

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.

SAN CLEMENTE 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

Explore the current commercial availabilities in San Clemente & Talega and take a look at the most recent transactions in the business parks.

COMMUNITY NEWS

The MetroLux Theatres at the Outlets at San Clemente are now open! 10 movie theatres with all the latest technology and luxury amenities.

JOHNSTON PACIFIC
SAN CLEMENTE'S TRUSTED NAME in
Commercial Real Estate for over 30 Years.

HOW INFLATION RAISES YOUR TAXES

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

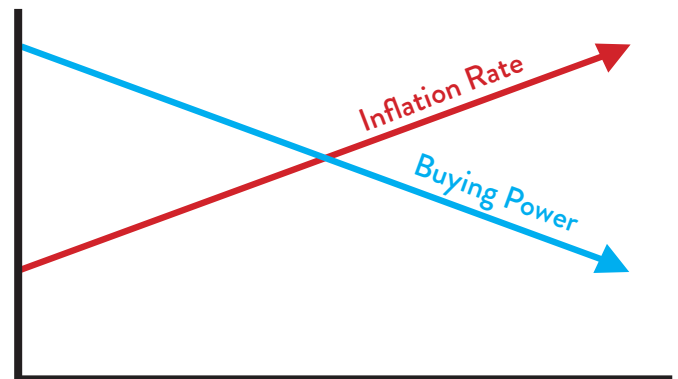
When President Biden first proposed increasing federal spending by trillions, he promised not to raise taxes on anyone earning less than \$400,000 a year. But the Federal Reserve's accommodation of his spendthrift policies is now creating inflation taxes that are hitting ordinary Americans in their pocketbooks. 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 landlords 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. Americans living off their life savings aren't immune from the costs of inflation taxation either.

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

RANCHO SAN CLEMENTE & TALEGA BUSINESS PARK AVAILABILITIES



FOR SALE

180 Avenida La Pata, San Clemente
 24,591 sf two story office building,
 single-tenant or multi-tenant layout
 Offered at: \$305/sf



FOR LEASE

1391 Calle Avanzado, San Clemente
 800 sf single story office area,
 reception, 2 offices & Restroom, 4
 parking stalls, move-in ready
 Offered at: \$1,920 per month
 plus Janitorial



FOR LEASE

1225 Puerta Del Sol Suite 400, San Clemente
 830 sf office area,
 private offices, conference room
 Offered at: \$1,800 per month
 plus Electric & Janitorial



FOR LEASE

1161 Puerta Del Sol #101, San Clemente
 3,077 sf medical
 office, private treatment rooms
 Offered at: \$2.25/sf Net + \$0.62



FOR SALE

1009 CALLE SOMBRA, SAN CLEMENTE

4,441 sf two-story office condo, 1800 sf office,
 2,641 sf warehouse, 25' warehouse clearance, 10
 parking spaces, corner unit with extra glass.
 Offered at: \$420/sf

BENEFITS OF BECOMING A PROPERTY OWNER

Each month your hard-earned dollars go towards paying yourself rent.

Business owners are able to avoid future increases in rent passed through by landlords.

At some point your building will be paid off and it can be used for cash flow during your retirement.

As a building owner, depreciation can be used to reduce the taxes you pay.

Owning commercial real estate creates a hedge against inflation.

Owners are able to lease a portion of their building they may not be using instead of needing to relocate to a smaller facility.

RECENT COMMERCIAL TRANSACTIONS IN THE RANCHO SAN CLEMENTE & TALEGA BUSINESS PARK

LEASED



1046 #D Calle Recodo, San Clemente
 2,946 sf Industrial Condo
 Was offered at: \$1.60/sf



212 Avenida Fabricante, San Clemente
 43,240 sf Freestanding Office/Warehouse Building
 Was Offered At:
 \$1.50/sf Net + \$0.25

IN ESCROW



187 Avenida La Pata, San Clemente
 7,144 sf Free Standing Industrial Building
 Asking Price: \$385/sf

NEW METROLUX THEATER IN SAN CLEMENTE

We tested out the Outlet Mall's newest addition and here is how it went!

"On Saturday night I attended the Top Gun movie at the Metrolux Theater. I was very impressed with the ingress and egress to the theater once you get inside the main lobby. The concession stand was conveniently located on the second floor when you get to the top of the escalator. The restrooms were clean, but what I like best about the theater were the comfortable seats in the Theater itself. The IMAX sound was terrific and I would highly recommend the Metrolux for anyone that wants to enjoy a high-quality theater experience". -Rob Johnston

P.S. Book your seats early, especially on Saturday nights as they tend to fill up quickly. Enjoy the Show!



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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