

Own vs. Lease

The long-term advantage

YOUR OFFICE, YOUR INVESTMENT

A PRACTICAL GUIDE FOR PROFESSIONALS
AND BUSINESS OWNERS

Get In Touch

RICHARD MELBYE
Senior Associate, CBRE

+1 310 363 4831
richard.melbye@cbre.com

Lic. 02052010

Why This Guide Matters Now

This guide will help you access whether ownership at 2200 PCH is the right strategic move - and how it can lead to substantial long-term value.

Lease rates are climbing at an average of 3% annually, meaning what you pay today is likely to increase steadily. At the same time, ownership has become more accessible than ever:

- ▶ SBA 504 and 7(a) programs allow up to 90% financing
- ▶ You can lock in fixed payments for up to 25 years
- ▶ Your business pays itself, not a landlord

What the Numbers Say – A 25-YEAR FINANCIAL OUTLOOK

LEASING SCENARIO

	INITIAL	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25
Monthly Lease (Out of Pocket)	\$5,877	\$6,601	\$7,635	\$8,831	\$10,216	\$11,819
Cost to Lease (Pre-Tax)	\$5,877	\$6,601	\$7,635	\$8,831	\$10,216	\$11,819
Cost to Lease (After Tax)	\$3,526	\$3,961	\$4,581	\$5,299	\$6,130	\$7,092
Lessee's Upfront Expense	\$11,927	-	-	-	-	-
Asset Value	N/A	N/A	N/A	N/A	N/A	N/A
Loan Balance	N/A	N/A	N/A	N/A	N/A	N/A
Lessee's Equity	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00	\$0,00

For Illustrative Purposes Only. Contact your Financial Advisor for Assumptions and Specifics Related to Your Transaction.

OWNERSHIP SCENARIO

	INITIAL	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25
Monthly Lease (Out of Pocket)	\$9,561	\$9,791	\$10,113	\$10,481	\$10,900	\$11,377
Cost to Lease (Pre-Tax)	\$8,103	\$7,786	\$7,341	\$6,647	\$5,598	\$4,046
Cost to Lease (After Tax)	\$4,088	\$3,903	\$3,644	\$3,237	\$2,618	\$1,699

For Illustrative Purposes Only. Contact your Financial Advisor for Assumptions and Specifics Related to Your Transaction.

What these numbers really mean:

YEAR 1

Leasing appears cheaper, but owning already begins to return value thanks to equity build-up.

YEAR 5

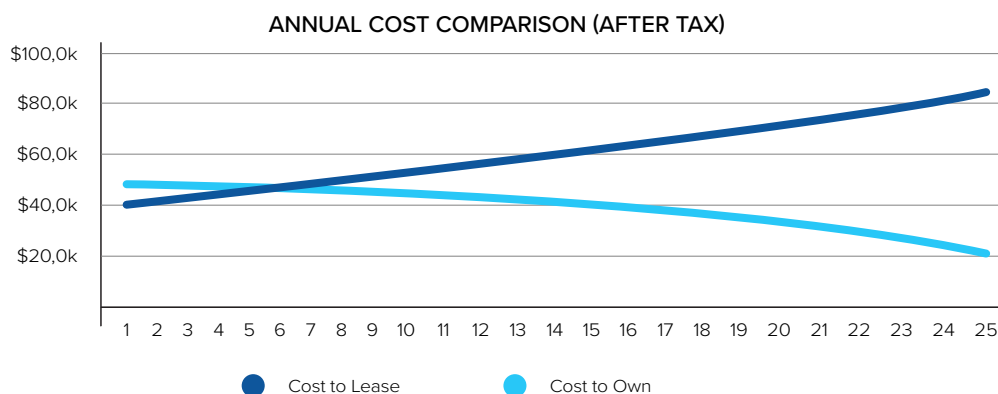
Year 5 is when the cost lines are about to intersect - leasing and owning cost roughly the same, but ownership is about to become the more financially beneficial path. By year 7, the financial benefits of ownership become undeniable.

YEAR 10

Ownership still appears more costly annually - but when you factor in built equity and appreciation, you're in a stronger financial position.

YEAR 25

Ownership costs drop to zero, and factoring in equity and appreciation, you're over \$68,431 ahead that year alone versus leasing - not to mention you now own a property valued at \$2.42M+.



For Illustrative Purposes Only. Contact your Financial Advisor for Assumptions and Specifics Related to Your Transaction.

Building Equity While Reducing Debt

OWNERSHIP SCENARIO

	INITIAL	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25
Owner's Upfront Expenses	\$121,956	-	-	-	-	-
Asset Value	\$1,158,600	\$1,339,831	\$1,553,231	\$1,800,621	\$2,087,413	\$2,419,884
Loan Balance	\$1,090,169	\$351,230	\$846,135	\$649,130	\$376,709	-
Owner's Equity	\$68,431	\$351,230	\$707,096	\$1,151,490	\$1,710,704	\$2,419,884

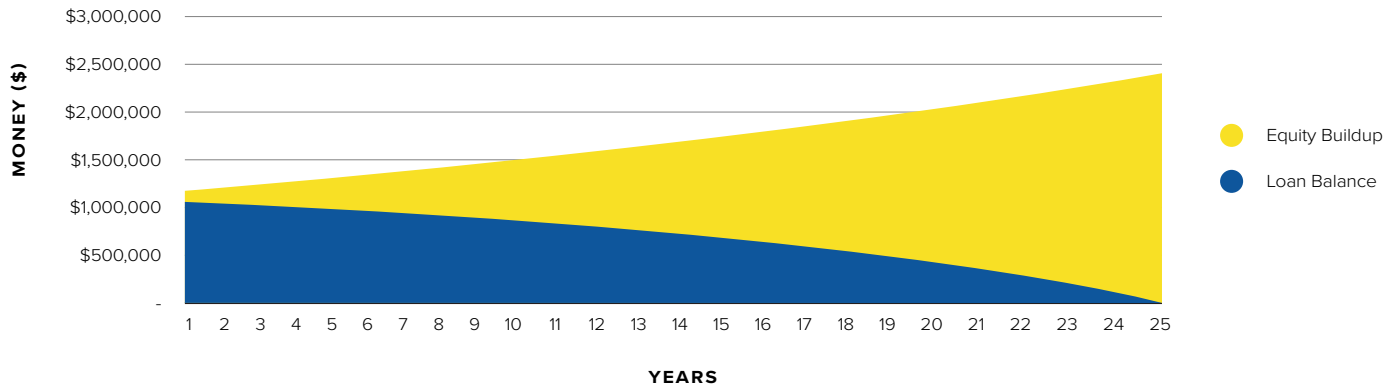
Why this matters:

- Each year, your equity grows through loan pay down and property appreciation
- At the same time, your debt shrinks - reducing your risk and raising your net worth
- Before the end of Year 25, you own a valuable asset free and clear

You're not just avoiding a lease - you're creating long-term wealth.

For Illustrative Purposes Only. Contact your Financial Advisor for Assumptions and Specifics Related to Your Transaction.

EQUITY BUILD-UP & LOAN PAYDOWN



For Illustrative Purposes Only. Contact your Financial Advisor for Assumptions and Specifics Related to Your Transaction.

Who Benefits Most from Ownership?

- ▶ **Professionals & Small Businesses**
Avoid rent escalations. Control your environment. Gain a retirement asset.
- ▶ **Medical & Wellness Providers**
Customize your suite (restrooms, layouts, finishes) with full autonomy.
- ▶ **Creative and Tech Firms**
Design brand-forward workspaces that serve clients and reflect identity.

Common Myths — Debunked

MYTH	REALITY
“Ownership is too expensive”	SBA financing requires just 10% down and locks in payments for 25 years.
“Leasing is simpler”	Leasing means rising costs and no return. Ownership builds equity.
“What if I outgrow it?”	You can sell, sublease, or refinance - it's your asset.

Why 2200 PCH is Ideal for Ownership

- ▶ Ocean views, balconies, and natural light
- ▶ Mezzanine and creative loft units
- ▶ Medical and office-ready layouts
- ▶ Outdoor lounges and 24/7 access
- ▶ SBA 90% financing available
- ▶ A rare opportunity to own in a coastal market with high demand and long-term appreciation.

Your Office Should Be an Asset, Not an Expense

WANT TO EXPLORE WHETHER OWNERSHIP AT 2200 PCH IS RIGHT FOR YOU?

LET'S TALK.

Contact:



RICHARD MELBYE

Senior Associate, CBRE

+1 310 363 4831

richard.melbye@cbre.com