

OFFERING MEMORANDUM

# 2729

**BRISTOL STREET**  
*Costa Mesa California*

SELLER IS WILLING  
TO LEASE BACK  
HALF THE  
BUILDING!



**PREMIERE OFFICE BUILDING**  
VACANT OR PARTIALLY LEASED PROPERTY // ±18,133 SQUARE FEET

**LEE & ASSOCIATES**  
COMMERCIAL REAL ESTATE SERVICES  
NEWPORT BEACH



**GARBUTT**  
VALUE-ADD GROUP  
OFFICE • INDUSTRIAL • RETAIL  
"Maximizing Property Values"™

**EXCLUSIVELY LISTED BY:**

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**BRIAN GARBUTT**

SVP/Principal  
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949.724.4721

[bgarbutt@lee-associates.com](mailto:bgarbutt@lee-associates.com)

Lee & Associates® - Newport Beach (the "Agent") has been engaged as the exclusive sales representative for the sale of 2729 Bristol Street, Newport Beach, 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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**DIO IMPLANT**



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OVERVIEW

# investment overview

## OFFERING SUMMARY

Lee & Associates, Inc. - Irvine, as exclusive advisor, is pleased to present the opportunity to acquire the fee simple interest in 2729 Bristol Street. Consisting of approximately 18,133 square feet, this 2-story, single-tenant office building is located in the prestigious city of Costa Mesa, California.



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*Costa Mesa California*





## PROPERTY SUMMARY

<i>Property Address</i>	2729 Bristol Street Costa Mesa, CA 92626
<i>APN</i>	141-312-21
<i>Land Size</i>	0.95 Acres
<i>Building Size</i>	18,133 Square Feet
<i>Parking</i>	±75 Parking Stalls
<i>Occupancy</i>	Up to 50% or Vacant

## OFFERING SUMMARY

<i>Offering Price</i>	\$8,800,000
<i>Interest Offered</i>	Fee Simple



## OFFERING HIGHLIGHTS

2729 Bristol Street is a 2-story office building located in Costa Mesa, CA. Built in 1986, 2729 Bristol Street offers prominent curb appeal and identity on Bristol Street.



# property description

## BUILDING PROFILE

<i>Property Address</i>	2729 Bristol Street Costa Mesa, CA 92626
<i>APN</i>	141-312-21
<i>Location</i>	North Orange County
<i>Land Size</i>	0.95 Acres
<i>Year Built</i>	1986
<i>Building Size</i>	18,133 Square Feet
<i>Zoning</i>	3-COM - Commercial
<i>Parking</i>	±75 Parking Stalls
<i>Flooring</i>	Carpet and Epoxy Concrete
<i>Walls</i>	Gypsum Board
<i>Ceiling</i>	Suspended Ceiling
<i>Utilities</i>	Southern California Edison AT&T TW Telecomm Fiber 100 Meg Circuit
<i>Light Fixtures</i>	Parabolic Fixtures



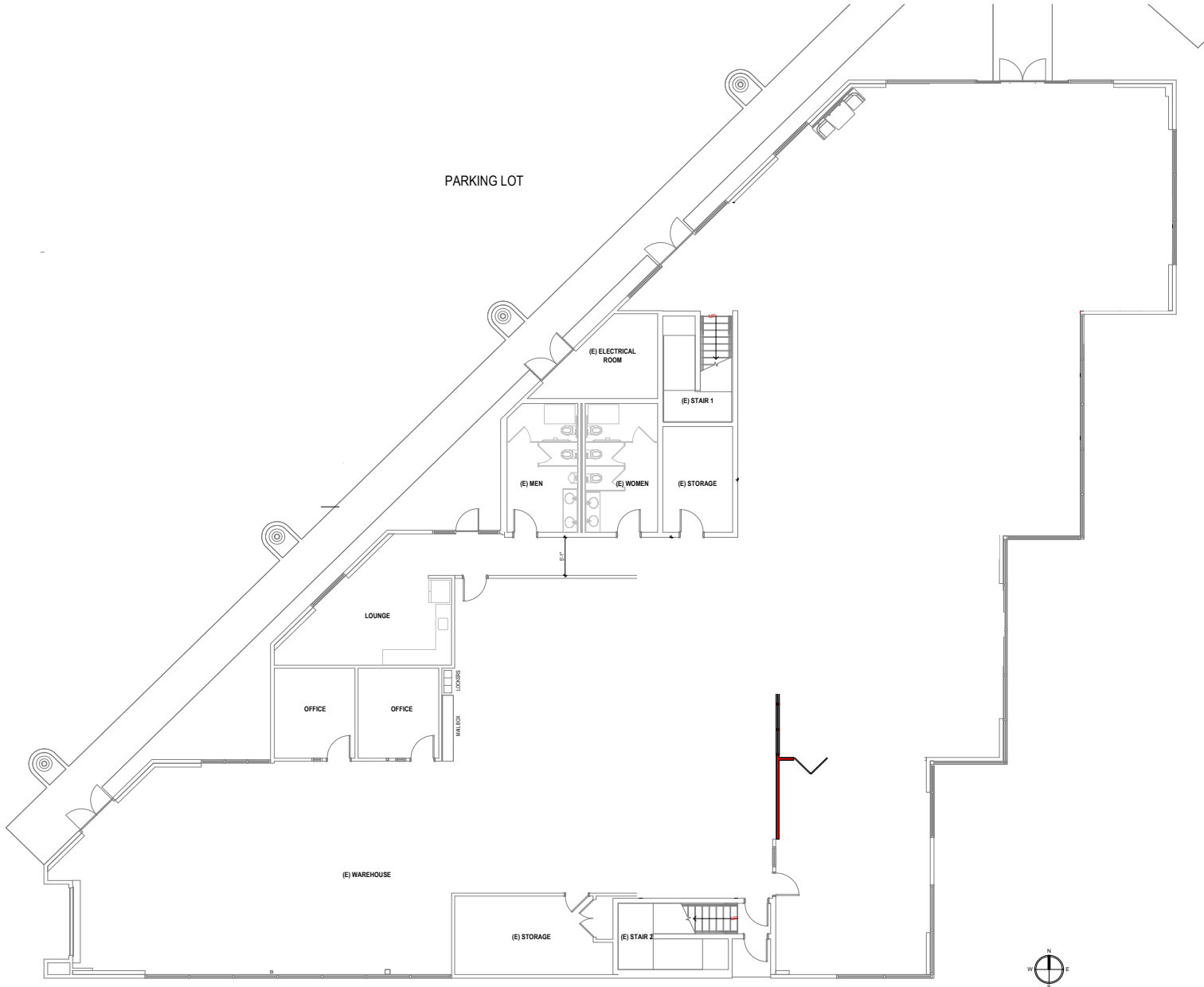




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**NEWPORT BLVD**

# FIRST FLOOR - 18,133 SF





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**NEWPORT BLVD**

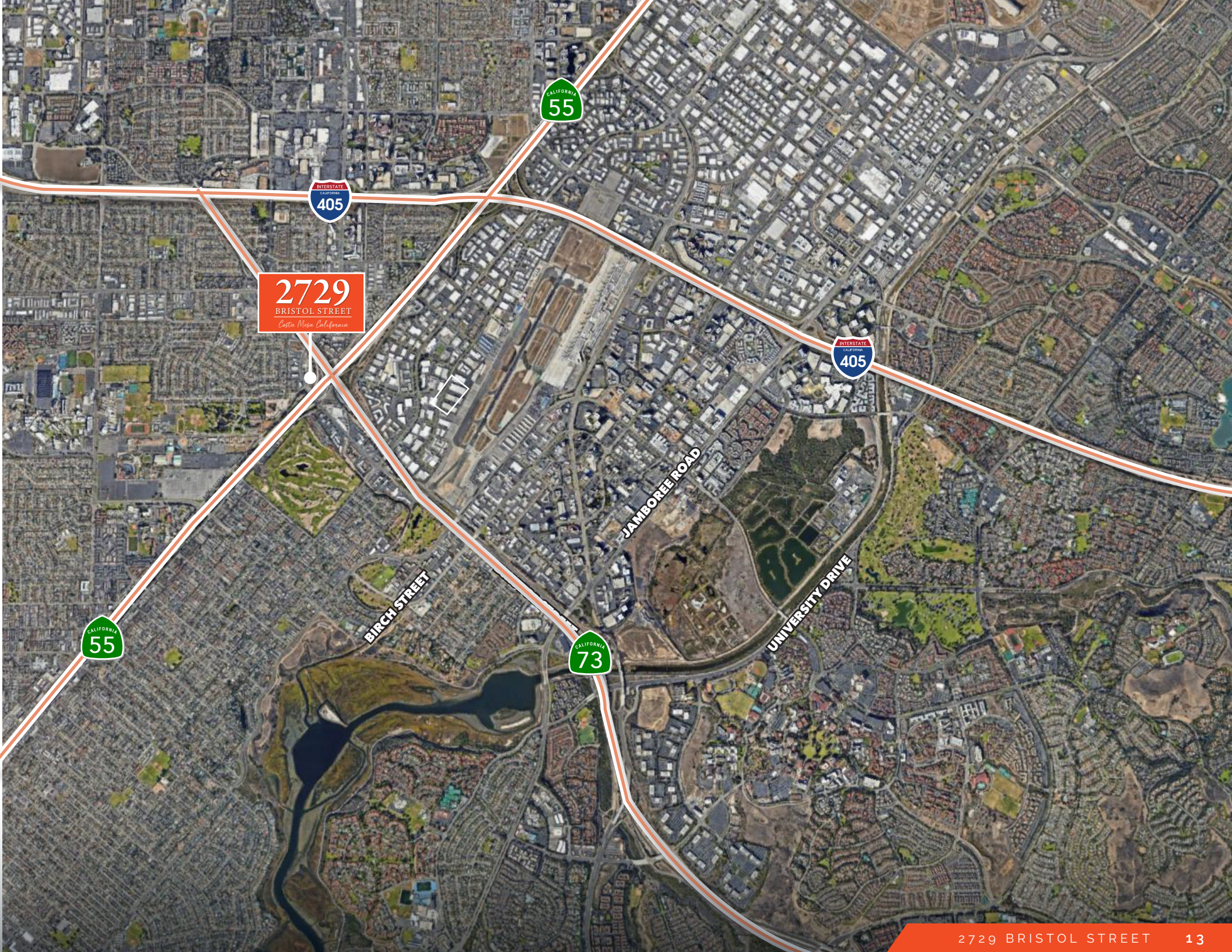
**BRISTOL STREET**



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**BRISTOL STREET**

**NEWPORT BLVD**



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BIRCH STREET

JAMBOREE ROAD

UNIVERSITY DRIVE





# financial analysis

## LEASE VS PURCHASE ANALYSIS

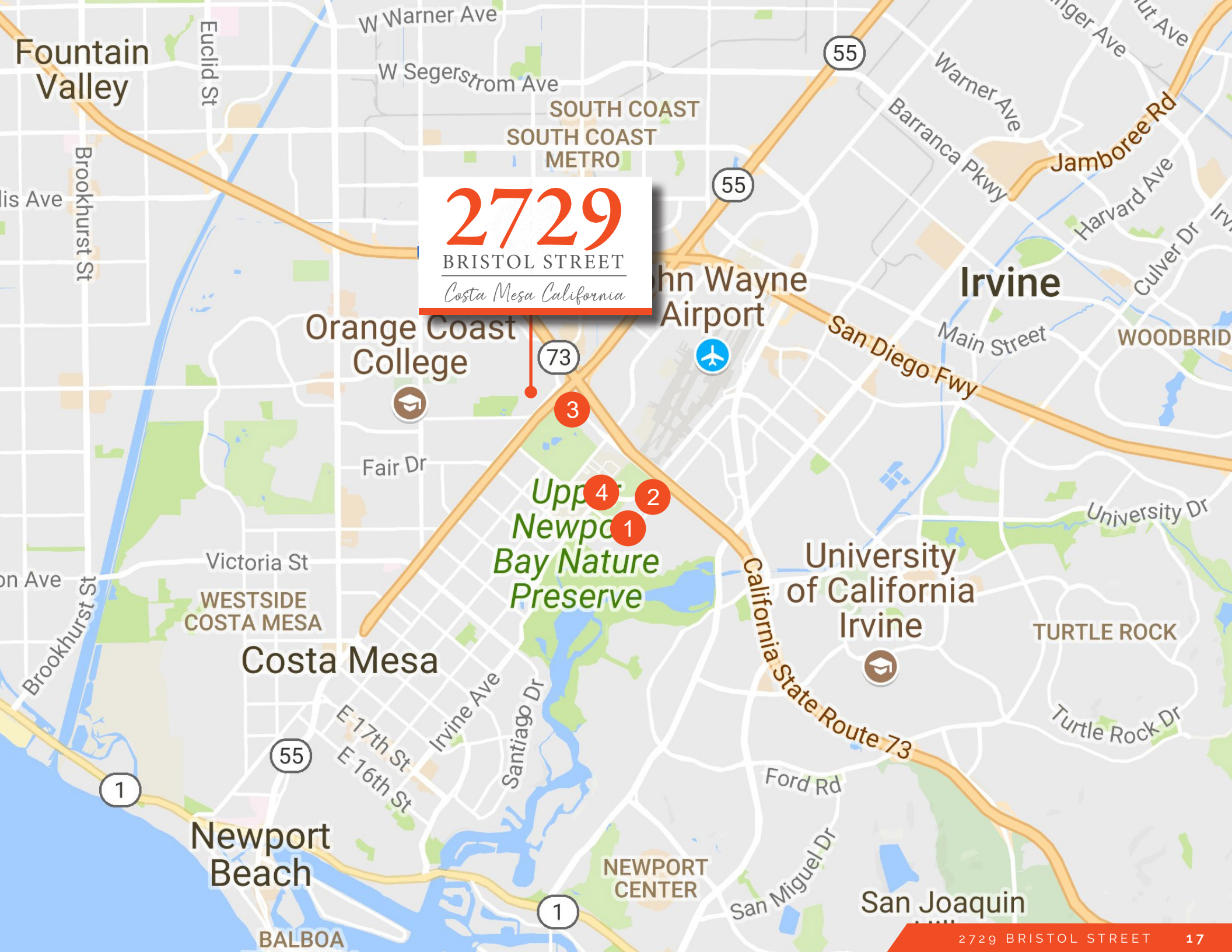
PROPERTY ASSUMPTIONS		DEBT AND EQUITY		1st TD	2nd TD	Total	APPRECIATION & TAXES				
Purchase Building Size in SF	18,133	Loan Amounts		\$4,445,000	\$2,222,500	\$6,667,500	Price Appreciation			3.0%	
Occupy Building Size in SF	9,067	Loan to Value Ratio		50%	25%	75%	Building Value After 10 Years		\$11,947,417		
Market Rent - NNN	\$2.25	Loan Fees			\$66,675	\$66,675	Cost of Sale			5%	
		Equity Amount				\$2,289,175	Standard Tax Rate			41%	
Monthly NNN Expense PSF	\$1.00	Interest Rate		5.50%	5.50%		Portion of Price For Building - %			80%	
Annual Rent + Exp. Growth	3%	Amortization Period		30	25		Portion of Price For Building		\$7,112,000		
		Monthly Debt Service		-25,238	-13,648	-38,886	Years to Depreciate Asset			39.5	
Total Building Cost	8,890,000	Annual Debt Service		-302,859	-163,777	-466,636	Annual Depreciation Deduction		\$180,051		
Total Building Cost PSF	490.27	Loan Balance - End of Yr. 10		\$3,668,947	\$1,670,343	\$5,339,290					
SCENARIO 1-PURCHASE BUILDING		Initial	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Initial Equity Investment		-2,289,175									
Annual Operating Expenses			295,080	303,932	313,050	322,442	332,115	342,079	352,341	362,911	373,799
Annual Debt Service			-466,636	-466,636	-466,636	-466,636	-466,636	-466,636	-466,636	-466,636	-466,636
Reversion Value After 10 Years			-	-	-	-	-	-	-	-	-
Cost of Sale			-	-	-	-	-	-	-	-	-
Pay off Remaining Loan Balance			-	-	-	-	-	-	-	-	-
Annual Income from tenants				556,669.68	573,369.77	590,570.86	608,287.99		645,332.73	664,692.71	684,633.49
Tax Benefit For Operating exp			-120,983	-124,612	-128,351	-132,201	-136,167	-140,252	-144,460	-148,794	-153,257
Tax Benefit For interest exp			149,433	147,356	145,161	142,843	140,394	137,807	135,074	132,187	129,137
Tax Benefit For depreciation			73,821	73,821	73,821	73,821	73,821	73,821	73,821	73,821	73,821
Capital Gain Tax Due at Sale											
<b>After Tax Cost of Ownership</b>		-2,289,175	471,171	490,531	510,416	530,840	551,815	573,355	595,473	618,182	641,497
Discounted value		-2,289,175	442,414	432,481	422,547	412,634	402,759	392,940	383,191	373,525	363,955
<b>COST TO OWN</b>											
Undiscounted Cash Flow		8,305,152			8,890,000						
Undiscounted Avg. Cost PSF/mo.		\$7.63			-1,800,506						
					7,089,494						
Cash flow discounted @ 6.5%		4,326,423	6.50%								
Discounted Avg. Income (cost) PSF/mo		1.99									
				Sale	11,350,046						
				taxable gain	4,260,552						
				capital gain tax	1,065,138						
SCENARIO 1-LEASE BUILDING		Initial	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
NNN - Rent			-244,809	-252,153	-259,718	-267,509	-275,535	-283,801	-292,315	-301,084	-310,117
NNN - Expense			-108,804	-112,068	-115,430	-118,893	-122,460	-126,134	-129,918	-133,815	-137,830
Tax Benefit For Lease Payment			100,372	103,383	106,484	109,679	112,969	116,358	119,849	123,445	127,148
Tax Benefit For Operating exp			44,610	45,948	47,326	48,746	50,209	51,715	53,266	54,864	56,510
After Tax Cost of Lease		-	-208,632	-214,891	-221,337	-227,977	-234,817	-241,861	-249,117	-256,591	-264,288
Discounted value			-195,898	-189,460	-183,234	-177,212	-171,388	-165,756	-160,308	-155,040	-149,945
<b>COST TO LEASE</b>											
Undiscounted Cash Flow		-2,391,728									
Undiscounted Avg. Cost PSF/mo.		\$-2.20									
Cash flow discounted @ 6.5%		-1,693,259	6.50%								
Discounted Avg. Income (cost) PSF/mo		-1.56									
Building Appreciation over 10 years		3,057,417									
Cash flow saving of ownership PSF		-9.83									



## SALE COMPARABLES

	<i>Building Address</i>	<i>Building Area</i>	<i>Sold Price</i>	<i>Price PSF</i>	<i>Sale Date</i>	<i># of Stories</i>	<i>Year Built</i>
1)	 20280 Acacia Street Newport Beach, CA	22,365	\$13,509,000	\$493	12-24	Two (2)	2003
2)	 3440 Irvine Avenue Newport Beach, CA	19,212	\$4,359,000	\$425	12-24	Two (2)	1978
3)	 1120 Bristol Street Newport Beach, CA	11,952	\$5,089,000	\$425	7-24	Two (2)	2003
4)	 20251 Acacia Street Newport Beach	13,245	\$5,809,000	\$498	7-24	Two (2)	1996
<b>Averages:</b>		16,694	\$7,191,500	\$460.25			





**2729**

**BRISTOL STREET**

*Costa Mesa California*

73

3

4

2

1

55

1

1

55

55








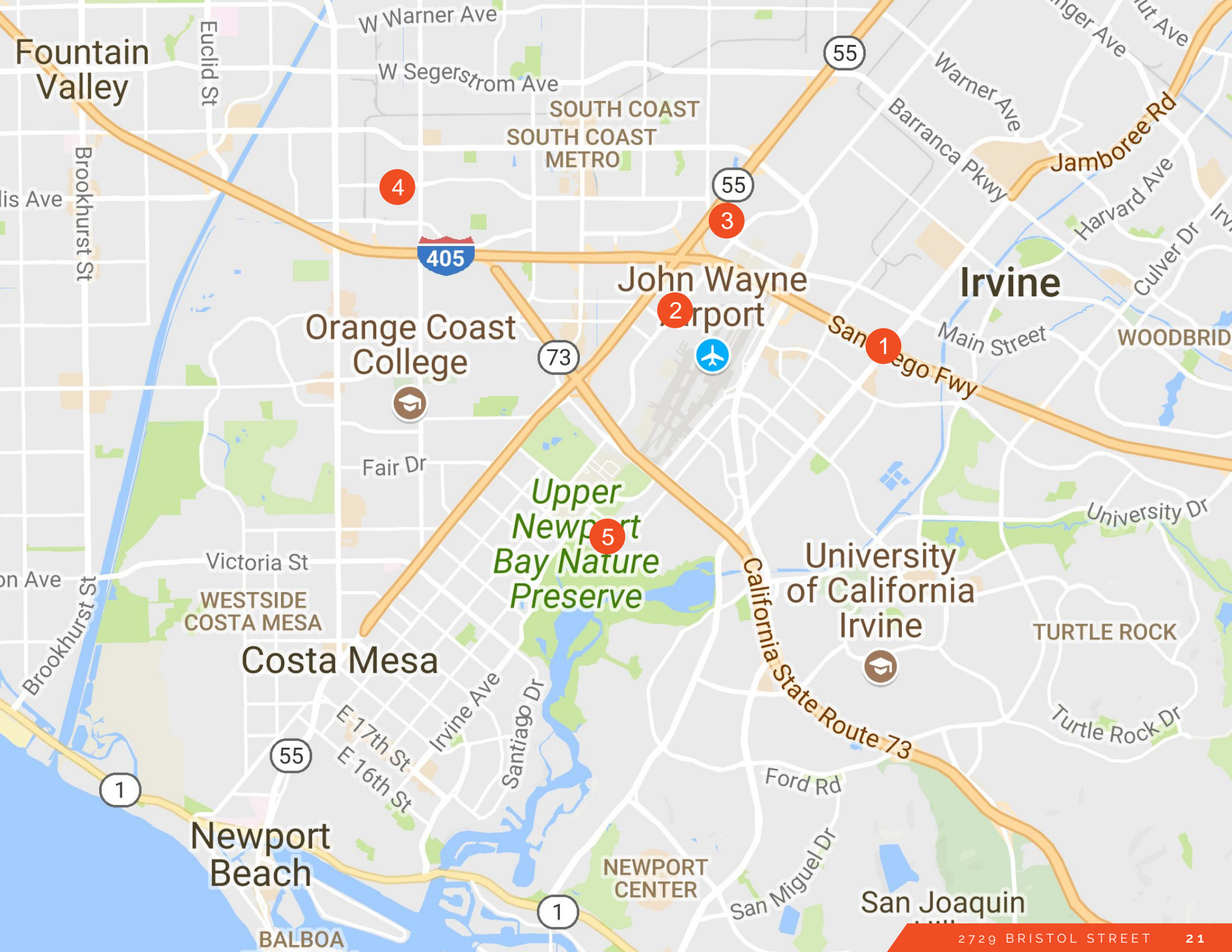
"D'Onavi is the global leader and innovator of complete digital workflow systems for implant treatment. D'Onavi empowers dentists and clinical staff to provide increased implant treatment options while improving predictability and the quality of clinical outcomes. Increased treatment and improved outcomes mean happier patients and more smiles!"  
Dr. [Signature]  
President, [Signature]





## COMPETITIVE BUILDINGS ON THE MARKET

	<i>Building Address</i>	<i>Asking Price</i>	<i>Price PSF</i>	<i>Building Are/SF</i>	<i>Comments</i>
1)	 2569 McCabe Irvine, CA	\$12,800,000	\$536	23,867	Brian Garbutt sold this property in 2019 to current owner for \$315 PSF. Hal the building vacant for user.
2)	 3152 Redhill Avenue Costa Mesa, CA	\$7,000,000	\$330	21,182	Brian Garbutt is marketing this building. We have an agreed upom deal and opening escrow next week.
3)	 18012 Cowan Avenue Irvine, CA	\$12,000,000	\$453	26,481	Available for a user to occupy entire building.
4)	 3750 Susan Street Santa Ana, CA	\$6,600,000	\$418	15,715	Brian Garbutt is marketing, high-end creative office build out.
5)	 2260 University Avenue Newport Beach, CA	\$15,495,000	\$583	26,561	Highly improved property with expensive high-end finishes. On the market for 213 days, overpriced.
Averages:		\$10,220,000	\$438.00		



Fountain Valley

Euclid St

W Warner Ave

W Segerstrom Ave

SOUTH COAST  
SOUTH COAST  
METRO

55

Warner Ave

Jamboree Rd

is Ave

Brookhurst St

4

55

3

John Wayne  
Airport

Irvine

Orange Coast  
College

73

San Diego Fwy

Main Street

WOODBRID

Fair Dr

Upper  
Newport  
Bay Nature  
Preserve

University  
of California  
Irvine

University Dr

WESTSIDE  
COSTA MESA

Costa Mesa

TURTLE ROCK

Brookhurst St

Victoria St

California State Route 73

Turtle Rock Dr

on Ave

55

E 17th St  
E 16th St

Irvine Ave

Santiago Dr

Ford Rd

1

Newport  
Beach

1

NEWPORT  
CENTER

San Miguel Dr

San Joaquin

BALBOA

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