



1917 PALOMAR OAKS WAY

CARLSBAD, CA

CBRE

INVESTMENT PROPERTIES — CA / AZ / NV / OR / CO

1917 PALOMAR OAKS WAY CARLSBAD, CA



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PACIFIC OCEAN



OWNER/USER BUILDING FOR SALE

WEBSITE ipsocal.com/1917Palomar

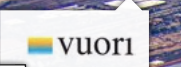
Premier Coastal Location

OCEANSIDE

CARLSBAD



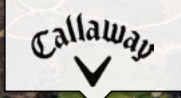
AGUA HEDIONDA



PALOMAR AIRPORT ROAD

PALOMAR AIRPORT ROAD

COLLEGE BOULEVARD



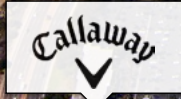
DRYDEN PLACE

PALOMAR OAKS WAY

McCLELLAN-PALOMAR AIRPORT
San Diego's Busiest Single Runway



1917 PALOMAR OAKS WAY
CARLSBAD, CA



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143
RESTAURANTS



89
BANKING LOCATIONS



56
GROCERY STORES



14
HEALTH & FITNESS CENTERS



29
HOTELS



RECENT REMODEL THAT
TOTALED APPROXIMATELY
\$800,000 WHICH INCLUDED:

- New exterior paint
- Updated HVAC units
- Complete interior renovation
 - Spec suites
 - New lobby finishes and configuration
 - Ground floor, corridor, and restroom

INVESTMENT SUMMARY

ADDRESS

1917 PALOMAR OAKS WAY,
CARLSBAD, CA 92008

PRICE

\$11,674,000.00 (\$250/SF)

BUILDING SIZE

± 46,696 RSF

OCCUPANCY

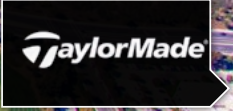
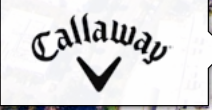
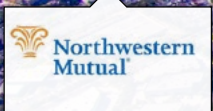
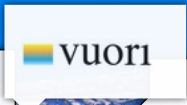
32% (Perfect for Owner User)

LAND SIZE

± 59,677 SF / ± 1.37 ACRES



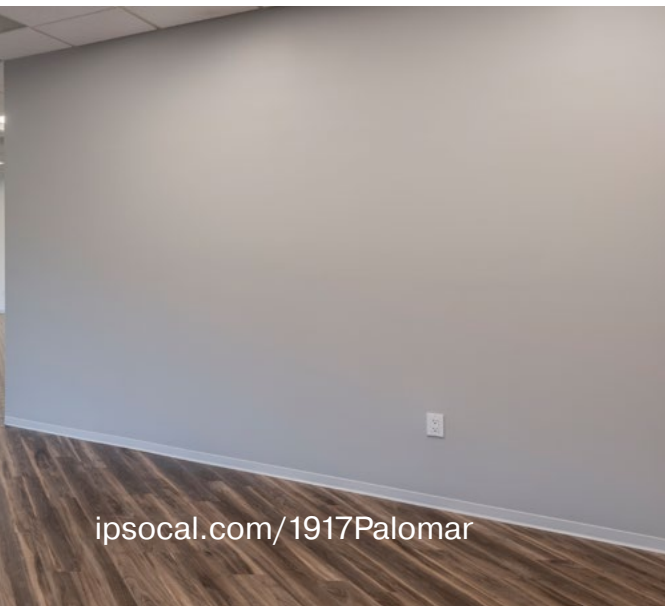
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RARE CLASS A OFFICE BUILDING IN THRIVING CARLSBAD, CA

- High quality office building providing an owner-user or investor with an opportunity to acquire a Class A office building within North San Diego's prestigious Carlsbad Research Center – North County's highest concentration of Fortune 500 Companies.
- With the first floor 91% leased (only one vacancy), the building offers an owner/user the ability to occupy the top two floors and receive income from the existing ground floor tenants translating to an **exceptionally low after-tax occupancy cost of only \$0.21/PSF per month or \$9,992**. This entails a buyer utilizing attractive SBA financing with only 10% down (please see page 33 for an own vs lease analysis).
- The property offers **4.0/1,000 SF** parking ratio and **recent upgrades include approximately \$800,000** on first floor lobby, corridor, and restroom updates.
- The buildings Class A stone exterior and unique shape are timeless and provide exceptional curb appeal. For buyers looking to create a different "creative office" look, please see pages 10-11 for hypothetical renderings.





EXCEPTIONALLY STRONG MARKET FUNDAMENTALS

- Carlsbad recently received the “e-Cities” award from Google Inc. for the most e-savvy business community in California. The city continues to encourage tech tenant migration and recruit top local talent.
- Strong and diverse local economy built upon a wide range of business clusters including life sciences and information & communications technology (ICT), as well as hospitality and leisure.
- Over 150 manufacturing plants are located in the area, many of which produce sports equipment, electronics, computer components and other high-tech products. Carlsbad is home to some of the largest and most prestigious golf companies who have chosen to headquarter in the city, including Callaway, TaylorMade, Titleist and Cobra Golf.

HYPOTHETICAL CONCEPT RENDERING

POTENTIAL FUTURE DESIGN







PROPERTY

“Best-in-Class” building with pride of ownership, excellent curb appeal, prominent signage, and corporate identity



PROPERTY SUMMARY

ADDRESS	1917 Palomar Oaks Way, Carlsbad, CA 92008
BUILDING SIZE	± 46,696 RSF
LAND SIZE	± 59,677 SF / ± 1.37 ACRES
PARKING	4.0/1,000 RSF
YEAR BUILT/ RENOVATED	2001 / 2020
APN	212-091-19
STORIES	Three (3)
ZONING CODE	P-M (Planned Industrial Zone - City of Carlsbad)
LAND USE	Commercial



GROUNDS

Unique desert landscaping and trees surrounding building & parking areas

FOUNDATION

Poured concrete slab on grade

ELEVATORS

Two 2,500 lb. capacity.
Otis hydraulic elevators

ROOFING SYSTEM

Consists of a four-ply cap sheet system

FIRE PROTECTION

The building is fully improved with fire sprinklers in all tenant areas.

FIRE SECURITY

Card access system

CONSTRUCTION COMPONENTS

Steel-frame with prefabricated steel/wood joists

HVAC SYSTEM

Heating and cooling is provided by water source heat pumps. Pumps are supplied by a central plant with individual exterior cooling towers. Circon EMS system is in place, providing control over the Circon thermostats

LIFE SAFETY/FIRE PROTECTION

Standard, up-to-code life safety and protection. Wet sprinklers

POTENTIAL UTILITIES PROVIDERS

Gas San Diego Gas & Electric

Electric San Diego Gas & Electric

Water City of Carlsbad

Waste Services Republic Services

Telecommunications Various Providers







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PALOMAR AIRPORT RD

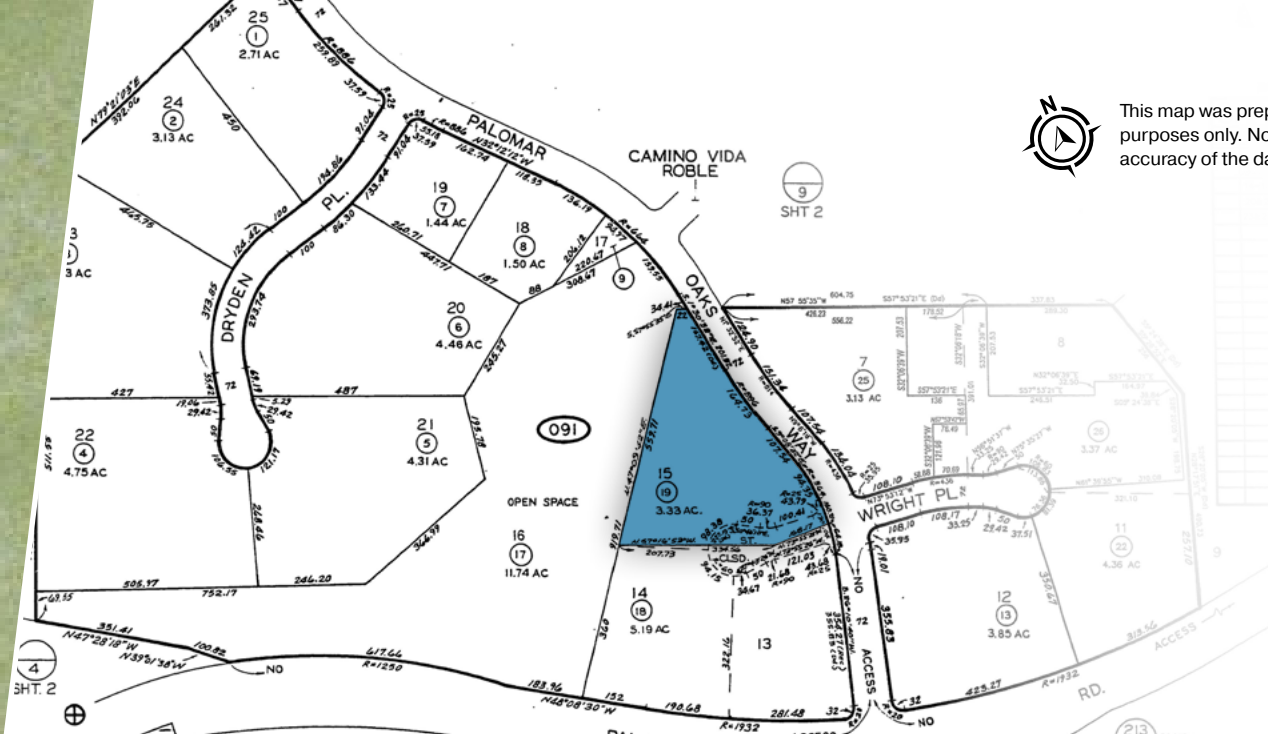
1917 PALOMAR OAKS WAY
CARLSBAD, CA

PALOMAR OAKS WAY

WRIGHT PL

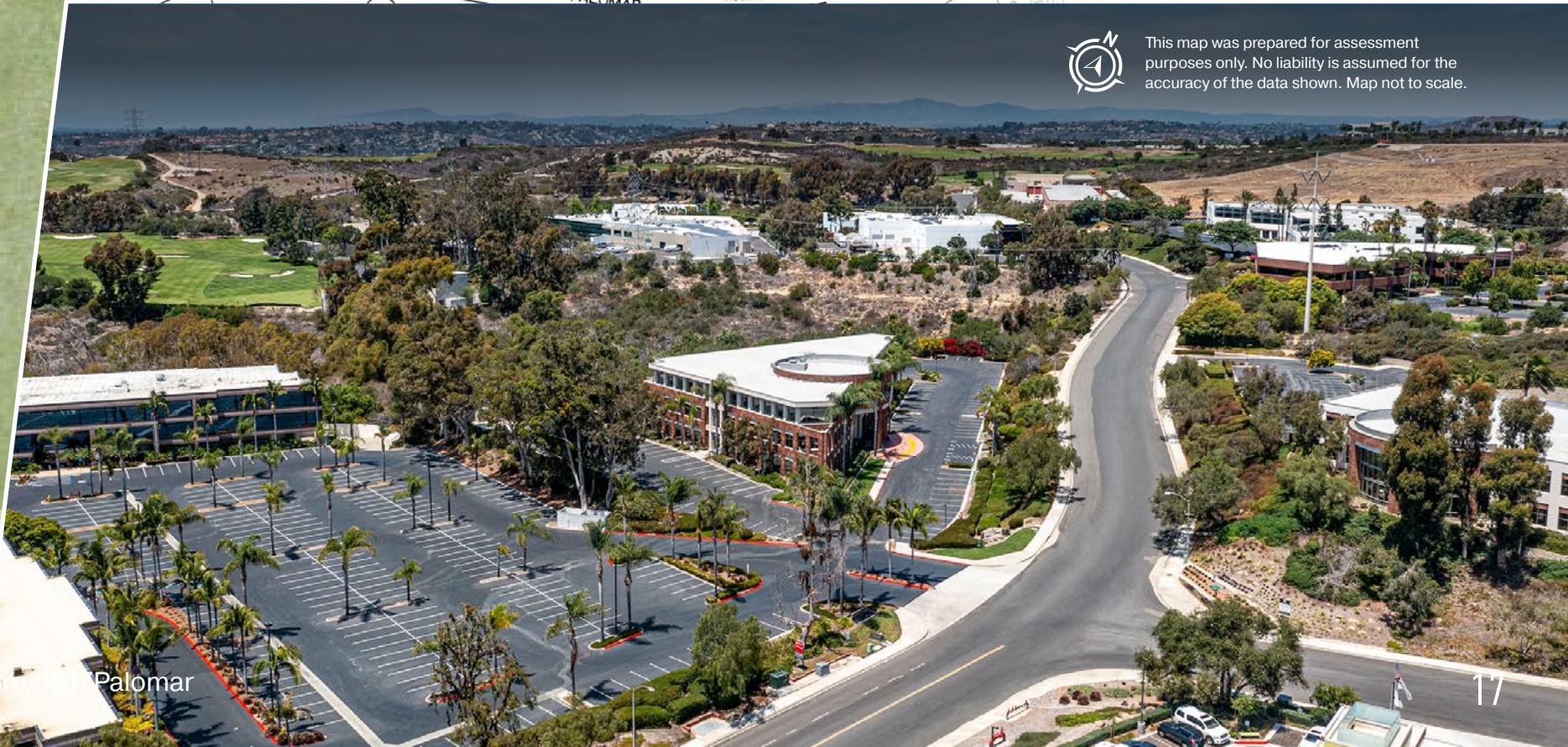
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Property Overview



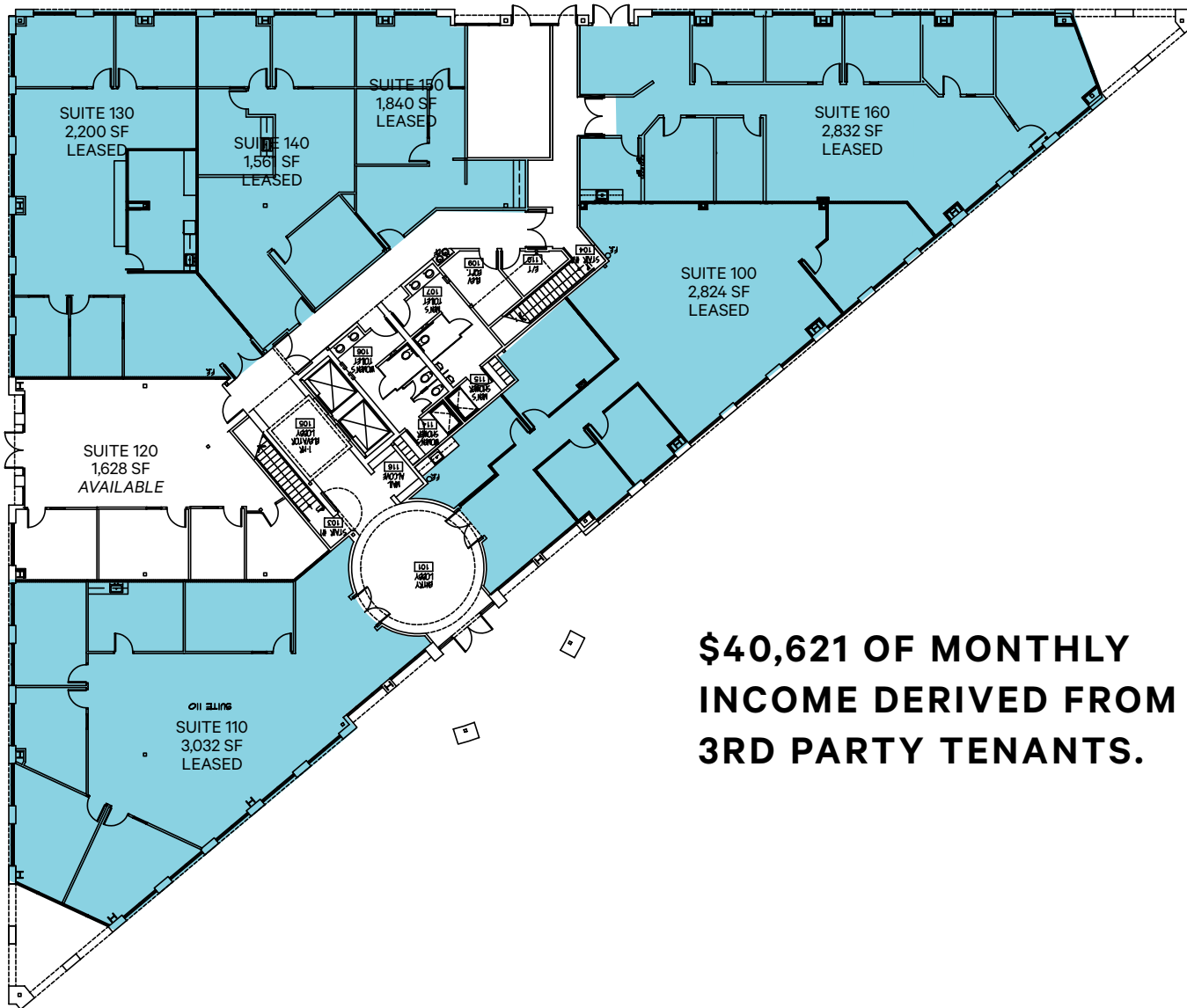
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PARCEL MAP + SITE PLAN



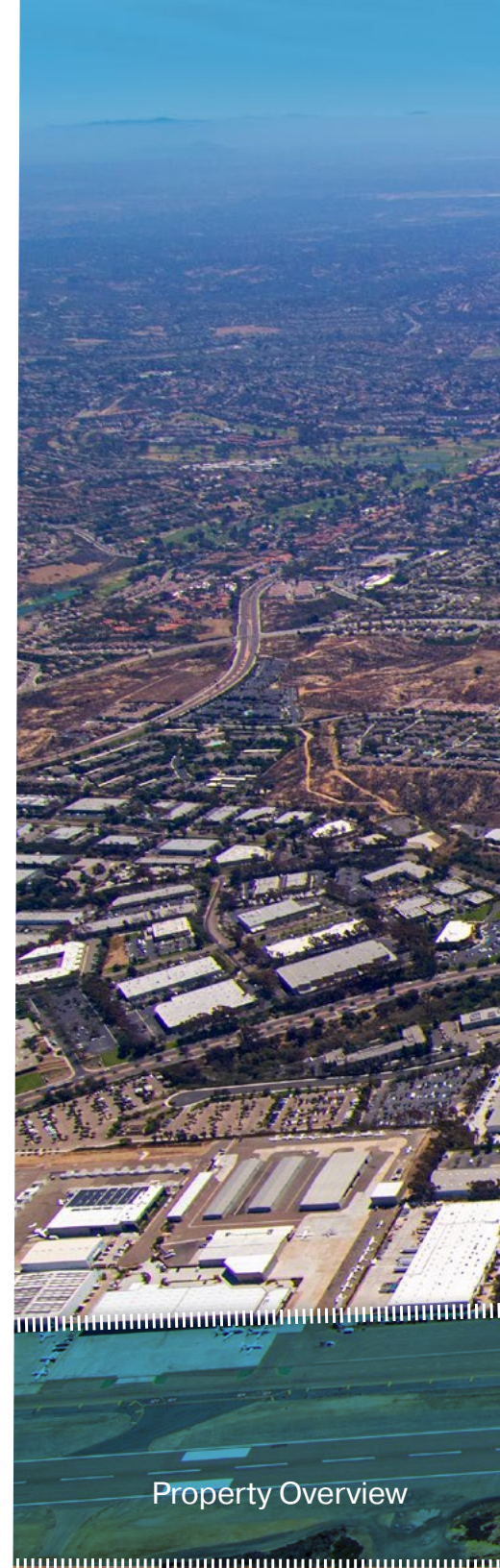
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FLOOR PLANS



**\$40,621 OF MONTHLY
INCOME DERIVED FROM
3RD PARTY TENANTS.**

1ST FLOOR AS-BUILT - 14,710 RSF



Property Overview



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DEL MAR

ENCINITAS

OMNI HOTELS & RESORTS

BATIQUITOS LAGOON STATE MARINE CONSERVATION AREA



PACIFIC OCEAN

PARK HYATT AVIARA
RESORT, GOLF CLUB & SPA
NORTH SAN DIEGO

Viasat

PALOMAR AIRPORT ROAD

1917 PALOMAR OAKS WAY
CARLSBAD, CA

COLLEGE BOULEVARD

MCCLELLAN-PALOMAR AIRPORT

San Diego's Busiest Single Runway

Callaway

24 FITNESS

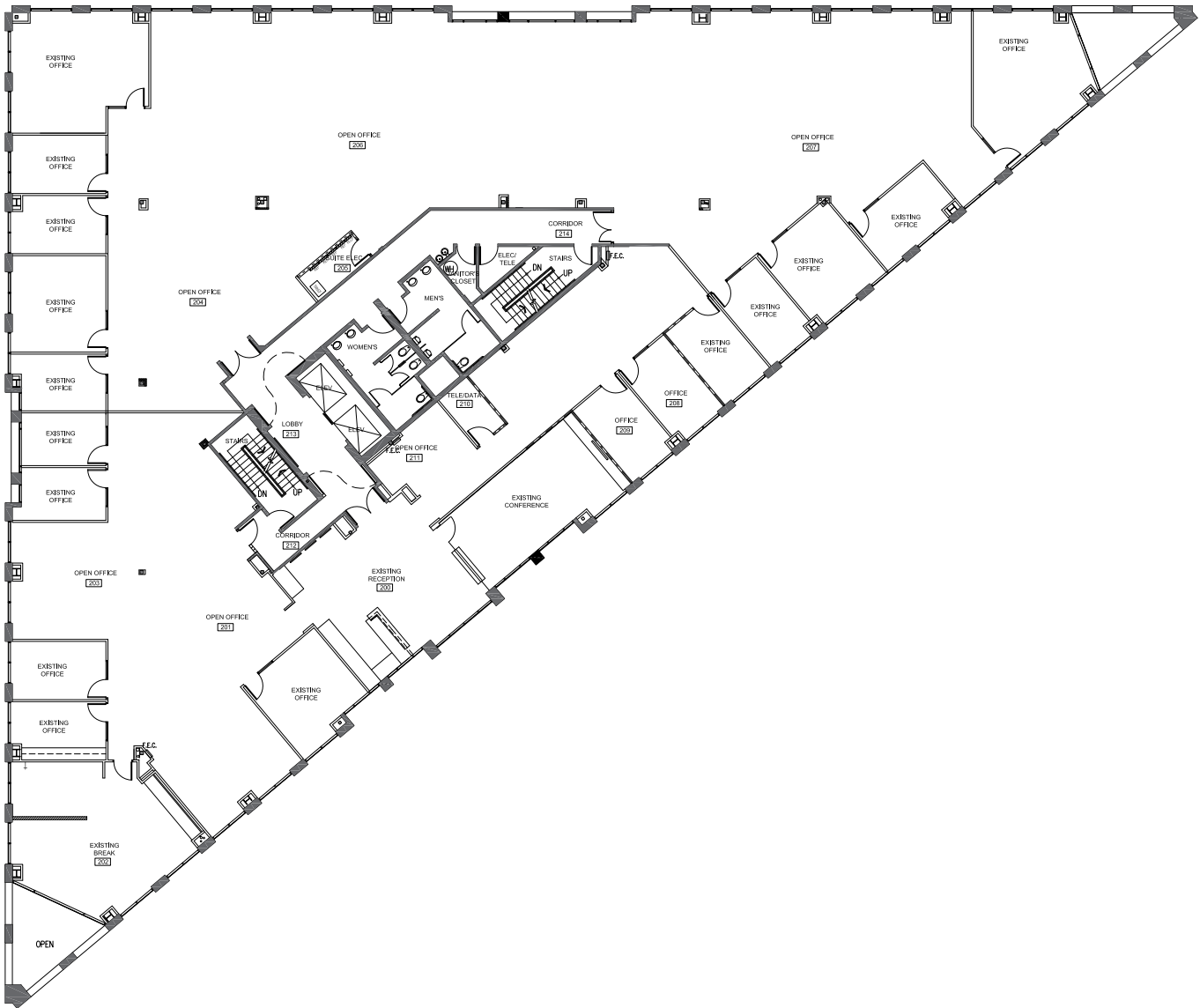
THE CROSSINGS
AT CARLSBAD

MERRILL
A STATE OF AMERICA COMPANY

DRYDEN PLACE

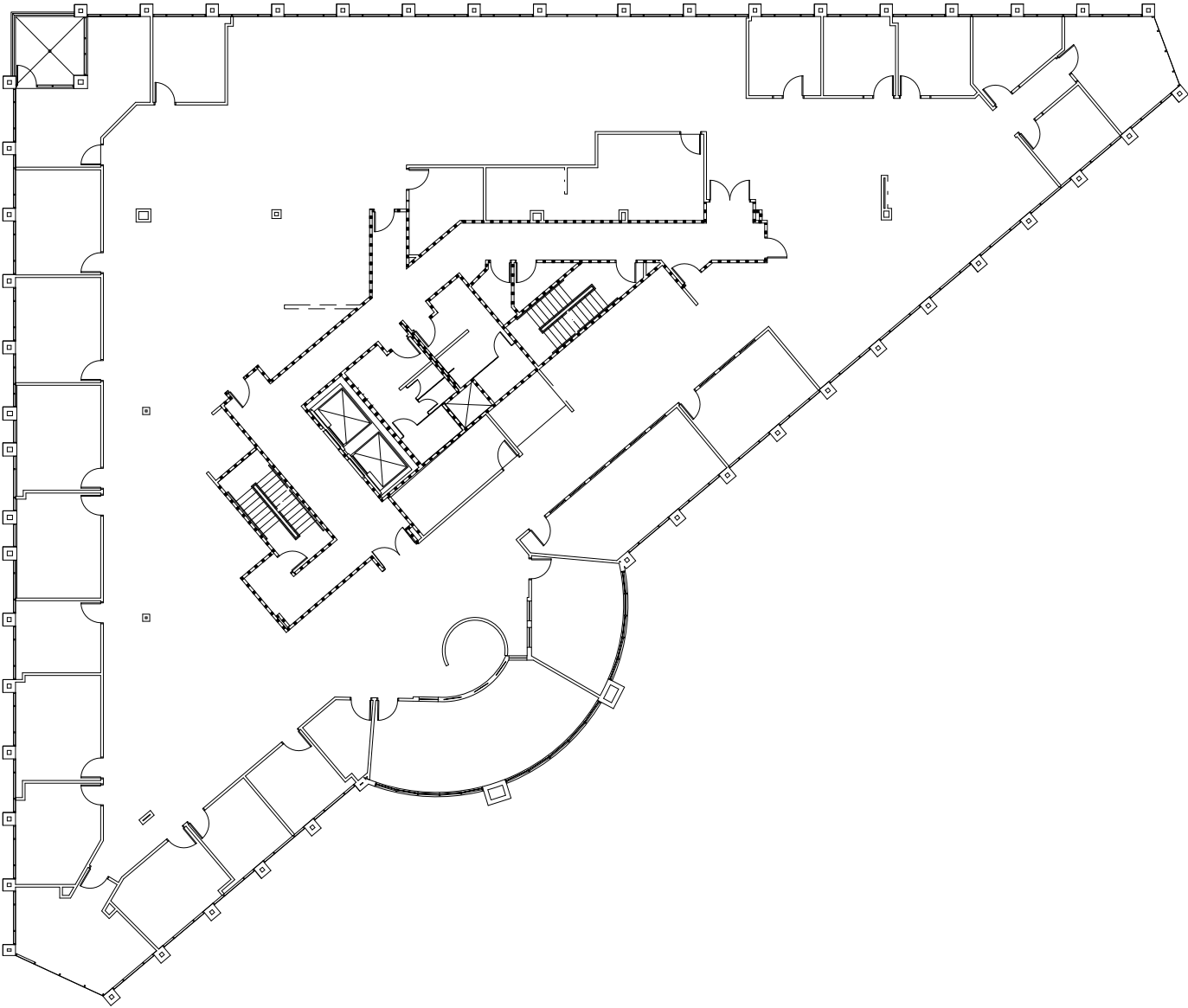
PALOMAR OAKS WAY

FLOOR PLANS



2ND FLOOR AS-BUILT - 16,076 RSF (VACANT)

FLOOR PLANS



3RD FLOOR AS-BUILT - 15,910 RSF (VACANT)

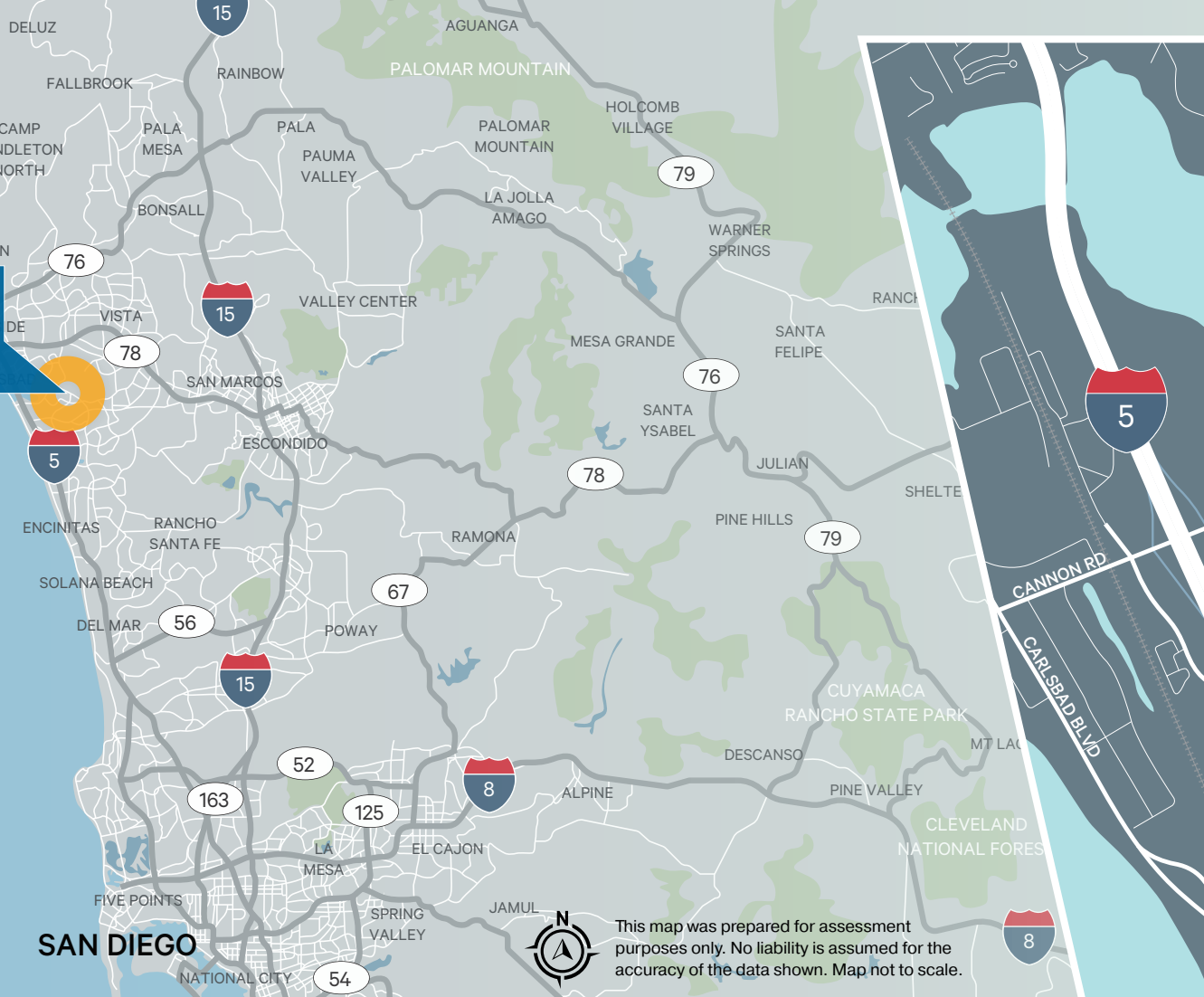




1917 PALOMAR OAKS WAY CARLSBAD, CA

CARLSBAD, CA Premier Coastal Location

- ▶ CARLSBAD recently received the “e-Cities” award from Google Inc. for the most e-savvy business community in California
- ▶ Strong and diverse local economy built upon on a wide range of business clusters including life sciences and information and communications technology (ICT) and hospitality and leisure.



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AREA

The asset is uniquely adjacent to the Greater Airport Area’s business district—
an area the center of a dynamic and increasingly urbanized business core.

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ONLY
±2.1m
FROM THE COAST



1917 PALOMAR
OAKS WAY
CARLSBAD, CA

The Crossings at Carlsbad

McClellan-Palomar
Airport

Poinsettia
Park

Aviara
Community Park

This map was prepared for assessment purposes only. Map not to scale

Premier Carlsbad Location

Within 3 miles:
±64,831
Population
±\$128,084
Average household income

±2.3m
Property to
Interstate 5

1917 PALOMAR OAKS WAY
CARLSBAD, CA

McCLELLAN-PALOMAR AIRPORT

GoPro
Be a HERO.

CARLSBAD PREMIUM OUTLETSSM
A SIMON CENTER

vuori

FERRARI

COSTCO WHOLESALE

THE CROSSINGS AT CARLSBAD

LEGOLAND

PUMA

ThermoFisher SCIENTIFIC

REEF

TaylorMade

Callaway

Mercedes-Benz

MARRIOTT

CISCO

Viasat

PRIME NORTH COUNTY CARLSBAD LOCATION

- The property is adjacent to Callaway Golf's testing center as well as the high-end golf course The Crossings at Carlsbad.
- Carlsbad boasts the largest concentration of credit tenants in North County due to its superior quality of life and proximity to retail, hotels, freeways and access to the coast line.
- The building is only 2.1 miles from the I-5 Freeway which provides easy access to most of Southern California and right off Palomar Airport Road which is one of North County's major East/West thoroughfares offering easy access to I-5, 78 Freeway and the I-15 which allows companies to easily service all of Southern California.
- Ideal demographics for both executives and workers: within 3 miles of 64,831 people with an average household income of \$128,084.
- The city of Carlsbad is a coastal seaside city offering a variety of amenities including seven miles of pristine coastline, five world-class golf courses and a diverse selection of shops, restaurants and quaint downtown area.




FedEx

McCLELLAN-
PALOMAR
AIRPORT

San Diego's
Busiest Single
Runway




McClellan—
Palomar Airport

 ±1.3 miles



Tamarack Surf
Beach, Carlsbad

 ±4.9 miles



Downtown
San Diego

 ±34.5 miles



San Diego
International Airport

 ±34.5 miles

CARLSBAD

CARLSBAD — PREMIER COASTAL LOCATION

CARLSBAD has a strong and diverse local economy built upon on a wide range of business clusters including life sciences, action sports manufacturing, clean technology, information and communications technology (ICT) and hospitality and leisure. An abundance of new wave technology, multi-media, semiconductor, healthcare and biotech companies are located here as well as more than 30 industry leading golf companies. Over 150 manufacturing plants are located in the area, many of which produce sports equipment, electronics, computer components and other high-tech products.



323,406
POPULATION

69,330
COLLEGE-EDUCATED
POPULATION

41.9
MEDIAN AGE

\$887,806
AVERAGE / MEDIAN
PROPERTY VALUE

\$149,281
AVERAGE HOUSEHOLD
INCOME

159,578
NUMBER OF
EMPLOYEES

12,766
NUMBER OF
EMPLOYERS

Source: Data USA, Orange County CA; CBRE Location Analytics & Mapping, 2023; U.S. Census Bureau, U.S. Bureau of Economic Analysis

TOP EMPLOYERS



MAJOR TRANSPORTATION INFRASTRUCTURES



LOCAL ECONOMY

CARLSBAD recently received the “e-Cities” award from Google Inc. for the most e-savvy business community in California and is well positioned to maintain its status as the location of choice for technology companies. This is particularly true when combined with the quality of life advantage that provides local firms with the ability to recruit and retain local talent. Further encouraging tech tenant migration, CARLSBAD opened a community biotechnology incubator for upstart bio entrepreneurs and “citizen scientists.” The city partnered with its Chamber of Commerce to offer a four-week business academy to provide local businesses with a better understanding of city government and the services available to them.



FINANCIALS

Ideal demographics for both executives and workers: within three miles of 73,603 people with an average household income of \$147,754.



PURCHASE ASSUMPTIONS			
Unit Size	46,514 SF	Base Purchase Price	\$11,628,500
		Base Price Per Square Foot	\$250.00
Address	1917 Palomar Oaks, 46,696 RSF	Improvement Costs	\$1,421,865
	Carlsbad, CA	Tenant Improvement (Owner/User Only) Costs Per Square Foot	\$45.00
		Total Investment	\$13,050,365
		Total Investment Per Square Foot	\$280.57

GLOBAL ASSUMPTIONS			
Analysis Period	10 Years	Combined Federal and State Tax Rate [1]	45.38%
Operating Expense Growth Rate	3.00%	Effective Blended Capital Gains Rate [2]	37.12%

LEASE ALTERNATIVE		OWN ALTERNATIVE	
Lease Assumptions		Loan Assumptions	
Size of Leased Premises	31,597 SF	Loan Amount	90.00% LTV \$11,745,329
Monthly FSG Rent	\$2.55 PSF	Interest Rate	6.40%
Annual Rent Increases	3.00%	Amortization Period	25 Years
		Loan Fees/Costs	1.00% \$117,453
Equity Available for Investment	\$1,422,490	Total Equity Investment (Down Payment & Fees)	\$1,422,490
		Size of Owner/User Occupied	31,597 SF
After-Tax Equity Investment Rate	3.00%	Monthly Operating Expenses	\$0.75 PSF
		Annual Growth / Appreciation of Property	2.00%
		Third Party Tenant Revenue	
		Size of 3rd Party Tenant	14,917 SF
		3rd Party Monthly FSG Rent	\$2.72 PSF
		Annual Rent Increases	3.00%
		<small>Assumes tenants continues in place with same increases and no leasing costs.</small>	
		Depreciable Basis (Non Land Portion)	70% \$9,135,256
		Average Depreciation Years [3]	22 Years

LEASE			OWN		
Monthly Year 1	Per SF	Monthly	Monthly Year 1	Per SF	Monthly
1st Year Monthly Rent	(\$2.55)	(\$80,572)	1st Year Loan Payments	(\$1.69)	(\$78,573)
Tax Savings on Rent Expense	\$1.16	\$36,563	1st Year Operating Expenses	(\$0.75)	(\$35,041)
After-Tax Investment Income	\$0.11	\$3,556	Tax Savings on Operating Expenses	\$0.34	\$15,901
			Revenue from 3rd Party Tenant	\$0.87	\$40,621
			Tax Savings on Interest Expense	\$0.61	\$28,210
			Tax Savings on Depreciation	\$0.41	\$18,889
Monthly Year 1 After-Tax Costs	(\$1.28)	(\$40,453)	Monthly Year 1 After-Tax Costs	(\$0.21)	(\$9,992)

Savings as Owner in Monthly After-Tax Costs Year 1 **\$30,461**

10-Year Total		Total	10-Year Total		Total
Total Rent (Effective \$2.92 Over 10 Yrs)		(\$11,084,060)	Total Loan Payments		(\$9,546,207)
Tax Savings on Rent Expenses		\$5,029,836	Total Operating Expenses		(\$4,820,482)
After-Tax Investment Income		\$489,218	Tax Savings on Operating Expenses		\$2,187,487
			After-Tax Revenue from 3rd Party Tenant		\$3,052,300
			Tax Savings on Interest Expense		\$3,121,147
			Tax Savings on Depreciation		\$1,872,537
			Building Appreciation		\$2,857,957
			Principal Paydown		\$2,668,251
			Capital Gains Tax		(\$2,592,412)
Total After-Tax Cash Flow		(\$5,565,007)	Total After-Tax Cash Flow		(\$1,199,422)

Savings as Owner in Total After-Tax Cash Flows **\$4,365,585**

LEASE VS OWN

Why Lease When It's Cheaper to Own?

Ownership
Occupancy Costs
= **\$0.21/PSF**

NOTES:

[1] Tax Rate calculated using 37.00% Federal and 13.30% State Ordinary Income Tax Rate.

[2] Rate includes cost segregated depreciation. Assumes 67.00% of asset treated as real property, capital gains on appreciation at 20.00%, depreciation recapture at 25.00%, and a blended ordinary income tax rate based on the federal and respective state tax rates.

[3] Depreciation assumes Cost Segregation Study with break down of Improvements into 4 different asset classes with mid-year convention: 18.00% for a 5 Yr asset, 2.00% for a 7 Yr asset, 13.00% for a 15 Yr asset, 67.00% for a 39 Yr asset resulting in roughly 22 years of depreciation during hold period.

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Savings as Owner in Monthly After-Tax Costs Year 1 **\$30,461**

Savings as Owner in Total After-Tax Cash Flows **\$4,365,585**



1917

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If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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1917 PALOMAR OAKS WAY

CARLSBAD, CA

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CBRE

INVESTMENT PROPERTIES

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Bryan Johnson
Will Cole
Nick Williams
Halie Bergeron
Paul Stache

**Los Angeles /
Ventura County**

Mark Shaffer
Gerard Poutier
Dylan Rutigliano

Inland Empire

Sammy Cemo
Austin Reuland

San Diego

Matt Pourcho
Matt Harris

Las Vegas

Tyler Ecklund
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