

# Offering Memorandum

20 Unit LIHTC Multifamily Opportunity Overtown MIAMI SOUTH OF WYNWOOD

1601-1603 NW 1ST COURT | MIAMI, FL 33136

## 1601-1603 NW 1ST COURT



#### MIAMI, FLORIDA 33136

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This offering memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. ONE Commercial Real Estate has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release ONE Commercial Real Estate Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this property.

## 1601-1603 NW 1ST COURT



MIAMI, FLORIDA 33136

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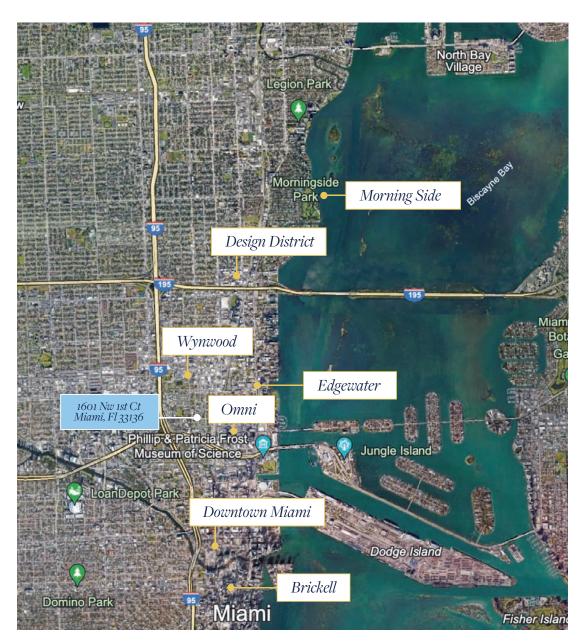
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# **Executive Summary**



ONE Commercial Real Estate is pleased to present this exceptional opportunity to purchase 20 Multifamily units in booming Overtown, South of Wynwood. This area has seen tremendous growth and investment as one of the few areas with land available to meet the ever-increasing demand for housing near Miami's core & central business district. The property has been substantially updated over the years of ownership, including a recent 40 year certification, interior renovation, exterior paint hurricane impact doors, and water proofing in common areas.

Affordable Income. The Low Income Housing Tax Credit (LIHTC) Program affords Tenants and Landlords the groundwork for consistent occupancy at a rental rate equal to a portion of the area's median income (AMI). The tremendous growth in annual AMI can be contributed to major commercial and public amenities surrounding the neighborhood, ultimately appreciating land value and satisfying the high demand for affordable housing present within the area. The subject properties set aside requirements are 50% of the units at 60% of the AMI and 50% at 40% AMI. The agreement expires in 2043.

Favorable Location: The site is conveniently located just 0.2 miles from I-95, offering easy access to regional, statewide, and interstate routes. To the west, Miami's Health District is set to expand with a \$1 billion mixed-use development. To the north, the renowned Wynwood neighborhood offers a wide range of retail and arts-centered entertainment year-round. With its prime location and strong growth potential, this opportunity is well-positioned for both growth and appreciation.

#### **PROPERTY SUMMARY**

ADDRESS	1601-1603 NW 1ST COURT MIAMI, FL 33136
APN	01-3125-048-1240
COUNTY	MIAMI-DADE
OPPORTUNITY ZONE	YES
NUMBER OF BUILDINGS	2
ZONING	T3-0
CURRENT USE	MULTI-FAMILY
UNIT MIX	(4) THREE BEDROOMS (12) TWO BEDROOMS (4) STUDIOS
LOT SIZE	7,800 SF (AC)
BUILDING AREA	9,400 SF
YEAR BUILT	1947
CAP RATE	6.34%

\$3,100,000
Asking *Price* 

# Exterior Photos



## 1601-1603 NW 1ST COURT





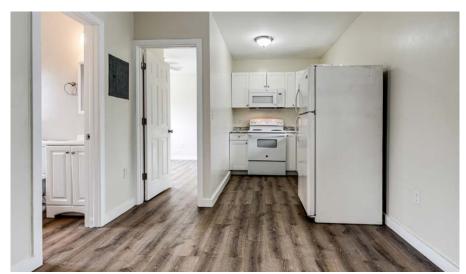




# Interior Photos



## 1601-1603 NW 1ST COURT









# Aerial Photos



## 1601-1603 NW 1ST COURT







# Aerial Photos



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# LIHTC Annual Rental Program



1601-1603 NW 1ST COURT

MIAMI, FLORIDA 33136	RESIDENTIAL MULTIFAMILY					
		P	ROPERTY-LEVEL RETU	JRN MODEL		
* Non Profits can apply for a 100% Ad Volarem Tax Exemption.	YEAR 0 2024	YEAR 1 2025	YEAR 2 2026	YEAR 3 2027	YEAR 4 2028	
ACQUISITION + INVESTMENT						To
Acquisition Price	(3,100,000)	-	-	-	-	
TOTAL ACQUISITION COSTS	(3,100,000)	-	-	-	-	50
Operating Income						50
Potential Gross Rental Revenue		275,040	280,541	286,152	291,875	
Vacancy/Credit Loss		3%	3%	3%	3%	Inc
Effective Gross Rental Revenue		266,789	272,125	277,567	283,118	Va
Laundry Revenue		4,800	4,896	4,994	5,094	
TOTAL EFFECTIVE GROSS INCOME		271,589	277,021	282,561	288,212	
OPERATING EXPENSES						
Property Tax (reassessed)		(17,528)	(17,703)	(17,880)	(18,059)	
Insurance		(30,000)	(30,300)	(30,603)	(30,909)	Tax
Management Fee		(8,004)	(8,164)	(8,327)	(8,494)	Ex
Fire Alarm		(427)	(431)	(436)	(440)	Ma
Electricity		(500)	(505)	(510)	(515)	
Water & Sewer		(4,650)	(4,697)	(4,743)	(4,791)	
Trash Services		(6,500)	(6,565)	(6,631)	(6,697)	
Maintenance Reserve		(7,500)	(7,575)	(7,651)	(7,727)	
TOTAL OPERATING EXPENSES		(75,109)	(75,940)	(76,781)	(77,632)	Re
OpEx Ratio		28%	27%	27%	27%	
NET OPERATING INCOME		196,480	201,081	205,780	210,580	
Unlevered Annual Return		6.34%	6.49%	6.64%	6.79%	

ASSUMPTI	ONS
Total Leasable SF	9,400
50% at 60% AMI	
50% at 40% AMI	
Income Growth:	2.00%
Vacancy Rate:	3.00%
Tax Growth:	1.00%
Expense Growth:	1.00%
Management Fee:	3.00%
Repair Reserve:	3.00%

<sup>\*\*</sup>RE Taxes reflect sellers current tax bill, due to the building being LIHTC / Affordable Housing we advise buyers to do their own due diligence.

# Points Of Interest Overview



## 1601-1603 NW 1ST COURT



## Commercial & Public Amenities

(Within 2 Mile Radius)

# ONE COMMERCIAL REAL ESTATE

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# Economic Highlights



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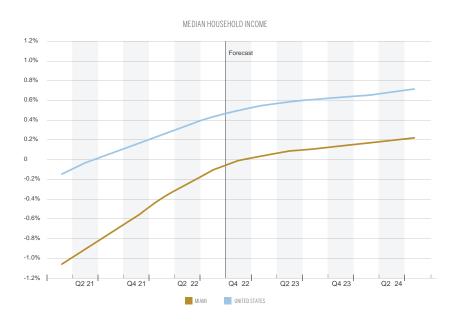
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From 2020 through 2022, Miami-Dade County saw a historically elevated net inflow of new wealth totaling over \$9.5 billion. The main drivers of this capital migration are high-income residents moving in from the Northeast and the West. Additionally, employment growth has outperformed the broader nation since the pandemic, bolstered by the creation of new high-paying office-using jobs.

A lack of affordable housing will continue to drive cost pressures in the County, which needs around 116,000 affordable units by 2030, according to a recent study by the University of Florida. While legislation such as the Live Local Act aims to address this housing crisis, which remains a significant headwind for continued household formation, some cities have been pushing back due to its provisions overriding local zoning controls on building height and density.

For now, little affordable housing remains underway, and we have yet to see a significant uptick that matches the calculations of the University of Florida. With Miami adding over 56,000 units of mostly luxury apartments since 2014, this gap in housing will likely remain open for some time. Additionally, with most forecast employment gains over the coming year coming from lower-wage job sectors such as arts, entertainment, recreation, accommodation, food services, and construction, the need for affordable housing will continue to expand.





# The Omni CRA



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In 1987, the city of Miami formed the Omni Community Redevelopment Agency (Omni CRA) to carry out renovation and revitalization activities within the boundaries of the designates redevelopment area. As mandated by the Community Redevelopment Act of 1969 (Florida Statues Chapter 163 Part III), Omni CRA's purpose is to:

- Revitalize neighborhoods within the Omni CRA
- Aid in successful development projects of both the public and private sector
- Alleviate conditions contributing to slum and blight
- Encourage the creation of housing attainable to all



#### VISION

We envision a vibrant neighborhood where people from all different walks can afford to live, work and make an impact.



#### **OPPORTUNITY**

Where others see challenges, we see opportunity. We work to create opportunities for all residents.



#### **ACTIVATION**

We bring diverse ideas and people together to renew areas and create a vibrant community.



#### CONNECTION

Sharing what we know and learning from others, we can develop more effective solutions.

# The Omni CRA



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#### HISTORIC PRESERVATION

The Omni district includes some of the oldest and most important buildings in Miami. As stewards of the area, it is our responsibility to safeguard them. Through our Historic Preservation Program, we restore these historic properties and the area's cultural fabric. We are committed to ensuring their iconic quality is not lost to development or neglect.



#### **BUSINESS OPPORTUNITIES**

It's no secret that local businesses bring jobs, activity and a unique sense of community. Our Business Incentive Grant Program helps new businesses relocate here, while also supporting existing businesses in their efforts to expand and grow. Each business incentive grant expands employment opportunities in the neighborhood while also activating the street.



# New Developments of Interest



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## Developers Known For Luxury Towers Pay \$17M For Workforce Housing Site In Overtown

February 9, 2024 | Matt Wasielewski, South Florida 🖂

A trio of developers that have previously partnered on projects across Miami added a 1.5-acre development site in Overtown to their stable of planned projects.

Property Markets Group, Lion Development Group and Lndmrk Development paid \$16.5M for 105 NW 11th Terrace located between Downtown Miami & Wynwood.

The joint venture is planning a transit-oriented development with a mix of market-rate and workforce housing on the vacant site that is known as Block 19, according to a release.



# New Developments of Interest



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## A major store, grocery, cruise line and housing are coming to Overtown. See the plans

BY VINOD SREEHARSHA UPDATED JANUARY 25, 2024 4:09 PM

A five-year effort to revitalize central Overtown, Miami's first Black neighborhood but more recently a bystander to the city's rapid rise, is nearing completion, bringing nearly 1,000 new jobs and several major businesses.

A Target, Ross Dress for Less and Aldi are among stores coming to the Sawyer's Walk mixed-use real estate development at 249 NW Sixth St., In the historic area.

Sawyer's Walk, 1.5 million square feet, will also include 578 affordable apartments for seniors, allowing those who had been displaced in recent years to return or those who cannot afford to stay in the neighborhood to remain.



# New Developments of Interest



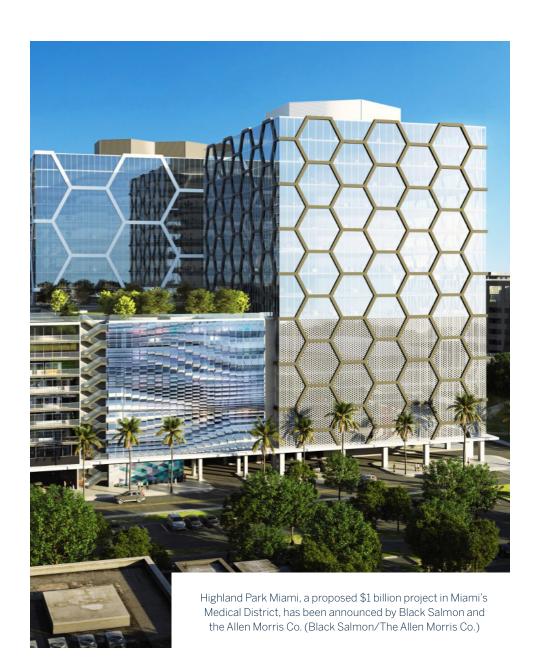
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#### Miami Medical District To Expand With Planned \$1 Billion Mixed-Use Project

Black Salmon, Allen Morris Co. To Build Highland Park Miami in Growing Medical District

"Miami's Medical District is expected to get a \$1 billion infusion that brings together residential, commercial and retail space along with a hotel, representing a 10% expansion of the country's second-largest medical district."



# In The News



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# Miami's Overtown has most potential for new apartments in county

RentCafe report reveals historic Black neighborhood has most land for multifamily development



By Erik Bojnansky – Reporter, South Florida Business Journal Apr 16, 2024

Even without using the Live Local Act, local zoning codes allow for the construction of up to 77,000 new apartments on 604 vacant parcels across Miami-Dade County, a recent report stated.

Out of those approximate 77,000 future units, 64,930 can be built in 20 of Miami-Dade County's 127 ZIP codes. And about 32,324 of those potential new apartments can be constructed in five ZIP codes where there are 151 empty parcels of land available, stated a report from RentCafe, a rental listing website operated by Santa Barbara-based prop tech company Yardi.



# In The News



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#### Miami Herald

## New highways divided Overtown decades ago. Miami hopes an \$82M park can help

#### **Douglas Hanks**

March 14, 2024 · 3 min read

Link To Full *Article* 

Miami has received \$60 million for a new park in Overtown designed to alleviate some of the isolation brought by construction of Interstates 95 and 395 in the 1960s, which devastated what was once a prosperous Black neighborhood.

The city of Miami on Thursday celebrated receiving the federal grant from the Biden administration to cover most of the costs of the Under deck, a mile-long linear park to be built under the newly elevated span of I-395 that's divided Overtown since the 1960s

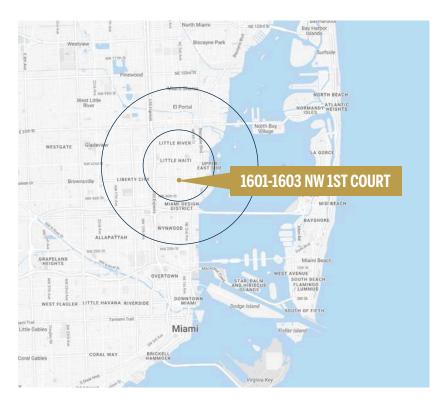


# Demographics



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#### **UNPRECEDENTED POPULATION GROWTH:**

After seeing an uptick in outmigration in 2021 from households performing under income and employment constrains, Miami has seen historically elevated net inflow of new wealth totaling over \$9.5 billion. The main drivers of this capital migration are high-income residents moving in from the Northeast and the West. Additionally, employment growth has outperformed the broader nation since the pandemic, bolstered by the creation of new high-paying office-using jobs.

POPULATION	1 MILES	3 MILES
2010 POPULATION	28,387	240,423
2023 POPULATION	45,506	282,726
2028 POPULATION PROJECTION	47,491	282,849
ANNUAL GROWTH 2010-2023	4.6%	1.4%
ANNUAL GROWTH 2023-2028	0.9%	0%
MEDIAN AGE	40.2	41.4
BACHELOR'S DEGREE OR HIGHER	35%	31%
U.S. ARMED FORCES	59	253

HOUSEHOLDS	1 MILES	3 MILES
2010 HOUSEHOLDS	12,116	97,245
2023 HOUSEHOLDS	19,883	111,261
2028 HOUSEHOLD PROJECTION	20,753	115,318
ANNUAL GROWTH 2010-2023	3.6%	1.5%
ANNUAL GROWTH 2023-2028	0.9%	0%
OWNER OCCUPIED HOUSEHOLDS	3,596	28,632
RENTER OCCUPIED HOUSEHOLDS	17,175	86,686
AVG HOUSEHOLD SIZE	2	2.3
AVG HOUSEHOLD VEHICLES	1	1
TOTAL SPECIFIED CONSUMER SPENDING (\$)	\$476.9M	\$2.8B

INCOME	1 MILES	3 MILES
AVG HOUSEHOLD INCOME	\$79,943	\$77,667
MEDIAN HOUSEHOLD INCOME	\$55,043	\$49.812
< \$25,000	4,854	34,092
\$25,000 - 50,000	4,338	23,696
\$50,000 - 75,000	3,096	17,476
\$75,000 - 100,000	2,121	11,435
\$100,000 - 125,000	1,798	8,370
\$125,000 - 150,000	1,190	4,995
\$150,000 - 200,000	1,055	5,595
\$200,000+	1,430	9,604

# Offering Memorandum



#### **FOUNDED TO BE A CHANGE AGENT**

ONE Commercial Real Estate was founded by Daniel de la Vega, the President of ONE Sotheby's International Realty. Our commitment is to deliver superior results that accelerate the success of our clients and recognize and reward our team members. The Company facilitates the optimal outcome for owners, occupiers and developers in commercial real estate. ONE Commercial connects intelligence with experience, knowledge and technical skills to deliver better and faster executions for clients. We think differently, innovate and listen better.

#### FINDING THE HEART BEAT

Moving the needle means implementing positive change. Defining and interpreting exactly what drives a clients' goals and objectives is part of our essence. Every client need has a "heart beat". It is that energy piece that reveals the best solution and how to get there. Being a great listener begins that process.

#### **OUR BUSINESS APPROACH**

Our values not only define us but they remind us every day why and how we serve our clients and our team members. Our professionals build trust and constantly challenge themselves to expand through our entrepreneurial culture. Our value equation is driven by one simple concept: deliver and execute consolidated solutions that come from fully understanding the target and delivering with knowledge and experience. Our core values:

FOR OUR CLIENTS	FOR OUR TEAM MEMBERS	SERVING OUR CLIENTS
-----------------	----------------------	---------------------

Think Differently & Advance Success

Listen More

Do The Right Thing

Innovate

Outperform

Build team spirit

Share

Empower through learning & education

Have fun

Give back

ONE Commercial designs and delivers services based upon a thorough understanding and analysis of market trends and dynamics and how those fit with our clients' business objectives and timetables.













# A Boutique Brokerage With Institutional Quality Support

ONE Commercial Real Estate was born from a commitment to be a change agent for clients and our team members. Founded by Daniel de la Vega, the President of ONE Sotheby's International Realty, we offer superior results to owners, occupiers, and developers of commercial real estate by obtaining and sharing intelligence as well as applying our knowledge, experience, competence and technical skills.

The commercial real estate landscape has changed. The cycles of supply and demand will always change. Florida, and particularly in South Florida, is impacted by global economic and political events more than most. Capital is flowing from new markets, redefining the character of our communities. Embracing and understanding change allows us to better serve our clients.

Adaptability defines us at ONE Commercial. We distinguish ourselves by our essence: a deep caring for our client's business and a dedication to accelerating their success. We listen thoroughly then offer solutions that deliver excellence. Our team members have experienced several cycles that have taught valuable lessons. We have decades of on-the-ground experience and market knowledge in South Florida advising clients in all aspects of commercial real estate. That leads us to a better and faster execution.

Are you ready for what's next?



ONE Commercial leverages relationships within the ONE Sotheby's International Realty luxury residential real estate network to connect prestigious clientele spanning the globe with the assets we represent. We manage these opportunities with extreme care to ensure impeccable, white-glove service and maintain an interconnected network to expeditiously bring you the most qualified buyers.



1,300+



30 offices
ALONG FLORIDA'S
FAST COAST

34 COUNTIES ANI



\$8.1B In annual sales

## 1601-1603 NW 1ST COURT



#### MIAMI, FLORIDA 33136



Daniel de la Vega

CEO, ONE COMMERCIAL REAL ESTATE

PRESIDENT, ONE SOTHEBY'S INTERNATIONAL REALTY

As President of ONE Sotheby's International Realty, Daniel de la Vega has been instrumental in building the brand in South Florida since the affiliate was founded in 2008, and today, enjoys annual sales in excess of \$2 billion. He applies his background in finance and marketing to manage a property portfolio totaling \$5 billion-plus in both new, luxury condo developments and listing inventory. Daniel has been immersed in real estate for most of his life, including more than a decade as a professional broker; which provides him with unique insight into mastering real estate deals and building relationships throughout the globe. He regularly travels the world, from Brazil and Latin America to Europe, in order to expand ONE Sotheby's International Realty's network and form international partnerships that better serve distinguished clients. These efforts have been vital to fortifying the company's local reach and worldwide presence.

Daniel has a great appreciation for the convergence of real estate, art and culture, qualities that are synonymous with the vibrancy of South Florida and the Sotheby's brand. He is an avid collector of Latin American art, possessing more than 50 works in his growing collection, and is active in the art community as a member of the Photography Committee at the Solomon R. Guggenheim Museum.

A native of Miami, Daniel earned a finance and marketing degree from Florida International University, where he serves on the Leadership Advisory Board for the College of Architecture and The Arts, and he holds a Master's in Business Administration from University of Miami.



Alexis Shapiro

MULTIFAMILY ADVISOR,

ONE COMMERCIAL REAL ESTATE

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Alexis Shapiro is a Multifamily Advisor/Broker Associate for ONE Commercial Real Estate and is an active specialist in multifamily sales and investments. As a South Florida native, Alexis is able to use her rooted knowledge and insights to best serve her clients, making her a true insider to the South Florida Real Estate market.

While working with her clients, Alexis handles all facets of the sales process with the utmost diligence and integrity, carrying the weight of the transaction to a successful close. Alexis has extensive knowledge when it comes to working on what could be considered challenging transactions including LIHTC deals with the State of Florida, properties with encumbrances, opportunity zone investments, the sale of historical contributing buildings, 1031 exchanges, and poorly managed value-add assets. Having this broad experience in the industry, Alexis is able to anticipate possible challenges during the deal process and get her clients ahead of it.

Alexis has assisted in the growth of many of her clients' portfolios and has achieved record breaking sales across multiple markets. Looking to consistently learn and grow into a dynamic leader within the industry, Alexis's tenacity and passion for her business is apparent in her dealings, leaving no stone unturned throughout the process.



# Are you ready for what's next? Let's have a conversation.

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COCONUT GROVE, FL 33133

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