

Pac Lofts



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FOR SALE

701 ISLAND AVENUE | EAST VILLAGE | DOWNTOWN SAN DIEGO

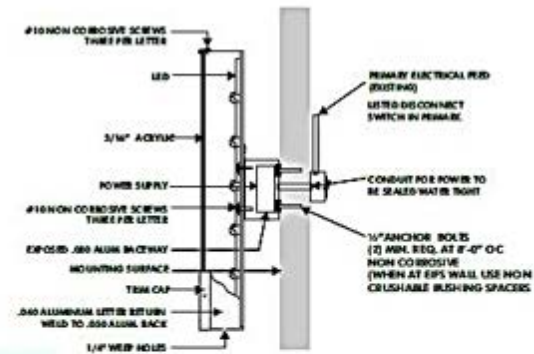
UNPARALLELED BUILDING-TOP SIGNAGE AVAILABLE IN CLASS "A" LOCATION

**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 to approx. 23,200 vehicles per day

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

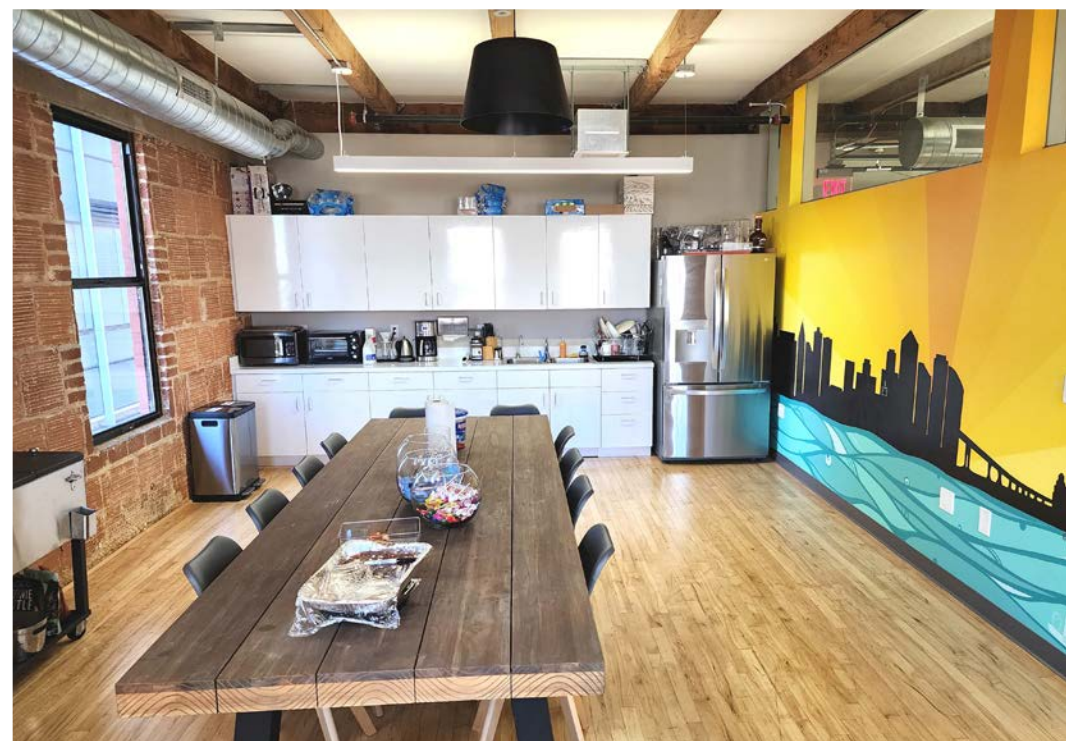
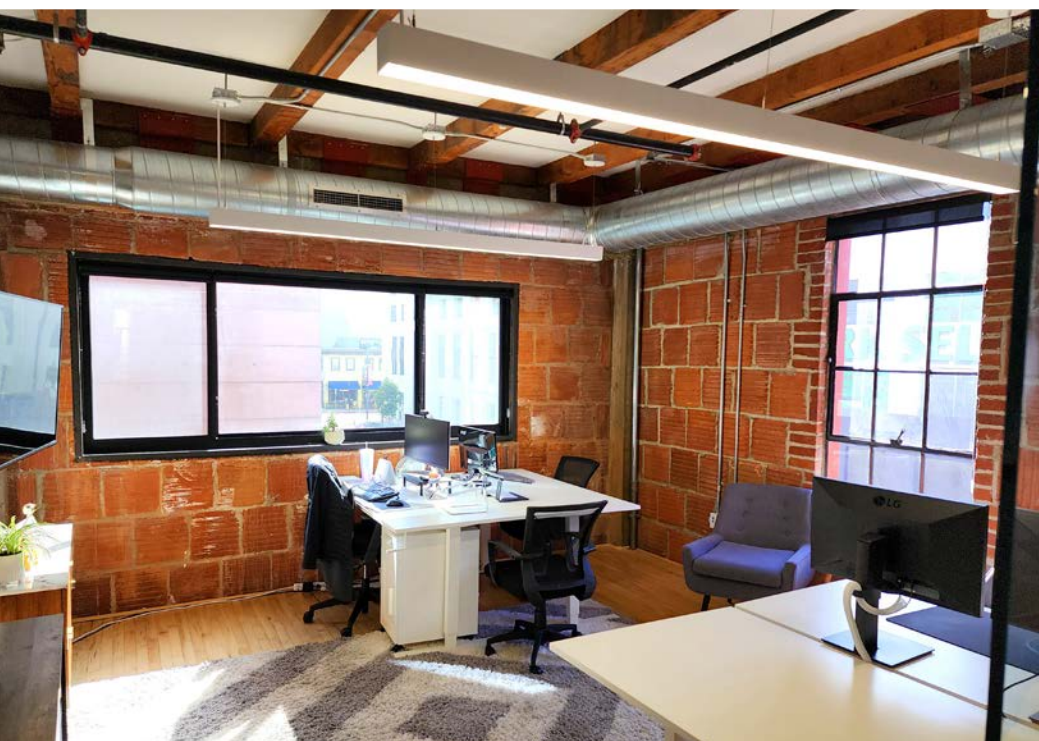
INVESTMENT OVERVIEW



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.

PHOTOS OF EXISTING OFFICES



PHOTOS OF FORMER TENANT, WESTBREW. NEW TENANT: RELENTLESS BREWING & SPIRITS MOVING IN



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	100 percent
Uses	Creative office space on the second, third, and fourth floors. First floor is a restaurant and brewery
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

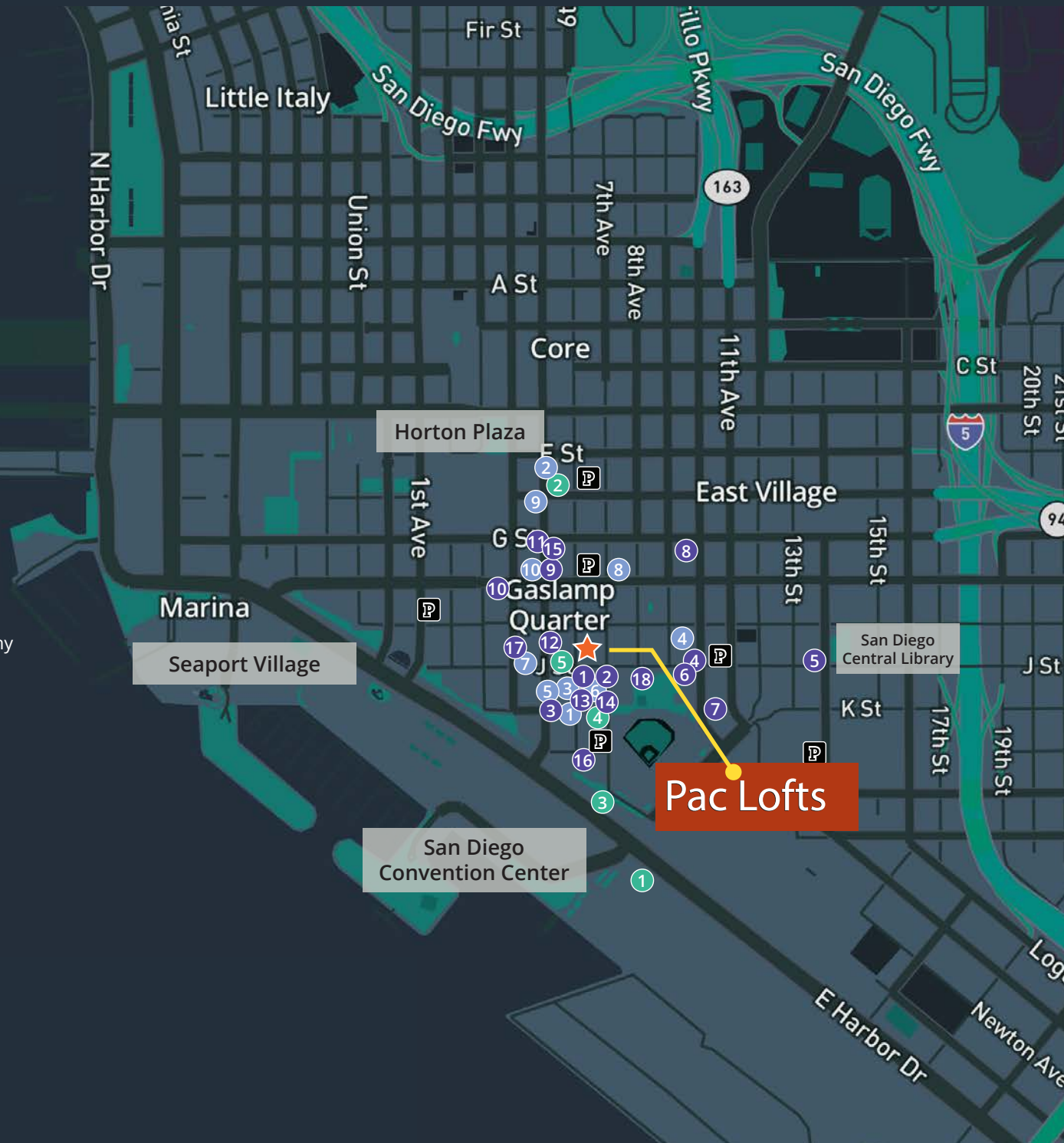
1. Water Grill
2. The Blind Burro
3. UNION Kitchen & Tap
4. BASIC Bar & Pizza
5. The Mission
6. Copa Vida
7. El Puerto
8. Cowboy Star
9. Rustic Root
10. La Puerta
11. Greystone Prime
12. The Nolen
13. Meze Greek Fusion
14. Lucky's Lunch
15. Taka
16. Nobu
17. LionFish
18. Social Tap

Nightlife

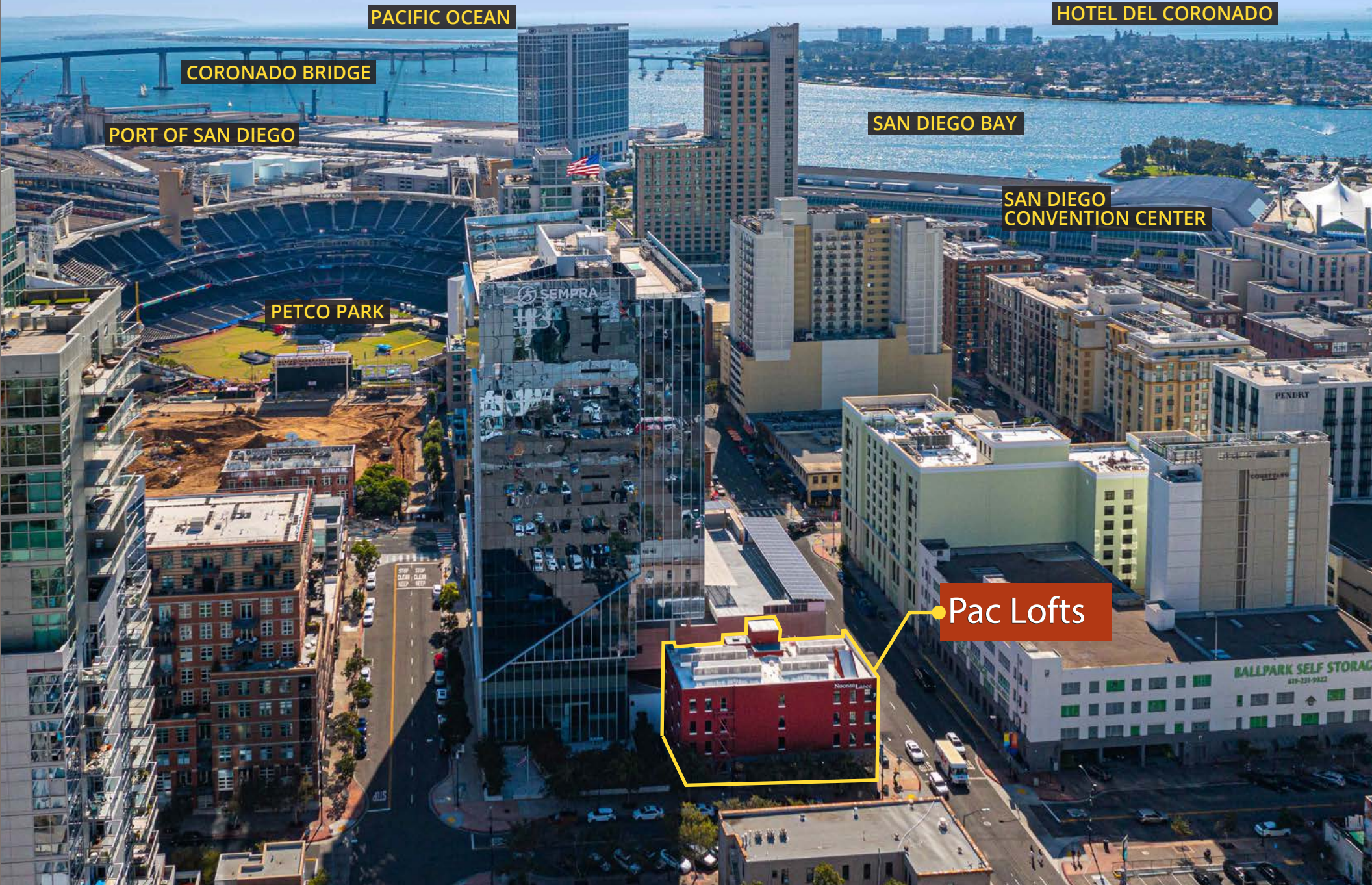
1. Altitude Sky Lounge
2. The Rooftop by STK
3. Bub's at the Ballpark
4. Half Door Brewing Company
5. Moonshine Flats
6. Fairweather Rooftop
7. Oxford Social Club
8. Bootlegger
9. Tippy Crow
10. Barlyemash

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

BALLPARK SELF STORAGE
419-231-9922

RENT ROLL

TENANTS	FLOOR	APPROX RENTABLE SF	START DATE	END DATE	CURRENT RENT	RENT PER SF	ANNUAL INCREASES	LEASE TYPE
Relentless Brewing Co.	1	3,533	10/1/26 Estimated	9-3-26 Estimated	\$8,832.50	\$2.50	3%	Triple net
<p>The lease is personally guaranteed. Their triple net operating expenses are approx. \$1.01/sf in 2026, for monthly total income of \$12,400.83</p>								
Harlan Hillier Digiacco, LLP	2	4,886	9-29-23	9-30-28	\$10,618.74	\$2.17	3%	Modified gross
<p>Tenant currently reimburses \$1,031.94 for janitorial service, for a total monthly income of \$11,650.68. On 10-1-26, base rent increases to \$10,937.30.</p>								
OpenBrand	3	4,886	9-29-23	9-30-28	\$16,926.39	\$3.46	4.5%	Modified gross
<p>The lease has a corporate guarantee. Tenant currently reimburses \$1,031.94 for janitorial services and \$530.17 in pass-through expenses for a total monthly income of \$18,488.50. On 10-1-2026, base rent increases to \$17,688.08. Tenant is willing to vacate early if owner/user buyer choses to occupy this space.</p>								
Noonan Lance Boyer & Banach, LLP	4	4,873	8-15-16	12-31-26	\$16,714.39	\$3.43	-	Modified gross
<p>Tenant currently reimburses \$1,031.94 for janitorial service and \$530.17 in pass-through expenses, for a total monthly income of \$18,276.53. Tenant is willing to vacate early if owner/user buyer choses to occupy this space. Upon vacating, their prominent building top sign locations will be available for the buyer or a new tenant to utilize which provides unparalleled exposure.</p>								
TOTALS		18,178			\$60,816.54			

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
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COST

	PER SQ FT	TOTAL
Mortgage Payment (P&I)	\$2.52	\$45,845
Operating Expenses	\$1.01	\$18,360
Total Pre-Tax Monthly Cost	\$3.53	\$64,205
Total Pre-Tax Annual Cost	\$42.38	\$770,463

LESS RENT INCOME

	PER SQ FT	TOTAL
Monthly Base Rent From Tenants	-\$1.32	-\$24,052
Net Pre-Tax Monthly Cost	\$2.21	\$40,154
Net Pre-Tax Annual Cost	\$26.51	\$481,845

MONTHLY OWNERSHIP BENEFITS (ESTIMATED)

Tax Benefits	
Annual Depreciation Deduction Benefit	\$5,470
Annual Operating Expense Deduction	\$7,344
Annual Interest Deduction	\$14,101
Total Tax Benefits	\$26,915

NET EFFECTIVE AFTER-TAX MONTHLY COST	\$13,238
PER SQUARE FOOT PER MONTH	\$0.73

This pro forma assumes that a buyer uses the SBA 504 program (see <https://www.sba.gov/funding-programs/loans/504-loans>), requiring a downpayment of only 10%. The buyer obtains a 50% loan-to-value first trust deed from a bank of their choice (all banks participate in this program). The SBA funds the remaining 40% as a second trust deed that's fully amortized—with no balloon payment—over 25 years at a below-market interest rate, currently 5.72% fixed. The buyer must occupy 51% or more of the property as a condition of the loan. The tenants on floors 3 and 4 can vacate to allow an owner/user buyer to occupy them, which comes to 54% of the property's area.

TAX BRACKET

40% (Combined Federal and State of California)

1ST DEED OF TRUST

Amortization Term	25
Loan Term	10
Interest Rate	6.00%
Loan-to-value ratio	50%

2ND DEED OF TRUST

Amortization Term	25
Loan Term	25
Interest Rate	5.72%
Loan-to-value ratio	40%

This assumes that the buyer occupies floors 3 and 4, and collects rent from floors 1 and 2. Buyer may also opt to occupy floors 2, 3, and 4 while collecting rent from floor 1.

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	October 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	\$33,552
General Inflation	3.00%
General Vacancy Rate	3.00%
Actual Occupancy	100%

VALUATION & YIELD

Present Value Discount Rate	8.00%
Projected Exit Cap Rate	6.00%
Projected Resale Price, December 2036	\$12,368,603
Less: Loan Payoff	-\$3,976,040
Less: Downpayment Equity	-\$2,800,000
Net Sales Proceeds	\$5,592,563
Unleveraged IRR (Internal Rate of Return)	10.2%
Leveraged IRR	14.7%

OPERATING CASH FLOW (YEAR 1)

	AMOUNT
Projected Gross Revenue	\$722,016
Less Projected Vacancy	-\$18,984
Projected Effective Gross Revenue	\$703,032
Less Projected Operating Expenses	\$210,667
Projected Net Operating Income	\$492,365
Projected Going-In Cap Rate Upon Purchase	6.2%

* Results displayed are based on Forecast data only

SALE COMPS



704 J St - Arcade Monsters

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

Sold	3/5/2026	Land Area	0.23 AC/10,019 SF
Sale Price	\$7,050,000 (\$568.55/SF)	Actual Cap Rate	7.87%
GLA (% Leased)	12,400 SF (100%)	Sale Comp Status	In Progress
Price Status	Full Value	Sale Comp ID	7550251
Built	1943	Parcel Numbers	535-115-12



738 5th Ave

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

Sold	3/4/2026	Land Area	0.06 AC/2,614 SF
Sale Price	\$1,250,000 (\$500.00/SF)	Sale Comp Status	In Progress
GLA	2,500 SF	Sale Comp ID	7554792
Price Status	Full Value	Parcel Numbers	535-092-09
Built	1918		



665 5th Ave - Fifth Avenue

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

Sold	12/16/2025	Land Area	0.11 AC/4,792 SF
Sale Price	\$9,045,991 (\$913.46/SF)	Sale Comp Status	Research Complete
GLA	9,903 SF	Sale Comp ID	7458715
Price Status	Allocated	Parcel Numbers	535-094-01
Built	1886		



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



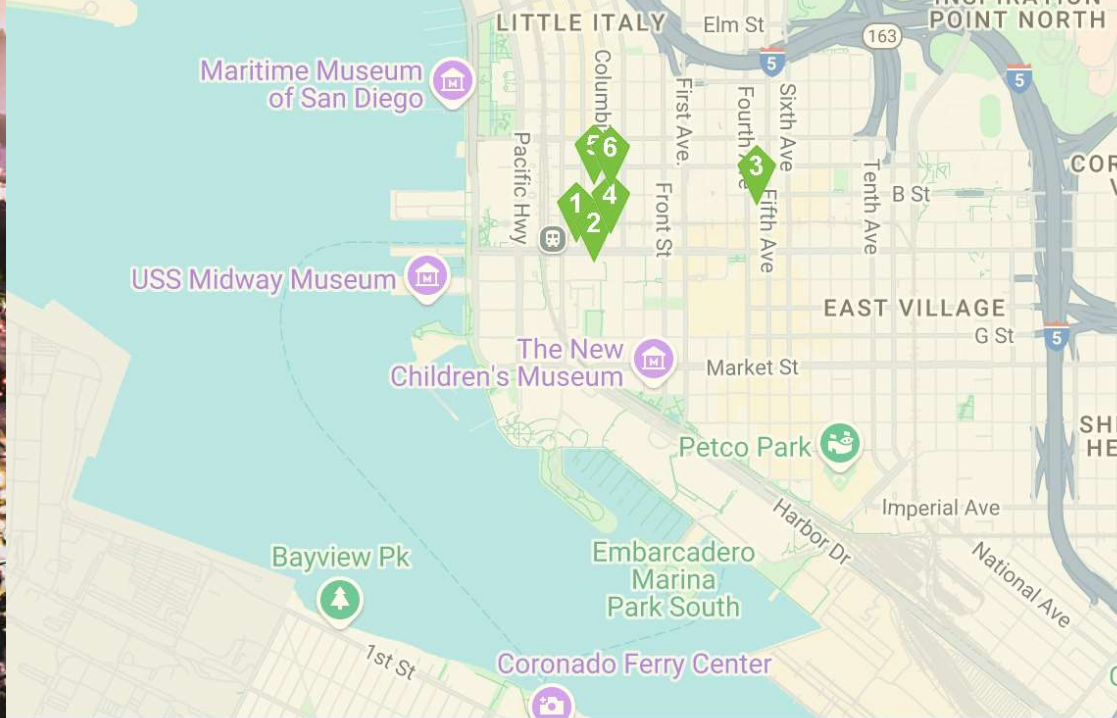
762-764 5th Ave

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

Sold	2/24/2025	Land Area	0.58 AC/25,265 SF
Sale Price	\$4,750,000 (\$638.44/SF)	Sale Comp Status	Research Complete
GLA (% Leased)	7,440 SF (50.0%)	Sale Comp ID	7071893
Price Status	Confirmed	Parcel Numbers	535-092-13
Built	2001	Sale Conditions	High Vacancy Property



OFFICE LEASE COMPS



SIGN DATE	ADDRESS	SF LEASED	RENT/SF/MO
9/7/2025	816 J Street	1,628	\$3.65
8/19/2025	750 B Street	2,222	\$2.90
4/24/2025	500 W Broadway	1,278	\$3.80
3/17/2025	501 Broadway	1,547	\$3.25
2/19/2025	401 B Street	3,552	\$3.15
11/25/2024	402 W Broadway	11,287	\$3.00

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This Memorandum was prepared by the Broker based on information supplied by the Owner and the Broker. It contains selected information about the Property and the real estate market but does not contain all the information necessary to evaluate the acquisition of the Property. The information contained herein (or in any other “Evaluation Material”, including any files distributed to you via email from Broker) are for general reference only. They are based on assumptions relating to the general economy and local competition, among other factors. Accordingly, actual results may vary materially from such projections. Various documents have been summarized herein to facilitate your review; these summaries are not intended to be a comprehensive statement of the terms or a legal analysis of such documents.

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