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Quantum Leaps

If Quantum Capital Partners' **Mike Yim** and **Jonathan Hakakha** were playing *Monopoly: The LA Version*, their game pieces would be spending a lot of time in West Hollywood. QCP has done some 40 loans within one mile of the 8300 block of Beverly Blvd, including two deals that are closing on **Wednesday**.



Last week we chatted with the pair at **8322 Beverly**, where Jonathan has done two bridge rehab and permanent loans, as well as **another perm loan** next door at 8314 Beverly. Across the street, he's closing a bridge rehab loan on the former Health and Fitness building (8301 Beverly). Less than half a mile away, QCP recently secured financing to upgrade a retail and creative space property, consisting of a 23k SF building and a vacant lot at **7000-7024 Melrose Ave**. Why so many transactions in the same vicinity? As Jonathan tells it, it started with one **heavyweight investor** who guaranteed a loan he was doing on a temple. The investor owned a lot of properties in the area that needed to be refinanced, and Jonathan got a bunch of refis from him. That's not all—he saw that the client had a **partner** on two deals and asked for a meeting. But it wasn't easy.



He notes these are savvy people who have been in business for 30 years or longer, and they

have their relationships in place. “[For] a year, I **hounded him**, and then after a year he gave me an opportunity.” (Stick to it and you’ll succeed: that’s why we’ve been camped out on Leonardo DiCaprio’s lawn for five months.) Jonathan’s done all his loan business for the past six years. But it’s not like the firm never ventures beyond this area. Mike and Jonathan do permanent, bridge, construction, and equity loans throughout SoCal, including about **1.5M SF** in Downtown LA. Last month, Mike did a refi for a 33k SF **Walmart**-anchored retail center at Grand Avenue and Cesar Chavez. The borrower obtained a 70% LTV loan to redevelop the building, formerly occupied by the LA Unified School District.



According to Mike, Downtown LA is a market “that not every lender understands because it’s a cash business, especially in the **garment district**.” He says there’s no square footage—a landlord comes in, **ropes off** a space and asks, “Do you want it or not? If not, there are 10 others who’ll take it.” (Sounds like our landlord.) But rents per SF are sometimes **higher** than Beverly Hills or West Hollywood. Mike and Jonathan formed the **boutique** mortgage investment banking firm after leaving Commercial Realty Consultants of Calabasas, and **70%** of their business is repeat or referral. Mike speaks three languages—English, Mandarin, and Cantonese—and recently started to play **tennis**. Jonathan studied *tai-chi* under Master **Daniel Wang**, who was captain of China’s national *kung-fu* team (not that we’d ever try to *panda* to martial arts fans).

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