



AVANA Capital Provides \$60 Million Construction Loan

for Marriott Courtyard & TownePlace Suites in Hawthorne, CA



LOAN DETAILS

Project Type:

Hospitality

Loan Type:

Construction and Mini Perm

Loan Amount:

\$60 million

Project Description:

Ground-up construction of 354-unit dual brand Marriott Courtyard and TownePlace Suites through modular construction

Location: Hawthorne, CA

Jobs Created: 80+

877.850.5130

avanacapital.com

AZ CBK# 0921662 | CA DBO# 603K752

Challenge

Mogul Capital, LLC wanted to build a combination Marriott Courtyard and TownePlace Suites hotel using conventional and modular construction in downtown Hawthorne, CA. Lenders were uncomfortable with the modular construction concept. Mogul Capital needed a lender who understood and was comfortable with the modular construction process and its benefits.

Solution

AVANA Capital chose to finance the construction loan with a \$50 million 1st trust deed conventional loan and a \$10 million mezzanine loan. AVANA Capital understood Mogul Capital's vision to combine a Marriott Courtyard with a TownePlace Suites to attract a mix of nightly and extended-stay guests supporting Hawthorne area businesses that include major companies such as Space Exploration Technologies Corporation (SpaceX), Tesla and Northrop Grumman. The location is also convenient to Los Angeles International Airport; a mere five miles away.



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– **Brad Wagstaff** | President, Mogul Capital

AVANA Capital researched the city of Hawthorne and noted its redevelopment plan, which included 500,000 sq. ft. of commercial space, 800,000 sq. ft. of office space, and 600 residential units to be built over the next few years. “We see many positive signs in downtown Hawthorne that indicate the area is poised for rapid growth,” explained Sanat Patel, Chief Sales Officer at AVANA Capital.

Mogul Capital was established in 2005 and has a \$150 million hotel development portfolio that includes a 172-room Residence Inn, a 147-room Hilton Garden Inn and a 184-room Homewood Suites, all located in Redondo Beach, CA. The company also owns over \$100 million in other multi-use development projects.

The project brings together the construction expertise of Lusardi Construction Company, based in California, and the modular construction expertise of Guerdon Modular Buildings, based in Boise, Idaho, where fully furnished guestrooms will be constructed off-site in a controlled environment. Using Guerdon’s modular construction is expected to reduce the construction timeline by approximately six months. Modular construction has significantly higher STC ratings and reduced noise transmission levels from room to room, which will contribute to a positive guest experience.

Result

Construction of the Marriott Courtyard and TownePlace Suites hotel in downtown Hawthorne, CA will be completed in the summer of 2018; just 10 months from the time construction began in September 2017.

“There is a great demand for a quality limited-service hotel in this location,” said Brad Wagstaff, President of Mogul Capital.

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Mogul Capital anticipates creating 80 permanent jobs in the Hawthorne hotel as well as helping to support numerous other local businesses.



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