

# Newport & Valencia

VALENCIA AVE

NEWPORT AVE



EXCEPTIONAL ORANGE COUNTY LOCATION | ±11 ACRES  
PREMIER DEVELOPMENT OPPORTUNITY

Newport Ave & Valencia Ave, Tustin, CA 92780





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Newport  
& Valencia

# Executive Summary

# THE OFFERING

Jones Lang LaSalle Americas, Inc. (“JLL”), as the exclusive advisor, is pleased to present the opportunity to ground lease or acquire Newport & Valencia Ave (“Property” or “Site”), an exceptionally located development opportunity. The Property is currently vacant land with high visibility along the 55 Freeway in Tustin, California.

**ADDRESS**  
Newport Ave & Valencia Ave

**CITY, STATE**  
Tustin, CA 92780

**MARKET**  
Orange County

**SUBMARKET**  
Airport Area

**TOTAL ACREAGE**  
±11 Acres

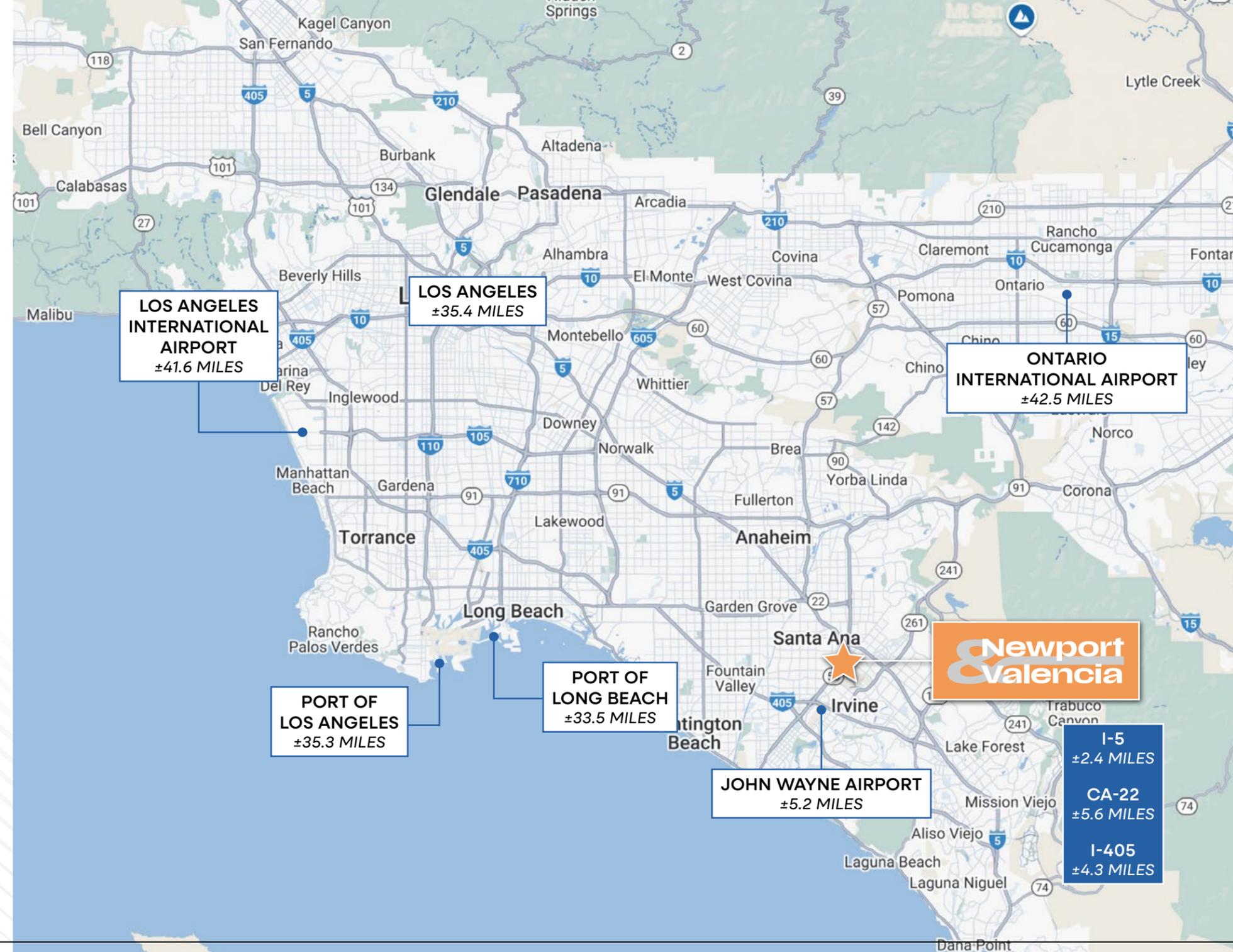
**TOTAL LAND SQUARE FEET**  
±479,160 SF

**CURRENT PROPERTY CONDITION**  
Raw Land

**CURRENT ZONING**  
Pacific Center East Specific Plan (SP11) - Office Center

**CURRENT AUTHORIZED USES**  
770,359 SF of Office Space | 85,595 SF of Commercial Space

**OWNER**  
City of Tustin



# HIGHLIGHTS



## Prime Location

The Property is located along the 55 Freeway, providing quick access to Orange County and exceptional visibility to 249,000 vehicles daily. It is one of the few undeveloped parcels of its size adjacent to this heavily trafficked freeway.



## Highly Amenitized

The Property is less than a 15-minute drive to multiple popular amenity hubs, including the famous Tustin Market Place and The District. Future employees or residents can benefit from an abundance of shopping, dining, and retail experiences.



## Zoning

The Property is currently zoned and entitled for office and retail uses, however, proposals for other uses that may require Specific Plan or General Plan amendments will be considered.

# OFFERING GUIDELINES

## Project Vision

The City of Tustin (“City”) seeks to ground lease or sell the Property to a qualified Developer with the capacity and ability to deliver a high-quality project that will differentiate itself within Tustin and Orange County. While current zoning permits office and retail uses, the City welcomes innovative proposals that align with their aspirations for a landmark development. Developers are encouraged to be creative with proposals, incorporating premier amenities, high-quality materials, and other distinguishing features.

The selected Developer will acquire development rights to the land in its current condition, assuming full responsibility for all entitlements (including potential Specific Plan amendments) and infrastructure improvements. This encompasses roadways, utilities, and public right-of-way landscaping.

## Developer Qualifications

The City of Tustin is seeking qualified Developers to realize the vision of the project. Developers must meet the requirements outlined below and will be verified by JLL.

- Proven success in executing and operating projects of comparable scale
- Robust financial capabilities and consistent on-time project delivery

## Submission Process

The City of Tustin and JLL will assess submitted proposals based on the criteria outlined in this offering memorandum. Following this evaluation, a recommendation may be made to the City Council for Developer selection. Upon selection, the City Council will enter into an Exclusive Negotiating Agreement (ENA) with the chosen Developer. This ENA will serve as the framework for negotiating the transaction details and entitlements.

## City Expectations

**Developer and City Expenses** – The City of Tustin will expect developers to provide a deposit at ENA execution that will be replenished throughout negotiations, closing through certificate of compliance (project completion). This deposit is separate and distinct from any entitlement or construction deposits. Developer will be responsible for all development costs and expenses, including but not limited to the cost of design preparation, entitlement, and City transaction expenses, inclusive of, but not limited to, City staff expenses and third-party City project consultants, including City legal counsel.

**Conveyance** – The Property will be conveyed or leased on an “as-is, where-is and with all faults” basis to Developer. Conveyance will occur subject to conditions within the DDA or Ground Lease, one of which will include approved permit-ready plans.

**Project Performance** – Developer will be selected for its ability to timely close and/or execute on the project. No speculation about land holding will be permitted. Project and schedule performance standards will be included within the Disposition and Development Agreement (DDA) or Ground Lease to ensure timely execution.



# OFFERING TIMELINE

I.

## Marketing Launch

JLL will market the property for an approximately 60-day period.

II.

## Questions Due

Following the marketing launch, questions will be due within 3-weeks.

Answers will be sent out to all Developers simultaneously.

±60 DAYS

III.

## Round One - Proposals Submitted

A call for offers date requesting Developers to submit a letter of intent and conceptual design proposal following the marketing period.

IV.

## Initial Review

JLL & The City of Tustin to review qualified proposals. JLL to notify qualified Developers to proceed to Round Two.

±14 DAYS

V.

## Round Two

Based on review of proposals, JLL may reach out to a specific group of qualified Developers and ask them to submit additional information and participate in interviews with the City. Developers are expected to submit an improved offer, including but not limited to the following:

- Offer price and detailed financial information
- Due diligence process & timeline
- Advanced design and architectural information

±30 DAYS

VI.

## Best & Final

Following Round Two, select Developers will be asked to submit a best & final offer. Developers are asked to further improve their offering position based on the expectations outlined in the Round Two offer section.



SCHOOLSFIRST CREDIT UNION RH2 HEADQUARTERS - ADJACENT TO PROPERTY



RESIDENCE INN TUSTIN - ADJACENT TO PROPERTY



FAIRFIELD INN & SUITES TUSTIN - ADJACENT TO PROPERTY

# SUBMITTAL REQUIREMENTS

## Round One - Letter of Intent & Conceptual Design Proposal

**Format** - Developers must submit proposals that adhere to the following format and organizational structure, as outlined below. Proposals should not exceed twenty (20) pages in total.

### 1. Investment Entity

- **Organizational Structure:** Detail the investment entity, its structural organization, and the role of the primary negotiator.
- **Affiliations:** Describe whether the investment entity has any associated subsidiary entities or related organizations.
- **Project Completion Guarantor:** Specify the entity responsible for guaranteeing project completion, including its financial strength and existing obligations.

### 2. Experience/Qualifications/References

- **Relevant Project History:** Showcase successful completion of comparable projects within California and Orange County, limit examples to three (3) projects completed in the last 5 years, clearly stating the Developer's role.
- **Key Personnel:** Outline the backgrounds of key project team members and their roles (Project Lead/staff, Consultant Team – Architect, General Contractor, Legal Counsel, etc.).
- **Prior Public Sector Land Transfer Experience:** Describe the Developer's/ legal team's experience in previous negotiations with government bodies regarding land conveyance.
- **Legal Matters:** Disclose any ongoing or past (within the last 10 years) legal actions involving a local, state, or federal agency, and explain.
- **Architectural and Design Expertise:** Provide details about the architectural and design team, along with examples of constructed or entitled projects.

### 3. Business Offer/Project Feasibility

- **Proposal:** Provide a summary of purchase price or Ground Lease terms. For purchase, include purchase price information on a single or multiple closings. For Ground Leases, include information such as initial term, extension options, right to purchase, right of first refusal/right of first offer, rent escalations, Fair Market Value resets, etc.
- **One Time and/or Ongoing Benefits:** Provide a summary of any profit participation proposals, or other one-time or ongoing benefits to the City from the proposed land use/transaction.
- **Additional Information:** Please include any other items that would be included in a standard letter of intent.

### 4. Project Financing/Financial Capacity

- **Capitalization Structure:** Project financing details, including specific sources of funds.
- **Equity Contribution:** Specify the equity component and its role within the project (passive vs. active; preferred vs. common equity; internal vs. external Developers).
- **Debt Financing:** If applicable, provide information regarding the lender and loan terms.

### 5. Narrative

- **Project Overview:** A comprehensive project description articulating the Developer's vision. The Developer is expected to deliver the project as represented in their proposal.

### 6. Conceptual Vision/Architecture

- **Preliminary Site Layout:** Illustrate building footprints, parking areas, open spaces, and amenities.
- **Design Inspiration:** A collection of images representing the design intent and suggested materials..

- **Parking Provisions:** Provide information on required parking, provided parking, parking dimensions, as well as any additional parking information based on land use (guest parking, accessible parking, public parking, etc.)

### 7. Developer Terms

- **Contingencies:** If any, please describe.

## Round Two – Refined Design & Business Plan (Qualified Developers Only)

Following Round One, qualified Developers will participate in the design and planning-focused Round Two with updated project financials reflecting a refined project design. Developers and their project team will have the opportunity through the interview process to ask questions and receive feedback on their project proposal. There will be an opportunity to adjust the proposal to reflect City feedback before final Developer selection.

### 1. Architecture

- **Detailed Site Plan**
- **Floor Plans**
- **Elevations/Renderings**
- **Circulation Diagram**
- **Unique Design Elements:** Depict distinctive aspects and spaces within the project.
- **Material Selection:** Specify proposed materials and finishes, including examples of similar applications in completed projects.
- **Landscaping Plan**
- **Amenity Layout**
- **Technical Project Summary:** Include project information, compliance with relevant standards, and any proposed deviations on the site plan.

### 2. Refined Business Plan

- **Updated Financial Model:** A financial model reflecting the proposed design, including a working quarterly cash flow projection from pre-development through completion, along with a static summary at build-out. (Submit a functioning Excel model with protected cells marked). Excel model should clearly state all underlying assumptions and provide a breakdown of land/lease costs, soft costs, hard costs and financing expenses in total and on a per-unit basis. Financial information should also include the metrics utilized in project underwriting (ROC, IRR, NPV, ROE, ROI, etc)
- **Funding Sources:** Identify all sources and applications of project funding.
- **Updated Pricing:** Please provide updated pricing that aligns with your refined Round Two proposed concept/proposal.
- **Project Timeline:** Outline key milestones from the start of pre-development through project completion.

## Best & Final – Final Proposal (Select Developers Only)

Following Round Two, select Developers will be asked to submit a Best & Final offer. Developers will be asked to improve their offering position based on the expectations outlined in the Round Two section.

# ZONING OVERVIEW

## Existing Zoning

Newport & Valencia Ave is currently zoned for commercial and office use per the Pacific Center East Specific Plan. The Property is under “Planning Area 10” and has been allocated to have approximately 770,000 SF of office space and 86,000 SF of commercial space.

## Proposed Uses

The City of Tustin has expressed that it will consider other uses that are proposed by potential Developers per the guidelines outlined in this OM. Example uses include, but not limited to:

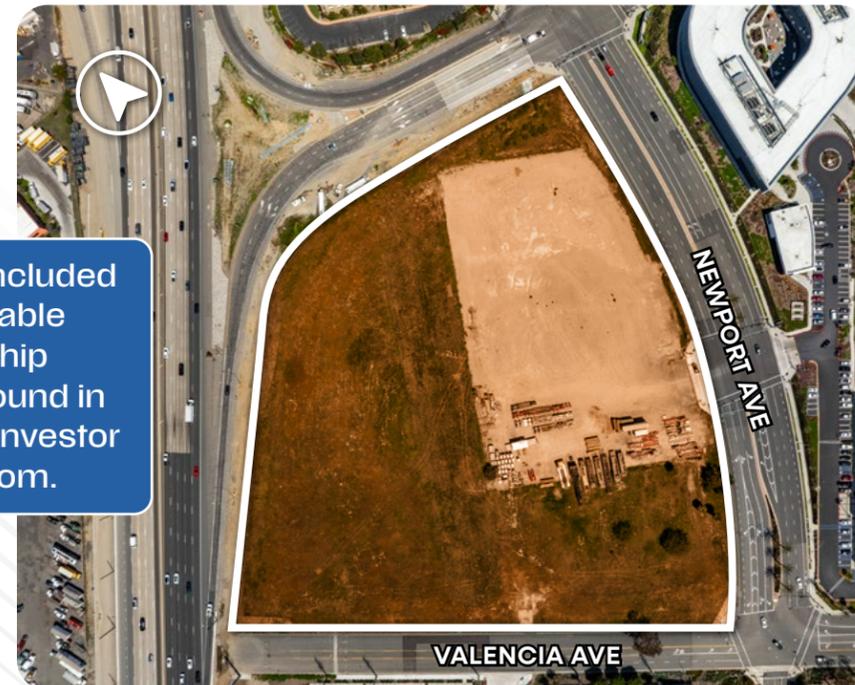
- Residential
- Industrial
- Hospitality
- Retail
- Office
- Research & Development
- Entertainment
- Institutional
- Educational
- Commercial Recreation

## Surplus Land Act – Residential Only

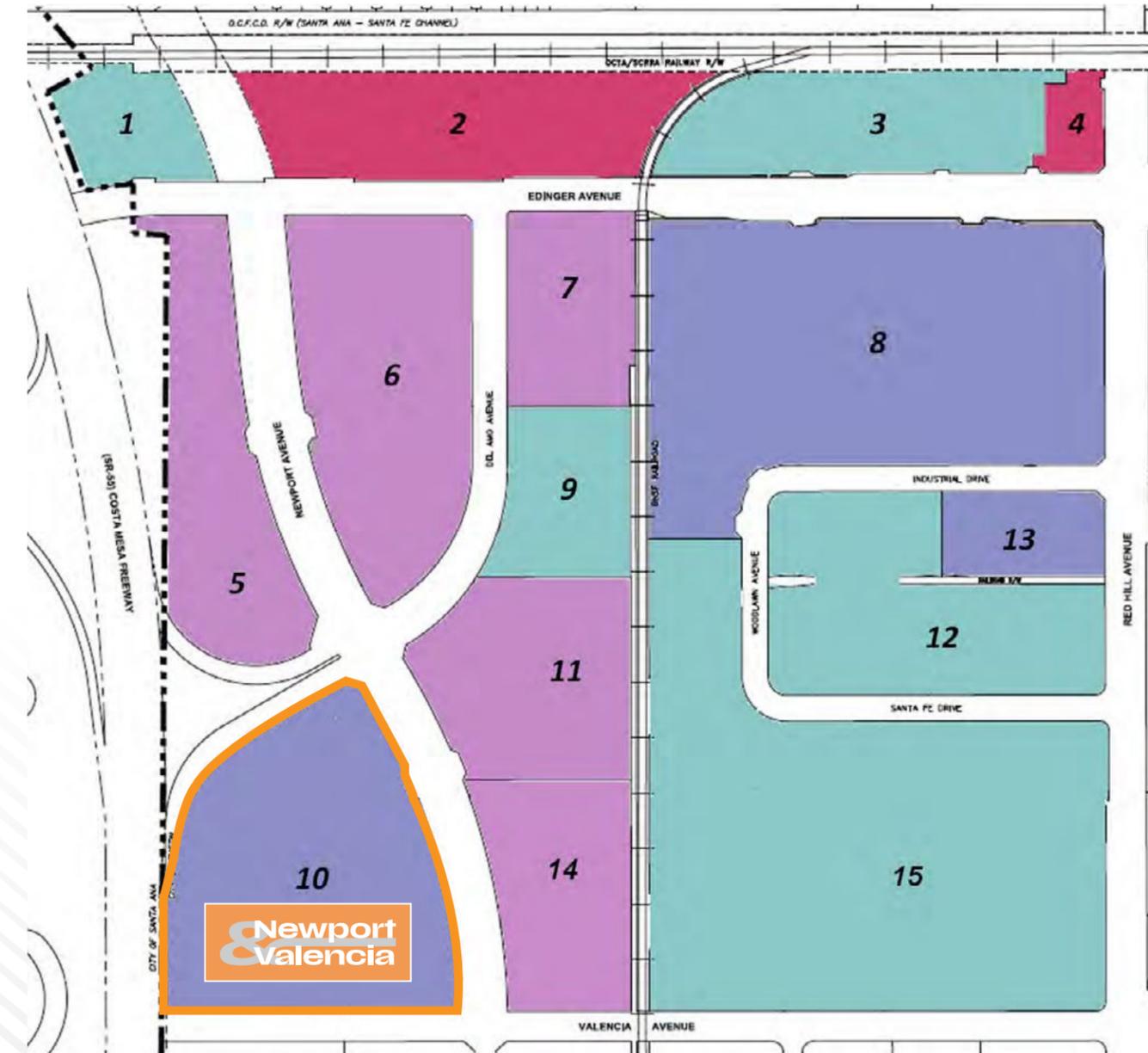
For residential proposals, the City of Tustin has cleared the Surplus Land Act Notice of Availability process for the Property. An affordability covenant remains on the property, which will require 15% total affordable units.

- 15% affordable (On total units, not just density bonus base units)
- Lower income affordability level (includes low-, very low- and extremely low-income)
- 100% low-income is acceptable

The Developer is allowed to decide if the affordable units are mixed within the proposed project or are allocated in a stand-alone project.



## Pacific Center East Specific Plan

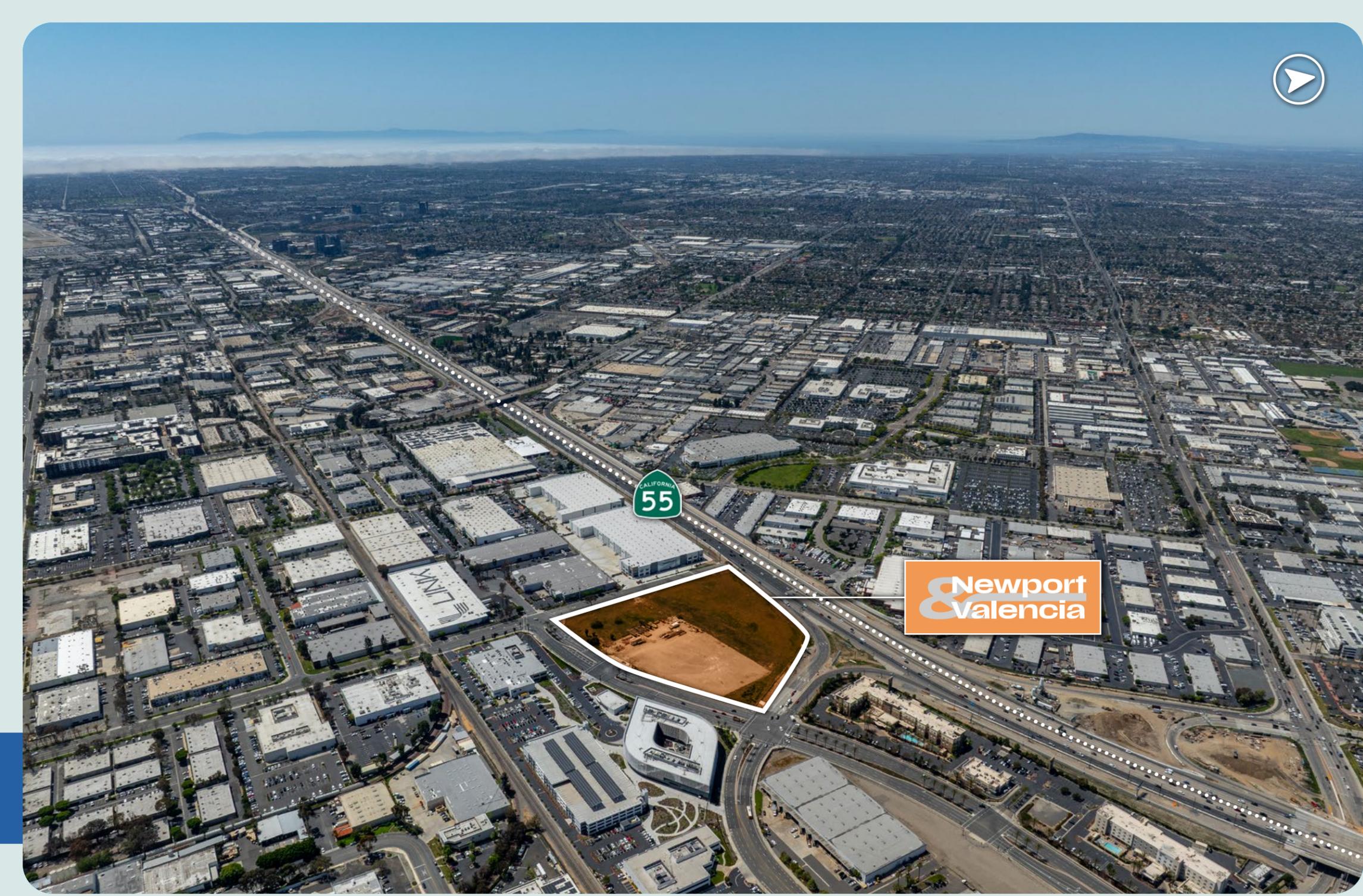


*Land Use Plan/  
Planning Areas*  
**Pacific Center East**  
City of Tustin



Exhibit 17

- Commercial Center
- Regional Center
- Office Center
- Technology Center
- 8** Planning Area



Newport  
& Valencia

# Area Overview

# ORANGE COUNTY OVERVIEW

Boasting an impressive job market, unsurpassed climate, 42 miles of stunning coastline, and world-class entertainment opportunities, Orange County represents the best of all that Southern California has to offer. With over 3.2 million residents, Orange County is the 6th most populous county in the United States and is known as the geographical center of Southern California. It's strategic location between San Diego and Los Angeles makes it a central logistics hub to serve the vastly growing Southern California population of 25+ million. The county's economic landscape is dominated by high-value sectors such as real estate, finance, and professional services, which collectively account for 20% of job creation, cementing its status as a hub for skilled employment and economic growth.

The region is home to several major employers that contribute significantly to its economic growth. Some notable employers in Orange County include The Walt Disney Co., with 34,000 employees, University of California, Irvine, with 26,072 employees, and Providence Southern California, with 23,632 employees. Orange County has strong economic diversification across a wide array of industries, including health services and education (16% of all jobs). While leisure and hospitality make up 14% of all jobs across Orange County, the industrial and manufacturing services account for 25%.

## Orange County



### Key Facts

**3,171,875**  
POPULATION

**39.8**  
MEDIAN AGE

**2.86**  
AVG HOUSEHOLD SIZE

**\$112,796**  
MEDIAN HOUSEHOLD INCOME



### Education

**5.1%**  
NO HIGH SCHOOL DIPLOMA

**15.7%**  
HIGH SCHOOL GRADUATE

**24.7%**  
SOME COLLEGE/  
ASSOCIATES

**46.1%**  
BACHELOR'S/GRAD/PROF  
DEGREE



### Business

**166,108**  
TOTAL BUSINESSES

**1,579,038**  
TOTAL EMPLOYEES

**\$54,311**  
PER CAPITA INCOME



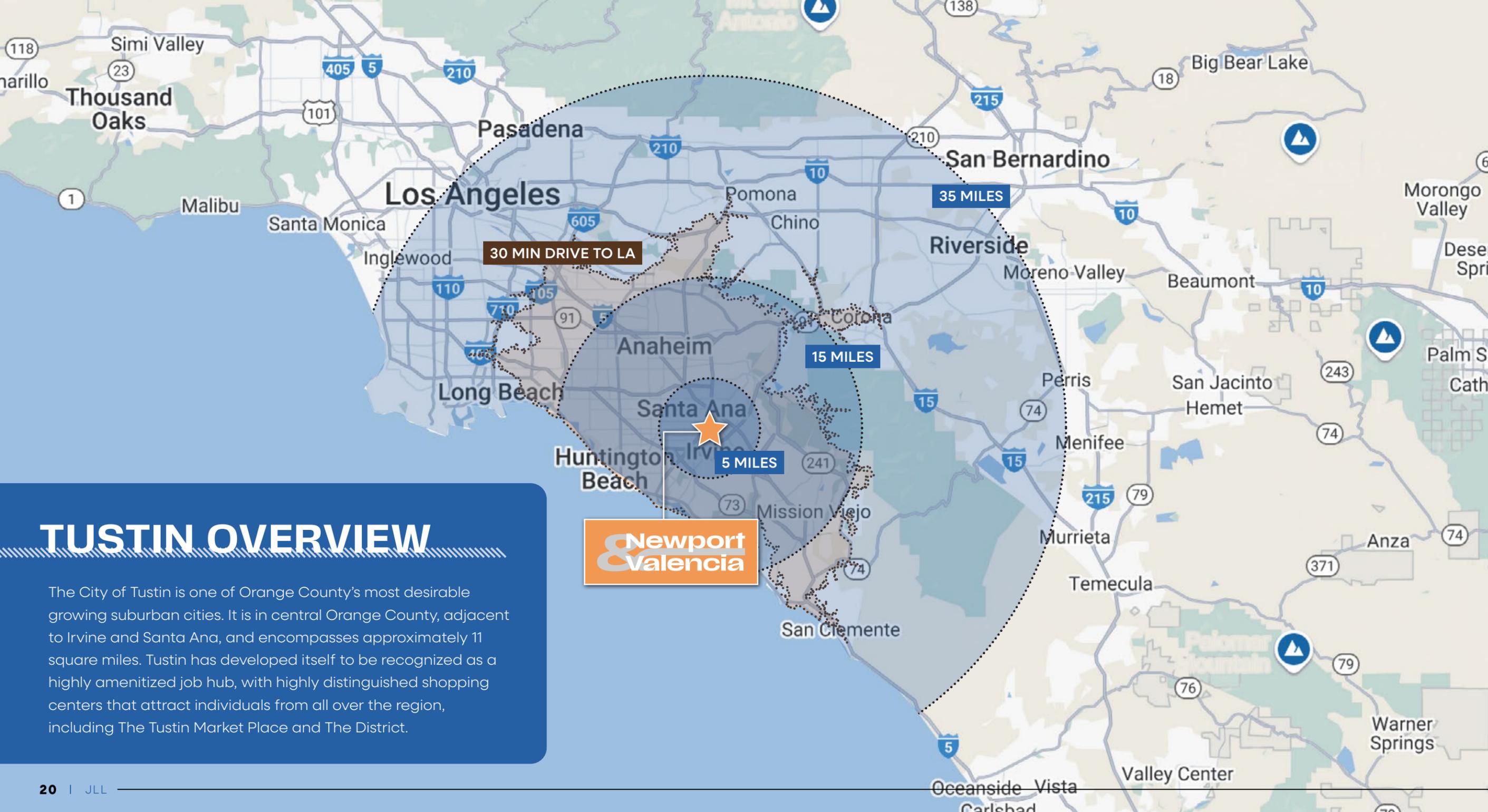
### Employment

**64.6%**  
WHITE COLLAR

**14.9%**  
BLUE COLLAR

**15.4%**  
SERVICES

**3.9%**  
UNEMPLOYED



# TUSTIN OVERVIEW

The City of Tustin is one of Orange County's most desirable growing suburban cities. It is in central Orange County, adjacent to Irvine and Santa Ana, and encompasses approximately 11 square miles. Tustin has developed itself to be recognized as a highly amenitized job hub, with highly distinguished shopping centers that attract individuals from all over the region, including The Tustin Market Place and The District.



	5 miles	15 miles	35 miles
<b>Population</b>	631,635	2,837,780	10,688,454
<b>Households</b>	202,818	966,436	3,492,883
<b>Average Household Size</b>	3.06	2.88	3
<b>Total Businesses</b>	41,291	151,794	452,425
<b>Total Employees</b>	415,047	1,475,972	4,410,271
<b>Median Age</b>	36.1	39.3	38.3
<b>Median Household Income</b>	\$105,829	\$110,879	\$94,364

# TUSTIN AMENITIES

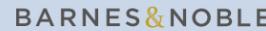
## The Market Place

The Market Place is one of Orange County's most popular lifestyle destinations, with a mix of internationally recognized brands and boutique retail offerings.



## The District

The District is an all-in-one destination with unique food offerings and grocer experiences. It is home to popular destinations such as In-n-Out, Target, Costco, Planet Fitness and more.



## Village at Tustin Legacy

The Village serves the local community with multiple dining and shopping offerings. In addition to the retail, it also is adjacent to the three-story medical office building operated by Hoag.



THE VILLAGE AT TUSTIN LEGACY



THE MARKET PLACE



THE DISTRICT AT TUSTIN LEGACY

# TUSTIN LEGACY PROJECT

The Tustin Legacy Project is an approximately 1,600 master planned redevelopment of the former MCAS Tustin and surrounding land.

## Notable, Active or Planned Developments



**THE LANDING | 400 SINGLE FAMILY HOMES - SOLD OUT**



**MULTI-FAMILY IRVINE COMPANY - 1,336 UNITS**



**SOUTH OC COMMUNITY COLLEGE DISTRICT | 60 ACRES - 2 EDUCATIONAL BUILDINGS (1 COMPLETE)**



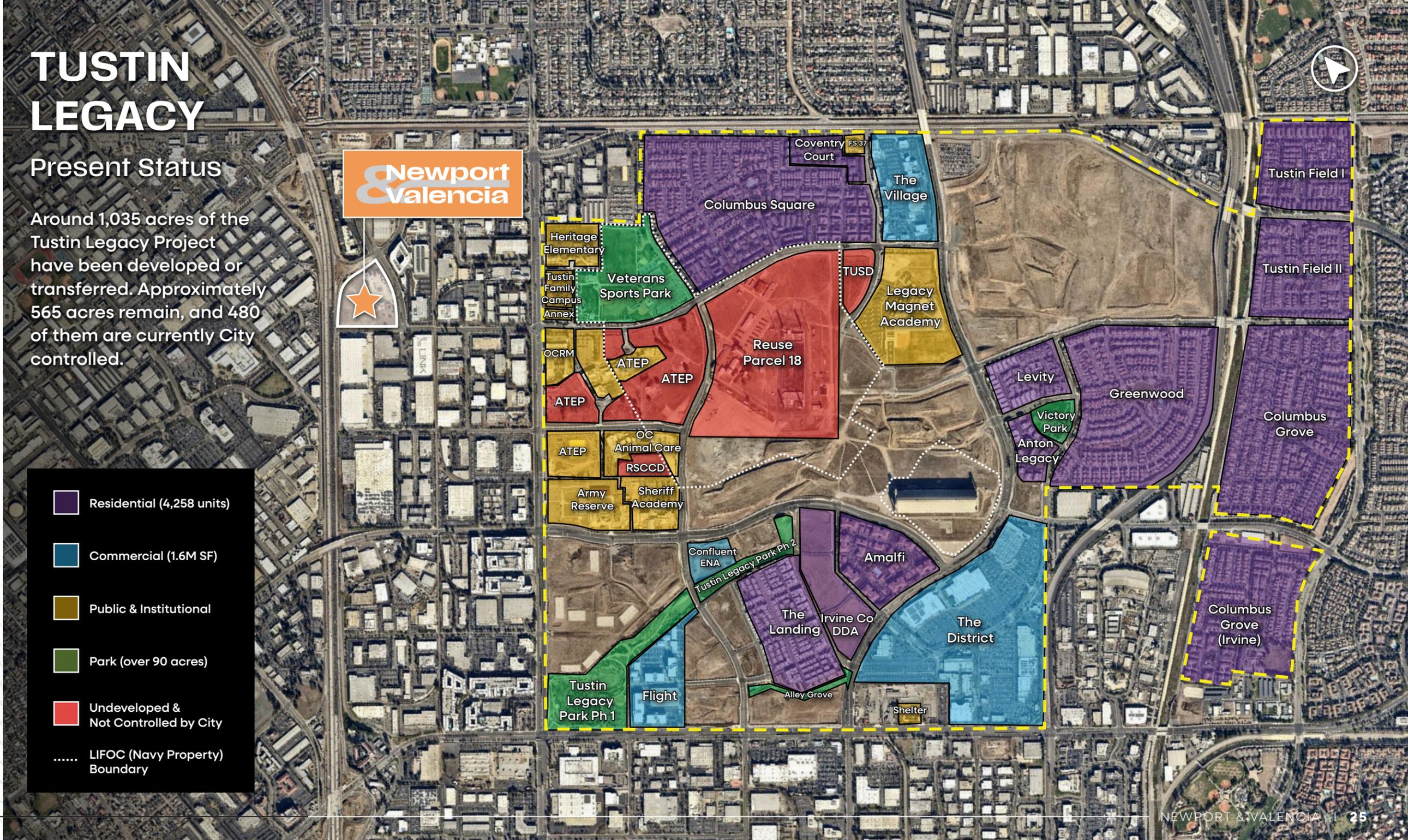
**TUSTIN LEGACY PARK, PHASE 2 - PLAYGROUND, PLAZA, AND MORE**

# TUSTIN LEGACY

## Present Status

Around 1,035 acres of the Tustin Legacy Project have been developed or transferred. Approximately 565 acres remain, and 480 of them are currently City controlled.

- Residential (4,258 units)
- Commercial (1.6M SF)
- Public & Institutional
- Park (over 90 acres)
- Undeveloped & Not Controlled by City
- LIFOC (Navy Property) Boundary



# QUICK DRIVE TO PREMIER LANDMARKS

## Disneyland Resort

Newport & Valencia Ave is located approximately 9.5 miles away from Disneyland Resort. Disneyland Resort, comprising Disneyland Park and Disney California Adventure Park, is a world-renowned entertainment destination located in Anaheim, California. As one of Southern California's primary tourist attractions, it draws millions of visitors annually with approximately 17.24 million visitors in 2024.



## South Coast Plaza & Segerstrom

South Coast Plaza is an international shopping destination, home to over 280 boutiques and restaurants, located approximately 5 miles from Newport & Valencia Ave. Top retailers include Louis Vuitton, Gucci, Hermes, and many more premier shops. Only a few minutes away from South Coast Plaza is the Segerstrom Center for the Arts, a respected cultural institution and Orange County's largest non-profit arts organization. The Center remains committed to supporting artistic excellence and offering experiences to engage the community through live performance and arts-based education.



## Newport Beach

Newport Beach Pier is located at Balboa Peninsula near Balboa Pier and less than 11 miles from Newport & Valencia Ave. Enjoy surfing, swimming, and sunbathing on the famous beach by the pier. 7.3 million people visit Newport Beach each year.

Balboa Island is a community by the harbor in Newport Beach. Famous for its board walk, visitors can enjoy famous frozen bananas and other delicious foods while enjoying ocean views.



## Laguna Beach

Laguna Beach is one of the finest beaches in California. Nature enthusiasts can enjoy various activities such as snorkeling, scuba diving, surfing, or hiking.



# WORLD-CLASS EDUCATION



## University of California Irvine

UC Irvine, a distinguished member of the Association of American Universities, consistently ranks among the top 10 public universities in the U.S. according to U.S. News & World Report. The institution has received five Nobel Prize winners and is renowned for its academic excellence, cutting-edge research, innovative spirit, and unique anteater mascot. UC Irvine serves over 36,000 students across 224 degree programs. The university is Orange County's second-largest employer, generating \$7 billion annually for the local economy and \$8 billion statewide. UCI is located approximately 7 miles from Newport & Valencia Ave.



## Chapman University

Chapman University, a private institution established in 1861, is in the city of Orange. With a suburban campus spanning 90 acres, Chapman serves over 7,800 undergraduate students. The university offers a diverse academic program with about 45 undergraduate majors and 30 graduate areas of study, including popular programs in business, law, and education. Chapman is ranked #133 among National Universities by U.S. News & World Report's 2024 edition of Best Colleges. Chapman University is located just 6 miles from the Property.



## California State University, Fullerton

Cal State Fullerton, established in 1957, has grown into a leading campus of the California State University system, with over 41,900 students. CSUF is emerging as a national model for student success, offering innovative high-impact educational experiences and co-curricular activities, including faculty-student collaborative research. Cal State Fullerton is located approximately 13 miles from the Property.



## SOCCCD

South Orange County Community College District ("SOCCCD") is known to be one of the top community college districts in the region. The district includes Saddleback College, Irvine Valley College, and the ATEP campus that is approximately half a mile from Newport & Valencia Ave.



## TUSD

The Tustin School District ("TUSD") is one of the top-rated public school districts in the nation. Newport & Valencia Ave is served by multiple highly-rated schools including the Legacy Magnet Academy, which is less than 2 miles from the Property.



CALIFORNIA  
55

Newport  
& Valencia

# Market Overview

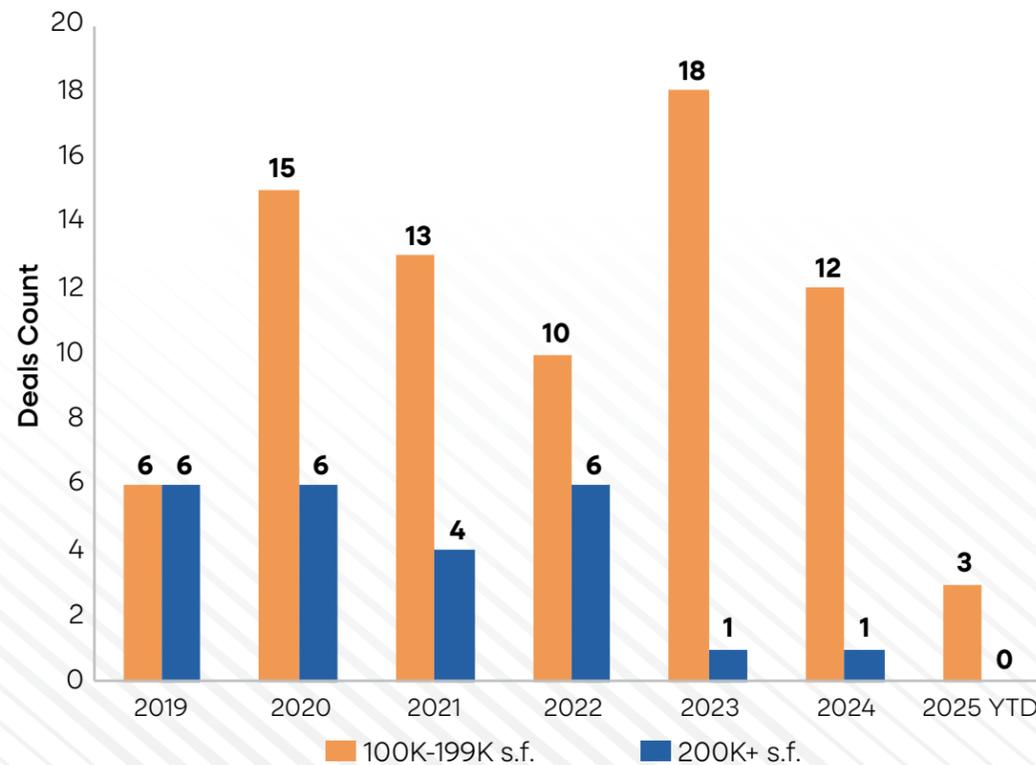
# ORANGE COUNTY INDUSTRIAL OVERVIEW

Orange County, located south of Los Angeles, serves as an integral part of the Southern California economy, boasting exceptional regional accessibility, a highly skilled workforce, and a vast consumer market. The region has ±150 million sf of warehouse/distribution space, with an average inventory age of 47 years.

Orange County has maintained the lowest vacancy rate across Southern California at 5.6% and the highest average Class A, new construction asking rent at \$2.25 psf/mo NNN. Orange County's resilience is, in part, attributed to its diverse tenant mix – inclusive of advanced manufacturing. Contrary to cost-sensitive logistics tenants, advanced manufacturing firms, particularly in aerospace and automotive sectors, are showing persistent interest in Orange County and have driven recent leasing activity.

## New Market Activity By Size Range

Includes all leases (except renewals), user-owner sales and BTS properties



**±150.0 M SF**  
WAREHOUSE/  
DISTRIBUTION  
INVENTORY

**±63.2 M SF**  
MANUFACTURING

**5.6%**  
VACANCY RATE

**8.4%**  
AVAILABILITY RATE

**\$1.65**  
PSF/MO NNN  
AVERAGE TOTAL  
ASKING RENT

**\$2.25**  
PSF/MO NNN  
NEW CONSTRUCTION,  
CLASS A AVERAGE  
ASKING RENT

**2.16 M SF**  
TOTAL UNDER CONSTRUCTION

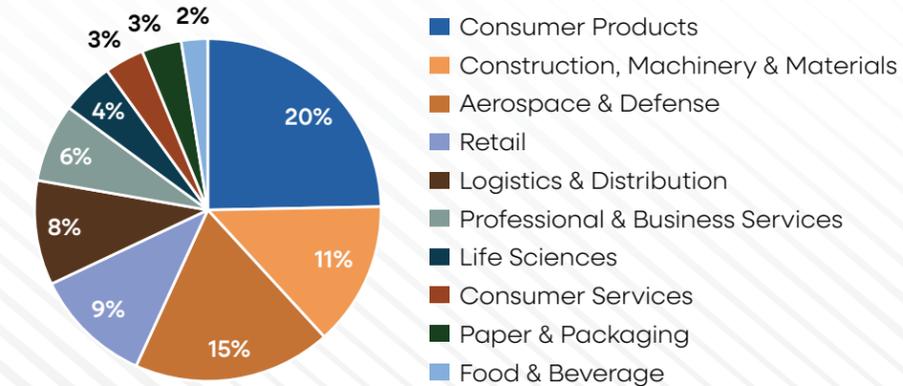
## Outperformance In New Construction, Class A Asking Rates

- Orange County has maintained the lowest vacancy rate across Southern California at 5.6% and the highest average Class A, new construction asking rents at \$2.25 psf/mo NNN.
  - Orange County's industrial inventory averages 46 years old, with Class A properties averaging 17 years. The scarcity of modern, functional buildings has allowed for the continued ask of premium rates.
- Orange County's diverse industrial tenant mix, spanning advanced manufacturing and distribution across various sectors, has led to its economic resilience relative to other Southern California markets.

## Scarcity Of Development Opportunities

- Large-scale industrial opportunities are rare. Since 2020, there have been just five opportunities to purchase a site over 10 acres to develop to industrial.

## Industrial Tenant by Sector (2024)



## Dwindling Competitive Set

- Restrictions and development standards presented in AB98 impose significant risk, limiting the future competitive set and number of sites entitled for industrial development.

## Muted Competitive Landscape

- As of Q1 2025, construction starts in Orange County are down 48% from peak in Q4 2022. There is currently only ±1.79 million square feet of industrial space under construction across all of Orange County, with another 1.36 million square feet in the proposal stage.
  - Total completions in the development pipeline peaked in Q1 2023 for Orange County and Q4 2023 for Southern California. This trend suggests that initiating development projects today could offer a competitive advantage in the short term, as the pipeline of new completions continues to decrease.

## STRATEGIC ORANGE COUNTY LOCATION

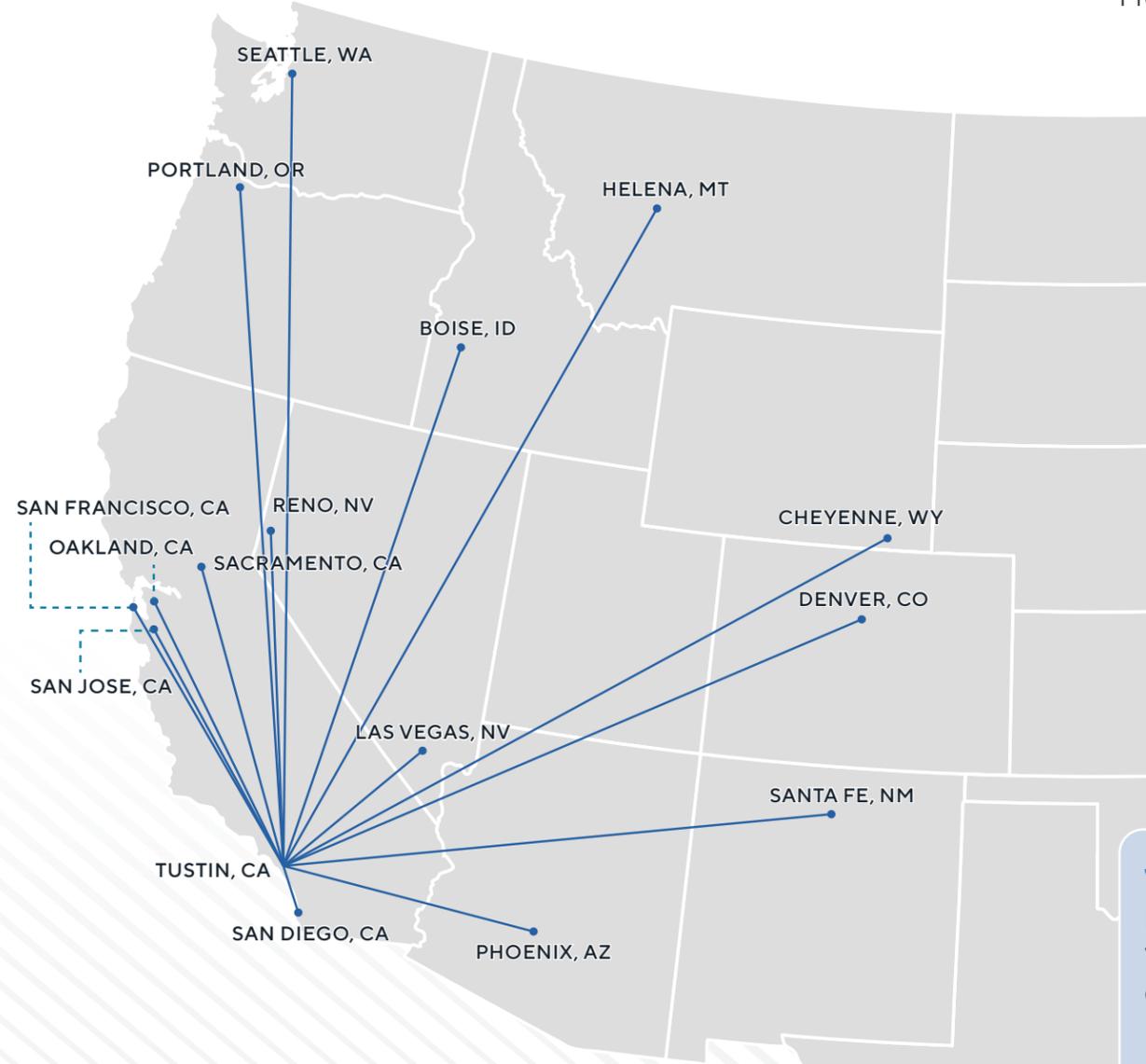
- Core logistics location with CA-55 frontage and immediate access to on/off ramp. Access to I-5, I-405, CA-57, CA-22, and CA-26 allowing for seamless servicing to the broader Southern California region.
- Located within ±35 miles from the twin Ports of Los Angeles and Long Beach, ranked the #1 and #2 container ports, and where 45% of cargo (10.9 million TEUs) from overseas enters the US.
- Located within ±40 miles from Los Angeles International Airport (LAX), the fourth busiest airport in the world that handled \$147 billion in total cargo volume in 2024.
- Eight (8) Union Pacific and BNSF intermodal rail yards within a 1-hour drive, optimizing supply chain logistics and tenant demand.

# AIRPORT AREA INDUSTRIAL SUBMARKET OVERVIEW

Along the CA-55, the Property's strategic location in Tustin, CA offers easy access to major highways, with the I-5 freeway just ±2.4 miles away, CA-22 within ±5.6 miles, and the I-405 ±4.3 miles. Newport & Valencia Ave's proximity to major Southern California freeways connects the Property to over 25 million residents, as well as the entire Western United States within a one-to-two-day drive.

## Freeway Connectivity

City	Distance	Time
San Diego, CA	88	1 hr 30 min
Las Vegas, NV	268	4 hr 20 min
San Jose, CA	374	6 hr 5 min
Oakland, CA	395	6 hr 39 min
San Francisco, CA	418	6 hr 59 min
Sacramento, CA	419	6 hr 40 min
Phoenix, AZ	362	5 hr 40 min
Reno, NV	496	8 hr 20 min
Salt Lake City, UT	691	10 hr 33 min
Santa Fe, NM	842	12 hr 44 min
Boise, ID	866	14 hr 45 min
Portland, OR	987	16 hr 7 min
Denver, CO	1,019	15 hr 7 min
Cheyenne, WY	1,123	16 hr 24 min
Helena, MT	1,173	16 hr 51 min
Seattle, WA	1,160	18 hr 10 min



## Access & Transportation

Tustin is served by multiple freeways, including the Costa Mesa (55) Freeway, which has frontage along the Newport and Valencia Ave Property. The 55 connects to major freeways, including the Santa Ana (5) and Santa Monica (405) Freeways.



**John Wayne Airport**  
 Located less than 4.5 miles from Newport & Valencia Ave, the property is served by Orange County's premier international airport.

**OVER 11M+**  
 TOTAL PASSENGERS IN 2024



# MULTI-FAMILY SUBMARKET

## Prime Opportunity to Serve High Demand for Housing

The City of Tustin is considered to be one of the most desirable cities in Orange County. The City is served by an abundance of jobs and amenities leading it to have one of the lowest submarket vacancy rates in Southern California at 2.6%. Along with desirability, vacancies have tightened due to the lack of construction, with no new developments of over 50 units in a half mile radius of the Property. Currently, there is no multi-family construction within the City.

**2.6% Vacancy, One of the Lowest in the County**

**ZERO**  
UNITS UNDER CONSTRUCTION

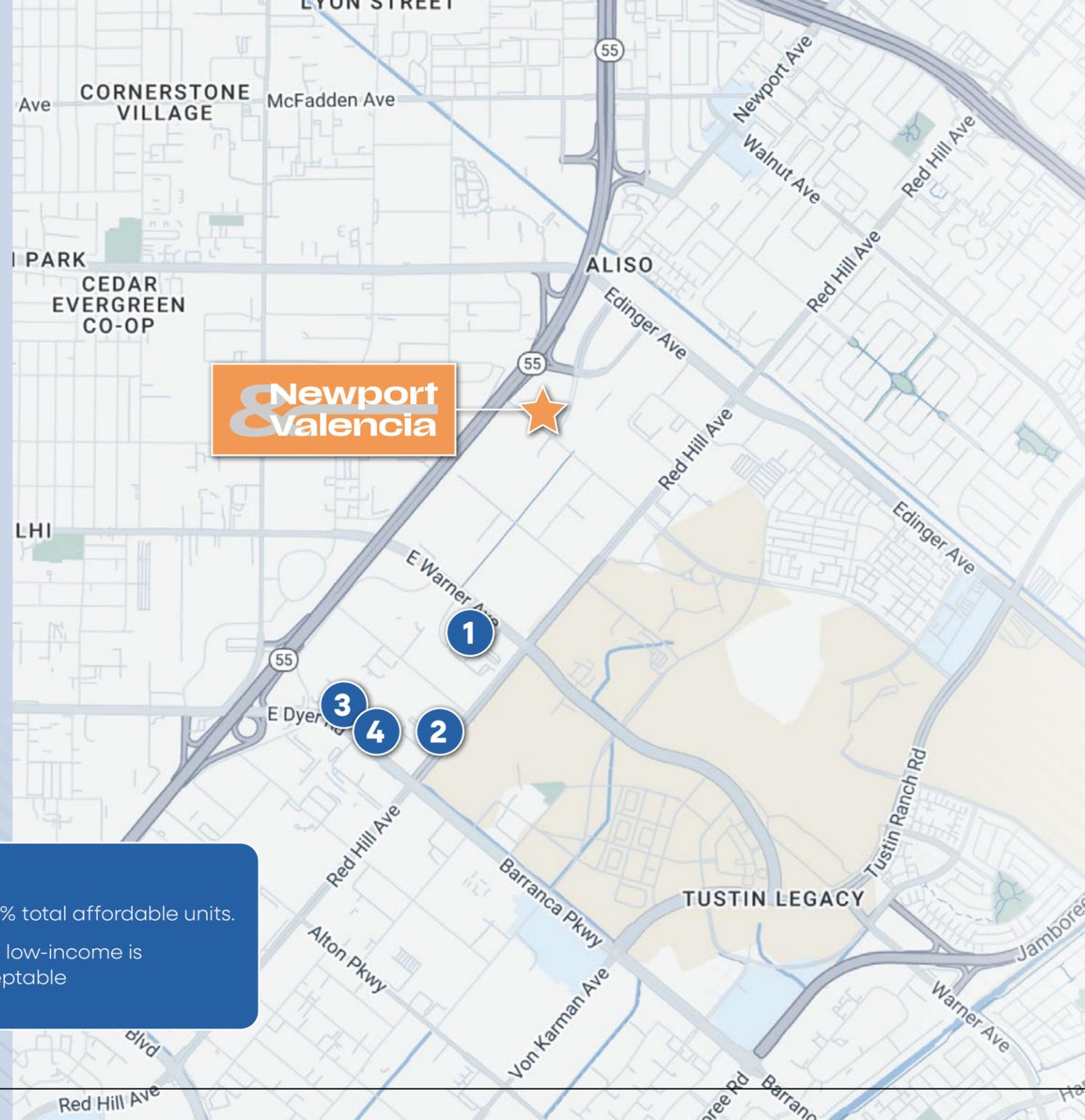
**ONE**  
APARTMENT COMPLEX IN PRE-PLANNING

Note: Construction pipeline is expected to increase significantly within the Tustin Legacy area.

### Surplus Land Act

An affordability covenant remains on the property, which will require 15% total affordable units.

- 15% affordable (On total units, not just density bonus base units)
- Lower income affordability level (includes low-, very low- and extremely low-income)
- 100% low-income is acceptable



## Rent Survey

Property Details	Comp 1		Comp 2		Comp 3		Comp 4	
	The Row at Red Hill		Broadstone Atlas		Broadstone Archive		Broadstone Arden	
Address	2010 E Warner Ave		2590 Red Hill Ave		1901 E Dyer Rd		1951 E Dyer Rd	
Location	Santa Ana, CA		Santa Ana, CA		Santa Ana, CA		Santa Ana, CA	
Built	2024		2022		2020		2020	
Unit Count	1,100		483		403		335	
Occupancy	50% (Lease-up)		92.0%		95.0%		99.0%	
Averages	Rent	PSF	Rent	PSF	Rent	PSF	Rent	PSF
<b>TOTAL</b> Market	<b>\$3,793</b>	<b>\$4.05</b>	<b>\$3,052</b>	<b>\$3.55</b>	<b>\$3,343</b>	<b>\$3.71</b>	<b>\$3,166</b>	<b>\$3.59</b>
Unit Size	<b>936 SF</b>		<b>861 SF</b>		<b>901 SF</b>		<b>883 SF</b>	
<b>STUDIO</b> Market	\$3,343	\$4.95	\$2,530	\$4.28	\$2,759	\$4.47	\$2,518	\$4.09
Unit Size	676 SF		599 SF		625 SF		621 SF	
<b>1BR</b> Market	\$3,279	\$4.37	\$2,994	\$3.45	\$3,052	\$3.75	\$3,038	\$3.50
Unit Size	754 SF		893 SF		818 SF		875 SF	
<b>2BR</b> Market	\$4,306	\$3.86	\$3,882	\$3.34	\$3,976	\$3.47	\$3,843	\$3.49
Unit Size	1,120 SF		1,164 SF		1,145 SF		1,102 SF	
<b>3BR</b> Market	-	-	\$4,466	\$3.05	\$5,297	\$3.47	\$5,271	\$3.41
Unit Size	-		1,466 SF		1,527 SF		1,562 SF	
Studio	20	1.8%	175	36.2%	78	19.4%	92	27.5%
1 Bedroom	530	48.2%	198	41.0%	189	46.9%	139	41.5%
2 Bedroom	550	50.0%	90	18.6%	125	31.0%	99	29.6%
3 Bedroom	-	-	20	4.1%	11	2.7%	5	1.5%

# TUSTIN RETAIL OVERVIEW

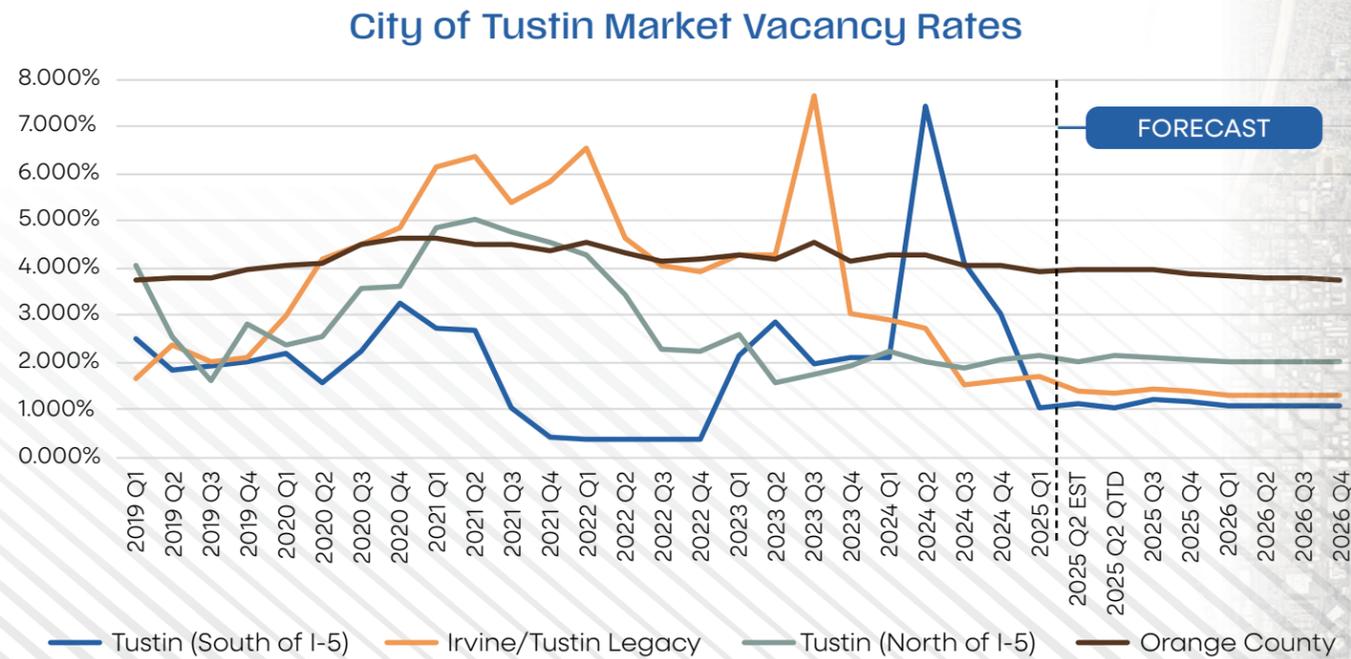
## One of the Lowest Vacancy Rates in the Market

Tustin boasts some of the region's most notable shopping destinations, attracting customers from neighboring cities like Costa Mesa, Santa Ana, and Irvine. While the area faces competition from larger-scale retail centers such as the Irvine Spectrum and South Coast Plaza, the subject property's strategic location offers a distinct advantage to serve the commercial space and suburban communities nearby. Its visibility from the 55 Freeway provides an opportunity to attract potential customers to a future retail plaza.

Newport & Valencia Ave presents an opportunity to capture consumer demand by leveraging frontage along the 55 Freeway, capitalizing on the high volume of passing traffic, and creating a more convenient shopping option for commuters and residents alike. Currently, there is no retail space under construction in Tustin, highlighting a potential market gap. South of the 5 Freeway, the past 12 months have seen approximately 10,000 square feet of existing space absorbed. This absorption has driven the vacancy rate down to 1%, which is significantly lower than the broader Orange County market.

**ZERO**  
RETAIL SPACE UNDER CONSTRUCTION SOUTH OF THE 5 FREEWAY

**SIX**  
RETAIL DEVELOPMENTS/ REDEVELOPMENTS UNDER PLANNING & PRE-PLANNING



Tustin (South I-5): Vacancy spiked; Mostly absorbed by Dollar Tree (23K SF).

Tustin (North I-5): Vacancy spiked; Mostly absorbed by Barnes & Noble (48K SF).

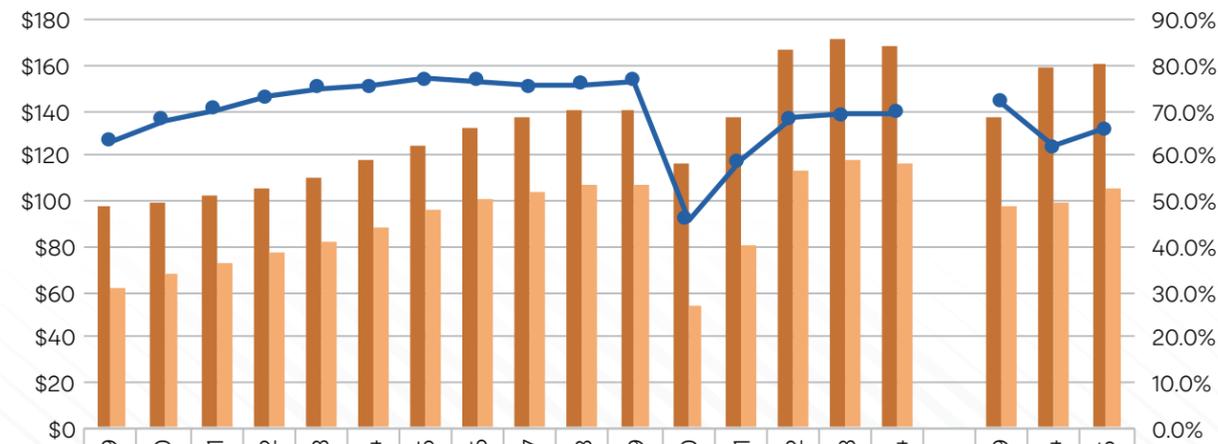


# HOSPITALITY OVERVIEW

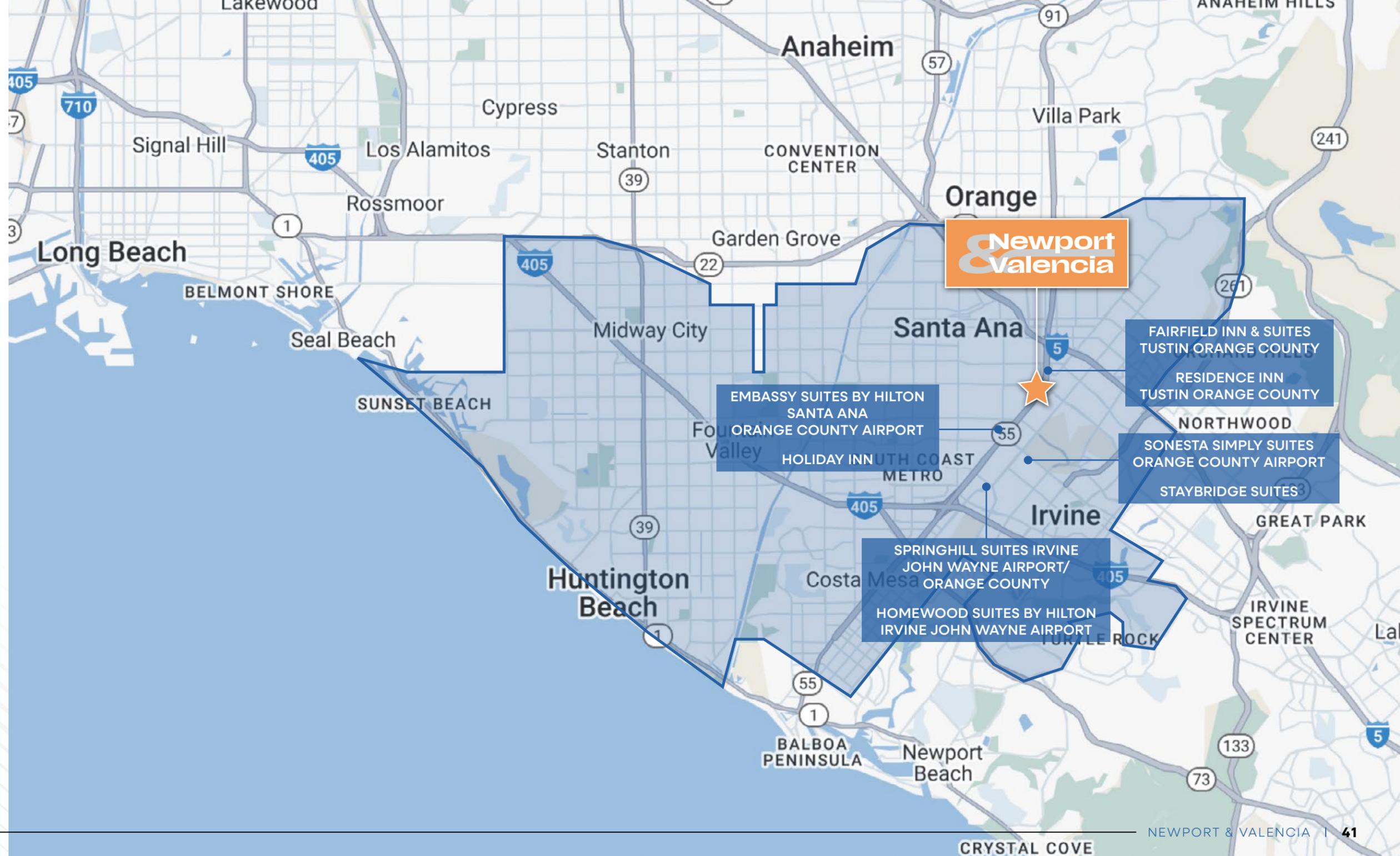
Newport & Valencia Ave is strategically positioned in a strong hospitality market, with excellent visibility from the high-traffic 55 Freeway. The Site is in proximity to two successful hotels - the Residence Inn Tustin and the Fairfield Inn & Suites Tustin. Both properties have consistently achieved impressive 70%+ occupancy rates, underscoring the strength of the local market.

The broader Tustin/Santa Ana/Costa Mesa region also maintains a 70% occupancy rate. Only 140 rooms are under construction in the entire region, with no new deliveries in the past year. This combination of high demand and limited new supply creates favorable conditions for potential hospitality development at Newport & Valencia Ave.

### Santa Ana / Costa Mesa Lodging Submarket Performance



ADR	\$98	\$99	\$103	\$105	\$110	\$118	\$125	\$132	\$138	\$141	\$140	\$117	\$137	\$167	\$171	\$168	\$137	\$159	\$160
RevPAR	\$62	\$67	\$72	\$77	\$82	\$89	\$96	\$101	\$104	\$107	\$107	\$54	\$81	\$114	\$118	\$117	\$98	\$99	\$106
Occupancy	63.2	67.9	70.2	73.0	75.1	75.4	77.0	76.5	75.4	75.8	76.4	46.1	58.9	68.2	69.0	69.5	71.9	62.2	65.9



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