

LAKE FOREST & FOOTHILL RANCH

COMMERCIAL REAL ESTATE NEWSLETTER

HOLIDAY EDITION 2022

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

ANOTHER PROPERTY OWNER RECOMMENDS JOHNSTON PACIFIC

"Thank you so much for taking care of us and leasing our property. You and your team are awesome and we are blessed to have you on our side! Great Job!"

ALI ABOLHASSANI

PRESIDENT

STORAGE RACK ENGINEERING

FOR THE BUSINESS OWNER

Thinking of that special gift for a valued client or employee? How about a custom tailored suit?

FOR THE PROPERTY OWNER

What is a cap rate?

MARKET UPDATE

Read about current commercial availabilities and recent transactions in Lake Forest and Foothill Ranch.

COMMUNITY NEWS

PS Business Park sells entire portfolio of Industrial in Lake Forest to Blackstone in an all cash transaction.

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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FOR THE PROPERTY OWNER

WHAT ARE CAP RATES?

Thinking About Investing in Real Estate? You Need to Know Cap Rates.

Commercial real estate, like other types of businesses, is full of industry jargon. If you're looking to purchase a property that has a tenant in place paying rent, aka a "Leased Investment", you have likely seen properties offered at a "7% Cap" or "6% Cap". That sounds simple enough, but what does that mean?

A cap rate is the ratio of Net Operating Income (NOI) to property asset value, and is used to identify the return an investor can expect to receive from an investment property. For example, if an industrial building is listed at \$1,000,000 with a 10% CAP rate, that means that the annual NOI is \$100,000. To find the value of a property, we divide the NOI of \$100,000 by the 10% cap rate ($100,000/.1$), which brings you to a value of \$1,000,000. Cap rates are reversely proportional to value, so a lower cap rate yields a higher valuation. Using this example, a property with \$100,000 NOI at a 5% cap rate would be valued at \$2,000,000.

P.S. Because of rising interest rates, cap rates have increased about one half of one percent during the last 6 months! We expect that trend to continue if interest rates continue to rise.

If you are looking to purchase your first leased investment property or add to your portfolio, please give us a call today!

FOR THE BUSINESS OWNER

MEET VINNIE, YOUR CUSTOM TAILOR

Do you dress the part of your professional image? FitWel Custom Clothes has been a staple in South Orange County with our personalized service of us coming directly to you! We have over 3,000 fabrics to handmade clothes to your desired fit. Suits, sport coats, jackets and shirts at affordable prices.

FitWel Custom Clothes, established in 1971, is a one-stop-boutique for custom men's clothing, carrying a wide selection of premium fabrics and accessories. Committed to bringing the finest in bespoke clothing, FitWel has transformed itself into a brand synonymous with the finest in custom tailored clothing by delivering impeccable workmanship and unparalleled value. We represent generations of craftsmen who have perfected their skills and redefined the benchmarks of craftsmanship. Our in-house tailoring workshop has over 70 master craftsmen with proven expertise in creating fine custom tailored suits for clients across the United States. We have an eclectic ensemble of more than 2,000 British and Italian, high-grade fabrics, including Cashmere, English Flannel, Scottish Tweed, French Gabardine, Worsted, and Italian Mohair.

FitWel provides you with three easy ways to get your bespoke clothing made. You can:

1. Visit our Conveniently Located Showrooms
2. Meet Our Travelling Tailors, when they visit your city.
3. Place your order online, in a few simple steps through the website.

SUITS FROM \$599
JACKETS FROM \$399
SHIRTS FROM \$89



CALL VINNIE TO LEARN MORE:

(818) 923-8918
www.fitwel.com

FitWel 
CUSTOM CLOTHES

LAKE FOREST & Foothill Ranch Availabilities



FOR LEASE

22551 Shannon Circle, Lake Forest
6,984 sq. ft. single story industrial building with minimal office. Private fenced yard area.

Offered at: \$1.90 /sf. Net (+\$0.29 /sf. Net Charges)



FOR LEASE

20432 Barents Sea Circle, Lake Forest
14,895 sq. ft. single story industrial building. Drive around access. 2 GL doors and 800 amps of power.

Offered at \$1.55 /sf. Net (+\$0.20 /sf. Net Charges)



FOR LEASE

20512 Crescent Bay Dr. #106, Lake Forest
4,835 sf. industrial unit. 8 private offices, reception, conference room, high clear warehouse.

Offered at \$1.90 /sf. Net (+\$0.39 /sf. Net Charges)



FOR SUBLEASE

19531 Pauling, Foothill Ranch

75,507 sf. industrial distribution building
5 dock high doors, 4 ground level loading doors. 30' minimum warehouse clearance. Sublease through 6-30-2027

Offered at \$1.45 /sf. Net (+\$0.19 /sf. Net Charges)



Recent Commercial Transactions in Lake Forest & Foothill Ranch



25431 ARCTIC OCEAN, LAKE FOREST
16,785 sf. Industrial Building
Asking Rate: \$1.79 /sf.
Modified Gross
Leased August 2022

LEASED



27156 BURBANK, Foothill Ranch
Asking price: Off Market
Sold April 2022

SOLD



27201 BURBANK, Foothill Ranch
Asking price: Off Market
Sold August 2022



19751 DESCARTES., Foothill Ranch
30,117 sf. Industrial Building
Off Market
Leased August 2022



Community News

PS Business Park Sells Entire Portfolio of Industrial in Lake Forest

Blackstone Group, the world's largest commercial property owners, agreed to pay \$7.6 Billion for PS Business Parks, the owner of 27 million square feet of commercial properties across the United States, consisting primarily of industrial and industrial-flex space that appeals to small to midsize companies. PS Business Parks owned a total of 250,296 sq. ft. of space in Lake Forest on Lambert Street.

The all cash transaction comes as Blackstone's investments in areas including global logistics and residential properties are helping its real estate division generate faster returns compared to most other segments of the company. With inflation, higher interest rates and other variables on the minds of investors, Blackstone, which also calls itself the world's largest alternative asset managers, said that it still sees real estate investments as important to weathering market uncertainties.

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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Merry Christmas & a Happy New Year!