

# 3201 & 3212 La Cienega Ave





# Project Overview

3201 & 3212 La Cienega Ave

In December 2019, the Fund acquired 3212 La Cienega Avenue, an existing 5,393 SF 8-unit multifamily building in Los Angeles. In February 2020, the Fund acquired 3201 La Cienega Avenue, an existing 2,440 SF commercial building in Los Angeles. Both assets, acquired in off-market transactions, border Culver City's Arts

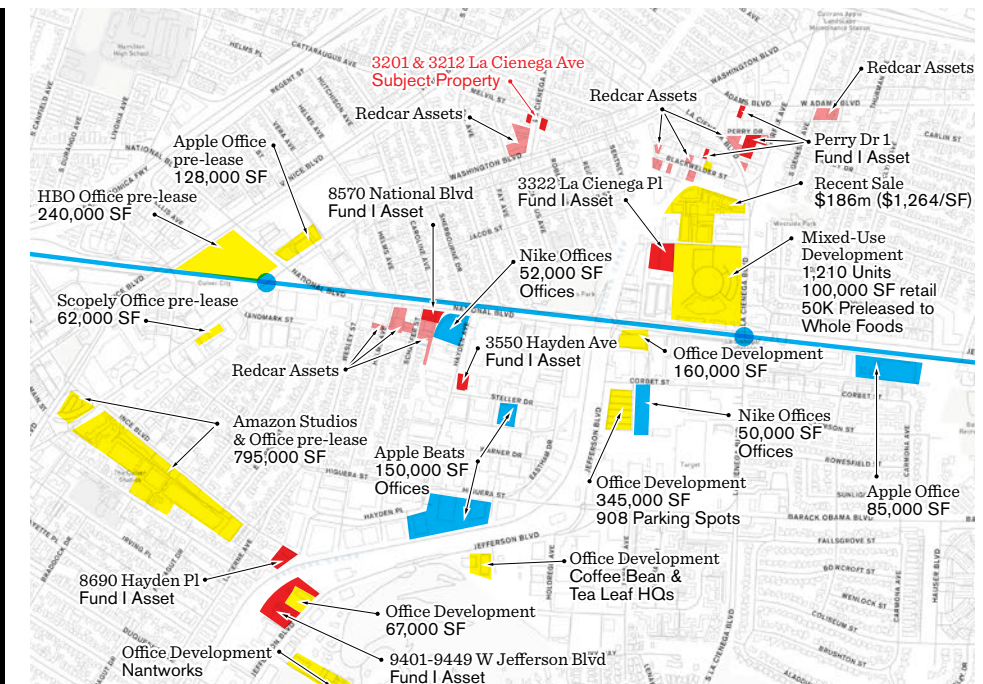
District, creating a highly attractive boutique headquarters opportunity in a supply constrained market. The business plan calls for delivering 12,191 RSF of best-in-class creative office space over a 6 year hold period.

## SUMMARY

|                                   |                              |   |                                    |
|-----------------------------------|------------------------------|---|------------------------------------|
| <b>Address</b>                    | 3201 / 3212 La Cienega Ave   | <b>UW Gross IRR / EM</b>                              | 19.0% / 1.9x                       |
| <b>Acquisition Date</b>           | Dec-19 / Feb-20              | <b>Proj. Gross IRR / EM</b>                           | 16.0% / 1.9x                       |
| <b>Purchase Price</b>             | \$5,650,000                  | <b>Fund Ownership Percentage</b>                      | 100%                               |
| <b>Sourcing</b>                   | Off-Market                   | <b>Current Equity / Debt (LTC)</b>                    | \$6,305,864 / \$0 (0%)             |
| <b>RSF at Acquisition</b>         | 7,833 SF                     | <b>Proj. Fully Funded Equity/ Debt (LTC)</b>          | \$5,535,909 / \$6,800,000 (55%)    |
| <b>Proj. RSF as Redeveloped</b>   | 12,191 SF                    | <b>Proj. Fully Funded Basis (\$/RSF) <sup>1</sup></b> | \$12,299,599 (\$1009)              |
| <b>Land Area</b>                  | 9,410 SF (.22 acres)         | <b>Proj. Exit Date</b>                                | 4Q 2025                            |
| <b>Status</b>                     | Design / Occupied            | <b>Proj. Gross Exit Price (\$/RSF / Cap Rate)</b>     | \$19,642,667 (\$1,611 PSF / 4.50%) |
| <b>Occupancy</b>                  | 4 residential units occupied |   |                                    |
| <b>Proj. Stabilized ROC / COC</b> | 6.8% / 13.4%                 |   |                                    |

<sup>1</sup> Fully funded basis includes NOI used to fund the project

- ### Highlights
- + Redcar has engaged Breland-Harper, the architect working on other Culver City Fund assets, including 10301-10395 Jefferson Blvd & 3322 La Cienega Place, to spearhead the initial concept design.
  - + At 3212 La Cienega Avenue, change of use plans from residential to office have been drafted and are under review. 50% of legacy residential tenants have vacated. At 3201 La Cienega Ave, interior and exterior demolition, as well as sandblasting is now complete.
  - + Timing on this project may change due to COVID related moratoriums on the Ellis Act delaying Redcar's ability to vacate tenants as originally planned.
  - + In Q4 2020, Apple closed on an \$162mm acquisition of a 192k SF parcel of land less than 2 miles away from the assets. This is in addition to Apple's HQ of 130,000 RSF located at the adjacent property. In Q1 2021, Lendlease acquired a nearby 155k SF parcel at 3401 S. La Cienega Blvd for \$92mm / \$600psf.
  - + Other major tenants include, Amazon, HBO, Nike and Whole Foods, who all have a significant presence in the immediate area, occupying over 1mm RSF of commercial space collectively.
  - + Redcar is intimately involved in the immediate area, with assets located across the street on La Cienega Avenue, as well as nearby Culver City and West Los Angeles.



# Assumptions (As of 4Q 2020)

3201 & 3212 La Cienega Ave

## Leasing

| TENANT                           | TYPE   | LCD    | LXD    | RSF   | Y1 BASE RENT | BASE RENT (\$/MO.) | ABATEMENT MOS. | LEASE TYPE | TIS (\$/SF) | PARKING SPACES | Y1 PARKING REVENUE |
|----------------------------------|--------|--------|--------|-------|--------------|--------------------|----------------|------------|-------------|----------------|--------------------|
| <b>Rent Roll (Redevelopment)</b> |        |        |        |       |              |                    |                |            |             |                |                    |
| 3201                             | Office | Jan-24 | Dec-30 | 5,450 | \$360,681    | \$5.50             | 3 mos.         | NNN        | \$85/SF     | 12             | \$28,800           |
| 3212                             | Office | Jan-24 | Dec-30 | 6,741 | \$446,119    | \$5.50             | 3 mos.         | NNN        | \$85/SF     | 8              | \$19,200           |

## Construction Costs

|                      | RSF       | \$/RSF         | BASE BUILDING | CONSTRUCTION START | CONSTRUCTION END |
|----------------------|-----------|----------------|---------------|--------------------|------------------|
| 3201 - Base Building | 5,450 RSF | \$312/SF       | \$1,697,913   | June 2021          | December 2023    |
| 3201 - Parking       | 12 Stalls | \$17,500/Stall | \$210,000     | June 2021          | December 2023    |
| 3212 - Base Building | 6,741 RSF | \$250/PSF      | \$1,685,250   | June 2021          | December 2023    |

## Timeline

|                 | 2020 |    |    |    | 2021 |    |    |    | 2022 |    |    |    | 2023 |    |    |    |
|-----------------|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|
|                 | Q1   | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 |
| Design / Permit | █    |    |    |    | █    |    |    |    |      |    |    |    |      |    |    |    |
| Construction    |      |    |    |    | █    |    |    |    | █    |    |    |    | █    |    |    |    |
| Leasing         |      |    |    |    |      |    |    |    |      |    |    |    | █    |    |    |    |



