

OFFERING MEMORANDUM

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CVS SOUTH BEACH

NEW 20 -YEAR NNN LEASE WITH INCREASES

983 WASHINGTON AVENUE
MIAMI BEACH, 33139

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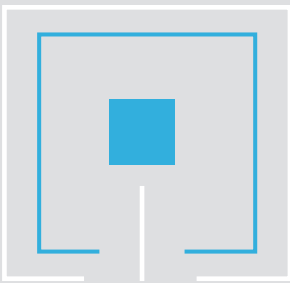
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 VIEW VIDEO

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OFFERING PROCEDURE

Offers should be submitted in the form of a standard non-binding Letter of Intent, which can be found on the Colliers International Document Center, and must specify the following:

- Price (Call for pricing guidance)
- Length of Inspection Period
- Length of Closing Period
- Amount of earnest money deposit at execution of a Purchase and Sale Contract
- Amount of additional deposit upon expiration of Inspection Period

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EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$20,000,000
Cap Rate	4.38%
Year Built	1936
Year Renovated	2018
Lot Size	6,476 SF
Parking	Street parking
Gross Leasable Area	12,415 SF
Net Operating Income	\$875,800

LEASE SUMMARY

Tenant Trade Name	CVS
Initial Lease Term	20-years
Lease Options	Four, 5-year
Rent Commencement	April 1, 2015
Expiration Date	March 31, 2035
Increases	5% in 2026 and 2031; 10% in Options

TENANT SUMMARY

Tenant	Holiday CVS, LLC
Ownership	Public
Sales Volume	\$184.77B
Market Cap	\$63.28B
Credit Rating (S&P's)	BBB+
Ticker Symbol (NYSE)	CVS
Number of Locations	9,600
Headquarters	Woonsocket, RI
Website	www.cvs.com

ANNUALIZED OPERATING DATA

Lease Term	Annual Rent
Current- March 31, 2025	\$875,800*
April 1, 2025 - March 31, 2030	\$919,485
April 1, 2030 - March 31, 2035	\$965,459
Options 1-4 (5-Years Each)	10% Increase in Each



*Some folks like to get away, take a holiday from the neighborhood
- Hop a flight to **Miami Beach**, or to Hollywood.*



~ Billy Joel



INVESTMENT SUMMARY

The subject property is a newly rebuilt, highstreet CVS building with unique, modern Art Deco architecture in the heart of Miami Beach, Florida. This world-class, pride of ownership property, with high barriers to entry and a dominant national tenant, represents a generational opportunity for a qualified investor. The offering features a new 20-year lease with CVS, with 17 years remaining on the base term and rare increases during the base term and options.

The property is surrounded by a wave of new, high-density developments on Washington Avenue and it is steps from the beach, surrounded by 62 hotels within a three block radius.



High Street Retail



Increases during lease



Miami Beach Hospitality out-performing US



Long-term NNN lease



62 Hotels within three blocks



* S&P Investment Grade Credit



Walking Distance to Beach







S&P's "BBB+"
Credit Rating

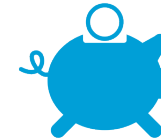
TENANT SUMMARY

HEADQUARTERS: Woonsocket, Rhode Island
WEBSITE: www.CVS.com **NYSE:** CVS

CVS Health has more than 9,800 locations in 49 states, the District of Columbia, Puerto Rico and Brazil. The company employs more than 246,000 with a 68,000+ retail network pharmacy. More than 2.5 billion prescriptions are filled or managed. CVS stores offer a variety of merchandise including food, health and beauty products, electronics, pet supplies and a limited number of grocery items.



9,800+
Locations



\$184.8B
Total Revenue 2017

 **CVS** SOUTH BEACH

CVS Pharmacy is a subsidiary of the American retail and health care company CVS Health, headquartered in Woonsocket, Rhode Island. It was also known as, and originally named the Consumer Value Store and was founded in Lowell, Mass., in 1963. The chain was owned by its original holding company Melville Corporation since its inception until its current parent company CVS Health was spun off into its own company in 1996. CVS Pharmacy is currently the largest pharmacy chain in the United States by number of locations and total prescription revenue. As the retail pharmacy division of CVS Health, it ranks as the seventh largest U.S. corporation according to Fortune 500 in 2016. CVS Pharmacy's leading competitor Walgreens Boots Alliance ranked 37th.

PROPERTY DESCRIPTION



The building was renovated in 2018 and now possesses an updated design, modern amenities, and a beautiful redesign. CVS Miami Beach is strategically located at the intersection of Washington Avenue and 10th Street and is just three blocks from Ocean Drive and a half mile from Lincoln Road shopping district. CVS Miami Beach is located in prime walking distance to many amenities on Miami Beach and easily accessible by public transportation.



Steps from the Beach



Easy access to public transportation



Located in the Heart of South Beach



Standalone corner building



Adjacent to Mid-rise Hotel Development



Walking to Lincoln Road



Minutes to Downtown Miami



Kobi Karp Design

> TOTAL BUILDING AREA

12,443 SF

> PARKING

Street parking

> PROPERTY ADDRESS :

983-999 Washington Avenue
Miami Beach, FL 33139

> ZONING

CD-2

> YEAR BUILT

1936

> TENANCY

Single

> YEAR RENOVATED

2018

> OCCUPANCY

100%

> NO. OF FLOORS

Two

KOBI KARP DESIGN

- KKAID is a full-service architectural and interior design firm providing a vast array of services, ranging from the design of large-scale, high-rise condominium and hospitality projects to intimate, small-scale low-rise residential and commercial structures.
- For over two decades, Kobi Karp Architecture and Interior Design has been providing unique, creative and innovative design solutions to renowned clients internationally and domestically in hospitality, retail and high-rise residential developments. To date, Kobi Karp Architecture and Interior Design has designed over 36 billion SF in mixed-use commercial, residential and multifamily properties worldwide from the Caribbean, to the far east, to the Black Sea region, throughout the Gulf and the Middle East.
- The firm is the recipient of many awards, including AIA Awards for Outstanding Young Architect of the Year Award, AIA Outstanding Service Award, AIA Award of Merit, American Resort Development Association (ARDA) Gold Award for Hotel Conversion, The Network of the Hospitality (NEWH) Excellence in Design Award, Miami Design Preservation League Merit Awards, and Dade Heritage Trust Historic Preservation Awards.
- Kobi Karp Architecture and Interior Design has been recognized in various publications such as The Wall Street Journal, The New York Times, Miami Herald, Ocean Drive Magazine, Haute Magazine, El Nuevo Herald, Architectural Digest, Forbes Magazine, Newsweek, Fisher Island Magazine and Hospitality Design Magazine. Kobi Karp Architecture and Interior Design has also been featured on CBS, NBC, CNN and 1 TV Russia.



> SURF CLUB FOUR SEASONS



> ONE HOTEL MIAMI BEACH



> PALAU SUNSET HARBOUR



> CHATEAU BEACH SUNNY ISLES



> AC HOTEL MIAMI BEACH



> HYATT CENTRIC



> PALAZZO DEL SOL FISHER ISLAND



> EDEN HOUSE



> MICHIGAN HOTEL MIAMI BEACH



> H&M LINCOLN ROAD

PROPERTY PHOTOS

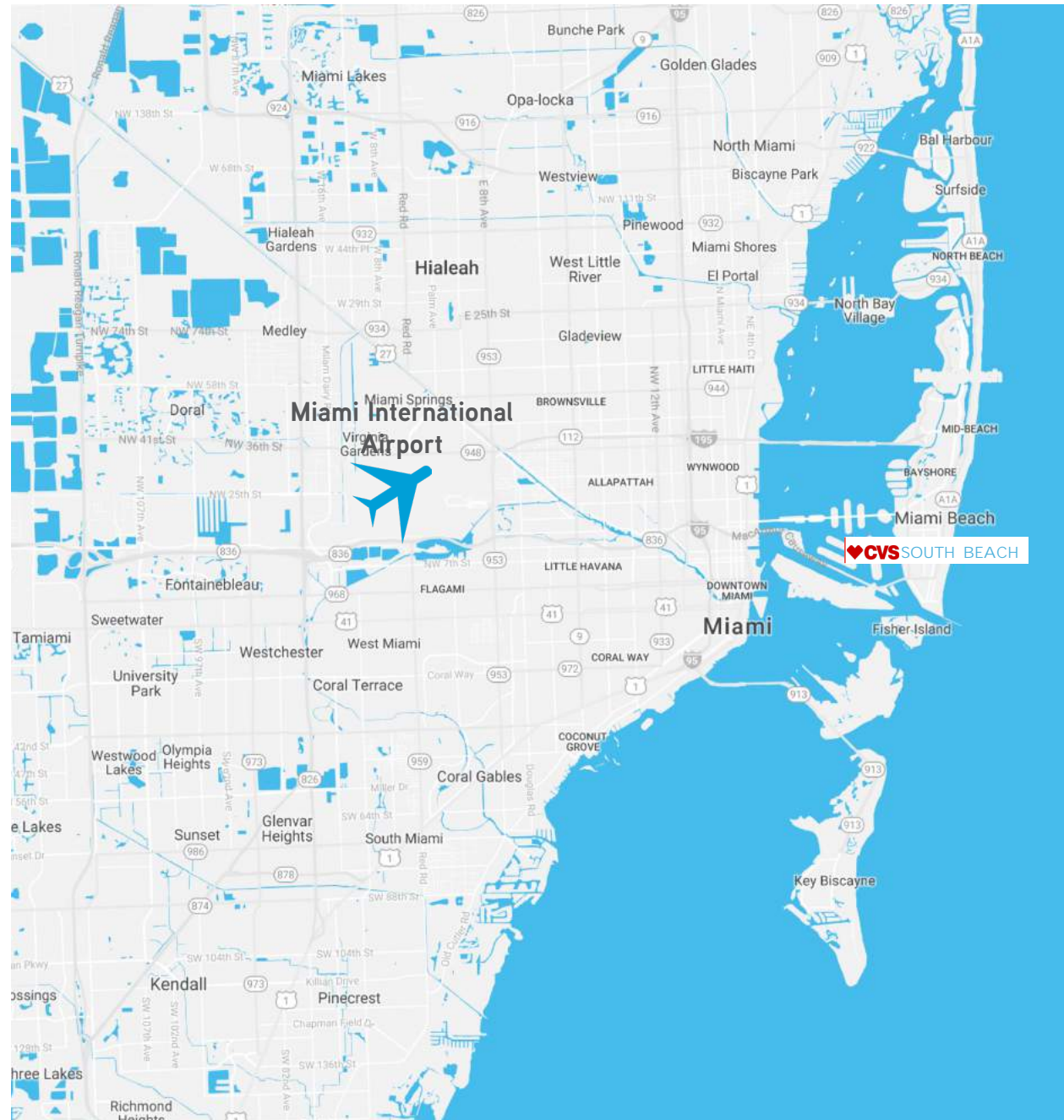




PROPERTY LOCATION

The property is located on the corner of Washington Avenue and 10th Street on Miami Beach. The property is a two-story retail building.

LOCATION	DISTANCE	TIME
Miami International Airport	11.8 miles	25 minutes
Lincoln Road Mall	1.2 miles	8 minutes
South Pointe Park	1.80 miles	7 minutes
Downtown Miami	6.9 miles	12 minutes



NEW DEVELOPMENTS

Hello from South Beach



915, 947, 955 WASHINGTON AVE

Moxy South Beach – Lightstone Group plans to build a seven-story, 202-room boutique hotel on the whole block. The project will target millennials with smaller rooms and extensive roof terracing. The project is part of the revitalization of the street.



601 WASHINGTON AVE

The new hotel will follow the new tendency of micro hotel rooms and will have rooms of 175 SF. The hotel will contain an extensive ground floor of retail space, 312 micro-hotel units, a tower setback from the street with extensive landscaping, a third-floor amenity deck with a pool, private cabanas, club bar, outdoor and indoor cafe, and a concierge desk. The dining and entertainment areas of the hotel will be designed by Morris Adjmi and Nichols Brosch Wurst Wolfe & Associates.



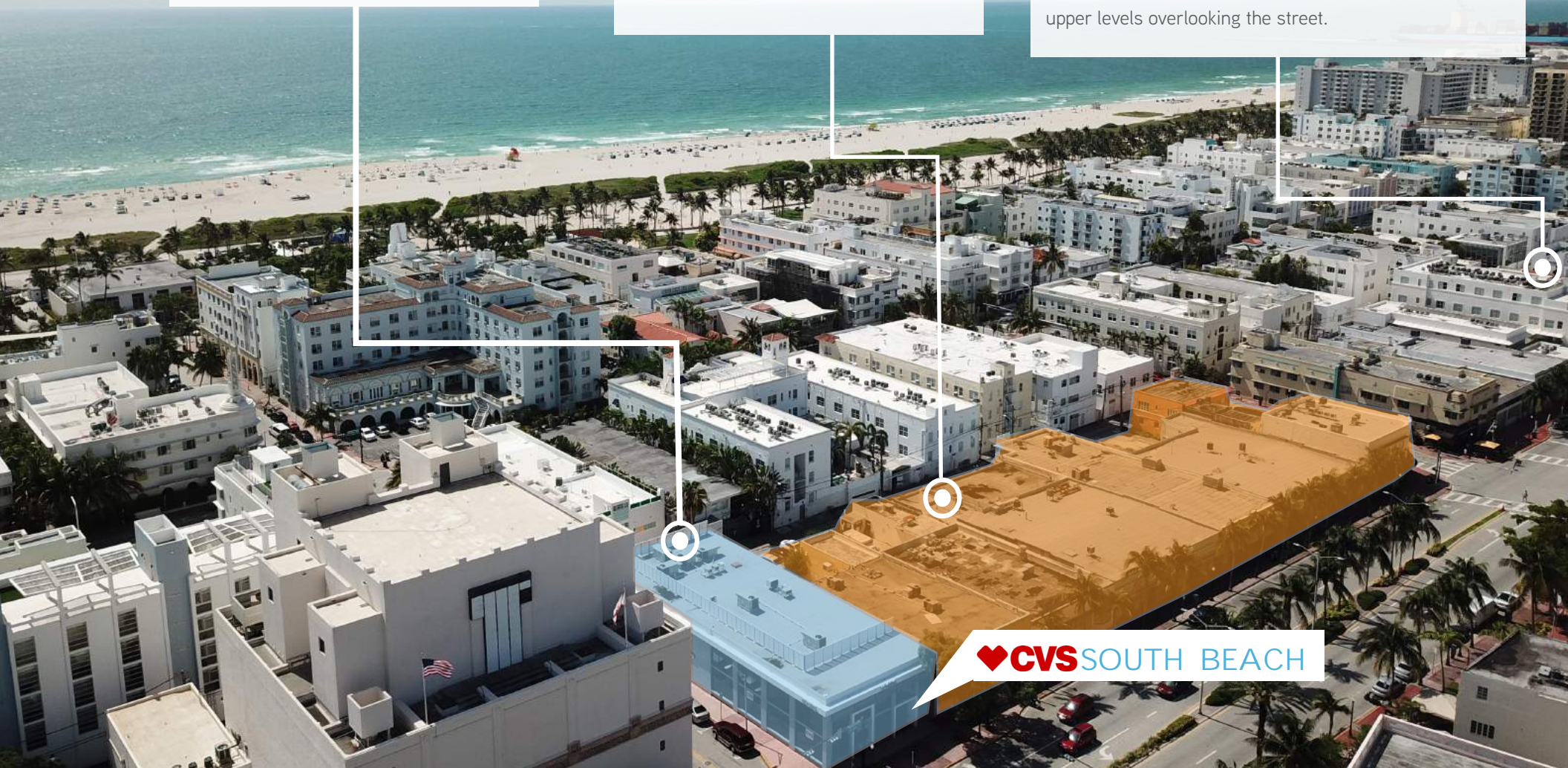
803 FIFTH ST

A five-story hotel has been proposed in a 9,000 SF site at 803 Fifth Street. Hotel Urbanica will have 32 rooms, a 56-seat café, 42 parking spaces, valet parking, and a rooftop pool. The rooms would range from 300-500 SF. The hotel design will feature natural wood and stone elements. The hotel will have between 20 to 25 employees and the restaurant around 10 employees. The construction will start the third quarter of 2018 and the project should take 14 months to complete.

CVS SOUTH BEACH – The CVS stand-alone building is strategically located in the center of South Beach, on the southeastern corner of 10th Street and Washington Avenue, and captures all foot traffic from Ocean Drive and surrounding hotels.

NINTH & WASHINGTON / MOXY SOUTH BEACH – Lightstone Group plans to build a seven-story, 202-room boutique hotel on the whole block. The project will target millennials with smaller rooms and extensive roof terracing. The project is part of the revitalization of the street.

601 WASHINGTON - The new hotel will follow the new tendency of micro hotel rooms and will have rooms of 175 SF. The hotel will contain an extensive ground floor of retail space, 312 micro-hotel units, a tower setback from the street with extensive landscaping, a third-floor amenity deck with a pool, private cabanas, club bar, outdoor and indoor cafe, and a concierge desk and the dining and the entertainment areas of the hotel will be on upper levels overlooking the street.





SOUTH OF FIFTH DISTRICT

FISHER ISLAND

PORT OF MIAMI

STAR ISLAND

♥ CVS SOUTH BEACH



DI LIDO ISLAND

RIVO ALTO ISLAND

WEST AVENUE

10TH STREET

WASHINGTON AVENUE

♥ CVS SOUTH BEACH



ROYAL ATLANTIC
CONDOMINIUMS

THE SAVOY HOTEL
AND BEACH CLUB

SOUTH OF FIFTH
DISTRICT

STARLITE HOTEL

MIAMI BEACH
PARKING GARAGE

KIMPTON ANGLER'S

PELICAN HOTEL

POSH HOSTEL
SOUTH BEACH

OCEAN BLUE
HOSTEL

CHESTERFIELD
HOTEL & SUITES

THE COLONY

HAMPTON ON
WASHINGTON

MANGO'S
TROPICAL CAFE

FRANKLIN HOTEL
SOUTH BEACH

CLINTON HOTEL
SOUTH BEACH

HOTEL BREAKWATER
SOUTH BEACH

BLUE MOON HOTEL
AUTOGRAPH COLLECTION

HOTEL SHELLY

THE WOLFSONIAN-FLORIDA
INTERNATIONAL UNIVERSITY

♥ **CVS** SOUTH BEACH

HOTEL CHELSEA

HOTEL ASTOR

PROPERTY ZONING



The CD-2 commercial, medium intensity district provides for commercial activities, services, offices and related activities which serve the entire city.

The main permitted uses in the CD-2 commercial, medium intensity district are commercial uses; apartments; apartment hotels, hotels, hostels, and suite hotels; religious institutions with an occupancy of 199 persons or less and alcoholic beverages establishments.

Maximum Floor Area Ratio: 1.5

Minimum Lot Area (SF): Commercial - None

Maximum Building Height: 50 Feet (Notwithstanding the above, the design review or historic preservation board, in accordance with the applicable review criteria, may allow up to an additional five feet of height, as measured from the base flood elevation plus maximum freeboard, to the top of the second floor slab. This provision shall not apply to existing historic districts or existing overlay districts or commercial buildings adjacent to residential districts)



MARKET OVERVIEW

From world-famous Art Deco architecture to designer fashions, renowned nightclubs and exquisite dining cuisine, Miami Beach is a great tourist destination. It is rich with culture, art and history. Miami Beach has over 7 miles of beaches, three golf courses and 20 parks. Miami Beach is a known tourist-friendly vacation hot spot with welcoming shopping and culture, for world travelers, celebrities and locals alike. The economic boom brings a refurbishment to the Art Deco Historic District, modernized transportation infrastructure and a new way of life, which features arts, culture, sports and entertainment, all with an international accent.

Miami Beach is one of the strongest retail trade markets in Miami-Dade County because of the high traffic of visitors as well as full-time and seasonal residents. The retail space in Miami Beach is receiving investors' attention including a solid and strong demographics and development activity. Developers are focusing on urban-core submarkets, high-income suburban as well as the dense population of high-income spenders. Retailers have noticed this trend and intend to be part of the metro's fastest-growing urban neighborhoods like Miami Beach. This is one reason why the retail space in Miami Beach is in high demand and if is located in the proximity of Lincoln Road, the world-class entertainment district, the rents can achieve above \$300.00 PSF and the vacancy is expected to stay well below national historical averages.



LINCOLN ROAD MALL



HYATT CENTRIC SOUTH BEACH

RITZ-CARLTON SOUTH BEACH

IL VILLAGGIO

LOWE'S MIAMI BEACH HOTEL

THE BETSEY

FIENBERG FISHER K-8 CENTER

HOTEL VICTOR

THE WEBSTER

DREAM SOUTH BEACH

GIANNI VERSACE'S HOUSE

MIAMI BEACH CINEMATHEQUE

THE KENT

CLEVELANDER

MIAMI BEACH POLICE DEPARTMENT

11TH STREET DINER

COUNCIL TOWERS

BENTLEY APARTMENT

ART DECO HISTORIC DISTRICT

WASHINGTON PARK HOTEL SOUTH BEACH

THE WOLFSONIAN-FLORIDA INTERNATIONAL UNIVERSITY

ESSEX HOUSE

EDWARDS APARTMENTS

WASHINGTON AVENUE

CVS SOUTH BEACH

BLUE MOON HOTEL AUTOGRAPH COLLECTION

PRINCESS ANN HOTEL

MARKET DRIVERS

TOURISM

Visitors from around the world come to Miami Beach looking to experience the nightlife, the warm water and the cultural mix, making tourism one of the most profitable state and county industries and essential for the healthy economy of Miami. One of the most visited areas is South Beach and Lincoln Road. The tourism industry helps by employing a significant number of people in the county, with 11.9 percent of all employees in Miami-Dade working in hospitality and leisure.

HOTELS

The variety of hotels in Miami Beach goes from glamorous art deco buildings to chic healthy hotels with spa or hotels that are just for international private members-only club. Miami Beach top list of world famous hotels and accommodations with high-end services, amenities and amazing views. Luxury hotels in South Beach are a hot spot for celebrities and for those who delight in gourmet cuisine. Also, the hotel supply contributes to the enrichment of the tourism and therefore to the enrichment of the city.

MIAMI INTERNATIONAL AIRPORT

Located only 10 miles from Miami Beach, Miami International Airport is one of the biggest economic engines of Miami and is always busy with international passengers. It is the U.S. airport that offers the highest numbers of flights to Latin America and the Caribbean. The airport welcomes 70 percent of all international visitors to Florida and generates a business revenue of \$33.7 billion annually. In addition, the airport employs 282,724 jobs, developing the Miami trading and the consuming spending across the country.

DEMOGRAPHICS

5-MILE RADIUS



\$50,191

AVERAGE HOUSEHOLD INCOME



216,832

TOTAL POPULATION



109,225

TOTAL HOUSEHOLDS

Population	1 Mile	3 Miles	5 Miles
2017 Total Population	33,016	54,938	216,832
Estimated Growth 2017-2022	0.69%	0.79%	1.72%
Median Age	39.4	40.9	38.1
2017 Total Households	20,226	31,026	109,225
Average Household Income	\$44,608	\$51,819	\$50,191
Average Household Size	1.61	1.74	1.93

Age Group	1 Mile	3 Miles	5 Miles
0-4	2.9%	3.6%	4.8%
5-9	2.1%	3.1%	4.2%
10-14	1.5%	2.6%	3.5%
15-19	1.7%	2.6%	3.4%
20-24	6.1%	5.7%	6.6%
25-34	25.8%	21.1%	21.6%
35-44	19.9%	18.0%	17.2%
45-54	12.9%	13.6%	13.1%
55-64	9.9%	11.5%	10.8%
65-74	8.5%	9.5%	8.1%
75-84	5.7%	5.9%	4.6%
85+	3.0%	3.0%	2.2%

Households by Income	1 Mile	3 Miles	5 Miles
<\$15,000	17.9%	16.3%	17.7%
\$15,000-\$24,999	12.4%	11.1%	11.4%
\$25,000-\$34,999	10.4%	9.3%	9.2%
\$35,000-\$49,999	13.2%	11.8%	11.5%
\$50,000-\$74,999	14.8%	14.1%	15.7%
\$75,000-\$99,999	9.5%	9.9%	10.2%
\$100,000-\$149,000	11.0%	12.6%	11.7%
\$150,000-\$199,999	4.2%	5.5%	4.9%
\$200,000+	6.7%	9.3%	7.6%

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