



Quantum Capital Partners Arranges \$15,700,000 on Los Angeles Jewelry District Building

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Quantum Capital Partners has arranged \$15.7 mi in first mortgage debt for a local investor operating as WJM LLC to refinance a 110k sf office building in Downtown Los Angeles' Jewelry District.

The loan is secured by the Jewelry Mart, a 12-story, Class B, retail and office building at the corner of 6th and Hill Streets. The building is 95% percent occupied, primarily by tenants in the jewelry trades.

The borrower required long-term, lower interest, fixed-rate non-recourse debt typically associated with a CMBS loan but with the flexibility of a portfolio loan, according to Quantum Capital Partners Managing Director Jonathan Hakakha.

"Buildings in the Jewelry District, which are older and characterized by tenants with short-term leases, are difficult to finance at attractive rates unless you go the CMBS route," he said. "By demonstrating the strength of sponsorship and the success of the building under their ownership for the past 16 years, we were able to find financing from a regional bank that nearly mimicked a CMBS loan without the restrictions, conditions and costs that go along with it."

Loan proceeds will be used to refinance a maturing CMBS loan. The cash-out financing features a 4.50% fixed rate for 10 years, with a flexible prepayment schedule. It was underwritten at 70 percent LTV with a 10% recourse.

In a separate financing, Quantum secured a \$3 mil land loan secured by an approximately three-quarter-acre undeveloped land parcel near Olympic Blvd and Western Ave in the Koreatown district of Los Angeles. The financing will allow the borrower time to entitle the property for a 70-unit apartment project. It has a 24-month term loan at an attractive rate of Prime + 0.75%.