

555 WASHINGTON

Miami Beach, FL







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Executive Summary





THE OFFERING

555 Washington Avenue, Miami Beach, FL 33139

Jones Lang LaSalle (“JLL”) is pleased to present the generational opportunity to acquire 555 Washington (the “Property,”) a 65,746 square foot, boutique, mixed-use asset whose irreplaceable location has cemented it as one of South Beach’s most recognizable Properties. Built in 2001 and renovated in 2015, the Property is currently 82% leased to 11 industry leading tenants with a 7.9 year weighted average lease term. The Property offers a diverse income stream that includes national and boutique office tenancy, credit-rated retail tenancy, and an in-place parking lease with significant upside potential. As one of three buildings accessible to users on foot from the South of Fifth neighborhood, 555 Washington is uniquely positioned to capitalize on the positive momentum of the Miami Beach office market.

OFFICE

Since 2001 development, the Property has consistently been one of the top performing office buildings in South Beach, averaging historical office occupancy above 90%. The 44,516 SF, Class A office component boasts 6.6 years of WALT and is currently 91% leased to 9 tenants, including Warner Music Group (13,671 SF; 31% Office NRA), who recently expanded their footprint at the property and extended their lease through 2031, newly signed BentallGreenOak (4,177 SF; 9.4% Office NRA), and SK Capital (3,966 SF; 8.9% Office NRA). 555 Washington’s highly creative office spaces, many complete with open floor plans, exposed ceilings and exquisite buildouts, combined with its walkability to one of the most stylish neighborhoods in Miami, South of Fifth, has made it a favorite for South Beach’s C-Suite Executives.

OFFICE

6.6 Years

WALT

91%

Occupancy

44,516 SF

Class A Office Space

RETAIL

Prospective owners of the Property are also primed to benefit from the stability offered by a roster of high-credit, ground-floor retail tenants with over 11.6 years of WALT. The ground-floor retail, totaling 21,230 SF with frontage on Washington Avenue and 5th Street, is 62.8% leased to CVS Pharmacy (S&P: BBB) and Wells Fargo (S&P: BBB+). CVS expires in 2035 and has seven 5-year options with 9% increases, while Wells Fargo expires in 2023 and has two 5-year options with 12% increases. The remaining vacancy consist of a contiguous 7,901 SF space that can be broken up into smaller suites or leased out to a single tenant. This space has frontage on Washington Avenue and is immediately adjacent to the hottest destination hotel in Miami Beach, David Grutman and Pharrell’s brand-new Goodtime Hotel.

RETAIL

11.6 Years

WALT

CVS (S&P: BBB)
Well Fargo
(S&P: BBB+)

Major Tenants

21,230 SF

Ground Floor Retail

PARKING

555 Washington’s tenants have access to its 6-story, 243-space structured parking garage that provides a 3.8/1,000 SF parking ratio, the highest in the Miami Beach market. The parking garage is operated by Legacy Parking, whose lease at the property provides significant and steady revenue, while maintaining upside potential due to percentage rent gained as a result of in-demand transient parking 7 days a week. The Property’s location on Washington Avenue puts it within close proximity to some of South Beach’s newest and most popular hotels and restaurants, as well as within walking distance to the Atlantic Ocean.

PARKING

243

Parking Spaces

\$725,000

Guaranteed Yearly Income

3.8/1,000 SF

Parking Ratio

BRICKELL

DOWNTOWN MIAMI WYNWOOD

DESIGN DISTRICT

PORT MIAMI
World's Busiest Cruise Port

MACARTHUR CAUSEWAY (I-395) VPD: 59,000

VENETIAN CAUSEWAY

EDGEWATER

JULIA TUTTLE CAUSEWAY (I-195) VPD: 68,000

MIAMI BEACH
CONVENTION CENTER

5 WASHINGTON

LINCOLN ROAD

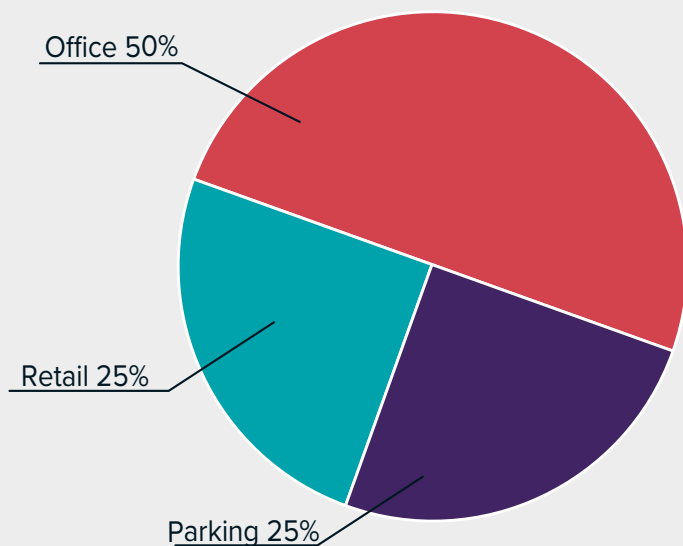




INVESTMENT HIGHLIGHTS

	Office	Retail	Garage	Total
Stories	3	1	6	6
Size	44,516	21,230	243	65,746
Occupancy	91%	63%	N/A	82%
WALT (YRS.)	6.6	11.6	N/A	
YR 1 Projected Rev.	\$2,050,845	\$1,039,539	\$1,025,004	\$4,115,388
Rev Per Unit	\$46.07	\$48.97	\$4,218	

YEAR 1 PROJECTED REVENUE



PARKING - 243 SPACES
3.8/1,000 SF
PARKING RATIO

**OFFICE - 44,516 SF
91% LEASED**

**RETAIL - 21,230 SF
63% LEASED**

INVESTMENT HIGHLIGHTS



CLASS A, INSTITUTIONAL-QUALITY, ASSET

Built in 2001 and Renovated in 2015, 555 Washington is an institutional-quality, best-in-class asset with modern design and construction that seamlessly integrates creative office space, ground-floor retail, and structured parking at an iconic South Beach address.



OFFICE SPACE HAS 6.6 YEAR WALT WITH LESS THAN 4% ROLLOVER BEFORE 2024

555 Washington's office space offers 6.6 years of WALT and is 91% leased to a diverse roster of uniquely Miami style tenants, highlighted by Warner Music Group, who recently renewed through 2031 and newly signed tenant BentallGreenOak, who signed a 10 year deal in August. Other notable tenants include include Elite Models, University of Miami, and numerous family offices. Only 3.7% of the rent roll expires prior to 2024 and over 51% of the rent roll is in place past 2027.



IN-PLACE OFFICE RENTS ARE 20% BELOW MARKET

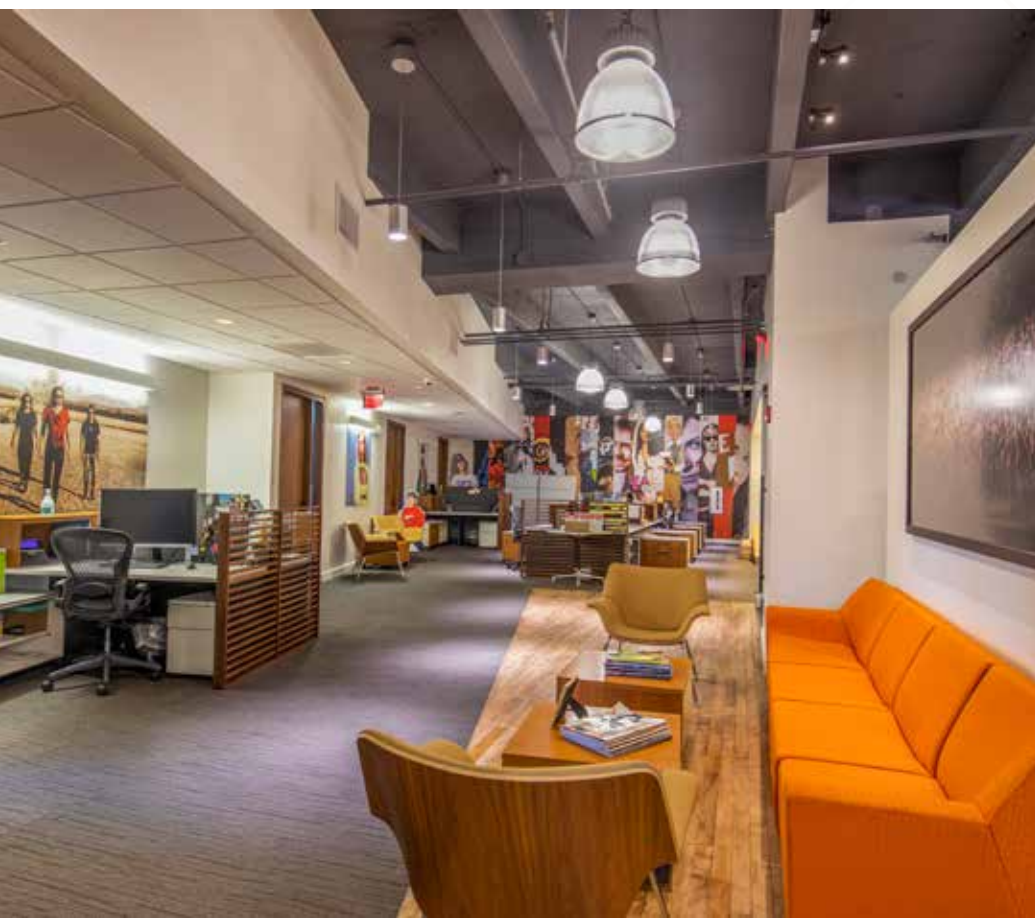
Prospective ownership will benefit from marking in-place rents to market as the significant remaining term burns down. In-place office rents at the property are 20% below market and Miami Beach has seen significant interest from out-of-market tenants, with increased demand helping to drive rents up to record numbers for recent years.



CREDIT RETAIL TENANCY WITH POTENTIAL FOR CONSIDERABLE GROWTH THROUGH LEASE-UP

Ground Floor Retail at 555 Washington features in-place leases with CVS Pharmacy and Wells Fargo, who together occupy 63% of the rentable retail square footage. CVS (S&P: BBB+) accounts for 54.5% of the retail NRA and is in place at the property for another 13 years through January of 2035. Wells Fargo (S&P: BBB+) has two remaining 5-year renewal options with 12% increases. There is an outstanding opportunity to lease-up the remaining 7,901 SF space with frontage on Washington Avenue directly adjacent to the Goodtime Hotel. Potential investors will be able to capitalize on recently announced deals on Washington Avenue, highlighted by Major Food Group's new lease just across the street.





MARKET LEADING 3.8/1,000 PARKING & WITH SIGNIFICANT REVENUE UPSIDE

555 Washington's Structured parking garage features 243 spaces and offers a market leading 3.8/1,000 SF parking ratio. In addition to having a lucrative parking contract with Legacy Parking, ownership benefits from percentage rent of revenue supplied by transient parking. South Beach is a parking constrained market and one of the busiest tourist destinations in the world and, over the past 4 months, ownership has averaged over \$30k in percentage rent per month.



UNPARALLELED LOCATION ON MIAMI BEACH

Located at the cross-section of Washington Avenue and 5th Street, 555 Washington sits a few blocks away from the pristine white sands of South Beach and is perfectly positioned to serve as the primary office space for residents of South of Fifth, one of Miami's most prestigious neighborhoods and a true culinary destination. Additionally, 555's proximity to the MacArthur Causeway allows for easy access to the Miami Metro Area and makes it the most accessible Class A office building for executives living on Fisher Island.



REVITALIZATION OF WASHINGTON AVENUE DRIVEN BY GOODTIME HOTEL

Washington Avenue has experienced a renaissance over the past few years, capped by the opening of Dave Grutman and Pharrell's Goodtime Hotel. The Goodtime has fast become South Beach's must visit destination, inviting huge numbers tourists and celebrities alike. In addition to the Goodtime, hotels such as the Kimpton Angler's and Marriott's Moxy Miami South Beach have completely revitalized the surrounding area and increased foot traffic and parking demand near 555 Washington. The buzz continues to grow along Washington Avenue as Major Food Group recently announced plans to open a restaurant across the street from 555 Washington.



HIGH BARRIERS TO ENTRY

Developable land is at a premium in Miami Beach, and strictly enforced building codes limit the height and density of any future developments. Multifamily development still represents the most efficient economic use of land moving forward and future office development looks to be few and far between.

TENANCY OVERVIEW

COMMITTED AND DIVERSE TENANCY

- ANCHORED BY CVS PHARMACY WITH 13 YEARS OF REMAINING TERM (SEVEN 5-YEAR OPTIONS WITH 9% INCREASES)
- LARGEST OFFICE TENANT, WARNER MUSIC, RECENTLY EXPANDED AND EXTENDED LEASE OUT TO 2031
- NO OTHER TENANT OCCUPIES MORE THAN 7% OF PROPERTY
- ONLY 12% OF TOTAL RENT ROLL EXPIRES PRIOR TO 2024

TENANT SUMMARY OFFICE

Tenant	RSF	% of Property	% of Total Office	Lease Expiration	Average Remaining Term (Years)	In-Place Base Rent	% Below Market	Industry
Warner Music Group	13,671	20.8%	30.7%	Nov-31	9.9	\$41.77	28.0%	Entertainment
Alacran Music	4,349	6.6%	9.8%	Jul-28	6.6	\$44.26	23.7%	Entertainment
Elite Models	4,205	6.4%	9.4%	Oct-24	2.8	\$50.92	12.2%	Entertainment
BentallGreenOak	4,177	6.4%	9.4%	Nov-31	9.9	\$52.00	10.3%	Financial
SKCP Fund Management	3,966	6.0%	8.9%	Dec-26	5.0	\$55.00	5.2%	Financial
University of Miami	3,136	4.8%	7.0%	Nov-24	2.9	\$49.33	14.9%	Healthcare
Maxim	2,928	4.5%	6.6%	Nov-24	2.9	\$54.00	6.9%	Financial
Willoughby	1,644	2.5%	3.7%	Feb-22	0.2	\$48.41	16.5%	Financial
Klimate Group Management	1,531	2.3%	3.4%	Apr-25	3.4	\$47.00	19.0%	Financial
Total Leased Office	40,489		91.0%		6.6	\$46.37	20.1%	
Available Office	4,027		9.0%					
Total Office	44,516							

TENANT SUMMARY RETAIL

Tenant	RSF	% of Property	% of Total Retail	Lease Expiration	Average Remaining Term (Years)	In-Place Base Rent	% Below Market	Industry
CVS Pharmacy	11,569	17.6%	54.5%	Jan-35	13.1	\$56.72	-3.1%	Retail/Pharmacy
Wells Fargo	1,760	2.7%	8.3%	Nov-23	1.9	\$46.50	15.5%	Banking
Total Leased Retail	13,329		62.8%		11.6	\$55.37	-0.7%	
Available Retail	7,901		37.2%					
Total Retail	21,230							

TOTAL PROPERTY SUMMARY

Total Leased	53,818	81.9%
Available	11,928	18.1%
Total Property	65,746	

INVESTMENT DRIVERS

MARK-TO-MARKET OPPORTUNITY

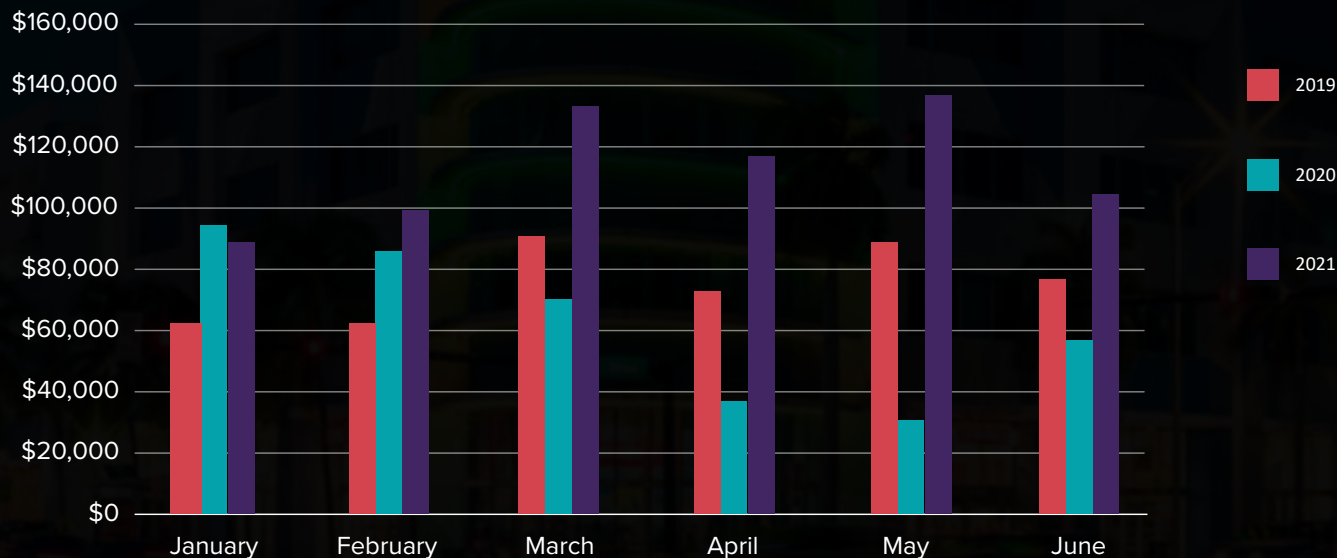
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OPPORTUNITY FOR HUGE PARKING REVENUE GROWTH IN PARKING CONSTRAINED MIAMI BEACH

555 Washington, along with every structured parking garage in Miami Beach, has seen explosive revenue growth over the first half of 2021. Demand for convenient parking on the beach has long been strong but has only increased in recent times as Miami has established itself one of the nation's strongest economies rebounding out of the COVID pandemic. 555 Washington has seen explosive 33% growth in revenue in the first six months of 2021 compared with 2019, in no small part due to increased demand in the immediate vicinity with the opening of The Goodtime Hotel. In addition to their in-place annual rent, ownership receives percentage rent from Legacy Parking and takes home 60% of gross revenue over \$875,000 annually. Ownership has averaged over \$30k in percentage rent monthly since March.

EXPLOSIVE PARKING REVENUE IN FIRST HALF OF 2021

Parking Garage Gross Revenue (Net of Taxes)



RECENTLY SIGNED LEASES EXHIBIT THE STRENGTH OF THE MIAMI BEACH MARKET

Increased demand for office space on the Beach, both from in market and out of market tenants, and a dearth of true Class A supply, has seen recent deals signed at record pricing for recent years. 555 Washington is primed to capitalize on the momentum in the leasing market that has seen office leases signed at gross rents well above \$60/sf.

LOCATION OVERVIEW

PERFECTLY POSITIONED BETWEEN THE REVITALIZED WASHINGTON AVENUE AND SOUTH BEACH'S MOST FASHIONABLE NEIGHBORHOOD

555 Washington's unbeatable location just continues to get better. 555 has always had an advantage with its ease of accessibility to the MacArthur Causeway via 5th Street and its walkability to the white sands of South Beach but in recent years there has been an absolute transformation of both Washington Avenue and the South of Fifth Neighborhood that has firmly placed 555 Washington at the epicenter of the best Miami Beach currently has to offer.

WORLD CLASS HOTELS

The revitalization of the southern portion of Washington Avenue has been driven by the development of 3 world-class hotels: the Kimpton Angler's, The Moxy Miami South Beach, and The Goodtime Hotel. Together their development has bolstered the amenities within walking distance of 555 Washington and will drive increased traffic to the area, benefitting 555 Washington's retail spaces and parking garage revenue.

LUXURY RESIDENCES

The unprecedented development of luxury condominiums at the southern tip of the island of Miami Beach over the past few decades continues apace. There are 16 condominium complexes within a 5-minute drive of 555 Washington that are currently asking for prices upwards of at least \$1 million and prices have been known to rise towards \$50 million. There is no shortage of c-suite executive housing available for those who wish to live and work on Miami Beach and, as one of the three walk to work buildings for South of Fifth residents, 555 Washington is perfectly positioned to capitalize on this clientele.

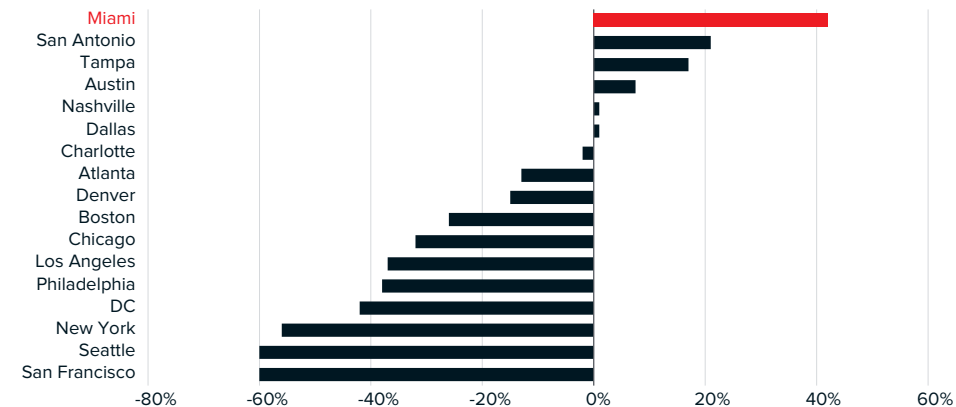
SOFI - THE HEART OF THE MIAMI DINING SCENE

SoFi, South of Fifth, has quickly become one of the premier dining destinations not only in Miami, but in the world. The artsy and eclectic neighborhood has long been home to old favorites such as Joe's Stone Crab, Smith & Wollensky, and Prime One Twelve, and the dining scene only continues to grow. Current hot spots include Carbone, Red Steakhouse, Prime Fish, Papi Steak, and Forte De Marmi amongst many others. In the summer of 2021, famed NYC restaurant group Major Food Group announced they would bring a number of their concepts to the neighborhood and Gordon Ramsay announced he would be opening an Asian-fusion style restaurant, Lucky Cat, in the neighborhood as well.



OPENTABLE RESTAURANT RESERVATIONS DATA

(June 2021 - % Change since 2019)



Source: OpenTable



CONTINUUM SOUTH BEACH NORTH TOWER

CONTINUUM SOUTH BEACH SOUTH TOWER

ONE OCEAN

SOUTH POINTE TOWER

PORTOFINO TOWER

GLASS SOUTH BEACH

APOGEE SOUTH BEACH

300 COLLINS

MURANO AT PORTOFINO

LOUVER HOUSE

MURANO GRANDE

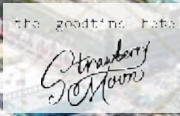
ICON SOUTH BEACH

CANOPY PARK AT FIVE PARK (3 Acre Development Delivering in 2023)

BENTLEY BAY

THE FLORIDIAN

55 WASHINGTON



CONDOMINIUM PRICES

Light Green	\$1M +
Pink	\$5M
Purple	\$10M
Dark Blue	\$15M
Orange	\$20M
Light Blue	\$35M



55 WASHINGTON IN THE HEART OF SOUTH BEACH



MIKKI / BEACH
Miami Beach
PRIME ITALIAN
SANTORINI
GREEK RESTAURANT
azabu

Fisher Island
Wealthiest ZIP code
in the US

PORTMIAMI
World's Busiest Cruise Port

South Pointe
Park & Pier

Smith & Wollensky

Prime Fish

RED PLANTA
Call me Gaby

Monty's TEXAS de BRAZIL
CUBANOSIAN STEAKHOUSE

Joe's

FOGO DE CHAO
PAPA STEAK
MILUS
PURA VIDA

minibar

STUBBORN SEED

Big Pink

PRIME ONE TWELVE
FORTE MARMÌ

Amare
CARBONE

MF G
MAJIB FOOD GROUP

orilla

KINGTON
Angler's
SOUTH BEACH

55 WASHINGTON

the goodtime hotel
Strawberry Moon

Ocean Drive

POTENTIAL TO TRANSFORM REMAINING RETAIL INTO INDOOR/OUTDOOR DINING SPACE

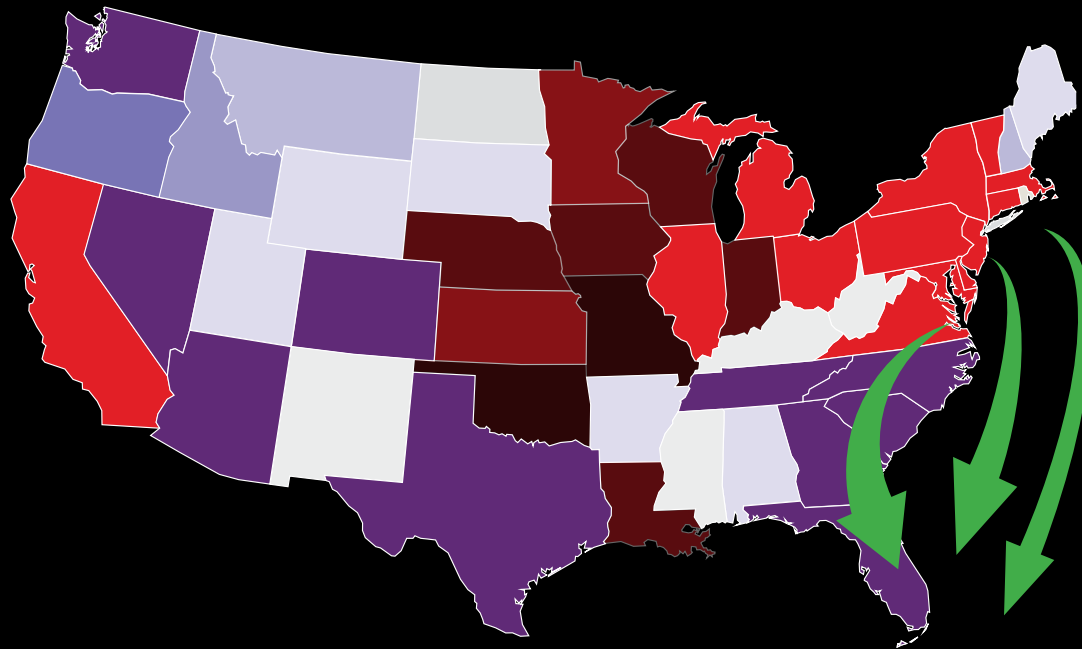
CAPITALIZE ON THE MOMENTUM CREATED BY THE GOODTIME HOTEL AND RECENT MAJOR FOOD GROUP LEASE



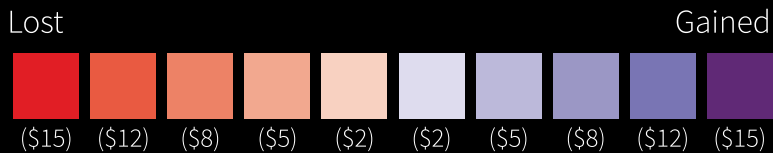
GROWTH OF MIAMI

Business and business owner friendly environment and tax structure in Miami-Dade County and the state of Florida, including only a 5.5% corporate tax rate in Miami-Dade County, and no local or state income taxes for individuals in the State of Florida, has continued to attract companies and HNW individuals to Miami.

Miami is one of the fastest growing markets in the southeast, with accessibility to over 2.6 million people and over \$110 billion of total personal income. Over the last 10 years, GDP has grown from \$109.6 billion to \$164.6 billion.



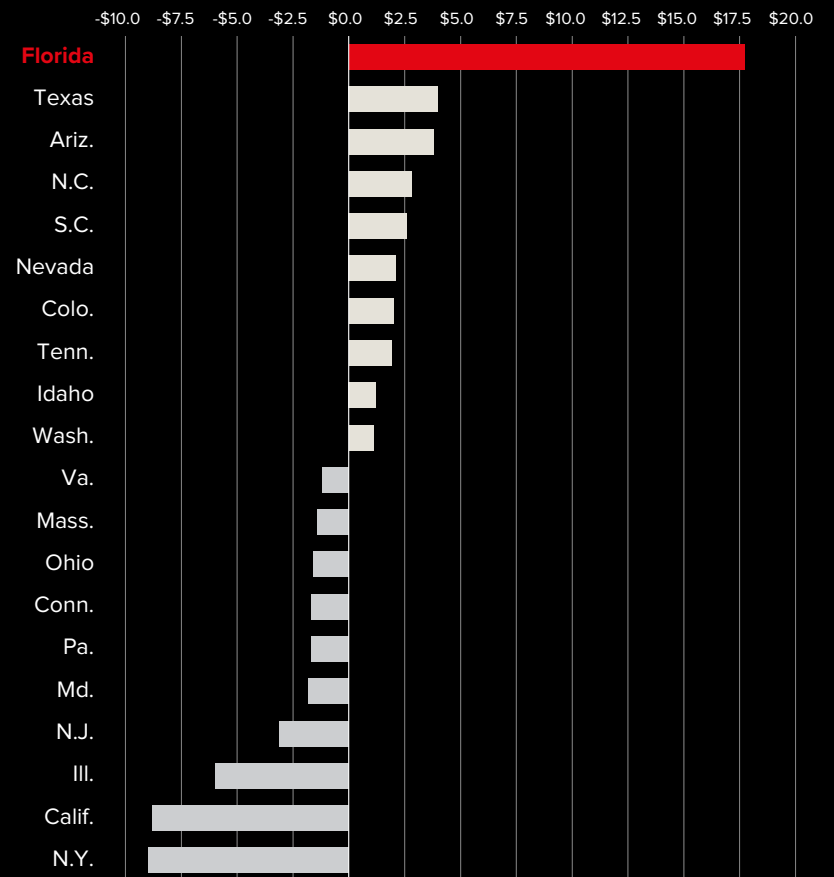
NET WORTH GAINED / LOST, IN BILLIONS



Source: JLL Research

FLORIDA WINNING IN DOMESTIC WEALTH MIGRATION

STATE AGI GAIN/LOSS DUE TO DOMESTIC MIGRATION (IN BILLIONS)

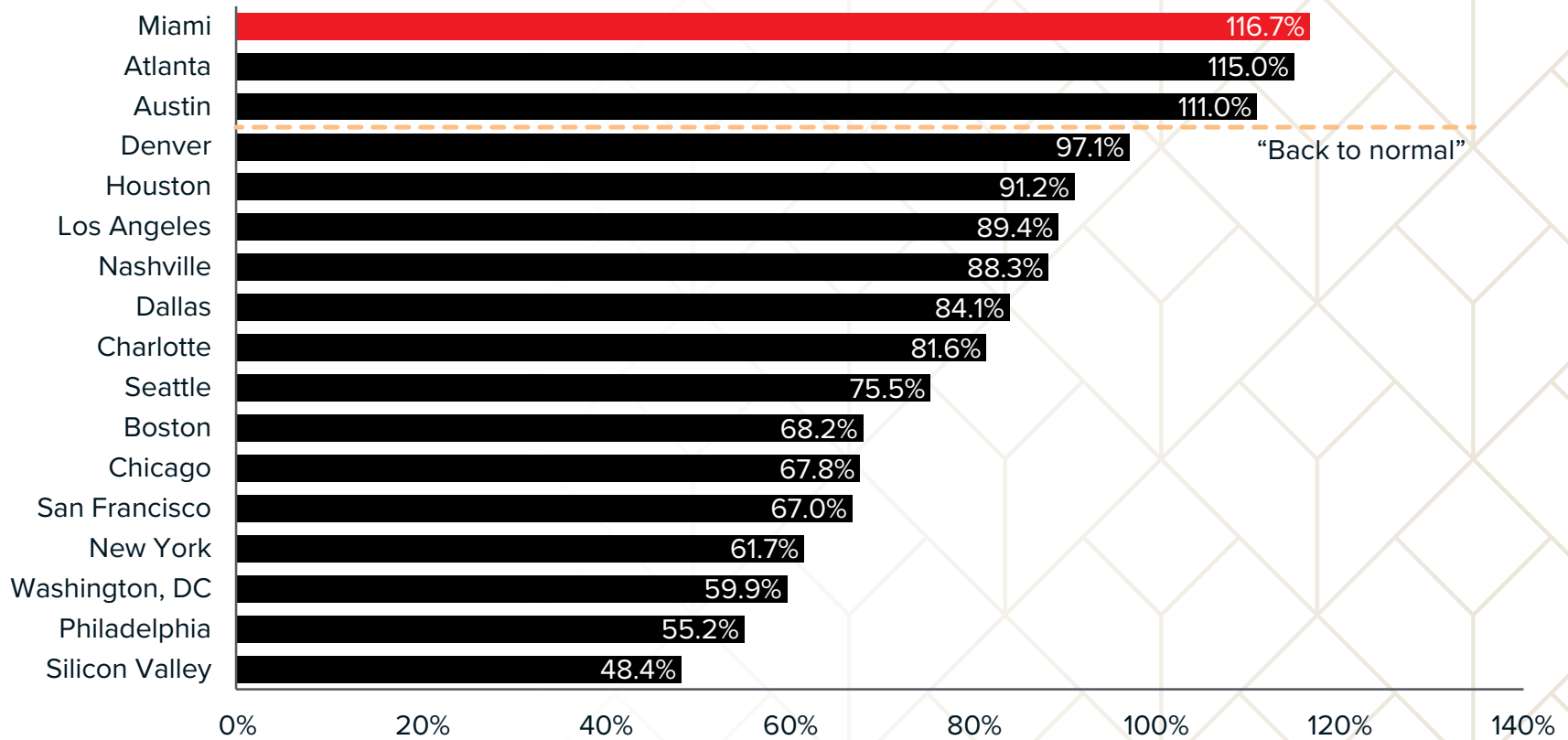


Source: JLL Research

MIAMI'S HOT LEASING MARKET

MIAMI LEADING THE WAY IN LEVEL OF OFFICE LEASING ACTIVITY AS OF JULY 2021

MOST RECENT WEEKLY LEASING ACTIVITY AS SHARE OF 2019 AVERAGE (%)



Source: JLL Research

RECENTLY SIGNED:



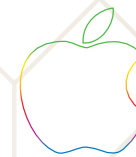
UBER APOLLO

D1 Capital Partners



IN THE MARKET:

SoftBank



Microsoft

Google



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