

SEACLIFF BEAUTY

9840

9840

IRVINE CENTER

IRVINE, CALIFORNIA

HIGHLY IMPROVED CREATIVE OFFICE  
OWNER/USER BUILDING FOR SALE // ±9,920 SF  
HIGHEST END FINISHES IN THE BRENEXUS/BACCHUS

**LEE & ASSOCIATES**  
COMMERCIAL REAL ESTATE SERVICES

**W PROPERTY GROUP**  
MAXIMIZING PROPERTY VALUES™



Lee & Associates® - Newport Beach (the "Agent") has been engaged as the exclusive sales representative for the sale of 9840 Irvine Center Drive, Irvine 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.

**EXCLUSIVELY LISTED BY:**

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# SEACLIFF BEAUTY

**9840** IRVINE CENTER  
*Irvine, California*

**04**  
PROPERTY  
DESCRIPTION

**06**  
FLOOR PLANS

**12**  
FINANCIAL  
ANALYSIS



# property description

## BUILDING PROFILE

<i>Property Address</i>	9840 Irvine Center Drive Irvine, CA 92630
<i>APN</i>	588-206-19
<i>Location</i>	Orange County
<i>Land Size</i>	±21,780 SF
<i>Year Built</i>	2007
<i>Building Size</i>	±9,920 Square Feet
<i>Zoning</i>	5.4 A Design Professional
<i>Parking</i>	40 Free Surface In Common
<i>Flooring</i>	Tile and Marble
<i>Construction</i>	Masonry



# property overview

## OFFERING SUMMARY

Lee & Associates® – Newport Beach, as exclusive advisor, is pleased to present the opportunity to acquire the fee simple interest in 9840 Irvine Center Dr. Built in 2007 this 2-story, Design Professional zoned, office building consists of approximately 9,920 square feet and is located in the prestigious city of Irvine, California.

9840 Irvine Center Dr offers close proximity to the Irvine Spectrum Center as well as other food and retail centers, and has convenient access to both the 5 and 405 freeways.

The property was fully renovated in 2020 and has the highest end finishes of any building in Brenexus/ Bacchus, with over \$500,000 spent in renovating costs.



## PROPERTY HIGHLIGHTS

- High image creative office
- 7 private offices, and an executive suite with full bathroom
- Fully functioning kitchen
- Conference room on each floor
- Corner location and prominent signage
- Close proximity to Irvine Spectrum Center and other retail centers
- Convenient access to 5 and 405 freeways
- Building top signage available





# OFFERING SUMMARY

Offering Price: \$5,899,000

Interest Offered: Fee Simple

10 Year Occupancy Cost to Purchase: Negative \$0.77 PSF Per Month

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

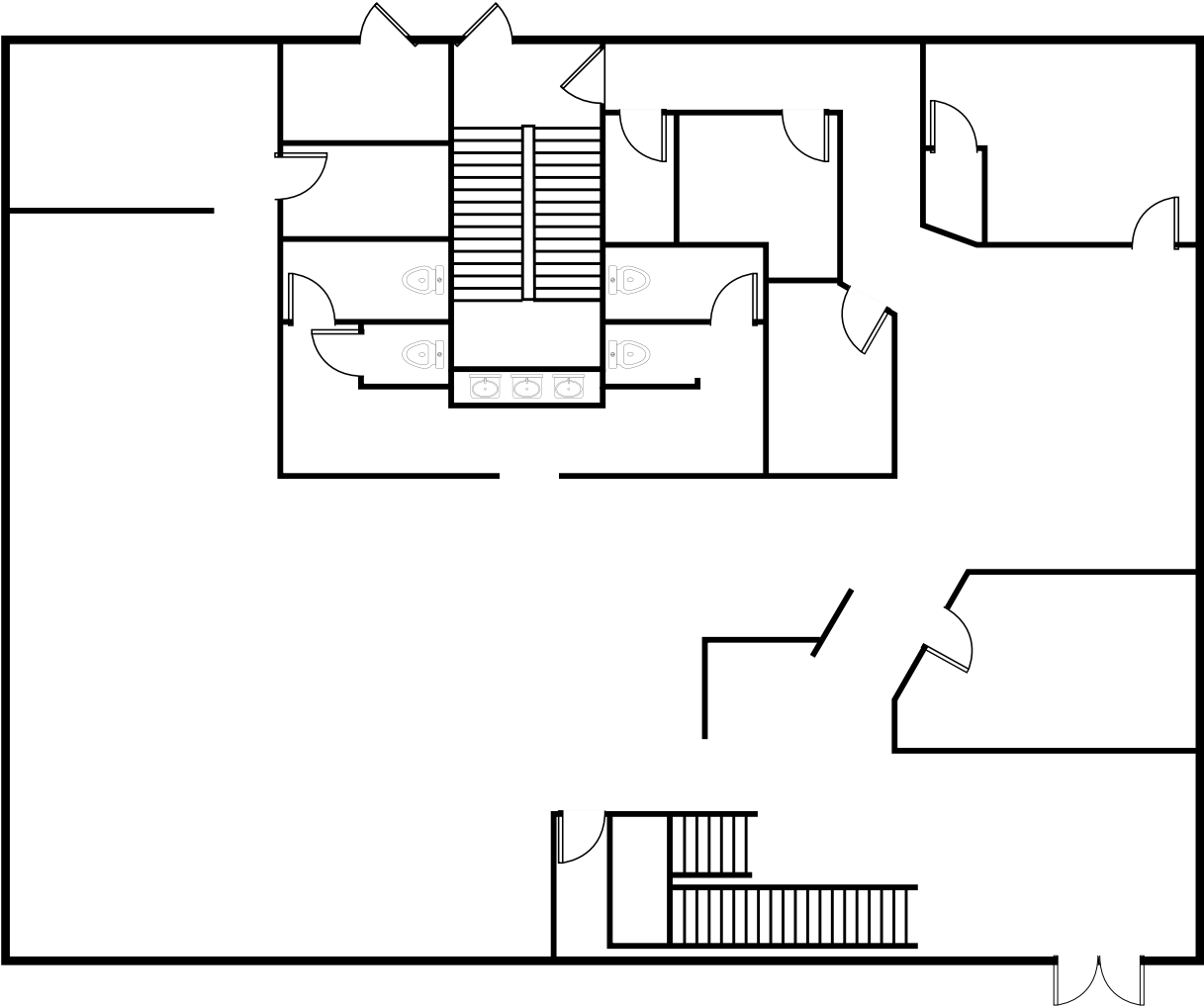
*\*Per financial analysis on page 12 and 13, including 3.5% appreciation per year*





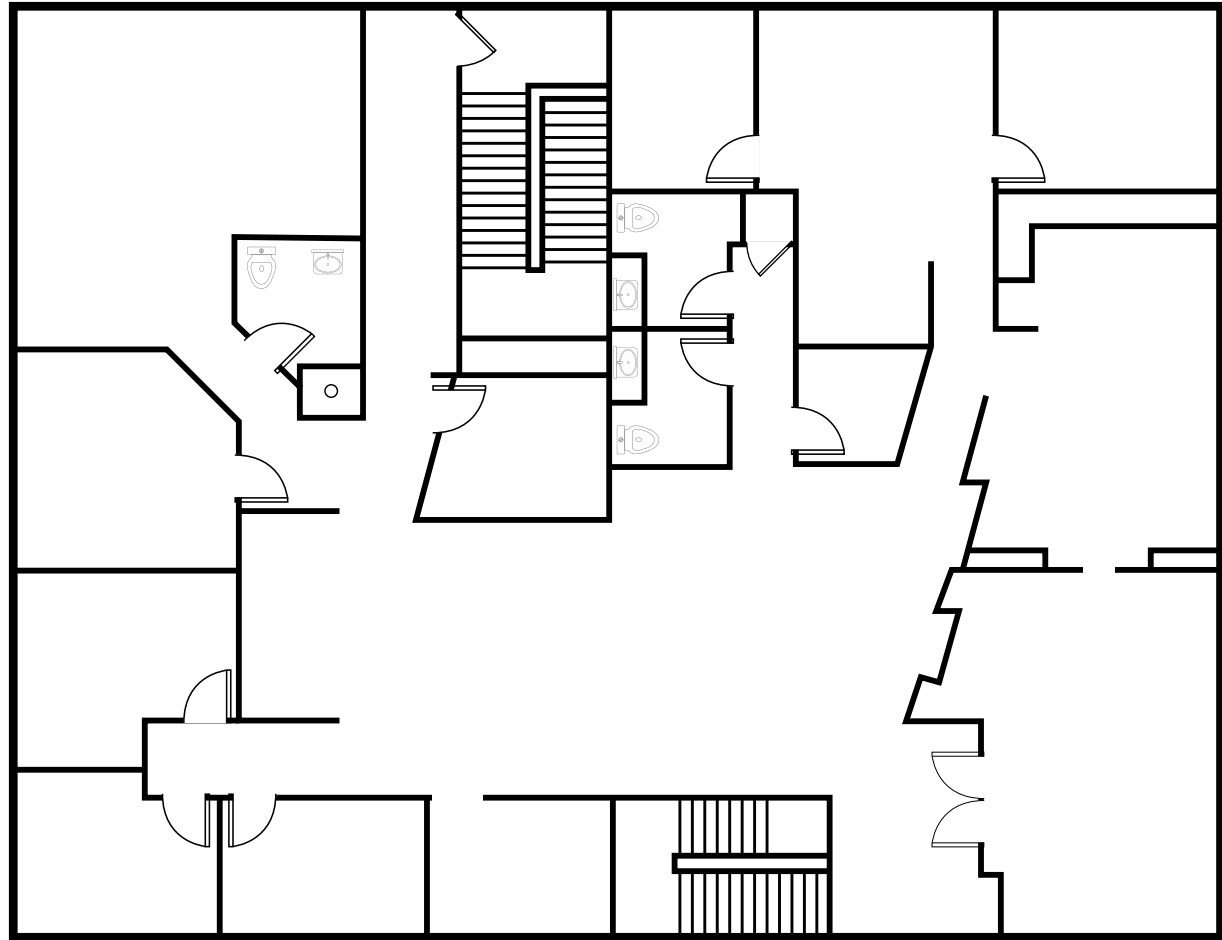


1ST FLOOR

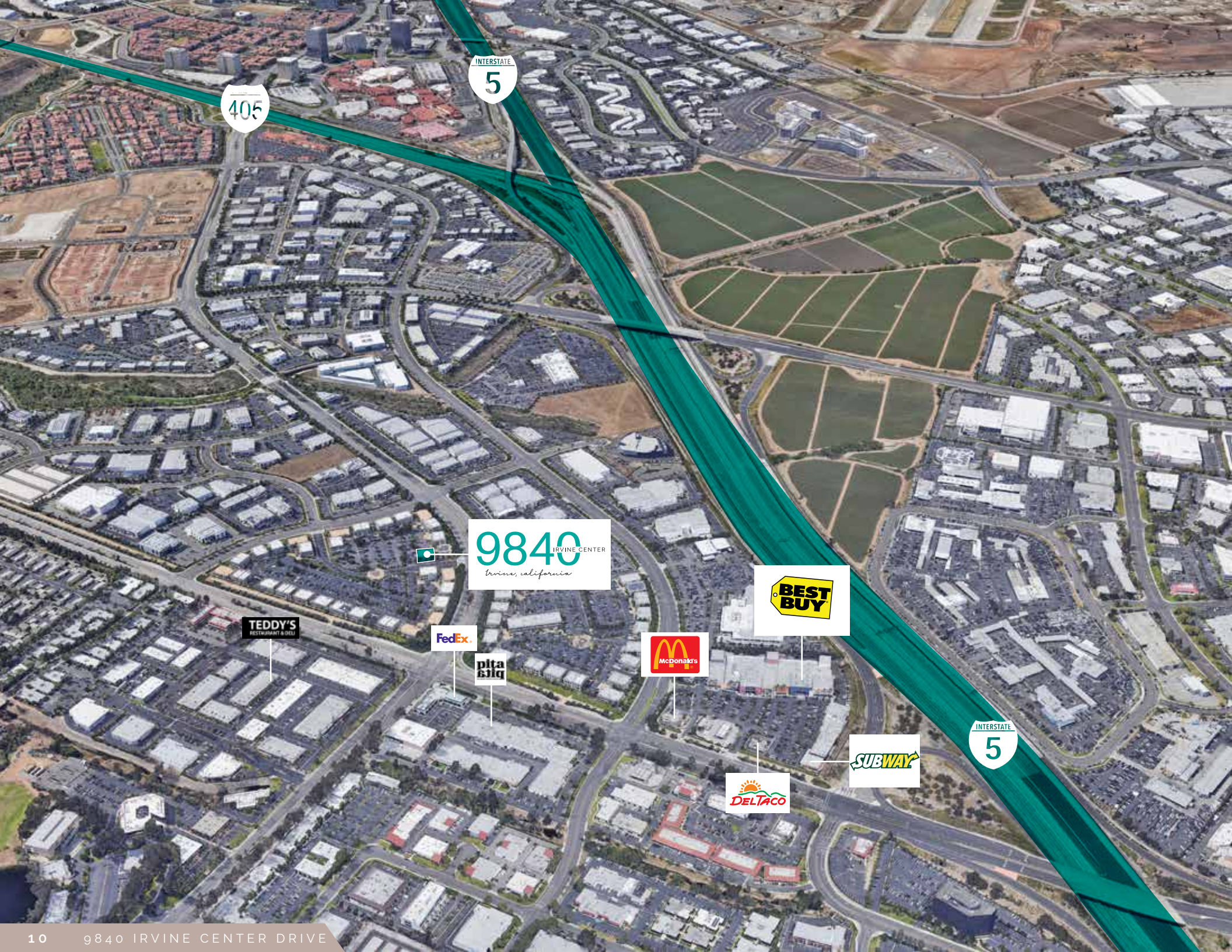




2ND FLOOR







405

INTERSTATE  
5

**9840** IRVINE CENTER  
*Irvine, California*

**TEDDY'S**  
RESTAURANT & DELI

FedEx

pita  
631q

McDonald's

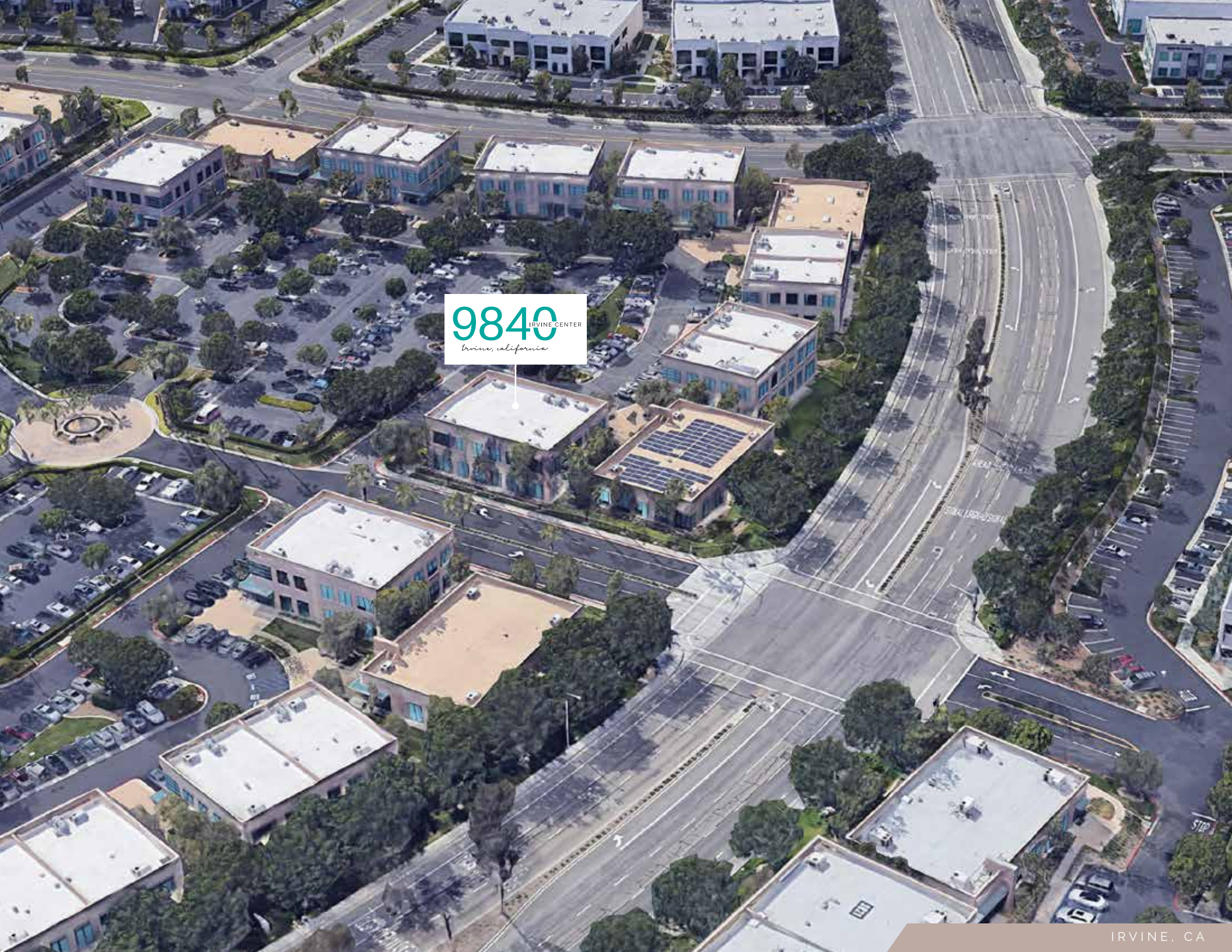
**BEST  
BUY**

DELTA  
CO

**SUBWAY**

INTERSTATE  
5





**9840** IRVINE CENTER  
*Irvine, California*



# financial analysis

## PURCHASE VS LEASE ANALYSIS

### 9840 Irvine Center Drive Purchase vs Lease Analysis

PROPERTY ASSUMPTIONS		DEBT AND EQUITY			APPRECIATION & TAXES	
		1st TD	2nd TD	Total		
Purchase Building Size in SF	9,920	\$3,540,000	\$1,770,000	\$5,310,000	Price Appreciation	3.5%
Occupy Building Size in SF	9,920	60%	30%	90%	Building Value After 10 Years	\$8,321,122
Market Rent - NNN	\$3.00	Loan Fees	\$58,255	\$58,255	Cost of Sale	5%
Monthly NNN Expense PSF	\$1.00	Equity Amount		\$647,255	Standard Tax Rate	41%
Annual Rent + Exp. Growth	3%	Interest Rate	5.85%	6.35%	Portion of Price For Building - %	80%
		Amortization Period	30	25	Portion of Price For Building	\$4,719,200
Total Building Cost	5,899,000	Monthly Debt Service	-20,884	-11,786	Years to Depreciate Asset	39.5
Total Building Cost PSF	594.66	Annual Debt Service	-250,607	-141,430	Annual Depreciation Deduction	\$119,473
		Loan Balance - End of Yr. 10	\$2,950,520	\$1,365,864		

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	-647,255										
Annual Operating Expenses		-119,040	-122,611	-126,290	-130,078	-133,981	-138,000	-142,140	-146,404	-150,796	-155,320
Annual Debt Service		-392,036	-392,036	-392,036	-392,036	-392,036	-392,036	-392,036	-392,036	-392,036	-392,036
Reversion Value After 10 Years		-	-	-	-	-	-	-	-	-	\$8,321,122
Cost of Sale		-	-	-	-	-	-	-	-	-	-416,056
Pay off Remaining Loan Balance		-	-	-	-	-	-	-	-	-	-4,316,383
Tax Benefit For Operating exp		48,806	50,271	51,779	53,332	54,932	56,580	58,277	60,026	61,826	63,681
Tax Benefit For interest exp		126,631	124,979	123,227	121,371	119,403	117,316	115,104	112,759	110,274	107,638
Tax Benefit For depreciation		48,984	48,984	48,984	48,984	48,984	48,984	48,984	48,984	48,984	48,984
Capital Gain Tax Due at Sale											-800,200
<b>After Tax Cost of Ownership</b>	<b>-647,255</b>	<b>-286,655</b>	<b>-290,414</b>	<b>-294,336</b>	<b>-298,428</b>	<b>-302,698</b>	<b>-307,156</b>	<b>-311,811</b>	<b>-316,672</b>	<b>-321,749</b>	<b>2,461,430</b>
Discounted value	-647,255	-269,160	-256,046	-243,666	-231,975	-220,934	-210,505	-200,652	-191,343	-182,545	1,311,268

COST TO OWN	
Undiscounted Cash Flow	-915,744
Undiscounted Avg. Cost PSF/mo.	\$ -0.77
Cash flow discounted @ 6.5%	-1,342,812 6.50%
Discounted Avg. Income (cost) PSF/mo	-1.13

TAXABLE GAIN ON SALE	
	5,899,000
	<u>-1,194,734</u>
	4,704,266
Sale	7,905,066
taxable gain	<u>3,200,800</u>
capital gain tax	<u>800,200</u>



## 9840 Irvine Center Drive 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		-357,120	-367,834	-378,869	-390,235	-401,942	-414,000	-426,420	-439,213	-452,389	-465,961
NNN - Expense		-119,040	-122,611	-126,290	-130,078	-133,981	-138,000	-142,140	-146,404	-150,796	-155,320
Tax Benefit For Lease Payment		146,419	150,812	155,336	159,996	164,796	169,740	174,832	180,077	185,479	191,044
Tax Benefit For Operating exp		48,806	50,271	51,779	53,332	54,932	56,580	58,277	60,026	61,826	63,681
<b>After Tax Cost of Lease</b>	-	-280,934	-289,362	-298,043	-306,985	-316,194	-325,680	-335,450	-345,514	-355,879	-366,556
Discounted value		-263,788	-255,119	-246,735	-238,626	-230,784	-223,200	-215,864	-208,770	-201,909	-195,274
<b>COST TO LEASE</b>											
Undiscounted Cash Flow		-3,220,598									
Undiscounted Avg. Cost PSF/mo.	\$	-2.71									
Cash flow discounted @ 6.5%		-2,280,070	6.50%								
Discounted Avg. Income (cost) PSF/mo		-1.92									

Building Appreciation over 10 years      2,422,122  
 Cash flow saving of ownership PSF      -1.94



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