

Offering Memorandum
27462 PORTOLA PARKWAY | FOOTHILL RANCH, CA 92610
FOR SALE - LEASED INVESTMENT

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES



**±20,127 SQUARE FOOT
MEDICAL OFFICE BUILDING**

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For more information, please contact one of the following individuals:

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OFFERING MEMORANDUM DISCLAIMER

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the Owner, to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to any interested persons. In this Memorandum, certain documents are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the material referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or Lee & Associates-Irvine nor any of their respective officers, directors, employees, affiliates or representatives make any representation or warranty, express or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserves the right, at its sole discretion, to reject any and all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with our without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any person reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

EXECUTIVE SUMMARY

Lee & Associates is pleased to offer fee simple ownership in the 27462 Portola Parkway (the "Property") in Foothill Ranch, CA. Medical office assets in Orange County continue to draw significant user and investor interest due to lack of suitable inventory and low interest rates

This asset benefits by its strategic proximity between the Irvine Spectrum, South Orange County and the toll roads that provide access to North Orange County and the Inland Empire. The property is located just off Bake Parkway, which is the main thoroughfare that connects Irvine to Foothill Ranch.

The existing owner has owned and managed the property for 15 years. He currently occupies the downstairs main suite with his medical practice. The rest of the downstairs is occupied by a long term surgery center. Upstairs, there are a variety of tenants and tenant spaces.

There are two unique opportunities with this asset. Firstly, the property can be sold to a high net worth investor who is looking for long term wealth accumulation. This can be achieved by managing the rent roll, marketing lease rates to market upon lease expirations to maximize net operating income and overall value. At that time, the investor can refinance out their down payment and reinvest within additional investment property.

The second opportunity with this asset is to that the owner can vacant the 3,925 SF downstairs suite and make it available for an owner user. This will allow the owner of a medical practice to be able to take advantage of historically low interest rates to purchase their medical office building with room for expansion. This also allows the medical practice owner to have their real estate debt paid down by the current tenants triple net leases.

This is one of the only medical properties available in South County of its size and construction type and will be for years to come is virtually no development pipeline for these type of properties. This ensures there is a future high barrier to entry which will maximize your long term value.

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PROPERTY HIGHLIGHTS



Highly Functional Property: Designed by renowned architects, LPA, this property provides the ultimate flexibility to allow for single tenant, multi-tenant, and full floor users.



Good Property Condition: Having been professionally owned and managed since its inception, the property boasts a modern exterior aesthetic with a contemporary interior common area.



Strategic Location: Years of steady, though often slow, job growth, combined with a well-educated population, had set the Orange County office market on solid footing over the past decade.



Thriving Medical Office Market: Lake Forest/Foothill Ranch/RSM is an active investment market with over 5% of the inventory trading every year since 2014. And while much of the metro saw a slowdown in investment activity in 2020, that was not the case in Lake Forest/Foothill Ranch/RSM which was one of the only areas to see the deal flow and volume increase during the downturn.



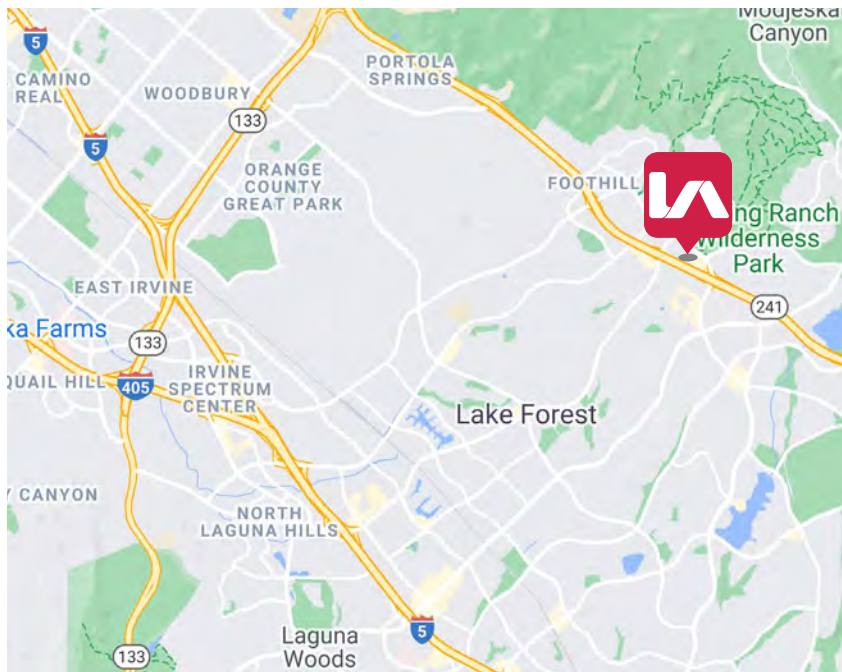
Flexibility: The seller currently occupies suite 100 downstairs which is 3,925 SF and has flexibility in his occupancy. He can sign a new lease with the buyer to remain within the project, or can relocate in order to make room for a new owner/user.

SITE OVERVIEW

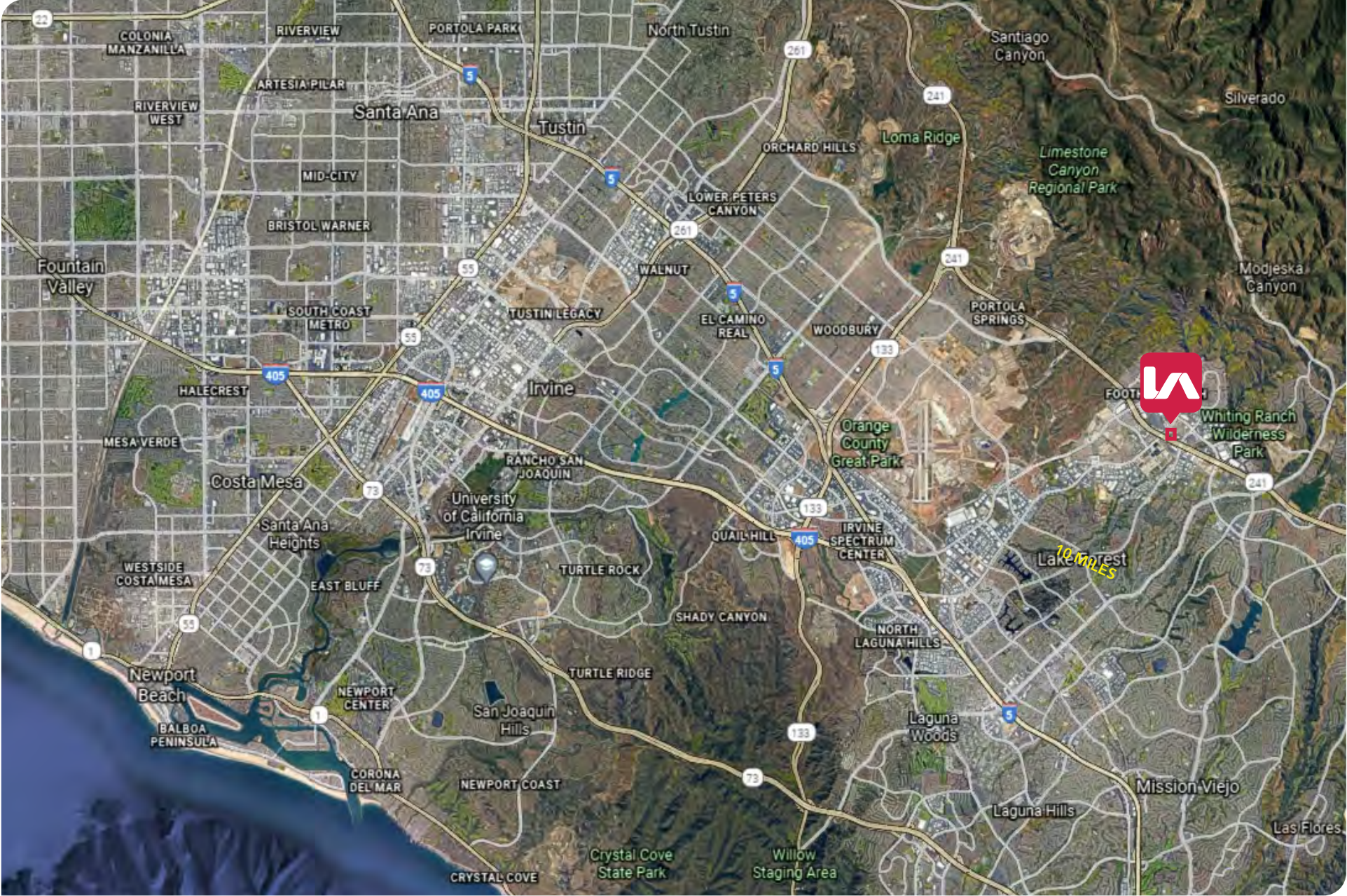


SITE SUMMARY

Property APN	612-181-09
Location	Centrally located in Foothill Ranch, located off of the 241 freeway in Orange County.
Zoning	C- Commercial, Allowable uses include: Medical and Office uses.
Uses	Medical Office uses include: Dental, Physical Therapy, Plastic Surgery. Building can accommodate additional medical uses.
Ownership	Fee Simple
Parcel Size	2.06 Acres
Building Size	20,127 SF of two story class B medical office building
Year Built	2006
Parking	5.23/1,00
Elevators	2 with 1 frt
Slab to Slab	11'



LOCATION



FINANCIAL OVERVIEW

RENT ROLL

TENANT NAME	RENTABLE SF	LEASE COMMENCEMENT	LEASE END	LEASE TERM REMAINING	AMT/MO	REIMBURSEMENT METHOD
Falcon Group LLC	6,389	November 2013	October 2023	31	\$23,029	NNN
Falcon Group, LLC (storage)	2,491	February 2021	October 2023	31	\$2,000	NNN
Jiahui Xu	2,068	September 2020	May 2026	62	\$3,826	NNN
Hootan M. Daneshmand	3,925	January 2016	December 2026	69	\$8,091	NNN
Dr. Yahya: A Dental Corp.	2,946	January 2013	December 2023	33	\$6,290	NNN

CASH FLOW

	YEAR 1
For the Years Ending	Mar-2022
Income	673,937
Potential Rental Income	563,060
Falcon Group, LLC	280,953
Falcon Group, LLC (relocation)	24,000
Jiahui Xu	46,827
Hootan M. Daneshmand	97,093
Dr. Yahya: A Dental Corp.	75,480
Dr. Paul Turek	38,707
Total Potential Rental Income	563,060
Downtime Vacancy	-20,772
Free Rent	0
Base Rental Income	542,288
Total Recovery Income	131,649
Falcon Group, LLC	43,438
Falcon Group, LLC (relocation)	16,936
Jiahui Xu	14,060
Hootan M. Daneshmand	26,685
Dr. Yahya: A Dental Corp.	20,029
Dr. Paul Turek	10,500
Total Recovery Income	131,649
Total Potential Gross Income	673,937
Vacancy Loss	0
Collection Loss	0

Effective Gross Income	673,937
Expenses	136,818
Property Tax - Building (estimate)	59,160
Management	25,000
Insurance	3,150
Building Services / Janitorial	6,000
Replacement Reserves	2,000
Utilities: Water, Gas, Electric, Telephone	12,470
Alarm / Security	3,450
Landscape Maintenance	6,600
Trash	2,204
Association Fees	11,835
Total Repairs & Maintenance	2,949
Window Cleaning	800
Elevator Service	1,200
Total Operating Expenses	136,818
Net Operating Income	537,119
Leasing & Capital Costs	0
Leasing Costs	0
Capital Expenses	0
Total Leasing & Capital Costs	0
Net Cash Flow	537,119

MARKET OVERVIEW

COMPARABLES

SALES

	ADDRESS	SF	SALE PRICE PRICE PSF	BUYER	SELLER	TRANS. DATE	YEAR BUILT	LAND SIZE (AC)	COMMENTS
	721 W 1st St, Tustin, CA	11,499	\$8,400,000, \$730.50	KW Global, Inc	David Shenton	6/22/2020	1981	1.24	
	431 S Batavia, Orange, CA	24,252	\$14,000,000, \$577.27	Healthcare Realty Trust Incorporated	Trico Realty	9/30/2020	2003	1.53	Class B building
	441 Old Newport Blvd, Newport Beach, CA	14,934	\$8,685,000, \$581.56	Newport Care Medical Group	Barry Beitler	6/25/2020	1981	0.52	Class B building
	24953 Paseo De Valencia, Laguna Hills, CA	21,208	\$7,050,000, \$332.42	Truc Trong Le	Umar Family Trust	2/22/2021	1975	1.14	Deferred Maintenance

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