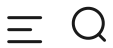


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## TRENDING



SOUTH FLORIDA



# Spiegel pays \$34M for Rail 71 in Miami's Little River

Long Island-based real estate firm acquired 133K sf office and service retail complex



A photo illustration of Rail 71 at 7205 Northeast Fourth Avenue (Google Maps)

By Francisco Alvarado

AUG 15, 2023, 3:36 PM

Spiegel Associates picked up Rail 71, an office and service retail business park in Miami's Little River, for \$34.4 million, *The Real Deal* has learned.

Spiegel, a Long Island, New York-based real estate investment and development firm, acquired the 132,000-square-foot commercial complex at 7205 Northeast Fourth Avenue, said Devlin Marinoff with Dwtwn Realty Advisors. The deal closed on Monday. It breaks down to roughly \$261 a square foot.

Marinoff and Tony Arellano, also with Dwtwn, marketed the property on behalf of the sellers, four entities managed by Scott Solomon, CEO of Pan Am Equities, a New York-based real estate development and management firm. The entities sold Rail 71 for roughly \$4.6 million below its asking price of \$39 million.



“We had a pretty respectable number of offers and bids,” Arellano told *TRD*. “A couple of local players were offering a little more, but Spiegel is a known quality buyer, and [closed the deal] with precision.”

In 2014, Pan Am and its then-partner Morgan Reed Group, paid \$9.2 million for the 1950s warehouse complex, and then converted it into a business park, records show.

In 2020, a deal to sell Rail 71 for **\$33 million** fell through due to the pandemic. Downtwn relisted the property with a \$32 million asking price, but Pan Am took it off the market. Last year, Pan Am relisted Rail 71 after buying out Morgan Reed.

The property has a nearly 6 percent cap rate, and Spiegel can maximize its investment by raising rents when leases expire. A majority of Rail 71’s tenants are on short-term leases with options expiring within the next six years, an offering shows. Rail 71 is currently 80 percent occupied, Arellano said.

The tenant mix includes interior and industrial design firms, fitness gyms and a few food and beverage establishments. The largest tenant is Focal Brewing Company, which occupies just over 11,000 square feet, and **Pubbelly Sushi** has its corporate offices at Rail 71.

Spiegel, led by CEO Jeffrey Wilks, retained Downtwn to handle leasing, Arellano said.