

9401-9449 Jefferson Blvd



Project Overview

9401-9449 Jefferson Blvd

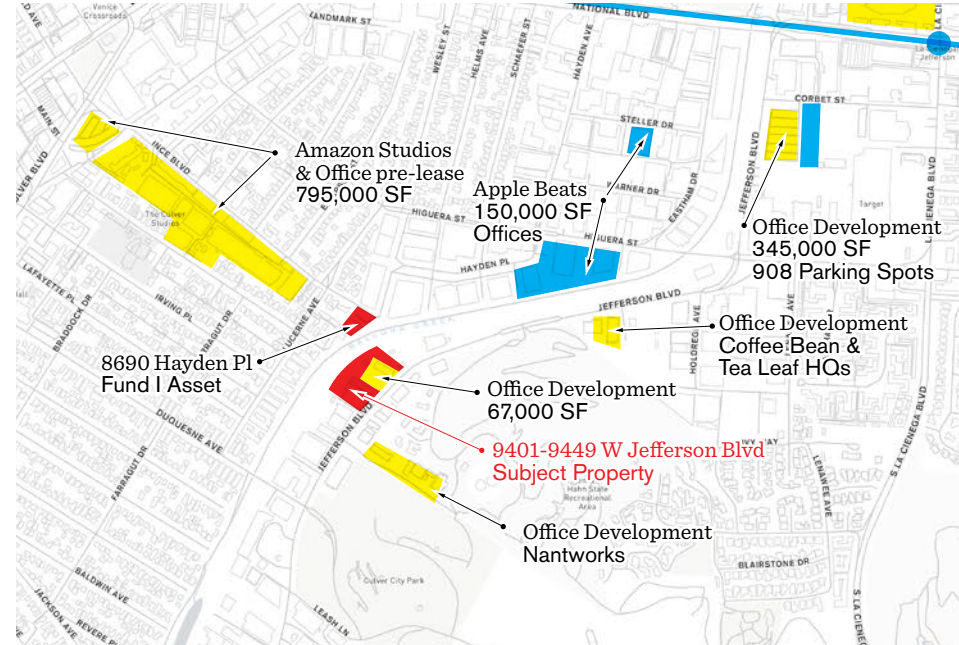
In August 2020, the Fund acquired 9449 Jefferson Blvd, a 25,956 RSF commercial property in the Culver City submarket of Los Angeles. The acquisition has been combined with the adjacent 11,560 RSF property located at 9401 & 9435 Jefferson Blvd that the Fund acquired in March 2019. The assets, both acquired in off-market transactions, present a unique opportunity to develop a

best-in-class creative office campus within one of the strongest submarkets on the Westside. Redcar believes the project will benefit from nearby access to Ballona Creek and its remarkable views. The business plan calls for delivering a 95,760 RSF creative office campus over a 5 year period.

SUMMARY			
Address	9401-49 Jefferson Blvd	UW Gross IRR / EM	21.0% / 2.0x
Acquisition Date	March 2019	Proj. Gross IRR / EM	19.7% / 1.8x
Purchase Price	\$31,700,000	Fund Ownership Percentage	100%
Sourcing	Off-Market	Current Equity / Debt (LTC)	\$24,357,941 / \$13,500,000 (36%)
RSF at Acquisition	37,516 SF	Proj. Fully Funded Equity/ Debt (LTC)	\$45,500,000 / \$56,000,000 (55%)
Proj. RSF as Redeveloped	95,760 SF	Proj. Fully Funded Basis (\$/RSF) ¹	\$101,718,463 (\$1,062)
Land Area	91,993 SF (2.1 acres)	Proj. Exit Date	4Q 2024
Status	Design	Proj. Gross Exit Price (\$/RSF / Cap Rate)	\$151,052,556 (\$1,577 / 4.50%)
Occupancy	69%	¹ Fully funded basis includes NOI used to fund the project	
Proj. Stabilized ROC / COC	6.6% / 8.1%		

Highlights

- + Redcar hired Los Angeles based House & Robertson to partner with Lundberg Design on design and construction. House & Robertson will be the architect of record and will bring its local expertise as well as its experience with large projects. House & Robertson has a history of partnering with other architecture firms and is known as an expert in the technical aspects while Lundberg will take the lead on the creative aspects. House & Robertson and Lundberg are also working together on 8690 Hayden on the other side of the river.
- + Redcar closed on a \$13,500,000 bridge loan with First Republic Bank (36% LTC) in November 2020. The loan has a 36-month term with a fixed interest rate of 4.75% with full term interest only payments.
- + Redcar is working with the design team on a phased delivery that incorporates existing buildings and provides the opportunity to generate cash flow earlier than originally projected. This should expedite the delivery timeline, giving the property stabilized cash flow earlier than expected.



Assumptions (As of 4Q 2020)

9401-9449 Jefferson Blvd

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)											
9435 Jefferson	Office	Vacant		5,560							
9401 Jefferson	Office	Vacant		6,000							
Unici Casa	Office	06/20	MTM	11,847	\$180,000	\$1.27/SF		MG			
Sale Leaseback	Office	07/20	06/21	14,109	\$169,308	\$1.00/SF		NNN		40	
Rent Roll (Redevelopment)											
Spec Office	Office	02/24	01/29	57,960	\$3,835,788	\$5.51/SF	5 mos.	NNN	\$79/SF	150	\$315,000
Spec Office	Office	02/24	01/29	37,800	\$2,501,601	\$5.51/SF	5 mos.	NNN	\$79/SF	-	-

Construction Costs

	RSF	\$/RSF	BASE BUILDING	CONSTRUCTION START	CONSTRUCTION END
Base Building	95,760 RSF	\$510/SF	\$48,864,165	Jul-2022	Jan-2024

Timeline

	2021				2022				2023				2024			
	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]															

