FAUSTO COMMERCIAL

EXCLUSIVE OFFERING MEMORANDUM

1930 HISTORIC LANDMARK ON ICONIC COLLINS AVENUE

MIAMI BEACH

727 COLLINS AVE MIAMI BEACH, FL 33139

25 KEYS | 10-YR MASTER LEASE AT $1.08M
VALUE-ADD 4,800 SF GROUND RETAIL

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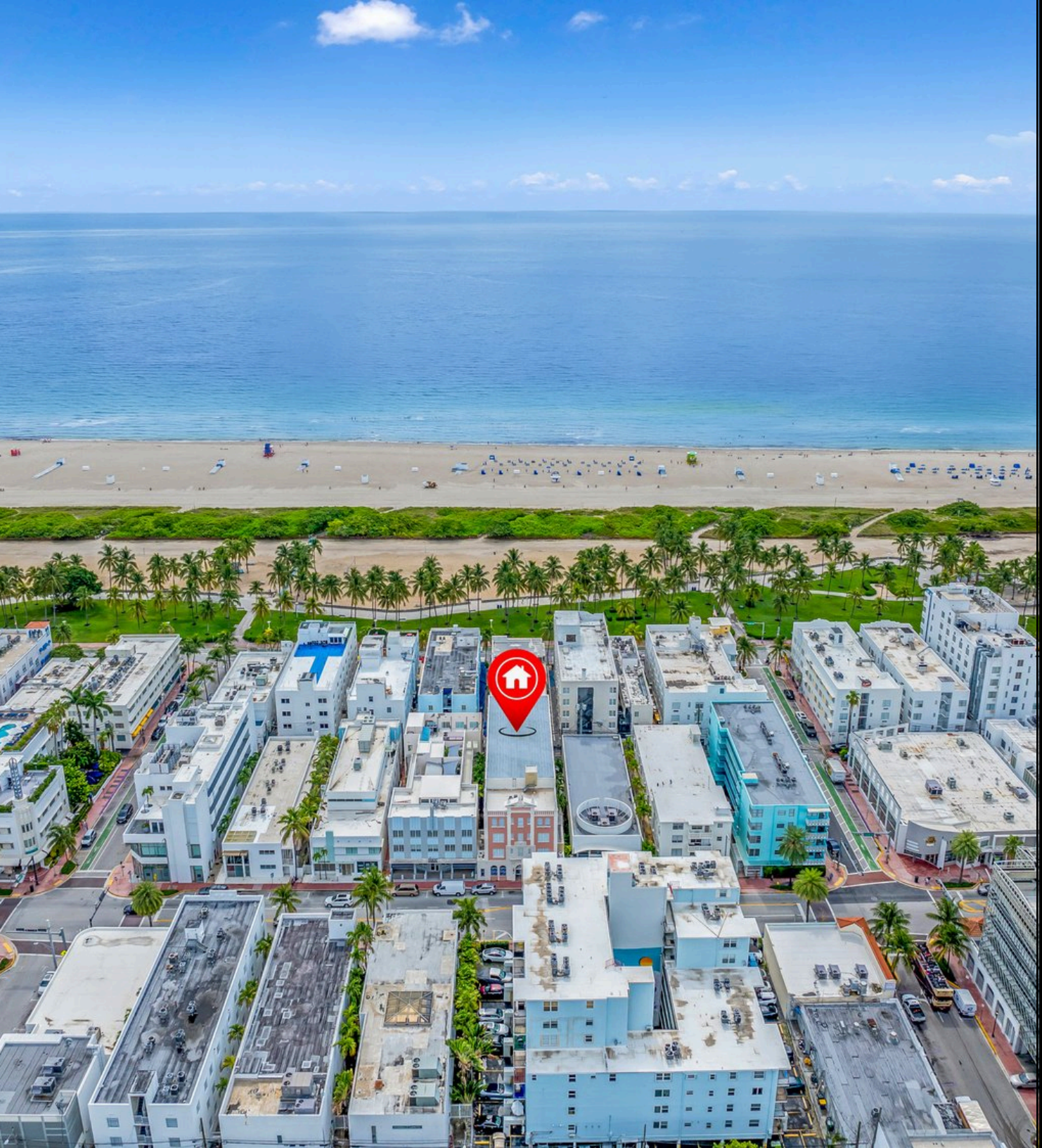
EXCLUSIVELY LISTED BY

TONY SALADRIGAS
CRE Advisor
+1 786.378.1850
ts@faustocommercial.com

ANNE MAIRURA
CRE Advisor
+1 347.424.7908
anne@faustocommercial.com



01

INVESTMENT & ASSET OVERVIEW

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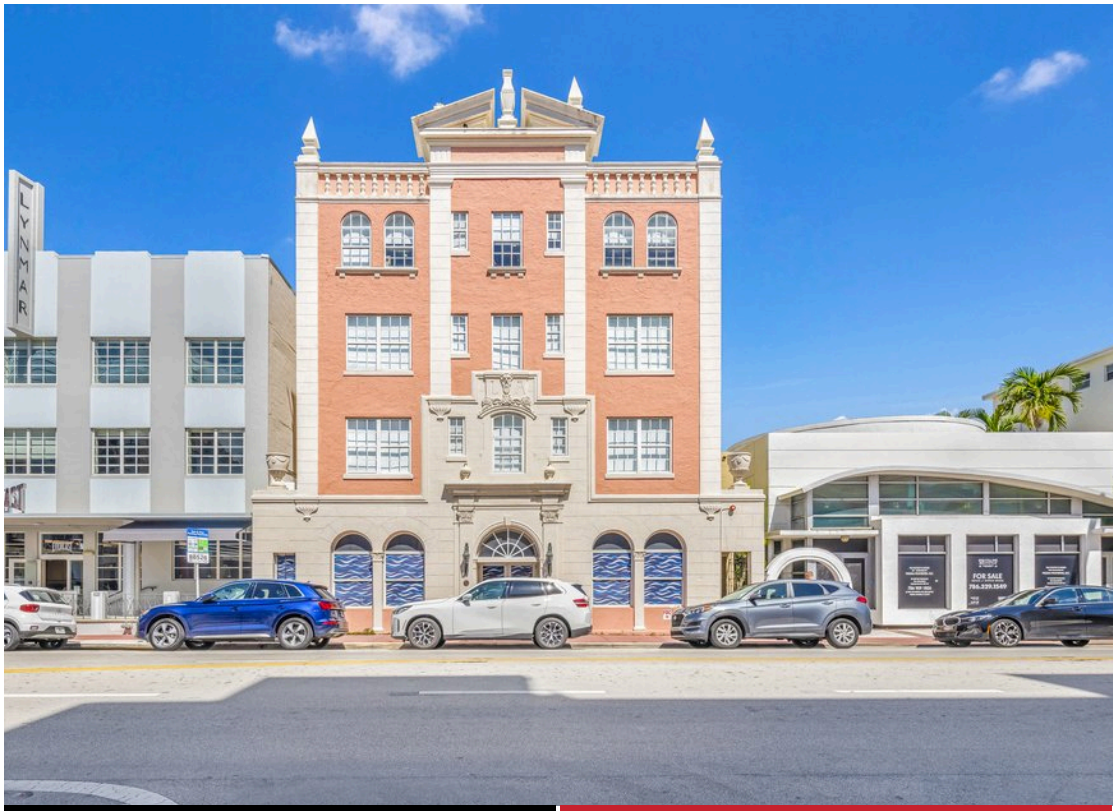
INVESTMENT SUMMARY

THE OFFERING

Fausto Commercial is pleased to present 727 Collins Avenue, a historic landmark asset delivering institutional-quality, low-management income on Miami Beach's lower Collins Avenue corridor. The offering pairs a ten-year master hospitality lease across floors two through four with a fully vacant ground-floor retail footprint — immediate contractual cash flow with a defined path to yield expansion.

Originally constructed in 1930 as the London Arms Hotel, the four-story, 23,356-square-foot building was fully renovated and holds 25 immaculate residential/hospitality units and approximately 4,800 square feet of clear-span ground-floor retail. Floors two through four are encumbered by a ten-year master hospitality lease commencing January 2026, generating $90,000 monthly — $1,080,000 annually — with 9.4 years of term remaining. The operator covers all core building utilities and operating expenses, leaving ownership responsible strictly for real estate taxes and insurance. That structure delivers an in-place NOI of $966,000 and a 4.83% going-in cap rate with effectively no management burden. The ground-floor retail is delivered vacant and unpriced; leased at a conservative $50 per square foot NN, it adds $240,000 annually and lifts NOI to $1,229,429 — a 6.15% stabilized cap rate. Zoned MXE on a 7,000-square-foot barrier-island parcel, the asset sits in a submarket with virtually zero net new commercial supply, where replacement of a landmarked, income-producing building of this profile is not achievable.

Fully renovated and current on all certifications.



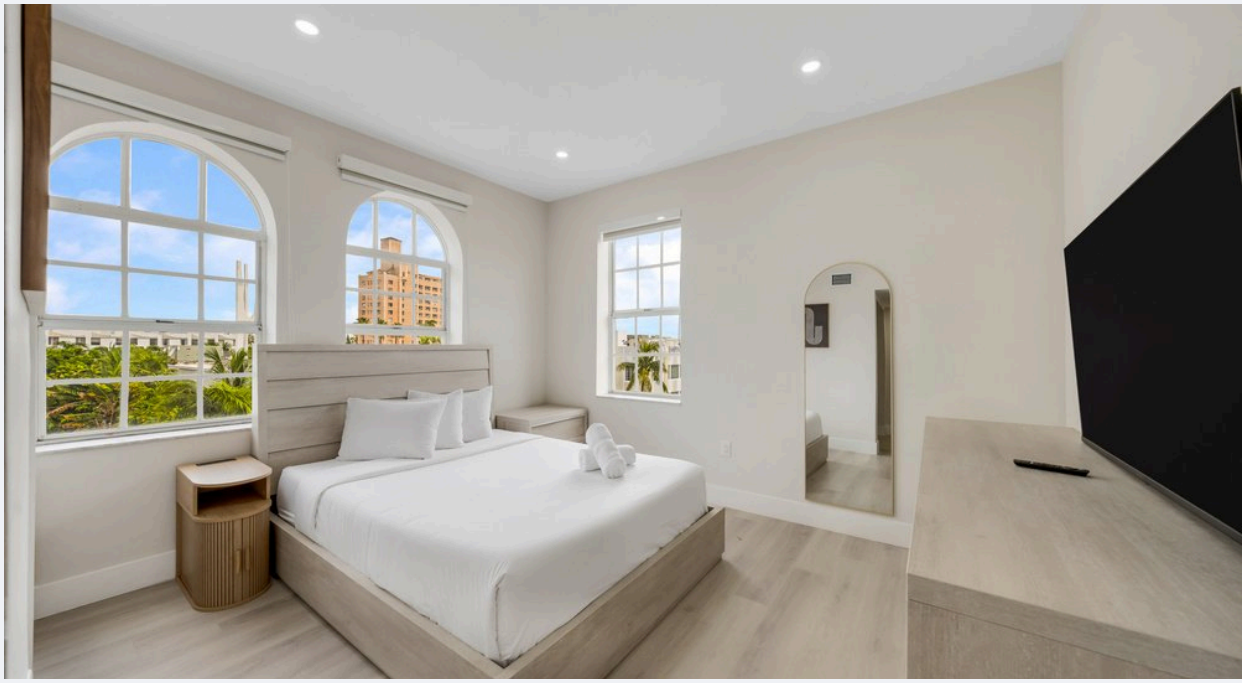
$966,000
CURRENT NOI

$1,229,429
PRO FORMA STABILIZED NOI

$20,000,000
LIST PRICE

25 UNITS
25 HOSPITALITY UNITS +
4,800 SF GROUND RETAIL

INVESTMENT HIGHLIGHTS



ASSET & DESIGN

- Historic Collins Avenue envelope preserved; interiors fully modernized
- 25 hospitality/residential units across floors two through four
- 4,800 SF of clear-span, high-visibility ground-floor retail frontage

INCOME & OPERATIONS

- 10-year master hospitality lease at $90,000/month — $1,080,000 annually
- Commenced January 2026 with 9.4 years of contractual term remaining
- Operator absorbs all utilities, maintenance, and landscaping — landlord pays taxes and insurance only
- In-place NOI of $966K at a 4.83% going-in cap rate

VALUE-ADD PROFILE

- Ground-floor retail delivered vacant and excluded from in-place income
- $50/SF NN lease-up adds $240K annually and lifts NOI to $1,229,429
- Stabilized yield of 6.15% without capital-intensive repositioning
- Retail NN structure passes 20.55% of taxes and insurance to the tenant

LOCATION & COMPLIANCE

- Barrier-island submarket with virtually zero net new commercial supply
- MXE zoning on a 7,000 SF parcel in the lower Collins corridor
- Steps from the beach, Ocean Drive, and the Collins retail run
- Current on all required certifications as of 2026

*Information provided is based on current operations and market conditions and is subject to change.

Ground-Floor Retail

4,800 SF Delivered Vacant

The single largest lever in the offering. A clearspan, open plate with original architectural details carried through the restoration — including a period fireplace no new construction on the island can replicate.

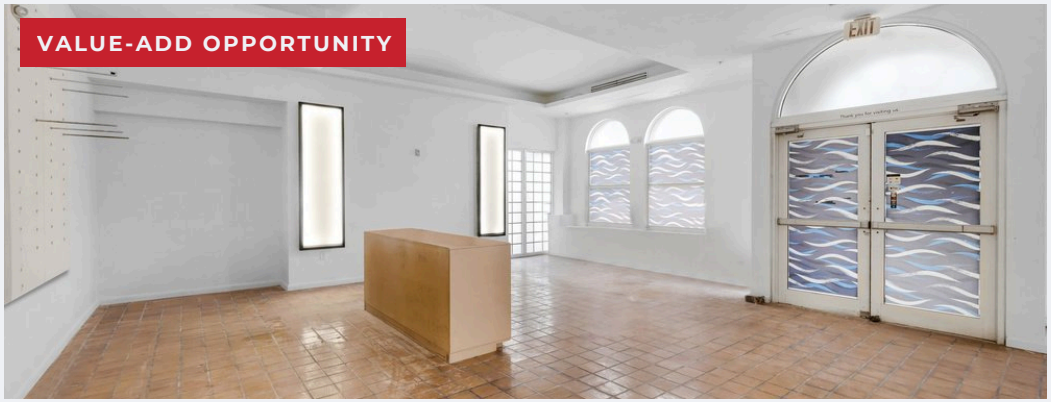
Architectural Character
Period fireplace and restored detail — a natural focal point for a curated concept.

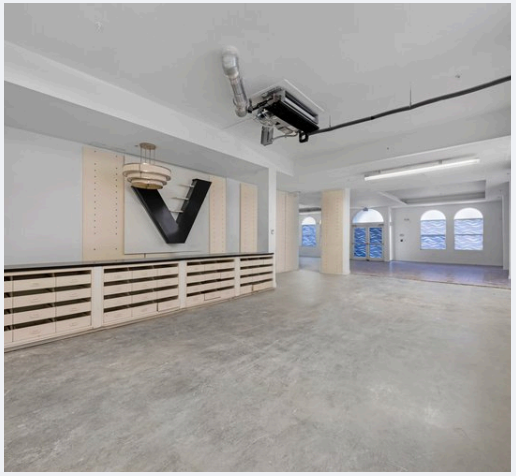
Underwritten Upside
Conservative price of $50/SF NN adds $240,000 annually and lifts NOI to $1,229,429 — a 6.15% stabilized cap.

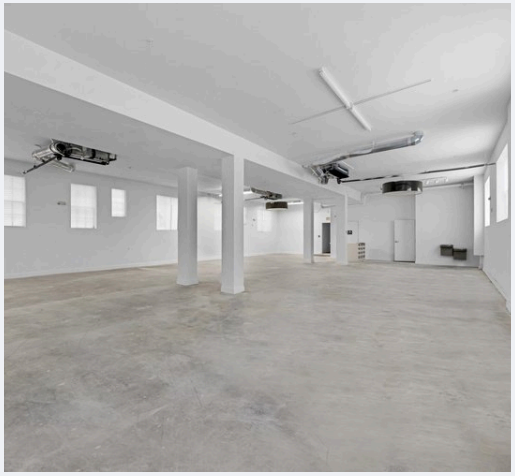
RENT COMPARABLES

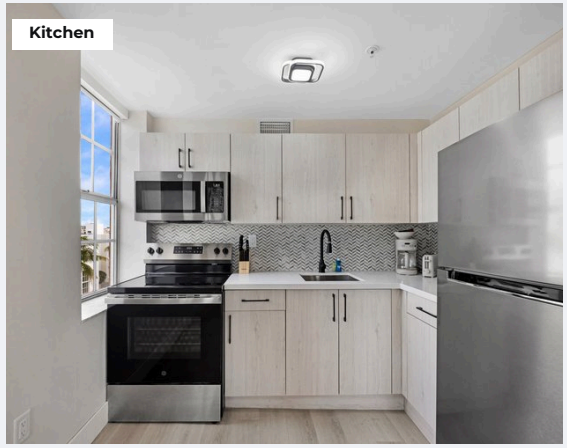
ADDRESS	BUILDING SIZE	LEASED PRICE
1680 Meridian Ave	4,200 SF	$85/SF
1769 Purdy Ave	3,004 SF	$90/SF NNN
700 Linconln Rd	5,000 SF	$185/SF NNN
Subject Property	4,800 SF	$50/SF NN

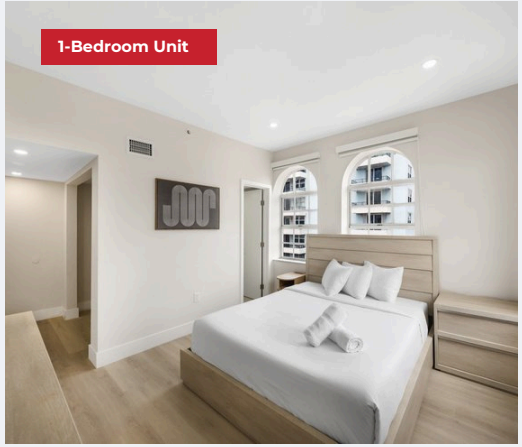
CoStar Group. (2026).

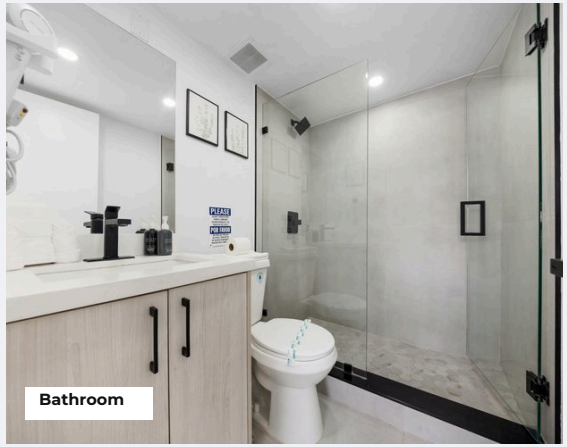












Unit Mix & Interiors

25 Keys, Floors 2–4

Every unit is fully renovated with a complete kitchen — a differentiator in a market where most comparable hospitality inventory offers none.

Longer Stays

Full kitchens extend length of stay and broaden the guest pool to extended-stay and relocation demand.

Rate Capture

Kitchen-equipped keys support higher achieved rate, strengthening coverage behind the master lease.

Unit Types

1 Bed / 1 Bath = 16 Units
2 Bed / 2 Bath = 8 Units
4 Bed / 2 Bath = 1 Units
Total = 25 Units

Access & Operations

Zero Management Load

Keyless entry-code access with no front-desk check-in. No lobby staffing, no back-of-house labor, no operational overhead at the ownership level.

Net-Leased Behaviour

The operator absorbs all utilities, maintenance and landscaping — ownership carries taxes and insurance only.

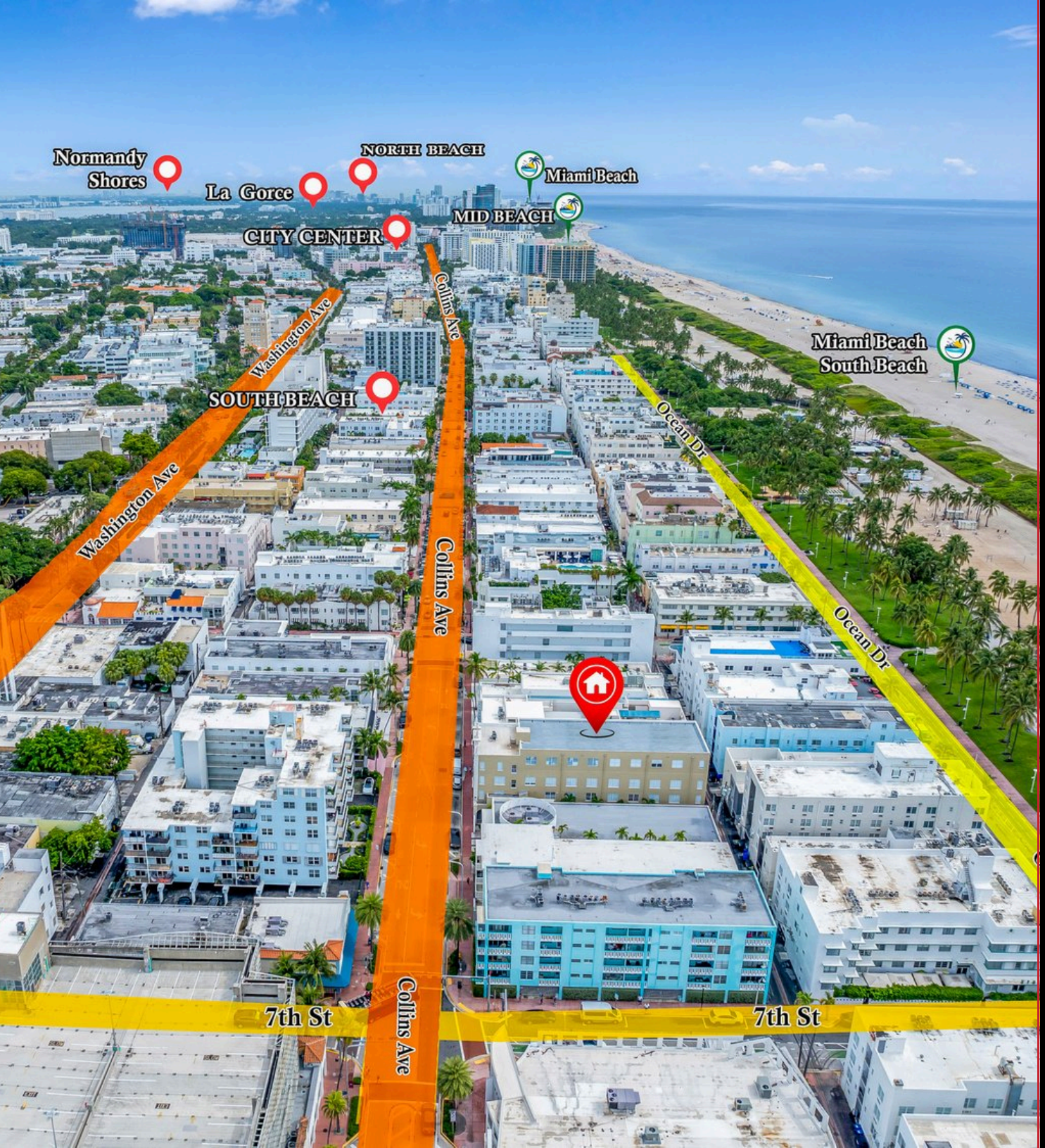
No Infrastructure

No hotel management platform to acquire or oversee; income arrives contractually each month.

0	2	9.4
FRONT-DESK STAFFING	LANDLORD EXPENSE LINES	YEARS OF TERM LEFT

Property Entrance

AERIAL VIEW



02

LOCATION & MARKET

Local Neighborhood Profile

Neighborhood Connectivity

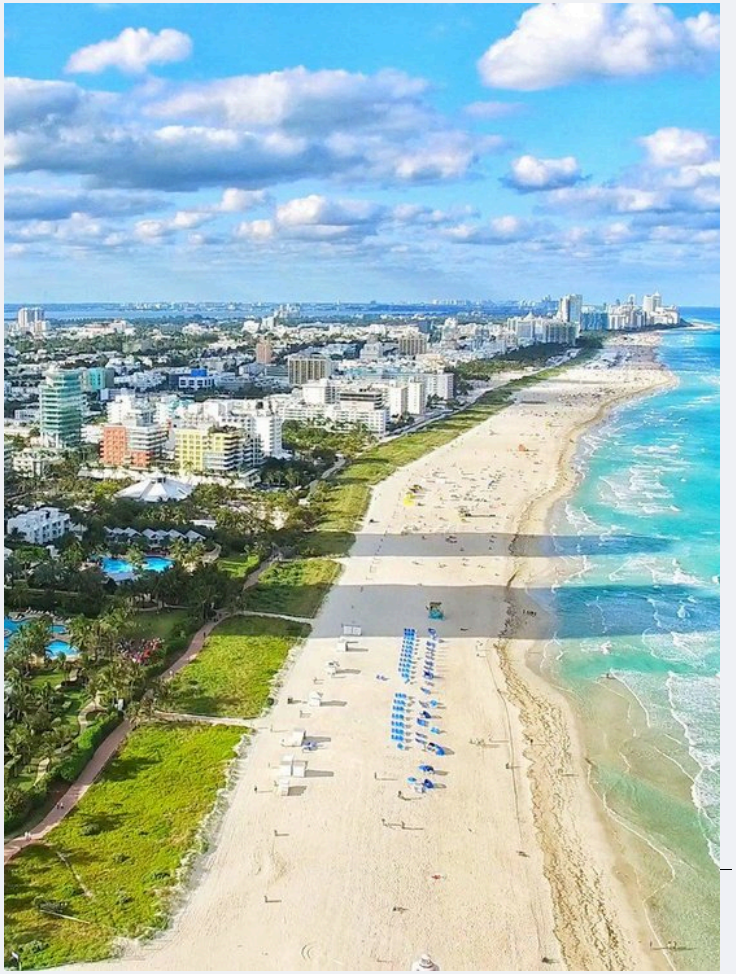
Neighborhood Mobility

Nearby Retail & Hospitality

LOCAL NEIGHBORHOOD PROFILE

NEIGHBORHOOD

Collins Avenue is entering its next evolution. The lower Collins corridor is consolidating into what Miami Beach has long lacked a curated, walkable destination where retail, hospitality, fashion, and culture converge. Emerging designers, independent fashion, beauty, home, art, books, music, cafés, and distinctive hospitality concepts are moving in alongside new ownership and institutional capital, positioning the corridor as a destination for residents and visitors alike.



CULTURE & RECREATION

The corridor's momentum is led by brands choosing Collins as their South Beach address, drawn by pedestrian volume, architectural character, and proximity to the beach. The appeal is not only what operates here today but what is under way — an ownership and tenancy turnover cycle that is reshaping the street block by block and establishing pricing power for well-located ground-floor space.

- Everlast, the Frasier Group lifestyle brand, at 735 Collins Avenue — directly across from the subject
- Vivienne Westwood at 736 Collins Avenue, anchoring the corridor's designer fashion presence
- LSPACE at 660 Collins Avenue — the premium California brand's first East Coast retail pop-up
- Walkable access to the beach, Ocean Drive, Lincoln Road, and the Art Deco Historic District
- A barrier-island retail market with virtually zero net new commercial supply

Collins Avenue's global recognition, historic fabric, and accelerating brand migration support durable rent growth and a deep tenant pool for ground-floor space.

471K+	92K+	$95K+
MIAMI'S POPULATION	MIAMI BEACH POPULATION	HOUSEHOLD INCOME (AVG)

Source: CCIM Institute / Esri Business Analyst (2025)

VISITOR DEMAND

THE DEMAND ENGINE

South Beach is the most-visited destination in Greater Miami, and 727 Collins sits inside its highest-traffic corridor. That volume is what underwrites both sides of this offering — the hospitality demand supporting the master lease, and the pedestrian counts supporting ground-floor retail rents.

REGIONAL & SUBMARKET VOLUME

Greater Miami and Miami Beach welcome approximately 28.3 million visitors annually

Lincoln Road Mall draws about 5 million visitors per year; Art Deco District tours exceed 300,000 participants

Miami Beach records roughly 10.9 million overnight visitors across some 250 hotel and lodging properties

Ocean Drive — one block east — sees on the order of 50,000 visitors per day

A visitor base of this scale, sustained year-round, is what allows a master-lease operator to underwrite ten years of fixed rent — and what a ground-floor tenant is paying for.

60%
DOMESTIC U.S. VISITORS

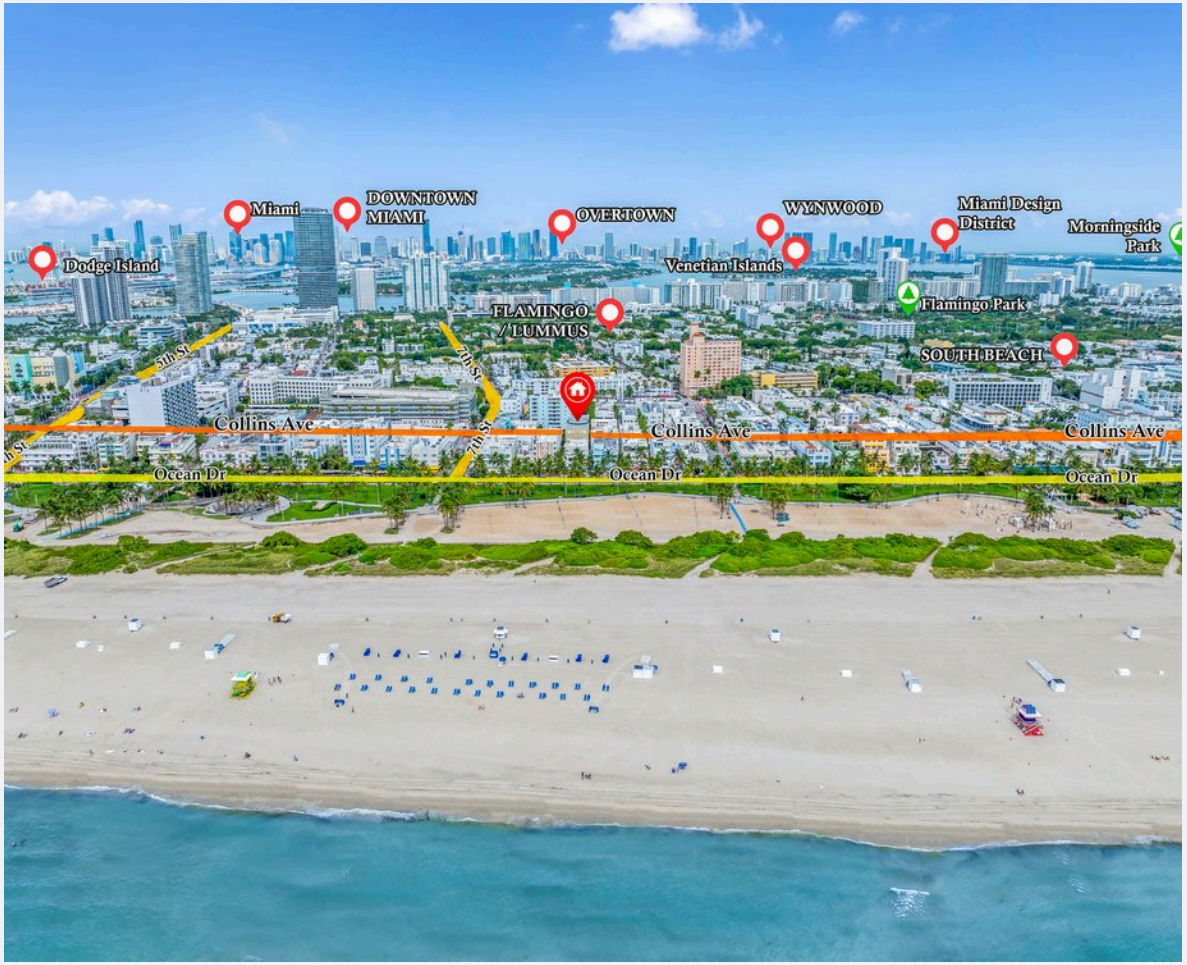
21%
FLORIDA RESIDENTS

19%
INTERNATIONAL VISITORS

Source: Greater Miami Convention & Visitors Bureau; City of Miami Beach

NEIGHBORHOOD CONNECTIVITY

727 Collins Avenue sits in the heart of South Beach's lower Collins corridor, between 7th and 8th Streets — a location that pairs continuous pedestrian volume with direct causeway access to the mainland. The building holds 60 feet of unobstructed Collins Avenue frontage, placing the ground-floor retail directly in the corridor's primary walking path.



NEIGHBORHOOD CONNECTIVITY

- One block from Ocean Drive and Lummus Park; two blocks from the Atlantic
- Direct access to Washington Avenue and Alton Road, the island's principal north–south arterials
- MacArthur Causeway and I-395 place downtown Miami, Brickell, and MIA within a short drive

PEDESTRIAN & VISITOR TRAFFIC

- Walkable to Lincoln Road, Española Way, and the Art Deco Historic District
- Served by the free South Beach Local circulator and Miami Beach bus routes
- Year-round event calendar sustaining visitor volume outside peak season

LOCATION ADVANTAGE

- Irreplaceable Collins Avenue address in a landmarked historic district
- Virtually zero net new commercial supply on a fully built-out barrier island
- Brand migration along lower Collins supporting ground-floor rent growth
- MXE zoning permitting the mixed hospitality-and-retail use already in place

NEIGHBORHOOD MOBILITY

MIAMI BEACH TRANSIT & MOBILITY

Miami Beach offers residents convenient, no-cost local transit through the South Beach Local and Miami Beach Trolley, a free circulator system connecting key destinations throughout the island. The service links Collins Avenue directly to Lincoln Road, Washington Avenue, Ocean Drive, and the Miami Beach Convention Center, providing residents with easy access to daily amenities without reliance on a personal vehicle.

The trolley connects with Miami-Dade Transit bus routes and the MacArthur Causeway corridor for broader regional access to downtown Miami, Brickell, and Miami International Airport.

Ridership has grown steadily in recent years, reflecting the system's ongoing use by residents, workers, and visitors alike. Additional route expansions continue to improve connectivity across the island.

Miami Beach Trolley providing free, convenient neighborhood connectivity and walkable access to key destinations.

2014
YEAR LAUNCHED

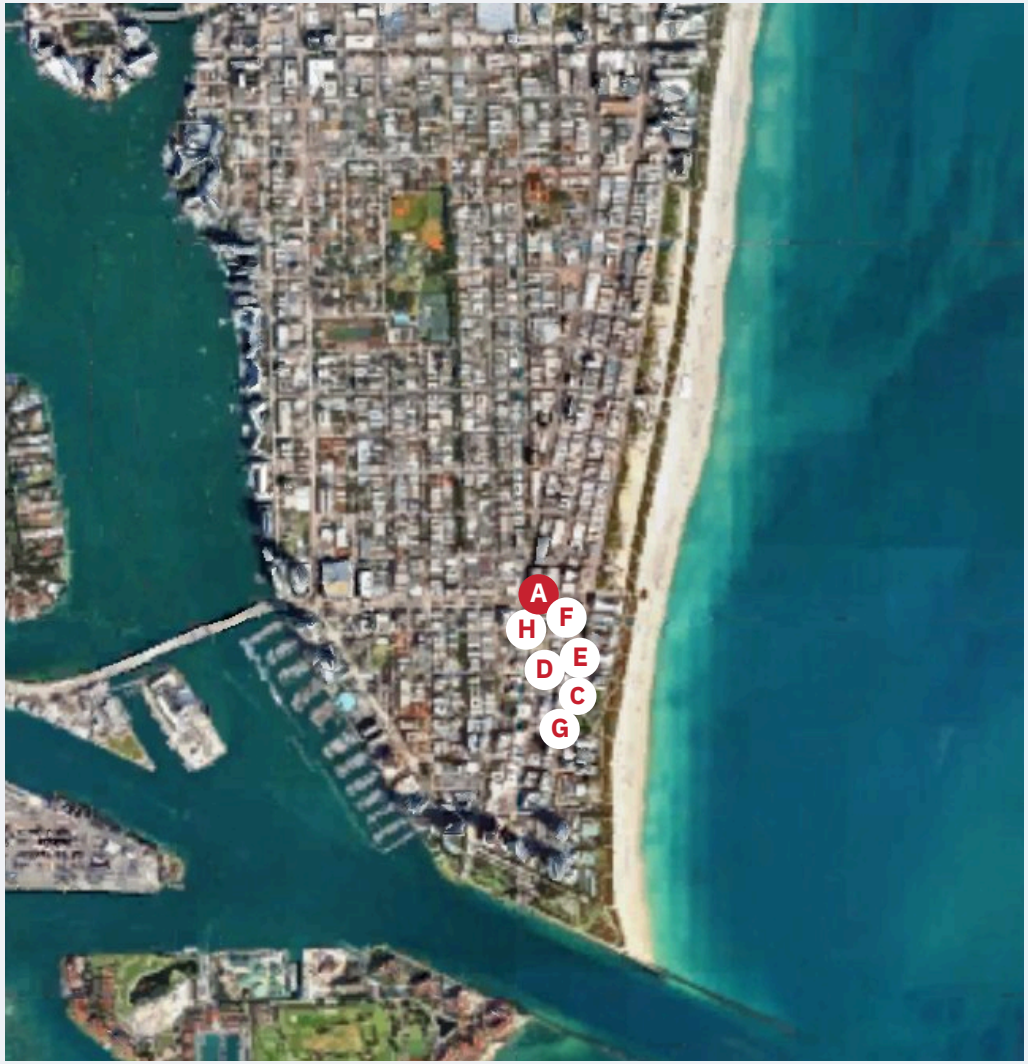
5M+
PASSENGERS PER YEAR

6 ROUTES
SERVING MIAMI BEACH

Source: City of Miami Beach

NEARBY RETAIL & HOSPITALITY ACTIVITY

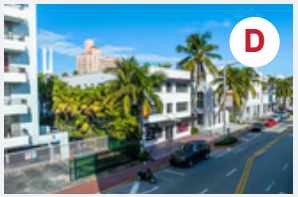
A SUBJECT BUILDINGS 727 COLLINS AVE



More than **$1 billion of institutional capital** is actively repositioning Collins Avenue hospitality assets within a mile of the subject.

EVERLAST

The Frasier Group lifestyle brand directly across Collins from the subject, bringing a national name to the block and anchoring the corridor's shift toward branded flagship retail.



VIVIENNE WESTWOOD

The British designer house on the same block, establishing lower Collins as a legitimate address for luxury fashion and validating rents for well-configured ground-floor space.

LSPACE

The 660 Collins frontage sits steps from Ocean Drive and the beach, surrounded by fashion, lifestyle, and hospitality brands and carrying constant tourist and local foot traffic. The premium California label chose it for its first East Coast retail pop-up.

673 COLLINS AVE

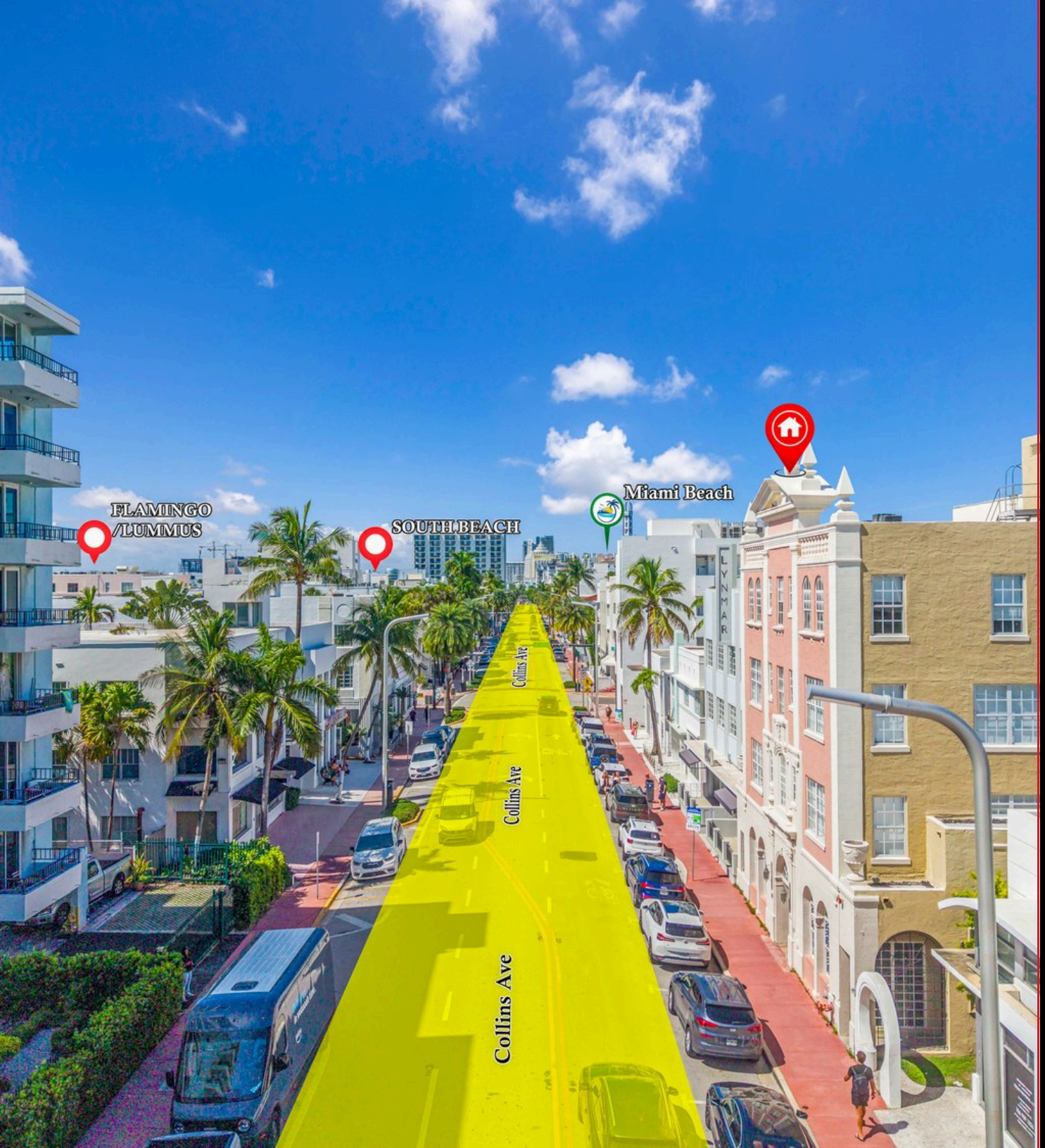
Marketed as a corner position in the Collins Avenue retail corridor, across from a 500-space parking garage, with restaurant infrastructure, 16-foot ceilings, and multiple hotels within walking distance. Two blocks south of the subject.

THE RALEIGH & ROSEWOOD

SHVO's roughly $750M redevelopment of the Raleigh, Richmond, and South Seas hotels, will deliver 60 hotel suites and a 17-story, 44-residence Rosewood tower.

W SOUTH BEACH

Reuben Brothers paid over $400 million in 2024 for the oceanfront property and is pursuing preservation-board approval for a members-only social club, a French bakery activating the Collins frontage, and a new beachfront restaurant. The hotel closes in August 2026 for the work.



03

FINANCIALS & OFFERING

Profit & Loss Statements

PROFIT & LOSS STATEMENT

727 COLLINS AVENUE

EXPENSES	CURRENT	PRO FORMA
Water / Sewer	Covered by Operator	Covered by Operator
Electricity	Covered by Operator	Covered by Operator
Garbage	Covered by Operator	Covered by Operator
Gas	Covered by Operator	Covered by Operator
Maintenance	Covered by Operator	Covered by Operator
Landscaping	Covered by Operator	Covered by Operator
Insurance	$24,000	$24,000
Real Estate Taxes	$92,852.23	$92,852.23
Total Expenses	$114,000	$114,000
Total Expenses - NN	—	$90,571
NOI	$966,000	**$1,229,429**

INCOME	CURRENT	PRO FORMA
STR Lease	$1,080,000	$1,080,000
Retail Income (4,800 SF @ $50/SF NN)	$0	$240,000
Total Gross Revenue	**$1,080,000**	**$1,320,000**

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TONY SALADRIGAS
CRE Advisor
+1 786.378.1850
ts@faustocommercial.com

ANNE MAIRURA
CRE Advisor
+1 347.424.7908
anne@faustocommercial.com