

FOR SALE - PRICED REDUCED: \$8,599,000
SIGNAGE SIGNAGE SIGNAGE



FREEWAY SIGNAGE

±29,477 SF FLEX/OFFICE/INDUSTRIAL SHOWROOM BUILDING



17781 COWAN - ±29,477 SF

SIGNAGE

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LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES
NEWPORT BEACH

EXECUTIVE SUMMARY

R&D FLEX/OFFICE/SHOWROOM BUILDING 17781 COWAN - IRVINE

Price for Lease: TBD
Price Reduction!
Pricing for Sale: \$8,599,000-\$291 PSF
Rentable Area: ±29,477 Sq. Ft.
Number of Stories: Two-Story Building

PREMIER IRVINE BUSINESS COMPLEX LOCATION

The Property is located in Park Red Hill of the Airport Area.
Location highlights include:

- Premier 55 Freeway building signage - Over 200,000 cars/day.
- Minutes from John Wayne Airport and South Coast Plaza.
- Great amenities nearby building including; restaurants, hotels, health clubs and world-class shopping.
- Orange County Airport area is one of the most desirable office markets in the world.
- Highly sought after Flex/R&D market for ownership.

BUILDING PRICED BELOW REPLACEMENT COSTS

- Opportunity to own in the Airport Area. Priced below estimated replacement cost of \$650 PSF

DIVISIBLE BUILDING

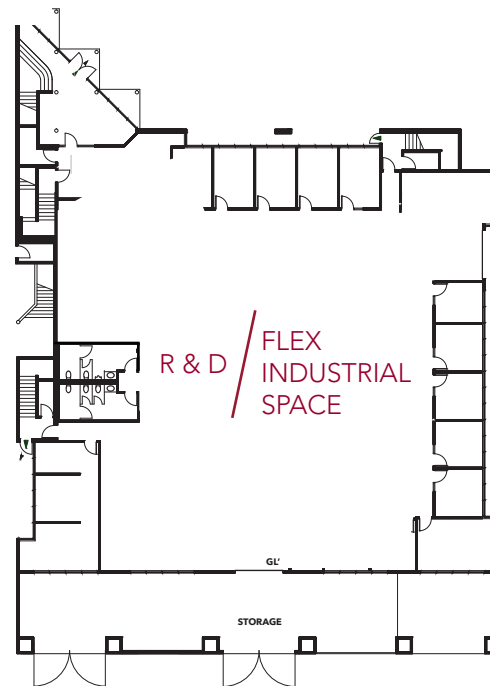
- A user can occupy the first floor or second floor/flexible for possible multi-tenant building.

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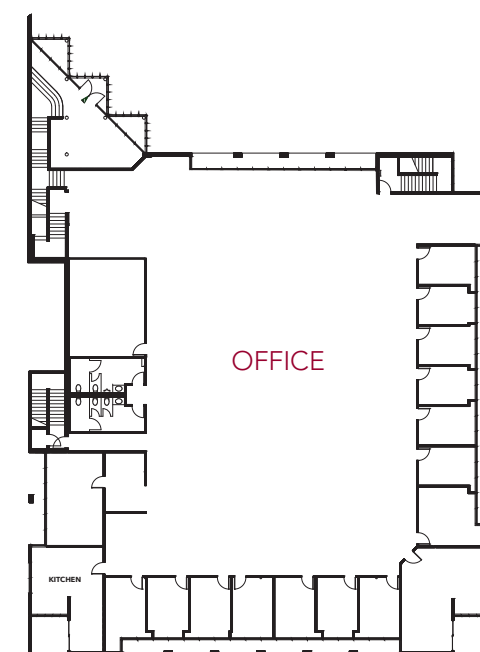


POTENTIAL FLOOR PLAN

FIRST FLOOR



SECOND FLOOR



PROPERTY DESCRIPTION

Property Address: 17781 Cowan Avenue
Irvine, California

County: Orange County

Zoning: 5.1 IBC Allows flexible Uses

Parking: ±3.8:1000 Ratio

Freeway Signage: 55 Freeway Signage

Monument Signage: Monument Signage on Cowan Avenue



OFFERING

Lee & Associates is pleased to offer the opportunity to Lease or purchase 17781 Cowan Avenue in Irvine consisting of 29,447 square feet of R&D/Flex industrial space.

Power: 3,000 Amp 120/208 Power Panel

Loading: Two (2) Ground Level Loading Door

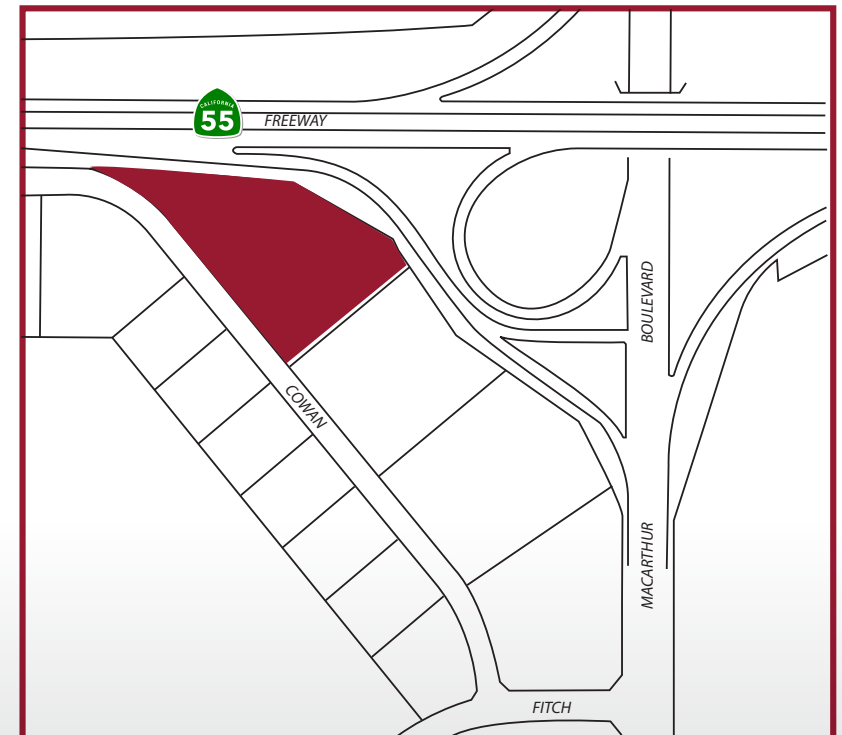
Clearance: 10' Min Warehouse Clearance

High Identity Location: 55 Freeway Frontage & Building Signage

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LOCATION MAP



PROPERTY DESCRIPTION

 FREEWAY SIGNAGE -  FREEWAY SIGNAGE -  FREEWAY SIGNAGE

MAJOR 55 FREEWAY VISIBILITY PREMIER IBC LOCATION ON COWAN AVENUE

- 200,000 Cars/Day on 55 Freeway
- Premium Building Signage
- Park Red Hill Location
- Irvine Business Complex
- 2.2 Miles to  Freeway
- 1.21 Miles to  Freeway
- .9 Miles to JOHN WAYNE AIRPORT
- 3.7 Miles to  Toll Road



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17781 Cowan Avenue, Irvine, CA 92614

Purchase vs. Lease Analysis

Scenario: Buyer to occupy 29,477 sq. ft. and lease 0 sq. ft. to tenants

PROPERTY ASSUMPTIONS

Purchase Building Size in SF	29,477
Occupy Building Size in SF	29,477
Market Rent - NNN	\$2.20
Monthly NNN Expense PSF	\$0.75
Annual Rent + Exp. Growth	4.00%
Total Building Cost (1)	\$8,599,000
Total Building Cost PSF	\$291.72

DEBT & EQUITY

	1st TD	2nd TD	Total
Loan Amounts	\$7,726,500	-	\$7,726,500
Loan to Value Ratio	85%	-	85%
Loan Fees	\$82,265	-	\$82,265
Equity Amount			\$1,445,765
Interest Rate	5.85%	-	see NOTE 1
Amortization Period	20		
Monthly Debt Service	\$54,689	-	\$54,689
Annual Debt Service	\$656,262	-	\$656,262
Loan Balance - End of Yr. 10	\$4,959,567	-	\$4,959,567

NOTE 1: This is an estimated interest rate in 18 months when condo map records.

APPRECIATION & TAXES

Price Appreciation		4.00%
Building Value After 10 Years	\$457 PSF	\$13,461,071
Cost of Sale		3.00%
Standard Tax Rate		41.00%
Portion of Price For Building - %		80.00%
Portion of Price For Building - \$'s		\$7,272,000
Years to Depreciate Asset		39.50
Annual Depreciation Deduction		\$184,101

SCENARIO 1 - PURCHASE BUILDING

29,477 sq. ft.	Initial	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Initial Equity Investment	(1,445,765)	-	-	-	-	-	-	-	-	-	-
Annual Operating Expenses		(265,293)	(275,905)	(286,941)	(298,419)	(310,355)	(322,769)	(335,680)	(349,107)	(363,072)	(377,595)
Annual Debt Service		(656,262)	(656,262)	(656,262)	(656,262)	(656,262)	(656,262)	(656,262)	(656,262)	(656,262)	(656,262)
Reversion Value After 10 Years		-	-	-	-	-	-	-	-	-	13,461,071
Cost of Sale		-	-	-	-	-	-	-	-	-	(403,832)
Pay Off Remaining Loan Balance		-	-	-	-	-	-	-	-	-	(4,959,567)
Tax Benefit For Operating Expenses		108,770	113,121	117,646	122,352	127,246	132,335	137,629	143,134	148,859	154,814
Tax Benefit For Interest Expense		183,038	177,868	172,387	166,577	160,418	153,889	146,967	139,630	131,852	123,606
Tax Benefit For Depreciation		75,482	75,482	75,482	75,482	75,482	75,482	75,482	75,482	75,482	75,482
Capital Gain Tax Due at Sale											(1,452,063)
After Tax Cost of Ownership	(1,445,765)	(554,266)	(565,697)	(577,689)	(590,270)	(603,472)	(617,326)	(631,865)	(647,124)	(663,141)	5,965,653

PROFIT TO OWN

Undiscounted Cash Flow	(\$930,960)
Undiscounted Avg. Income (cost) PSF/mo.	(\$0.26)
Monthly PSF income (cost) based on occupied area of 29,477 SF	

PROFIT TO OWN

Cash Flow Discounted @ 6.50%	(\$2,261,358)
Discounted Avg. Income (cost) PSF/mo.	(\$0.64)
Monthly PSF income (cost) based on occupied area of 29,477 SF	

TAXABLE GAIN ON SALE

Original Basis at Purchase	\$9,090,000
Depreciation Taken	(1,841,013)
Basis at Sale	\$7,248,987
Taxable Gain on Sale	\$5,808,251
Capital Gain Tax - Rate @ 25.00%	\$1,452,063

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SALE COMPARABLES

	Building Address	Building Area	Sold Price	Price PSF	Sale Date	# of Stories	Year Built
1)	 2485 McCabe Way Irvine, CA	20,772 SF	\$11,200,00	\$539.19	Jan-2024	2	1986
2)	 17991 Mitchell S Irvine, CA	18,331 SF	\$6,575,000	\$358.68	Feb-2023	2	1983 Ren. 2006
3)	 18061 Fitch Irvine, CA	19,000 SF	\$7,375,000	\$388.16	Oct-2022	2	1979
4)	 1621 Alton Parkway Irvine, CA	46,236 SF	\$20,775,000	\$449.33	Aug-2022	2	1982
5)	 17801 Cartwright Road Irvine, CA	16,872 SF	\$7,500,000	\$444.52	Aug-2022	2	1980
6)	 9 Corporate Park Irvine, CA	23,732 SF	\$9,550,000	\$402.41	Aug-2022	2	1985
7)	 2575 McCabe Way Irvine, CA	28,000 SF	\$10,600,000	\$378.57	Nov-2023	2	1980

Averages: 24,706 SF \$10,510,714 \$422.00

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Rendering - Potential Renovation

POTENTIAL EXTERIOR AND LOBBY RENOVATION



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