

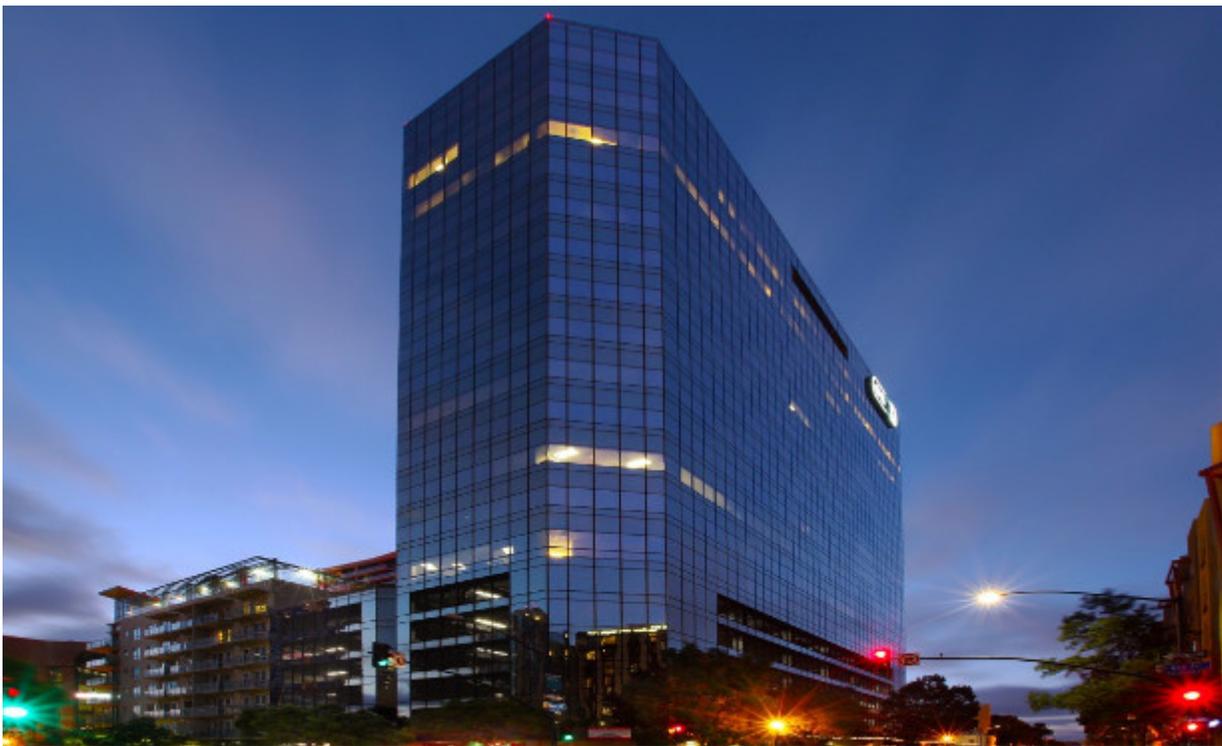
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Little Italy is a Very Happening Place

| By [Carrie Rossenfeld](#)

Published: May 11, 2017



610 W. Ash St.

is the only office tower in Little Italy.

SAN DIEGO—From a variety of eateries to its proximity to the water and airport, as well as its sense of community, [Little Italy](#) has emerged as one of the most desirable places in Downtown San Diego to live, work and play, [A10 Capital](#) executives **John Rodiles**, senior EVP origination, and **Chris Tierney**, head of origination, Denver, tell GlobeSt.com. The firm recently closed a \$33-million loan to **refinance** a 19-story [office](#) property at **610 W. Ash St.** in the Little Italy neighborhood.

The 177,400-square foot property is owned by **Gemini Rosemont** and is the only office tower in Little Italy, a popular destination for residents and tourists. The building is 97% occupied with 13 tenants, including an international **cybersecurity** firm and the **General Services Administration**.

A10 Capital is refinancing a short-term loan that funded the Gemini Rosemont acquisition in 2016. A10 structured its financing with a 10-year maturity including a \$2-million rollover reserve for tenants. We spoke with Rodiles and Tierney about the transaction as well as the Little Italy market in general.

GlobeSt.com: What types of office properties are in the Little Italy submarket of Downtown SD?

Rodiles: Little Italy is well known. It's right within the business district of Downtown San Diego, which is helpful to its growth—it has been growing for more than 10 years now. The area has gentrified pretty nicely, with a lot of **mixed-use property** that has gone up in that area: **retail, apartments and office** combined. The neighborhood grew around it.

Tierney: From our research of the direct neighborhood, there's predominantly a lot of smaller office and condo types of buildings, so this high-rise tower asset is relatively unique in the direct neighborhood. The neighborhood itself has been there since the '20s. There's been a renaissance of people moving from the suburbs back into the center city, and in this area, there is a lot of art and shopping, which is attractive to **Millennials**, and therefore, attractive to those who employ Millennials. This is a unique area, and we're seeing more and more of that in terms of office. It's up and coming, a little edgier, a hip place to be. I've spent a little time in Little Italy during this process, and I was impressed with the shopping, nightlife and restaurants. It's a very happening place.



Rodiles: “San Diego is happy to have this piece grow and create what it has: the liveliness of night life and artisan restaurants at your disposal, so you can walk and have a great meal at a choice of five great restaurants within a block.”

GlobeSt.com: What are tenants seeking in their space?

Tierney: It depends, but in this asset, there is a security tech firm—there are a lot of tech users, but also a lot of government users and GSA users as well. In terms of what they're looking for, specific to this asset, the location is great because it gives them access to the airport and freeways. It's easy to get in and out of Downtown from this asset. Also, there's a very friendly environment for employees. In terms of buildout, it's becoming more and more important that it's not just office space, but that there are amenities in or nearby the building. It's almost become as important as the build out itself.



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GlobeSt.com: What makes this market unique from other parts of San Diego and even Downtown?

Rodiles: I live in Long Beach, so go to San Diego quite often and have eaten in Little Italy many times. Little Italy is pretty happy to be in the middle of San Diego, and San Diego is happy to have this piece grow and create what it has: the liveliness of night life and artisan restaurants at your disposal, so you can walk and have a great meal at a choice of five great restaurants within a block. It’s a fantastic place to go eat, which cuisine choices from Argentinian to Peruvian to Italian. The area where Little Italy is, you’re passing through it to get out or in to Downtown San Diego, so it has a lot of exposure. That whole thoroughfare is big and smooth compared to five years ago. It’s also positioned in a fantastic way, close to the water.

Tierney: The entire San Diego market is very interesting. It’s definitely a market where we saw in-migration into the CBD; there are a lot of investors looking at class-A assets in that market. A lot of new **construction** was done within the **Gaslamp District**, so there was a lot of attention paid over there, but macro trends support growth throughout San Diego. Some of the premier, class-A assets in the Gaslamp are trading for very high numbers. This area has a different approach; there’s opportunity, and this area will appreciate. Southeast of this area, too, there is a lot of growth.

San Diego is definitely a very interesting market and continues to trend that way. Also, there’s a sense of community—there’s no question that there’s a pride in the Little Italy community. They host a lot of festivals throughout the year to bind that community together; there’s a lot of interaction, and this asset folds into that.

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