

2000

HARBOR

COSTA MESA CALIFORNIA

20,299 SF
MEDICAL/RETAIL
FOR SALE



EXCLUSIVELY LISTED BY:

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 LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

 PROPERTY GROUP
MAXIMIZING PROPERTY VALUES™

Lee & Associates® - Newport Beach (the "Agent") has been engaged as the exclusive sales representative for the sale of 2000 Harbor Blvd, Costa Mesa, CA (the "Property") by 'Ownership' (the "Seller").

The Property is being offered for sale in an "as-is, where-is" condition, and the Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include confidential information and are being furnished solely for the purpose of review by prospective purchasers ("Purchasers") of the interest described herein for which it shall be fully and solely responsible. Neither the enclosed materials, nor any information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed information, should be registered with the Agent as a "Registered Potential Investor" or as a "Buyer's Agent" for an identified "Registered Potential Investor". The use of this Offering Memorandum, and the information provided herein, is subject to the terms, provisions and limitations of the Confidentiality Agreement furnished by the Agent prior to delivery of this Brochure.

The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by the Agent or the Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners, and directors, as to its accuracy or completeness. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Seller nor the Agent shall have any liability whatsoever for any other written or oral communication or information transmitted, or made available, or any action taken, or decision made by the recipient with respect to the Property.

The Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from the market for sale at any time and for any reason without notice, to reject any and all expressions of interest or offers regarding the Property, and/or to terminate discussions with any entity at any time, with or without notice. This Offering Memorandum is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. The Agent is not authorized to make any representations or agreements on behalf of the Seller. The Seller shall have no legal commitment or obligation to any recipient reviewing the enclosed materials, performing additional investigation, and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions required under the contract for title to pass from the Seller to the buyer have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents will be held and treated in the strictest of confidence; and (b) the recipient shall not contact employees, contractors, sub-contractors or lien-holders of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or the Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of the Seller or the Agent or as otherwise provided in the Confidentiality Agreement executed and delivered by the recipient(s) to Agent.

The Seller will be responsible for any commission due to the Agent in connection with a sale of the Property. However, any broker engaged by Purchaser ("Buyer's Broker") shall seek its commission only from the Purchaser. Under no circumstances will the Agent or the Seller be liable for same and recipient will indemnify and hold the Agent and the Seller harmless from any claims by any brokers having dealt with recipient other than the Agent. Any Buyer's Broker must provide a registration signed by the recipient acknowledging said Buyer's Broker's authority to act on the recipient's behalf.

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COSTA MESA CALIFORNIA

04

PROPERTY
DESCRIPTION

8

SITE
PLAN

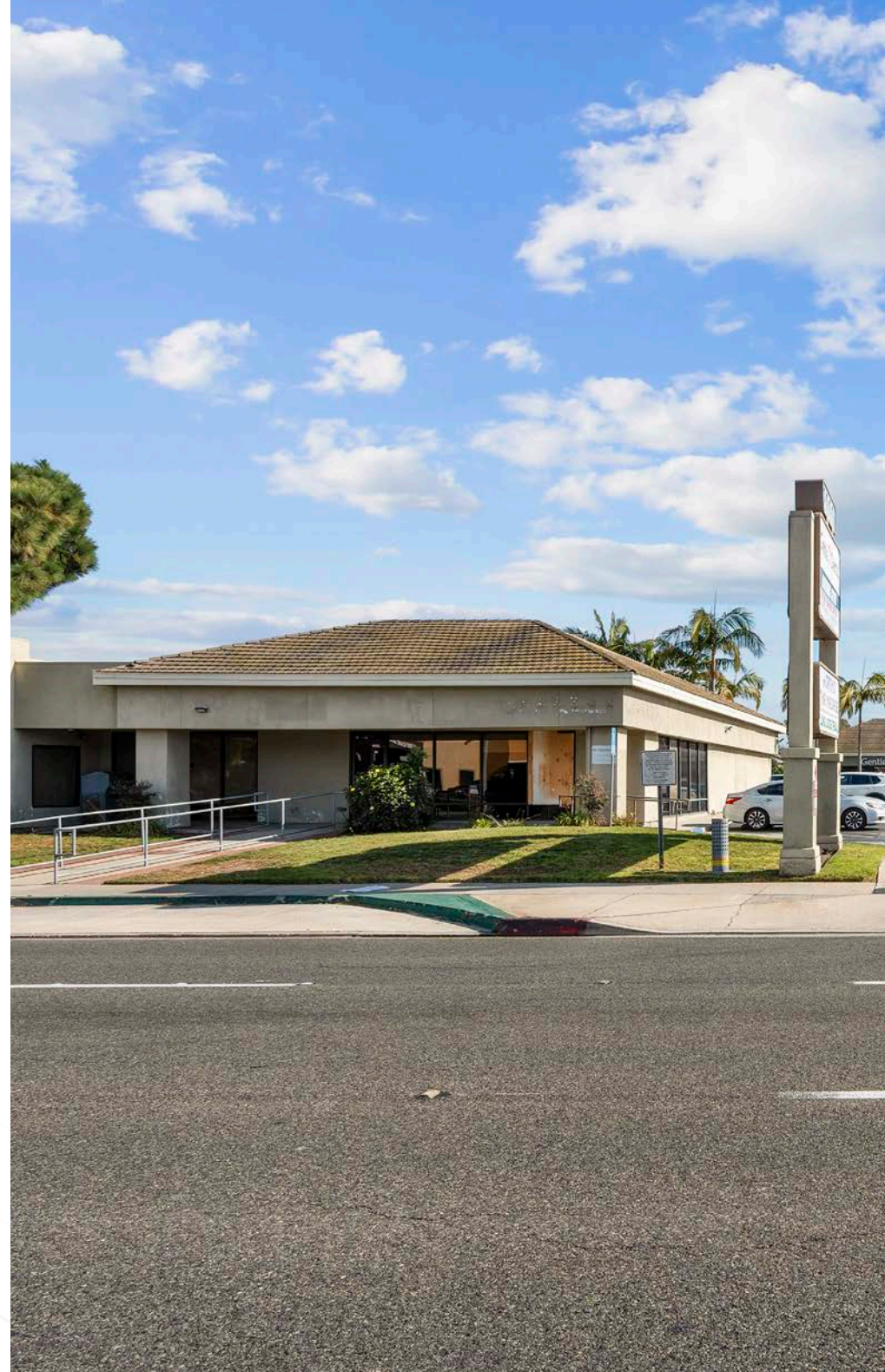
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FINANCIAL
ANALYSIS

PROPERTY DESCRIPTION

BUILDING PROFILE

<i>Property Address</i>	2000 Harbor Blvd, Costa Mesa, CA
<i>APN</i>	419-203-07
<i>Location</i>	Orange County
<i>Year Built</i>	1979
<i>Building Size</i>	±20,299 Square Feet
<i>Zoning</i>	C1 – Local Business
<i>Parking</i>	±4:1,000 SF // 80 Surface stalls
<i>Construction</i>	Reinforced Concrete
<i>Land</i>	±1.57 Acre





PROPERTY OVERVIEW

OFFERING SUMMARY

Lee & Associates – Newport Beach, as exclusive advisor, is pleased to present the opportunity to acquire the fee simple interest in 2000 Harbor Blvd, Costa Mesa. Built in 1979, this single story, retail / medical office building consists of approximately 20,299 square feet and is located in the desirable Newport Mesa submarket. 2000 Harbor offers close proximity to John Wayne Airport as well as many food and retail centers, and has convenient access to both the 405, 73, and 55 freeways.

PROPERTY HIGHLIGHTS

- Medical Office and retail approved
- Income in place from multiple tenants
- Abundant Surface Parking
- Great access with multiple points of ingress / egress
- Prominent location & signage off Harbor
- Close proximity to John Wayne Airport and many retail centers
- Convenient access to 405, 73, and 55 freeways
- Building top and monument signage available
- ±7,932 SF fully fixtured dental space available for occupancy
- ±4,496 SF pharmacy available for occupancy. Can be converted into multiple medical uses

OFFERING SUMMARY

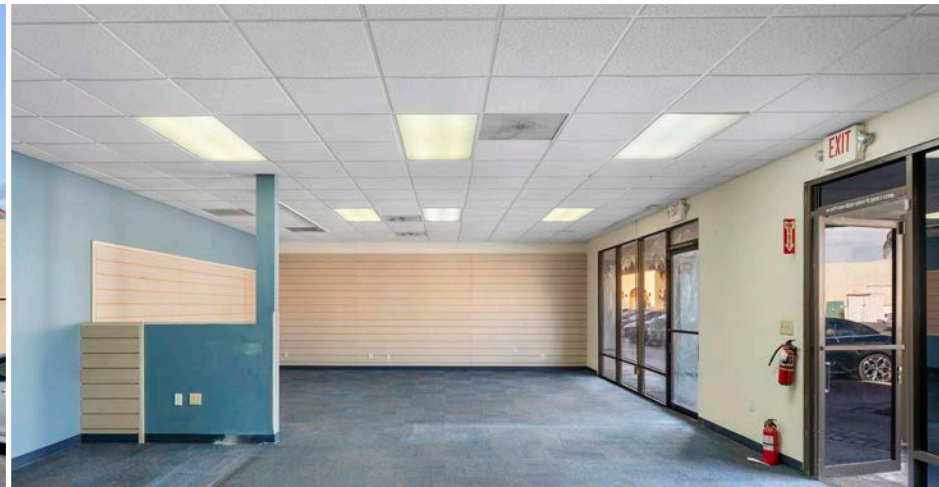
Offering Price: \$10,250,000

Interest Offered: Fee Simple

10 Year Occupancy Cost to Purchase: Positive \$0.18 PSF Per Month

10 Year Cost to Lease: Negative \$2.71 PSF Per Month

**Per financial analysis on page 12 and 13, including 3.5% appreciation per year*





Gentle  Dentistry

New Patient Specials

Gentle is our priority message

SITE PLAN





FORD ROAD

2000
HARBOR
COSTA MESA CALIFORNIA

HARBOR BOULEVARD

FINANCIAL ANALYSIS

PURCHASE VS LEASE ANALYSIS

PROPERTY ASSUMPTIONS		DEBT AND EQUITY			APPRECIATION & TAXES		
Purchase Building Size in SF	20,299	Loan Amounts	1st TD \$5,125,000	2nd TD \$4,100,000	Total \$9,225,000	Price Appreciation	3.5%
Occupy Building Size in SF	16,620	Loan to Value Ratio	50%	40%	90%	Building Value After 10 Years	\$14,458,637
Market Rent - NNN	\$2.75	Loan Fees		\$68,315	\$68,315	Cost of Sale	5%
Monthly NNN Expense PSF	\$1.12	Equity Amount			\$1,093,315	Standard Tax Rate	41%
Annual Rent + Exp. Growth	3%	Interest Rate	5.90%	6.09%		Portion of Price For Building - %	80%
Total Building Cost	10,250,000	Amortization Period	30	25		Portion of Price For Building	\$8,200,000
Total Building Cost PSF	504.95	Monthly Debt Service	-30,398	-26,642	-57,041	Years to Depreciate Asset	39.5
		Annual Debt Service	-364,779	-319,709	-684,487	Annual Depreciation Deduction	\$207,595
		Loan Balance - End of Yr. 10	\$4,277,383	\$3,139,099	\$7,416,482		

SCENARIO 1-PURCHASE BUILDING	Initial	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Initial Equity Investment	-1,093,315										
Annual Operating Expenses		-223,373	-230,074	-236,976	-244,085	-251,408	-258,950	-266,719	-274,720	-282,962	-291,451
Annual Debt Service		-684,487	-684,487	-684,487	-684,487	-684,487	-684,487	-684,487	-684,487	-684,487	-684,487
Reversion Value After 10 Years		-	-	-	-	-	-	-	-	-	\$14,458,637
Cost of Sale		-	-	-	-	-	-	-	-	-	-722,932
Pay off Remaining Loan Balance		-	-	-	-	-	-	-	-	-	-7,416,482
Rental Income		170,852.76	175,978.34	181,257.69	186,695.42	192,296.29	198,065.18	204,007.13	210,127.34	216,431.16	222,924.10
Tax Benefit For Operating exp		91,583	94,330	97,160	100,075	103,077	106,170	109,355	112,635	116,014	119,495
Tax Benefit For interest exp		221,887	219,018	215,976	212,749	209,326	205,696	201,846	197,762	193,431	188,837
Tax Benefit For depreciation		85,114	85,114	85,114	85,114	85,114	85,114	85,114	85,114	85,114	85,114
Capital Gain Tax Due at Sale											-1,390,414
After Tax Cost of Ownership	-1,093,315	-338,424	-340,121	-341,956	-343,940	-346,082	-348,393	-350,885	-353,569	-356,459	4,569,242
Discounted value	-1,093,315	-317,769	-299,871	-283,088	-267,353	-252,599	-238,766	-225,797	-213,637	-202,238	2,434,154

COST TO OWN	
Undiscounted Cash Flow	356,098
Undiscounted Avg. Cost PSF/mo.	\$ 0.18
Cash flow discounted @ 6.5%	-960,278
Discounted Avg. Income (cost) PSF/mo	-0.39

TAXABLE GAIN ON SALE	
	10,250,000
	-2,075,949
	8,174,051
Sale	13,735,705
taxable gain	5,561,655
capital gain tax	1,390,414

FINANCIAL ANALYSIS

PURCHASE VS LEASE ANALYSIS

SCENARIO 1-LEASE BUILDING	Initial	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
NNN - Rent		-598,320	-616,270	-634,758	-653,800	-673,414	-693,617	-714,425	-735,858	-757,934	-780,672
NNN - Expense *		-199,440	-205,423	-211,586	-217,933	-224,471	-231,206	-238,142	-245,286	-252,645	-260,224
Tax Benefit For Lease Payment		245,311	252,671	260,251	268,058	276,100	284,383	292,914	301,702	310,753	320,075
Tax Benefit For Operating exp		81,770	84,224	86,750	89,353	92,033	94,794	97,638	100,567	103,584	106,692
After Tax Cost of Lease	-	-470,678	-484,799	-499,343	-514,323	-529,753	-545,645	-562,015	-578,875	-596,241	-614,129
Discounted value		-441,952	-427,427	-413,380	-399,795	-386,656	-373,949	-361,660	-349,774	-338,279	-327,162
COST TO LEASE											
Undiscounted Cash Flow		-5,395,800									
Undiscounted Avg. Cost PSF/mo.	\$	-2.71									
Cash flow discounted @ 6.5%		-3,820,036									
Discounted Avg. Income (cost) PSF/mo		-1.92									

Building Appreciation over 10 years 4,208,637
 Cash flow saving of ownership PSF -2.88

*Based on market comparable buildings



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