



VIEW
PROPERTY
VIDEO

524 JEFFERSON AVE

OFFERING MEMORANDUM
SOUTH BEACH, FLORIDA



Marcus & Millichap

**15,020 SQUARE FEET OF HIGH STREET RETAIL POSITIONED
ON AN OVERSIZED 33,600-SQUARE-FOOT LOT**

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524 JEFFERSON AVE

The image shows the exterior of a building with a teal and beige facade. A palm tree stands to the right of the building. The sky is clear blue. A semi-transparent teal banner is overlaid across the middle of the image, containing the text "EXECUTIVE SUMMARY".

elgreens

EXECUTIVE SUMMARY

SOUTH BEACH, FLORIDA

Beyond the radiant sun, surf and sand, discover Miami Beach's rich history as an entertainment and cultural destination. From world-famous Art Deco architecture to renowned nightclubs to designer fashions, there's so much going on in Miami Beach that you'll want to stay an extra day just to enjoy all that it offers.



“

TROPHY RETAIL PROPERTY AT THE ENTRANCE TO WORLD FAMOUS SOUTH BEACH

”

OFFERING SUMMARY

Address	524 Jefferson Avenue, Miami Beach, FL 33139
Offering Price	Accepting Bids
Net Operating Income	\$316,245
Rentable Square Feet	Floor Plate: 12,146 + Mezzanine: 2,874 TOTAL: 15,020 SF
Occupancy	STNL
Year Built	1995
Parcel Number	02-4203-009-6195, 02-4203-009-6200, 02-4203-009-6210
Parking	53 Spaces (3.7/1,000 SF)



EXECUTIVE SUMMARY

Marcus & Millichap is pleased to present an opportunity to purchase 524 Jefferson Avenue (the “Property”), a trophy, net-leased Walgreens located at the entrance to the world-renowned South Beach. The Property is a 15,020-square-foot building sitting on a 33,600-square-foot lot, situated in one of the most desirable locations in Miami Beach, Florida. The building is strategically positioned on the hard corner of Jefferson Avenue and 5th Street, just steps from the beach, and is surrounded by dense residential, retail, hotels, and existing and proposed high-density developments. 5th Street is the primary east-west corridor entering South Beach with 35,000 to 80,000 average vehicles per day on this main gateway.

The Property is also just minutes from the newly renovated state-of-the-art Miami Beach Convention Center, Lincoln Road, and some of South Beach’s most iconic resorts. South Beach, also nicknamed SoBe, has experienced years of booming economic development, and is the go-to destination for millions of visitors yearly who come to enjoy its beaches and the glamorous scene around its happening nightspots and celebrity-chef eateries. This investment opportunity offers prospective buyers an opportunity to acquire a net-leased asset with an investment-grade tenant, on an oversized parcel with future development potential.



15,020
NET RENTABLE SF



1995
YEAR BUILT



INVESTMENT HIGHLIGHTS



0.77
ACRE LOT



53 Spaces
PARKING



**TROPHY ASSET ON WORLD
FAMOUS SOUTH BEACH**



**OVERSIZED .77-ACRE
PARCEL PROVIDES FUTURE
DEVELOPMENT POTENTIAL**



**CORPORATE GUARANTEED,
NET LEASE WITH MINIMAL
LANDLORD RESPONSIBILITIES**



**INVESTMENT-GRADE TENANT
WITH STRONG SALES**



**LONG-STANDING TENANT
WITH OVER 26 YEARS OF
OCCUPANCY**

SOUTH BEACH AERIAL MAP



MURANO GRANDE

ICON SOUTH BEACH

WeWORK OFFICE

SOUTH POINTE
ELEMENTARY



Downtown Miami



Bayfront Park

Star Island

MacArthur Causeway (I-395)

The Bentley Bay Condominiums

The Floridian

South Bay Club Condominium

Publix

Target

Federation Towers

TON NAME

LUXURY MIAMI BEACH APARTMENTS

524
JEFFERSON AVE

5TH STREET (A1A)

TRANSACTION GUIDELINES

In addition to the limitations outlined herein, the Seller reserves the right to accept or reject any offer at any time and to extend the date for submissions of offers for any reason at its sole discretion.

OFFERING GUIDELINES

This offering is being distributed to a select group of qualified investors exclusively by Marcus & Millichap. The Seller will select the prospective investor based on a variety of factors including offer price, expediency of time-frame for hard earned money and closing, financial strength, level of discretion to invest funds, experience, reputation and any other factors deemed relevant by the Seller.

CALL FOR OFFERS

A call for offers may be held and investors will be notified about the date by separate email. Your proposal should be delivered to Marcus & Millichap,

Attention: Douglas K. Mandel; Scott Sandelin; or Alex D'Alba by email at:
Douglas.Mandel@marcusmillichap.com; Scott.Sandelin@marcusmillichap.com;
Alejandro.D'Alba@marcusmillichap.com

Or via overnight courier to:
Douglas K. Mandel
Marcus & Millichap
5900 North Andrews Avenue, Suite 100
Fort Lauderdale, FL 33309

FORM OF PROPOSALS

Prospective purchasers will be required to submit in writing a detailed, non-binding proposal for the Property ("Proposal"). All proposals must include the following:

- Acquisition details including purchase price, deposit, transaction expense responsibility, due diligence and closing periods.
- Sources of equity for the acquisition and specific discussion on the availability and level of committed funds at the time of the Proposal.
- A detailed description of the principals of the prospective purchase including, if applicable, each member of a consortium formed for the transaction and the single representative to act on their behalf in connection with their Proposal
- Any anticipated conditions to execution of the transaction documents including shareholder's consent and board regulatory or other approvals must be attached to offer. An indication of the time required to obtain such approval should be included as well.

EXCLUSIVE SALES AGENTS

For further information, please contact the exclusive sales agents –

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3524

JEFFERSON AVE



A photograph of a Walgreens storefront. The building is a single-story structure with a light beige facade and a teal-colored awning over the entrance. The word "Walgreens" is written in its signature red script font above the awning. Below the awning, the words "PHARMACY" and "LIQUOR" are visible in dark blue block letters. The entrance features several glass doors with posters and signs. A teal semi-transparent banner is overlaid across the middle of the image, containing the text "PROPERTY OVERVIEW" in white. In the bottom right corner, there is a blue square containing the number "15".

Walgreens

PHARMACY

LIQUOR

PROPERTY OVERVIEW



LOCATION OVERVIEW

524 Jefferson Avenue is located in world-renowned South Beach on the main East/West corridor entering the beach. Celebrating its 100-year anniversary just a few years back, Miami Beach is an island-city separating Biscayne Bay from the Atlantic Ocean. It has been one of America's preeminent beach resorts since the early 20th Century. Miami Beach is both a tourist mecca and a vibrant residential community with several miles of white-sand beaches, world-class hotels, excellent nightlife, and chef-driven restaurants. With over 91,000 full-time residents, and over 100,000 seasonal residents, Miami Beach is one of the densest communities in the United States. Its real estate has seen exponential growth in the past year due to the weather, entertainment, and business-friendly environment on the island. Miami Beach has earned the nickname "Silicon Beach" in the past year due to the large number of technology companies, asset management, and venture capital firms that have migrated to the area.

AREA MAP



DEMOGRAPHICS WITHIN A THREE-MILE RADIUS



53,646
TOTAL POPULATION



43.1
AVERAGE AGE



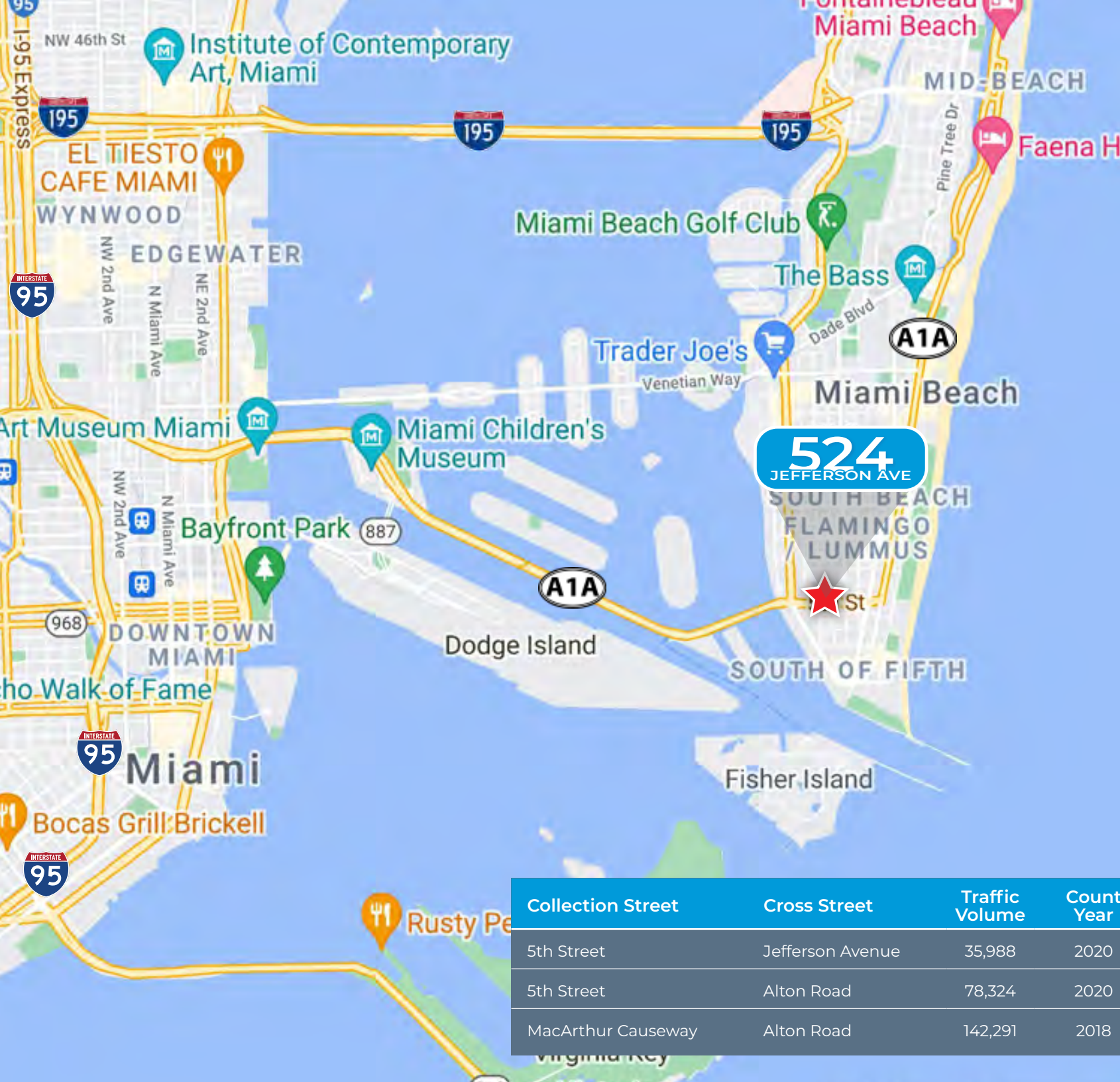
\$105,093
AVERAGE HOUSEHOLD INCOME



\$577,084
MEDIAN HOUSING VALUE



30,683
TOTAL HOUSEHOLDS



World Famous tourist destination, and playground of the rich and famous, just across the intracoastal waterway from Downtown Miami



Convenient location on 5th Street, with quick and easy access to Interstate 95 and all of the downtown area's transportation systems, as well as close proximity to Miami International Airport



South Beach is a mecca for high-end shopping and award-winning restaurants, hotel and entertainment options

Collection Street	Cross Street	Traffic Volume	Count Year	Dist from Subject
5th Street	Jefferson Avenue	35,988	2020	0.10 mi
5th Street	Alton Road	78,324	2020	0.23 mi
MacArthur Causeway	Alton Road	142,291	2018	0.39 mi



Miami is a major center, and a leader in finance, commerce, culture, media, entertainment, the arts, and international trade. In 2012, Miami was classified as an Alpha-World City in the World Cities Study Group's inventory. In 2010, Miami ranked seventh in the United States in terms of finance, commerce, culture, entertainment, fashion, education, and other sectors. It ranked 33rd among global cities. In 2008, Forbes magazine ranked Miami "America's Cleanest City", for its year-round good air quality, vast green spaces, clean drinking water, clean streets, and citywide recycling programs. According to a 2009 UBS study of 73 world cities, Miami was ranked as the richest city in the United States, and the world's fifth-richest city in terms of purchasing power.

DESTINATION	Distance (miles)	Time (mins)
MacArthur Causeway	0.5	1 min
Lincoln Road	2	4 mins
Downtown Miami	4	4 mins
Interstate 95	4.5	5 mins
Wynwood	5	9 mins
Key Biscayne	8	9 mins
Miami International Airport	9	9 mins
Coconut Grove and Marina	9.5	11 mins
Fort Lauderdale International Airport	26	23 mins





524
JEFFERSON AVE

PARCEL MAP

JEFFERSON AVENUE

5TH STREET (A1A)

0.77 Acres









EXPERIENCE

MIAMI BEACH AND DISTRICT SPOTLIGHTS

SOUTH BEACH

Miami Beach, a slender, nine-mile-long barrier island along the Atlantic Ocean, is divided into three distinct neighborhoods. South Beach – from South Pointe Park north to 23rd Street – is the most famous of the trio, home to sandy strands, swaying palms and the pastel-colored Art Deco buildings that have become synonymous with this iconic destination and render it so undeniably photogenic.

MID BEACH

Enjoy a combination of “South Beach cool” and “North Beach calm” in Mid Beach, a central spot in Miami Beach that offers the best of both its beachfront neighbors. Consider Mid Beach a captivating combination of everything there is to love about Greater Miami. This diverse neighborhood between 24th and 60th streets has swanky hotels, stylish restaurants and lounges, its own arts district and, of course, that famous swath of sand that beckons both visitors and locals.

NORTH BEACH

Life moves at a leisurely pace in North Beach, the relaxed Miami Beach neighborhood that runs from 60th Street up to the town of Surfside. In this largely residential area, you won't see the Art Deco buildings that characterize South Beach. Instead, the striking architectural style is Miami Modernism (MiMo) architecture. The broad beach is just as alluring – and chances are you'll have fewer people with which to share it.



RESTAURANTS



JOE'S STONE CRAB



BYBLOS MIAMI



KATSUYA SOUTH BEACH

Miami knows how to throw a party! Celebrity chefs host lavish culinary bashes at the celebrated South Beach Wine & Food Festival® each year. The Miami Spice Restaurant Month's program is a chance for locals and visitors to enjoy special prix-fixe menus at the best restaurants in town during August and September.

Postcard-worthy beaches. Art deco architecture. Vibrant nightlife. And, of course, unforgettable dining experiences. These are just some of the exciting elements of Miami Beach's legendary South Beach neighborhood. From upscale food halls to historic seafood spots and restaurants helmed by celebrity chefs, the dining scene in South Beach is something you must experience on a visit to Greater Miami & Miami Beach.



TIME OUT MARKET

A POPULAR AND
REVITALIZED TOURIST
DESTINATION WITH
NEW RETAIL, HOUSING,
HOTEL AND OFFICE
DEVELOPMENTS
UNDERWAY ACROSS
THE AREA



US
ID

Biscayne
Bay

524
JEFFERSON AVE

LINCOLN ROAD

OCEAN DRIVE

SOUTH BEACH

4 524

JEFFERSON AVE

The image shows the exterior of a building with a teal and beige facade. A palm tree is visible in the background against a clear blue sky. A semi-transparent teal banner is overlaid across the middle of the image, containing the text "FINANCIAL SUMMARY" in white. The building has a sign that partially reads "elgreens" in red script. There is a glass block wall on the left side of the building. A sidewalk and a street are visible in the foreground.

elgreens

FINANCIAL SUMMARY



FINANCIAL OVERVIEW

OFFERING PRICE

Accepting Bids

PROPERTY DETAILS

Property Address 524 Jefferson Avenue, Miami Beach, Florida 33139

Offering Price Accepting Bids

Net Operating Income	Rent:	\$320,000
	Reserves:	(\$3,755)
	TOTAL:	\$316,245

Rentable Square Feet	Floor Plate:	12,146 SF
	Mezzanine:	2,874 SF
	TOTAL:	15,020 SF

Occupancy 100%

Year Built 1995

Parcel Number 02-4203-009-6195, 02-4203-009-6200,
02-4203-009-6210

Parking 53 Spaces (3.7/1,000 SF)

Type of Ownership Fee Simple

NET OPERATING INCOME

\$316,245



230,000+
EMPLOYEES

9,000+
US RETAIL LOCATIONS

1901
FOUNDED

Walgreens Boots Alliance (NASDAQ: WBA) is the first global pharmacy-led, health and wellbeing enterprise in the world. The company was created through the combination of Walgreens and Alliance Boots in December 2014, bringing together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years. The Alliance is organized into three segments: Retail Pharmacy USA, Retail Pharmacy International and Pharmaceutical Wholesale. Walgreens itself is organized under Retail Pharmacy, USA. Walgreens interacts with roughly 8-million customers in its stores or online each day.

Walgreens® operates 9,277 drugstores across all 50 U.S. states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. As of August 2019, approximately 78 percent



of the US population lives within five miles of a Walgreens. The company has more than 88,000 healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners and other health-related professionals. Founded in 1901 with a single store in Chicago, Walgreens continues to build a seamless customer experience through its drugstore and digital business. It has a current credit rating of BBB from Standard & Poor's.

LEASE SUMMARY

LEGAL TENANT	Walgreens
COMMENCEMENT DATE	October 1, 1995
EXPIRATION DATE	September 30, 2055
OPTIONS	6, Five-Year Options Remaining
NEXT OPTION DATE	October 1, 2025
RENT	\$319,999.92 Annually
RENT INCREASES	None
COMMON AREA MAINTENANCE	Landlord shall maintain and make all repairs to the exterior and structural parts of the Building, roof, and to pipes, ducts, wires and conduits leading to and from the Leased Premises and/or Building.
	Landlord shall make all repairs required by causes the fault of Landlord, or by fire, casualty or the elements, or by dry rot or termites. Tenant shall repair and replace heating and cooling equipment serving the Building, shall make plate glass replacements required other than by fault of Landlord, and shall make repairs to the interior of the Building.
INSURANCE	Tenant may self-insure so long as Tenant maintains an A-rating as determined by standard & Poor's.
	In the event that Tenant self-insures, Landlord will have the right to obtain and pay for fire and extended coverage insurance for the Building, liability insurance, and loss of rental insurance. [Lease – Sec. 20]
	If Tenant does not self-insure or does not maintain an A-rating, then Tenant to maintain the following insurance policies: (i) public liability and property damage insurance, with such public liability insurance covering liability for death or bodily injury in any one accident, mishap or casualty in a sum of not less than \$3,000,000.00 and covering liability for property damage in one accident, mishap or casualty in the amount of not less than \$1,000,000.00, and (ii) fire and extended coverage insurance to the extent of not less than 100% of the full insurable value, less foundations. [Lease – Sec. 10]

TAXES

Tenant shall be responsible for the payment of all general real estate taxes, as well as all taxes assessed against the Leased Premises and the use thereof, including ad valorem, personal property, use, sales, and occupational taxes [Lease – Sec. 19]

PERCENTAGE RENT

If a sum equal to 2.0% of the Gross Sales (except from sale of prescriptions, alcoholic beverages, and food) plus 0.5% of Gross Sales of prescriptions made by Tenant in the operation of Tenant's store in any lease year exceeds the total fixed rent for that year, then Tenant within forty-five (45) days after the end of such lease year shall pay to Landlord the amount of such excess as additional rent; but in no event shall the total of fixed rent plus additional percentage rent payable by Tenant in any lease year exceed \$540,720.00 per lease year. Within forty-five (45) days after the end of each lease year the Tenant shall furnish to Landlord a statement of the total amount of such Gross Sales for such lease year. [Lease– Sec. 2(b)]

RIGHT OF FIRST REFUSAL

Tenant has right of first refusal on any Bona Fide Offer received by Landlord to purchase the Leased Premises (Bona Fide Offer meaning one made in writing by a person/entity that is not related or affiliated with Landlord in which Landlord intends to accept). [Lease – Sec. 22]



Note: Roof replaced in 2013. Building recently painted. Tenant maintains parking lot.

FINANCING OPTIONS

MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC – our fully integrated, dedicated financing arm – is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable, experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



For More Information,
Please Contact

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**Closed 1,943
debt and equity
financings in 2020**



**National platform
operating within the
firm's brokerage offices**



**\$7.67 billion total
national volume
in 2020**



**Access to more
capital sources than
any other firm in the
industry**



5

524 JEFFERSON AVE

An aerial photograph of Miami, Florida, showing a mix of urban development. In the background, a dense skyline of skyscrapers is visible across a body of water. The middle ground features several high-rise apartment buildings. The foreground shows a more residential area with lower-rise buildings, many with flat roofs, and numerous palm trees. A semi-transparent blue horizontal band is overlaid across the middle of the image, containing the title text.

MARKET OVERVIEW

MARKET OVERVIEW

MIAMI-DADE OVERVIEW

Miami-Dade County is a gateway to South American and Caribbean markets and a tourist destination. The 2,400-square-mile county extends from the Florida Everglades east to the Atlantic Ocean. It is bordered to the north by Broward County and to the south by the Florida Keys. The main portion of the city of Miami lies on the shores of Biscayne Bay and is separated from the Atlantic Ocean by barrier islands, the largest of which holds the city of Miami Beach. The metro, with a population of roughly 2.7 million, is located entirely within Miami-Dade County. Miami is the most populous city, with slightly more than 442,300 residents, followed by Hialeah with roughly 234,800 people.





METRO HIGHLIGHTS



BUSINESS-FRIENDLY ENVIRONMENT

The metro has no local corporate or personal income taxes, which attracts businesses and residents to the area.



INTERNATIONAL GATEWAY

Miami is a gateway for international trading activities, tourism and immigration, connecting to airports and ports around the world.



MEDICAL COMMUNITY

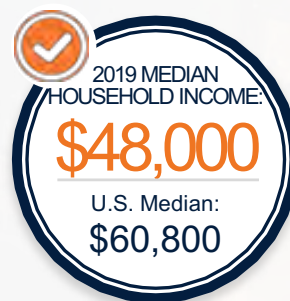
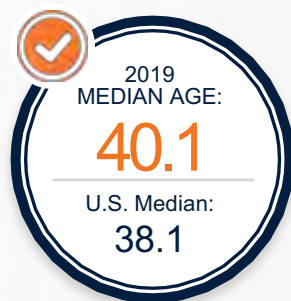
The county contains the largest concentration of medical facilities in Florida, drawing residents needing services throughout the state.



ECONOMY

- Various industries provide a diverse economy. Trade, international finance, healthcare and entertainment have become major segments in the local business community.
- A strong tourism industry has developed with ties to Latin America and the Caribbean.
- Tourism and trade depend on a large transportation sector. PortMiami and Miami International Airport are both major contributors to employment and the economy.
- The Miami metro gross metropolitan product (GMP) expansion is expected to be on par with the U.S. GDP in 2020 and retail sales for the county are also rising.

DEMOGRAPHICS



RETAIL MARKET OVERVIEW



NEW SUPPLY HAS HIGH PRE-LEASING COMMITMENTS; REOPENED ECONOMY BENEFITS RETAIL

Miami retail benefits from early opening. Despite a recent increase in COVID-19 cases, large tracts of Florida's economy have remained open, supporting retailers since the health crisis. In addition to locals, vacationers seeking areas with more lax restrictions have sought out South Florida over the course of the last several months. Demographics have also favored the market as more people accelerated retirement plans and moved to the area. Over the past year, the population age 65 and older has grown by 3.5 percent, outpacing the national rate of 3.1 percent. This cohort generally has the largest portion of wealth, boosting retail sales. In the last 12 months, total retail sales in the metro jumped 28.5 percent as more residents ventured out to take advantage of local amenities and travelers flocked to the area.

Fundamentals return to pre-recession levels. Miami retailers persevered better than most in the country during the health downturn. Vacancy has already returned to the level prior to the downturn and the average asking rent is rising. Supply growth is accelerating, though elevated construction costs, particularly in the highly developed market, mean builders are hesitant to pursue speculative projects. Miami has one of the highest rates of pre-leasing in the country, which is a trend that is projected to persist into the coming months. As a result, competition for available space is unlikely to become a significant challenge for existing retail operators.



Investment Highlights

- Investors remained interested in local single-tenant properties during the past year due to relaxed reopening orders and lack of state income tax. The average price of a single-tenant property dipped just 1.0 percent to \$564 per square foot year over year during the period ending in June. At the same time, the average cap rate contracted 10 basis points to 5.5 percent as buyer confidence held steady.
- Multi-tenant investors awaited the impact of the health crisis, though buyers were generally more active than in other parts of the country. The average price fell a modest 2 percent to \$383 per square foot during the yearlong period ending in the second quarter. First-year returns tightened to 5.7 percent, down just 10 basis points from the previous annual period.
- The outlook for the local investment market remains strong. A potential for rising taxes in some other coastal markets will encourage investors to divest properties and target Florida assets. Additionally, the prevalence of new coronavirus variants could lead to more restrictions and make Miami properties more attractive.

Retail 2021 Outlook



65,000 JOBS
will be created

EMPLOYMENT:

Headcounts expand by 5.8 percent this year, largely due to the increase of the leisure and hospitality sector. Payrolls will be approximately 40,600 spots short of the pre-recession peak in the fourth quarter of 2019.



1,100,000 SQ. FT.
will be completed

CONSTRUCTION:

Deliveries return to the 2019 level as more than a million square feet is finished, increasing inventory by approximately 1.0 percent. Completions in 2021 are roughly aligned with the five-year average.



10 BASIS POINT
decrease in vacancy

VACANCY:

The availability rate will inch down this year as more retailers open their doors. At year-end, vacancy is projected to be 4.3 percent, down 20 basis points from the recessionary peak in the first quarter.



0.9% INCREASE
in asking rent

RENT:

Operators gain a little leverage in the coming months as space becomes more scarce. The average asking rent climbs to \$32.80 per square foot in the fourth quarter, a level unseen since the end of 2019.



ADVISORY TEAM

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