

OFFERING MEMORANDUM

BEACON HILL | PROPERTY GROUP

310 Meridian Avenue
Miami Beach, FL 33139

Confidentiality & Disclaimer Statement

This Offering Memorandum contains select information pertaining to 310 Meridian Ave, Miami Beach FL 33139 (“Property”). It has been prepared by Beacon Hill Property Group. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Beacon Hill Property Group. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By accepting this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. To release Beacon Hill Property Group and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of the Property;
3. You will hold it and treat it in the strictest of confidence; and
4. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents.

Owner and Beacon Hill Property Group expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

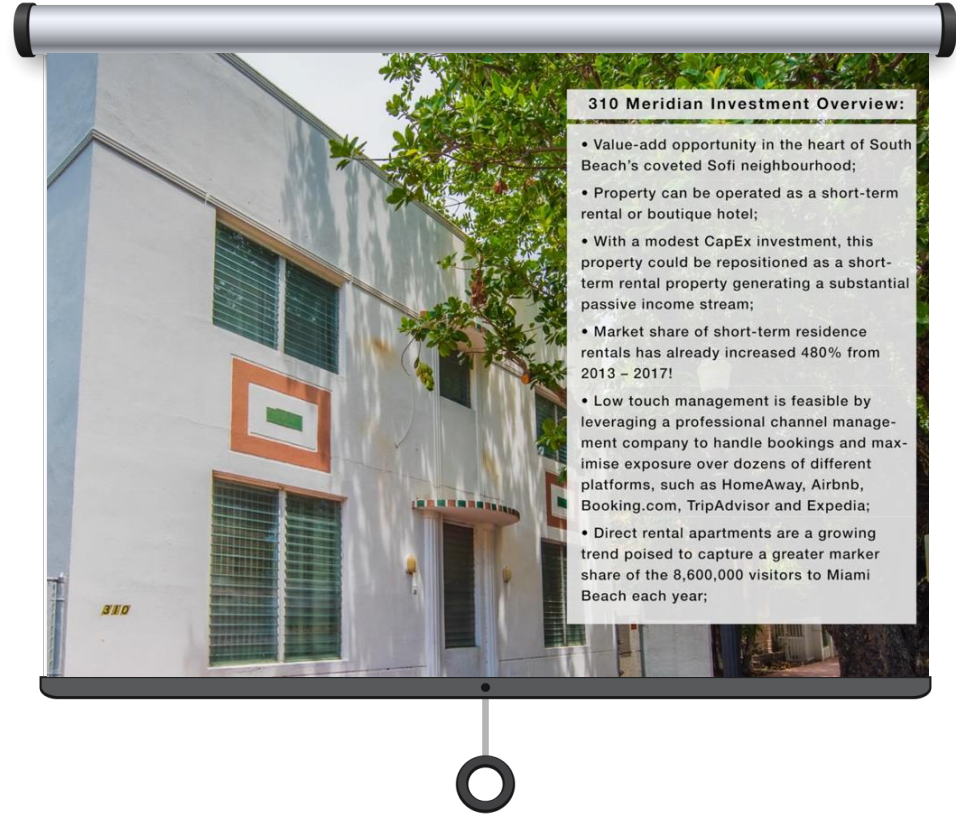
If you decide to not pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Beacon Hill Property Group or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

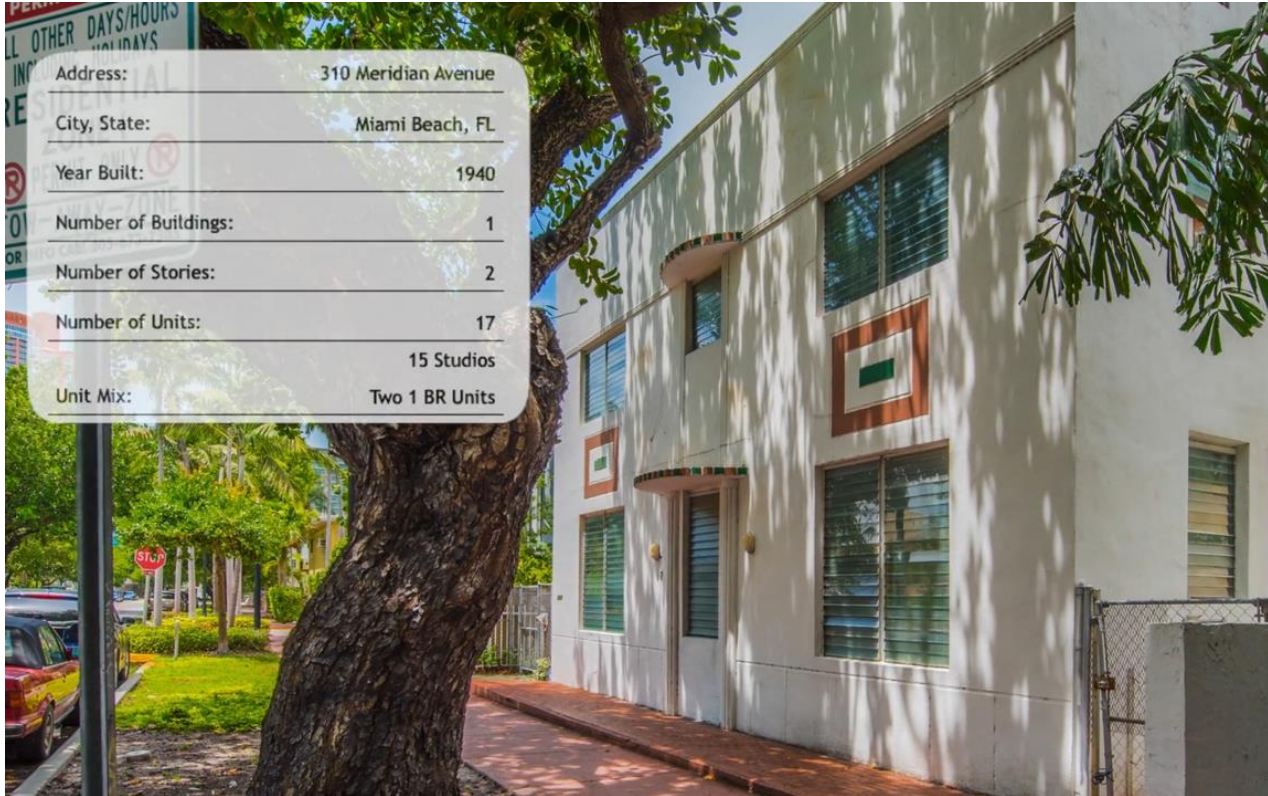
Property Overview

Property Information		Short Legal Description		
Folio:	02-4203-009-5190	OCEAN BEACH ADDN NO 3 PB 2-81 LOT 7 BLK 76 LOT SIZE 50.000 X 140 74R-226318 COC 25354-0739 12 2006 4		
Property Address:	310 MERIDIAN AVE Miami Beach, FL 33139-8724			
Owner	310 MERIDIAN LLC			
Mailing Address	1390 BRICKELL AVE 200 MIAMI, FL 33131 USA			
PA Primary Zone	3002 MULTI-FAMILY			
Primary Land Use	0303 MULTIFAMILY 10 UNITS PLUS : MULTIFAMILY 3 OR MORE UNITS			
Beds / Baths / Half	17 / 17 / 0			
Floors	2			
Living Units	17			
Actual Area	Sq.Ft			
Living Area	Sq.Ft			
Adjusted Area	7,013 Sq.Ft			
Lot Size	7,000 Sq.Ft			
Year Built	1940			
Assessment Information		Taxable Value Information		
Year	2017	2016	2015	
Land Value	\$1,470,000	\$1,470,000	\$980,000	
Building Value	\$470,000	\$214,000	\$505,000	
XF Value	\$0	\$0	\$0	
Market Value	\$1,940,000	\$1,684,000	\$1,485,000	
Assessed Value	\$1,796,850	\$1,633,500	\$1,485,000	
Benefits Information		Sales Information		
Benefit	Type	2017	2016	2015
Non-Homestead Cap	Assessment Reduction	\$143,150	\$50,500	
Note: Not all benefits are applicable to all Taxable Values (i.e. County, School Board, City, Regional).				
Previous Sale	Price	OR Book-Page	Qualification Description	
01/13/2017	\$3,500,000	30390-2849	Qual by exam of deed	
12/07/2010	\$100	27522-1942	Corrective, tax or QCD; min consideration	
12/07/2010	\$100	27522-1940	Corrective, tax or QCD; min consideration	
12/01/2006	\$0	25354-0739	Sales which are disqualified as a result of examination of the deed	



310 Meridian Investment Overview:

- Value-add opportunity in the heart of South Beach's coveted Sofi neighbourhood;
- Property can be operated as a short-term rental or boutique hotel;
- With a modest CapEx investment, this property could be repositioned as a short-term rental property generating a substantial passive income stream;
- Market share of short-term residence rentals has already increased 480% from 2013 – 2017!
- Low touch management is feasible by leveraging a professional channel management company to handle bookings and maximise exposure over dozens of different platforms, such as HomeAway, Airbnb, Booking.com, TripAdvisor and Expedia;
- Direct rental apartments are a growing trend poised to capture a greater market share of the 8,600,000 visitors to Miami Beach each year;



Address:	310 Meridian Avenue
City, State:	Miami Beach, FL
Year Built:	1940
Number of Buildings:	1
Number of Stories:	2
Number of Units:	17
Unit Mix:	15 Studios Two 1 BR Units

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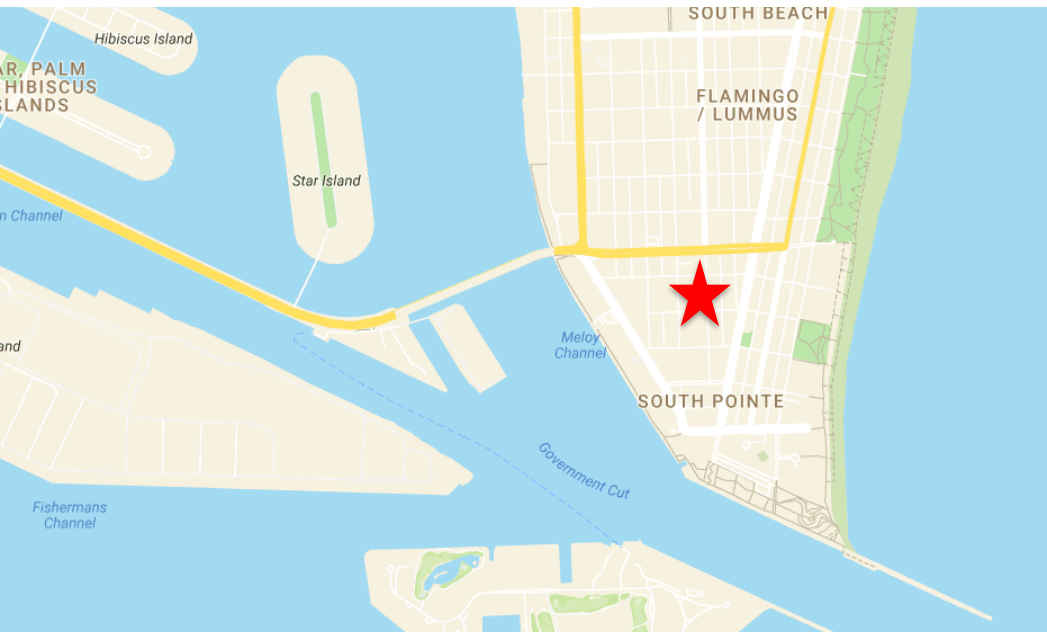
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Number of Buildings:	1
Number of Stories:	2
Number of Units:	17
Unit Mix:	15 Studios Two 1 BR Units
Average Unit Size:	413 SF
Net Rentable SF:	7,013 SF
Lot Size:	7,000 SF
Acceptable Use:	Short Term Rental / Hotel / Multi-Family
Status:	Vacant
Zoning	RPS-2
Folio:	02-4203-009-5190

Pricing

Purchase Price:	\$5,000,000
Price Per Unit:	\$294,117
Price Per SF	\$712

Returns

NOI, Pro Forma:	\$683,280
Return on Cost, Pro Forma:	10.5%
Asset Value, 6.0%	
Cap Rate:	\$11,388,000



Investment Overview

310 Meridian represents a rare value-add opportunity in the heart of South Beach's coveted Sofi neighborhood. The property will have the required zoning to operate as a short-term rental property. With a modest CapEx investment, this property could be repositioned as a short-term rental property generating a substantial passive income stream for the investor.

Low touch management is feasible by leveraging a professional channel management company to handle bookings and maximize exposure over dozens of different platforms, such as HomeAway, Airbnb, Booking.com, TripAdvisor and Expedia.

Direct rental apartments is a growing trend poised to capture a greater market share of the 8,600,000 visitors to Miami Beach each year. In fact, market share of short-term residence rentals has already increased 480% from 2013 – 2017.

Value Creation Opportunity



310 Meridian offers an investor the opportunity for significant value creation upon repositioning the asset as a short-term rental property.

Capital Improvement Budget		
Per Unit Upgrade	\$42,500	\$722,500
Structural, roofing, common areas		\$600,000
Soft costs % of hard costs	20.00%	\$144,500
Contingency	5.00%	\$36,125
Total Renovation Expense		\$1,503,125

Pro-Forma Income Statement				
	Rate	Occupancy	Monthly Revenue	Annual Revenue
12 Studio Suites	\$225	80.00%	\$65,700	\$788,400
6 Standard Rooms	\$200	80.00%	\$29,200	\$350,400
Gross Income				\$1,138,800
OPEX	40.00%			(\$455,520)
NOI				\$683,280

Stabilized Value Sensitivity Analysis					
NOI					
	\$633,280	\$658,280	\$683,280	\$708,280	\$733,280
5.50%	\$11,514,182	\$11,968,727	\$12,423,273	\$12,877,818	\$13,332,364
6.00%	\$10,554,667	\$10,971,333	\$11,388,000	\$11,804,667	\$12,221,333
6.50%	\$9,742,769	\$10,127,385	\$10,512,000	\$10,896,615	\$11,281,231
7.00%	\$9,046,857	\$9,404,000	\$9,761,143	\$10,118,286	\$10,475,429
7.50%	\$8,443,733	\$8,777,067	\$9,110,400	\$9,443,733	\$9,777,067

Project Cash Flow



Year	Project		
	0	1	2
Capital Investment			
Property Acquisition	(\$5,000,000)		
Capital Improvemen	\$42,500 (\$722,500)		
Structural, roofing, common areas	(\$600,000)		
Soft costs @ 25% of hard costs	(\$144,500)		
Contingency	(\$36,125)		
Total Renovation Expense	(\$1,503,125)		
Total Project	(\$6,503,125)		
Asset P&L			
		50% Stabilized	100% Stabilized
12 Studio Suites		\$394,200	\$788,400
6 Standard Rooms		\$175,200	\$350,400
Gross Income		\$569,400	\$1,138,800
OPEX	40.00%	(\$227,760)	(\$455,520)
Net Operating Income		\$341,640	\$683,280
Disposition			
Sale Price @ 6.0% Cap Rate			\$11,388,000
Sale Costs	5.00%		(\$569,400)
Net Proceeds			\$10,818,600
Project Total Cash Flow	(\$6,503,125)	\$341,640	\$11,501,880
Returns			
Profit	\$5,340,395		
ROI	82.12%		
IRR	35.64%		

The SoFi Market

The South of Fifth neighborhood has experienced consistent development growth, including multiple boutique luxury residential development projects.

SoFi now boasts seven unique and recently completed luxury projects including 321 Ocean, 350 Meridian, Glass, Louver House, Marea South Beach, One Ocean and Three Hundred Collins. As increased density reduces development opportunity, owners will benefit from heightened barriers-to-entry.

The South of Fifth neighborhood has established itself as the preminent neighborhood for tourism and luxury living in South Florida.



Robust Tourism Fundamentals



- 58.5% of 15.9M annual visitors to the greater Miami area lodge in Miami Beach
- 86.2% of visitors come for leisure
- Miami Beach Hotel occupancy is 86%
- Miami Beach average room rate is \$350.66
- Market share of short-term residence rentals increased 480% from 2013 - 2017

*Source is Greater Miami Convention & Visitors Bureau.
Based upon February 2018 Data

Area of Lodging					
	2013	2014	2015	2016	2017
Total Visitors					
Miami Beach	47.3%	57.8%	54.7%	55.6%	58.5%
Downtown Miami	12.1%	13.2%	14.3%	15.0%	14.9%
Airport Area	16.5%	12.8%	11.6%	8.3%	10.9%
North Dade/Sunny Isles Beach	13.9%	11.8%	9.8%	11.7%	8.1%
South Miami-Dade	6.8%	3.9%	4.1%	3.8%	2.4%
Coconut Grove	0.5%	1.5%	1.2%	1.7%	2.0%
Coral Gables	1.7%	1.4%	1.4%	1.3%	1.9%
Doral	1.2%	3.3%	4.4%	2.9%	1.7%
Key Biscayne	1.3%	1.5%	2.1%	2.4%	1.5%

Miami is a Top 5 Hotel Market Nationally

2017 Rank	City	Revenue per Available Room (RevPAR)		% Change 17 vs 16
		Jan. - Dec. 2017	Jan. - Dec. 2016	
1	New York	\$221.60	\$222.21	-0.3%
2	Oahu Island	\$194.08	\$190.89	1.7%
3	San Francisco	\$189.73	\$194.47	-2.4%
4	Boston	\$145.41	\$142.85	1.8%
5	Miami	\$144.78	\$143.59	0.8%
6	Los Angeles	\$140.85	\$139.88	0.7%
7	San Diego	\$123.74	\$119.39	3.6%
8	Seattle	\$122.72	\$116.52	5.3%
9	Anaheim	\$121.88	\$117.79	3.5%
10	Washington, DC	\$115.06	\$110.73	3.9%
11	Nashville	\$105.87	\$100.41	5.4%
12	New Orleans	\$101.61	\$102.12	-0.5%
13	Chicago	\$98.08	\$99.78	-1.7%
14	Orlando	\$96.40	\$87.66	10.0%
15	Denver	\$96.34	\$93.85	2.7%
16	Tampa	\$92.28	\$87.49	5.5%
17	Philadelphia	\$89.11	\$91.56	-2.7%
18	Phoenix	\$85.89	\$82.53	4.1%
	United States	\$83.57	\$81.15	3.0%
19	Minneapolis	\$77.59	\$80.52	-3.6%
20	Atlanta	\$75.08	\$72.33	3.8%

Contact Us

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