

Turnbridge Equities
27,450 SF of Retail



CVS Washington Avenue

MIAMI BEACH, FL

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CVS Washington Avenue

11TH STREET

WASHINGTON AVENUE

10TH STREET

COLLINS AVENUE

Executive Summary

Marcus & Millichap

Offering Highlights

CVS Washington Avenue

983 Washington Avenue,
Miami Beach, FL 33139

Offering Summary

Price	\$21,385,000
Rentable Square Feet	12,443 SF
Year Built	2017
Lot Size	6,500 SF

Vital Data

Current NOI	\$834,000
Current Cap Rate	3.90%
Avg NOI During Base Term	\$905,845
Avg CAP Rate During Base Term	4.24%



Tenant and Lease Summaries

Rent Commencement	4/1/2015
Lease Expiration	3/31/2035
Rentable Square Feet	12,443 SF
Original Term	20 Years
Term Remaining on Lease	18 Years
Option Term	Four Options for 5 Years Each
Lease Type	*Triple Net (NNN)
Rent Increases	5% Every 5 Years In Base Term / 10% Every 5 Years in Options

* Tenant is responsible for maintenance and replacement of roof, landlord is responsible for structure.

Major Employers

MAJOR EMPLOYERS	LOCAL EMPLOYEES
Royal Caribbean Cruises Ltd	10,775
American Airlines Inc.	9,000
County of Miami-Dade	8,580
Miami-Dade College	8,500
University of Miami	8,418
Baptist Health South Florida	7,169
Baptist Hospital Miami, Inc.	3,050

Demographics

	1-MILE	3-MILES	5-MILES
2014 Population	34,169	56,648	195,107
2019 Population	35,834	58,969	210,384
2014 Households	21,218	32,627	98,434
2019 Households	22,258	34,036	107,900
Median HH Income	\$34,399	\$40,651	\$36,976
Per Capita HH Income	\$40,709	\$46,910	\$36,209
Average HH Income	\$65,224	\$81,021	\$71,165



EXECUTIVE SUMMARY

Investment Overview

Marcus & Millichap is proud to market the CVS Washington Avenue new construction net-leased pharmacy building located in the heart of world famous South Beach, FL. The two-story trophy property sits on the northeast hard corner of 10th street and Washington Avenue just two blocks west of Ocean Drive and the Beach.

This is a rare Miami Beach single-tenant property that was gut renovated and will be finished with construction in April 2017. There are 18 years remaining on a 20-year initial lease term with four options to extend for five years each. The lease has incredibly rare 5% base rental increases every 5 years in the initial term of the lease, and 10% base rental increases in each option period. This allows an investor to benefit from real rental growth over the term of the lease. The lease is guaranteed by Holiday CVS, LLC a very large subsidiary of CVS Pharmacy Inc.

CVS Pharmacy has historically had very high sales volume on Miami Beach and has been aggressively opening new stores in order to accommodate the sales demand from the growing tourist and locals population on the Island. This new two story concept is being designed by well known architect Kobi Karp and will stand out in the CVS national portfolio as one of the new concept stores that are intended to concentrate on high end products.

The CVS lease is NNN with the landlord only responsible for the structure, which is brand new. The roof and all other expenses are the direct responsibility of the tenant CVS. This is ideal investment for a Buyer looking for long term management free income with the rare opportunity to have base rental increases during the initial term of the lease.



Investment Highlights

- Rare CVS Corporate Net-Leased Investment on South Beach
- 18 Years Remaining on 20 Year Lease, With 5% Base Rental Increases Every 5 Years During Initial Lease Term
- CVS Has Four Options to Extend Lease for Five Years Each Term With 10% Base Rental Increase in Each Option Renewal
- Building Is Being Gut Renovated and Construction Will Be Complete in April 2017
- Rare Two-Story Upscale CVS Concept is Designed By Well Known Architect Kobi Karp
- Located On Highly Visible Hard Corner in Heart of Washington Avenue Adjacent to 202 Room Boutique Hotel Development



CVS Washington Avenue

WASHINGTON AVENUE
10TH STREET

COLLINS AVENUE

Miami Beach
Convention Center

Lincoln Road Mall



Financial and Tenant Overview

FINANCIAL ANALYSIS

Financial Overview

EXECUTIVE SUMMARY

FINANCIAL AND TENANT OVERVIEW

PROPERTY DESCRIPTION

DEMOGRAPHIC OVERVIEW

Pricing Summary

Offering Price	\$21,385,000
Current NOI	\$834,000
Current CAP Rate	3.90%
Avg. NOI During Base Term	\$905,845
Avg. CAP Rate During Base Term	4.24%
Lot Size	6,500 SF
Building Size	12,443 SF
Price/SF	\$1,718.64
Rent/SF	\$62.03
Year Built	2017
Property Type	Net Leased Drug Store

Tenant Lease Summary

Tenant Trade Name	CVS
Ownership	Public
Lease Guarantor	Corporate Guarantee
Lease Type	Triple Net (NNN)
Roof & Structure	*See comments
Original Lease Term	20 Years
Lease Commencement Date	4/1/2015
Lease Expiration Date	3/31/2035
Remaining Lease Term	18 Years
Options	Four Options for 5 Years Each
Increases	**5% Increases Every 5 Yrs



* Landlord is responsible to maintain structure. CVS is responsible to maintain and replace roof during lease term.

**10% Base Rental Increases Every Option Period (Four Options for Five Years)



Tenant and Lease Summary



CVS Health Corporation is a Fortune 500® company (#12) and one of the nation's largest and most innovative health care providers. Together with its subsidiaries, the company provides integrated pharmacy health care services in 43 states across the U.S., the District of Columbia, and Puerto Rico and operates through two critical business segments; pharmacy services and retail pharmacy.

What makes CVS unique among its competitors is the company's proprietary and fully integrated pharmacy benefit management system. The PBM system was created through the company's acquisition of the Caremark brand in 2007. This segment serves employers, insurance companies, unions, government employee groups, health plans, managed Medicaid plans and plans offered on public and private organizations, other sponsors of health benefit plans, and individuals under the CVS/caremark Pharmacy Services, Caremark, CarePlus CVS/pharmacy, RxAmerica, Accordant, SilverScript, Coram CVS/ specialty, NovoLogix, and Navarro Health Services names.

The retail pharmacy segment sells prescription drugs, over-the-counter drugs, beauty products and cosmetics, personal care products, convenience foods, seasonal merchandise, and greeting cards, as well as provides photo finishing services.

Rent Commencement	4/1/2015
Lease Expiration	3/31/2035
Rentable Square Feet	12,443 SF
Original Term	20 Years
Option Term	Four 5 Year-Options
Pro Rata Share of Project	100%
Headquartered	Woonsocket, Rhode Island
No. of Locations	9,655+
Website	www.cvs.com

BASE RENT

LEASE YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF
Current- 3/31/2020	\$834,000	\$69,500	\$67.03
4/1/2020-3/31/2025	\$875,700	\$72,975	\$70.38
4/1/2025-3/31/2030	\$919,485	\$76,624	\$73.90
4/1/2030-3/31/2035	\$965,459	\$80,455	\$77.59

OPTION RENT

LEASE YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF
4/1/2035-3/31/2040	\$1,062,005	\$88,500.42	\$85.35
4/1/2040-3/31/2045	\$1,168,205	\$97,650.42	\$93.88
4/1/2045-3/31/2050	\$1,285,026	\$107,085.50	\$103.27
4/1/2050-3/31/2055	\$1,413,529	\$117,794.08	\$113.60



CVS Washington Avenue

COLLINS AVENUE

10TH STREET

WASHINGTON AVENUE

Property Description

Property Details

THE OFFERING

983 Washington Avenue
Miami Beach, FL 33139

SITE DESCRIPTION

Rentable Square Feet	12,443 SF
Ownership	Fee simple
Year Built	2017
Number of Stories	2
Parking	Street Parking

PARCELS

The property consist of one tax parcel	
APN	02-3234-008-1430
Lot Size	6,500 SF

CONSTRUCTION

Foundation	Concrete block
Exterior	Facade coated with marble
Roof	Modified membrane

MECHANICAL

HVAC	Tenant responsible
Fire Protection	Fully sprinklered, full fire alarm system
Utilities	Tenant responsible

ZONING

CD-2	Commercial Medium-Intensity, City of Miami Beach
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ACCESS POINTS

Washington Avenue, 10th Street

UTILITIES

Gas	Tenant responsible
Electric	Tenant responsible
Water	Tenant responsible
Sewer	Tenant responsible
Trash	Tenant responsible

Location Overview

This trophy CVS Pharmacy is located ideally in the middle of world famous South Beach, on the south tip of the City of Miami Beach. Washington Avenue is one of the busiest north/south commercial corridors in the city, where one can find numerous retail, hotel and office properties. The CVS is only two blocks west of Ocean Drive and the beautiful beaches of South Beach. The store sits on the hard corner of 10th street and Washington Avenue, just across the street from the Wolfsonian – Florida International University Building, an architecturally iconic multi-story library, Museum and research center.

The corner of 10th and Washington Avenue is a strategic location in the middle of South Beach. CVS has specifically targeted Washington Avenue because the City of Miami Beach has taken many steps to further revitalize this main traffic corridor. In 2016 the City of Miami Beach commission approved multiple ordinances to encourage development along Washington Avenue. The ordinances resulted in increasing the maximum height restrictions for hotel development, and also reducing the parking impact fee requirements for new development. This has resulted in several new developers investing into the immediate area.

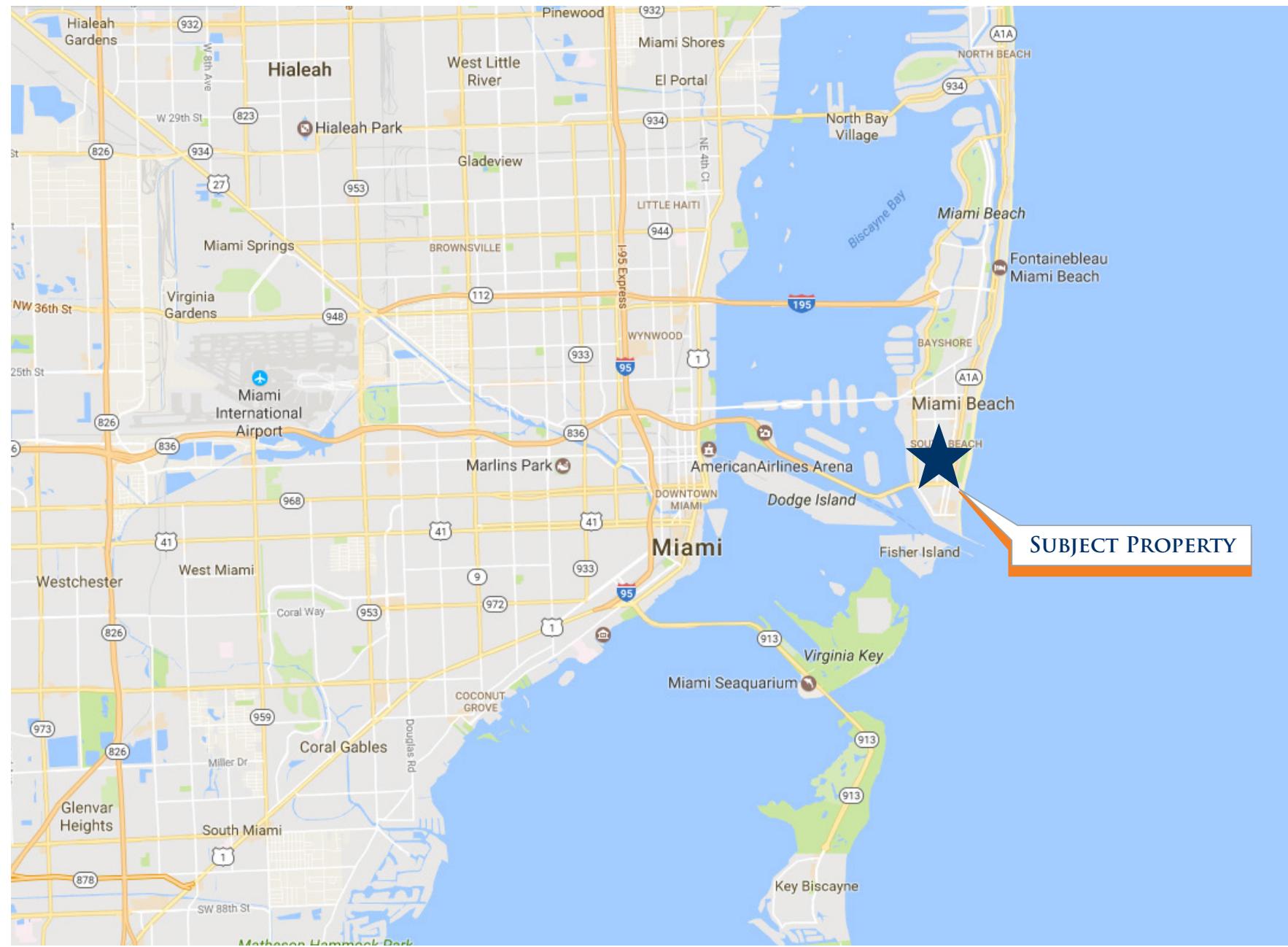
In addition to the new developments, South Beach benefits from constant daytime and night time traffic due to the destination nature of this world renown beach community. CVS has recently begun an expansion in Miami Beach due to the incredibly successful sales history of several other stores in the South Beach submarket. The CVS on 10th street has incredible visibility and accessibility to the beachgoers in the area.



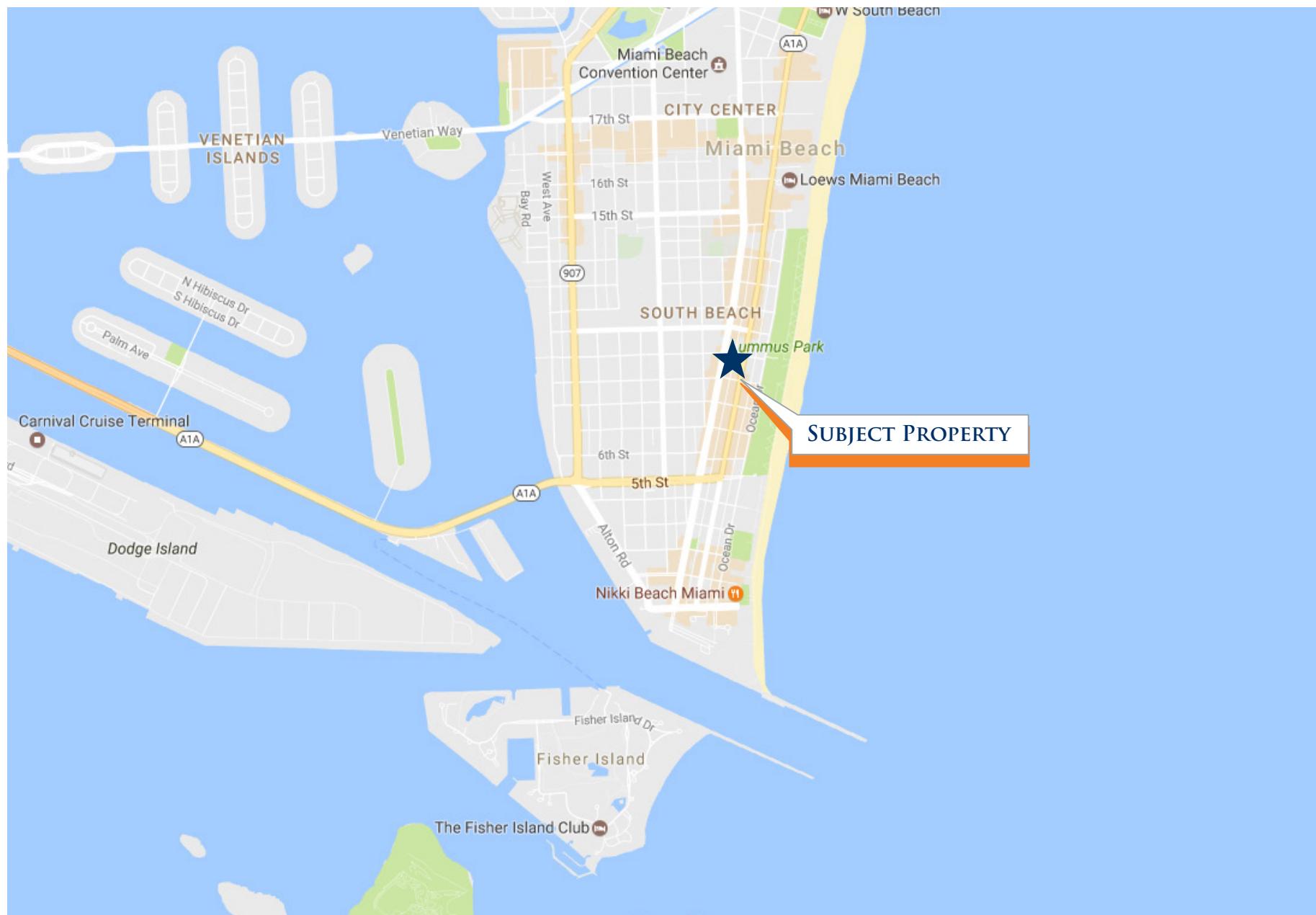
Location Highlights

- Located on Hard Corner of 10th Street and Washington Avenue in The Center of World Famous South Beach
- Adjacent to Planned 202-Room Marriot Moxy Boutique Hotel Development
- 247 Space New Construction Parking Structure is Slated to Be Developed Across The Street
- Incredibly Visible Corner Only Two Blocks West of Ocean Drive and the Beach
- Washington Avenue Benefits From 24-Hour Walking and Vehicle Traffic

Regional Map



Local Map



Surrounding Area Map



Surrounding Retail & Development Map



PROPERTY DESCRIPTION

Washington Avenue Redevelopment Corridor

The subject property sits in the heart of an incredible redevelopment path along the Washington Avenue commercial corridor. In 2016 the City of Miami Beach commission approved multi ordinances to encourage development along the Washington Avenue commercial corridor. The result has been several new planned mixed use hotel/retail projects that are slated for development between 5th street and 15th street on the Avenue. The CVS Washington Avenue sits in the midst of several of these exciting development projects which when completed will bring more retail walking traffic to an already densely travelled corridor in the heart of South Beach.

In 2015, a New York Investment group purchased 601-685 Washington Avenue, which takes up an entire block of the street for \$36 million. The group plans to build a new 234,000 SF seven-story hotel that will have 312 units averaging 175 feet, along with retail and parking deck targeting travelers seeking smaller hotel rooms in dense urban environments. In addition, the same group has moved ahead with a 27,500 SF retail redevelopment spanning three buildings from 7th street to 8th street on the east side of Washington Avenue.

In May 2016 local developers Michael Simkins and Robert Finvarb teamed up to begin redeveloping their adjoining lots on the west side of Washington Avenue on 9th street. The proposed development would include 247 spots in a self-park garage, 145 of which would be owned and operated by the city for public parking. The remaining 102 spaces would service the project's 17,354-square-feet of retail space and 145-room hotel. The hotel portion would have access to a rooftop terrace with a pool.

Most recently Lightstone Group out of New York has purchased several buildings directly to the south of the subject property for \$29 Million. They recently received approvals from the City of Miami Beach to build a 7 story, 202-room boutique hotel which will be branded under the Marriot Moxy flag. Like other new hotel developments in the area, the Moxy project will target millennials with smaller rooms and extensive roof terracing. All of this new development serves to increase foot traffic and spending power of the people visiting the Washington corridor. CVS Pharmacy Inc. is specifically targeting this corridor because of the future inflow of visitors that will be shopping here over the coming years.





Lincoln Road Mall

Wolfsonian Building

CVS Washington Avenue

PENNSYLVANIA AVENUE

WASHINGTON AVENUE

10TH STREET

Demographic Overview

Demographic Summary

POPULATION	1-MILE	3-MILES	5-MILES
2000 Population	31,054	51,240	151,242
2010 Population	31,852	52,787	179,144
2014 Population	34,169	56,648	195,107
2019 Population	35,834	58,969	210,384

HOUSEHOLDS	1-MILE	3-MILES	5-MILES
2000 Households	19,215	29,425	71,668
2010 Households	19,714	30,244	89,650
2014 Households	21,218	32,627	98,434
2019 Households	22,258	34,036	107,900
2014 Average Household Size	1.58	1.71	1.93
2014 Daytime Population	28,652	60,707	184,861
2000 Owner Occupied Housing Units	20.49%	27.41%	25.92%
2000 Renter Occupied Housing Units	60.76%	50.66%	53.11%
2000 Vacant	18.75%	21.93%	20.97%
2014 Owner Occupied Housing Units	28.71%	36.91%	31.55%
2014 Renter Occupied Housing Units	71.29%	63.09%	68.45%
2014 Vacant	21.74%	37.10%	31.31%
2019 Owner Occupied Housing Units	29.13%	36.17%	29.73%
2019 Renter Occupied Housing Units	70.87%	62.90%	68.69%
2019 Vacant	22.29%	26.61%	22.08%

INCOME	1-MILE	3-MILES	5-MILES
\$0 - \$ 14,999	24.5%	21.4%	24.4%
\$15,000 - \$24,999	14.3%	12.9%	13.1%
\$25,000 - \$34,999	11.9%	10.2%	10.6%
\$35,000 - \$49,999	14.4%	13.4%	12.3%
\$50,000 - \$74,999	12.3%	12.1%	12.4%
\$75,000 - \$99,999	6.6%	8.3%	7.8%
\$100,000 - \$124,999	5.2%	6.6%	6.4%
\$125,000 - \$149,999	2.2%	3.3%	3.0%
\$150,000 - \$200,000	3.4%	4.1%	3.8%
\$200,000 to \$249,999	1.6%	2.5%	2.1%
\$250,000 +	3.7%	5.4%	4.0%
2014 Median HH Income	\$34,399	\$40,651	\$36,976
2014 Per Capita Income	\$40,709	\$46,910	\$36,209
2014 Average HH Income	\$65,224	\$81,021	\$71,165

Demographic Summary

Population

In 2014, the population in your selected geography is 195,107. The population has changed by 29.00% since 2000. It is estimated that the population in your area will be 210,384 five years from now, which represents a change of 7.83% from the current year. The current population is 52.40% male and 47.59% female. The median age of the population in your area is 37.5, compare this to the Entire US average which is 37.3. The population density in your area is 2,487.95 people per square mile.

Households

There are currently 98,433 households in your selected geography. The number of households has changed by 37.34% since 2000. It is estimated that the number of households in your area will be 107,900 five years from now, which represents a change of 9.61% from the current year. The average household size in your area is 1.93 persons.

Income

In 2014, the median household income for your selected geography is \$36,976, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by 37.13% since 2000. It is estimated that the median household income in your area will be \$44,424 five years from now, which represents a change of 20.14% from the current year. The current year per capita income in your area is \$36,209, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$71,164, compare this to the Entire US average which is \$74,533.

Race and Ethnicity

The current year racial makeup of your selected area is as follows: 77.51% White, 12.59% Black, 0.04% Native American and 2.24%

Asian/Pacific Islander. Compare these to Entire US averages which are:

Geography: 5 Miles

71.60% White, 12.70% Black, 0.18% Native American and 5.02% Asian/Pacific Islander. People of Hispanic origin are counted independently of race. People of Hispanic origin make up 52.73% of the current year population in your selected area. Compare this to the Entire US average of 17.13%.

Housing

In 2000, there were 23,503 owner occupied housing units in your area and there were 48,163 renter occupied housing units in your area. The median rent at the time was \$539.

Employment

In 2014, there are 184,860 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 63.42% of employees are employed in white-collar occupations in this geography, and 36.50% are employed in blue-collar occupations. In 2014, unemployment in this area is 5.73%. In 2000, the average time traveled to work was 26.5 minutes.

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