

# 843 N. Spring Street





# Project Overview

843 N. Spring St

In November 2018, the Fund acquired 843 N. Spring Street, an existing 51,733 SF commercial building in the Chinatown submarket of Los Angeles. The asset, acquired in an off-market transaction, is located in the heart of Chinatown, at the entrance to the Chinatown Gold Line Subway Station, and services over 55,000 riders per day. Redcar is currently in the process of closing a 50% LTC

construction loan and will commence ground-up construction of the best-in-class creative office building with ground floor retail in February 2021. The project is scheduled to be completed in 2Q 2022.

## SUMMARY

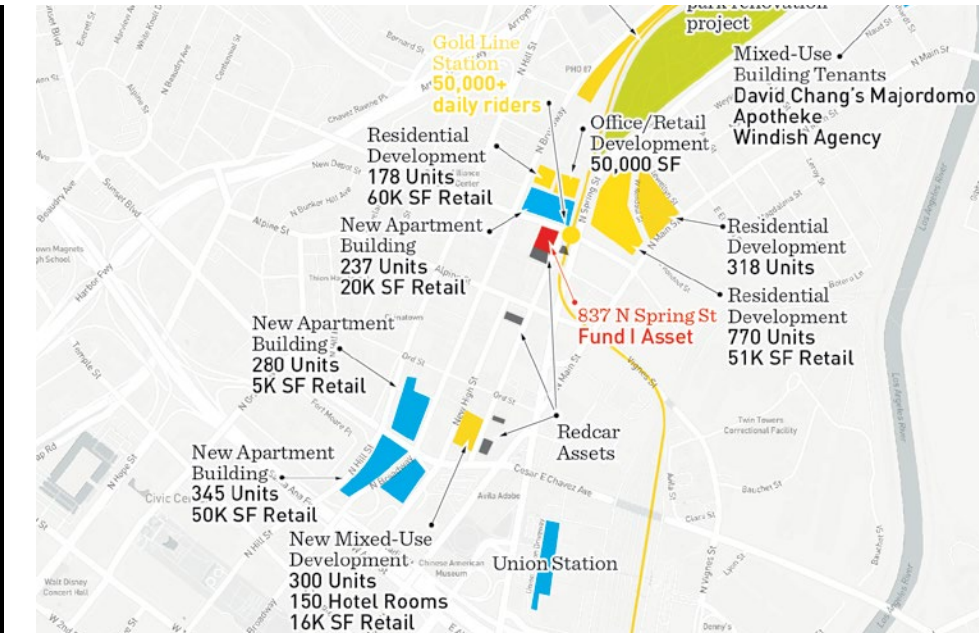
<b>Address</b>	843 N Spring St	<b>UW Gross IRR / EM</b>	22.5% / 2.3x
<b>Acquisition Date</b>	November 2018	<b>Proj. Gross IRR / EM</b>	19.5% / 1.7x
<b>Purchase Price</b>	\$15,000,000	<b>Fund Ownership Percentage</b>	100%
<b>Sourcing</b>	Off-Market	<b>Current Equity / Debt (LTC)</b>	\$22,289,554 / \$0 (0%)
<b>RSF at Acquisition</b>	51,733 SF	<b>Proj. Fully Funded Equity/ Debt (LTC)</b>	\$43,290,000 / \$43,675,000 (50%) <sup>1</sup>
<b>Proj. RSF as Redeveloped</b>	122,647 SF	<b>Proj. Fully Funded Basis (\$/RSF)<sup>2</sup></b>	\$84,485,330 (\$689)
<b>Land Area</b>	28,112 SF (.65 acres)	<b>Proj. Exit Date</b>	4Q 2023
<b>Status</b>	Construction	<b>Proj. Gross Exit Price (\$/RSF / Cap Rate)</b>	\$118,162,539 (\$970 / 5.00%)
<b>Proj. Stabilized ROC / COC</b>	6.8% / 10.4%		

<sup>1</sup> Proj. Fully Funded Debt includes maximum accessible debt per OZK construction loan

<sup>2</sup> Proj. Fully Funded Basis includes NOI used to fund the project

## Highlights

- + Redcar successfully closed on a \$43,675,000/50% LTC construction loan with Bank OZK in November 2020. This is Redcar's largest construction loan to date and first with Bank OZK who is one of the nation's largest construction lenders. This loan set a precedent with OZK that will lead to future debt partnerships.
- + The loan closed with an interest rate of LIBOR + 4.50% (0.25% LIBOR floor) which is below Redcar's previously underwritten loan assumption of LIBOR + 5.00% with a 1.00% LIBOR floor.
- + Redcar expects to receive final construction permits on the LEVER design by mid February 2021. Once final permits are received, Redcar will get access to the initial \$7,500,000 of construction debt.
- + Shawmut, the general contractor, has completed soft demolition of the building which included removing the roof and all non-structural improvements.



## Leasing

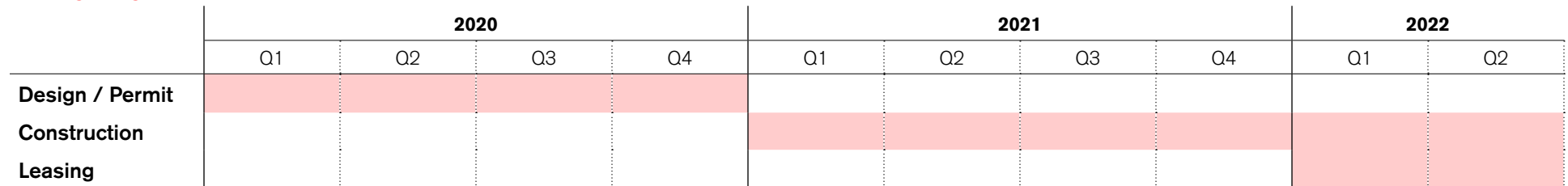
TENANT	TYPE	LCD	EXP.	RSF	Y1 BASE RENT	BASE RENT (\$/MO.)	ABATEMENT MOS.	LEASE TYPE	TIS (\$/SF)	PARKING SPACES	Y1 PARKING REVENUE
<b>Rent Roll (Redevelopment)</b>											
Spec	Office/ Retail	Jul-22	Jun-27	122,647	\$5,549,219	\$3.77	5	NNN	\$39	141	\$169,200

## Construction Costs

	RSF	\$/RSF	BASE BUILDING	CONSTRUCTION START	CONSTRUCTION END
Base Building	122,647 RSF	\$473/SF	\$58,072,227	February 2021	June 2022

+ Redcar's latest design set currently stands at 122,647 RSF, approximately 7,000 RSF greater than originally underwritten

## Timeline



+ Redcar recently completed soft demolition and expects to commence construction once final permits are received in February 2021



