

411 E. 17th Street, Costa Mesa, CA

CONFIDENTIAL OFFERING MEMORANDUM



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**Newmark
Knight Frank**



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THIS IS A CONFIDENTIAL MEMORANDUM intended solely for your own limited use in considering whether to pursue negotiations to purchase 411 E. 17th Street, Costa Mesa, CA (the "Property"). The Owner has retained Newmark Grubb Knight Frank ("NGKF") as the exclusive sales broker to sell the Property. No other agent or broker is authorized to offer the Property unless and until that agent or broker has executed a written agreement with NGKF and that agreement has been executed by their interested purchaser.

This confidential memorandum contains brief, selected information pertaining to the business and affairs of the Property and has been prepared by NGKF. Although this confidential memorandum has been reviewed by representatives of the Owner, it does not purport to be all-inclusive or to contain all of the information which a prospective purchaser may desire. Neither the Owner nor NGKF, nor any of their partners, officers, employees or agents have independently verified the information contained herein and they are not responsible for any errors or inaccuracies in the information. No representation or warranty, express or implied, is made as to the accuracy or completeness of this confidential memorandum or any of its contents, or any other written or oral communication transmitted to a prospective purchaser in the course of its evaluation of the proposed sale of the Property. There is no representation as to the environmental condition of the Property.

You agree that the memorandum and its contents are confidential, that you will hold and treat it in confidence and that you will not disclose this memorandum or its contents to any other firm or entity without prior written authorization. Photocopying or other duplication is prohibited. You will use this confidential memorandum only for the purpose of evaluating the possible acquisition of the Property. All prospective purchasers agree that they will conduct their own independent investigation of those matters which they deem appropriate in order to evaluate this offering.

Owner and Newmark expressly reserve the right at their sole discretion to reject any or all proposals, offers, or expressions of interest in the Property and to terminate discussions with any party at any time with or without notice.

This confidential memorandum shall not be deemed a representation of the state of affairs of the Property or imply that there has been no change in the business or affairs of the Property since the date of preparation of this memorandum. The Property is submitted for sale subject to the right to make changes in any of the terms without notice.

EXECUTIVE SUMMARY



THE PROPERTY

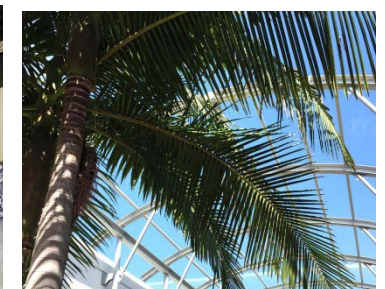
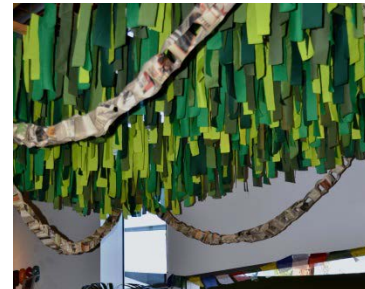
PRICE:	\$5,000,000
SIZE:	6,420
SITE SIZE:	16,522
NOI:	\$201,000
CAP RATE:	4.02%
PRICE/SF:	\$778
TYPE:	Freestanding Retail Building
APN:	425-143-38
PARKING:	23 Spaces

- 411 E. 17th Street is a 6,420 square foot retail building on 16,552 square feet of land in Costa Mesa, CA.
- The Property is well located in a “high demand” retail area that is experiencing a retail renaissance.
- There are few retail lease opportunities. Local market retail vacancy rate is only 1.7%
- The Property is tenanted by the highly successful and internationally renowned Art of Jiu Jitsu Academy – www.artofjiujitsu.com.
- The Property is leased on a fully NNN basis, with the Landlord having no additional financial responsibilities.
- Lease term has 5 years remaining from March 2017. Rental escalates annually by 3%.

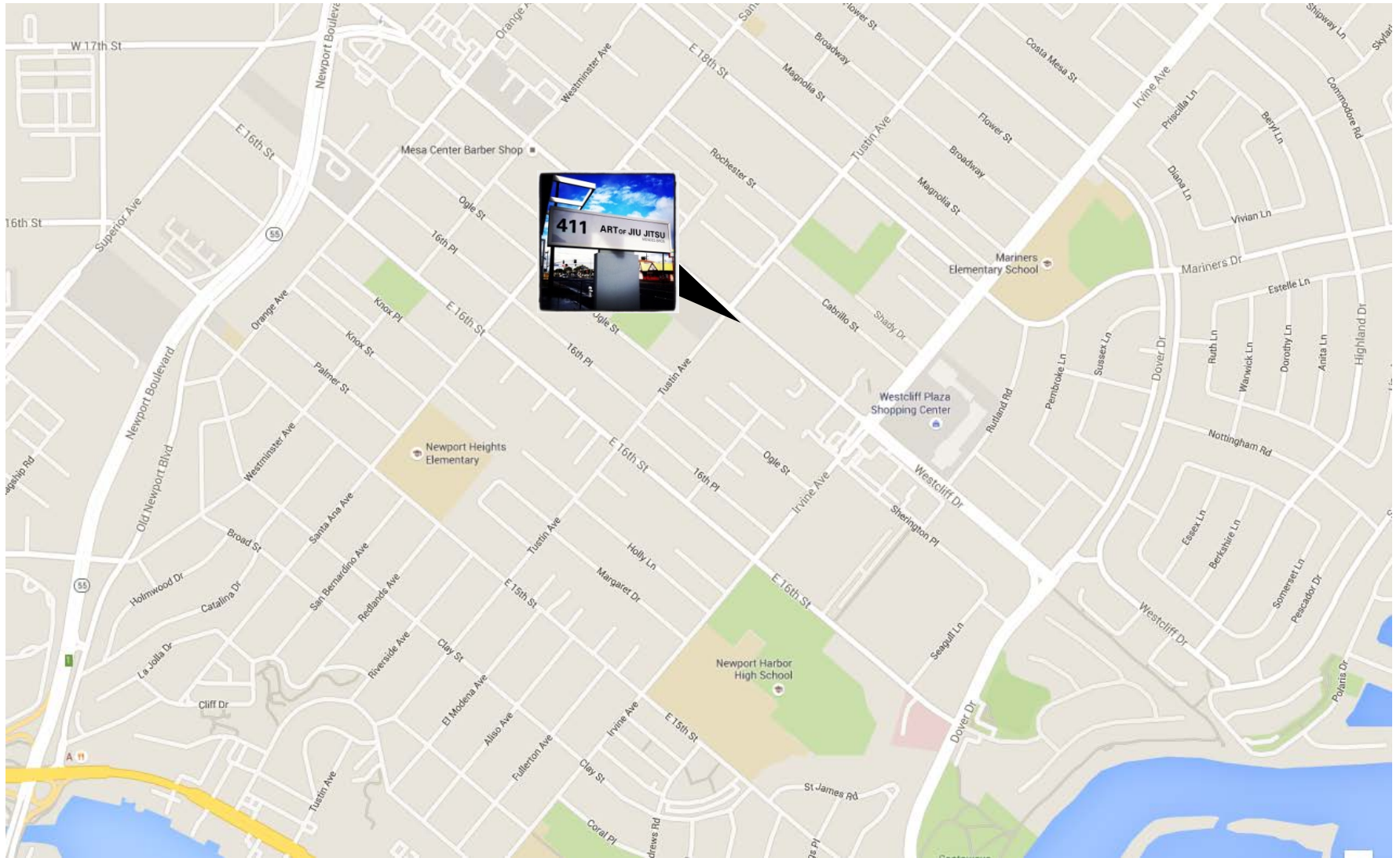
AREA PHOTOS

COSTA MESA

The City of Costa Mesa is one mile from the Pacific Coast in the heart of Orange County and is one of California's most eclectic and vibrant cities. The city is home to South Coast Plaza, one of the nation's largest shopping centers, Segerstrom Center for the Arts, and South Coast Repertory Theater. Costa Mesa is also the capitol of the action sports industry and the headquarters for companies such as Hurley International, Volcom, RVCA and Paul Frank Industries. The city's diverse dining scene has earned Costa Mesa the award from R and/McNally and USA Today as being the best small town for restaurants west of the Mississippi River. Costa Mesa's creative bent has given rise to The Lab and The Camp, two counter-culture retail developments, and the SoCo Collection, a cutting edge, environmentally friendly shopping center.

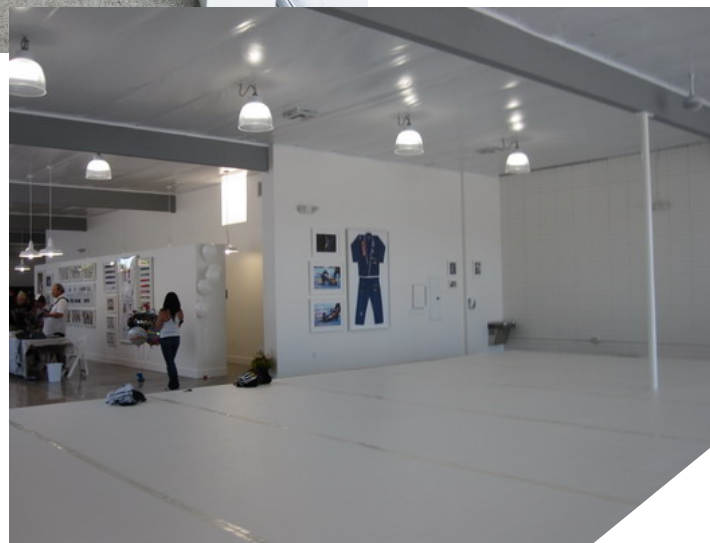
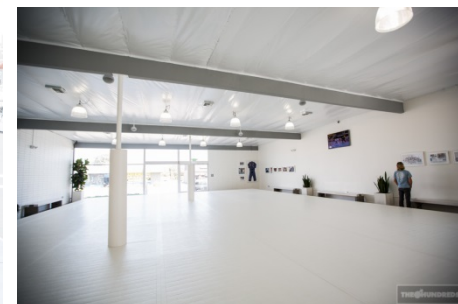


LOCATION MAP

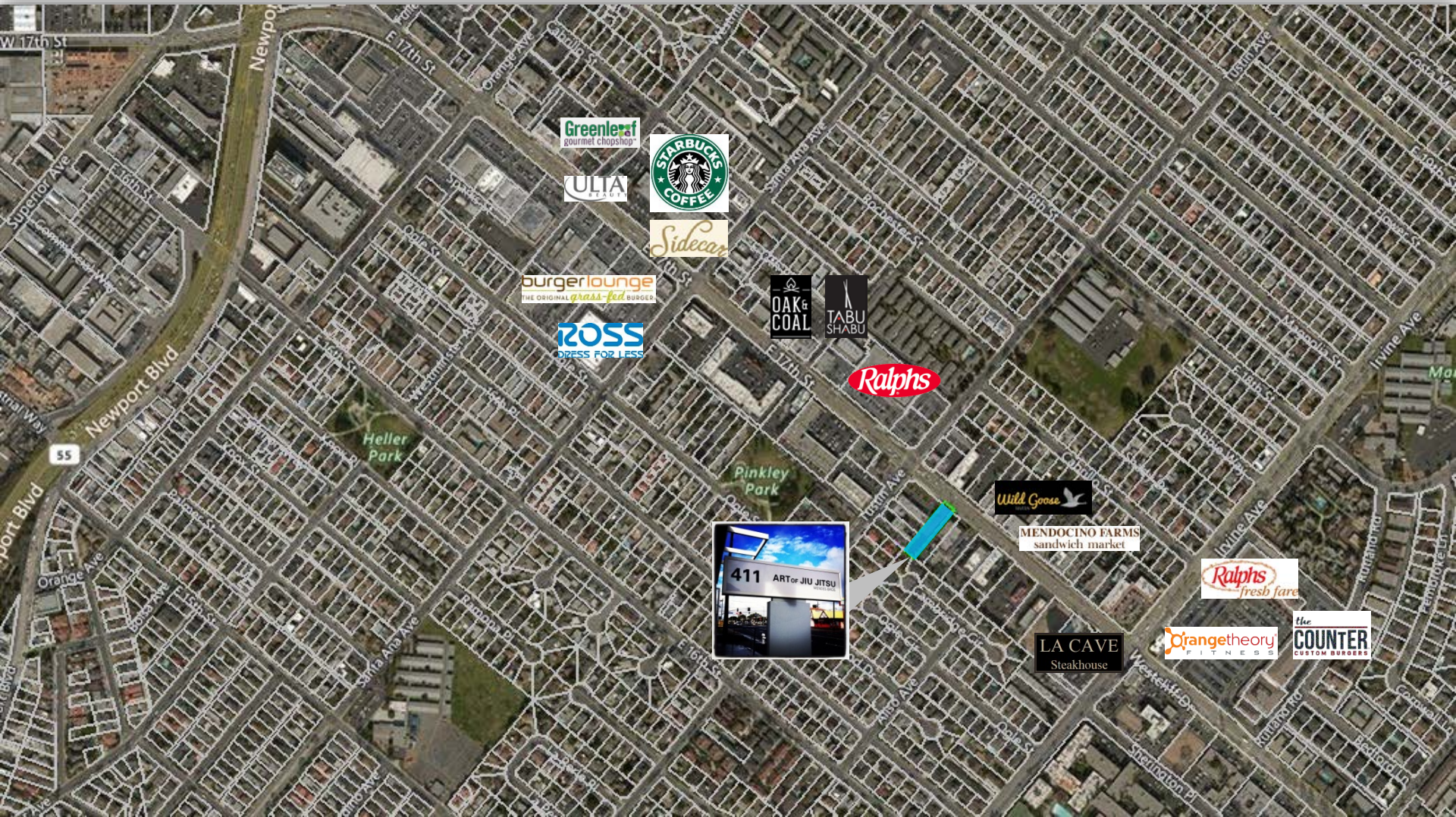








AERIAL/PARCEL MAP



Property Detail Report

For Property Located At :
411 E 17TH ST, COSTA MESA, CA 92627-3267



Owner Information			
Owner Name:	JSC LEGACY LLC		
Mailing Address:	2300 DUPONT DR #312, IRVINE CA 92612-8578 C041		
Vesting Codes:	// CO		
Location Information			
Legal Description:	NEWPORT HEIGHTS LOT 87 SELY 57.21 FT NWLY 257.21 FT -EX HWY & ALLEY- TR 516		
County:	ORANGE, CA	APN:	425-143-38
Census Tract / Block:	633.02 / 4	Alternate APN:	
Township-Range-Sect:		Subdivision:	NEWPORT HEIGHTS
Legal Book/Page:		Map Reference:	31-D3 /
Legal Lot:	87	Tract #:	516
Legal Block:		School District:	NEWPORT MESA
Market Area:	C5	School District Name:	
Neighbor Code:		Munic/Township:	
Owner Transfer Information			
Recording/Sale Date:	01/28/2016 / 01/19/2016	Deed Type:	QUIT CLAIM DEED
Sale Price:		1st Mtg Document #:	
Document #:	38467		
Last Market Sale Information			
Recording/Sale Date:	10/19/1976 /	1st Mtg Amount/Type:	/
Sale Price:	\$275,000	1st Mtg Int. Rate/Type:	/
Sale Type:	FULL	1st Mtg Document #:	
Document #:	1203600198	2nd Mtg Amount/Type:	/
Deed Type:	DEED (REG)	2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	\$43.44
New Construction:		Multi/Split Sale:	
Title Company:			
Lender:			
Seller Name:			
Prior Sale Information			
Prior Rec/Sale Date:	/	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:		Prior 1st Mtg Rate/Type:	/
Prior Deed Type:			
Property Characteristics			
Year Built / Eff:	1963 /	Total Rooms/Offices	
Gross Area:	6,330	Total Restrooms:	
Building Area:	6,330	Roof Type:	
Tot Adj Area:		Roof Material:	
Above Grade:		Construction:	
# of Stories:	1.00	Foundation:	
Other Improvements:		Exterior wall:	
		Basement Area:	
		Garage Area:	
		Garage Capacity:	
		Parking Spaces:	
		Heat Type:	
		Air Cond:	
		Pool:	
		Quality:	
		Condition:	
Site Information			
Zoning:		Acres:	0.38
Lot Area:	16,553	Lot Width/Depth:	x
Land Use:	COMMERCIAL BUILDING	Commercial Units:	
Site Influence:		Sewer Type:	
		County Use:	COMMERCIAL (3)
		State Use:	
		Water Type:	
		Building Class:	C
Tax Information			
Total Value:	\$639,758	Assessed Year:	2016
Land Value:	\$171,213	Improved %:	73%
Improvement Value:	\$468,545	Tax Year:	2016
Total Taxable Value:	\$639,758	Property Tax:	\$7,468.80
		Tax Area:	15007
		Tax Exemption:	

DEMOGRAPHICS



2016 SUMMARY	1 MILE	2 MILES	3 MILES
Population	23,141	140,420	288,171
Households	9,837	56,624	112,740
Families	5,203	30,293	63,808
Average Household Size	2.31	2.42	2.48
Owner Occupied Housing Units	4,188	23,703	53,516
Renter Occupied Housing Units	5,649	32,921	59,225
Median Age	37.7	37.8	37.1
Median Household Income	\$88,106	\$78,943	\$80,845
Average Household Income	\$129,497	\$120,925	\$119,874
Daytime Employees	19,406	97,854	271,289



LifeMode Group: Uptown Individuals

Trendsetters — Ranked #1



Households: 1,264,000

Average Household Size: 2.10

Median Age: 35.5

Median Household Income: \$51,000

WHO ARE WE?

Armed with the motto “you’re only young once,” *Trendsetters* residents live life to its full potential. These educated young singles aren’t ready to settle down; they do not own homes or vehicles and choose to spend their disposable income on upscale city living and entertainment. Dressed head to toe in the most current fashions, their weeknights and weekends are filled discovering local art and culture, dining out, or exploring new hobbies. Their vacations are often spontaneous, packed with new experiences and chronicled on their Facebook pages.

OUR NEIGHBORHOOD

- *Trendsetters* residents are singles living alone or with roommates or partners.
- Approximately 75% rent in upscale, multiunit structures.
- High-rent cities like New York; San Francisco; Chicago; and Washington, DC are popular among renters willing to pay well above US average rent.
- Commuting can take up to an hour; public transportation, walking, and biking are popular; many own no vehicle.

SOCIOECONOMIC TRAITS

- These residents are young and well educated; almost half have a bachelor’s degree or more.
- Well paid, with little financial responsibility, these consumers are spenders rather than savers. They seek financial advice and are already building their stock portfolios.
- Image is important to these consumers. They use the Internet to keep up with the latest styles and trends and shop around for good deals.
- *Trendsetters* residents travel often, exploring new destinations and experiences.
- Socially and environmentally conscious, they are willing to pay more for products that support their causes.
- Up-to-date on technology, they explore and exploit all the features of their smartphones.
- They are attentive to good health and nutrition.



LifeMode Group: Upscale Avenues

Urban Chic — Ranked #2



Households: 1,574,000

Average Household Size: 2.37

Median Age: 42.6

Median Household Income: \$98,000

WHO ARE WE?

Urban Chic residents are professionals that live a sophisticated, exclusive lifestyle. Half of all households are occupied by married-couple families and about 30% are singles. These are busy, well-connected, and well-educated consumers—avid readers and moviegoers, environmentally active, and financially stable. This market is a bit older, with a median age of almost 43 years, and growing slowly, but steadily.

OUR NEIGHBORHOOD

- More than half of *Urban Chic* households include married couples; 30% are singles.
- Average household size is slightly lower at 2.37.
- Homes range from prewar to recent construction, high-rise to single family. Over 60% of householders live in single-family homes; more than one in four live in multiunit structures.
- Two-thirds of homes are owner occupied.
- Major concentrations of these neighborhoods are found in the suburban periphery of large metropolitan areas on the California coast and along the East Coast.
- Most households have two vehicles available. Commuting time is slightly longer, but commuting by bicycle is common.

SOCIOECONOMIC TRAITS

- Well educated, more than 60% of residents hold a bachelor's degree or higher.
- Unemployment rate is well below average at 5%; labor force participation is higher at 69%.
- Residents are employed in white collar occupations—in managerial, technical, and legal positions.
- Over 40% of households receive income from investments.
- Environmentally aware, residents actively recycle and maintain a “green” lifestyle.
- These busy, tech-savvy residents use PCs extensively for an array of activities such as shopping, banking, and staying current—a top market for Apple computers.



LifeMode Group: Affluent Estates

Top Tier — Ranked #3



Households: 2,052,000

Average Household Size: 2.82

Median Age: 46.2

Median Household Income: \$157,000

WHO ARE WE?

The residents of the wealthiest Tapestry market, *Top Tier*, earn more than three times the US household income. They have the purchasing power to indulge any choice, but what do their hearts' desire? Aside from the obvious expense for the upkeep of their lavish homes, consumers select upscale salons, spas, and fitness centers for their personal well-being and shop at high-end retailers for their personal effects. Whether short or long, domestic or foreign, their frequent vacations spare no expense. Residents fill their weekends and evenings with opera, classical music concerts, charity dinners, and shopping. These highly educated professionals have reached their corporate career goals. With an accumulated average net worth of over 1.5 million dollars and income from a strong investment portfolio, many of these older residents have moved into consulting roles or operate their own businesses.

OUR NEIGHBORHOOD

- Married couples without children or married couples with older children dominate this market.
- Housing units are owner occupied with the highest home values—and above average use of mortgages.
- Neighborhoods are older and located in the suburban periphery of the largest metropolitan areas, especially along the coasts.

SOCIOECONOMIC TRAITS

- *Top Tier* is a highly educated, successful consumer market: more than one in three residents has a postgraduate degree.
- Annually, they earn more than three times the US median household income, primarily from wages and salary, but also self-employment income and investments.
- These are the nation's wealthiest consumers. They hire financial advisers to manage their diverse investment portfolios but stay abreast of current financial trends and products.
- Socially responsible consumers who aim for a balanced lifestyle, they are goal oriented and hardworking but make time for their kids or grandkids and maintain a close-knit group of friends.
- These busy consumers seek variety in life. They take an interest in the fine arts; read to expand their knowledge; and consider the Internet, radio, and newspapers as key media sources.
- They regularly cook their meals at home, attentive to good nutrition and fresh organic foods.

COSTA MESA RETAIL RENTAL RATES

The Costa Mesa retail marketplace has a current inventory of 8.5 million square feet with a vacancy factor of 1.7%. Retail rents overall have increased about 10% over the last 24 months but rents along 17th street are at an all-time high. Costa Mesa, specifically “Eastside” Costa Mesa (principally 17th S street) has evolved into the “place to be” for new, innovative and relevant retail uses. Spurred by the Gen X and Millennial populations, “Eastside” Costa Mesa has taken on the mantle as the “hip capital” of Orange County and **retail rents have skyrocketed!**



COMPARABLE SALE TRANSACTIONS



2700 HARBOR BLVD., COSTA MESA

Size: 8,118 SF
 Sale Price: \$5,037,000
 \$/SF: \$620.47
 Units: 1
 Sale Date: 10/22/14
 Months on Market: 3



2700 E. COAST HWY., CORONA DEL MAR

Size: 8,500 SF
 Sale Price: \$5,000,000
 \$/SF: \$588.24
 Units: 6
 Sale Date: May 2012
 Months on Market: 3



3224-3250 E. COAST HWY., CORONA DEL MAR

Size: 7,217 SF
 Sale Price: \$7,000,000
 \$/SF: \$969.93
 Units: 1
 Sale Date: March 2014
 Days on Market: 2



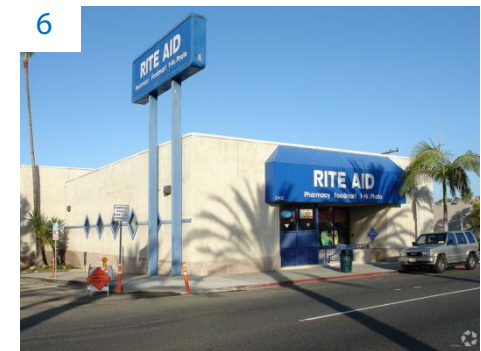
3800&3810 E. COAST HWY., CORONA DEL MAR

Size: 11,526 SF
 Sale Price: \$8,364,750
 \$/SF: \$692.95
 Units: 1
 Sale Date: September 2015
 Days on Market: -



2711 E. COAST HWY., CORONA DEL MAR

Size: 13,678 SF
 Sale Price: \$8,500,000
 \$/SF: \$621
 Units: 12
 Sale Date: June 2016
 Days on Market: 6



3141 E. COAST HWY., NEWPORT BEACH

Size: 9,563 SF
 Sale Price: \$8,000,000
 \$/SF: \$836.56
 Units: 1
 Sale Date: January 2015
 Days on Market: 1

COMPARABLE LEASE TRANSACTIONS



1
3060 BRISTOL ST., COSTA MESA

Size: 5,700 SF
Price: \$4.00
Lease Type: NNN
Lease Date: 7/1/15
Months on Market: N/A



2
230 E. 17TH ST., COSTA MESA

Size: 3,186 SF
Price: \$3.25
Lease Type: NNN
Lease Date: 7/27/15
Months on Market: N/A



3
103 E. 17TH ST., COSTA MESA

Size: 3,477 SF
Price: \$4.25
Lease Type: NNN
Lease Date: Sept. 15
Months on Market: N/A



4
401 E. 17TH ST., COSTA MESA

Size: 4,202 SF
Price: \$4.00
Lease Type: NNN
Lease Date: 4/21/14
Months on Market: 4



5
1617 WESTCLIFF DR., NEWPORT BEACH

Size: 3,722 SF
Price: \$3.50
Lease Type: NNN
Lease Date: Asking
Months on Market: 2

TEAM RESUMES



IAN BROWN

Managing Director
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Years of Experience
35 years

Areas of Specialization

- Retail Services

Education

- California State University of Fullerton, BS in Business Administration - Marketing

Professional Background

Ian has 35 years of commercial real estate experience and is continually one of Newmark Grubb Knight Frank's (NGKF's) top producers nationally. He and his retail team are experts in all phases of the real estate cycle from "ground up" concept to development-leasing to investment-sales. He has "spearheaded" projects ranging from neighborhoods through community shopping centers to urban entertainment and hospitality districts.

Ian, with his team, represents retail tenants, with a specific focus on restaurants throughout Southern California and the United States. They have an in-depth real estate and landlord knowledge in all greater LA Basin markets to include Los Angeles, Orange, San Bernardino, Riverside, Ventura, and San Diego Counties.

Experience

1985 – Present: Newmark Grubb Knight Frank, Newport Beach
1980 – 1985: Cushman & Wakefield of CA

Significant Transactions

Client	Property	SF	Transaction Value	Lease/Sale
Mission Viejo Co.	Aliso Viejo Town Center	350,000	\$56,000,000	L/S
Koll Company	Rancho Santa Margarita	250,000	\$50,000,000	S
Katell Development	Chesterfield Square, Los Angeles	230,000	\$38,000,000	L
Stacked Restaurants LLC	Torrance, San Diego, Cerritos, Thousand Oaks, Huntington Beach	40,500	\$24,650,000	L
Santa Margarita Co.	Santa Margarita Town Center	130,000	\$22,500,000	L
Zan Marquis	French Valley Commons, Riverside	217,800	\$21,000,000	S
Masters Trust	3800 & 3810 E. Coast Hwy, CDM	11,526	\$8,324,000	S
Masters Trust	2700 E. Coast Hwy, CDM	7,986	\$5,000,000	S
Farrell's	Brea, Rancho Cucamonga	6,500	\$4,800,000	L
Wells Fargo Trust	26811 Aliso Creek, Aliso Viejo	4,269	\$3,800,000	S
Wells Fargo Trust	Manufacture Lane, Huntington Beach	10,360	\$1,520,000	S
Masters Trust	2711 E. Coast Hwy., CDM	13,670	\$8,500,000	S

Professional Recognitions/Affiliations

- International Council of Shopping Centers (ICSC)
- Irvine Company Broker of the Year
- NAIOP Member
- NGKF (Top Retail Producer)



VANESSA BROWN-POPE

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Years of Experience
17 years

Areas of Specialization

- Retail Services/Tenant Rep

Education

- California State University of Long Beach – Interpersonal & Organizational Communications

Professional Background

As a Retail Property Specialist with Newmark Grubb Knight Frank (NGKF), Vanessa Brown has exhibited productivity, experience and professionalism. She is qualified to handle and coordinate all phases of real estate activity: tenant representation, appraisal, lease analysis and landlord representation. Ms. Brown has direct experience with underserved markets and been involved with ground-up retail to investment sale, sit-down QSRs and tenant rep boutiques with target areas including Orange County, the Inland Empire and Los Angeles.

In 2002 Ms. Brown joined Ian Brown after serving as a summer intern for four years. Ms. Brown has established relationships with major owners and developers and actively participated on the following projects: Aliso Viejo Commons, Aliso Viejo Town Center, Bell Eagle at Chino Hills (mixed-use), Blvd6200 (Hollywood mixed-use), Casino San Clemente (mixed-use), Chesterfield Square, Chino Center, Harbor Promenade, Home Center Murrieta, Jamboree Promenade, Laguna Niguel Promenade, Imperial Promenade, Plaza de la Paz, San Jacinto Esplanade, The Pointe at Dana Point Town Center (mixed use), Triangle Square and Savi Ranch.

Experience

1995 – Present: Newmark Grubb Knight Frank, Newport Beach

Major Transactions Completed

Client	Property	SF	Transaction Value	Lease/Sale
Stacked Restaurants LLC	Torrance, San Diego, Thousand Oaks, Cerritos, Huntington Beach	27,500	\$14,650,000	L
Masters Trust	2700 E Coast Hwy, CDM	7,986	\$5,000,000	S
Clean Driven	11301 Firestone Blvd. Norwalk	58,000	\$4,455,360	L
Wells Fargo	26811 Aliso Creek, Aliso Viejo	4,269	\$3,800,000	
Mountain Mikes	General	12,500	\$3,750,000	L
Farrell's	Rancho Cucamonga, Brea	7,481 & 6,700	\$1,950,000 & \$2,450,000	S
Aliso Commons Corner, LLC	NWC of Aliso Viejo & 73 Fwy.	6,000	\$2,433,600	L
The Pint House	Orange	4,500	\$1,500,000	L

Professional Recognitions/Affiliations

- International Council of Shopping Centers (ICSC)
- "NextGen": Next Generation Member
- 2009 Power Broker Award, OC Market – CoStar Group
- Commercial Real Estate Women (CREW)

NEWMARK GRUBB KNIGHT FRANK'S GLOBAL REACH

- One of the world's leading real estate service firms
- Global revenues exceeding \$1.88 billion
- More than 370 offices in established and emerging property markets, with a global staff of more than 12,800
- Property and/or facility manager for approximately 508 million square feet
- Comprehensive real estate solutions through an extensive global platform of integrated services



COMPREHENSIVE SERVICES

TENANT REPRESENTATION SERVICES

- Strategic Planning
- Lease Acquisitions
- Lease Dispositions
- Program and Project Management

OWNER REPRESENTATION SERVICES

- Leasing Advisory Services
- Investment Sales and Capital Markets
- Property Management
- Project and Construction Management
- Valuation and Advisory

GLOBAL CORPORATE SERVICES

- Global Account Management
- Consulting Services
- Global Program Management
- Facilities Management
- Lease Administration



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