

LAKE FOREST & FOOTHILL RANCH

COMMERCIAL REAL ESTATE NEWSLETTER

3RD QUARTER 2022

Money Making Tips & Information for Business Owners
& Commercial Real Estate Investors that will increase their profit & cash flow.

LAKE FOREST & FOOTHILL RANCH PROPERTY OWNERS CONTINUE TO RECOMMEND JOHNSTON PACIFIC

"It is always a pleasure to work with Johnston Pacific. Everyone that works there goes above and beyond my expectations. They are always a step ahead of the rest and the level of professionalism is unmatched."

ANDREW KACHANI
PRESIDENT
TEDDYBEARTOYS, INC.

FOR THE BUSINESS OWNER

We all know by now that the inflation rate is currently skyrocketing. But how does that affect your taxes?

FOR THE PROPERTY OWNER

Summer is here and it's the best time to slurry, seal or asphalt your parking lot. We put together a list of asphalt vendors that service the area.

MARKET UPDATE

Check out current commercial availabilities in Lake Forest & Foothill Ranch and take a look at the most recent transactions in the business parks.

COMMUNITY NEWS

Brand New Senior Apartments break ground in Lake Forest!

JOHNSTON PACIFIC
*SOUTH ORANGE COUNTY'S TRUSTED NAME in
Commercial Real Estate for over 30 Years.*

JOHNSTON PACIFIC
COMMERCIAL REAL ESTATE, INC.

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HOW INFLATION RAISES YOUR TAXES

Source: The Wall Street Journal, Article written by William F. Ford and Daniel J. Smith

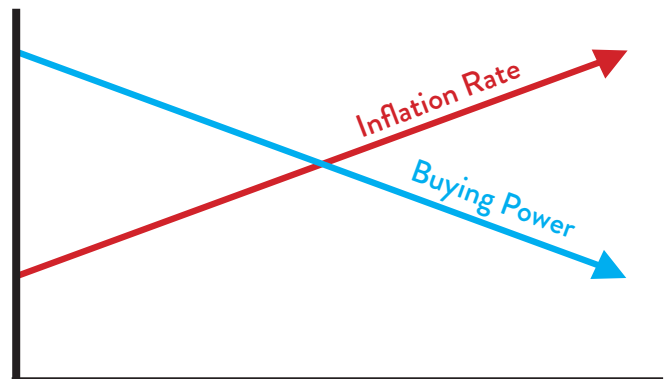
When President Biden first proposed increasing federal spending by trillions, he promised not to raise taxes on anyone earning less than \$400,000 a year. But the Federal Reserve's accommodation of his spendthrift policies is now creating inflation taxes that are hitting ordinary Americans in their pocketbooks. Inflation not only taxes away earnings and savings, it also amplifies a host of other taxes Americans pay. Inflation is now reducing the real earnings of many Americans. As the purchasing power of a dollar falls, many Americans are taxed on the extent to which their paychecks aren't keeping up with inflation. But even Americans lucky enough to have their wages and salaries keep pace with inflation may find themselves paying additional federal, state and local taxes on their increased nominal incomes.

Other taxes are also affected by inflation. Take housing: While homeowners are likely happy to see the value of their homes rising, they won't be so excited when their property taxes go up at their next assessment. They can also expect to face higher insurance premiums on their inflated home values. The cost of utilities is rising. Renters aren't immune to these inflationary pressures, since land lords pass along their inflation-driven costs.

Another way inflation is raising taxes on ordinary Americans is through taxes on goods and services they consume. The costs of groceries and going out to eat are increasing. Largely unnoticed, higher grocery and restaurant bills also cause higher state and local sales-tax collections, since such taxes are levied as a percentage of what consumers pay.

It will quickly eat away at the real rates of return on savings accounts, certificates of deposits and fixed income securities. Americans with such savings are receiving negative rates of return after adjusting for inflation. And because taxes are levied on nominal, not inflation-adjusted, income, even those realizing such earnings will pay taxes on their higher nominal returns. Retirees on pensions with little or no cost-of-living adjustments also will see a reduction in their standard of living. Even Social Security beneficiaries experience this to some degree when their adjustments lag behind inflation, as is now happening.

While the wealthy can hire experts to shelter their income and savings from inflation, lower-income Americans aren't so lucky. They also spend a much larger portion of their earnings on essentials such as groceries and rent. Mr. Biden's inflation taxation falls most heavily on the poorest Americans.



SUMMER IS THE BEST TIME

to slurry coat or asphalt your parking lot. These vendors service the South Orange County area!

ALL AMERICAN ASPHALT
(951) 736-7600

CALIBER PAVING
(714) 556-0484

TLG PAVING
(951) 735-7200

QUICKEL PAVING
(949) 582-1515

LAKE FOREST & Foothill Ranch Availabilities



PROPERTY DETAILS

- 16,785 sq. ft. Freestanding Industrial Building
- 14,728 sq. ft. Warehouse area
- 2,057 sq. ft. Office area
- 2 Ground Level loading doors
- 2 Dock High Loading Doors
- 400 Amps
- 20' Warehouse Clearance
- 47 Exclusive parking stalls
- Fencible Yard Area
- Vacant and available now!

25431 ARCTIC OCEAN DR, LAKE FOREST

Offered at: \$1.70/ sf + \$.09/ sf. CAM

**FOR
LEASE**

Please note that Johnston Pacific Commercial Real Estate, Inc. is not the listing broker for the properties listed on this page.

RECENT COMMERCIAL TRANSACTIONS IN LAKE FOREST & FOOTHILL RANCH BUSINESS PARK



19751 Descartes, Foothill Ranch 30,117 sf.
Industrial Building
Asking Rate: \$1.50/sf + \$0.22/sf. netcharges



25391 Commercentre Dr, Lake Forest
Multi-Tenant Office Building
Offered at: \$7,800,000

THE CITY OF LAKE FOREST BREAKS GROUND AT THE PORTOLA SENIOR APARTMENTS!

The Portola Senior Apartments are the city's first mixed-use project and part of the city's Portola Center Area Plan. It is Community HousingWorks' first affordable housing project in Orange County, out of their total 44 projects. The 1.94-acre project will provide long-term affordable housing apartments and service programs to low-income Lake Forest residents, and connect them to the greater community. The apartments are expected to be completed in the Fall of 2023.

The project will provide 58 new affordable apartments in one building for seniors earning 50% of the Area Median Income. It will serve senior households 62+ years as couples, or individuals, in one-bedroom apartments with features to aid in aging-in-place. The project includes 58 residential surface parking spaces on-site, accessed by a driveway.

"The focus is on the well-being of the seniors, and it doesn't end when construction ends," said Donald Ambrose, Board Chair of Community HousingWorks.

Conveniently located at the southeast corner of Glenn Ranch Road and Saddleback Ranch Road, the project is within two miles of existing amenities, such as grocery stores, banks, public transit, and a senior community center. It's also near health care facilities, providing access to essential services for older adults. It is immediately adjacent to a park with walking trails that connect to the Whiting Ranch Wilderness Park.

"We've made it our mission to not just provide a roof over one's head, but to identify how we can empower residents in each of our communities to attain financial and housing security and reach for their dreams," said Sean Spear, president and CEO of Community HousingWorks.

All units will include ADA-sized bathrooms and kitchens with 15 fully ADA accessible units. Site amenities include fully accessible common spaces, shared laundry, an outdoor plaza, and a community room with computer learning centers to encourage greater social and economic security. Additional support services will be offered to increase financial and housing stability, and overall wellness. Residents will have access to free public transportation passes, free in-unit high-speed internet, and 84 hours of adult education, health and wellness guidance, or skill-building classes per year.

"We remember the past and work with pride to meet the challenge of providing affordable homes for seniors in the future," said Mary Jagodzinski, Senior VP of Housing and Real Estate Development for Community HousingWorks.



ABOUT US

Johnston Pacific Commercial Real Estate, Inc. was established in 1991 as South Orange County's premier Commercial Real Estate firm. During the past 3 decades we have provided superior service, expert property solutions, and positive results to commercial real estate clients conducting business in South Orange County. During the past 30 years, our team has helped thousands of business owners, landlords, developers, and investors create stunning wealth by owning, selling, or leasing commercial real estate. We have remained committed to becoming the most effective - not the largest - brokerage firm in Southern California. We believe our outstanding local expertise provides us with a competitive advantage over our competition and directly benefits our clients' bottom line. Join us in defusing the myth that commercial property is complicated, stressful, and confusing. Our expert team provides you the in-house knowledge, data, and assistance you need to make qualified, no-pressure, informed decisions. From selling or leasing your asset to potential buyers or tenants, finding space for your growing company to own or lease, or adding the latest commercial investment to your portfolio, we have you covered.



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