

## SBA LOANS MAY BE SAVING GRACE FOR STRUGGLING/START-UP COMPANIES

As our nation's economic situation continues to lag, businesses both large and small have been struggling to stay afloat. Some cities that once thrived with restaurants, hotels, shops, office buildings, car dealers and industry are beginning to look like ghost towns.

Business owners, or those who hope to be, seem to have nowhere to turn. Most banks have stopped lending and private investors are few and far between. But for companies that have managed to find success, their saving grace often has been in the form of various types of assistance from their home cities.

In many cases, cities are helping failing and start-up businesses with re-development money or cash from their general fund. Others will grant substantial tax breaks or help a business secure a federal stimulus grant.

In the case of Sandra Hahn, owner of the soon-to-open Amber Blu Taste in Whittier, the city helped her secure a \$1.677 million loan through a Newport Beach Bank that was part of the government's federal stimulus program.

Hahn recently told the Whittier Daily News that she and her partners, Jorge Gamboa and his two sons, George and Daniel, believed getting loans to refurbish the 51-year-old building that once housed a J.C. Penney would be easy.

They had already spent about \$3 million to purchase the 9,000-square-foot building and were planning to spend another \$2 million to refurbish it.

"Restaurants are your No. 1 highest risk and we were going into this recession," Hahn told the Daily News. "I was getting letters left and right saying, 'Your line of credit hasn't been renewed.'"

When Hahn learned about the possibility of getting a loan from the Small Business Administration (SBA), she applied immediately. While waiting for approval, the city of Whittier stepped in and wrote letters to the SBA on Hahn's behalf.

Jeff Collier, director of community development for Whittier, told the Whittier Daily News he was very pleased when the loan came through.

"It's another opportunity to see more investment and more space become active," Collier said.

According to Patrick Rodriguez, business development specialist with the SBA's Los Angeles district office, these loans can be the small business owner's best bet for securing funds and moving forward with their venture.

## Your Two Cents

In what year will the commercial real estate market hit rock bottom?

1. 2010
2. 2011
3. 2012
4. 2013 or beyond

Submit your answer on our website at [www.gmpropertiesinc.com](http://www.gmpropertiesinc.com)



## PRESIDENT'S PERSPECTIVE

When GM Properties President Jason K. Jamison says his company is committed to client satisfaction, he means it in more ways than one can imagine.

Whether it's leasing administration, budget control, monthly reporting or building maintenance, the Whittier-based property management firm takes a hands-on approach to provide unparalleled customer service.

"We are a smaller company but I see that as our strength because it allows us to be more accessible and available for on-the-spot responses to our clients," Jamison said.

Aiming to expand communication with

existing and potential clients, Jamison said he is proud to have launched the GM Properties newsletter, "The Commercial Zone." The quarterly publication will feature insightful articles about what's going on in the commercial real estate industry, as well as interesting news items, polls and hot new properties on the market.

"The newsletter is a way for us to continually stay in touch with our clients and keep them updated and educated about our ever-changing market," said Jamison. "We plan to address everything from property management issues to leasing rate trends to finding the best real estate loans. I'm excited!"

# FORECASTING THE FUTURE OF CMBS LOANS

Through the end of 2010, delinquent balances on CMBS loans are projected to total more than \$70 billion, according to Realpoint LLC's Monthly Delinquency Report.

The agency's managing director, Frank Innaurato, doesn't expect that number to drop anytime soon.

"Based upon an updated trend analysis, we now project the delinquency percentage to grow between eight and nine percent through

year end," said Innaurato on [www.realpoint.com](http://www.realpoint.com).

Despite Realpoint's forecast, the latest Trepp, LLC report predicts CMBS delinquencies may have finally hit bottom. The report stated that April's increase of 41 basis points was less than half of the 89-basis-point rise that took place in March.

Manus Clancy, managing director of Trepp, LLC is feeling confident about the future of CMBS loans.

"I was generally getting optimistic for the last two months for a couple of reasons," Clancy told SL Financial.

"You had spreads really compressing and cap rates as well, so that was really a positive sign," said Clancy. "You started seeing deals getting done, refinancing taking place and so forth."

Whatever way the tide turns this year, Innaurato said one can't overlook the fact that according to Trepp, approxi-

mately \$148 billion worth of CMBS loans are scheduled to mature through the end of 2012.

"Mounting foreclosures in the CMBS sector would likely depress values even further as property is dumped on the market. And this would put pressure on banks to write down loans," Innaurato said.

"What's going on in the CMBS world is a precursor for what might be seen in banks' books."

## FEATURED PROPERTY



*Currently Leasing:*

**Slauson Business Center**

12401-12411 E. Slauson Ave., Whittier, CA

Unit Sizes: 1,200-4,760 square feet

For additional information about this site or others, please refer to [www.gmpropertiesinc.com/available.html](http://www.gmpropertiesinc.com/available.html)

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*"Always do it right.  
It will please  
some people and  
astonish the rest."*

*Mark Twain*

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Ben



Dustin



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**Meeting Needs - Maximizing Results**