LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

FOR SALE\LEASE

±19,757 SF OFFICE BUILDING

Prime Owner User Opportunity

2540 Foothill Blvd, La Crescenta, CA 91214

PROPERTY HIGHLIGHTS

- Two Story Office Building
- Numerous Divisibility Options
- Parking Ratio: 3.29/1,000 SF
- 65 Total Surface Parking Spaces (30 Covered Spaces)
- Monument Signage Available
- Foothill Blvd Frontage
- Pasadena Submarket
- Convenient I-210 FWY Access

SALE & LEASE HIGHLIGHTS

- **$6,850,000 Asking ($346.71 PSF)**
- ±1,000 - 14,650 SF Available for Lease
- Rental Rate PSF
    - o 1st Floor: $2.50 MG
    - o 2nd Floor: $2.35 MG

The Newton Service Team

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OWNER-USER FINANCING & TAX BENEFITS

Favorable financing terms and immediate tax relief work together here: the vacancy that limits a conventional buyer's options is exactly what an SBA-financed owner-user can use to their advantage.

SBA LOANS: A PATH TO OWNERSHIP

SBA 504 and 7(a) loans are government-backed programs built specifically to help business owners purchase the real estate they operate from, on terms conventional lenders can't match.

LOWER DOWN PAYMENT	BETTER INTEREST RATES	LONGER LOAN TERMS	MINIMAL PERSONAL GUARANTEES	FLEXIBLE ON CASH FLOW
Typically 10-20% down vs. 25-30% conventional	Often 1-2% below standard commercial loans	Up to 25 years, lowering monthly payments	Protects personal assets when the business is strong	Underwritten on the owner's business, not just current occupancy

A qualifying business could close with as little as 10-15% down and begin operating from the building immediately, even with the vacancy in place.

COST SEGREGATION & ACCELERATED DEPRECIATION

Cost segregation is a formal engineering study that reclassifies parts of a building: the roof, HVAC, parking lot, interior finishes, onto much shorter depreciation schedules.

- **Bigger Deductions Upfront** - Can generate $400K-$600K in year-one deductions
- **Lower Taxable Income** - Meaningful federal & state tax savings in year one
- **Immediate Cash Back** -Reinvest savings into the business or the building
- **IRS-Accepted** – Well-documented, routinely defended in audits
- **Recapture Applies at Sale** – Benefit today, deferred tax liability later

A purchase at this price point is a strong candidate for a cost segregation study, with the tax benefit realized the same year escrow closes.

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MODELING EXERCISE ONLY - All figures are for illustrative and demonstration purposes only and do not constitute financial, tax, legal, or investment advice.Projections are estimates based on assumed inputs and may not reflect actual market conditions. Please consult a licensed CPA, SBA lender, attorney, and financial advisor before making any decisions.

ASSUMPTIONS USED IN THIS MODEL: Buyer occupies 51% of building (±10,076 SF), leases remaining 49% (±9,681 SF) | Rental income: occupied suites at in-place rents ($1.93/SF/mo blended), balance at $2.45/SF/mo MG asking | Rent escalation 3.5%/yr | Operating expenses $0.65/SF/mo ($7.76/SF/yr), per ownership's actual figures (+2.5%/yr) | Purchase price $6,850,000 | Down payment $685,000 (10%) | SBA 504 financing (40% CDC debenture @ 6.27% / 50% bank first @ 7.75%, 25-yr am, ~8.4% blended), rates as of September 2026 and subject to change | Appreciation 3%/yr | Tax bracket 40% | Depreciation: land assumed at 35% of price and not depreciable, actual allocation to be set by the cost segregation study and confirmed by buyer's CPA, $500,000 of basis reclassified to 5/7/15-yr property and fully expensed in Year 1 under 100% bonus depreciation, balance on 39-yr straight line.

LEASING OPTION

$24,686/mo

Year 1 cost to lease +10,076 SF at this building's asking rate.

Spaced Leased	±10,076 SF
Upfront cash needed	1-2 month deposit
Paid over 10 Years	$3,475,242

BUYING OPTION

$35,960/mo

Year 1 net ownership cost, after rental income from the leased 49%.

Down Payment (10%)	$685,000
Monthly SBA 504 Payment	$43,979
Equity + Appreciation (10 yrs)	$3,663,104

Extra monthly cash to own vs. lease, Year 1: $11,273 - the gap narrows every year as rent climbs and the loan payment holds steady, and owning costs less per month than leasing from Year 9 forward.

10-YEAR COMPARISON: LEASING HERE VS. OWNING THE BUILDING

Yr	LEASE COST/MO*	OWN NET COST/MO**	EXTRA CASH TO OWN	Tax Savings (Yr)	CUMULATIVE EQUITY	NET BUILDING COST	BUILDING VALUE
1	$24,686	$35,960	($11,273)	$240,538	$93,475	$6,515,987	$7,055,500
2	$25,550	$35,551	($10,001)	$40,538	$193,718	$6,375,205	$7,267,165
3	$26,444	$35,125	($8,681)	$40,538	$301,225	$6,227,160	$7,485,180
4	$27,370	$34,681	($7,311)	$40,538	$416,529	$6,071,318	$7,709,735
5	$28,328	$34,218	($5,890)	$40,538	$540,201	$5,907,107	$7,941,027
6	$29,319	$33,735	($4,416)	$40,538	$672,857	$5,733,912	$8,179,258
7	$30,346	$33,232	($2,886)	$40,538	$815,156	$5,551,074	$8,424,636
8	$31,408	$32,708	($1,300)	$40,538	$967,809	$5,357,884	$8,677,375
9	$32,507	$32,161	(+$346)	$40,538	$1,131,576	$5,153,578	$8,937,696
10	**$33,645**	**$31,592**	**($2,053)**	**$40,538**	**$1,307,277**	**$4,937,338**	**$9,205,827**

*Cost to lease ±10,076 SF at this building's own asking rate, escalating 3.5%/yr. **SBA 504 debt service + owner's share of operating expenses, less net rental income from the leased 49%; operating expenses exclude debt service. # Annual, not monthly, and shown separately rather than netted into Extra Cash to Own; Year 1 reflects cost segregation with 100% bonus depreciation, years 2-10 reflect 39-yr straight line on the remaining basis. § $6,850,000 price less cumulative principal paydown and cumulative tax savings; Cumulative Equity excludes the $685,000 down payment, which is equity at close.

$3.48M	$4.59M	$1.31M	$605K	$4.94M	$9.21M
10- Yr Lease Cost (Gone Forever)	10-Yr Ownership Net Cost	Equity Built (Principal Paydown)	Tax Savings, 10 Yrs (w/ Cost Seg)	Net Cost in Building Yr 10 (from $6.85M)	Building Value Year 10 (Est.)

THE TAX ANGLE: The Tax Savings column assumes a cost segregation study reclassifying $500,000 of basis into 5, 7 and 15-year property, fully expensed in Year 1 under the 100% bonus depreciation made permanent by the One Big Beautiful Bill Act. That yields an estimated $240,538 in Year 1 tax savings at a 40% bracket, roughly 35% of the down payment returned in year one, then $40,538 annually. Bonus depreciation accelerates deductions rather than creating them, and passive activity rules may limit a buyer's ability to apply them against operating income. Consult your CPA and a licensed cost segregation engineer.

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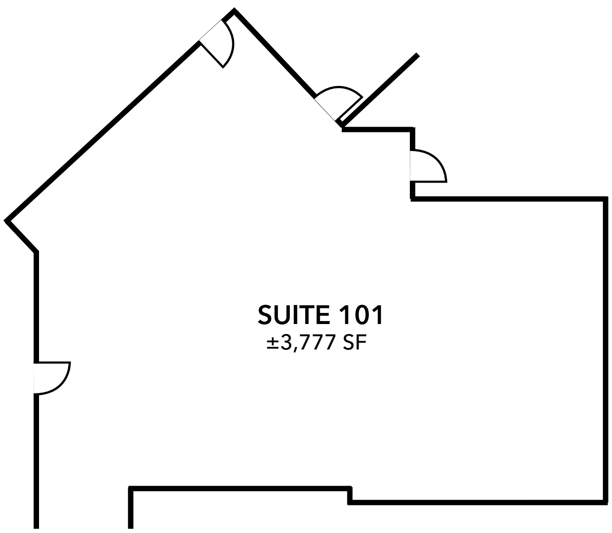
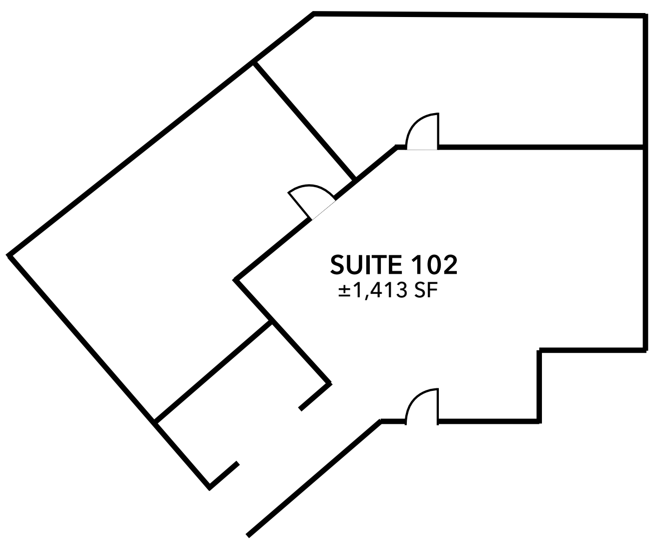
FIRST FLOOR AVAILABILITIES

SUITE	SF	Rate PSF	STATUS
Suite 101	±3,777 SF	$2.50 MG	Available
Suite 102	±1,413 SF	$2.50 MG	Available





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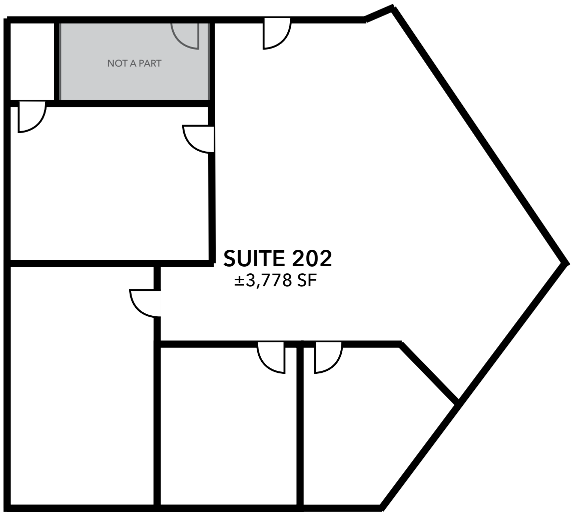
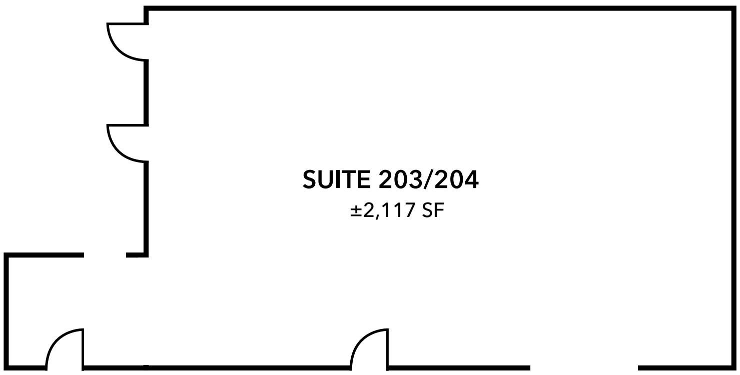
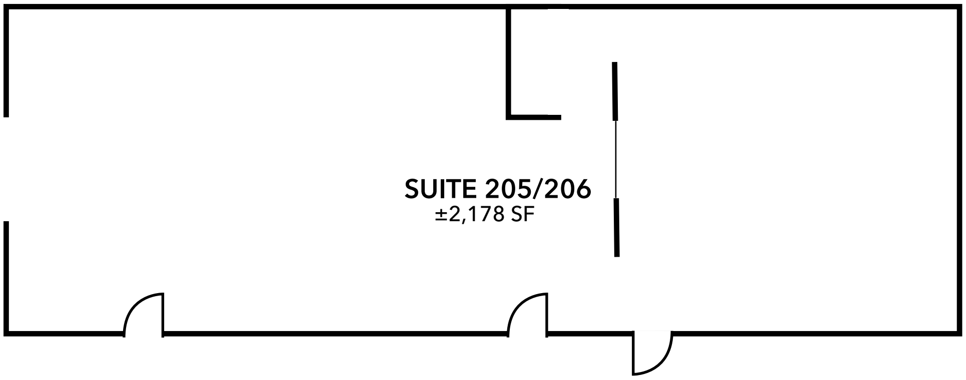
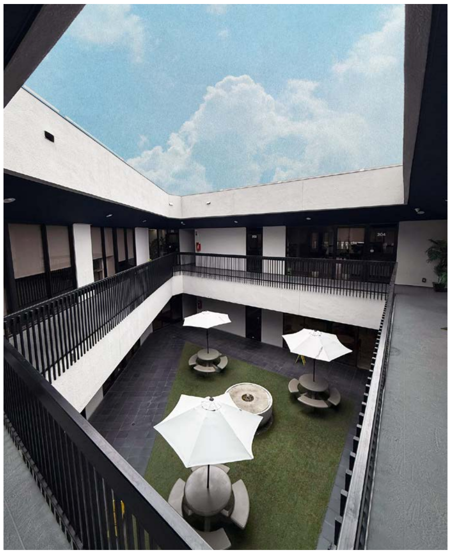
SECOND FLOOR AVAILABILITIES

SUITE	SF	Rate PSF	STATUS
Suite 202	±3,778 SF	$2.50 MG	Available
Suites 203 & 204	±2,117 SF	$2.50 MG	Available
Suites 205 & 206	±2,178 SF	$2.35 MG	Available









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