

Is Pasadena L.A.'s Next Tech Hub?

A new tech hub is emerging in the Pasadena market, and it is expected to drive significant office leasing activity this year.

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Pasadena is quickly becoming the newest tech hub in Los Angeles. In the last year, smaller and start-up tech companies have migrated to the market, where revitalized office space is a discount compared to other markets. **Gigajot Technology** is the latest company to migrate to the market, signing a 3,257-square-foot lease Gateway Metro Center. The lease deal is an example of the recent tech activity in the market, which is expected to pick-up momentum this year.

"Pasadena attracts tech companies because the area has been on the frontline of significant technological advances such as the tech firm Gigajot, which has developed quanta image sensors for high-speed single-photon detection for unlocking a new level of capture capabilities," **Kevin Carroll**, an associate at **Avison Young** and the broker on the Gigajot deal, tells GlobeSt.com. "The tech industry is honed in on NASA's Jet Propulsion Laboratory in nearby La Canada Flintridge, the leading center for robotic exploration of the solar system, and research university California Institute of Technology in Pasadena. For a tech company to be situated in proximity to these two institutions is not only significant for recruiting, but also for being in the epicenter of an innovation hub."

Lower office rents are the major draw for tech companies migrating to the market, especially as formerly discounted office markets like Hollywood and Downtown Los Angeles are now competitive with West L.A. Part of the current appeal to Pasadena is that leasing office space is less expensive in most cases compared to areas like Santa Monica," says Carroll. "However, as the Pasadena market continues to attract talented tech firms, supply and demand will inevitably drive up rents."

The tech market has been a major driver of office activity in Los Angeles. It began with the Silicon Beach movement on the Westside, but has since spread throughout the city, motivating massive office redevelopment projects, like Columbia Square

in Hollywood. However, Pasadena's tech market is different, although vibrant. "Caltech produces some of the country's top recruits in its field," says Carroll. "I would say that the area attracts tech companies looking to push the boundaries of their industries and reach heights that have never before been

achieved. Caltech's model is different than a number of other tech hubs in Los Angeles, which are largely customer-facing and seek to cultivate products that are aimed to attract as many users as possible. Additionally, a major difference between Pasadena and other tech hubs in LA is rental costs. Areas like Silicon Beach have become too expensive for many budding start-ups and tech firms, whereas a market like Pasadena can provide ample space for these businesses at a fraction of the cost, while also providing them with a community of complementary professionals and entrepreneurs."

Growth is also coming from within the market, according to Carroll. "There are definitely several tech firms currently working in coworking or incubator spaces in the Pasadena ecosystem that are close to reaching a point where finding their own office space will be necessary," he says. "I look forward to helping these innovative companies graduate to that level."

Gigajot Technology is a startup microchipmaker with 11 employees. It took occupancy of its new space within 10 days of signing the lease.

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