

Pac Lofts



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FOR SALE

701 ISLAND AVENUE | EAST VILLAGE | DOWNTOWN SAN DIEGO

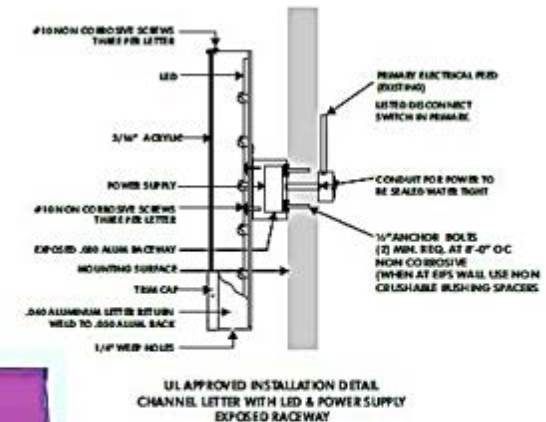
UNPARALLELED BUILDING-TOP SIGNAGE AVAILABLE IN CLASS "A" LOCATION

**AVISON
YOUNG**

UNPARALLELED BUILDING-TOP SIGNAGE AVAILABLE

- Current tenant Noonan Lance is vacating, so their prime building-top sign location will be available for a buyer or new tenant
- Once a new occupant pays the cost to install their sign, it's a 24 / 7 / 365 billboard advertising their business at no added expense
- The building is two blocks from Petco Park which has over 3.5 million visitors per year, many of whom drive or walk past this location
- The average daily traffic count at this intersection is approx 23,200 cars per day, bringing a high level of exposure to this property's signs
- Backlit electrical signs are allowed, providing visibility after dark.

NOONAN'S SIGNS ARE 18 FEET LONG. THIS AREA'S SIGN CODE MAY ALLOW LARGER SIGNS, IF DESIRED



SIGNAGE HIGHLIGHTS

A buyer or tenant may utilize these high-profile sign locations. Backlit electrical signs allowed. Local code may allow larger signs.

Located two blocks from Petco Park which has over 3 million visitors per year, giving high levels of exposure to this property and its signage

Island Avenue: Average daily traffic count is approx. 13,400 vehicles

Combined traffic count at intersection gives sign exposure approx. 23,200 vehicles per day

Seventh Avenue: Average daily traffic count is approx. 9,800 vehicles

INVESTMENT OVERVIEW

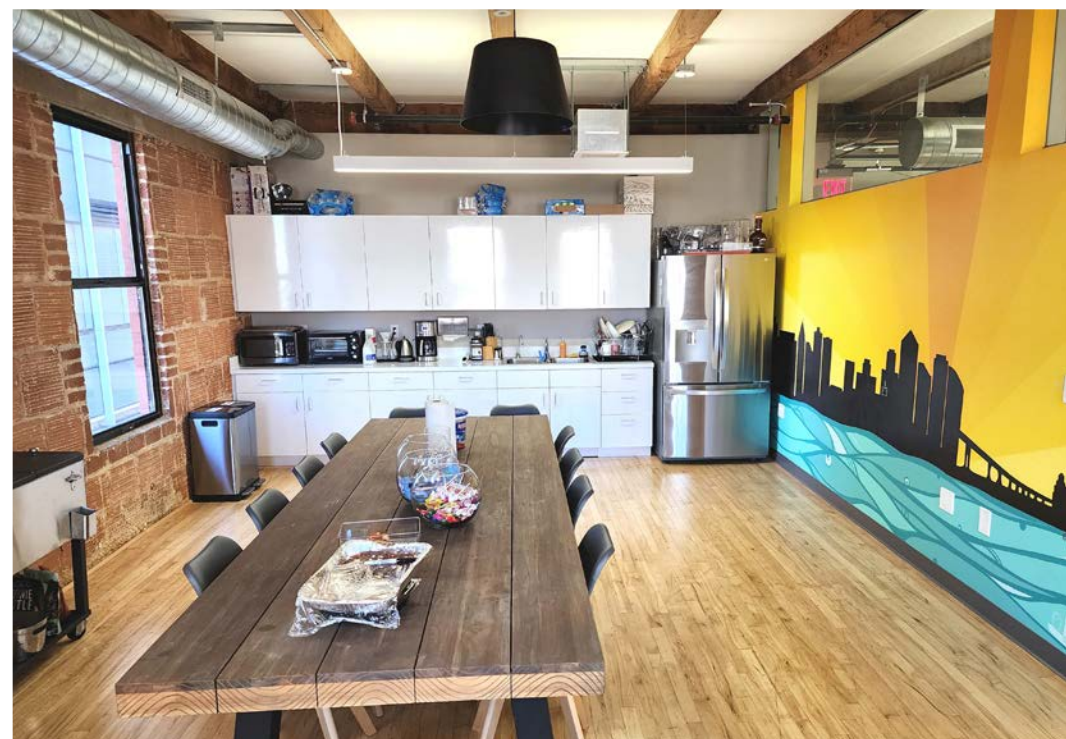
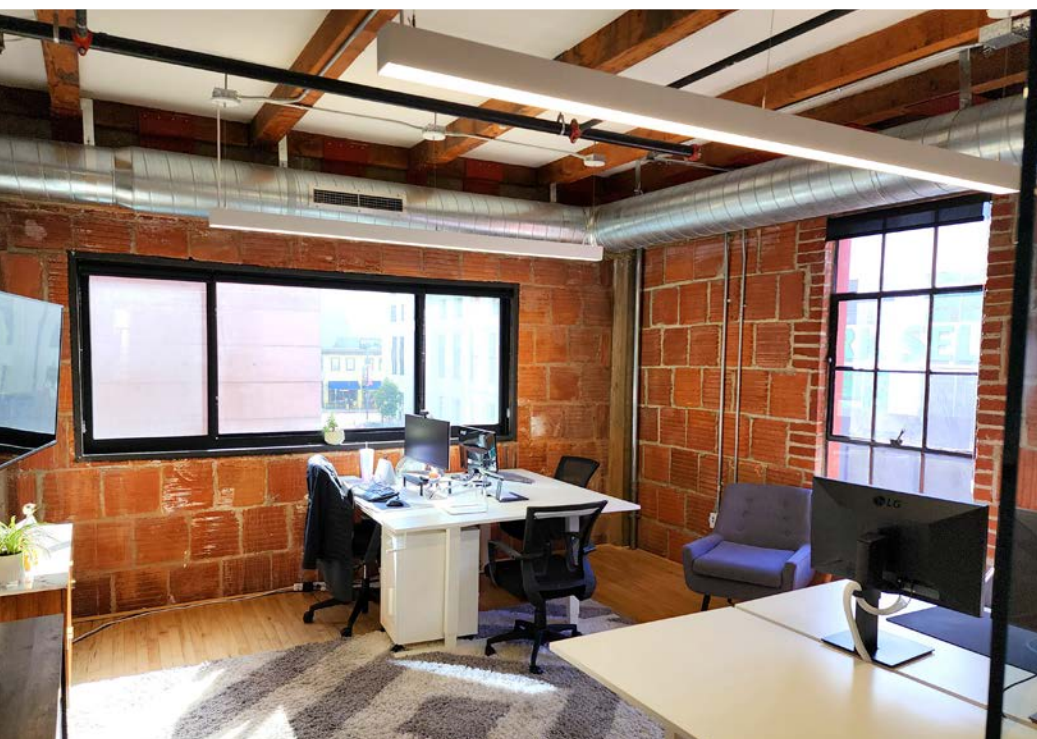


Avison Young is pleased to present this historic downtown San Diego building commonly referred to as Pac Lofts, an abbreviation of Pacific Lofts. Built in 1925, this four-story building's uses have included residential lofts, a furniture warehouse, a clothing store, woodworks, a moving and storage company, and more. The property recently went through an extensive retrofit including a new high-speed Thyssenkrupp elevator, new restrooms on all floors, and a new white TPO (Thermo Plastic poly Olefin) "super roof" with a 20-year transferrable warranty. Also installed were 13 new Carrier rooftop HVAC units placed in secured cages for weather protection.

All interiors were rebuilt with best-in-class creative office improvements including open ceilings, exposed original brick walls, openable windows, restoration of the original 1920s hardwood floors, kitchens, and private offices and conference rooms with floor-to-ceiling glass walls that maximize natural light.

The ground floor was occupied by a local brewery and restaurant, and that space is now available for another restaurant / bar tenant or for any business seeking unparalleled exposure. It features four glass firehouse doors that open up directly onto Island Avenue, outdoor and indoor seating, and a Class "A" location. Just two blocks from Petco Park, this building has visibility to approx 3.5 million visitors when they attend Petco's Padres games and many other events throughout the year (see <https://www.petcoparkinsider.com/petco-park-events>).

PHOTOS OF EXISTING OFFICES



FORMER RESTAURANT AND BAR. NOW SEEKING SIMILAR TENANCY.



PROPERTY PROFILE

| | |
|-------------------|--|
| Name | The Pac Lofts Building |
| Address | 701 Island Avenue, San Diego CA 92101 |
| Location | Southeast corner of Island Avenue and 7th Avenue, in the East Village neighborhood of downtown San Diego |
| Building Area | Approx 18,178 rentable square feet |
| Land Area | Approx 5,011 square feet (0.115 acres) |
| Foundation | Concrete slab on grade |
| Construction Type | Brick |
| Windows | May be opened for fresh air on floors 2 - 4. First floor has 4 glass roll-up fire doors which are open during business hours |
| Roof | TPO roof with 20-year warranty, installed in 2016 |
| HVAC | Rooftop-mounted Carrier units, installed in 2016 |
| Elevator | Thyssenkrupp elevator, installed in 2016 |
| Electrical | Separately metered to each space by SDG&E |
| Year Built | 1925 |
| Years Renovated | Throughout its history, most recently 2016 and 2017 |
| Occupancy | 81 percent |
| Uses | Creative office space on the second, third, and fourth floors. First floor had a restaurant / bar, is now offered for lease to a similar use or it can be leased as office space, an art gallery, flower shop, or other uses. Zoning is broad-ranging |
| Signage | Noonan Lance's building-top sign positions are available for a buyer or new tenant to utilize |



AREA DESCRIPTION

**99 WALK
SCORE**

Daily errands do not require a car.

**81 TRANSIT
SCORE**

Transit is convenient for most trips.

**90 BIKE
SCORE**

Daily errands can be accomplished on a bike.

The Pac Lofts building, situated at 701 Island Avenue, is a 18,178 square-foot property comprising creative office spaces and ground-floor retail, ideally located in the East Village Ballpark neighborhood of downtown San Diego. This property boasts a prime location, in close proximity to various East Village attractions, including the famous San Diego Convention Center, and Petco Park, the iconic stadium of the San Diego Padres, inaugurated in 2004.

ABUNDANT INEXPENSIVE PARKING NEARBY

The building's tenants prefer Ace Parking's 6th & K Parkade, two blocks south at 289 6th Avenue. Park on weekdays until 6:00 p.m. for \$5 per day (then \$1 per hour after 6:00 p.m.) Monthly passes for weekdays between 6:00 a.m. and 6:00 p.m. are \$70

DOWNTOWN AMENITIES

Restaurants

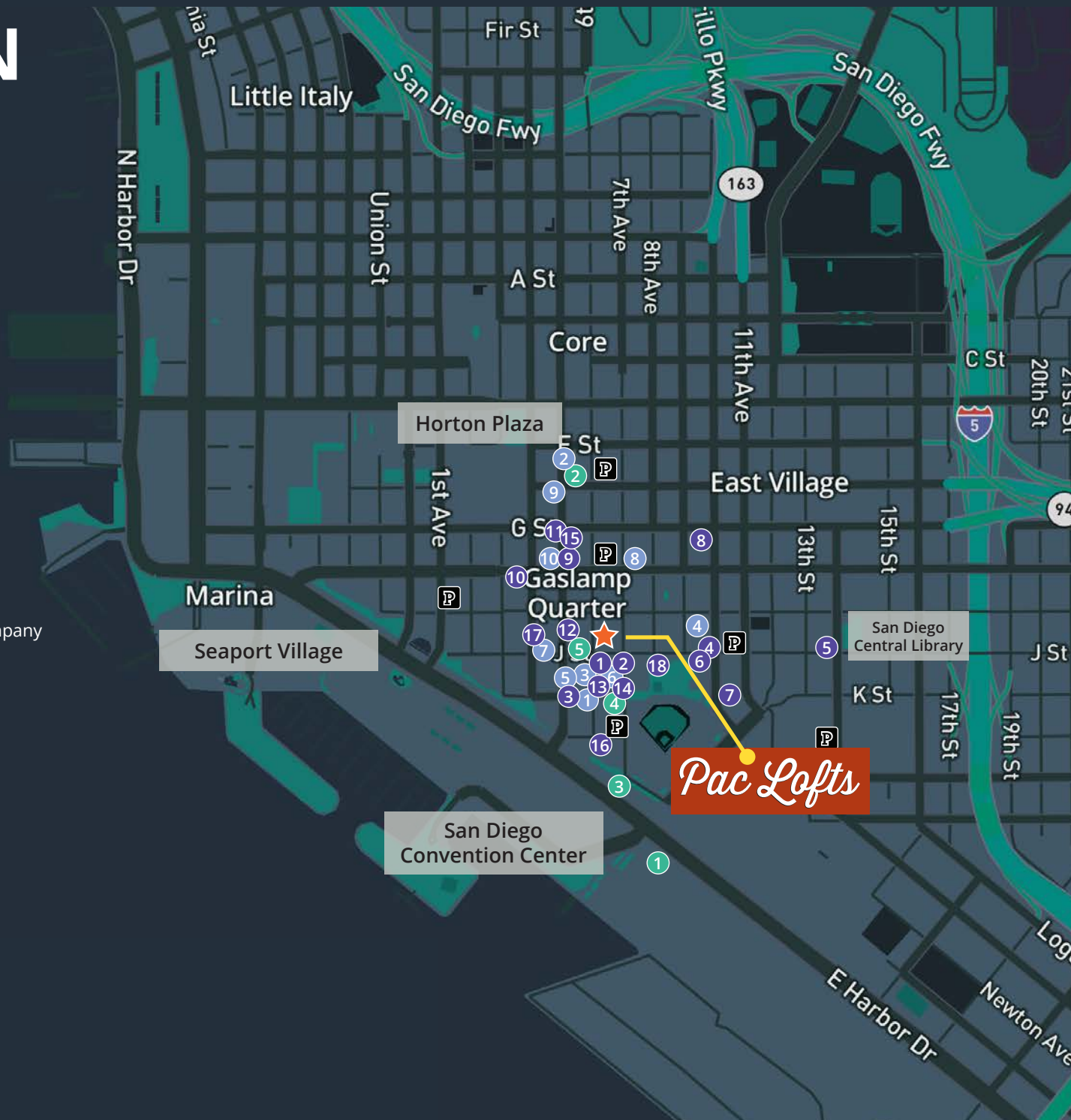
1. Water Grill
2. The Blind Burro
3. UNION Kitchen & Tap
4. BASIC Bar & Pizza
5. The Mission
6. Copa Vida
7. El Puerto
8. Cowboy Star
9. Rustic Root
10. La Puerta
11. Greystone Prime
12. The Nolen
13. Meze Greek Fusion
14. Lucky's Lunch
15. Taka
16. Nobu
17. LionFish
18. Social Tap

Nightlife

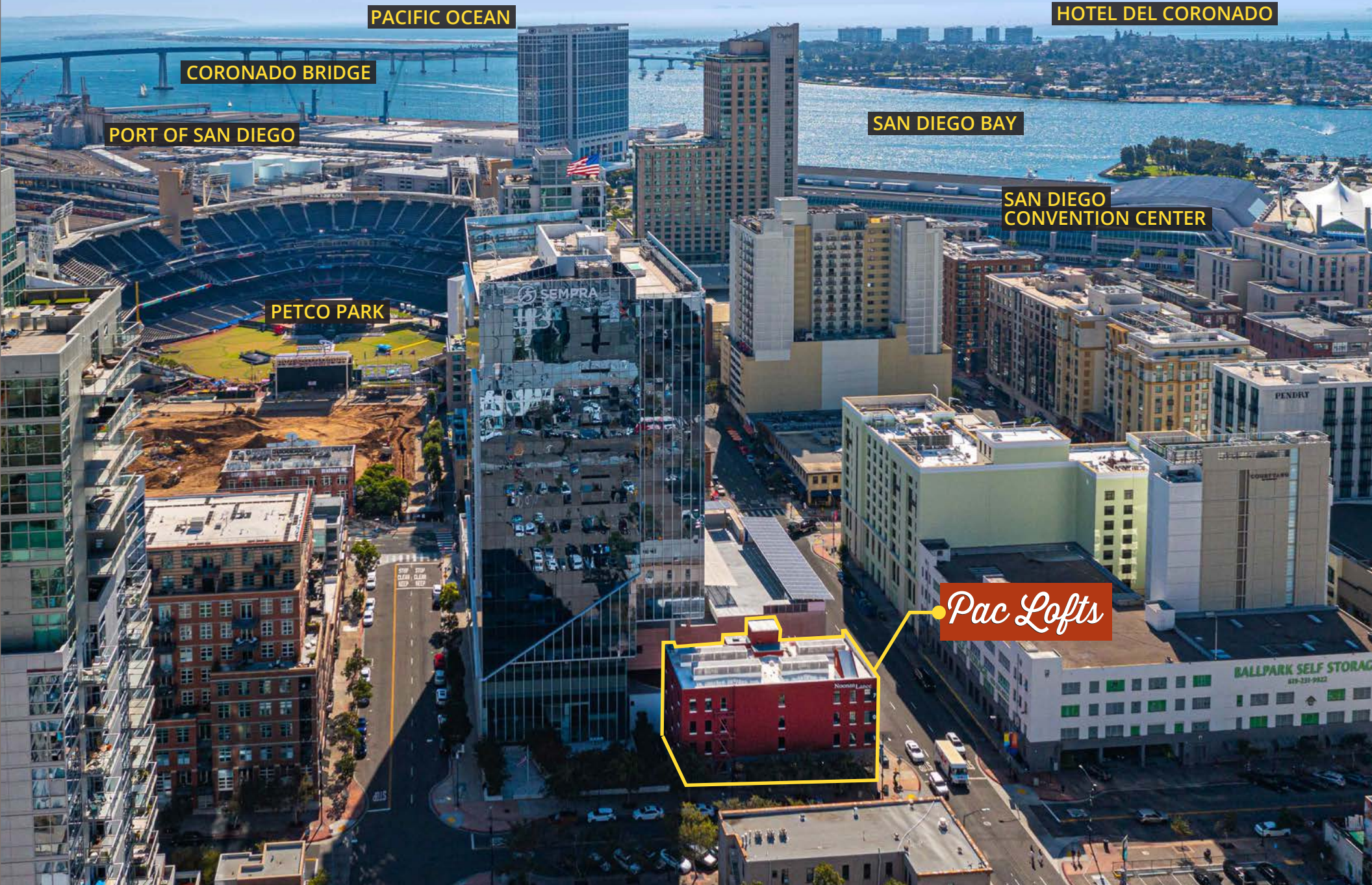
1. Altitude Sky Lounge
2. The Rooftop by STK
3. Bub's at the Ballpark
4. Half Door Brewing Company
5. Moonshine Flats
6. Fairweather Rooftop
7. Oxford Social Club
8. Bootlegger
9. Topsy Crow
10. Barlyemash

Hotels

1. Hilton San Diego Bayfront - 1,190 Rooms
2. Andaz San Diego - 159 Luxury Rooms
3. Omni San Diego Hotel - 152 Luxury Rooms
4. San Diego Marriot Gaslamp Quarter - 306 Rooms
5. Hotel Solamar San Diego - 235 Rooms



VIEW OF SUBJECT PROPERTY LOOKING SOUTHWEST



PACIFIC OCEAN

HOTEL DEL CORONADO

CORONADO BRIDGE

PORT OF SAN DIEGO

SAN DIEGO BAY

SAN DIEGO
CONVENTION CENTER

PETCO PARK

Pac Lofts

RENT ROLL

| TENANTS | FLOOR | APPROX RENTABLE SF | START DATE | END DATE | CURRENT RENT | RENT PER SF | ANNUAL INCREASES | LEASE TYPE |
|--|-------|-----------------------|---------------|-------------|------------------------|----------------|---------------------|----------------|
| Available for Lease | 1 | 3,533 | | | \$10,600 (proforma) | \$3.00 | 3% | Triple net |
| COMMENTS: Unparalleled visibility, 2 blocks from Petco Park, has 4 firehouse glass rollup doors that open directly onto Island Avenue at 7th Avenue | | | | | | | | |
| JCKL Holdings, Inc. | 2 | 4,886 | 9-29-23 | 9-30-28 | \$16,167.50 | \$3.32 | 4.5% | Modified gross |
| The lease is personally guaranteed. Tenant pays pass-through of operating expense increases above the 2023 base year. | | | | | | | | |
| Gap Intelligence, LLC | 3 | 4,886 | 9-29-23 | 9-30-28 | \$16,167.50 | \$3.32 | 4.5% | Modified gross |
| COMMENTS: The lease has a corporate guarantee. Tenant pays pass-through of operating expense increases above the 2023 base year. | | | | | | | | |
| Noonan Lance Boyer & Banach, LLP | 4 | 4,873 | 8-15-16 | 12-31-26 | \$15,983.44 | \$3.28 | 4.5% | Modified gross |
| COMMENTS: Tenant will vacate the premises on or before December 31, 2025, at which time their prominent building-top sign location will be available for this building's buyer or new tenant to utilize. Noonan Lance will remain obligated to pay rent through December 31, 2026. A 4.5% increase above current rent will take place on January 1, 2026 | | | | | | | | |
| TOTALS | | 18,178 | | | \$58,978.44 | | | |

SCENARIO A

OWNER/USER TO OCCUPY PART OF BUILDING

PURCHASE ASSUMPTIONS

| | |
|---------------------------|-------------|
| Size (Approx Square Feet) | 18,178 |
| Purchase Price | \$8,000,000 |

UP-FRONT COST

| | |
|------------------|-----------|
| 10% Down Payment | \$800,000 |
|------------------|-----------|

| COST | PER SQ FT | TOTAL |
|----------------------------|-----------|-----------|
| Mortgage Payment (P&I) | \$2.54 | \$46,218 |
| Operating Expenses | \$1.03 | \$18,663 |
| Total Pre-Tax Monthly Cost | \$3.57 | \$64,881 |
| Total Pre-Tax Annual Cost | \$42.83 | \$778,572 |

| LESS RENT INCOME | PER SQ FT | TOTAL |
|--------------------------------|-----------|-----------|
| Monthly Base Rent From Tenants | -\$1.50 | -\$27,313 |
| Expense Reimbursement | -\$0.66 | -\$12,081 |
| Total Monthly Income | -\$2.17 | -\$39,384 |
| Net Pre-Tax Monthly Cost | \$1.40 | \$25,487 |
| Net Pre-Tax Annual Cost | \$16.83 | \$305,847 |

MONTHLY OWNERSHIP BENEFITS (ESTIMATED)

Tax Benefits

| | |
|---------------------------------------|-----------|
| Annual Depreciation Deduction Benefit | \$5,470 |
| Annual Operating Expense Deduction | \$7,465 |
| Annual Interest Deduction | \$14,636 |
| Less Taxable Income from Tenants | -\$15,578 |
| Total Tax Benefits | \$11,814 |

| | |
|---|------------------|
| NET EFFECTIVE AFTER-TAX ANNUAL COST | \$168,082 |
| NET EFFECTIVE AFTER-TAX MONTHLY COST | \$13,673 |
| PER SQUARE FOOT PER MONTH | \$0.75 |

The seller is an entity related to the tenants on the second and third floors. If a buyer wishes to occupy those floors, then those tenants will vacate. Favorable SBA purchase financing is available to buyers who occupy 51% or more of a building's area. This scenario is based upon the buyer occupying those two floors which gives a buyer approx. 54%, meeting the SBA's occupancy criteria.

TAX BRACKET

40% (Combined Federal and State of California)

1ST DEED OF TRUST

| | |
|---------------------|-------|
| Amortization Term | 25 |
| Loan Term | 10 |
| Interest Rate | 6.25% |
| Loan-to-value ratio | 50% |

2ND DEED OF TRUST

| | |
|---------------------|-------|
| Amortization Term | 25 |
| Loan Term | 25 |
| Interest Rate | 6.00% |
| Loan-to-value ratio | 40% |

These loan terms assume that the owner/user
buyer obtains SBA 504 financing

This is one possible scenario. An owner/user may also choose to occupy three floors or all four floors.

SCENARIO B

INVESTMENT SALE

PURCHASE & INVESTMENT

| | |
|---------------------------------------|-----------------------------------|
| Purchase Price | \$8,000,000 |
| Debt Amount (65% Loan to Value) | \$5,200,000 |
| Equity | \$2,800,000 |
| Analysis Begin Date | January 1, 2026 |
| Length of Analysis | 10 Years |
| Loan Interest Rate | 6.0% |
| Amortization Period | 25 years |
| Initial Loan Term | 10 Years |
| Principal & Interest Payment, Monthly | \$32,923 |
| General Inflation | 3.00% |
| General Vacancy Rate | 3.00% |
| Actual Occupancy | 81% |
| Pro Forma Occupancy | 97% (100% Less 3% Vacancy Factor) |

VALUATION & YIELD

| | |
|---|--------------|
| Present Value Discount Rate | 8.00% |
| Projected Exit Cap Rate | 6.00% |
| Projected Resale Price, December 2036 | \$12,855,505 |
| Less: Resale Commission & Closing Costs | \$385,665 |
| Less: Loan Payoff | -\$3,976,040 |
| Less: Downpayment Equity | -\$2,800,000 |
| Net Sales Proceeds | \$5,693,800 |
| Unleveraged IRR (Internal Rate of Return) | 10.03% |
| Leveraged IRR | 14.42% |

OPERATING CASH FLOW (YEAR 1)

| | AMOUNT |
|---|-----------|
| Projected Gross Revenue | \$866,757 |
| Less Projected Vacancy | -\$26,003 |
| Projected Effective Gross Revenue | \$840,754 |
| Less Projected Operating Expenses | \$223,959 |
| Projected Net Operating Income | \$616,795 |
| Projected Going-In Cap Rate Upon Purchase | 7.71% |

* Results displayed are based on Forecast data only

SALE COMPS



304 Kalmia St

San Diego, CA 92101 (San Diego County) - Uptown West/Park West Submarket



| | | | |
|----------------|---------------------------|------------------|-------------------|
| Sold | 7/15/2025 | Land Area | 0.11 AC/5,001 SF |
| Sale Price | \$1,369,000 (\$442.04/SF) | Actual Cap Rate | 3.48% |
| RBA (% Leased) | 3,097 SF (100%) | Sale Comp Status | Research Complete |
| Price Status | Confirmed | Sale Comp ID | 7242180 |
| Built | 1950 | Parcel Numbers | 533-106-05 |



542 15th St

San Diego, CA 92101 (San Diego County) - Downtown Submarket



| | | | |
|----------------|---------------------------|------------------|-------------------|
| Sold | 1/2/2025 | Land Area | 0.09 AC/3,920 SF |
| Sale Price | \$1,800,000 (\$750.00/SF) | Sale Comp Status | Research Complete |
| RBA (% Leased) | 2,400 SF (100%) | Sale Comp ID | 7006490 |
| Price Status | Confirmed | Parcel Numbers | 535-166-19 |
| Built | 1932 | | |



2137-2141 5th Ave

San Diego, CA 92101 (San Diego County) - Uptown West/Park West Submarket



| | | | |
|-----------------|---------------------------|------------------|-------------------|
| Sold | 12/10/2024 | Land Area | 0.34 AC/14,810 SF |
| Sale Price | \$8,500,000 (\$590.28/SF) | Sale Comp Status | Research Complete |
| RBA (% Leased) | 14,400 SF (100%) | Sale Comp ID | 6984387 |
| Price Status | Full Value | Parcel Numbers | 533-203-01 |
| Built/Renovated | 1957/2021 | | |



979 W Laurel St - West Laurel Studios

San Diego, CA 92101 (San Diego County) - Downtown Submarket



| | | | |
|----------------|---------------------------|------------------|-------------------|
| Sold | 8/14/2023 | Land Area | 0.02 AC/871 SF |
| Sale Price | \$1,560,000 (\$742.50/SF) | Actual Cap Rate | 5.00% |
| RBA (% Leased) | 2,101 SF (100%) | Sale Comp Status | Research Complete |
| Price Status | Confirmed | Sale Comp ID | 6480491 |
| Built | 2007 | Parcel Numbers | 533-630-06 |



2140 4th Ave - 2140 4th Avenue, San Diego, CA 92101

San Diego, CA 92101 (San Diego County) - Uptown West/Park West Submarket

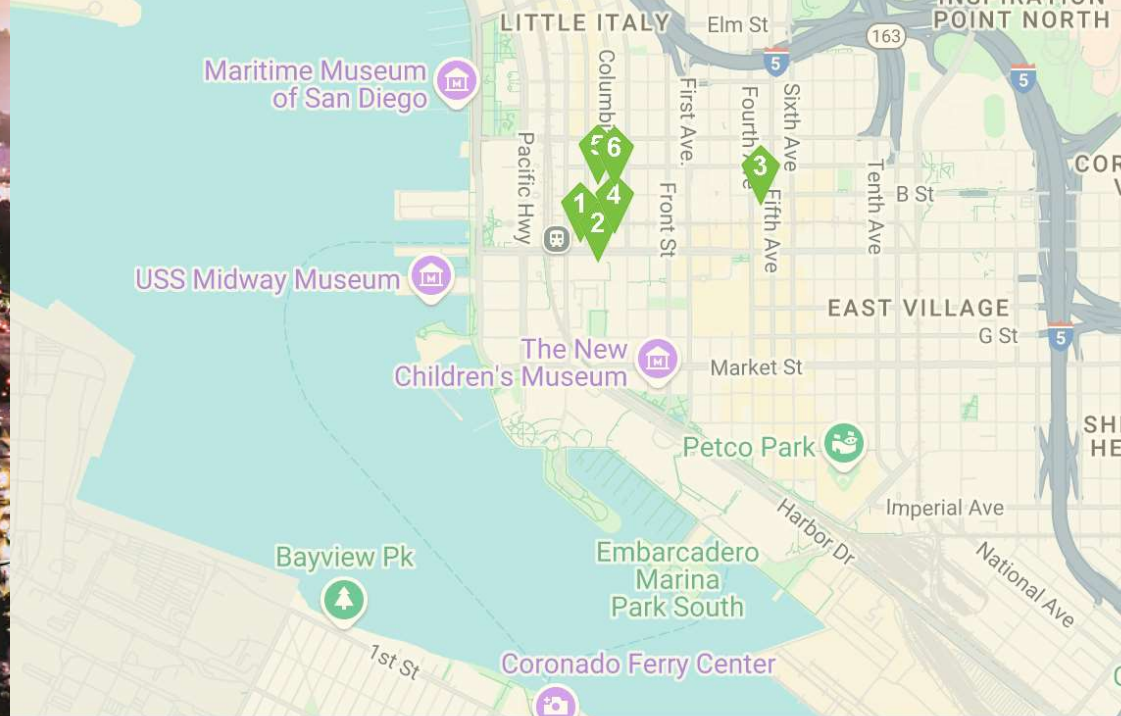


| | | | |
|----------------|--------------------------|------------------|-------------------|
| Sold | 6/30/2023 | Land Area | 0.11 AC/4,792 SF |
| Sale Price | \$1,500,000 (\$69267/SF) | Sale Comp Status | Research Complete |
| RBA (% Leased) | 2,150 SF (100%) | Sale Comp ID | 6448708 |
| Price Status | Full Value | Parcel Numbers | 533-201-05 |
| Built | 1935 | | |



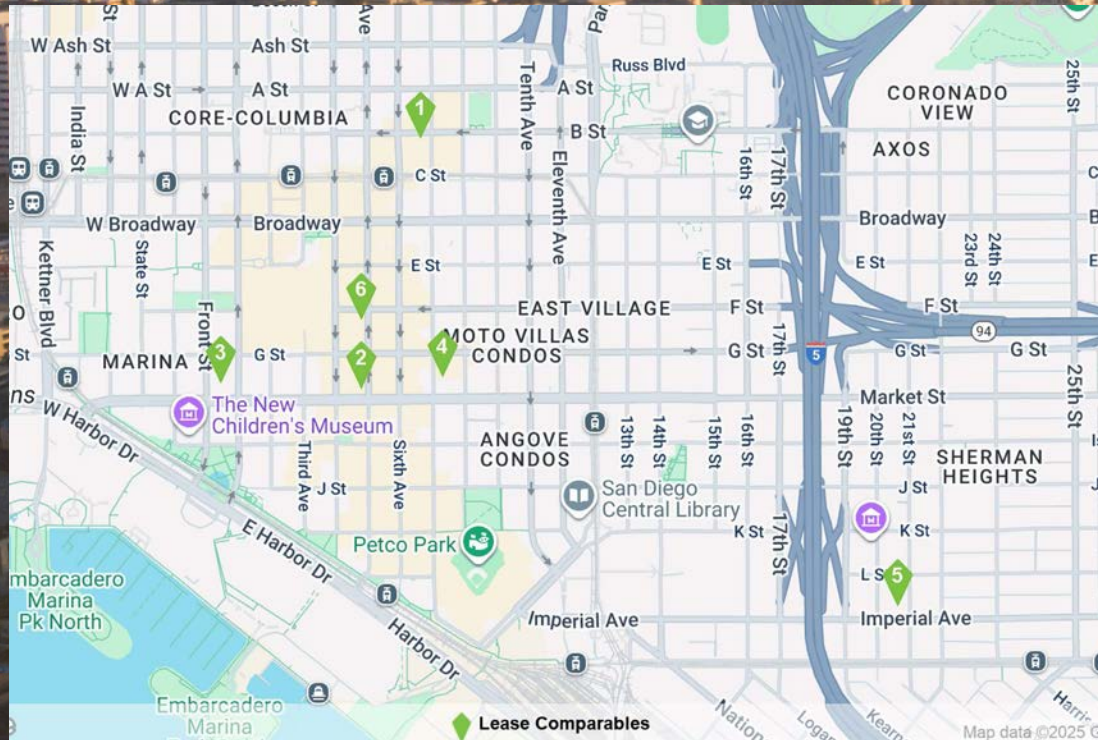
| | LOW | AVERAGE | MEDIAN | HIGH |
|-------------------|----------------------------------|-------------|-------------|-------------|
| Sale Price | \$1,369,000 | \$2,945,800 | \$1,560,000 | \$8,500,000 |
| RBA | 2,101 SF | 4,830 SF | 2,400 SF | 14,400 SF |
| Price/SF | \$442.04 | \$609.95 | \$697.67 | \$750.00 |
| Actual Cap Rate | 5.00% | 5.00% | 5.00% | 5.00% |
| TOTALS | | | | |
| Sold Transactions | Total Sales Volume: \$14,729,000 | | | |

OFFICE LEASE COMPS



| SIGN DATE | ADDRESS | SF LEASED | RENT/SF/MO |
|------------|------------------|-----------|------------|
| 4/24/2025 | 600 W Broadway | 1,278 | \$3.80 |
| 3/17/2025 | 501 W Broadway | 1,547 | \$3.25 |
| 3/14/2025 | 401 B Street | 3,552 | \$3.15 |
| 2/25/2025 | 402 W Broadway | 11,287 | \$3.00 |
| 2/19/2025 | 1230 Columbia St | 4,358 | \$3.15 |
| 11/25/2024 | 401 W A St | 19,618 | \$3.25 |

RETAIL LEASE COMPS



| SIGN DATE | ADDRESS | FLOOR | SF LEASED | RENT/SF/MO | SUBMARKET |
|------------|---------------------|-------|-----------|------------|-----------------|
| 9/18/2025 | 625-675 B St | 1st | 1,500 | \$5.95/nnn | Downtown |
| 6/1/2025 | 600-655 5th Ave | 1st | 3,600 | \$5.00/nnn | Downtown |
| 12/18/2024 | 645 Front St | 1st | 1,372 | \$3.95/nnn | Downtown |
| 10/23/2024 | 633-635 7th Ave | 1st | 1,371 | \$3.25/nnn | East Village |
| 10/1/2024 | 2040 E Imperial Ave | 1st | 1,600 | \$3.27/nnn | Sherman Heights |
| 8/18/2024 | 756 5th Ave | 1st | 2,500 | \$3.40/nnn | Downtown |

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Pac Lofts

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