

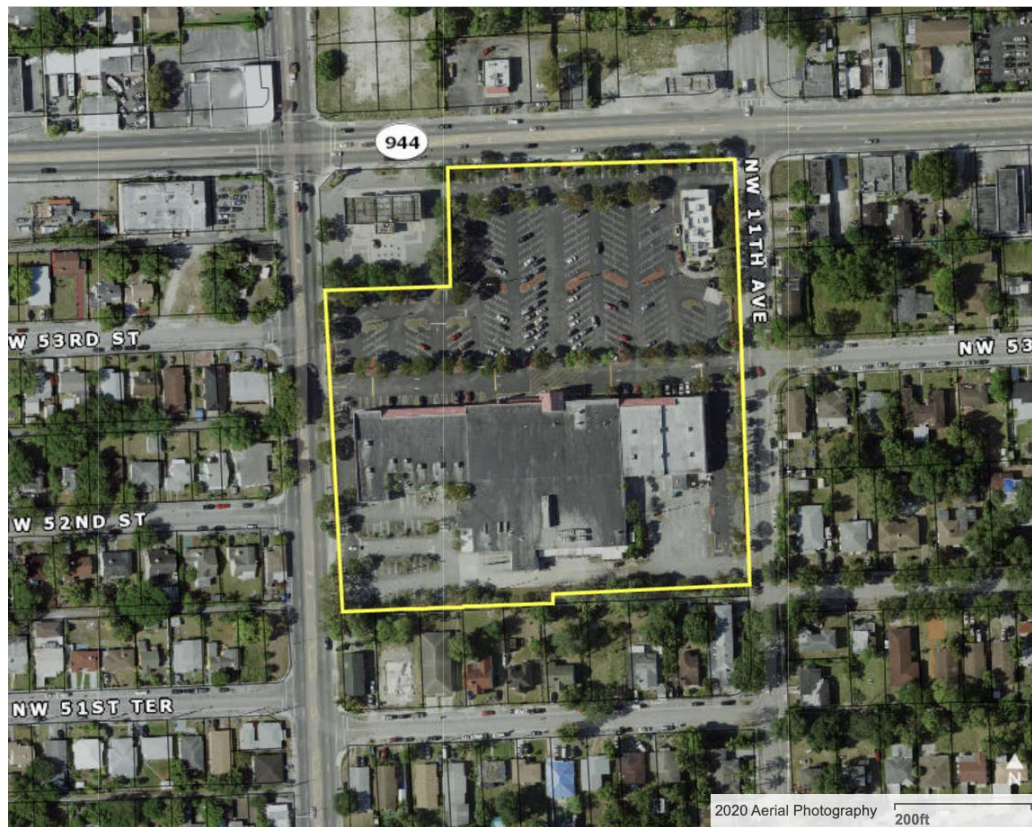
Project Site:  
NW 54th Street and NW 12th Avenue Miami

## LIBERTY OASIS

University of Miami  
Liberty City - Miami, FL

Team members: Malak Benmassaoud (MBA),  
James Farrar (MBA), Hunter Holtz (MRED+U),  
Joshua R. Polner (JD/MBA)

# Project Site



**Total Acres:** 8.54

**Current Retail SF:** 104k

**Zoning:** Commercial and Residential  
65-units per acre

**Opportunity Zone Investment**

**Transit:**

1.5 miles from I-95

10 Miami-Dade Bus stops within a half-mile radius

24% of locals without vehicles

**Flood Risk Factor:** Low / 0.2% risk of a 1-in-100-year event

**Community:** Half-mile walk to Charles Hadley Community Park; 33k vehicles per day

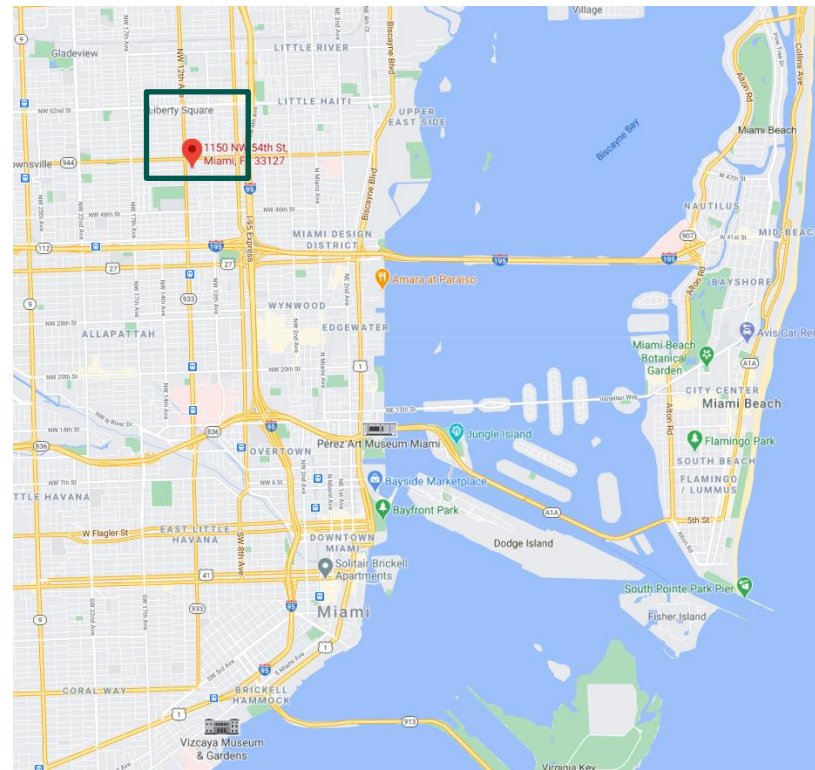
# Market Overview

- **Location:** Miami, Florida
- **Sub-Market:** Liberty City
- **Address:** 1150 NW 54th Street



## Market Demographics

Metric	1 Mile	3 Mile	5 Mile
2020 Population	23,125	174,196	535,925
Average Age	37	37	40
Median HH Income	\$39,572	\$38,042	\$48,260
Average Household Size	3.1	2.6	2.6
Vehicles Per HH	1.2	1.1	1.2
Median Home Value	\$245,812	\$310,000	\$368,899
Housing Units Older Than 30-years	71%	71%	77%
<b>Rental Supply and Demand</b>			
Renter Occupied Units	6,914	70,868	153,069
Average Renter Vacancy Rate	1.7%	6.0%	6.1%
Average Monthly Gross Rent	\$1,292	\$1,141	\$1,300



# Narrative

- Miami is a city that is quickly growing, and there is a desperate need for affordable housing
- Funding: Market Rate or LIHTC (Low Income Housing Tax Credits)
- We believe market rate funding provides "more bang for your buck"
- 9% LITHC (most generous and competitive LIHTC financing) would only provide us with \$28,820,000 in tax credits over ten years. Worth \$27,667,200 (For one tax credit (\$1) developer gets .96 cents from bank)
- Though a lot of money, it is not enough to properly cover the scale of funding required for 555 units
- Additionally, LITHC would not fund the commercial uses of our property
- Market Rate Option provides quick and easy funding. Important to mention because of neighboring real estate growth (Wynwood, Little Haiti, Design District)
- Though rents will be low at first, we believe our proposed approach will allow our project to both provide housing for local residents, while also offering flexibility, as incomes increase over time
- Miami is a city that is quickly changing, and we cannot ignore this, but we must also not ignore those who currently live there – we believe this project achieves just that.

# Vision

- Provide Liberty City with market rate housing and vital necessity amenities that allow the neighborhood to grow into an economic center as Miami undergoes changes and the **neighboring Midtown, Design & Wynwood Districts continue to expand**
- Liberty City is a neighborhood experiencing rapid change and economic growth. Much of this can be attributed to its 11 foot elevation above sea level – **Climate Migration has begun**
- Provides 555 market rate units and 102k SF of necessity retail at an opportune moment to a community in dire need of modern housing, amenities and retail
- The “**corner stone**” to success with this project is timing which matches demand for market rate product at affordable pricing with the opportunity for rent growth as the submarket continues to see increased investment





# Project Overview

- Mixed Use Project with residential rentals and grocery anchored necessity retail on the ground floors

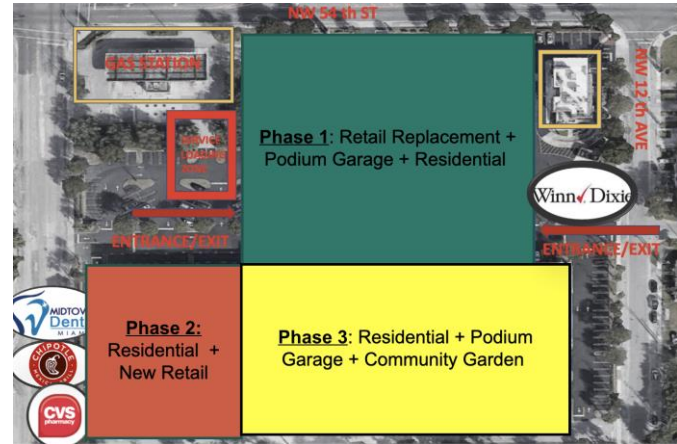
## • 3 Phases Design Implementation:

Phase 1: 185-unit residential development including new Winn-Dixie and podium parking (24-months)

Phase 2: Demo of Old Winn-Dixie (6-months), construction of 185-residential units, new ground floor retail space and podium parking (24-months)

Phase 3: Simultaneously as construction of phase 2, but post demo. Construction of 185 residential units, podium parking, completion of Community Garden Rooftop and Green Wall Garage (24-months)

- Average Unit Size: 783sf (Total 434,550sf)
- Retail Size: 101,500sf
- Parking: 1,163 parking spaces (300 sf each, 1.5/u & 3.25/1000)



# Market Analysis - Residential

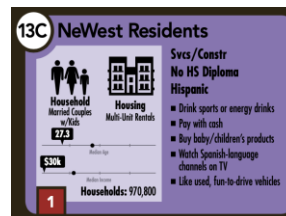
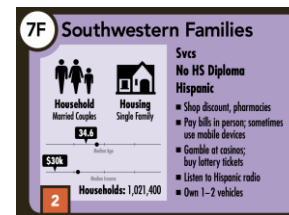
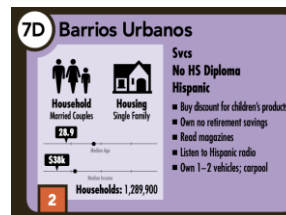
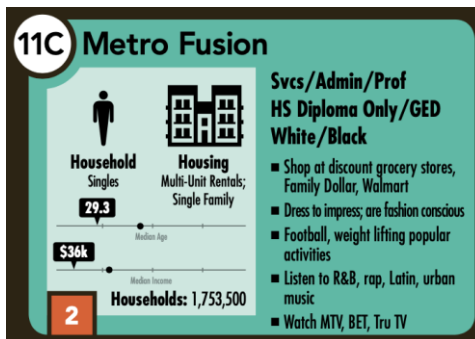
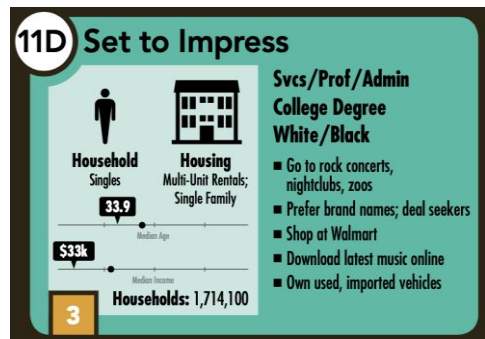
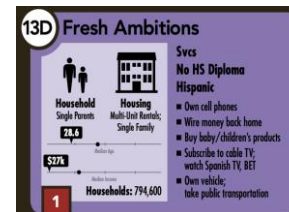
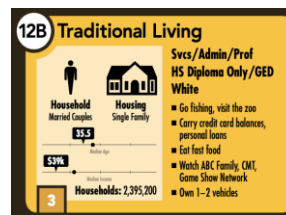
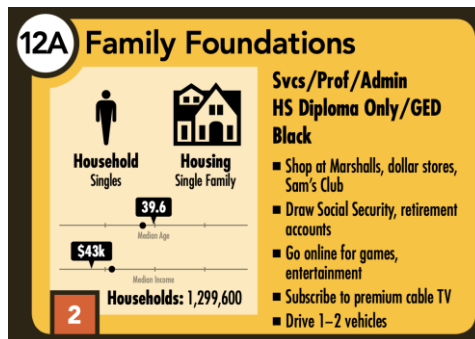
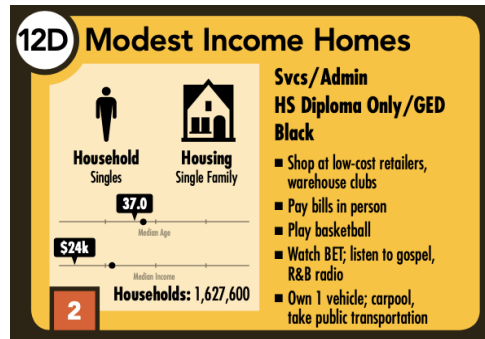
- Liberty City's vacancy rate for rental property is 1.9% compared to the Miami average of 6.4%, creating a significant lack of market rate supply
  - \$1,100-\$1,200 asking rents (1br) - 50% of AMI
  - \$1,400-\$1,600 asking rents (2br) - 50% of AMI
- While market rate residential rentals have seen an increase in vacancies, housing in lower income communities in Miami have vacancy rates of 0.6% and are projected to remain flat through 2021 given market rents in other neighborhoods such as Midtown, Wynwood and Brickell are outside community means.
- Liberty City currently has an average household income of \$39k with majority of residents employed in blue collar jobs.

61<sup>st</sup> Street Apartment Complex



# Market Analysis - Residential

Establishing a market rate community that draws on the service providing/blue-collar population along with new-comers priced out of Midtown & Wynwood





## Related Group Liberty Square

*1,332 Units - \$900-\$1,600 Average Monthly Rent*



## AME Transit Village:

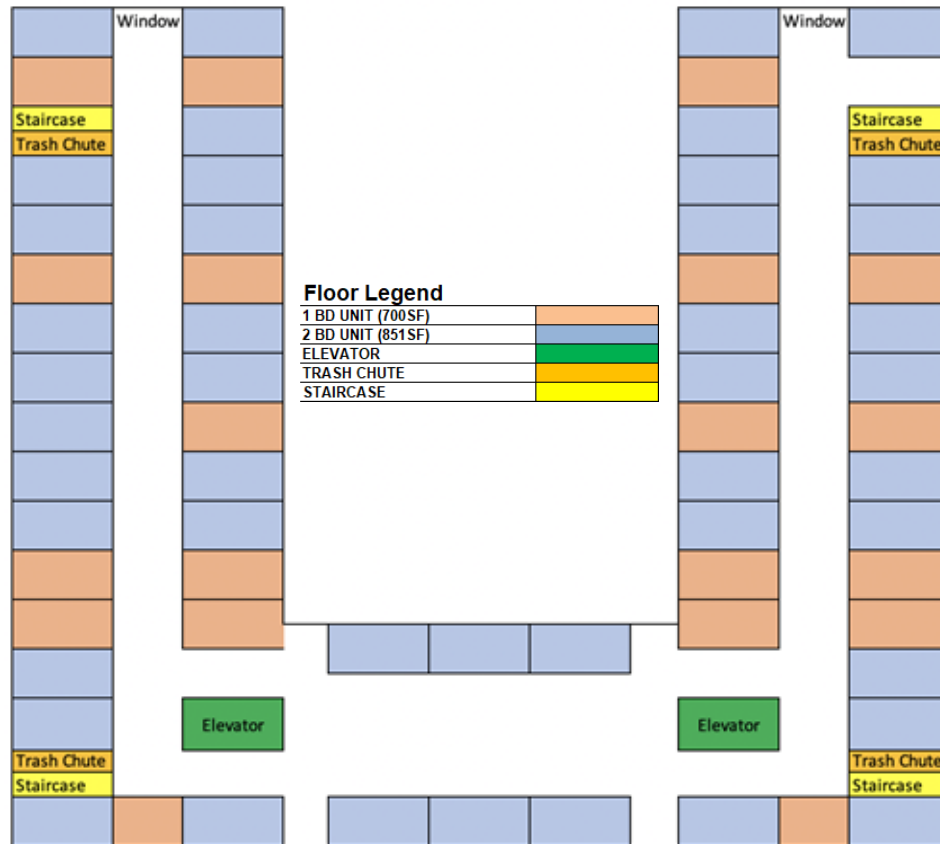
- 176 Affordable units, with 22 for residents making 33% or less of AMI, and the remainder for residents making less than 60% AMI.
- One, Two and Three-bedroom units with average one bedroom rents of \$1,200
- Mixed use development with transit hub, commercial retail and community spaces.



# Residential Floor Layout Phase 1

## Phase 1 Floors:

- 4TH & 5TH Floor - Residential (total 185 units)
- 3RD Floor - Parking (184) & Amenities
- 2nd Floor - Parking (367)
- Ground Floor - Retail Replacement



# Residential Floor Layout Phase 2 and 3

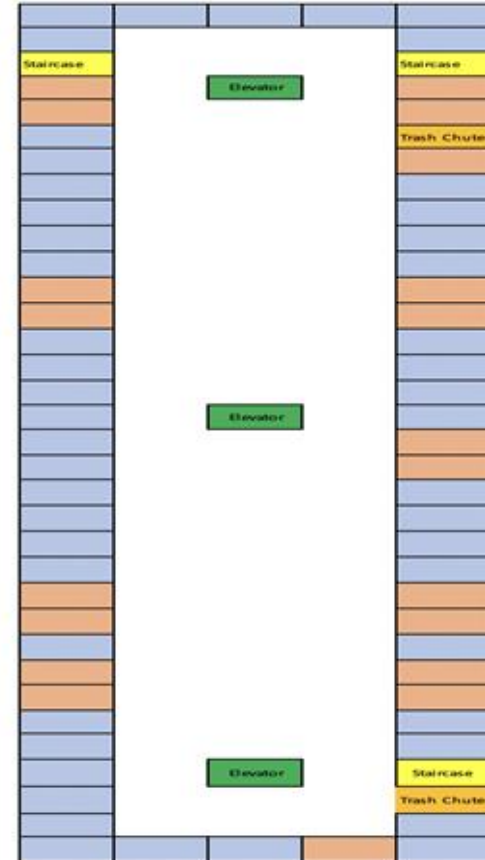
## Floor setup:

- 5TH Floor/Roof - Community Garden with water features
- 4th Floor - Residential (total 93)
- 3RD Floor - Residential (total 92) & Amenities
- Ground Floor & 2nd Floor - Parking (213)

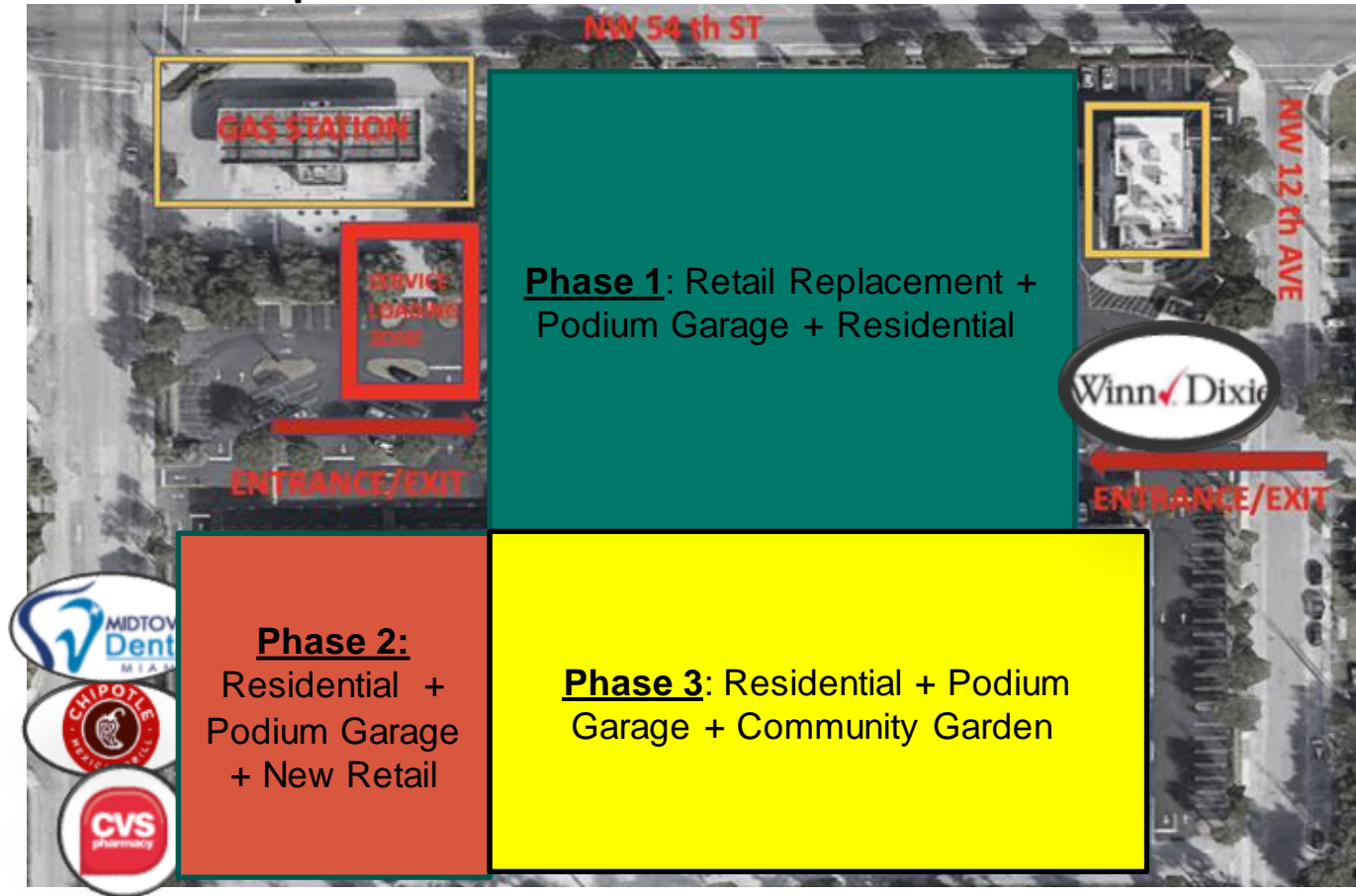
### Floor Legend

1 BD UNIT (700SF)	
2 BD UNIT (851SF)	
ELEVATOR	
TRASH CHUTE	
STAIRCASE	

Total UNIT MIX (All Phases)								
Unit Type	# of Units	% of Units	Unit NSF	Total NSF	Rent/Mo	Rent/NSF	Monthly Rent	Annual Rent
1 Bedroom	250	45%	700	175,000	\$1,130	\$1.61	\$282,500	\$3,390,000
2 Bedrooms	305	55%	851	259,550	\$1,530	\$1.80	\$466,650	\$5,599,800
3 Bedrooms	0	0%	1,100	0	\$2,000	\$1.82	\$0	\$0
<b>Total</b>	<b>555</b>	<b>100%</b>	<b>783</b>	<b>434,550</b>	<b>\$1,350</b>	<b>\$1.72</b>	<b>\$749,150</b>	<b>\$8,989,800</b>



# Project Site Map



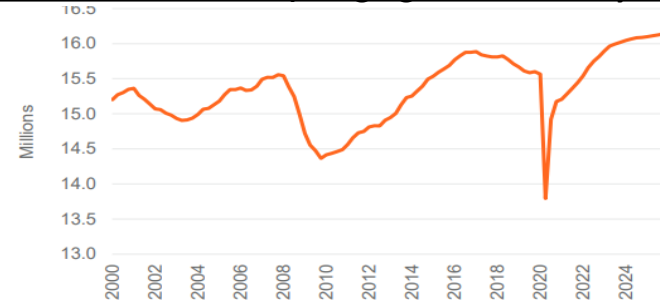


# Market Analysis - Retail

## Retail Trends for Potential Tenants:

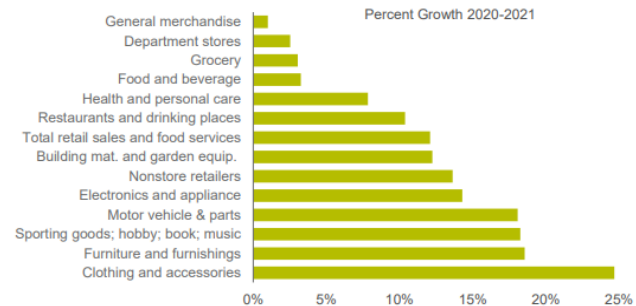
- **Grocery:** U.S. Census Bureau has reported a 12.2% increase in grocery sales resulting from the impact of the pandemic
- **Urgent Care:** For those who do not have an immediate physician Urgent Care centers are more attractive and up to ten times less expensive than a traditional visit to the ER.
  - Urgent care centers openings saw 8% growth between 2017 and 2020 with over 10k centers in the U.S. today
- **Pharmacies and Drug stores:** Continued growth and expansion especially since they are essential businesses who have seen increases in sales during the pandemic and will be an essential part of vaccine roll out plans

## Retail Jobs Forecast (Bringing Jobs to Liberty City)



Source: U.S. Bureau of Labor Statistics

## Retail Sales Forecast



Source: Moody's Analytics

# Necessity Retail Tenants

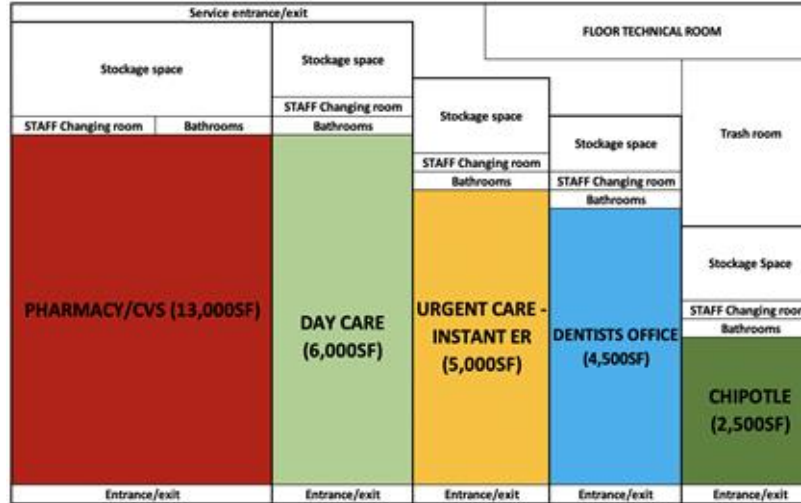
- Winn-Dixie Supermarket (52,000SF)
- Urgent Care - Instant ER (5,000SF)
- Dental Office (4,500SF)
- Pharmacy/CVS (13,000SF)
- Day Care (6,000SF)
- Chipotle (2,500SF)
- Current In-Line Spaces (18,500SF)



# Retail Floor Plan - Phase 2

## Phase 2 Floors:

- 4TH & 5TH Floor - AH (total 185 units)
- 3RD Floor - Parking & Amenities
- 2nd Floor - Parking (213)
- Ground Floor - Retail



Total Retail MIX (Phase II)								
Unit Type	Total SF	Term	NNN Rent	ABR	TI PSF	TI	LC	Capital
Winn Dixie + Liquor	52,000	15.0 years	\$22	\$1,144,000	\$25	\$1,300,000	\$686,400	\$1,986,400
CVS	13,000	10.0 years	\$25	\$325,000	\$25	\$325,000	\$130,000	\$455,000
Daycare	6,000	5.0 years	\$17	\$102,000	\$10	\$60,000	\$20,400	\$80,400
Dentist	4,500	10.0 years	\$22	\$99,000	\$10	\$45,000	\$39,600	\$84,600
Urgent Care	5,000	10.0 years	\$21	\$105,000	\$10	\$50,000	\$42,000	\$92,000
Chipotle	2,500	10.0 years	\$25	\$62,500	\$10	\$25,000	\$25,000	\$50,000
Existing Small Shops	18,500	10.0 years	\$20	\$370,000	\$10	\$185,000	\$148,000	\$333,000
<b>Total</b>	<b>101,500</b>	<b>10.4 years</b>	<b>\$18</b>	<b>\$2,207,500</b>	<b>\$100</b>	<b>\$1,990,000</b>	<b>\$816,400</b>	<b>\$2,441,400</b>

# Necessity Retailers are Expanding

Retailer	Future Expansion	Retailer	Future Expansion	Retailer	Future Expansion
7-Eleven	6,300	Qdoba	55	Slim Chickens	30
Dollar General	1,000	Burlington	54	Ace Hardware	25
Sonic Drive-In	1,000	Take 5 Oil Change	50	Culver's	25
Dollar Tree/Family Dollar	500	Sheetz	50	Harbor Freight Tools	24
Bank of America	500	Lidl	50	Costco	23
Aldi	450	Raising Cane's	50	Sprouts Farmers Market	20
Chase Bank	400	AutoZone	49	Pet Supplies Plus	20
Casey's General Stores	350	Target	49	Texas Roadhouse	20
O'Reilly Auto Parts	180	Old Navy	40	Del Taco	20
Five Below	120	RaceTrac/Raceway Petroleum	40	Life Time	18
Quik Trip	118	Whole Foods	40	Sherwin-Williams	17
IHOP	90	Bojangles	40	WaWa	15
Tractor Supply Company	80	Whataburger	40	Marshalls/T.J. Maxx	12
Checkers Drive-In/Rally's	80	Ross Dress For Less	39	Michaels	11
Sunbelt Rentals	75	Dairy Queen	38	Trader Joe's	11
Aspen Dental	75	Chipotle Mexican Grill	37	PNC Bank	11
Shake Shack	60	Shopko Optical	35		
Hobby Lobby	55	Jack In The Box	35		

# Financials Overview

An impact investment opportunity with development returns; forecasted returns of 19.6% IRR & 2.8x equity multiple

## Key Assumptions:

- Residential Space: 434,550SF at an average of \$1.72PSF/Mo, or \$20.69 per year; lease up to occur over the first 24 months in phases I-III
- Retail: 101,500SF at an average of \$22PSF including NNNs
- Development Timeline: 48 Months
- Holding Period: 10 Years (5-year recap)
- Exit at Sales Price: \$166mm at a cap rate of 5.5%
- Opportunity to enhance returns by establishing a Community Development Entity (CDE) and bolster the capital stack with New Market Tax Credit financing

Uses	\$ Amount	\$/SF	% Total	Resi PSF	Resi Per Unit	Retail PSF
Land Cost	\$12,000,000	\$22.30	10%	\$18.01	\$14,103	\$40.32
Hard Costs	\$84,379,688	\$156.82	69%	\$164.97	\$129,164	\$122.64
Soft Costs	\$16,140,477	\$30.00	13%	\$24.74	\$19,375	\$52.05
Financing Costs	\$9,910,120	\$18.42	8%	\$14.88	\$11,647	\$33.29
<b>Total Uses</b>	<b>\$122,430,285</b>	<b>\$227.54</b>	<b>100%</b>	<b>\$222.60</b>	<b>\$174,289</b>	<b>\$248.31</b>

Sources	\$ Amount	\$/SF	% Total
Land Equity	\$12,000,000	\$22.30	10%
Debt	\$79,579,686	\$147.90	65%
Dev. Equity	\$30,850,600	\$57.34	25%
<b>Total Sources</b>	<b>\$122,430,285</b>	<b>\$227.54</b>	<b>100%</b>

Key Metrics	
Perm DSCR	1.5x
Yield to Cost	6.5%
Cash on Cash	8.2%
LIRR	19.6%
Equity Multiple	2.8x

Sensitivity Analysis		
Exit Cap	LIRR	Eq. Multiple
4.5%	28.4%	3.8x
5.0%	23.5%	3.3x
<b>5.5%</b>	<b>19.6%</b>	<b>2.8x</b>
6.0%	16.4%	2.5x
6.5%	13.8%	2.2x



# Financials Overview

Significant upside returns capturing investment momentum from both the expansions of Midtown and the Design District

- **LIRR: 19.6%**
- **Stabilized NOI: \$7.5mm**
  - Residential Revenue: \$10.1mm
  - Retail Revenue: \$3.5mm
  - EGI: \$13.6mm
  - OPEX: \$6.1mm
- **Stabilized Yield on Cost: 6.5%**
- **Stabilized CoC: 8.2%**
- **NPV: \$5.4mm (11% Discount)**
- **Stabilized DSCR: 1.5x**
- **Perm LTV: 65%**

Return Sensitivity (LIRR & Equity Multiple)			
	Land Value		
	\$10,000,000	\$12,000,000	\$14,000,000
5.00% - Exit Cap Rate	24.4% / 3.5x	23.5% / 3.3x	22.7% / 3.1x
5.25% - Exit Cap Rate	22.3% / 3.2x	21.5% / 3.0x	20.7% / 2.9x
<b>5.50% - Exit Cap Rate</b>	<b>20.4% / 3.0x</b>	<b>19.6% / 2.8x</b>	<b>18.8% / 2.7x</b>
5.75% - Exit Cap Rate	18.7% / 2.9x	17.9% / 2.7x	17.2% / 2.5x
6.00% - Exit Cap Rate	17.2% / 2.7x	16.4% / 2.5x	15.7% / 2.4x

Return Sensitivity (LIRR & Equity Multiple)			
	Average Monthly Residential Rents		
	\$1,300	\$1,350	\$1,400
5.00% - Exit Cap Rate	20.8% / 3.0x	23.5% / 3.3x	26.2% / 3.5x
5.25% - Exit Cap Rate	18.9% / 2.8x	21.5% / 3.0x	24.0% / 3.3x
<b>5.50% - Exit Cap Rate</b>	<b>17.1% / 2.6x</b>	<b>19.6% / 2.9x</b>	<b>22.1% / 3.1x</b>
5.75% - Exit Cap Rate	15.6% / 2.4x	18.0% / 2.7x	20.3% / 2.9x
6.00% - Exit Cap Rate	14.1% / 2.3x	16.4% / 2.5x	18.7% / 2.7x

## Impact Investment Opportunity

01

### Community Enrichment

- Provides important necessity community services that are missing from the area.
- Helps to create an inclusive and affordable space.

02

### Promoting Economic Growth & Opportunity Zone Investment

- Positions community for additional growth capitalizing on investment by other developers
- Dense Residential base creates profitability opportunities for tenants, spurring job growth

03

### Sustainable Building Technologies

- Sustainable design for energy efficiencies
- Green Wall Garage and Roof reduces urban heat and provides beautification to the Liberty City neighborhood