



# **INVESTMENT OFFER - SERIES B**

Menesse International recently completed the acquisition of a 30,000 square foot property located in the heart of Miami's, Brickell Financial District. The property was acquired by a special purpose entity, Menesse Brickell, and is located at 143 SW 9th Street, Miami, FL 33130. The property has an existing 39 - unit multi-family rental building in place that generates approximately \$400K in net operating income annually. Menesse Brickell will be developed into a 32 - story, 400-unit multifamily building consisting of studio, 1-bedroom, and 2-bedroom units which allows for short-term rental lodging use.



\$46 MM \$11 MM Contributed (Acquisition)

Development Brickell Miami, FL, US

+24 months

Projected return

\$14 MM

PUBLICLY TRADED COMPANY

Apartments





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### WHO WE ARE

**Menesse International** is a joint venture between Menesse, Investee, Kun and Lucid Investment Group.

Together we have a proven track-record at identifying great Real Estate opportunities and partnering with leading enterprises across the industry.

We are experts in our business, with an impeccable reputation with investors, clients and financial institutions.



**Menesse** has 25 combined years of experience developing residential buildings in Argentina and Riviera Maya, positioning the group as one of the leading developers in the region with 20 successfully executed projects.

Menesse's main objective is to design, build and consolidate strategical located projects that result in highly profitable investments.



https://menessecondos.com





The group specializes in the development of residential, tourist housing projects in Mexico City and Riviera Maya, supported by an extensive team of professionals with the objective of offering the best products for its customers.

**Investee** is the partnership between Habitania, Haiat & Amezcua Business-Financial Consultant and Grupo Quatro developers.

The group has invested and currently owns properties in the USA. Furthermore 4tro has broad experience in high rise office buildings, first class hotel complexes and luxury condos.





# LUCID INVESTMENT GROUP

**Lucid Investment Group** is a Florida based company with extensive local knowledge of the real estate market, in South Florida.

Lucid has successfully completed numerous developments over various asset classes and built strong relationships with key influential members in the community.

Lucid brings over 40 years of local expertise and knowledge to Menesse International and lasting business relationships with respected local consultants including architects, engineers, legal representatives, financial institutions, general contractors and local authorities.





### **ABOUT US**

#### **ANDREW RASKEN**

- Mr.Rasken spearheaded the acquisition, development, and disposition of over \$200 million in real estate transactions
- Founder and manager of a \$10M renewable energy development and construction company
- After 10 years Mr. Rasken relocated to his hometown in South Florida and founded a real estate company which has been recognized several times in Design Magazine

#### **HENRY PAPER**

- +30 year of experience in different sectors of real estate
- Mr.Paper partnered in companies that have developed over \$1 Billion in assets, 3,000 residential units and over 2M sqft
- Mr. Paper is also a licensed Florida real estate attorney with expertise in site acquisition, finance, zoning and building approvals.

# KUN INTERNATIONAL

**KUN Capital's** team creates financial structures to deploy capital for businesses and funds that generate a competitive financial return with positive impact on society, human consciousness and the environment.

The team brings over 20 years of expertise been deeply involved helping Institutional Investors, CEOs, Directors, Business Owners, Executives and their families increasing and preserving their wealth, providing an exclusive service with a higher level of sophistication and maturity.

Responsible for the administration and management of \$110 M USD AUM.

#### #invest\$mart



https://www.kuncapital.m>









### ARCHITECTS

**Behar Font & Partners** is a professional organization dedicated to the practice of architecture, planning and interior design with 65 years of architectural experience. This varied experience includes shopping malls, residential, office centers, religious architecture, governmental facilities, educational facilities and multi-use complexes.

Confident in our ability and experience, the continue to dedicate to the design of creative, functional, flexible and efficient projects. Apart from being awarded the Architectural design firm of the year 2021 some of their representative projects are:

Okan Tower, Brickell Vista, Nine at Mary, The Parc, Brickell View Terrace, 2500 Biscayne, Altos de Miami, Quadro, among many others.



## **GENERAL CONTRACTOR**

Civic Construction: William J. Real

Founder and CEO of Civic Construction. Through Civic Construction and as a state certified general contractor, has been serving their customers for the past 22 years as a construction professional. Dedicated to serving through quality, competitive pricing, accountability and professionalism. At Civic Construction our goal is to become a single source service company for the development industry.

Participating and partnering with our clients in all aspects of development from its conceptual idea through its final realization.

+9.6 M SF constructed

# **MENESSE INTERNATIONAL NUMBERS**



capital gains

+5M sqft built

in credits





# INVESTMENT THESIS

The project to be developed by **MENESSE INTERNATIONAL** will meet the **following criteria**:

> BRICKELL's PROPERTY DEED 143 SW 9th Street, Miami, FL Signed July 6th, 2022

Location - Location - Location: Florida, City of Miami, Brickell.

2 Type developments: Residentials for rental and sale of the building as an ongoing business.

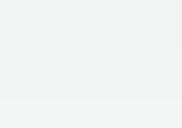


**Investment period:** +36 months.(Equity) 12 - 24 months. (Debt)

**Size:** 206 - 400 units



**Expected IRR** to investors > 18% annually (Equity)





OFFERING MEMORANDUM

November 2022



Menesse International is pleased to present the opportunity to invest in a unique transit-oriented core location in **Miami's financial district.** 

#### Menesse Brickell Development is

- located on 143 SW 9th Street between 2nd and 1st SW Avenue, measuring a total of 30,000 SF.
- Existing units which provides income and reduces risk while planning for development.
- T6-24-O which allows a 38 story hi-rise class A multifamily building.
- Within walking distance to world-class dining, the premier shopping district of Brickell City Center, over 11 million square feet of Class A office space, and endless entertainment.

	SITE
LAND AREA	30,000 SF
PARKING SPACES	231
BUILDABLE RESIDENTIAL UNITS	206-400*
LEASABLE / SALEABLE AREA	190,400 SF
MAX. BUILDING HEIGHT	32 stories
ACQUISITION PRICE/ MARKET PRICE	\$780 SF / \$1,184 SF



1	Metrorail Brickell Station	0.3 miles
2	Miami River	0.3 miles
3	I-95 Highway	0.3 miles
4	Mary Brickell Village	0.3 miles
5	AC Marriott Hotel	0.3 miles
6	Element by Westin	0.3 miles
7	Metromover	0.4 miles
8	Brickell City Centre	0.7 miles
9	Downtown Miami	0.8 miles
10	Brightline Miami Central	1.2 miles
11	Miami World Center	1.5 miles
12	American Airlines Arena	1.9 miles
13	Port Miami	2.8 miles
14	Waldorf-Astoria Tower	1.8 miles
15	Baccarat Tower	0.6 miles
16	Aston Martin Tower	1.0 miles
17	Brickell Key	1.5 miles
18	Flatiron Tower	0.8 miles

\*Comercial Hot Spot

BRICKELL'S PROPERTY DEED 143 SW 9th Street, Miami, FL Signed July 6th, 2022





Strong fundamentals coupled with readily available attractive financing have provided for the backbone for the record multifamily transactions.

- Positive net absorption fueled by strong rental demand has created limited rental supply despite new apartments being built.
- Cap rates today for Class A properties range between 3.3% and 3.75%
- Menesse Brickell is a Class A property located adjacent to a Metrorail, in the heart of the Brickell Financial District within walking distance to an under construction Class A Office Tower with 2 million square feet of office space.



**Population Growth** 



Unemployment





**Occupancy rate** 

16



South Florida Multifamily Sales hit record \$11.4B in 2021, marking nation's hottest Commercial Real Estate (CRE) market.

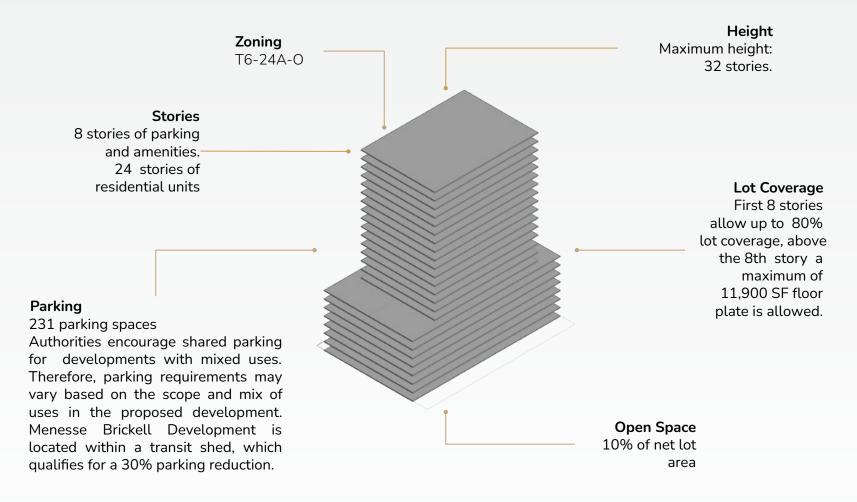
- The \$11.4 billion investors spent in 2021, buying 603 rental properties in Miami-Dade, Broward and Palm Beach counties, was more than double the previous annual record of \$5.5 billion set in 2016.
- Institutional firms, REITs and ultra high net worth investors buying newly built Class A apartment properties accounted for 82 percent of 2021's sales volume.
- South Florida multifamily is arguably the hottest commercial real estate market in the U.S. Fundamentals are bullish and investors and renters continue to come to the region.
  - The growing economy is boosting household formation, which had been artificially suppressed by the pandemic. New households are catalyzing demand for rentals, which is expected to match the pace of new deliveries in 2022.



### Top Five Highest Appreciating FL Cities

- 1. Bal Harbor
- 2. Miami Brickell
- 3. Key Biscayne
- 4. South Miami
- 5. Biscayne Park

The real estate market nationwide is seeing unprecedented surges. One of the hottest markets in the US is South Florida. As of November 2021, South Florida is showing 0.3 months of inventory in many counties, which is down 80% of where we should be for a balanced market. This is mostly a result of strong buyer demand, high competition from deep-pocketed institutional investors, builders' inability to provide new inventory.



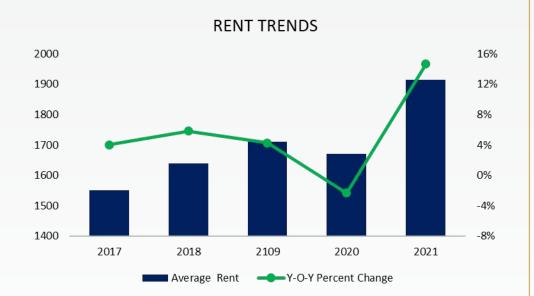


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### 2021 — 12-Month Period

14.6% increase in the average effective rent Y-O-Y. Benchmark



\* Source: Marcus & Millichap Multifamily Market report Miami-Dade Metro Area CoStar %CSW Internal Database -Positive net absorption plus strong rental demand has created limited rental supply.

-Year to year effective rents increase in Miami-Dade by 14.6%.

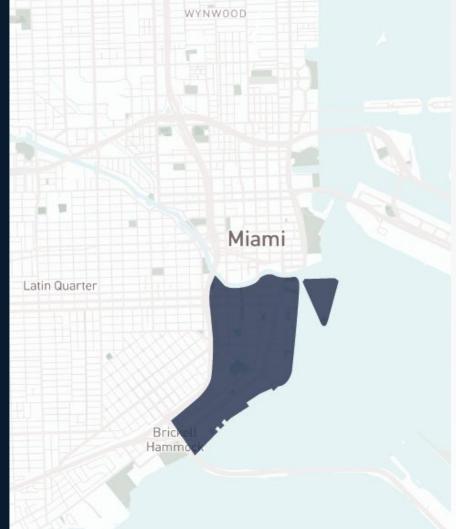
- Year-to year vacancy rates decreased from 7.4% to 3.4% in Miami-Dade.

-96.2% occupancy rate, lowest vacancy rate in 10 years.

MIAMI RENT PRICE INCREASE 1 BED (2020-2021) +41%

2 BED (2020-2021) +45% BRICKELL RENT PRICE INCREASE 1 BED (2020-2021) +54%

2 BED (2020-2021) +57%



ТҮРЕ	PRICE RANGE
1 Bed / 1 Bath	\$3,468 – \$3,654 715 sf – 780 sf
1 Bed + Den / 1.5 Bath	\$4,753 – \$6,232 1012 sf – 1312 sf
2 Bed + Den / 2 Bath	\$9,172 – \$10,752 1930 sf – 2163 sf

### RENTAL PRICE PER SF IN BRICKELL March 2022

\$4.75 /SF\*

#### 8.000 7,000 6.000 5,000 4.000 3.000 2.000 1.000 3Q2021 2012 2013 2014 2015 2016 2017 2018 2019 2020 **Deliveries** (Units) Net Absorption (Units)

### VACANCY RATE AND ABSORPTION

- Year-to-date vacancies decreased from 6.7% to 3.5% in Miami-Dade; 7.4% to 3.4% in Broward and 7.6% to 3.9% in Palm Beach.
- For the first time in almost 20 years, all three counties have 5% vacancy rates.
- Positive net absorption fueled by strong rental demand has created limited rental supply despite new apartments being built.

The combination of homeownership decreasing 8.6% in the past 15 years; mirrored with a 35.6% increase in single-family home prices since 2017; and minimal increases in rent, comparatively, the **rental market** in Miami-Dade is more robust than ever with a **23.6% growth in demand last year**.

For these reasons, Miami-Dade remains a **top market for multifamily CRE development (and lending)** as Miami-Dade benefits from strong in-migration trends, unprecedented population growth, and strong employment growth.

#### CAP RATES AND UNDERWRITING ASSUMPTIONS

- Strong fundamentals coupled with readily available attractive debt have provided the backbone for the resurgence in multifamily transactions.
- Year to date cap rates have compressed. Investors are bullish on a return to the "new normal" and are factoring in the rent growth, loss-to-lease burn off and low bad debt write-offs.
- Cap rates today range between 3.3%-3.75% for Class A properties. Class B and C cap rates are ranging between 4.0% to 4.5%.

### **Exit Strategy**

**Sale of building as a cap rate upon completion to an Institutional Investor (REIT).** For Class A assets. With two LOI's of potential off-takers. Institutional Investors will purchase on a pre-lease and/or post-lease cap rate in major market. **Menesse Brickell I** falls into this category and is a perfect fit for an institutional buyer to acquire the asset.

- Unit Matrix will consist of Studios, 1-Bedroom, 1-Bedrooms plus Den and 2-Bedroom units.
- The average leasable area of the units will be 924 square feet.
- Today cap rates rage between 3.3% to 3.75% for A Class Properties (such as the site proposed).
- The average rent price for 1 bedroom units in Brickell is \$3,300 usd. This is a 50% increase since the previous year.
- REITs, institutional firms, and high networth investors accounted for 82% of sales.
- In Average since 2017, 8,974 units per year are being build and 9,457 units are being absorbed = New units continue to be absorbed creating a limited vacancy





### **Construction Loan Disposition:**

Financing remains plentiful and inexpensive with lenders favoring multifamily over most other asset classes. Menesse Brickell I, as a rental building, will obtain a high-yield construction loan up to 85% Loan-to-Cost (LTC) limiting the amount of equity at risk and increasing the profits to its' investors.

TYPE - SERIES B	PRIVATE OFFER
EQUITY	CLASS A: USD \$3,375,000 CLASS B:USD \$42,625,000
INVESTMENT VEHICLE	LIMITED LIABILITY COMPANY (LLC)
INSTRUMENT TYPE	PRIVATE PLACEMENT MEMORANDUM
MINIMUM TICKET	100K USD (INDIVIDUAL INVESTORS)
ACQUISITION FEE	1.5% OF PURCHASE PRICE
ALLOCATION FEE	3% OF EQUITY
PREFERENCE RATE	10%
EXPECTED RATE	22.6%
PERFORMANCE FEE (CARRY)	10% Preferred Catch Up 20% 70% / 30% carry until 18% 50%-50% carry +18%
DURATION	+24 MONTHS

\*Once the Limited Partners reach an annual IRR of 25%, the General Partner will have the right to catch up with the Limited Partners in the distribution of profits, in such a way that the final distribution of the total profits of the project is a maximum of 50 % for General Partner and at least 50% for Limited Partners. The "Catch-up" will be applied gradually from the IRR threshold of 25% for Limited Partners. Only if the IRR for the Limited Partners is 35% or higher, will the General Partner obtain 50% of the total profits.

	Brickell		
		206 units	400 units
	Original	RKW	RKW
General Assumptions			
PSF (Effective, including escalator)	\$4.37	\$4.58	\$4.81
LSF	190,400	190,400	290,250
Construction price per sf	\$140	\$155	\$175
Construction Cost	\$58.2 M	\$64.5 M	\$108 M
Financing Structure			
Equity	\$25 M	\$30 M	\$46 M
Loan	\$88.5M	\$92 M	\$138.6 M
Senior	\$88.5M	\$80 M	\$120.1 M
Mezzanine	NA	\$12 M	\$18.5M
Blended Interest Rate	6.50%	7.36%	7.36%
Opperational Assumptions			
NOI	\$6.2 M	\$7.1M @ 67%	\$10.7M @ 67%
Y/Y Increase	3.0%	2.6%	2.6%
Resluts			
Project Value	\$132.2 M	\$158.2 M	\$255.5 M
Profit	\$21.1 M	\$32.5 M	\$65.5 M
Margin	15%	20.30%	25.63%
Reditum (IRR)	NA	\$16.2 M (25%)	\$32.8 M (32%)
LPs (IRR)	\$14.2 M (21%)	\$6.6 M (21%)	\$12 M (26%)

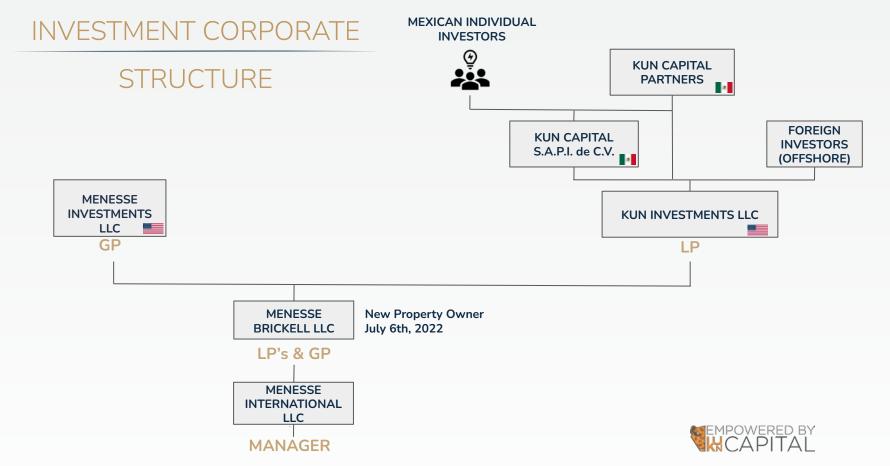


\*Market rates for rental is up to \$5.00 per square foot. **Menesse Brickell I** sale price assumes a 4.50% cap rate at 95% of market value, or \$4.5 per square feet. **Menesse Brickell I** is anticipated to be sold pre-leased and upon completion of construction.

# SENSITIVITY ANALYSIS

Sensitivity analysis present the various exit cap rate scenarios – pre-leased below market value and leased below market value:

Sensitivity Analysis - 95% Leased at \$4.75/sf									
Cap Rate/NOI Delta	-10%	0%	+10%						
Cap Rate/NOI	6,638,928	7,376,587	8,114.245						
4.00%	165,973,000	184,414,667	202,856,133						
4.25%	156,210,070	173,566,745	190,923,419						
4.50%	146,531,733	163,924,148	180,316,563						
4.75%	139,766,905	155,296,561	170,826,217						
5.00%	132,778,560	147,531,733	162,284,907						

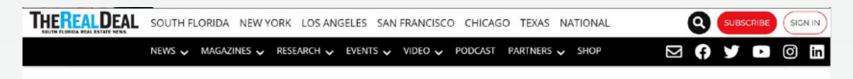


# CONTRIBUTION SCHEDULE

7 Mar (paid)	\$500,000
21 Mar (paid)	\$500,000
6 June (paid)	\$1,500,000
30 June (paid)	\$10,000,000
30 Aug (paid)	\$12,500,000
 30 Nov	\$2,500,000
 15 Dec	\$2,500,000
15 Feb*	\$16,000,000
TOTAL	\$ 46,000,000

\*Last date for LP's capital commitment transfers, with capital deployed in previous contribution dates.

										1	1		1			
			Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	May-25
Acquisition Costs																
Land	Mar-22	Jul-22														
Land Closing Costs	Jul-22	Jul-22														
Pre-Development Costs								1								
Arquitecture and Engeneering	Jul-22	Mar-23														
Interior Design	Aug-22	Mar-23														
Feasibiliy Study	Aug-22	Mar-23														
Market Research	Jul-22	Jul-22														
Due Dilligence	Jul-22	Jul-22														
TDD	Aug-22	Aug-22														
Legal	Jul-22	Mar-23														
Licences and Permits	Aug-22	Mar-23														
Contingency	Aug-22	Mar-23														
Hard Costs	Apr-23	Oct-24														
Soft Costs																
Acquisition Fee	Jul-22	Mar-23														
Development Fee	Jul-22	Feb-25														
Hand Off	Aug-23	Oct-24														
Contract Adminstration	Apr-23	Oct-24														
Surveys / Inspections	Apr-23	Feb-25														
RE Taxes	Apr-23	Feb-25														
Insurance	Apr-23	Feb-25														
FF&E	Apr-23	Feb-25														
Low Voltage	Apr-23	Oct-24														
Marketing	Apr-23	Feb-25														
Contingency	Apr-23	Feb-25														
Closing Costs																
Sale & GP Comission	May-25	May-25														
Lease Period Financing		-														
Capital	Mar-22	Apr-23														
Bridge Loan	Jul-22	Apr-23														
Senior Debt	Apr-23	May-25														



# Mexican developer-led JV plans Brickell apartment tower

Menesse International makes its U.S. debut, buying dev site for \$23.5M

Miami / By Lidia Dinkova

July 11, 2022 03:30 PM

### MIAMI CONDOS BLOG

### 24 Story Apartment Tower Proposed in Brickell

July 12, 2022 by Jacki Taylor

THEREALDEAL SOUTH FLORIDA NEW YORK LOS ANGELES SAN FRANCISCO CHICAGO TEXAS NA

NEWS V MAGAZINES V RESEARCH V EVENTS VIDEO V PODCAST PARTNERS V

Residential projects in Brickell, both proposed and underway, abound. Among them: Menesse International wants to build a 24-story, 350unit apartment building at 143 Southwest Ninth Street, and Michael Stern's JDS Development Group and Major Food Group plan the 90story, 259-unit Major condo at 888 Brickell Avenue.

# THE NEXT MIAMI

# **Menesse International**

#### Developer Announces Plans For 24-Story Brickell Tower With 350 Rental Apartments

July 12, 2022 · 28 Comments

A developer has announced plans to build a 350-unit rental apartment tower in Brickell, according to The Real Deal. Mexicobased...

### DISCLAIMER

This document is strictly confidential and has been prepared by INVESTEE (the Developer) solely for the purpose of providing information to interested parties, in order to assist them in their decision-making. This document must not be distributed, copied or used without the express consent of the Developer. This document does not contain all the information that the potential interested party may need.

The information contained in this document is intended to assist interested third parties in making their decisions regarding the Investment. In this sense, the interested party must conduct their own investigations and analysis on the information regarding the real estate projects and any other information included in this document and annexes. The information contained in this document may change due to economic and competition issues beyond the Developer's. Therefore, there can be no certainty that the statements, projections, premises and estimates, contained in this document, are going to be carried out exactly.

The Developer has carried out the análisis of the market in the geographical areas within the Investment Thesis, particularly in Brickell, in order to determine the type of project, product, general characteristics of the same, amenities, prices and sales policies of the residential real estate developments it intends to develop.

Likewise, it carried out an analysis of the economic premises of the various proposed projects, such as the cost of construction and infrastructure, equipment, permits and licenses and based on the above, financial projections, were prepared, resulting in the requirements and financing and capital costs. These premises must be validate against the final Project.



### INVESTMENT CONTACTS

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#### "Buying Real Estate is not only the best way, the quickest way, the safest way, but the only way to become wealthy."

KCAPITAL

Marshal Field