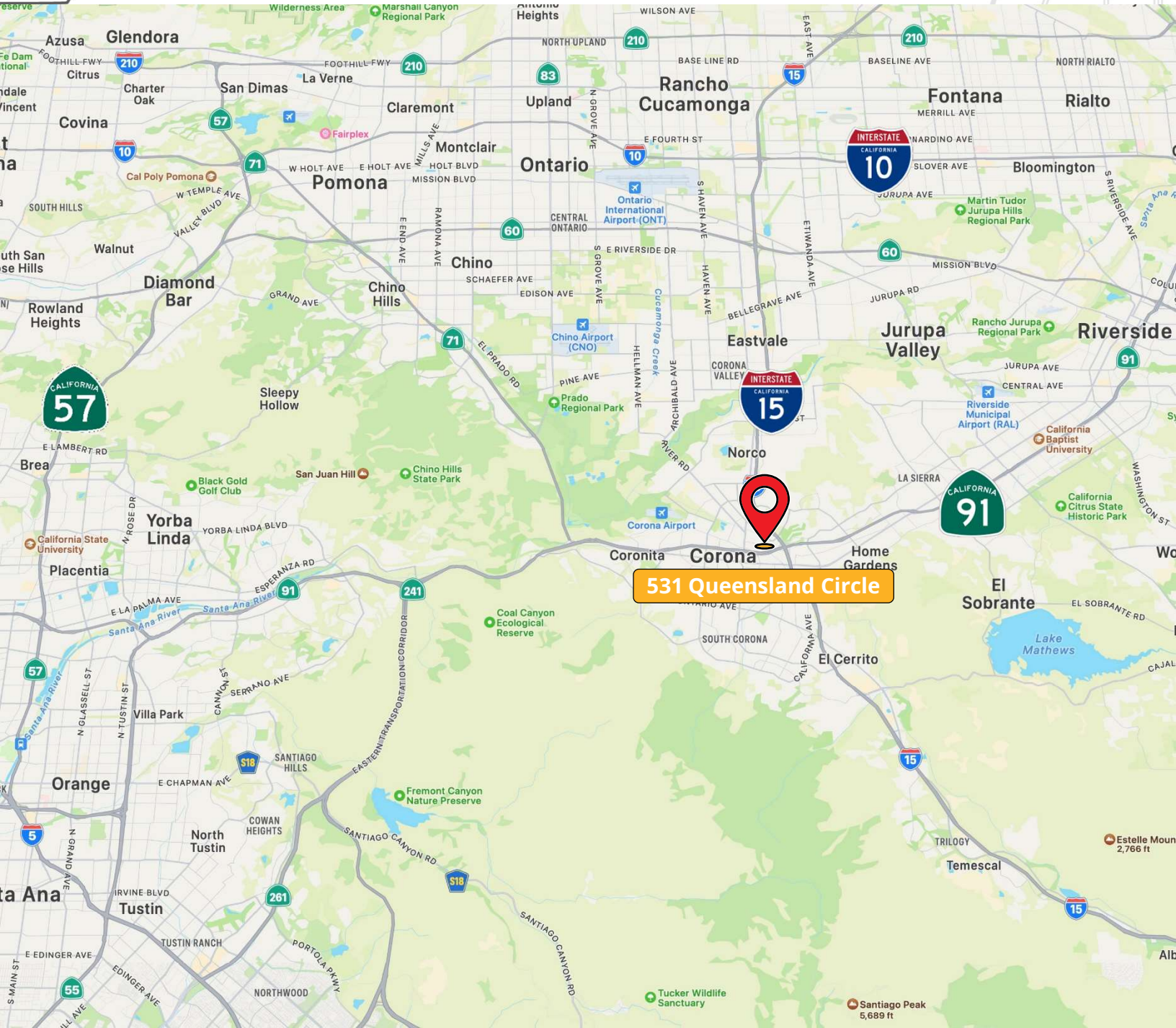
The association is responsible for the exterior of the building, landscaping, regular roof maintenance/repairs and replacement when necessary.

MarWest runs the association, and dues are currently \$465 per month

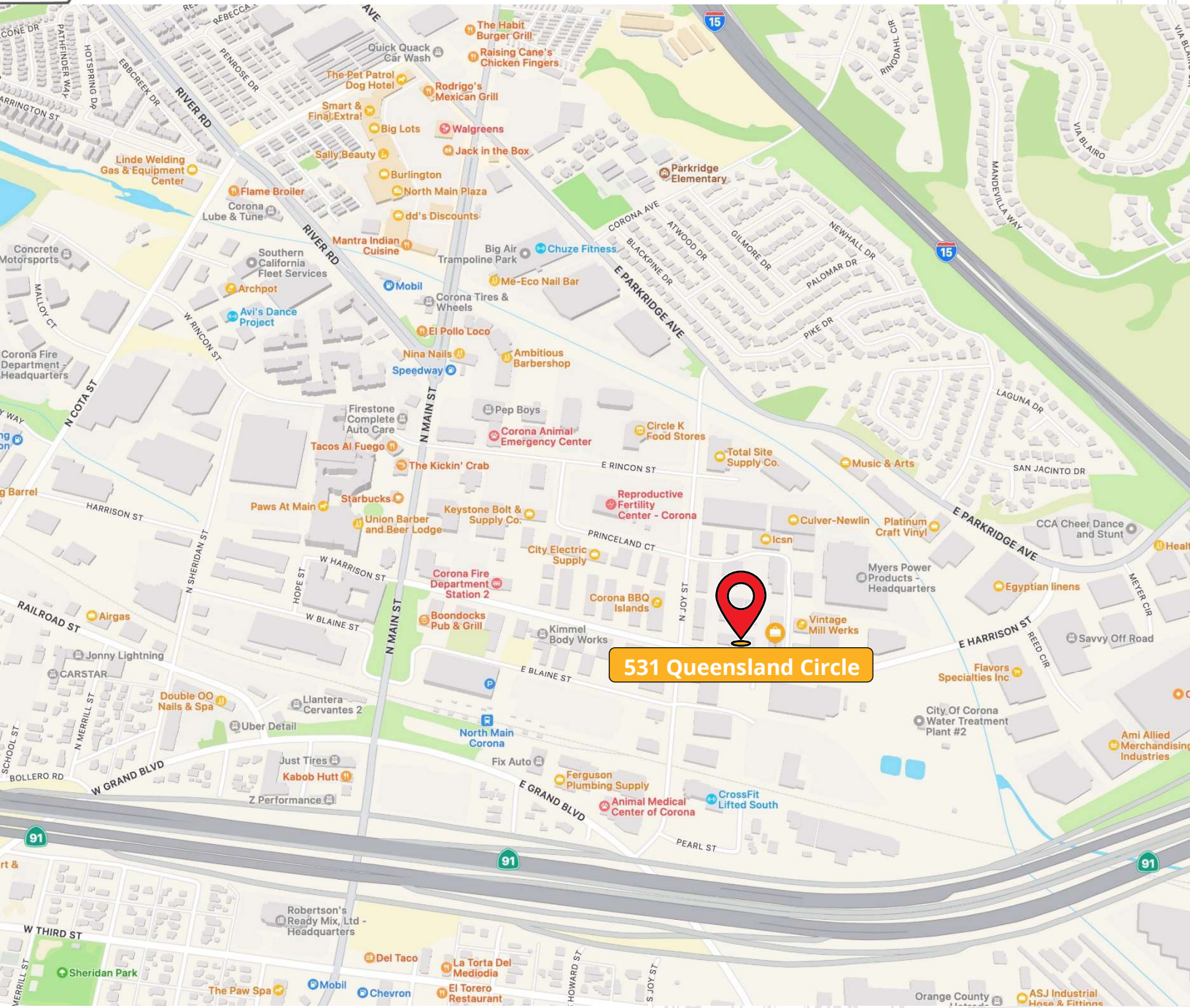
HIGHLIGHTS

- This office condo is currently 100% office with a high-end buildout and is configured for a single occupant.
- Owner-user opportunity – the current owner occupies the building but will vacate upon close of escrow.
- As a single-story building, usable square footage is maximized. Compared to a two-story building, there is no wasted square footage for stairs and/or elevators, and no need for multiple sets of bathrooms on two floors which often are redundant.
- The interior of the building is a highly functional mix of open area for cubicles, private offices, two entrances (either of which can function as the reception area), a conference room, and a modern kitchen area with sink and cabinets.
- There is a shower in one of the bathrooms.
- The dynamic location is within close-proximity to both the 15 and 91 Freeways, as well as the Corona-North Main Metrolink station.
- Numerous restaurants and other amenities are within very close vicinity of the building, offering convenient services only a minute or two away.
- 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 21.

LOCATION

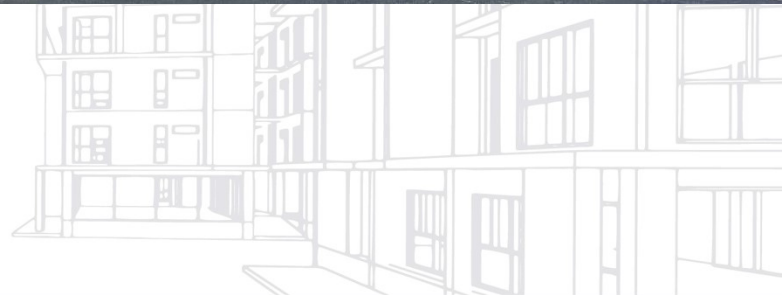


AMENITIES



PHOTOGRAPHS

Single-story condo with maximum usable square footage



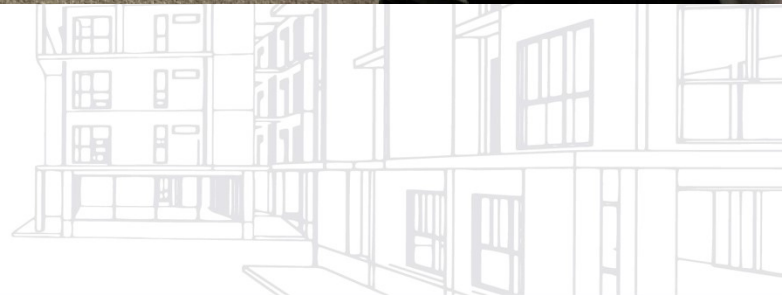
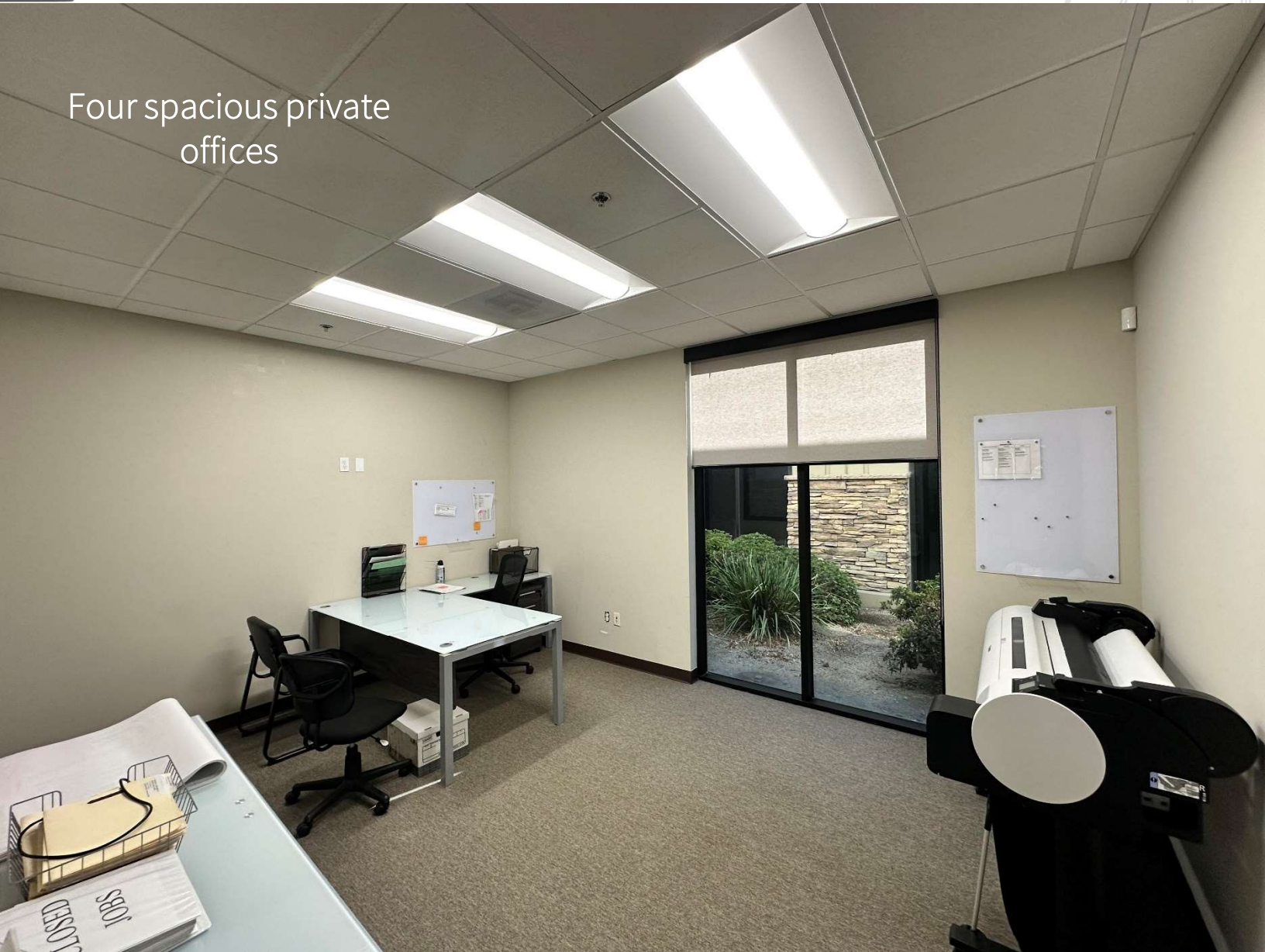
PHOTOGRAPHS

Expansive open area
that can accommodate
many more cubicles



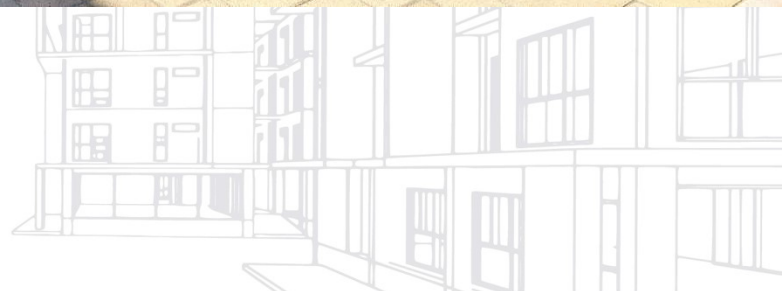
PHOTOGRAPHS

Four spacious private offices



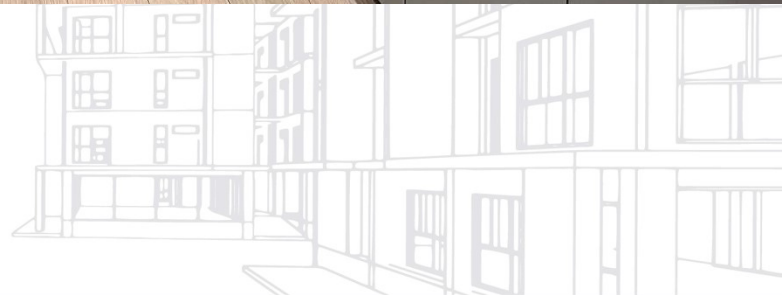
PHOTOGRAPHS

Inviting entrance and reception Area



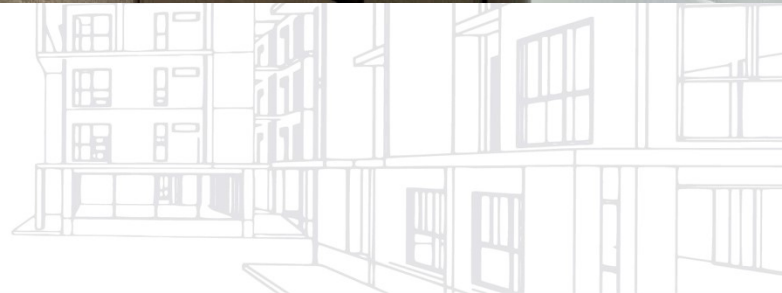
PHOTOGRAPHS

Modern kitchen



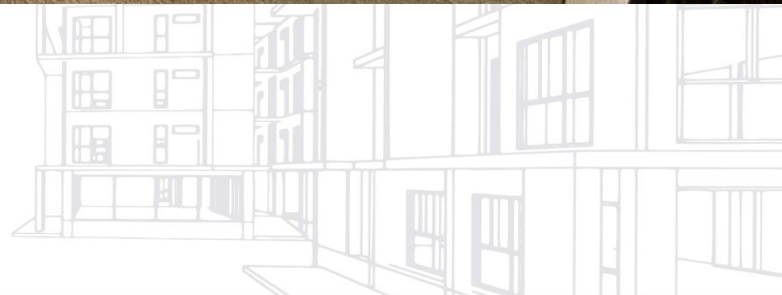
PHOTOGRAPHS

Nearly-new furniture can be made available to a buyer



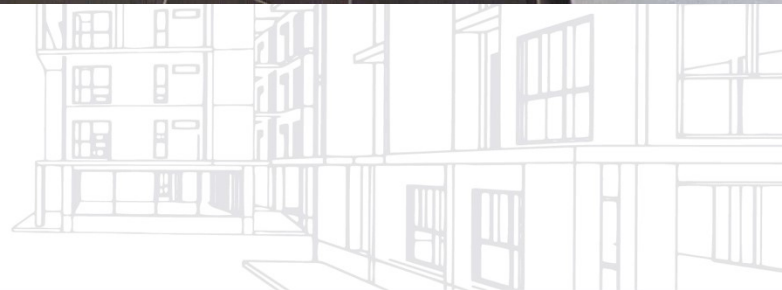
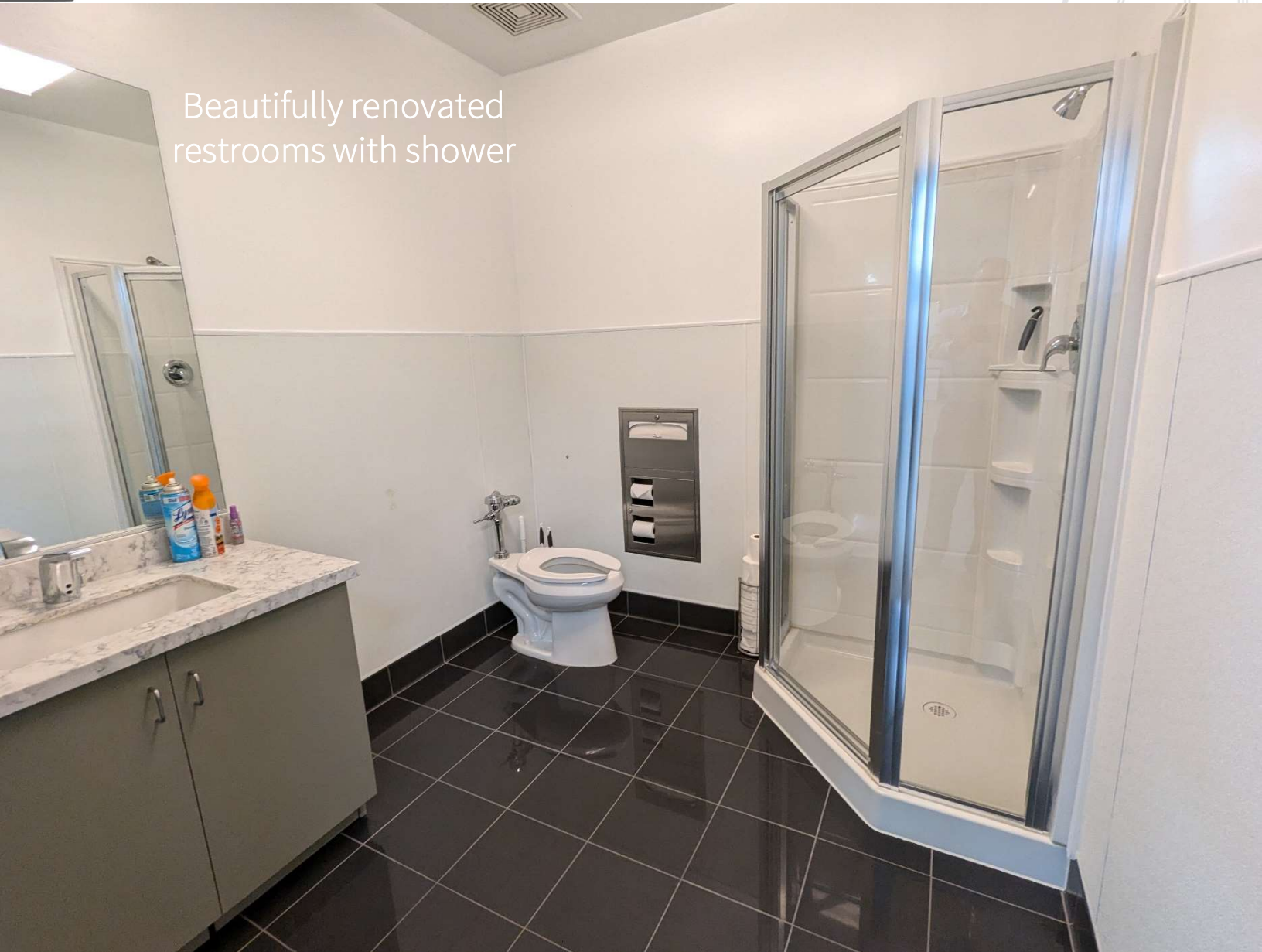
PHOTOGRAPHS

Spacious
conference room



PHOTOGRAPHS

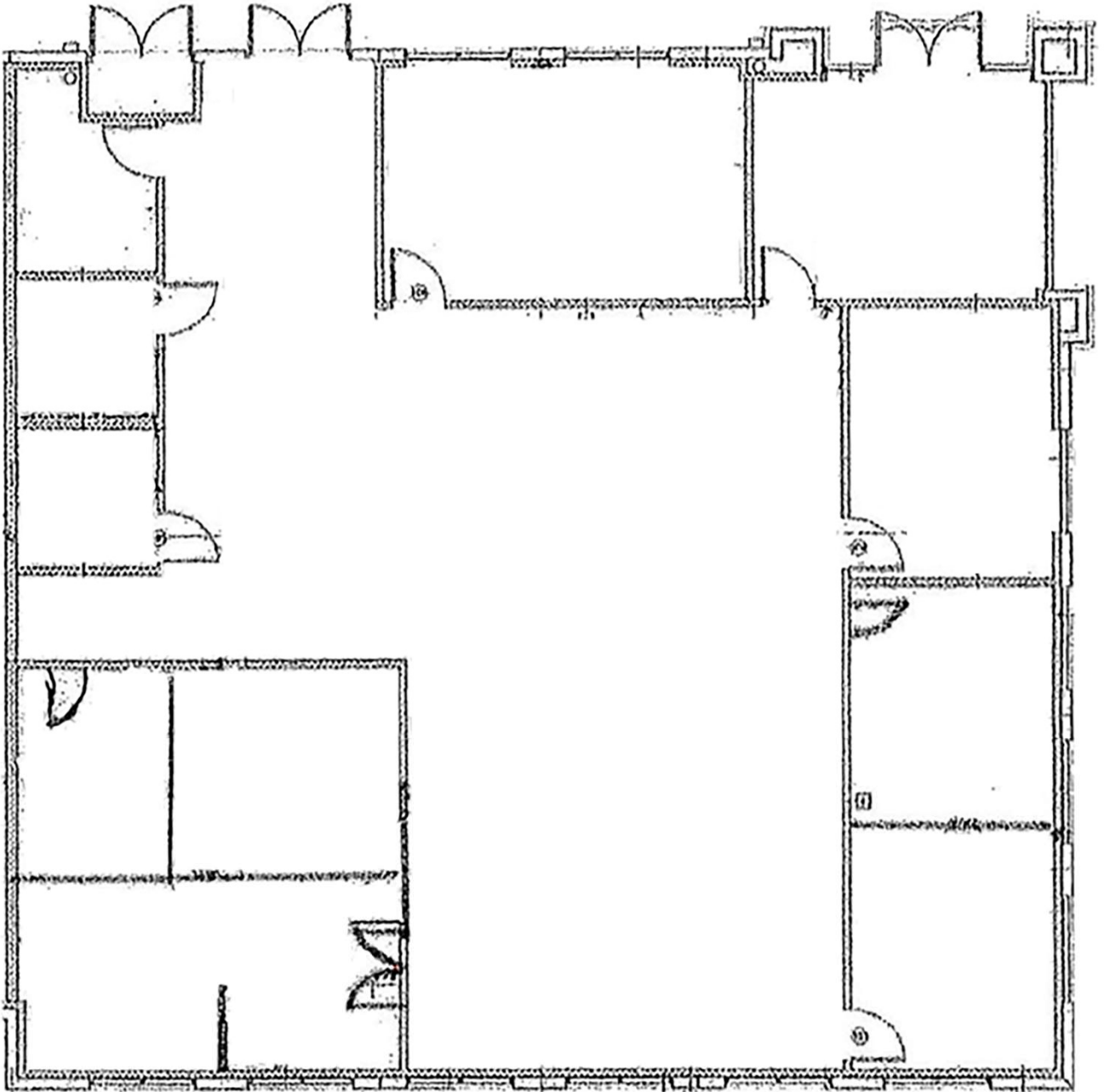
Beautifully renovated
restrooms with shower



SITE PLAN



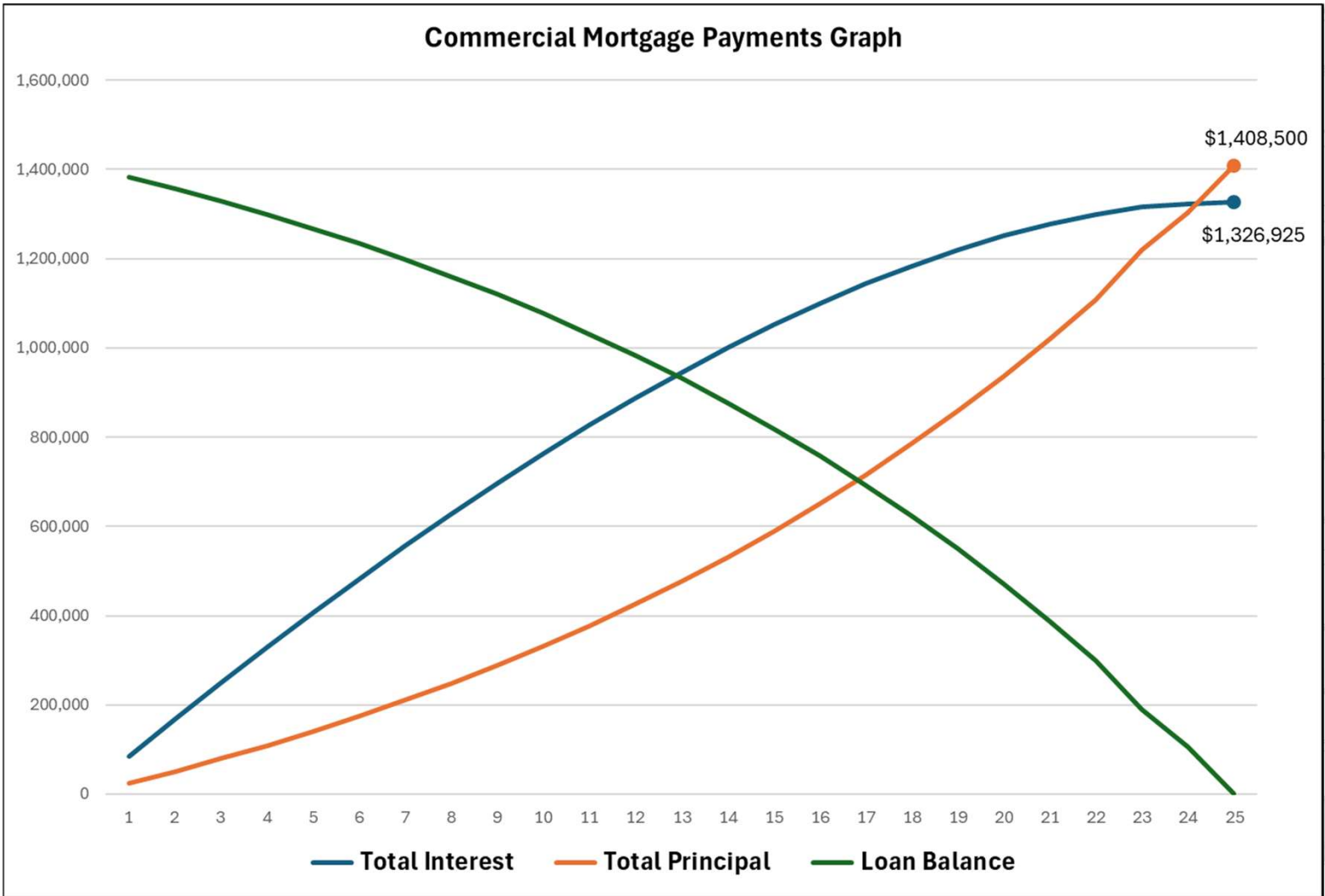
FLOOR PLAN



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 531 Queensland Cir for \$429/SF, with an initial investment of \$43/SF (10% down).

Estimated Monthly Costs

Typical Operating Expenses	\$0.85
Mortgage Payment	\$2.50
Amount of Principal in Mortgage Payment*	\$0.55

*This money is simply cash being converted to savings

Estimated Monthly Cost to Own Year 1	\$2.80
Estimated Starting Lease Rate + Expenses	\$2.65

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	\$2.65	\$2.80	(\$1.76)	(\$1.76)
2	\$2.73	\$2.78	(\$0.65)	(\$2.41)
3	\$2.81	\$2.77	\$0.51	(\$1.89)
4	\$2.90	\$2.75	\$1.72	(\$0.17)
5	\$2.98	\$2.73	\$2.98	\$2.81
6	\$3.07	\$2.71	\$4.30	\$7.11
7	\$3.16	\$2.69	\$5.68	\$12.79
8	\$3.26	\$2.67	\$7.11	\$19.91
9	\$3.36	\$2.64	\$8.61	\$28.52
10	\$3.46	\$2.61	\$10.18	\$38.70
			\$38.70	

LOAN ILLUSTRATION

Project Price	\$1,565,000
	SBA 7(a)
	Fixed
Down Payment	\$156,500
Combined LTV%	90%
Loan Amount	\$1,408,500
Financed Fee	\$0
Rate (%)	6.05%
Amortization (Years)	25
Term (Years)	25
1st & 2nd TD Payments	
Total Monthly Loan Payments	\$9,118

Estimated Closing Costs

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



TAX BENEFITS OF DEPRECIATION

Assume a business owner or trust personally purchases 531 Queensland Cir and leases it to the 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:	\$1,565,000
Building Size:	3,648
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 \$1,565,000, or \$704,250. Spread over the IRS' mandated 39 years, the deduction per year is approximately \$18,000. **At a tax rate of 33%, the tax savings due to depreciation is approximately \$6,000 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 \$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>518 Queensland Cir Corona</p>	Jul 2024	4,003 SF	<u>\$1,690,000</u> \$422	This 2007 office building is located in the same Citrus Woods Corporate Center and has a less functional build out. 518 Queensland is also slightly larger so 531 Queensland should be worth more.
 <p>9377 Haven Ave, #210 Rancho Cucamonga</p>	Jul 2024	2,585 SF	<u>\$1,136,000</u> \$439	This 2008 office building is similar construction, however it is in an inferior location and is located on the second story. 531 Queensland should command a clear premium yet is priced \$10/sf less.
 <p>507 Queensland Circle Corona</p>	May 2022	4,659 SF	<u>\$1,837,500</u> \$394	This is another sale of an office building in the same Citrus Woods Corporate Center and sold as an investment. This building sold in the middle of the pandemic and 531 Queensland Circle is being offered in a much more stable market.



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