

FOR SALE  
Medical Office Building



**1346 Foothill Blvd**

La Cañada Flintridge, CA 91011

**Purchase Price:** \$6,000,000



**NAI Capital**  
Commercial Real Estate Services, Worldwide.

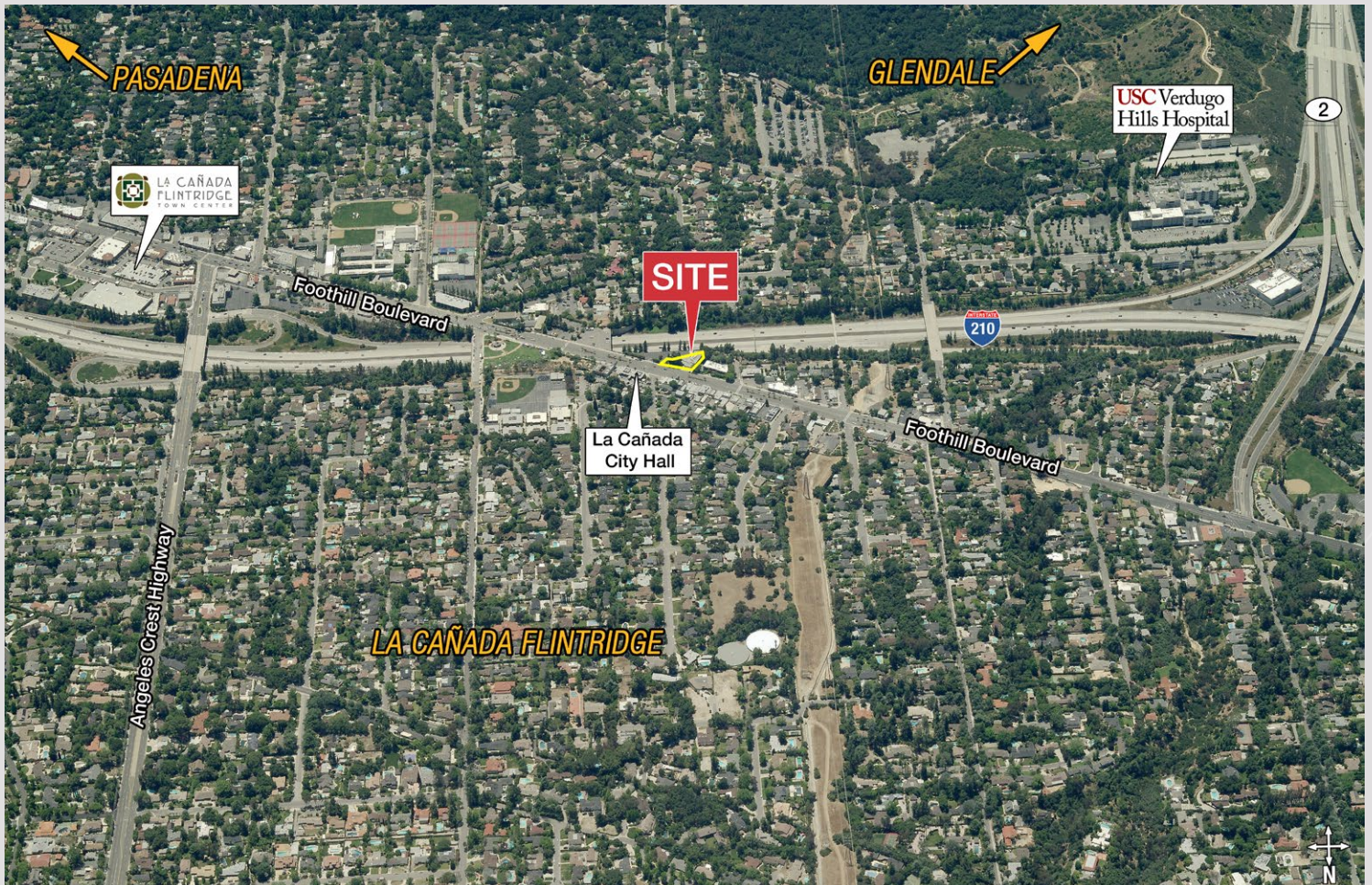
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## Executive Summary

Address	1346 Foothill Blvd La Cañada, CA 91011
Offering Price	\$6,000,000
Building Size	17,794 SF
Land Size	36,196 SF
Zoning	DVSP Downtown Village Specific Plan
Assessor Parcel Numbers	5813-014-32, 33 (Ground Leased) 5813-014-28 (Fee)
Parking	58 On-Site plus adjacent City managed lot
Ground Lease	30,651 SF is on a favorable ground lease at \$600 month with 50 years remaining
Cap Rate	6.1%

## Description

Descanso Medical Plaza (DMP) offers proven stability with many of its original tenants from 1964 still there. In 2010 the elevator was upgraded, parking lot repaved, exterior painted and landscaping redesigned. In 2013 mechanical upgrades were made to the HVAC system.

This unique offering of a rare medical investment in the Foothill community of La Cañada is fully leased to seasoned long-standing practitioners. Annual rental increases promise to provide stable cash flow for years to come in a very affluent submarket.

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## Investment Highlights

- Demonstrated Tenant Commitment: Many of the tenants have been in the building since 1964 and have made significant out-of-pocket financial investments in their suites.
- Growing Medical Market: Highly Affluent La Cañada-Flintridge location with close proximity to the new USC Verdugo Hills Hospital
- Excellent Access, Visibility and Parking: Good access to the 210 & 2 freeways between Glendale and Pasadena. There are 5 major hospitals within a 5 mile radius of Descanso Medical Plaza. Good on-site parking and additional parking from City lot for the medical staff.
- Exceptional Amenities: Foothill Blvd has multiple shops, restaurants, banks, including the Towne Center. City Hall and Memorial Park are in close proximity.

## Property Details

- Recent Mechanical Upgrades: In 2010 the elevator hydraulics, controls and cab were upgraded. During 2013 the HVAC system received variable speed controls, evaporator fan, cooling duct modifications and new fan shaft and bearings.
- Exterior Improvements: In 2010 the building was completely repainted and landscaping redesigned. In 2014 enhancements included resealed and restriped parking lot, trimmed trees, refinished exterior hallway paneling and resurfaced hallways and decks.
- Roof: In Fall 2014 roof work with a 5-year warranty was followed by application of an elastomeric coating with a 12-year warranty for durability and waterproofing



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## Price Summary

Summary		
Price:		\$6,000,000
Down Payment:	35%	\$2,100,000
Current Cap Rate:		6.4%
Cash on Cash Return:	6.1%	\$128,508
Year Built:		1965
Gross Building Area (GBA):		17,794
Price/Sq. Ft. (GBA):		\$337
Lot Size (Sq. Ft.):		36,196 SF

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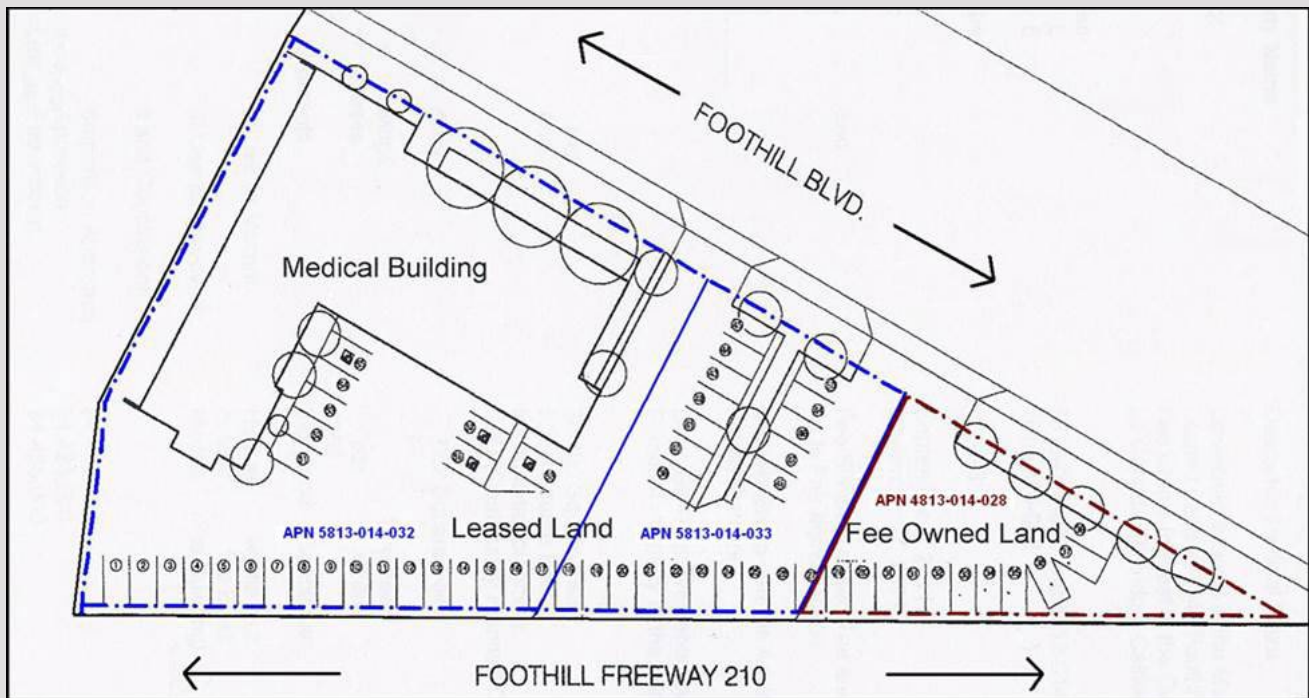
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## Income & Expense Summary

Annualized Operating Data			Operating Expenses		
INCOME		Current	EXPENSES		CURRENT
Tenant Rental:		\$621,780	Real Estate Taxes (Price)		\$76,800
Total Rental Income (GLA):		\$621,780	Insurance		\$4,800
Vacancy:		0	Utilities		\$64,500
Est. Gross Operating Inc. (EGI):		\$621,780	Trash		\$5,200
Total Expenses:		\$264,654	Landscaping		\$8,200
Tenant Recapture		\$8,000	Cleaning		\$36,300
Net Operating Inc. (NOI):		\$365,126			
First Trust Deed/Mortgage		\$236,618	Management Fee	3.0%	\$18,653
Pre-Tax Cash Flow	6.1%	\$128,508	Maintenance/Repair		\$20,000
Principal Reduction:		\$65,018	Reserves	1.0%	\$6,138
Cost Segregation of Building:		\$111,600	Service Contracts		\$13,000
Total Return:	14.5%	\$305,126	Grd lease & City		\$10,680
			TOTAL EXPENSES		\$264,654
			Total Expenses per St. Ft. (GLA):		\$14.88

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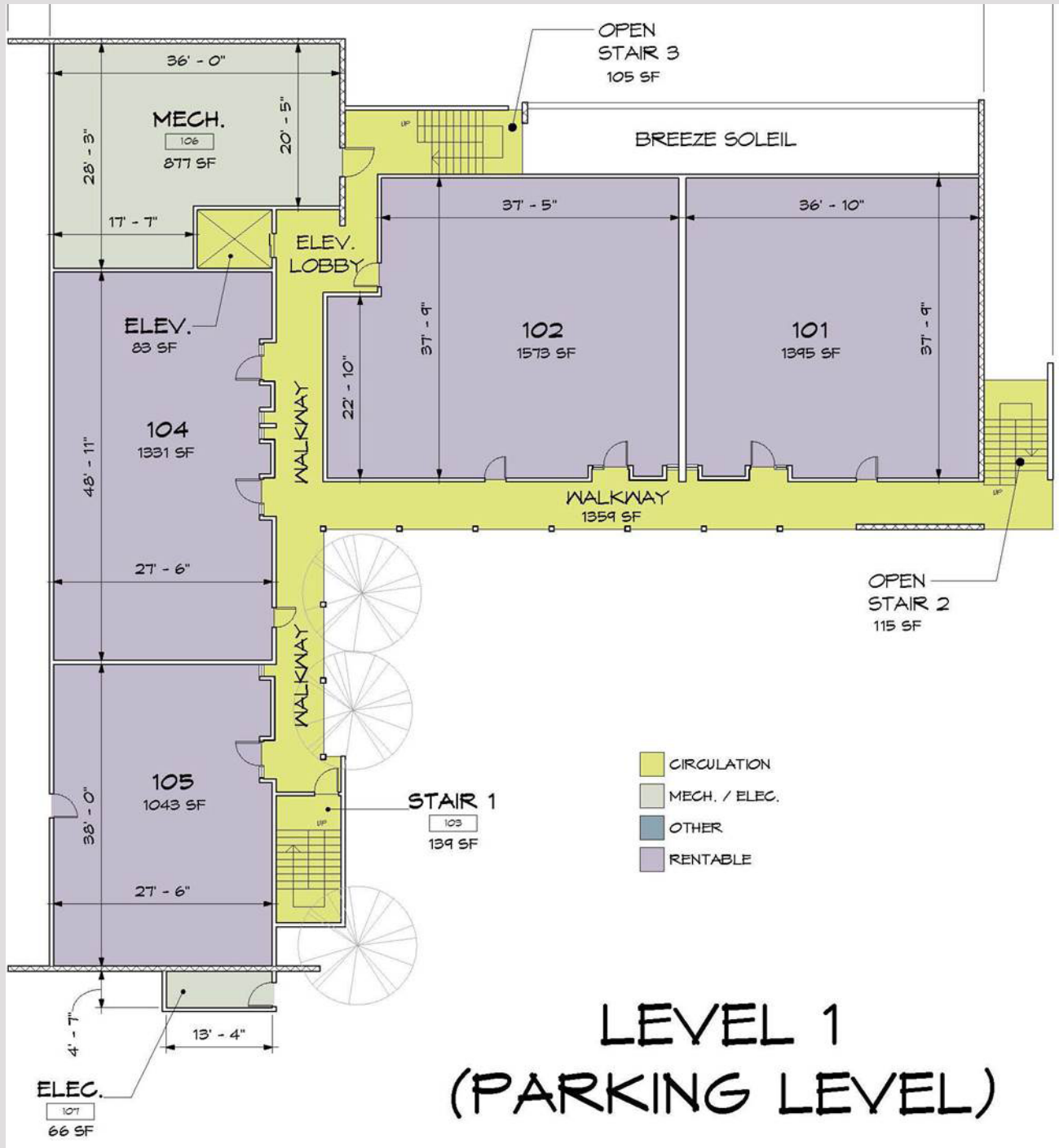


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## Floor Plans

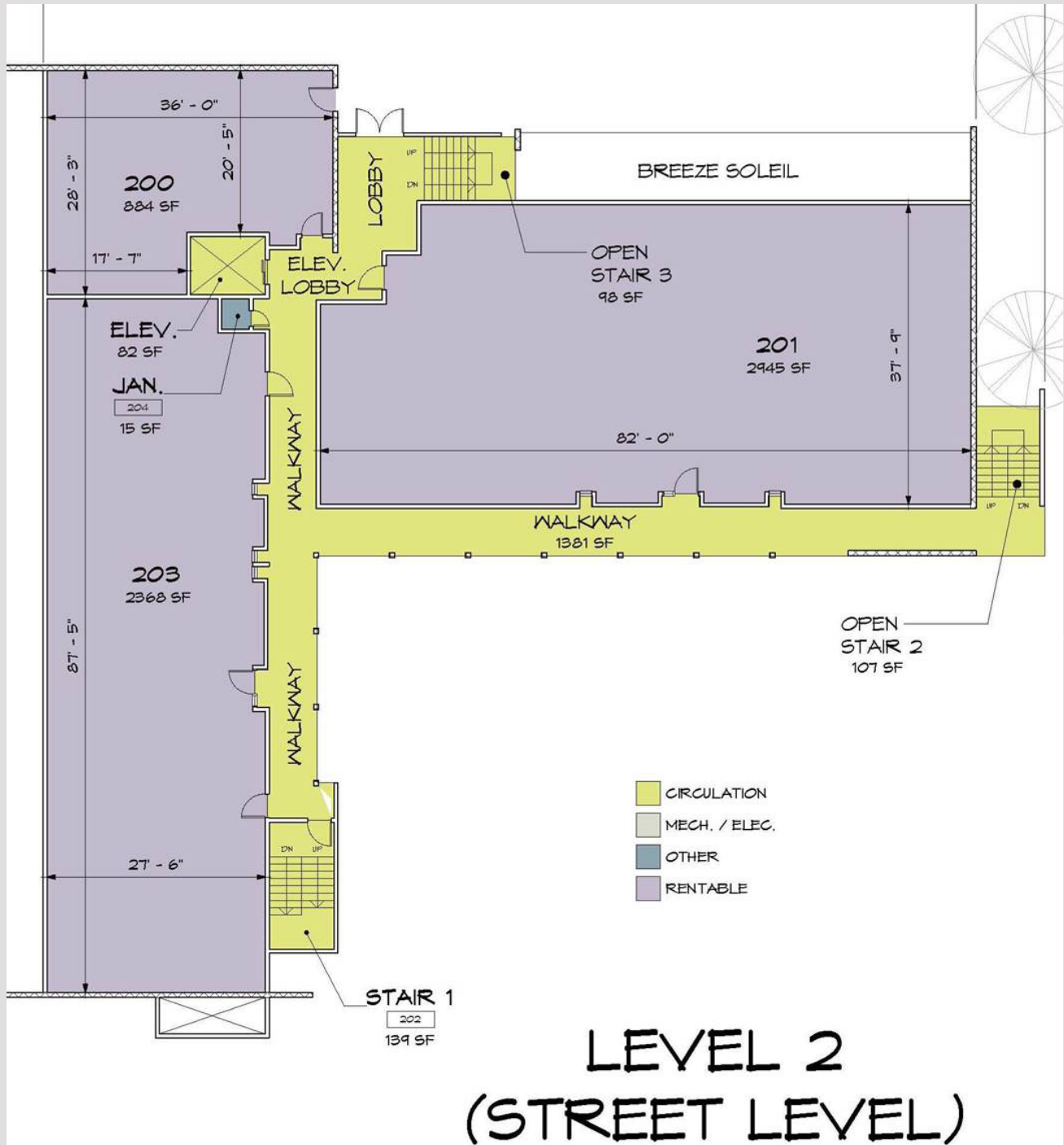




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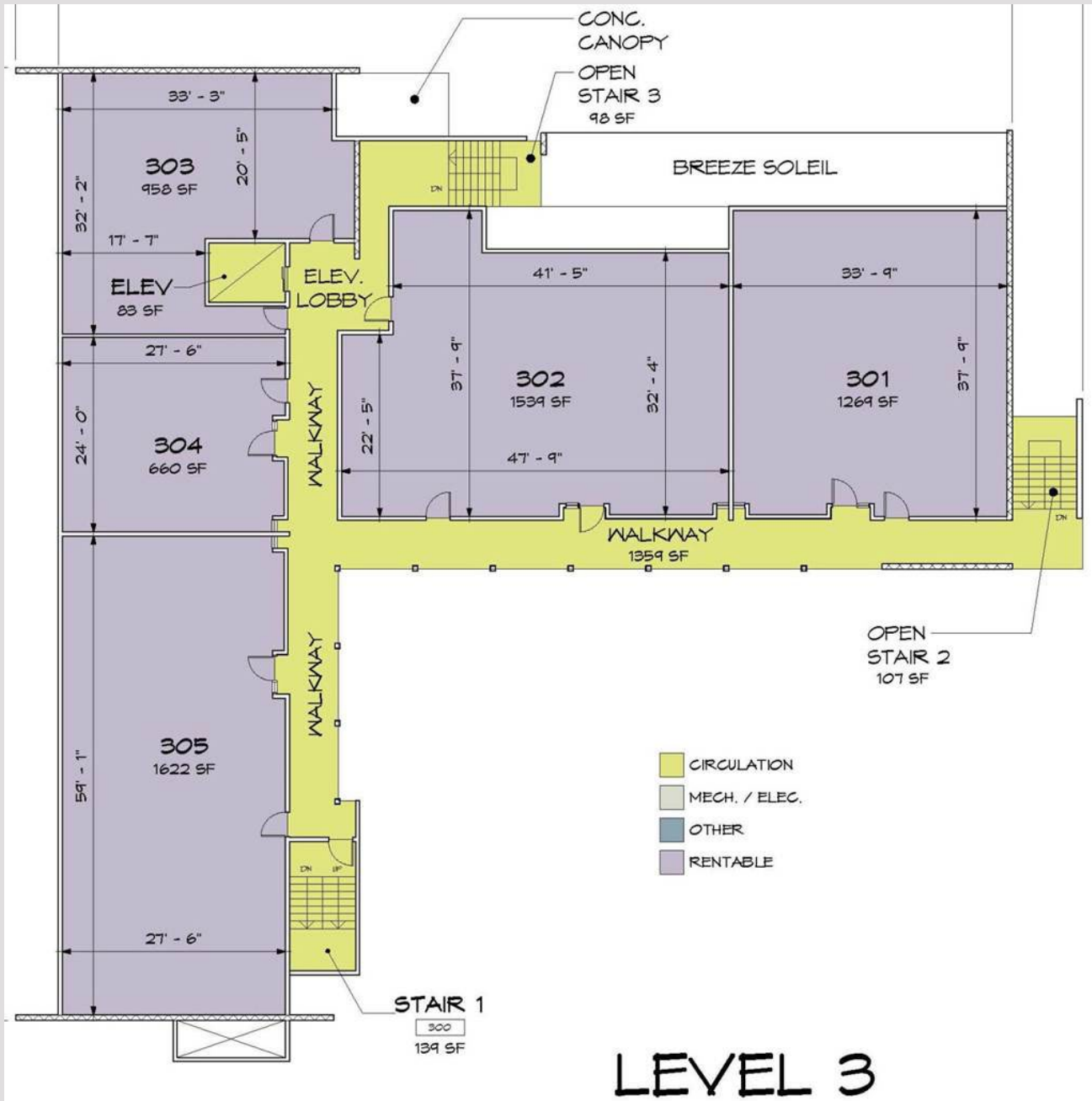
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## Floor Plans



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# Floor Plans



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## Photos





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## Neighborhood

Connoisseurs

## Population

77,048

## Median Age

43.2

## Household Annual Income

\$119,575

## College Educated

52%

## Unemployment Rate

10%

## Household Size

2.8

## Home Owners

67%

## Connoisseurs Definition:

People who live in metro cities, do volunteer work, travel frequently by plane, listen to public and classical radio and have navigation systems in vehicles. Typically professional or management level of employment. Married couples living in single family homes with high income and who hold a bachelor degree.



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## Area Overview

La Cañada, which means “the glen between the hills”, lies 15 miles north of Los Angeles at the foot of the San Gabriel Mountains.

La Cañada-Flintridge is bordered by Pasadena to the east, Glendale to the south and the communities of Montrose and La Crescenta to the west. The San Gabriel Mountains form a natural boundary to the north. The altitude ranges from 1,200 feet on the southwest side of town, to 2,100 feet on the north side. The 210 and 2 Freeways afford those who live and work in La Cañada-Flintridge easy access to all points within the Los Angeles Basin.

La Cañada-Flintridge’s major businesses are: AT&T Mobility, Gelsons, HomeGoods, Jo Ann Fabrics, JPL, Petco, Pier 1 Imports, Ralphs, Rite Aid, Ross, Sport Chalet, Sprouts, TJ Maxx and Trader Joes.

La Cañada-Flintridge is an affluent small city with a 2010 Census population of 20,246. According to Forbes, in 2010 it ranked as the 143rd most expensive US city in which to live with a median home price of \$1,321,367.

La Cañada falls into the Pasadena/TriCities Market, which consists of approximately 26 million square feet of commercial space within 222 buildings. The market has a 15% vacancy rate with an average asking rent of \$2.66 per square foot.





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### Areas of Specialization

- Office Leasing
- Office Sales
- Investment

### Background and Experience

- 27 Year in office leasing and sales
- Closed over \$1.1 Billion in Commercial Real Estate transaction value
- Closure of over 900 lease transactions
- Expert in 1031 Exchange and multi-tenant investment properties

### Affiliations/Memberships

- Society of Industrial and Office Realtors (SIOR)
  - Director of the West Region
  - Immediate Past President of Los Angeles Chapter
- Co-manager of Pasadena office for NAI Capital
- Pasadena Tournament of Roses Associate
- Board Member for the Institute of Redesign of Learning
- Founder of Good Christian Men of Pasadena