



## WELLS FARGO AGGRESSIVELY GIVING OUT SBA LOANS DESPITE TOUGH ECONOMY



Good news comes from Wells Fargo Bank, as it already has approved more than \$548 million in SBA 7(a) loans this year. According to SBA Lender Mindy Tran, Wells Fargo is the leading distributor of SBA loans nationwide.

Tran sat down with GM Properties Commercial Beat and shared her expertise about the current state of SBA loans and how to qualify.

CB: Have you seen an increase in people requesting small business loans over the past 5 years?

MT: I can't say that there has been an increase in people requesting small business loans in the past 5 years but we have been lending aggressively and have been ranked #1 SBA lender in 2010 and 2011 both in volume and unit. We've surpassed \$1 billion in SBA 7a loans in those 2 years and as of May of 2012, we approved more than \$548 million in SBA 7a loans.



CB: Are there certain industries requesting loans more than others? If so, name a few of them.

MT: There are numerous industries obtaining loans from us. We've funded loans for manufacturers, wholesalers, doctors and dentists so there isn't a specific industry making loan requests.

CB: Have the qualification guidelines to obtain SBA's become more stringent due to the slow economy?

MT: Qualification guidelines for SBA lending have always been the same and have not become more stringent for us. We've always had that consistency and that is one of the reasons why we are still able to lend.

CB: What does one need to qualify?

MT: To determine qualification, we ask for the last 3 years of federal tax returns along with other financial items. The SBA program is utilized for

many purposes, including real estate purchase, construction, refinance, business acquisition, partner buy-out, equipment purchase and expansion, so our guidelines are different depending on the purpose of the loan request.

CB: Many banks these days are fearful of lending. Wells Fargo seems very confident. What do you attribute that to?

MT: We are confident because we have been doing this for a long time and have proven to the SBA that we know their guidelines. We have a proven track record and are very good at lending.

CB: Is there anything else you would like our readers to know about Wells Fargo SBA loans?

MT: Even in this tough economy, we have every intention to continue lending to qualified customers.

For more information about SBA loans at Wells Fargo, visit [www.wellsfargo.com/biz](http://www.wellsfargo.com/biz) or call 1-800-CALL-WELLS.



## LOCAL CONTRACTOR REPORTS CONSTRUCTION COSTS ARE STILL GOING THROUGH THE ROOF

Prices for everything continue to soar and construction costs are no exception. According to Gary Braaksma, president of Braaksma Construction Inc. in City of Industry, the cost to construct a new building has increased 16 percent in the last 5 years.

Braaksma estimates it's now approximately \$224 per square foot to build a 5,000-square-foot, one-story restaurant. A 20,000-square-foot, two-four story office is about \$197 per square foot. One- to three-story apartments in the 25,000-square-foot range will run about \$183 per square foot.

"New construction projects are continuing to take a very long time to start because of the price increases," said Braaksma. "And financing and public agency approval time compared to the past is still very slow."

Along with the costs to construct a building from the ground up, Braaksma says Tenant Improvements (TI's) are also climbing with a 15 percent hike seen over the last 5 years.

"Material costs are up about 30 percent and labor and contractor margins continue to be very competitive," said Braaksma, whose work has included cost estimating, material selection, system protection, short circuit studies, motor starting studies, lighting calculations, load flow studies, growth projections, system planning, dispatch and supervision of construction personnel.

Braaksma admits he doesn't see prices holding steady anytime soon.

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"All indications that I see for the next few years lead me to believe construction costs will continue to rise," said Braaksma. "Our industry may well be in for some fairly steep cost increases due to inflation."

"Personally, I feel that a lot depends on how Washington deals with our debt crisis. The election in November will likely affect the direction Washington will take."

# SOLD PROPERTIES:



**SOLD:** 1150 E 12th St  
Los Angeles, CA  
Size: 4,960 sf  
Type: Industrial Building  
Industrial/Manufacturing building  
sold for \$221 PSF

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



**SOLD:** 14426 Whittier Blvd  
Whittier, CA  
Size: 3,000 sf  
Type: Automotive  
Automotive shop sold for \$131 PSF

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

# Featured Properties:



## LAKWOOD TOWN CENTER

5520 South Street  
Lakewood, CA

Size: 640 — 2,250 sf  
Retail Shopping Center

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



## HACIENDA PLAZA

1591-1651 W Whittier Blvd  
Whittier, CA

Size: 840—7,200 sf  
Retail Shopping Center

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