



MAKR VENTURE FUND

Investment Proposal: A&E District Smart Rental Tower

Miami, Florida

A Joint Development Opportunity with GFI Capital Partners

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SECTION 01

Executive Summary

MAKR Venture Fund presents a joint development opportunity in Miami's Arts & Entertainment District: a 48-story, 427-unit smart rental tower on a 37,275 SF corner lot at 1553 NE Miami Place / 1558 NE 1st Avenue.

The property is being offered by Castle Rock Homes (Shawn Jafari, Managing Director) at \$21.9M for the land assemblage. MAKR has conducted comprehensive due diligence including market analysis, construction cost modeling, zoning verification, and partner identification.

Key Highlights:

- Prime A&E District location, adjacent to Excel Miami (427 units, topped off July 2025)
- Confirmed Qualified Opportunity Zone (Census Tract 14.01) with 10-year capital gains exclusion
- Live Local Act eligibility providing up to 75% property tax exemption
- T6-24a-O zoning confirmed for 48 stories via Public Benefit Bonus
- Estimated total development cost: \$230M – \$265M (vs. original pro forma of \$178M)
- Projected stabilized NOI: \$14M – \$16.5M
- End value at 6% cap rate: \$233M – \$275M
- Break-even occupancy: ~55%

Proposed Structure: MAKR acquires the land (~\$22M) and becomes project co-owner. GFI heads the capital consortium for construction financing. MAKR provides smart building technology integration (PureBrain). GFI/MAKR network sources construction and equity partners.

SECTION 02

Property Overview

Location

1553 NE Miami Place / 1558 NE 1st Avenue, Arts & Entertainment District, Miami, FL 33132

Land

TOTAL LOT AREA 37,275 SF (corner lot)	NUMBER OF PARCELS 7
ASKING PRICE \$21,894,000	PRICE PER SF \$587/SF

Zoning: T6-24a-O (Miami 21)

BASE HEIGHT 24 stories	BONUS HEIGHT Up to 48 stories (Public Benefit Program)
BASE FAR 6.0 (Bonus: 7.8 with 30% increase)	DENSITY 500 units per acre
LOT COVERAGE 80% max (floors 1-8)	FLOOR PLATE ABOVE 8TH 15,000 SF max

Proposed Development

STORIES 48	GROSS BUILDING AREA 339,202 SF
RESIDENTIAL UNITS 427 (106 1BR, 321 2BR)	COMMERCIAL / RETAIL ~15,000 SF (ground floor)
TECHNOLOGY Smart building throughout (IoT, AI)	FINISH LEVEL Class A

Seller

Castle Rock Homes (Shawn Jafari, Managing Director) — Toronto-based custom home builder. KYC/AML cleared by fund legal counsel. Will serve as project co-owner with MAKR.

Neighboring Development

PROJECT	DETAILS
Excel Miami 1550 NE Miami Place	24 stories, 427 rental units by Clearline Real Estate / Arquitectonica / Shawmut. \$94.5M construction loan. Topped off July 2025.
SF QOZ Fund 1502-1525 NE Miami Place	Purchased adjacent parcels for \$20.9M in May 2025 for a 47-story mixed-use tower.

SECTION 03

Market Analysis

Rental Market

Current A&E District Averages

AVERAGE RENT

\$4,034/month (\$3.72/SF)

DOWNTOWN MIAMI AVG

\$3,268/month (3.19% YoY growth)

Pro Forma Rent Assumptions vs. Market

UNIT TYPE	PRO FORMA	MARKET RANGE	ASSESSMENT
1BR (~650 SF)	\$2,800/mo	\$2,400 – \$3,200	Mid-range, achievable at stabilization
2BR (~1,000 SF)	\$3,800/mo	\$3,200 – \$4,200	Achievable but optimistic in current concession market
Commercial	\$259,000/mo	Market	Reasonable for ground floor A&E District

Conservative Underwriting (recommended):

- 1BR: \$2,500/mo (lease-up), \$2,800/mo (stabilized)
- 2BR: \$3,400/mo (lease-up), \$3,800/mo (stabilized)

Supply & Demand

Current Conditions (Miami Metro)

- Vacancy: 6.0% (Q1 2025)
- Downtown unstabilized vacancy: exceeding 11%
- 45,000 new apartments delivered in 3 years vs. 15,000 net new leases in 2024
- 11,132 units under construction in Miami proper

A&E District Pipeline

PROJECT	UNITS	STATUS
Excel Miami (1550 NE Miami Pl)	427	Topped off July 2025, delivering 2026
Uni+Dos (1445 N Miami Ave)	398	Under construction, workforce housing
Casa Bella (1400 Biscayne)	306	Topped off, 90%+ sold (condo)
1502 NE 1st Ave	576	Parcels assembled May 2025
Subject Property	427	Pre-development
Total	~2,134	

Timing Advantage: Yardi Matrix forecasts fewer completions in 2026 than net absorption, suggesting the oversupply cycle turns before this project delivers in 2029–2030.

Land Comparables

ADDRESS	LOT SIZE (SF)	SALE PRICE	\$/SF	DATE	BUYER
1516 NE 1st Ave	37,275	\$20,900,000	\$561	5/31/25	OQZ
1600 NE 2nd Ave	21,780	\$14,300,000	\$657	9/23/22	Sabet Group
1550 NE Miami Pl	37,252	\$19,750,000	\$530	5/17/22	Clearline RE
1635 N Miami Ave	38,310	\$19,000,000	\$496	5/20/22	Lndmrk
1765 N Miami Ave	130,680	\$105,000,000	\$803	12/15/21	Melo Group
Subject Property	37,275	\$21,894,000	\$587	--	--

Assessment: \$587/SF is within range but at the higher end. Recommend negotiating to \$525–\$550/SF (\$19.6M – \$20.5M).

SECTION 04

Due Diligence Findings

Sponsor Assessment

Shawn Jafari / Castle Rock Homes

- Toronto-based custom home builder (19 single-family projects)
- No high-rise or multifamily development experience identified
- Licensed paralegal in Ontario (Jafari & Associates Professional Corporation)
- Listed on EB5Projects.com (EB-5 investment platform)
- Law Society of Ontario conduct proceeding (2021 ONLSTH 42)
- No Florida corporate entity registered
- KYC/AML cleared by MAKR fund legal counsel

Implication: Sponsor requires experienced co-development partners for a project of this scale. MAKR's involvement as co-owner and GFI's consortium leadership addresses this gap.

Zoning Verification

- T6-24a-O zoning confirmed for this location
- 48 stories achievable via Miami 21 Public Benefit Bonus (30% FLR increase + height doubling)
- Public benefit requirements: LEED certification, workforce housing, or public space contribution
- Validated by neighboring 47-story tower approved at 1502 NE 1st Ave

Opportunity Zone

- Confirmed: Census Tract 14.01, designated Qualified Opportunity Zone
- Adjacent SF QOZ Fund purchased parcels specifically as QOZ investment (May 2025)
- 10-year capital gains exclusion on appreciation still available
- New permanent QOZ program starting January 1, 2027 (One Big Beautiful Bill Act)

Flood Zone

- FEMA Flood Zone AE (Special Flood Hazard Area)
- Requires elevated ground floor design and flood insurance

- Standard for Miami high-rise construction, manageable with proper design

SECTION 05

Reworked Financial Analysis

Original Pro Forma vs. MAKR Analysis

The original offering memo significantly underestimates total development costs. MAKR has reworked the numbers based on current Miami market data and comparable projects.

LINE ITEM	ORIGINAL PRO FORMA	MAKR REWORKED (BASE)	MAKR REWORKED (CONSERVATIVE)
Land Value	\$21,000,000	\$21,900,000	\$21,900,000
Construction (\$350/SF vs \$445/SF)	\$118,720,700	\$150,900,000	\$165,000,000
Smart Building Technology	--	\$6,500,000	\$9,800,000
Soft Costs	\$14,433,642	\$34,000,000	\$41,600,000
Financing Costs	\$14,026,377	\$17,700,000	\$18,000,000
Contingency (7.5%)	--	\$11,300,000	\$12,400,000
Total	\$178,072,340	\$242,300,000	\$268,700,000

Key Adjustments:

- Construction costs:** \$350/SF is below market for a 48-story Miami tower. Current GC pricing for 40+ story residential is \$400–\$500/SF. We use \$445/SF midpoint.
- Insurance:** Original \$3.27M/yr is unrealistic. Florida premiums are 181% above national average. Budget \$5–7.4M/yr.
- Property taxes:** Original \$420K/yr appears miscalculated even with Live Local Act exemption. Realistic range: \$1–3M/yr.
- Smart building technology:** Not included in original. Budget \$5–10M for institutional-grade smart building.
- Contingency:** Not included in original. 7.5% contingency is standard for 48-story Miami tower.

Return Analysis

METRIC	ORIGINAL PRO FORMA	MAKR BASE CASE	MAKR STRESS TEST
Total Cost	\$178M	\$242M	\$269M
Annual NOI	\$16.5M	\$16.5M	\$14.0M
Yield on Cost	9.3%	6.8%	5.2%
End Value (6% cap)	\$275M	\$275M	\$233M
End Value (5.5% cap)	\$300M	\$300M	\$255M
Gross Profit	\$97M	\$33–58M	-\$14M to \$33M
Equity Multiple	2.2–2.5x	1.5–1.8x	1.0–1.4x
IRR (leveraged)	18–22%	12–16%	6–10%
Break-even Occupancy	~55%	~55%	~60%

Cap Rate Sensitivity

CAP RATE	VALUE (BASE NOI \$16.5M)	VALUE (STRESS NOI \$14.0M)
5.0%	\$330M	\$280M
5.5%	\$300M	\$255M
6.0%	\$275M	\$233M
6.5%	\$254M	\$215M
7.0%	\$236M	\$200M

Note: Current Miami Class A multifamily cap rates are 4.74% (stabilized). A 6% cap assumption is conservative for new construction.

SECTION 06

Construction Cost Breakdown

Hard Cost Summary by CSI Division

DIVISION	DESCRIPTION	% OF HARD	ESTIMATED COST
Div 01	General Conditions	8–10%	\$13.6M – \$15.1M
Div 03	Concrete / Superstructure	18–22%	\$27.2M – \$33.2M
Div 07	Thermal / Moisture Protection	4–6%	\$6.0M – \$9.1M
Div 08	Windows / Curtain Wall (HVHZ impact)	8–12%	\$12.1M – \$18.1M
Div 09	Interior Finishes	10–12%	\$15.1M – \$18.1M
Div 14	Elevator Systems (7–9 elevators)	4–6%	\$6.0M – \$9.1M
Div 21	Fire Suppression	2–3%	\$3.0M – \$4.5M
Div 22	Plumbing	5–7%	\$7.5M – \$10.6M
Div 23	HVAC	8–10%	\$12.1M – \$15.1M
Div 26	Electrical	7–9%	\$10.6M – \$13.6M
Other	Site work, metals, masonry, specialties	10–15%	\$15.1M – \$22.6M
Total Hard Costs			\$145M – \$165M

Soft Cost Breakdown

CATEGORY	ESTIMATED COST
Architecture & Engineering (6–8% of hard)	\$9.1M – \$12.1M
Legal & Accounting	\$2.0M – \$3.5M
Permits & Impact Fees	\$7.1M
Marketing & Lease-Up	\$1.3M – \$2.1M
Developer Fee (3–5% of hard)	\$4.5M – \$7.5M
Construction Management	\$1.5M – \$3.0M
Builder's Risk Insurance	\$1.5M – \$2.3M
Testing & Inspections	\$0.8M – \$1.5M
Soft Cost Contingency (5%)	\$1.4M – \$2.0M
Total Soft Costs	\$29.5M – \$41.6M

Financing Cost Breakdown

COMPONENT	ESTIMATED COST
Construction Loan Interest (60% LTC at 8%, 36 months)	\$15.4M
Origination Fee (1%)	\$1.2M
Exit / Extension Fees	\$0.3M – \$0.6M
Legal / Closing	\$0.5M – \$0.8M
Total Financing Costs	\$17.4M – \$18.0M

Comparable Project Benchmarks

PROJECT	HEIGHT	UNITS	EST. TOTAL COST	COST/UNIT
Excel Miami (next door)	24 stories	427	~\$175M	~\$410K
Caoba at Miami Worldcenter	43 stories	444	~\$190M (2026 adj.)	~\$428K
Subject (MAKR base case)	48 stories	427	\$242M	\$567K

The height premium from 24 to 48 stories adds approximately 35–40% to per-unit costs due to structural requirements, elevator systems, and extended construction timeline.

SECTION 07

Proposed Capital Structure

MAKR / GFI Joint Venture

SOURCE	AMOUNT	% OF TOTAL	ROLE
MAKR Equity (land + working capital)	\$25M – \$30M	10–12%	Land acquisition, project co-ownership, technology
GFI / Consortium Equity	\$40M – \$50M	16–20%	Construction equity from GFI network
Senior Construction Loan (60% LTC)	\$140M – \$155M	58–63%	Institutional lender
Mezzanine (optional, 15% LTC)	\$15M – \$25M	6–10%	Bridge financing if needed
Total	\$230M – \$265M	100%	

Proposed Roles

MAKR Venture Fund:

- Land acquisition and site control (\$22M)
- Project co-owner (with Castle Rock Homes)
- Smart building technology integration (PureBrain)
- GP / development oversight
- LP marketing and investor relations

GFI Capital Partners:

- Lead consortium organizer
- Capital raise for construction equity
- Construction partner selection and oversight
- Institutional credibility and lender relationships

Castle Rock Homes (Shawn Jafari):

- Property seller / original deal source
- Project co-owner (minority stake)
- Local coordination

Proposed Economics

PARTY	EQUITY CONTRIBUTION	PROMOTE / CARRY	MANAGEMENT FEE
MAKR	\$25–30M	15–20% above 8% pref	2% asset management
GFI Consortium	\$40–50M	Pro-rata above 8% pref	--
Castle Rock	Land contribution credit	5–10% co-promote	--

SECTION 08

Recommended Partners

General Contractor (Shortlist)

RANK	FIRM	FIT SCORE	KEY PROJECT	NOTES
1	Coastal Construction	9/10	JEM Worldcenter (67 stories, 530 rental units)	#1 ranked Miami GC. \$858M in projects. GMP contracts.
2	John Moriarty & Associates	9/10	Waldorf Astoria (100 stories)	GMP-only model. Smart building experience (E11EVEN).
3	Suffolk Construction	8/10	Flow Miami 2 (40 stories)	Technology-forward DNA. \$8B national balance sheet.

Architect

Recommendation: Arquitectonica

- Designed Excel Miami (building next door)
- Currently designing two other 48-story Miami towers
- Creates district aesthetic continuity
- Fee estimate: \$8M – \$15M

Key Consultants

ROLE	RECOMMENDED FIRM	WHY
Structural Engineer	DeSimone Consulting Engineers	62M+ SF designed in Miami-Dade. Panorama Tower, Aston Martin Residences.
MEP Engineer	WSP	Global leader in tall building MEP. Smart building integration capability.
Geotechnical	Langan	Dedicated Miami office. Expertise in Miami limestone/water table.
Wind Consultant	RWDI	Boundary layer wind tunnel in Miami. Burj Khalifa, Freedom Tower.
Sustainability / LEED	Thornton Tomasetti	LEED consulting + structural if combined engagement.

SECTION 09

Smart Building Technology

PureBrain Integration Opportunity

This project represents a showcase opportunity for MAKR's PureBrain technology platform, positioning the building as Miami's first AI-native rental tower.

Technology Budget

COMPONENT	PER UNIT	TOTAL (427 UNITS)
Smart locks, thermostats, sensors	\$1,450 – \$2,850	\$619K – \$1.2M
Building Management System (BMS)	--	\$1.7M – \$3.4M
Managed WiFi / fiber backbone	--	\$350K – \$500K
Access control & CCTV	--	\$450K – \$900K
Parking management / EV charging	--	\$200K – \$400K
AI layer (PureBrain)	--	\$1.0M – \$2.65M
Total	\$11K – \$16K/unit	\$4.7M – \$9.8M

Revenue Impact

- 65% of renters willing to pay premium for smart features
- Expected premium: \$35–50/month per unit
- Annual revenue uplift: \$179K – \$256K
- Additional value at 6% cap: \$3.0M – \$4.3M
- ROI on tech investment: 15–25% annually

Strategic Value

Beyond rental premiums, an AI-native building serves as:

1. Proof of concept for PureBrain building technology

2. Sales tool for other development partnerships
3. Operational efficiency platform (energy savings, predictive maintenance)
4. Data asset for property management optimization

SECTION 10

Risk Assessment

RISK FACTOR	SEVERITY	MITIGATION
Construction cost overrun (\$350/SF pro forma vs. \$400–500/SF reality)	HIGH	Independent GC estimate required. GMP contract. 7.5% contingency budgeted.
Miami rental oversupply (45K units in 3 years)	MODERATE-HIGH	2029–2030 delivery catches cycle turn. Break-even at 55% occupancy.
Insurance escalation (FL premiums 181% above national avg)	HIGH	Stress-tested at \$5–6M/yr. New code-compliant tower performs better than older stock.
Sponsor experience gap	MODERATE-HIGH	Addressed by MAKR co-ownership + GFI consortium + experienced GC.
Entitlement risk (48-story height)	MODERATE	Confirmed by zoning code and neighboring 47-story approval at 1502 NE 1st Ave.
Interest rate environment	MODERATE	7–8% construction rates already assumed. Refinance risk at stabilization.
Hurricane / climate	MODERATE	Post-Andrew HVHZ code compliance. Business interruption insurance.
2026 tariff escalation (25% on steel)	MODERATE	Budgeted at 2026 pricing. GMP contract transfers risk to GC.

SECTION 11

Regulatory & Tax Benefits

Opportunity Zone (Census Tract 14.01)

BENEFIT	STATUS
Capital gains deferral	Available through Dec 31, 2026
10-year exclusion on appreciation	Available (most powerful benefit)
New permanent OZ program	Starting Jan 1, 2027 (One Big Beautiful Bill Act)

An investor contributing capital gains to a QOF and holding for 10+ years pays zero tax on the appreciation of the investment.

Live Local Act Tax Exemption

AMI THRESHOLD	TAX EXEMPTION
At or below 80% AMI	100% exemption
81% – 120% AMI	75% exemption

Requirements: Minimum 71 qualifying affordable units, affordability maintained 3+ years for tax exemption, 30 years for zoning preemption.

Estimated Annual Tax Savings: \$1.3M – \$3.2M depending on unit allocation.

2026 legislative update: Florida lawmakers strengthening the Act, making local opt-outs nearly impossible starting 2027.

Miami 21 Public Benefit Bonus

30% FLR increase and height doubling (24 to 48 stories) available through:

- Workforce / affordable housing (on-site)
- LEED certification

- Public parks and open space
- Civic space contribution
- Payment to Public Benefits Trust Fund

SECTION 12

Next Steps

Immediate Actions (Pre-LOI)

- 1 GFI reviews this proposal and confirms interest in consortium structure
- 2 MAKR and GFI align on capital structure and economics
- 3 Joint site visit to A&E District (inspect property and neighboring developments)

Phase 1: Pre-Development (Months 1–3)

- 4 Issue RFQ to Coastal Construction, John Moriarty & Associates, and Suffolk Construction for preconstruction pricing
- 5 Engage Arquitectonica for conceptual design and zoning confirmation
- 6 Commission independent construction cost estimate
- 7 Obtain written zoning confirmation from City of Miami for 48 stories
- 8 Negotiate land price to \$525–\$550/SF (\$19.6M – \$20.5M)
- 9 Structure JV entity and operating agreement

Phase 2: Entitlements & Design (Months 3–12)

- 10 Complete architectural design development
- 11 Submit for UDRB (Urban Development Review Board) approval
- 12 Wind tunnel testing (RWDI)
- 13 Geotechnical investigation
- 14 Secure construction financing commitments

Phase 3: Construction (Months 12–54)

- 15 Land closing and MAKR equity deployment
- 16 Construction loan closing
- 17 GC mobilization and groundbreaking
- 18 36–42 month construction period
- 19 Pre-leasing begins at topping out (~Month 36)

Phase 4: Stabilization (Months 54–66)

- 20 Certificate of Occupancy
- 21 Lease-up (12–18 months to stabilization)
- 22 Permanent financing / refinance
- 23 Stabilized operations

APPENDIX

Sources & References

MARKET DATA

CondoBlackBook A&E District rental data
MMG Equity Partners Miami Multifamily Q1 2025
Bisnow South Florida multifamily reporting
CRE Daily Miami market analysis
RentCafe Downtown Miami trends

CONSTRUCTION

The Real Deal Miami top construction firms rankings (2024, 2025)
RSMeans construction cost data
Florida YIMBY project tracking
Multifamily Loans construction cost guide

REGULATORY

Miami 21 Zoning Code (T6 Specific Zones)
Bilzin Sumberg: City of Miami Development Incentives
Bilzin Sumberg: Live Local Act Tax Exemptions
Florida Housing Coalition: Live Local Act
OpportunityZones.com: Census Tract 14.01
Baker Tilly: QOZ Planning

COMPARABLE PROJECTS

Excel Miami: Florida YIMBY, ProfileMiami, Shawmut Construction
JEM Worldcenter: Florida YIMBY
Waldorf Astoria Miami: Florida YIMBY
SF QOZ Fund: Bisnow



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