

8690 Hayden Place



Project Overview

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In January 2020, the Fund acquired 8690 Hayden Place, an existing 11,042 SF asset in the Culver City submarket of Los Angeles. The asset, acquired in an off-market transaction, is just blocks away from the new Culver Studios with 795,000 SF leased to Amazon. The Property presents an opportunity to create best-in-class creative space within walking distance from Amazon Studios.

The Property is currently fully leased although Redcar has begun discussions to terminate the lease earlier than expiration in order to begin redevelopment. The business plan calls for delivering 29,295 RSF of creative office over a 5-year period.

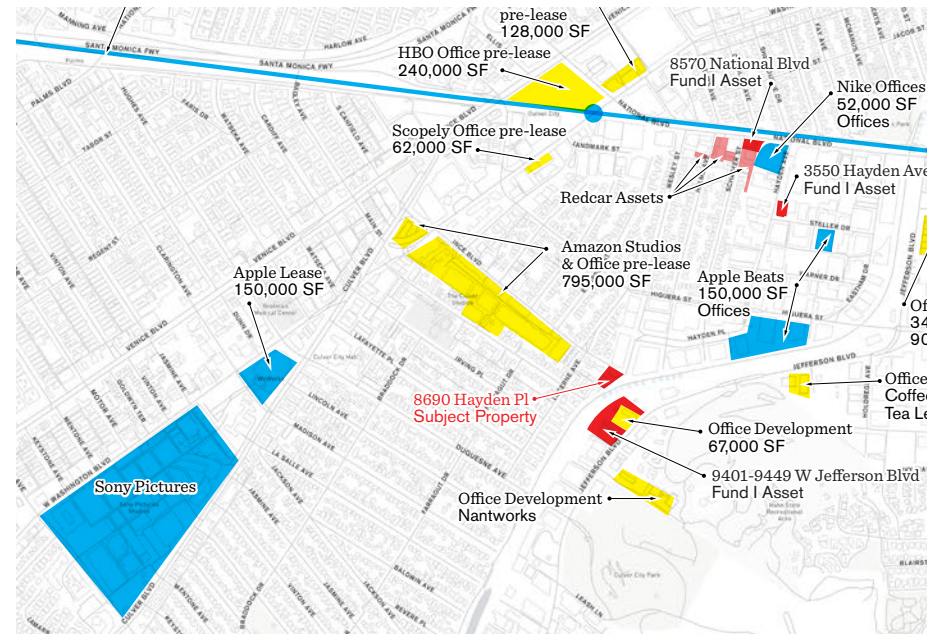
SUMMARY

Address	8690 Hayden Pl	UW Gross IRR / EM	17.7% / 1.6x
Acquisition Date	January 2020	Proj. Gross IRR / EM	21.9% / 2.2x
Purchase Price	\$9,750,000	Fund Ownership Percentage	100%
Sourcing	Off-Market	Current Equity / Debt (LTC)	\$6,159,058 / \$4,250,000 (41%)
RSF at Acquisition	11,042 SF	Proj. Fully Funded Equity/ Debt (LTC)	\$12,200,000 / \$16,200,000 (57%)
Proj. RSF as Redeveloped	29,295 SF	Proj. Fully Funded Basis (\$/RSF) ¹	\$29,432,242 (\$1,005)
Land Area	24,612 SF (0.6 acres)	Proj. Exit Date	1Q 2026
Status	Design	Proj. Gross Exit Price (\$/RSF / Cap Rate)	\$48,118,044 (\$1,643 / 4.50%)
Occupancy	100%		
Proj. Stabilized ROC / COC	7.0% / 18.1%		

¹ Fully funded basis includes NOI used to fund the project

Highlights

- + Redcar closed on \$4,250,000 bridge loan with First Republic Bank in November 2020. The loan has a 36 month term and a 4.75% fixed interest rate with full term interest only payments.
- + Redcar has engaged House & Robertson Architects to partner with Lundberg Design on the design and project delivery. House & Robertson is a renowned architecture firm based in Los Angeles that has an established history of visionary projects. House & Robertson gives Lundberg Design local presence and will support Lundberg in city council navigation and construction administration. The architecture team is finalizing the design of the building and is planning to submit the initial city package by 2Q2021.
- + Redcar has also engaged James Corner Field Operations as the landscape architect and is working to incorporate the adjacent river in the design.
- + The property is currently fully leased to the legacy tenant, Doowy Does It, through April 2023 at a monthly rate of \$2.41/SF. Since September 2020, the tenant has been paying full rent payments which has provided the property with positive cash flow during the design stage.



Leasing

TENANT	TYPE	LCD	LXD	RSF	Y1 BASE RENT	BASE RENT (\$/MO.)	ABATEMENT MOS.	LEASE TYPE	TIS (\$/SF)	PARKING SPACES	Y1 PARKING REVENUE
Rent Roll (Existing)											
Doowy Does it	Office	Apr-18	Sep-23	11,042	\$318,888	\$2.41 PSF	-	NNN	\$0.00 PSF	-	-
Rent Roll (Redevelopment)											
Spec Office	Office	May-24	Apr-31	29,295	\$1,938,741	\$5.51PSF	5	NNN	\$65.00 PSF	47	\$123,568

Construction Costs

	RSF	\$/RSF	BASE BUILDING	CONSTRUCTION START	CONSTRUCTION END
Base Building	29,295 RSF	\$499/SF	\$14,607,927	Oct-23	Oct-24

Timeline

