

# 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

## WHAT'S INSIDE:

### FOR THE BUSINESS OWNER

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

### FOR THE PROPERTY OWNER

Most owners have heard the term "Cap Rate", but what does it mean?

### CURRENT AVAILABILITIES & RECENT TRANSACTIONS

Learn about current availabilities for your growing business and recent transactions in Rancho San Clemente and Talega Business Parks.

### COMMUNITY NEWS

The Rancho San Clemente Business Park has upgraded to drought tolerant landscaping.

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

## 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 seeking to purchase your first leased investment property or add to your current 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](http://www.fitwel.com)

*FitWel*   
CUSTOM CLOTHES

# San Clemente Availabilities



## FOR LEASE

**950 Amanecer #101**  
2,803 sf single story office suite,  
surrounded with glass windows, unit in  
a desired location.

Offered at: \$1.50/sf Gross



## FOR LEASE

**1391 Calle Avanzado**  
800 sf office suite, Reception, 3  
offices, and restroom.

Offered at: \$2.40/sf Gross +  
Janitorial



## FOR LEASE

**1225 Puerta Del Sol #400**  
830 sf office suite, Reception,  
1 Private office, 3 Cubicals,  
Kitchenette area.

Offered at: \$2.17/sf Gross +  
Electric & Janitorial



# FOR SALE

## 180 Avenida La Pata

24,568 sf Two Story investor or owner/ user office  
Building, located in Rancho San Clemente Business  
Park

Offered at: \$7,500,000



## Recent Transactions in San Clemente By Johnston Pacific



## LEASED

**940 CALLE AMANECER  
UNIT D&E**  
3,540 sf Industrial Units  
Asking Rate: \$1.75/sf Net  
Leased September 2022



## LEASED

**1046 RECODO UNIT D**  
2,946 sf Industrial Condo  
Asking Rate: \$1.65/sf Gross  
Leased June 2022



## SOLD

**187 LA PATA**  
7,144 sf Industrial Building  
Asking Price: \$2,750,440  
Sold September 2022



## SOLD

**1009 CALLE SOMBRA**  
4,441 sf Industrial Condo  
Asking Price: \$1,811,928  
Sold August 2022



# Community News

## Drought Tolerant Landscaping Installed in the Business Park

Essex Realty Management and the Board of Directors of Rancho San Clemente Business Park were busy this summer saving property owners in the business park thousands of dollars. From May through July, Essex retained the services of Bemus Landscape to replace approximately 57,000 square feet of turf with drought tolerant plants and hardscape features. These improvements are predominately seen along Avenida La Pata and all primary and secondary entrances to the Rancho San Clemente Business Park.

The approximate cost of these improvements would have been \$150,000. However, Bemus Landscape was able to apply and receive rebates through the City of San Clemente bringing the property owners cost to \$0. This cost savings and recent beautification upgrades to the business park will create lasting value for years to come. Way to go Essex for putting this all together!



## About Us

Johnston Pacific Commercial Real Estate, Inc. was established in 1991 as San Clemente'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 San Clemente and 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!