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# More Women-owned Businesses Tap SBA Loans to Buy Real Estate



*Jessie Boucher stands in the kitchen of her catering business, which she has run for the past 25 years along with her husband, Laurent, who is a chef. She recently borrowed \$450,000 to purchase two warehouse condominiums totaling 2,000 square feet to expand their business.*

BY JIM EMERSON

**R**ecent lending activity to small business owners suggests more women entrepreneurs are choosing to purchase buildings rather than rent space in the San Francisco Bay area.

California ranks first in the nation in the number of women-owned businesses, with 745,749 firms. This accounts for 29 percent of all privately held firms in the state, according to the Center for Women's Business Research, based in Washington, DC.

The desire to avoid future rent hikes when the market recovers is one of the main motives for women purchasing small properties, especially retail or service companies that loathe to pay for customized improvements as renters.

"We used to rent shared space by the hour. We're very happy renting, but as we grew we wanted to buy because we needed to make \$50,000 in improvements for a commercial kitchen," said Jessie Boucher, owner of Jessie et Laurent, Inc. a gourmet foods company based in San Rafael.

Boucher recently borrowed \$450,000 to purchase two warehouse condominiums with a total of 2,000 square feet, and to make improvements to expand her business.

The space Boucher acquired is situated adjacent to another 1,000-square-foot-warehouse condominium, which she purchased with a Small Business Administration loan a few years earlier to avoid investing in tenant improvements on a landlord's property.

Boucher obtained her loan package from Bank of America and **TMC Development Co.**, a certified SBA lender in San Francisco.

Overall SBA lending to women in Northern California increased 24 percent during the 2002 fiscal year ending Sept. 30, Spencer Stratton, assistant director of financial assistance for the agency's San Francisco district office, said.

A total of 1,723 SBA loans were made to women during fiscal 2002, up from 1,393 the prior year, Stratton said.

"Women-owned businesses that made significant gains during the boom time are now taking advantage of the down market

to increase their assets by purchasing a building," **Barbara Morrison**, president of TMC, said.

Bank of America and Wells Fargo both substantially increased the number of loan guarantees extended to women entrepreneurs, enabling them to qualify for SBA loans, Stratton said.

Moreover, the Wells Fargo women's business services division exceeded its 10-year, \$10 billion lending goal in only five years, and recently raised its targeted goal to lend \$15 billion by 2005.

From 1995 through June 30, the division has made \$13.1 billion in loans to women, Michelle DiGangi, senior vice president and division manager at Wells Fargo, said.

DiGangi estimated that half the loans made by the Wells Fargo women's division involved real estate, with the rest being used to finance other business expenditures.