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## Jewelry District Office Building Secures \$23M

By [Kelsi Maree Borland](#) | Los Angeles



LOS ANGELES—The owner of a 153,000-square-foot office building in the jewelry district in Downtown Los Angeles has secured \$23 million in first mortgage debt to refinance the property. The proceeds from the loan will be used to pay off a maturing loan.

The non-recourse CMBS loan has a 58% LTV and a fixed-rate term of 10 years. “This asset is a long-term hold for the investors and the main objective was to identify a lender that would offer the lowest rate for the longest term,” **Mike Yim**, managing director at

**Quantum Capital Partners**, tells GlobeSt.com. “Given the low leverage and high debt yield, we advised the client to proceed with a CMBS loan because it offered extremely competitive pricing and gave us the ability to rate lock four months prior to closing.” Yim secured the funds on behalf of the borrower along with his Quantum Capital Partners’ colleague, managing director **Jonathan Hakakha**.

Assets in the jewelry district are notoriously difficult to fund because the district runs on short-term leases that roll over frequently. For this reason, Yim and Hakakha had to find a lender that understood the characteristics of the neighborhood. “24 months ago, most CMBS lenders would have passed on this opportunity and this asset would have been financed by a bank,” says Yim. “Over the last two years, Downtown Los Angeles has changed dramatically and lenders now recognize its potential. In the last 16 months, we’ve financed four other buildings in the Jewelry District; and during our competitive bidding process with different lenders, we saw their optimism for Downtown Los Angeles.”

Located at 607. S Hill Street, the property is a nine-story 100-year-old building. At the time the loan was secured, the property was 96% occupied to 250 tenants, all in the jewelry business. Quantum Capital knows the area well. Late last year, it secured a \$15.7 million loan for a 12-story, 110,000-square foot property in the same area. In total, the company has arranged more than \$62 million in financing for jewelry district properties in the past 16 months.