

3322 La Cienega Pl



Project Overview

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In April 2019, the Fund acquired 3322 La Cienega Place, an existing 35,000 SF asset in the Culver City submarket of Los Angeles. The asset, acquired in an off-market transaction, is located directly adjacent to the 11-acre Cumulus development by Carmel Partners which includes 1,218 apartment units and approximately 100,000 SF of retail space including a 50,000 SF Whole Foods.

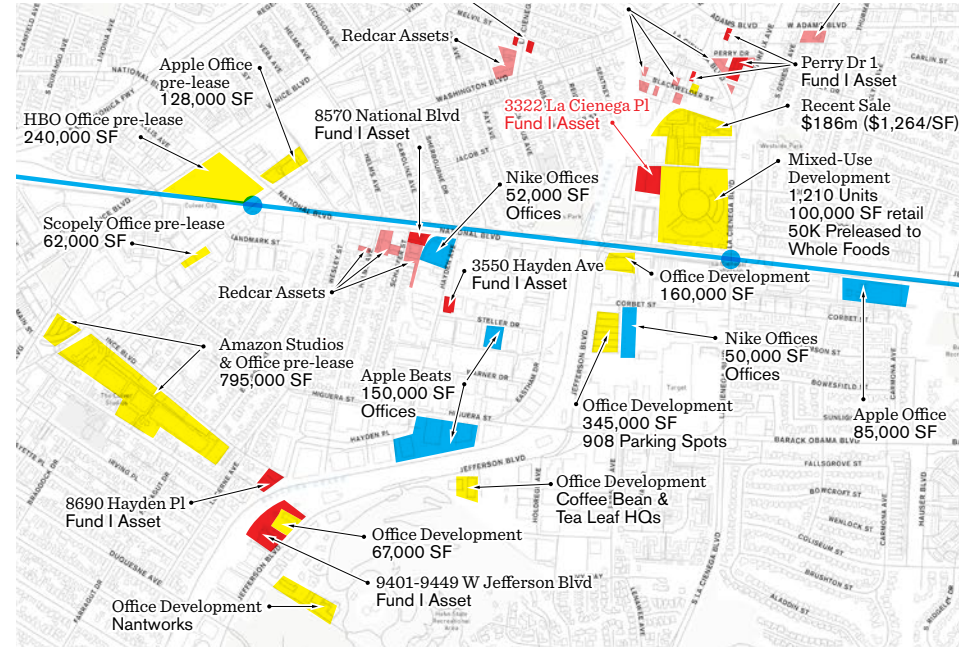
The business plan originally called for delivering 80,000 SF of creative office over a 5 year period; however, the current plan is to continue making improvements to drive leasing, and increase the rentable square footage to 60,459 SF via additional mezzanine space in both suites.

SUMMARY			
Address	3322 La Cienega Pl	UW Gross IRR / EM	19.5% / 1.9x
Acquisition Date	April 2019	Proj. Gross IRR / EM	19.4% / 2.7x
Purchase Price	\$29,000,000	Fund Ownership Percentage	100%
Sourcing	Off-Market	Current Equity / Debt (LTC)	\$18,800,000 / \$17,400,000 (48%)
RSF at Acquisition	35,000 SF	Proj. Fully Funded Equity/ Debt (LTC)	\$23,500,000 / \$34,000,000 (55%)
Proj. RSF as Redeveloped	60,459 SF	Proj. Fully Funded Basis (\$/RSF) ¹	\$61,557,867 (\$1,018)
Land Area	57,499 SF (1.3 acres)	Proj. Exit Date	4Q 2025
Status	Design / Construction	Proj. Gross Exit Price (\$/RSF / Cap Rate)	\$98,664,467 (\$1,632 / 4.50%)
Occupancy	52%		
Proj. Stabilized ROC / COC	7.0% / 11.9%		

¹ Fully funded basis includes NOI used to fund the project

Highlights

- + Face-It, an e-sports company, executed a 36-month lease for 62% of the building. Face-It hosts and films competitive gaming tournaments; photos of their studio space are included in the subsequent pages. The tenant occupied its space in November 2020, but rent commenced March 2020.
- + Redcar is building out the remaining space, including 8,110 SF of new mezzanine space, to drive leasing. The plans are currently in City approval, with a permit expected at the end of February.
- + Redcar completed a loan modification to reduce LIBOR floor from 2% to 1% as development plans progress.
- + Carmel Partners launched marketing of its 1,200-unit residential project at the adjacent Cumulus site. The project also features a Whole Foods Market which is slated to open in Q4 2021. There are two other developments planned for the neighborhood; 3200 La Cienega, which will consist of 254 residential units, and 3401 La Cienega, which will feature 260 residential units and 250,000 SF of retail.



Leasing

TENANT	TYPE	LCD	EXP.	RSF	Y1 BASE RENT	BASE RENT (\$/MO.)	ABATEMENT MOS.	LEASE TYPE	TIS (\$/SF)	PARKING SPACES	Y1 PARKING REVENUE
Rent Roll (Existing)											
Vacant	Office			23,352							
Face It	Office	03/20	02/23	24,931	\$746,973	\$2.54/SF	0 mos.	NNN	\$10.83/SF	53	\$127,200
Rent Roll (Redevelopment)											
Spec Office	Office	07/24	06/29	60,459	\$4,121,206	\$5.68/SF	5 mos.	NNN	\$65.00/SF	68	\$163,200

- + Redcar executed a three-year lease with Face It, an E-Sports company, and is marketing the remaining space. We have an early termination option after month 24 (March 2022) giving Redcar flexibility to lease the entire building to a single tenant.
- + The vacant suite has increased by 8,110 RSF based on revised plans to add mezzanine and outdoor patio space.

Construction Costs

	RSF	\$/RSF	BASE BUILDING	CONSTRUCTION START	CONSTRUCTION END
Base Building	60,459 RSF	\$289/SF	\$17,452,637	July 2023	June 2024

Timeline

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

