

1351 E CHAPMAN AVENUE
FULLERTON, CA 92831



± 2,632 SF OFFICE/MEDICAL BUILDING
FOR SALE

Voit
REAL ESTATE SERVICES



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Owner expressly reserves the right, at its sole discretion, to reject any offer to purchase the Property or to terminate any negotiations with any party at any time with or without written notice. Owner shall have no legal commitment or obligations to any prospective purchaser unless and until a written purchase and sale agreement has been fully executed, delivered and approved by Owner and any conditions to Owner's obligations therein have been satisfied or waived.

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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

Voit Real Estate Services is pleased to offer for sale the opportunity to acquire an approximately 2,632 SF freestanding office medical building situated on approximately 11,761 SF of land in Fullerton, CA. The property is located within Orange County, with close proximity to California State University Fullerton, Fullerton Airport, Downtown Fullerton, The Source, and is less than a mile from the highly trafficked Beach Boulevard.

1351 East Chapman Avenue is minutes from the 57 and 91 freeways, and is centrally located with LA County, Riverside County, and San Bernardino County all a short drive away. The property has frontage on Chapman Avenue, with traffic counts of approximately 33,000 cars per day.

PROPERTY OVERVIEW



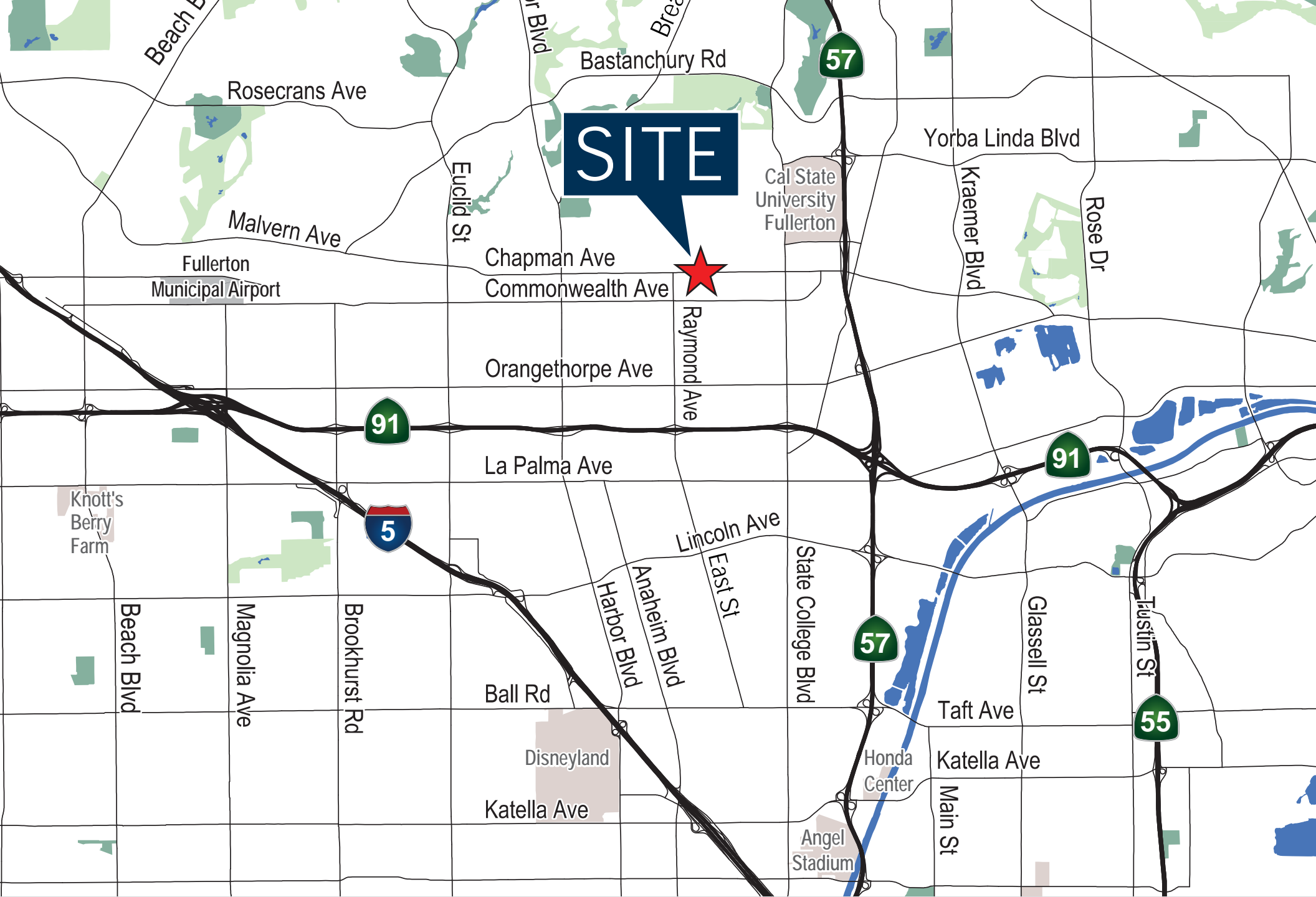
PROPERTY FEATURES

- Approximately ±2,632 SF Freestanding Office/Medical Building
- Recent Building Updates/Refurbishment
- Generous Parking with 18 Surfaces Spaces – 6.84: 1,000
- Prime Location Near Cal State Fullerton
- Frontage on Chapman Avenue (33,000 CPD)
- Enclosed Courtyard Offers Approximately ±1,000 SF
- Office Professional (O-P) Zoning – Please Verify with City of Fullerton

PROPERTY DESCRIPTION

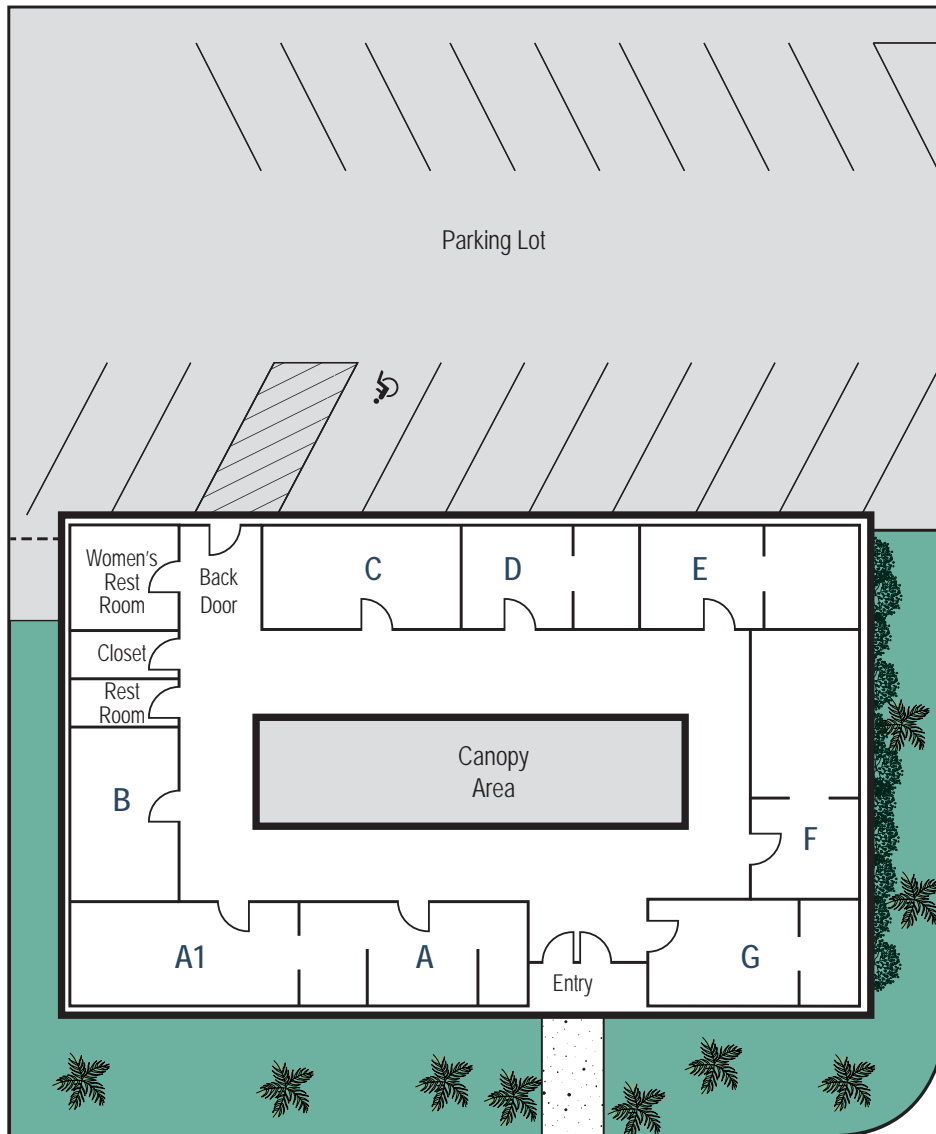
Address:	1351 East Chapman Avenue Fullerton, CA 92831
Total Building Area:	Approximately ±2,632 SF
Year Built:	1962
Total Units:	7 Units
Zoning:	Office Professional (O-P); Please Verify
Parking Ratio:	6.84: 1,000 (18 Parking Spaces)
Assessor Parcel:	029-508-08





1351 E CHAPMAN AVENUE, FULLERTON

LOCATION MAP

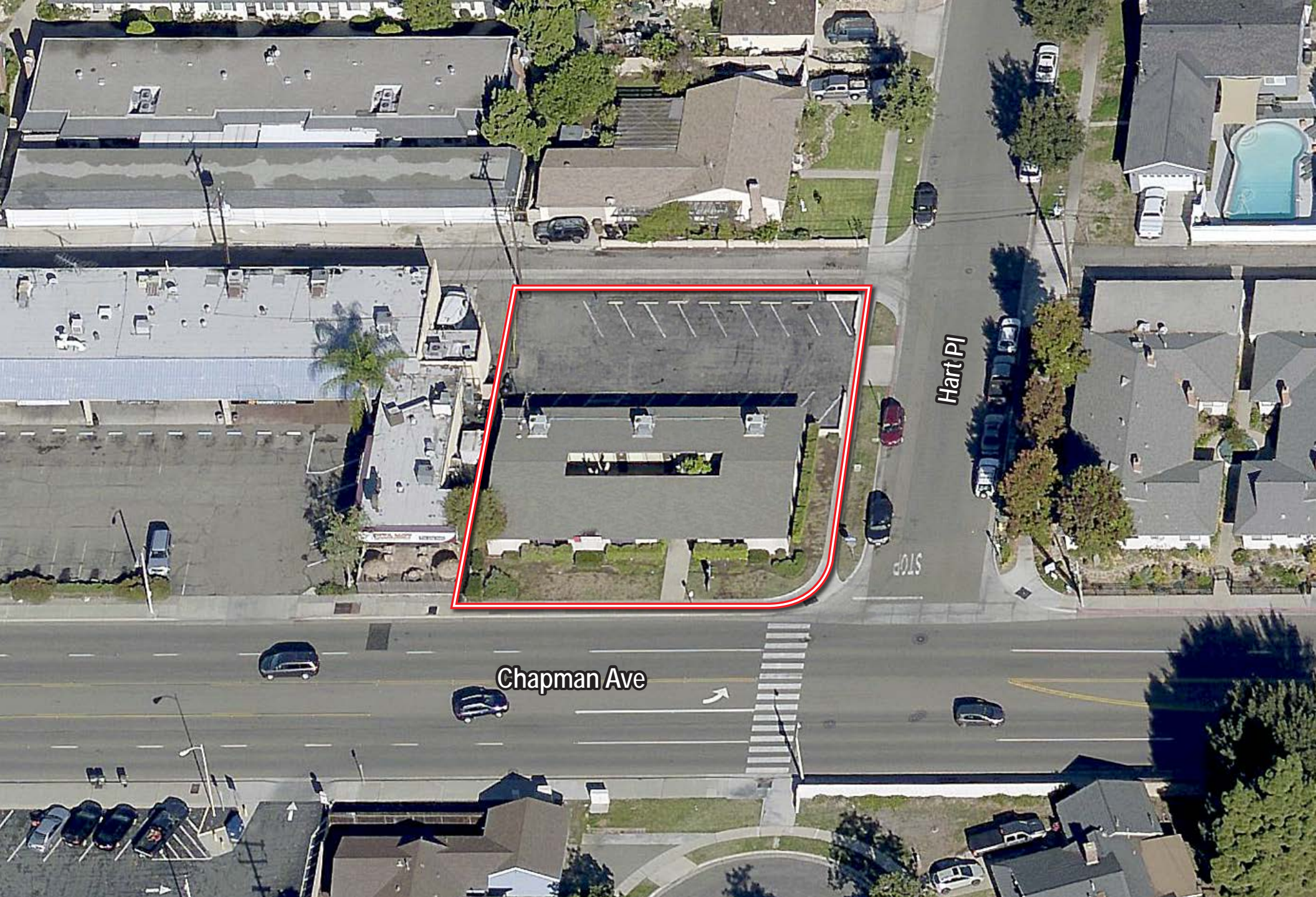


CHAPMAN AVE

SITE PLAN

HART PL





1351 E CHAPMAN AVENUE, FULLERTON

AERIAL | 10



MARKET OVERVIEW



MARKET OVERVIEW

1351 East Chapman Avenue consists of a freestanding office/medical building, totaling approximately 2,632 SF. The building is located in the highly desirable City of Fullerton, with close proximity to California State University, Fullerton, St. Jude's Hospital, and the Brea Mall.

The property is less than six (6) miles north of the Honda Center, home to the Anaheim Ducks, and Angel Stadium, home to the Los Angeles Angels of Anaheim. The world-renowned Disneyland Resort and Hotel is just minutes down the street from 1351 E Chapman Avenue.

The unemployment rate in Orange County was 3.1% in August 2018, down slightly from a revised 3.2% in July 2018, and below the year-ago estimate of 3.8%. This compares with an unadjusted unemployment rate of 4.3% for California and 3.9% for the nation during the same period. Educational and health services reported the largest overall increase with a gain of 3,100 jobs. Healthcare and social assistance added 1,800 jobs while educational services expanded by 1,300 jobs. Professional and business services gained 5,300 payroll jobs over the year. Sixty percent of the gain occurred in administrative and support services, which includes temporary help firms.

OFFICE MARKET SNAPSHOT

MARKET OVERVIEW

The Orange County office market rally is extending into 2019. Rent growth has slowed but remains positive, and occupancy levels are elevated. Institutional investors continue to target Orange County, regularly trading trophy properties and office campuses. Landlords have reason to be optimistic, with strong tenant demand across the market and creative space in renovated and newly constructed properties providing leasing flexibility. While vacancy remains below the highs observed in Orange County in the past 4 years, it has slowly been on the rise. With little speculative construction in the pipeline, availability rates remain on a downward trend. All of this suggests that the market will remain tight, with rents continuing to rise into 2019–20 if the U.S. economy can keep out of recession.

VACANCY

Occupancy is being driven by changing consumer preferences. Tenants have reduced their physical footprint despite having a greater number of employees. Net absorption has picked up after a sluggish start to the year, helping to mitigate supply pressures. Vacancy in the Orange County office market was 11.34% at the end of the first quarter of 2019, up 5 basis points from the prior quarter, and up 2.62% compared with the previous year. Expect vacancy to trend downward throughout 2019, based on steady job growth and consumer confidence, coupled with many tenants in the market currently shopping for space.

LEASE RATE

With vacancies holding near the 10-year average of 12% so far during 2019, rent gains have grown modestly in recent months. The average asking full-service gross (FSG) lease rate per month per square foot in the Orange County office market was \$2.75 at the end of the first quarter, a 3.77% increase from this time last year and a \$0.02 increase from the fourth quarter of 2018. Should the national economy fall into recession, office rents will likely fall less than other major markets.

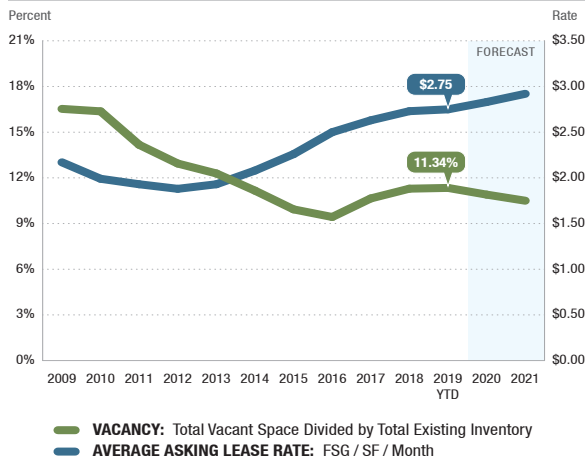
TRANSACTION ACTIVITY

In the first quarter of 2019, 2.22 million square feet in total transactions (sale and lease) were recorded, down from 5.40 million square feet the previous quarter. The rising cost of leasing office space has led tenants to consider co-working spaces, particularly for satellite locations. With this trend continuing to grow, in more and more cases, communal offices are competing with traditional commercial office space for the same tenants. So far in 2019, five co-working firms have leased a combined 267,521 square feet.

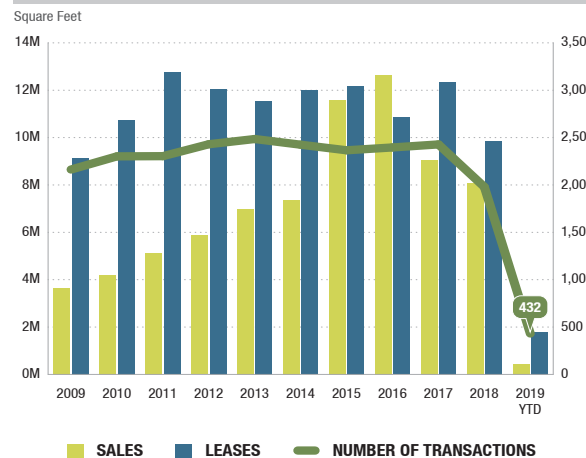
OC OFFICE MARKET STATISTICS

	Change Over Last Quarter	1Q 2019	4Q 2018	1Q 2018	% Change Over Last Year
Vacancy Rate	▲ UP	11.34%	11.29%	11.05%	2.62%
Availability Rate	▲ UP	15.00%	14.77%	14.83%	1.15%
Average Asking Lease Rate	▲ UP	\$2.75	\$2.73	\$2.65	3.77%
Sale & Lease Transactions	▼ DOWN	2,224,929	5,404,143	3,980,360	(44.10%)
Gross Absorption	▼ DOWN	2,423,515	2,835,757	3,098,444	(21.78%)
Net Absorption	▲ POSITIVE	339,045	472,039	(45,302)	N/A

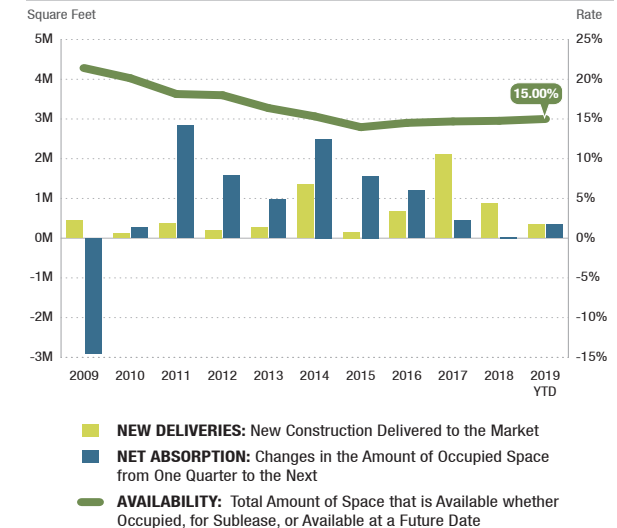
VACANCY vs. AVERAGE ASKING LEASE RATE



TRANSACTION VOLUME & NUMBER OF TRANSACTIONS



NEW DELIVERIES & NET ABSORPTION vs. AVAILABILITY RATE



AREA OVERVIEW



AREA OVERVIEW

FULLERTON

The City of Fullerton is known as one of Orange County's premier cities to work and live. With its close proximity to an extensive freeway network and major airports, Fullerton is a full-service city known for its diverse mix of residential, industrial and commercial uses as well as its premier educational institutions. Fullerton has experienced a recent increase in new housing and high density apartment development which has enabled the city of Fullerton grow while still retaining its small town charm.

Downtown Fullerton is located along Harbor Boulevard 3.5 miles south of the Subject property and offers a vibrant culture with one of Orange County's most desirable urban environments. One can find a growing number of specialty restaurants, distinctive shops, entertainment venues, and housing opportunities in Downtown Fullerton.

Fullerton is the home to a diverse base of businesses including manufacturing, high tech, aerospace, health-care and financial services. It is now home to nearly 11,614 businesses, some of which include Raytheon Systems (Thales), Cal State Fullerton, Alcoa Fastening Systems, and St. Jude Medical Center.

ORANGE COUNTY

Orange County's population is 3,114,232 making it the third-most populated county in California. It is the second most densely populated county in the state, second only to San Francisco County. The county's four largest cities, Anaheim, Santa Ana, Irvine, and Huntington Beach each have populations exceeding 200,000.

Orange County is home to some of the most affluent cities and neighborhoods in the entire nation. With beautiful coastal beaches, high end shopping centers and lots of entertainment options including Disneyland, there is a reason behind the explosive growth that Orange County has enjoyed.







DEMOGRAPHICS

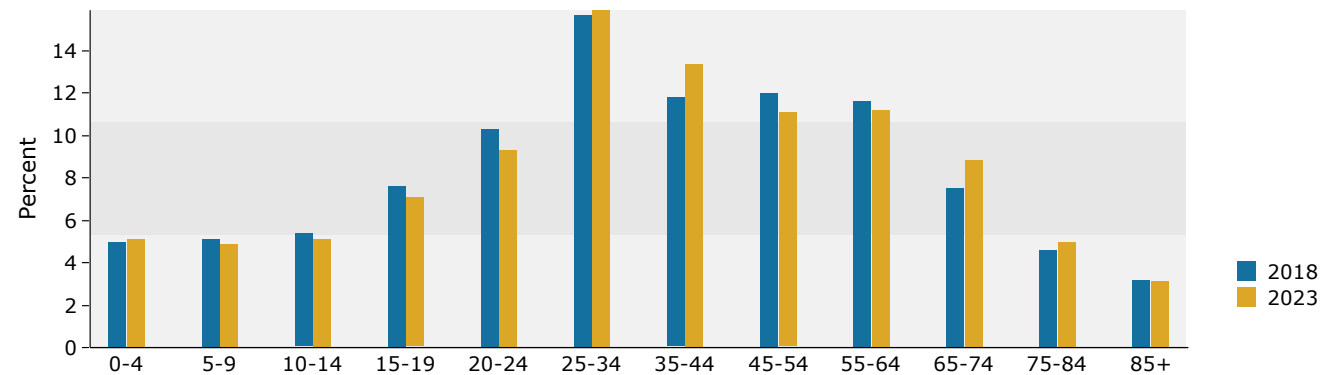
DEMOGRAPHICS

1 MILE RADIUS

Summary	Census 2010	2018	2023
Population	17,746	18,590	19,140
Households	6,284	6,485	6,642
Families	4,008	4,160	4,271
Average Household Size	2.72	2.76	2.78
Owner Occupied Housing Units	3,278	3,235	3,472
Renter Occupied Housing Units	3,006	3,250	3,170
Median Age	34.7	35.6	36.8

Population by Age	Census 2010		2018		2023	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	949	5.3%	938	5.0%	985	5.1%
5 - 9	948	5.3%	954	5.1%	930	4.9%
10 - 14	1,049	5.9%	1,011	5.4%	978	5.1%
15 - 19	1,560	8.8%	1,409	7.6%	1,364	7.1%
20 - 24	1,973	11.1%	1,916	10.3%	1,779	9.3%
25 - 34	2,461	13.9%	2,927	15.7%	3,035	15.9%
35 - 44	2,250	12.7%	2,199	11.8%	2,564	13.4%
45 - 54	2,448	13.8%	2,235	12.0%	2,117	11.1%
55 - 64	1,741	9.8%	2,160	11.6%	2,138	11.2%

Population by Age



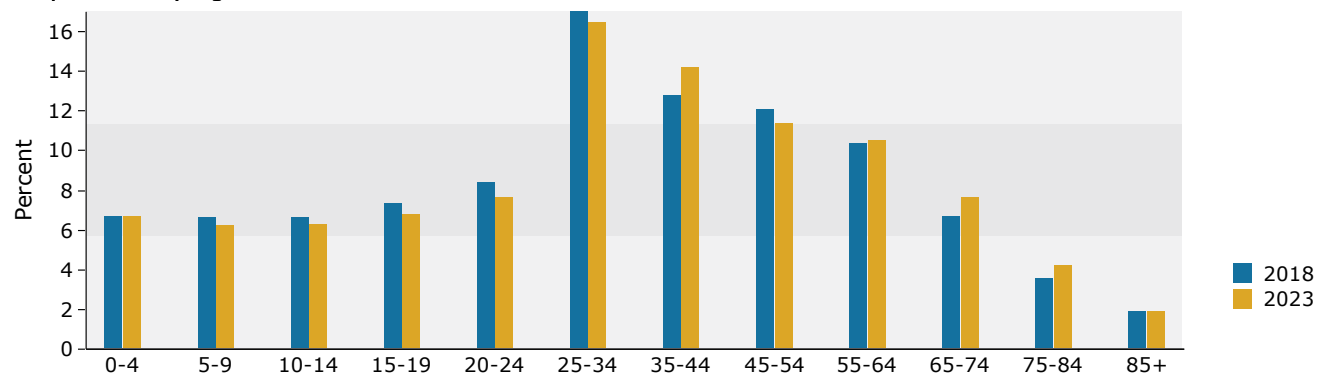
DEMOGRAPHICS

3 MILE RADIUS

Summary	Census 2010	2018	2023
Population	207,277	221,085	229,861
Households	63,981	66,859	69,018
Families	44,930	47,145	48,769
Average Household Size	3.18	3.25	3.27
Owner Occupied Housing Units	31,505	31,362	34,125
Renter Occupied Housing Units	32,476	35,498	34,893
Median Age	32.2	33.4	34.9

Race and Ethnicity	Census 2010		2018		2023	
	Number	Percent	Number	Percent	Number	Percent
White Alone	117,964	56.9%	118,440	53.6%	118,519	51.6%
Black Alone	4,478	2.2%	5,047	2.3%	5,387	2.3%
American Indian Alone	1,638	0.8%	1,676	0.8%	1,675	0.7%
Asian Alone	24,742	11.9%	30,409	13.8%	34,888	15.2%
Pacific Islander Alone	491	0.2%	531	0.2%	549	0.2%
Some Other Race Alone	48,829	23.6%	54,483	24.6%	57,528	25.0%
Two or More Races	9,136	4.4%	10,499	4.7%	11,315	4.9%
Hispanic Origin (Any Race)	106,630	51.4%	117,562	53.2%	124,707	54.3%

Population by Age



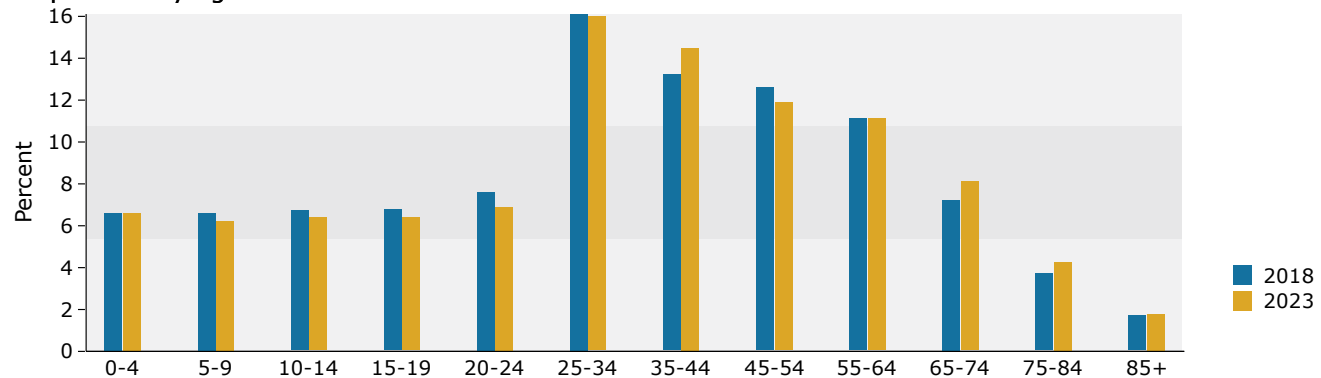
DEMOGRAPHICS

5 MILE RADIUS

Summary	Census 2010	2018	2023
Population	502,549	541,341	566,041
Households	155,899	164,677	171,454
Families	114,784	121,775	126,888
Average Household Size	3.19	3.25	3.26
Owner Occupied Housing Units	84,871	86,256	93,872
Renter Occupied Housing Units	71,028	78,421	77,582
Median Age	33.6	34.7	36.1

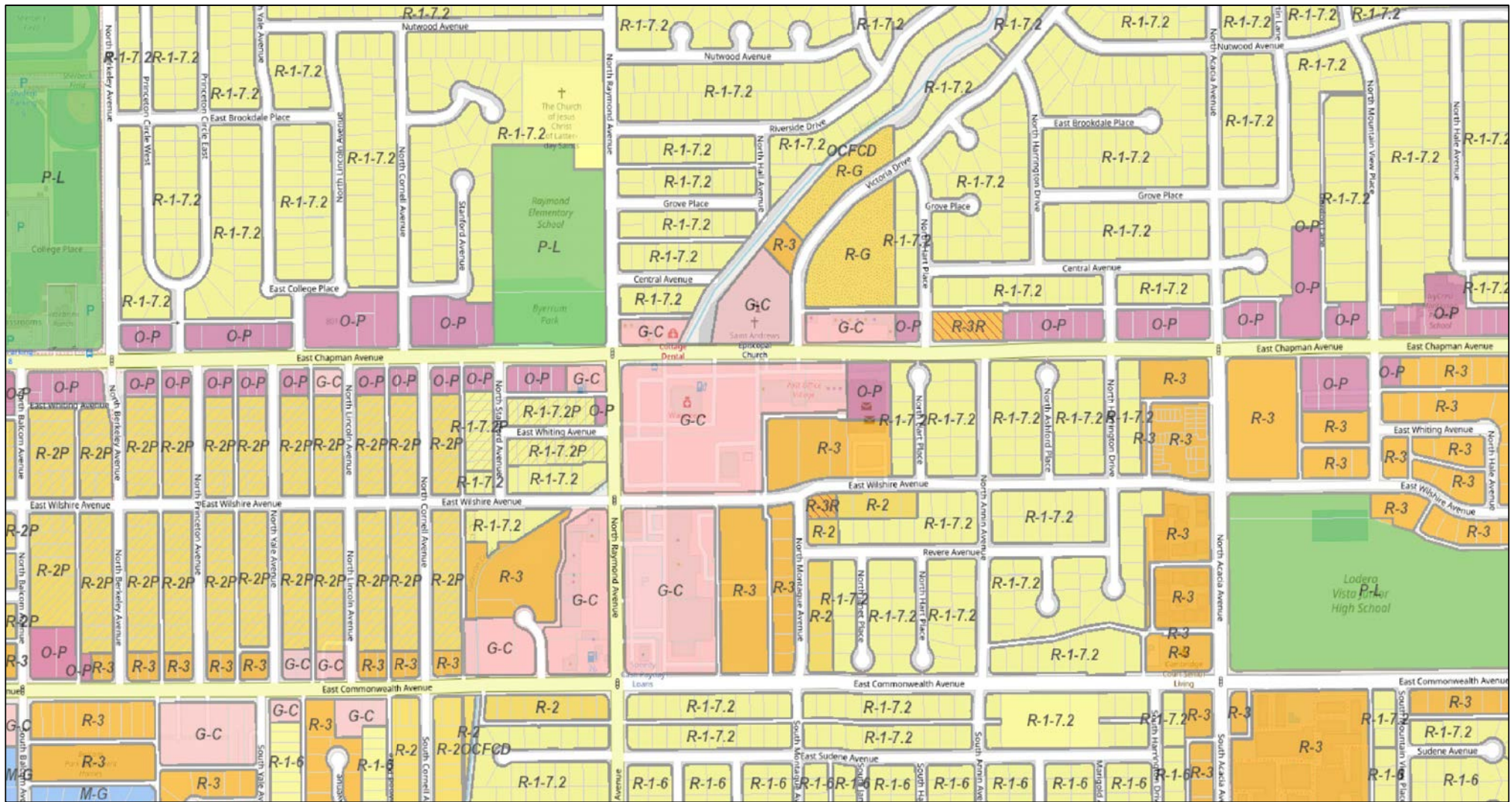
Population by Age	Census 2010		2018		2023	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	35,066	7.0%	35,513	6.6%	37,089	6.6%
5 - 9	34,731	6.9%	35,657	6.6%	35,113	6.2%
10 - 14	36,506	7.3%	36,319	6.7%	36,222	6.4%
15 - 19	40,146	8.0%	37,049	6.8%	36,089	6.4%
20 - 24	40,762	8.1%	41,346	7.6%	38,809	6.9%
25 - 34	74,089	14.7%	87,345	16.1%	90,321	16.0%
35 - 44	71,786	14.3%	71,592	13.2%	81,884	14.5%
45 - 54	68,709	13.7%	68,201	12.6%	67,231	11.9%
55 - 64	47,989	9.5%	59,935	11.1%	62,920	11.1%

Population by Age



ZONING & PERMITTED USES

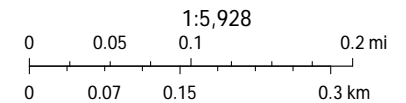




January 22, 2019

Community Development Type (General Plan)

- Amerige Heights Specific Plan
- Commercial
- Downtown Mixed Use
- Fullerton Transp Cntr Specific Plan
- Government Facilities
- Greenbelt Concept



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City of Fullerton, California
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1351 E CHAPMAN AVENUE, FULLERTON

ZONING MAP

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PERMITTED USES

(PLEASE VERIFY WITH CITY OF FULLERTON. BELOW FOR REFERENCE ONLY.)

A. The following uses are permitted in the O-P zoning district:

- Automotive wholesaler or broker with no car display
- Communication facility, non-commercial subject to FMC 15.55.020.C
- Copy shop, retail
- Financial institution
- Fitness facility, small
- Internet or cyber café, including computer lounge or internet arcade subject to FMC 15.30.040.H
- Office, general
- Office, medical
- Personal services facilities (includes barbershops, beauty shops, etc.)
- Recycling facility; Reverse vending subject to FMC 15.30.090.A
- Satellite dish antennae
- Special event subject to FMC 15.58
- Temporary commercial use subject to FMC 15.55.020.D
- Tutoring Center.

B. The following uses are permitted in the O-P zoning district subject to the approval of a conditional use permit (CUP) pursuant to FMC 15.70:

- Car rental agency
- Child care center
- Fitness facility
- Health facility (24-hour care)
- Heliport
- Human service agency
- Large group home subject to FMC 15.55.030.G
- Mortuary
- Parking lot (exclusive use) or Parking structure
- Pharmacy
- Religious institution subject to FMC 15.55.030.D
- Residential care facility for the elderly subject to FMC 15.55.030.G
- Restaurant, with the exception that restaurants serving alcohol pursuant to an on-premise liquor sales license issued by the State Department of Alcoholic Beverage Control must also obtain an Administrative Restaurant Use Permit subject to FMC 15.30.040.H and FMC 15.71.
- Retirement Complex Types III, IV, V and VI subject to FMC 15.55.030.H
- School, private subject to FMC 15.55.030.D
- Social service facility subject to FMC 15.55.030.B.

C. The following uses are permitted in the O-P zoning district subject to the approval of a minor site plan (MSP) pursuant to FMC 15.47:

- Communication facility, commercial subject to FMC 15.55.020.B
- School, Trade/Vocational School.



RECOMMENDATIONS



RECOMMENDATIONS

SCENARIO 1:

1351 East Chapman Avenue is a great opportunity for an owner user in the market to purchase a facility that can be used for a school. The property has a great layout for classroom use, and the covered courtyard is a tranquil area for students to enjoy.

SCENARIO 2:

1351 East Chapman Avenue provides an owner user with flexible zoning options to run their professional services business or set up their medical practice. The property is an ideal location on Chapman Avenue to set up a business as it is one of the busiest streets in the City of Fullerton, providing a business owner with excellent exposure to passing vehicles.





FINANCING SCENARIOS



Commercial Real Estate Financing Analysis (Owner-User)

Financing Contact

Greg Dill
Union Bank - VP, CRE and SBA Lending
949-274-9442
Greg.Dill@UnionBank.com

Real Estate Contact

Stan Kwak & Selden McKnight
Voit Real Estate Services
714-935-2327 & 714-935-2323
SKwak@VoitCo.com & SMcKnight@VoitCo.com

Address: 1351 E. Chapman Avenue, Fullerton, CA 92831
Size (Sq Ft): 2,632
Price / Sq Ft (\$): 475

		25 Year Fixed
Acquisition Amount / Value		\$1,250,000
Additional Financed Amount (Requested)		\$37,926
Total Project Investment		\$1,287,926
Initial Investment / Equity	10%	\$128,793
1TD Financed Investment	90%	\$1,159,100
Total Financed Investment		\$1,159,100
Estimated Financing Rate		4.75%
1TD Financing Terms		25 Yr / 25 Yr Fixed
1TD Prepayment Factor		3 Year (5%,3%,1%)
SBA Participation		\$30,426
Appraisal - Estimate		\$3,500
Environmental - Estimate		\$2,500
Bank Processing		\$1,500
Monthly Investment		\$6,608
Monthly Tax Savings on:		
Deductible Interest (Est. Year 1)		\$1,499
Depreciation (Est. Year 1) - With Cost Seg.		\$1,058
After Tax Monthly Investment		\$4,051

Notes:

All figures are for illustration purposes only. Each transaction is unique and final figures will vary.

Rates and estimates are based on general market conditions

Financing Contact

Greg Dill
Union Bank - VP, CRE and SBA Lending
949-274-9442
Greg.Dill@UnionBank.com

Real Estate Contact

Stan Kwak & Selden McKnight
Voit Real Estate Services
714-935-2327 & 714-935-2323
SKwak@VoitCo.com & SMcKnight@VoitCo.com

Basic Assumption Inputs

1351 E. Chapman Avenue, Fullerton, CA 92831

Building Size (sf)	2,632
Total Project Investment	\$1,287,926
Initial Investment / Equity Percent	10%
Third Party Rental Income (monthly)	\$0
Borrower's Tax Bracket	33%
Equivalent Monthly Lease Cost (per sf)	\$2.72
Monthly Lease Cost	\$7,159

Investment to Own

Building Information

Size (sf)	2,632
Total Project Investment (per sf)	\$489.33
Total Project Investment	\$1,287,926

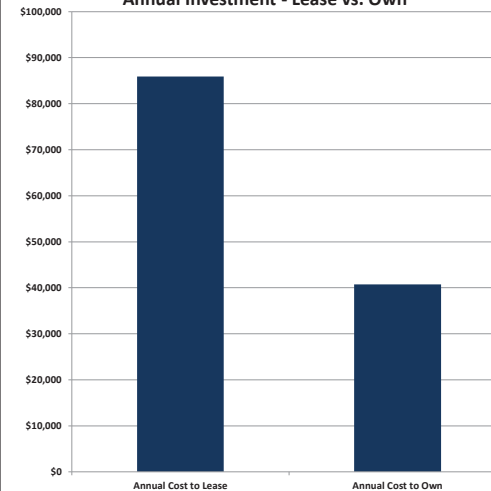
Loan Information

Initial Investment at 10%	\$128,793
1TD Financed Investment	\$1,159,100
1TD Financing Rate	4.75%
Amortization Period (years)	25
1TD Monthly Investment	\$6,608
Third Party Rental Income	\$0
Net Monthly Investment	\$6,608

Monthly Investment and Savings Estimates

Total Monthly Operating Estimates	\$1,488
Net Total Monthly Combined Investment	\$8,096
Monthly Tax and Appreciation Benefit	\$4,704
True Monthly Ownership Investment	\$3,393

Annual Investment - Lease vs. Own



Lease vs. Own

Monthly Lease Cost - All Inclusive	\$7,159
True Monthly Ownership Investment	\$3,393
Monthly Benefit to Own	\$3,766
Annual Benefit to Own	\$45,197
Percentage Benefit to Own	111%



1351 E. CHAPMAN AVENUE

FULLERTON, CA 92831

Exclusively Offered By:

STAN KWAK
SVP | Partner
skwak@voitco.com
714.935.2327
Lic #01824776

SELDEN MCKNIGHT
Associate
smcknight@voitco.com
714.935.2323
Lic #02027919

ZAC KOLANDER
Associate
zkolander@voitco.com
714.935.2301
Lic #02096759

Voit
REAL ESTATE SERVICES

EUNICE YUN JI KWON
Real Estate Advisor
euniceyjkwon@gmail.com
714.562.9900
Lic #02024804



2400 E. Katella Avenue, Suite 750, Anaheim, CA 92806 | 714.978.7880 | 714.978.9431 Fax | Lic #01991785 | www.voitco.com

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