



## Ivy Realty Purchases \$47 Million Office Portfolio

Jul 18, 2016

**Ivy Realty** announced that it has purchased **Miami Beach Towers**, a two-building Class-A office portfolio in the heart of Miami Beach, for more than \$47 million.

The buildings on Meridian Road total 120,000 square feet and sit just 400 feet from the famed Lincoln Road esplanade which, with its scores of retail and restaurant venues and luxury hotels surrounding, is the most frequented attraction in Miami Beach with over 20,000 visitors daily.

The **Miami Beach Towers** office buildings stand at just 69% occupancy, but Ivy Realty plans to revitalize both to maximize leasing and the portfolio value—as it has done with office investments throughout South Florida. This new investment initiative comes as the Lincoln Road District, which includes Meridian Road, is about to undergo a “High-Line”-like transformation, in reference to the architectural design firm involved that also catapulted New York City’s High-Line into renown.

The office purchase also comes on the heels of [Ivy Realty purchasing over 350,000 square feet of Class-A office buildings by Miami International Airport \(MIA\)](#) less than two months ago.

**“There are enormously high barriers to entry for office space in Miami Beach with virtually no new inventory in nearly a decade and no new construction on the horizon,”** said Rusty Warren, Co-CEO of Ivy Realty. **“Once we revitalize Miami Beach Towers in the tried and true formula we’ve employed with other office buildings in South Florida, we expect occupancies to soar. It’s a stellar addition to our 1.7 million square-foot office portfolio in South Florida, and the plans for Lincoln and Meridian Roads’ transformation will only add to Miami Beach Towers’ future value.”**

The two buildings, situated at **1674 and 1688 Meridian Road**, are five and ten stories in height and total 30,000 and 90,000 square feet respectively. The former was built in 1959 and the latter in 1961, with both upgraded in 2004. Ivy Realty will further polish the buildings with new multi-million dollar upgrades including common area refurbishments and general building-wide improvements. The portfolio purchase also includes two highly desirable, adjoining land parcels

of 0.2 acres and 0.5 acres that are currently used as parking lots but may be developed into commercial or multifamily/residential use. Both buildings also feature retail space that will be repositioned to capitalize on the influx of retailers to Meridian Road; retailers have been searching for more economical space as Lincoln Road rents soared to near \$400 per square foot. Retailers/restaurants such as Anthropologie, Marshalls, Macys, Williams-Sonoma and Yard House are just a few recent relocations off Lincoln Road.

Plans for the Lincoln Road District transformation, which was awarded to design firm James Corner Field Operations—of New York City’s famed High Line— include an overhaul of the pedestrian-only promenade as well as Meridian Avenue and other side streets. The plan is expected to involve a year of design/engineering work with subsequent implementation in phases. The Community Redevelopment Agency has allocated \$20 million to develop the pedestrian part of Lincoln Road, and \$12 million more for the side streets connecting Lincoln Road and the convention center, the latter situated just 1½ blocks from Miami Beach Towers. The district plans will upgrade infrastructure, create distinctive public spaces, and generally enhance the shopping and dining experience to further elevate the Lincoln Road District as a world-class destination.

**Added Anthony DiTommaso, Jr., Co-CEO of Ivy Realty, “Miami has long been on our radar with its extremely compelling demographics and international trade-drivers. Miami Beach Towers especially fit our criteria for a value-added investment since the area’s planned transformation is directly aligned with the revitalization approach we take to office properties. Ivy Realty will be an agent of change in line with Meridian Road’s upcoming transformation.”**

DiTommaso pointed to the Miami Beach office submarket as severely supply-constrained. A proliferation of residential/retail development has added to the dearth as possible prime office sites were usurped for residential/retail development.

The Ivy Realty office purchase adds to its [May 2016 investment in a five-building portfolio of Class-A office buildings at Waterford at Blue Lagoon](#), a 250-acre premier mixed-use office park by Miami International Airport (MIA). That institutional-quality portfolio, totaling 357,000 square feet, has immediate frontage on Dolphin Expressway with more than 197,000 cars passing daily, and the buildings are directly across from MIA. Airport-area business is expected to drive occupancies in the portfolio, which stands at 80% leased, and Ivy Realty has begun multi-million dollar upgrades.