

10301-10395 Jefferson Blvd



Project Overview

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In December 2019, the Fund acquired 10301-10395 Jefferson Blvd, an existing three-building commercial campus leased at 76,027 SF on approximately 4 acres of land, located in the Culver City submarket of Los Angeles. The asset, acquired in an off-market transaction, is located in the heart of Culver City and has 1,500 feet of frontage overlooking Jefferson Boulevard and the historic Ballona Creek.

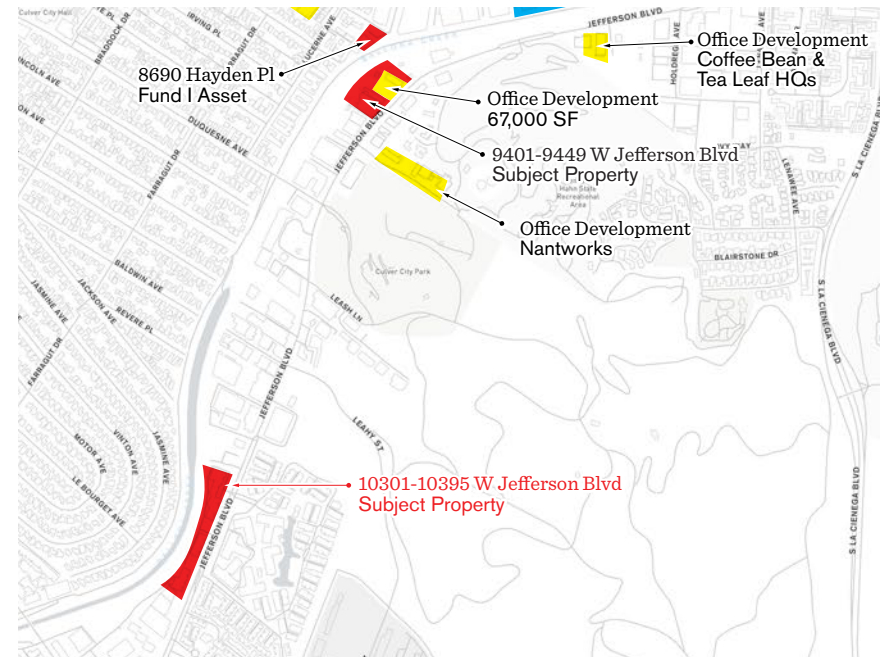
The existing buildings are 78% occupied with tenants including brain monitoring developer Kernel, game developer Zynga, and creative agency Hello Design. The business plan calls for delivering 119,630 RSF of best-in-class creative office over a 7 year hold period.

SUMMARY			
Address	10301-95 Jefferson Blvd	UW Gross IRR / EM	22.6% / 2.8x
Acquisition Date	December 2019	Proj. Gross IRR / EM	19.2% / 3.3x
Purchase Price	\$73,500,000	Fund Ownership Percentage	100%
Sourcing	Off-Market	Current Equity / Debt (LTC)	\$29,783,902 / \$47,775,000 (61%)
RSF at Acquisition	76,027 SF	Proj. Fully Funded Equity/ Debt (LTC)	\$36,200,000 / \$73,000,000 (61%)
Proj. RSF as Redeveloped	119,630 SF	Proj. Fully Funded Basis (\$/RSF) ¹	\$120,234,177 (\$1,005)
Land Area	164,201 SF (3.8 acres)	Proj. Exit Date	4Q 2026
Status	Design / Occupied / Construction	Proj. Gross Exit Price (\$/RSF / Cap Rate)	\$190,362,667 (\$1,591 / 4.50%)
Occupancy	78%		
Proj. Stabilized ROC / COC	6.9% / 15.9%		

¹ Fully funded basis includes NOI used to fund the project

Highlights

- + Redcar hired Breland-Harper to lead architecture and permitting, as well as Field Operations to lead master planning and landscaping at the project. Field Operations was a leading team responsible for the design of Manhattan's world famous High Line.
- + The business plan calls for a phased redevelopment as existing leases roll over the next several years, capitalizing on below market in-place rents. The redevelopment will focus on growing the project's RSF through new interior mezzanine space, private exterior usable garden and patio space, additional parking, new sawtooth roofs and building entrances, all enhancing the building's overall architecture.
- + Since acquisition, the project has been remeasured at approximately 91,500 RSF, up from the prior owner's 76,027 RSF (+20%).
- + Redcar has vacated 5 below market legacy tenants and the asset is currently 78% occupied.
- + The project's largest tenant, brain monitoring developer Kernel, who reportedly raised \$53mm of new equity in 2020, has communicated interest in expanding at the project and Redcar is in preliminary talks.
- + The renovation at Suite 10325 is substantially complete and Redcar will now commence on the next phase, adding a mezzanine level + hardscaped private exterior space, further increasing the total suite RSF and enhancing the overall programming.



Leasing

TENANT	TYPE	LCD	EXP.	RSF	Y1 BASE RENT	BASE RENT (\$/MO.)	ABATEMENT MOS.	LEASE TYPE	TIS (\$/SF)
Rent Roll (Existing)¹									
In Place	Office	09/10	11/24	59,670	\$2,472,612	\$3.45/SF	-	NNN	-
Parking	150 Stalls	Rate/Stall Varies							
Rent Roll (Redevelopment)²									
Redevelopment	Office	09/23	08/28	34,917	\$2,060,356	\$4.92/SF	5 mos.	NNN	\$66/SF
Redevelopment	Office	06/24	05/29	19,224	\$1,168,386	\$5.06/SF	5 mos.	NNN	\$68/SF
Redevelopment	Office	12/24	11/29	25,012	\$1,565,771	\$5.22/SF	5 mos.	NNN	\$70/SF
Redevelopment	Office	07/25	06/30	40,477	\$2,533,893	\$5.22/SF	5 mos.	NNN	\$70/SF
Parking (Redevelopment)	243 Stalls	\$583,200							

¹Existing Base Rent \$/mo reflects the average. Lease commencement and expiration dates reflect terms throughout the buildings.

²Redeveloped Base Rent \$/mo reflects rent growth based off LCD dates.

- + In-place base rents and existing parking rates are below market.
- + Redcar recently remeasured the existing buildings at approx. 91,500 RSF, up 20% from the prior owner's 76,027 RSF measurement.

Construction Costs

	RSF	\$/RSF	BASE BUILDING	CONSTRUCTION START	CONSTRUCTION END
Base Building	119,630	\$172/SF	\$20,605,025	June 2022	June 2025

- + Redcar has substantially completed the ground floor redevelopment at Suite 10325 and will commence on the final phase of adding a mezz level and exterior space.

Timeline

	2021				2022				2023				2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Design / Permit	█				█															
Construction					█				█				█				█			
Leasing	█				█				█				█				█			

- + The asset is 78% leased, bringing in significant cash flow while Redcar works through the design and development phases.
- + The business plan calls for designing and redeveloping each building as leases roll through suite redevelopment and site work.
- + Q2 2022 construction commencement reflects phase 1 interior and sitework







