

ParkCenter 400 – Underwriting Assumptions

This document summarizes the underwriting input assumptions for ParkCenter 400 (400 N Tustin Ave, Santa Ana, CA), to be used by the development team in building the MVP underwriting platform.

1. Proposed Purchase Price

Target acquisition price: Approximately \$34M.

- Based on recent market comps in Orange County.
- Equivalent to ~\$272 per sq ft for ~125,000 rentable sq ft.

2. Debt Assumptions

Recommended financing structure:

- Loan-to-Value (LTV): 65%
- Loan Amount: ~\$22.1M
- Interest Rate: 6.25%
- Amortization: 25 years
- Term: 5 years (with extension options)

3. Desired Holding Period

Two scenarios should be modeled:

- 5-year hold (short-term value-add, stabilization)
- 10-year hold (core hold with long-term appreciation)

4. Assumed Exit Cap Rate

Market entry cap rate: ~6.25%.

Underwriting should assume a conservative exit cap rate of 7.0% (50–75 bps above entry cap).

5. Total Suite/Unit Count

The building consists of ~125,000 sq ft across four stories.

Current leasing shows 15–20 demised suites (depending on configuration).

Approximate suite count: ~20 total suites.

Modeled Outputs Enabled by These Inputs

- 5-year & 10-year IRR (levered and unlevered)
- DSCR and Cash-on-Cash return
- Break-even occupancy analysis
- Sensitivity tables (cap rate and loan term variations)