

EXCLUSIVE OFFERING



258 ELM STREET
New Canaan, CT 06840

BOUTIQUE TURNKEY OFFICE BUILDING
Single Tenant Long-Term Lease | Steps From Metro North

BESSEN

EXECUTIVE SUMMARY

Besen Partners, as exclusive agent for ownership, is pleased to offer for sale 258 Elm Street (the “Property”), a three-story 29,500 square foot boutique office building located in New Canaan, Connecticut.

The offering represents an opportunity to acquire a fully stabilized, core investment delivered with a new 10-year lease to a credit tenant with annual escalations. Newly renovated with over \$4 million worth of capital improvements, the Property has just been upgraded. It has a modified gross lease with approximately \$845K annual net operating income with annual increases, and the tenant is responsible for tax and operating expense increases over base year. It is a turnkey asset that requires little management, making it ideal for a passive investor seeking stability with steady, incremental growth.

The Property is conveniently situated within walking distance to the Metro North train station just down the block, along with area shops and restaurants. It is 100% leased to Bankwell Financial Group, Inc. (BWFG: Nasdaq), a publicly-traded regional bank that provides banking and lending services to businesses and residents throughout Connecticut. The concrete and glass building was originally constructed in 1983 and has just undergone a comprehensive \$4+ million capital improvement program.

The building has an entry-level plaza within a striking three-story glass atrium plus two structured parking levels. The first floor is parking and lobby space. The second and third floors are office space, each of approximately 13,900 square feet, and there are 110 parking spaces (53 structured spaces and 57 surface spaces). There is a generous parking ratio of 3.8 spaces per 1,000 square feet, in a supply constrained market where competing properties have 2-3 spaces per 1,000.

The Property’s proximity to the train station, extensive renovations, and generous parking ratio make it a highly desirable asset within one of the most exclusive markets in Fairfield County.



PROPERTY OVERVIEW

NEIGHBORHOOD	DOWNTOWN NEW CANAAN
BLOCK LOT	0017 0937
SITE AREA	0.633± ACRES
FLOOR PLATES	153' x 91' (13,900± SF)
RENTABLE SF	29,500± SF
STORIES	3
STRUCTURED PARKING	110 SPACES (3.9/1,000)
YEAR BUILT	1983 (RENOVATED 2021)
ZONING	BUSINESS ZONE C
CURRENT TENANT	BANKWELL
REAL ESTATE TAXES	\$112,500



INVESTMENT HIGHLIGHTS

- ❖ Investment grade/credit tenant (Bankwell) with 10-year lease (plus 5-year option)
- ❖ Potential for rent commencement being co-terminus with purchase date
- ❖ Excellent Downtown location - New Canaan Central Business District down the block from Metro North Train Station
- ❖ Newly renovated (\$4.2MM) turnkey asset

- ❖ Favorable financing available
- ❖ Cash flowing asset - 8% cash-on-cash risk-adjusted return in Year 1
- ❖ Low maintenance/management costs
- ❖ 110 parking spaces: 53 structured spaces and 57 surface spaces

THE OPPORTUNITY



❖ LONG-TERM SINGLE-TENANT LEASE

The property offers the stability of an investment grade, credit tenant (Bankwell) on a newly signed 10-year lease. Lease terms include an annual escalation, compared with decreasing market rents due to the national pandemic.

❖ NEWLY RENOVATED, HIGH QUALITY ASSET

Turnkey renovated asset, with recent interior buildout \$4.2mm (tenant expenditure in excess of \$2mm). There will be minimal future capital expenditure requirements and low maintenance/management costs. The property comes with 110 parking spaces (53 structured spaces within a two-level gated parking structure, and 57 surface spaces) which is extremely rare for an office building in this location.

❖ RISK-ADJUSTED RETURN

This is an opportunity to acquire a cash flowing asset delivering an 8% cash-on-cash return in Year 1, and an annual cash-on-cash return averaging to approximately 10.6%. Favorable financing terms are available for this 100% leased quality office building in a supply constrained/high demand market.

❖ LEASE STRUCTURE & EXPENSES

The Bankwell lease is a modified gross lease (tenant pays for cleaning and electric) with an operating expense base year of 2021, and a real estate tax base year of 2022. Operating expenses projected at \$10 per SF, compared with market operating expenses averaging \$15 per SF.

❖ EXCEPTIONAL LOCATION

The Property is situated on a prominent corner in the downtown New Canaan Central Business District, steps from the Metro North Train Station on the New Haven line and all local amenities. It is a convenient commute to Grand Central Terminal in New York City. Direct access to Routes 123, 106 and 124, and only 2 miles from the Merritt Parkway and 6 miles from I-95.



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New Canaan Library

citibank

MANFREDI STARBUCKS DUNKIN' DONUTS
CVS verizon BANK OF AMERICA

THE GLASS LOUSE

PARK STREET

First County Bank

SEASIDE STATE BANK

Stewart's wine & spirits

MTA Metro-North Railroad

DFW

Alta's Secret's

GRIDIRON

WESTERN UNION WU
new canaan wine merchants

ELM STREET

PINE STREET

PERFORMING ARTS CONSERVATORY OF NEW CANAAN

Bankwell

258 ELM STREET

STAMFORD HOSPITAL
The Regional Center for Health

Anthony's Tony's deli

CONNECTICUT SANDWICH COMPANY

GROVE STREET

LOCATION OVERVIEW – NEW CANAAN, CT

Fairfield County is located in the southwestern region of Connecticut. The County is part of the greater New York City Metropolitan Area, which also includes the surrounding suburbs in New York and New Jersey, encompassing 20 counties in total. Fairfield County is among the most affluent counties in the country with an estimated average family household income of \$281,707 compared to the national average of \$86,011 (2019 data).

New Canaan, Connecticut has a population of approximately 20,233 according to 2019 Census Bureau data. With a 2019 estimated average household income, a residential sector reaching home values six times the national median, and its close proximity to New York City and the region's primary transportation routes, New Canaan's demographic profile and characteristics create a solid foundation to continue to attract residents and tenants. Considered a New York City suburb (approximately 45 miles outside of the city), New Canaan is 22.5 square miles and has a population over 20,000. Prior to being incorporated in 1801, New Canaan was shared by the neighboring towns of Stamford and Norwalk, and was known as Canaan Parish. Today, this vibrant and charming town remains distinctive with its manicured landscapes, grand architecture, and bustling downtown.

Downtown New Canaan is an extremely attractive office market within Fairfield County as the office square feet per capita is over three times less than neighboring markets. This low inventory of office space coupled with the historic framework that limits new commercial development has contributed to New Canaan's market leading vacancy rates. The town's quaint New England charm and modern amenities in close proximity to New York City and the region's primary transportation routes, provides residents with an optimal location to live, work and shop. New Canaan is known as having one of the state's top school systems, world class shopping & dining, and numerous public parks including Mead Park, which offers public tennis courts, baseball fields and two playgrounds.



BESSEN

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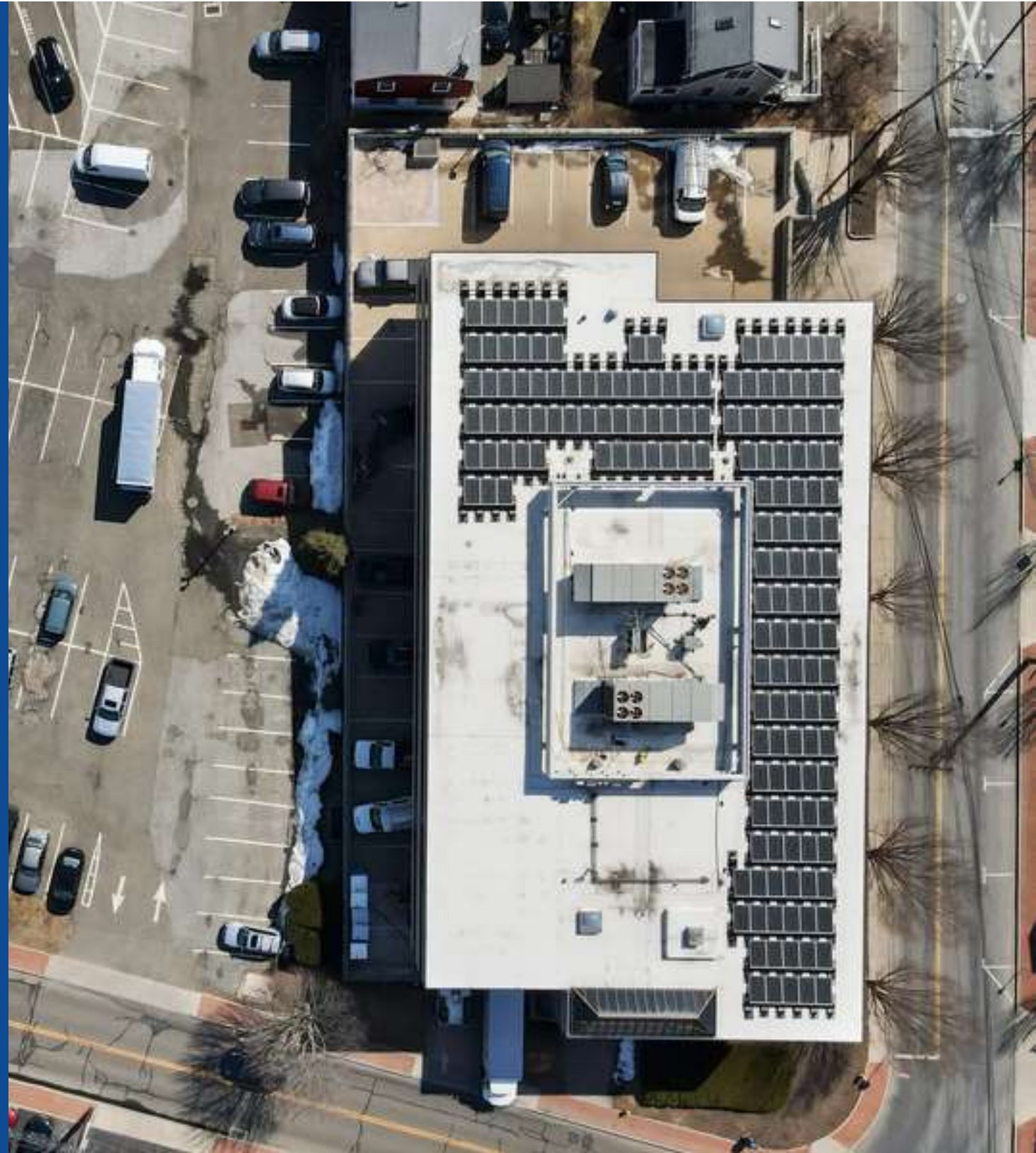
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