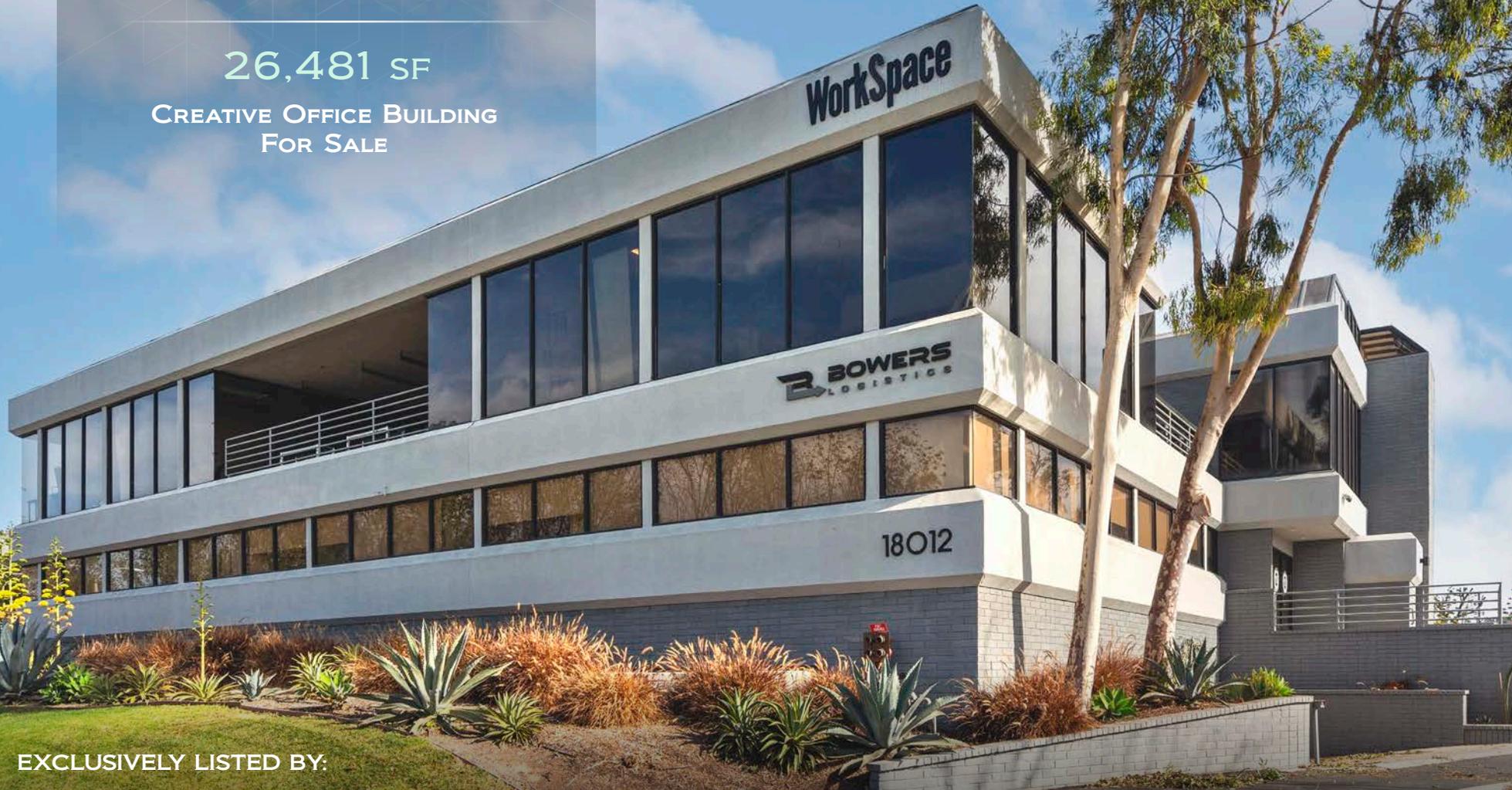


18012

— COWAN —
IRVINE CALIFORNIA

26,481 SF
CREATIVE OFFICE BUILDING
FOR SALE



EXCLUSIVELY LISTED BY:

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 **LEE & ASSOCIATES**
COMMERCIAL REAL ESTATE SERVICES

 **LEE & ASSOCIATES**

Lee & Associates® - Newport Beach (the "Agent") has been engaged as the exclusive sales representative for the sale of 18012 Cowan, 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.

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IRVINE CALIFORNIA

04

PROPERTY
DESCRIPTION

08

FLOOR
PLANS

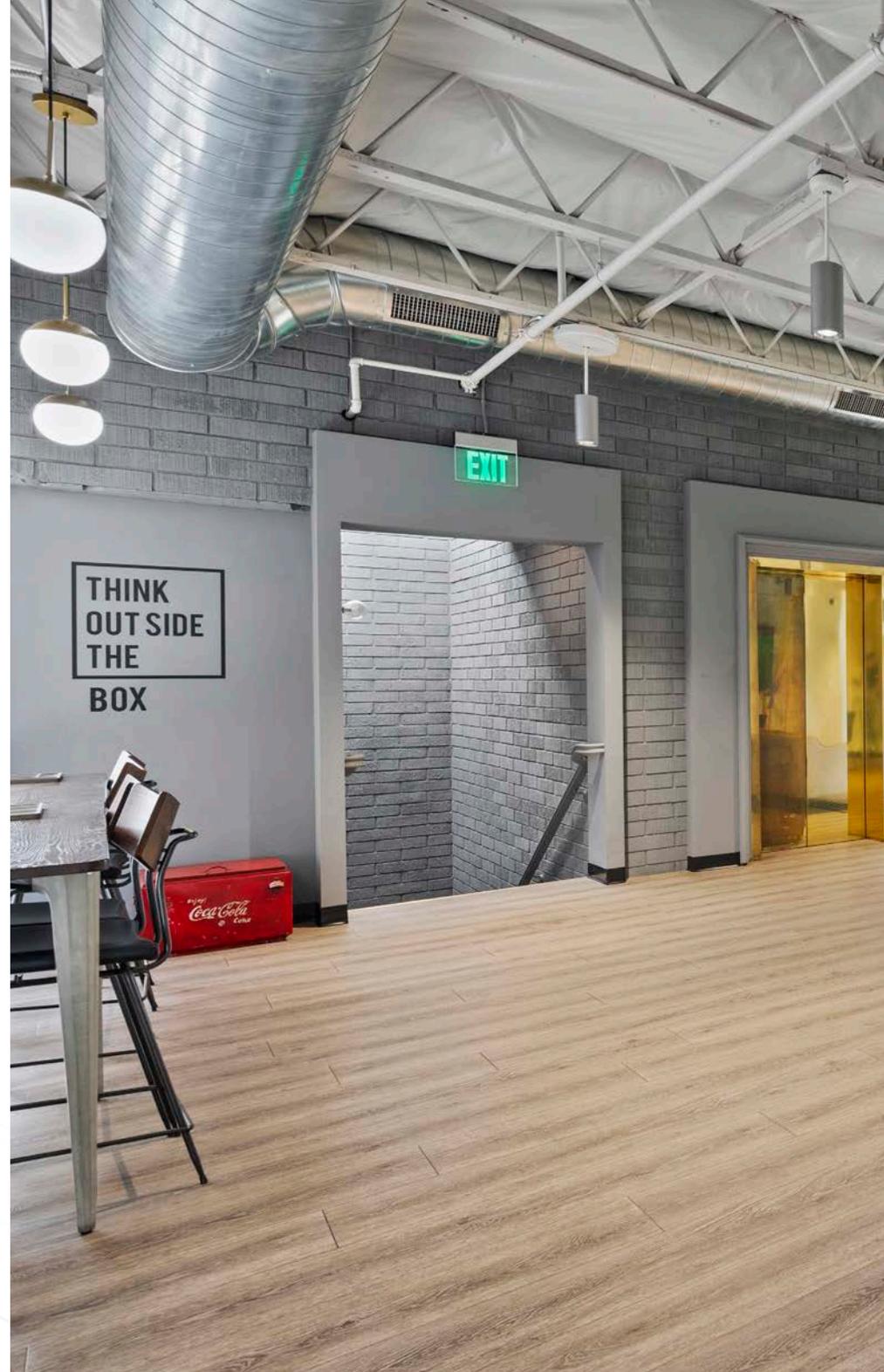
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FINANCIAL
ANALYSIS

PROPERTY DESCRIPTION

BUILDING PROFILE

<i>Property Address</i>	18012 Cowan, Irvine CA, 92614
<i>APN</i>	427-283-02
<i>Location</i>	Orange County
<i>Year Built</i>	1985 / Renov. 2020
<i>Building Size</i>	±26,481 Square Feet
<i>Zoning</i>	IBC
<i>Parking</i>	55 Surface and 42 Covered & Gated Entrance
<i>Flooring</i>	Polished Concrete and Carpet
<i>Construction</i>	Reinforced Concrete
<i>Land</i>	1 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 18012 Cowan, Irvine. Built in 1985 and renovated in 2020, this 2-story, office building consists of approximately 26,481 square feet and is located in the prestigious Airport Area submarket. The freestanding office building is one of few buildings in the Irvine that includes subterranean parking and creative finishes. 18012 Cowan 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

- High image creative office with exposed ceilings
- Elevator serving subterranean parking garage to the first and second levels of the building
- Open concept kitchen
- Four (4) 2nd floor outdoor patios
- Prominent location off of Red Hill and Main Street
- Close proximity to John Wayne Airport and many retail centers
- Convenient access to 405, 73, and 55 freeways
- Building top signage available

OFFERING SUMMARY

Offering Price: \$9,950,000

Interest Offered: Fee Simple

10 Year Occupancy Cost to Purchase: Negative \$0.56 PSF Per Month

10 Year Cost to Lease: Negative \$1.93 PSF Per Month

**Per financial analysis on page 12 and 13, including 3.5% appreciation per year*
***Seller will leaseback 50% of the space for \$2.00/NNN: Asking price \$10,250,000*



FLOOR
200
OFFICES
CENTRAL

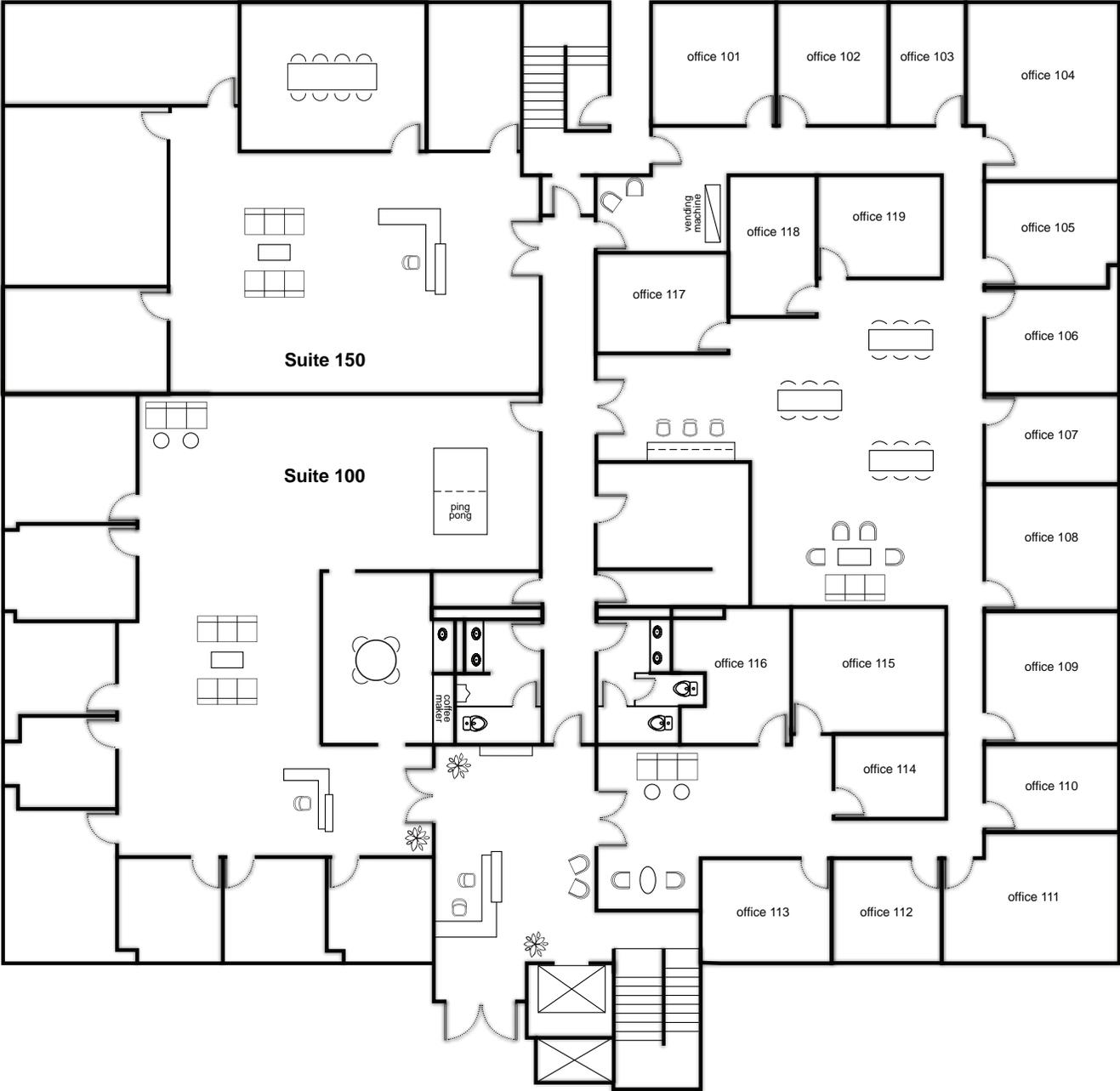


WorkSpace

PRIVATE OFFICES · CO-WORKING

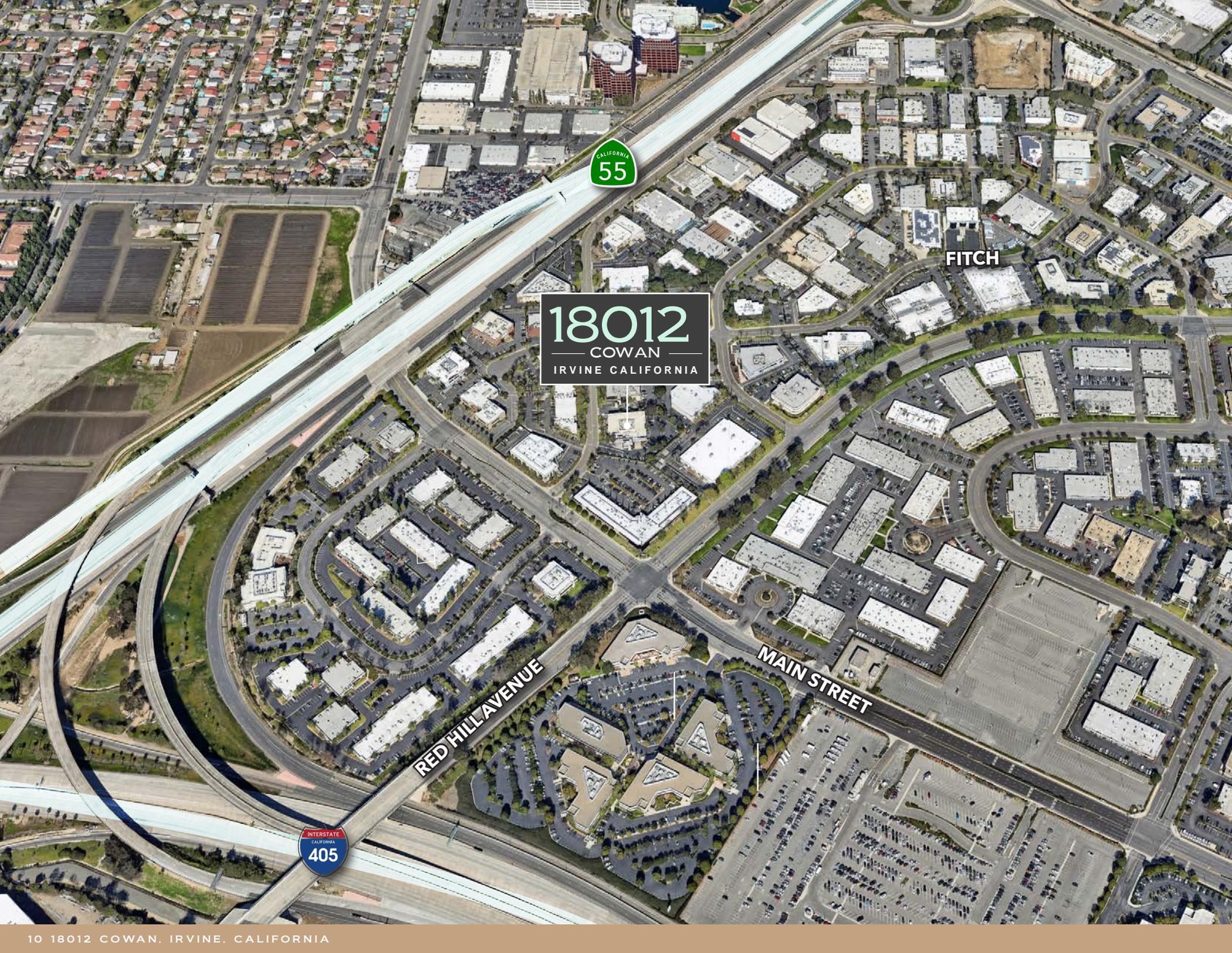


FIRST FLOOR



SECOND FLOOR





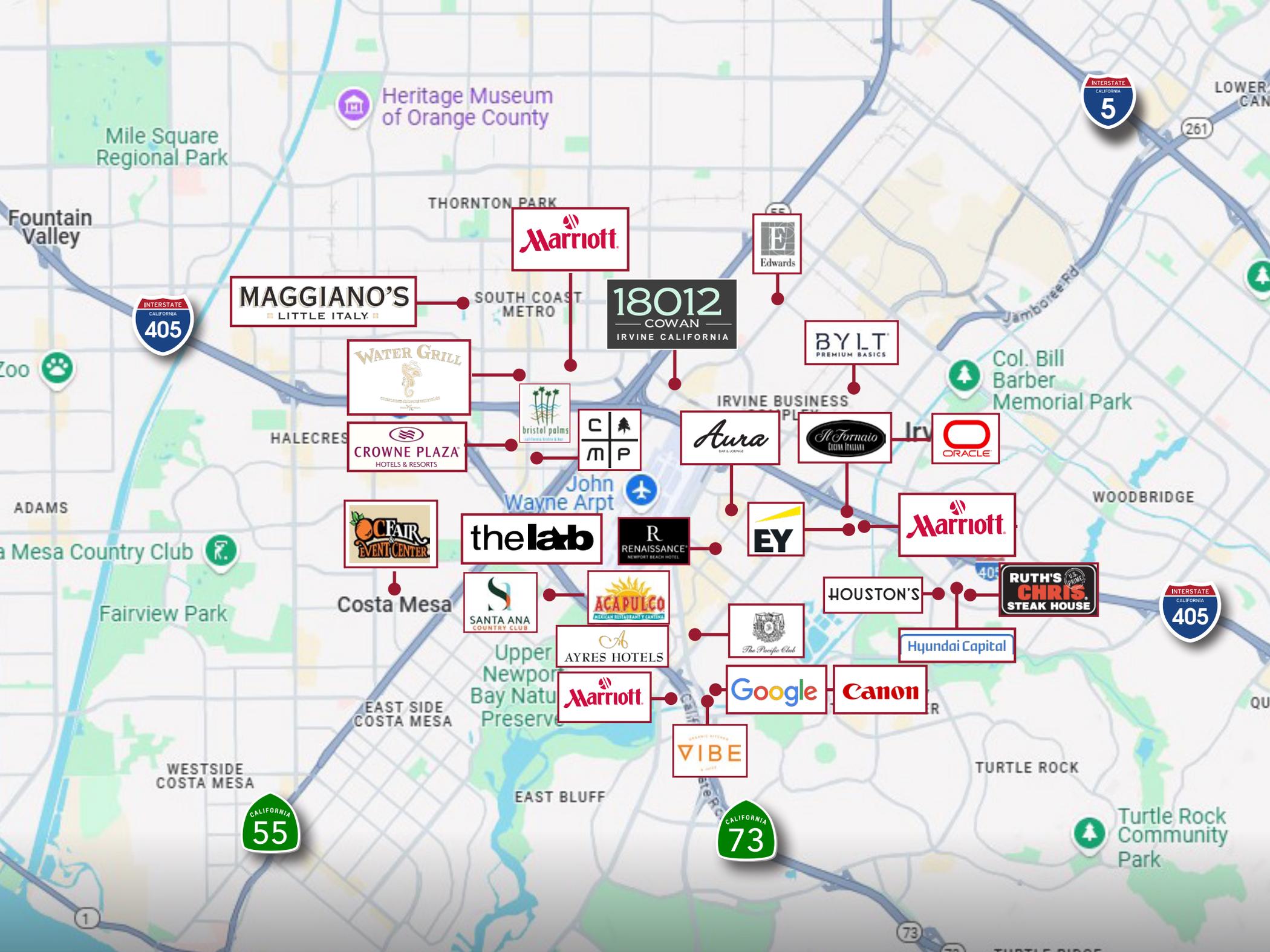
18012
— COWAN —
IRVINE CALIFORNIA

FITCH

RED HILL AVENUE

MAIN STREET





Heritage Museum of Orange County

Mile Square Regional Park

Fountain Valley

THORNTON PARK

Marriott

Edwards

MAGGIANO'S
LITTLE ITALY

SOUTH COAST METRO

18012
COWAN
IRVINE CALIFORNIA

WATER GRILL

BYLT
PREMIUM BASICS

Col. Bill Barber Memorial Park

INTERSTATE CALIFORNIA 405

HALECREST

CROWNE PLAZA
HOTELS & RESORTS

bristol palms

CMP

Aura
BAR & LOUNGE

Il Fornaio
CUCINA ITALIANA

ORACLE

IRVINE BUSINESS CENTER

ADAMS

Costa Mesa Country Club

OCEAIR
EVENT CENTER

the lab

RENAISSANCE
NEWPORT BEACH HOTEL

EY

Marriott

WOODBIDGE

Fairview Park

Costa Mesa

SANTA ANA COUNTRY CLUB

ACAPULCO
RESTAURANT & BAR

AYRES HOTELS

The Pacific Club

HOUSTON'S

RUTH'S CHRIS
STEAK HOUSE

INTERSTATE CALIFORNIA 405

Upper Newport Bay Natural Preserve

EAST SIDE COSTA MESA

Marriott

Google

Canon

Hyundai Capital

WESTSIDE COSTA MESA

CALIFORNIA 55

Upper Newport Bay Natural Preserve

EAST BLUFF

VIBE

CALIFORNIA 73

TURTLE ROCK

Turtle Rock Community Park

FINANCIAL ANALYSIS

PURCHASE VS LEASE ANALYSIS

PROPERTY ASSUMPTIONS		DEBT AND EQUITY			APPRECIATION & TAXES		
Purchase Building Size in SF	26,481	1st TD	2nd TD	Total	Price Appreciation	3.5%	
Occupy Building Size in SF	26,481	Loan Amounts	\$5,950,300	\$2,975,150	\$8,925,450	Building Value After 10 Years	\$14,035,458
Market Rent - NNN	\$1.85	Loan to Value Ratio	60%	30%	90%	Cost of Sale	5%
Monthly NNN Expense PSF	\$0.78	Loan Fees		\$68,315	\$68,315	Standard Tax Rate	41%
Annual Rent + Exp. Growth	3%	Equity Amount		\$1,092,865	\$1,092,865	Portion of Price For Building - %	80%
Total Building Cost	9,950,000	Interest Rate	5.85%	6.28%		Portion of Price For Building	\$7,960,000
Total Building Cost PSF	375.74	Amortization Period	30	25		Years to Depreciate Asset	39.5
		Monthly Debt Service	-35,103	-19,681	-54,785	Annual Depreciation Deduction	\$201,519
		Annual Debt Service	-421,239	-236,176	-657,415		
		Loan Balance - End of Yr. 10	\$4,959,457	\$2,291,038	\$7,250,494		

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	-1,092,865										
Annual Operating Expenses		-247,862	-255,298	-262,957	-270,846	-278,971	-287,340	-295,960	-304,839	-313,984	-323,404
Annual Debt Service		-657,415	-657,415	-657,415	-657,415	-657,415	-657,415	-657,415	-657,415	-657,415	-657,415
Reversion Value After 10 Years		-	-	-	-	-	-	-	-	-	\$14,035,458
Cost of Sale		-	-	-	-	-	-	-	-	-	-701,773
Pay off Remaining Loan Balance		-	-	-	-	-	-	-	-	-	-7,250,494
Tax Benefit For Operating exp		101,623	104,672	107,812	111,047	114,378	117,809	121,344	124,984	128,734	132,596
Tax Benefit For interest exp		212,851	210,074	207,130	204,009	200,701	197,194	193,476	189,534	185,356	180,927
Tax Benefit For depreciation		82,623	82,623	82,623	82,623	82,623	82,623	82,623	82,623	82,623	82,623
Capital Gain Tax Due at Sale											-1,349,719
After Tax Cost of Ownership	-1,092,865	-508,180	-515,345	-522,807	-530,582	-538,685	-547,130	-555,934	-565,113	-574,687	4,148,798
Discounted value	-1,092,865	-477,165	-454,358	-432,805	-412,434	-393,176	-374,967	-357,747	-341,459	-326,051	2,210,172

COST TO OWN		TAXABLE GAIN ON SALE	
Undiscounted Cash Flow	-1,802,530	Sale	13,333,685
Undiscounted Avg. Cost PSF/mo.	\$ -0.57	taxable gain	5,398,875
		capital gain tax	1,349,719
Cash flow discounted @ 6.5%	-2,452,854		
Discounted Avg. Income (cost) PSF/mo	-0.77		

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		-587,878	-605,515	-623,680	-642,390	-661,662	-681,512	-701,957	-723,016	-744,707	-767,048
NNN - Expense		-317,772	-327,305	-337,124	-347,238	-357,655	-368,385	-379,436	-390,819	-402,544	-414,620
Tax Benefit For Lease Payment		241,030	248,261	255,709	263,380	271,281	279,420	287,802	296,437	305,330	314,490
Tax Benefit For Operating exp		130,287	134,195	138,221	142,368	146,639	151,038	155,569	160,236	165,043	169,994
After Tax Cost of Lease	-	-534,334	-550,364	-566,875	-583,881	-601,397	-619,439	-638,022	-657,163	-676,878	-697,184
Discounted value		-501,722	-485,233	-469,287	-453,864	-438,948	-424,523	-410,571	-397,078	-384,029	-371,408
COST TO LEASE											
Undiscounted Cash Flow		-6,125,536									
Undiscounted Avg. Cost PSF/mo.	\$	-1.93									
Cash flow discounted @ 6.5%		-4,336,663									
Discounted Avg. Income (cost) PSF/mo		-1.36									

Building Appreciation over 10 years 4,085,458
 Cash flow saving of ownership PSF -1.36

*Based on market comparable buildings



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