



MORTGAGE BANKERS ASSOCIATION

Dealmaker: Quantum Capital Secures \$17M to Recapitalize Shopping Center

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Quantum Capital Partners, Beverly Hills, Calif., secured \$16.9 million in long-term debt to refinance the Hawthorne Xchange, a 64,000-square-foot neighborhood shopping center in Hawthorne, Calif.



The 10-year loan, amortized over 30 years, is fixed at 4.00 percent, which Quantum locked in at application. The loan proceeds retired maturing debt the sponsor assumed when it acquired the center from Danros Inc. in March 2015 for \$25 million.

The sponsor, a local investor operating as Howard Building LLC, manages a 300,000-square-foot southern California retail and office space portfolio.

"We originally identified several commercial mortgage-backed securities lenders for the financing, but the volatility in the conduit spreads led us to different capital providers," said Quantum Managing Director Mike Yim, who arranged the financing with Managing Director Jonathan Hakakha. "There was robust interest from a number of non-CMBS financing sources and we identified a credit union who was willing to offer a long-term fixed-rate loan at an attractive rate."

Built on west 120th Street in 2005 as part of The Exchange master planned development, Hawthorne Xchange is shadow-anchored by Lowes Home Improvement and Target. National credit tenants including Sprint, Starbucks, Sears Appliance and 24-Hour Fitness fully occupy the center.

Yim said nearly one million square feet of redeveloped industrial and commercial office space including Tesla and Space X headquarters buildings stand nearby.

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About Quantum Capital Partners

Quantum Capital Partners (www.quantumcp.com) is a leading mortgage banking firm that provides comprehensive real estate finance and advisory services across all major asset classes. With more than \$3 billion of debt and equity financing experience nationwide, Quantum's principals have developed a diverse network of capital providers that allows their clients to benefit from customized financing structures that encompass the entire capital stack. Quantum's comprehensive knowledge of the capital markets enables them to deliver expert advice for complex real estate transactions.