

2525 Hyperion Ave



Project Overview

2525 Hyperion Ave

In December 2018, the Fund acquired 2525 Hyperion Avenue, an existing 9,342 SF commercial building on 33,580 SF of land, in the Silver Lake submarket of Los Angeles. In September 2019, the Fund acquired the adjacent property at 2545 Hyperion Avenue, an existing 872 SF single family home on 5,718 SF of land, further growing the land area to 39,298 SF. The asset, acquired in off-market

transactions, is the second largest parcel in one of the most coveted retail and residential enclaves in Silver Lake, Hyperion Avenue, a main thoroughfare. The business plan calls for delivering 27,485 RSF of best-in-class creative office and retail space over an approx. 5 year hold period.

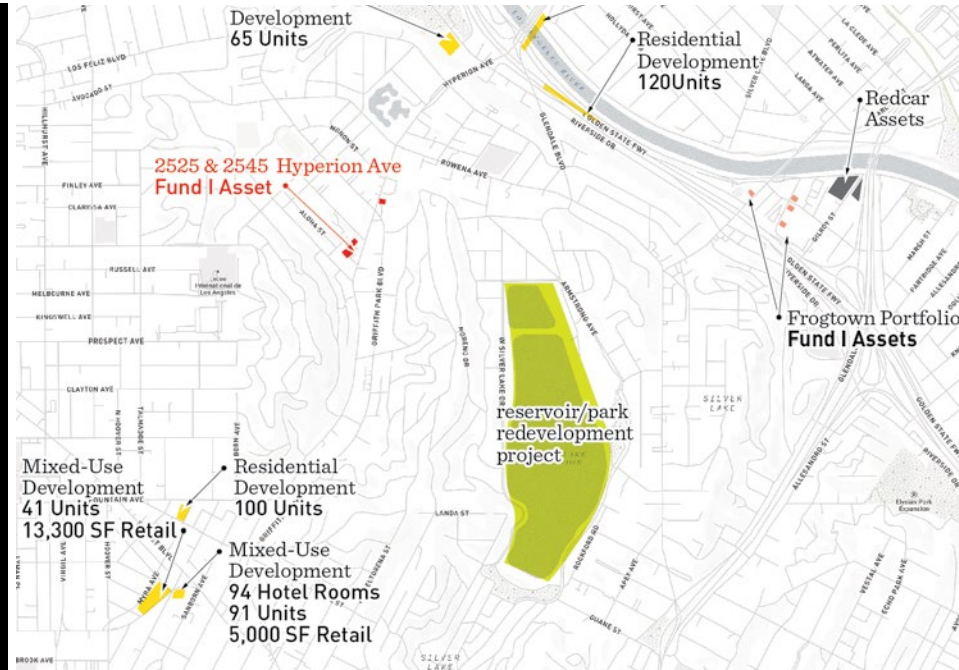
SUMMARY

Address	2525-45 Hyperion Ave	UW Gross IRR / EM	18.5% / 2.0x
Acquisition Date	December 2018	Proj. Gross IRR / EM	18.5% / 1.7x
Purchase Price	\$7,585,000	Fund Ownership Percentage	100%
Sourcing	Off-Market	Current Equity / Debt (LTC)	\$9,610,879 / \$0 (0%)
RSF at Acquisition	10,214 SF	Proj. Fully Funded Equity / Debt (LTC)	\$12,100,000 / \$15,000,00 (55%)
Proj. RSF as Redeveloped	27,485 SF	Proj. Fully Funded Basis (\$/RSF) ¹	\$27,164,323 (\$988)
Land Area	39,298 (.90 acres)	Proj. Exit Date	1Q 2024
Status	Design / Occupied	Proj. Gross Exit Price (\$/RSF / Cap Rate)	\$39,743,820 (\$1,446 / 5.00%)
Occupancy	50%		
Proj. Stabilized ROC / COC	7.3% / 10.0%		

¹ Fully funded basis includes NOI used to fund the project

Highlights

- + After failing to complete a satisfactory design, Redcar has replaced RAC Design Build as architect on the project with LEVER who is working with Redcar on two other fund projects. The firm is based in Portland Oregon, and has deep experience working with leading sustainable materials across creative office, institutional, cultural and residential projects.
- + Plans are progressing through the schematic design phase which commenced in Q4 2020, for an approx. 30k RSF best-in-class creative office building with retail space fronting Hyperion Avenue.
- + Redcar has engaged a general contractor and shoring consultants to proceed with excavation due diligence and costs are now under review.
- + Redcar has successfully vacated 50% of legacy tenants at the project, keeping the remainder of tenants in place, providing cash flow through the permitting process.
- + The Silverlake market continues to gentrify and grow. Historically, Silverlake has seen tremendous residential development, yet minimal new commercial development. As a result, there is a pent up demand for walkable creative office and retail, and Redcar remains bullish on the submarket. Within a .5 mile radius, the median age is 42 years old with an average household income of \$147,246.



Leasing

TENANT	TYPE	LCD	EXP.	RSF	Y1 BASE RENT	BASE RENT (\$/MO.)	ABATEMENT MOS.	LEASE TYPE	TIS (\$/SF)	PARKING SPACES	Y1 PARKING REVENUE
REDEVELOPMENT											
Office	Office	Oct-23	Sep-30	17,780	\$1,020,589	\$4.78	3	NNN	\$70	38	\$91,200
Retail	Retail	Oct-23	Sep-30	9,705	\$786,461	\$6.75	3	NNN	\$70	20	\$48,000

+ The building is currently leased to short term month-to-month tenants, producing cash flow while Redcar works through the design phases

Construction Costs

	RSF	\$/RSF	BASE BUILDING	CONSTRUCTION START	CONSTRUCTION END
Base Building	27,485 RSF	\$542/SF	\$14,908,625	March 2022	September 2023

+ Redcar is working with the general contractor and shoring consultants to further assess site conditions and costs for a full scale development

+ Base Building figure reflects hard and soft costs for the office, retail and parking structures in addition to site work and owners contingency

Timeline

	2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Design / Permit	[Red shaded area]															
Construction	[Red shaded area]															
Leasing	[Red shaded area]															

