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EXCLUSIVE

Quantum Capital Sees Turnaround in Lending Policies

By *Natalie Dolce*



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BEVERLY HILLS, CA—Over the last few months there has been an increase of **commercial real estate lending** activity due mainly to an increase in lenders willingness to lighten underwriting requirements. So says **Mike Yim**, a principal at Beverly Hills, CA mortgage banking firm **Quantum Capital Partners**, who recently chatted with GlobeSt.com on the subject.

According to Yim, the change comes as an unanticipated surprise after a long period of tight credit and it expresses an increase in faith by lenders of market fundamentals as well as a decrease in balance sheet concerns by those lenders. "Lenders are looking to lend again, they are looking at the real estate market as a source of revenue growth, and that's great news for everyone," he says.

Credit has especially loosened for non-institutional grade retail and office product, according to principal **Jonathan Hakakha**, also from Quantum Capital. For example, Hakakha recently needed only 10 days to close a five-year, \$4.3-million purchase loan for a property at the intersection of Melrose and La Brea Avenues in Los Angeles. The property consists of a vacant lot and a two-story building that will be renovated and converted to retail and creative office space. Additionally, GlobeSt.com learns that Quantum recently arranged an \$8.75-million loan for a Wal-Mart-anchored retail center in downtown Los Angeles, a \$10.95-million multifamily loan in Torrance, CA, and a \$17 million grocery anchored retail center in San Diego County.

Hakakha notes that the increase in liquidity is making it easier for property owners to fund new investment transactions for all property types. In addition, he says, property owners are now able to refinance assets that they were unable to finance in 2009 and 2010.

"We're on pace to double our volume of financing from 2011 and that's a direct result of the improved lending environment," says Hakakha. "Lenders today are competing for deals and borrowers are able to benefit from the competition in the market place. The ease in underwriting is eliminating a final barrier to a healthy lending environment. This is great news for property owners seeking to take advantage of historically low rates."