



70 BACKUS AVE | DANBURY, CT 06810



INTERACTIVE OFFERING MEMORANDUM



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Broker of Record

LIC # REB.0790986 (CT)



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EXECUTIVE SUMMARY

INVESTMENT SUMMARY

- **Investment Grade Tenant** – The lease is guaranteed by Federal Express Corporation (**S&P “BBB” Bond Credit Rating**), the world’s largest express transportation company providing a broad portfolio of transportation, e-commerce and business services through companies competing collectively, operating independently, and managed collaboratively under the FedEx brand with ± \$93 Billion of Annual Revenue
- **Rental Upside with FMV Options / Rare Rent Increases** – The lease features **2% annual rent increases**, which is an extremely rare trait for a FedEx Lease. Furthermore, current rent is **well below market and FedEx maintains Fair Market Value (FMV) Options** to renew the lease, which should lead to a healthy increase in rent in the near future. Over the past 3 Years, Industrial rents in the Danbury/Stamford Market experienced an average **±8% annual rent growth**. Bridgeport, which is only 30 miles away ranked as the 5th Metro in the US with the highest 2022 annual industrial rent growth at 9.00% growth, \$11.24/SF average rent, and 1.20% vacancy per [CommercialEdge March 2023 Industrial Report](#)
- **Recent Improvements** – The building features approximately \$500,000 of new improvements such as:
 - New Carlisle TPO Roof with 20-Year Warranty
 - New Parking Lot
 - New HVAC, Paint, LED Lighting, Ceiling Tiles, and more
- **Functional Building / Long-Standing History** – FedEx has been leasing this specific distribution hub since it was built 30 years ago due to its functionality and strategic location. Built in 1993, this **concrete tilt up** facility features a 22’ clear height with five (5) grade level doors and four (4) side loading docks within a ±33,616 Sq. Ft. facility on ±3.50 Acres (22% Coverage)
- **Prime Location** – The subject property is located adjacent to Danbury Airport and directly off **I-84/I-684**, which is a main highway connecting **NYC/ NJ to Boston**. Danbury is strategically positioned:
 - 45 miles from New York City
 - 30 miles from Bridgeport, Stamford, and New Haven, CT
 - 45 miles from Hartford, CT (the capital of Connecticut)

FINANCIAL OVERVIEW

TENANT SUMMARY

Use	FedEx Priority Overnight Delivery
Tenant	Federal Express Corporation (BBB Credit)
Address	70 Backus Ave, Danbury, CT 06810
Market	Stamford

FINANCIAL SUMMARY

Price	\$4,663,000
Cap Rate (10/1/23)	5.61%
FMV Option Cap Rate (See Table Next Page)	±8.35%
Price/SF	\$138.71
Price/SF Land	\$30.59
Building/Lot Coverage	22%

FINANCING INQUIRIES

For financing options reach out to:

JAMES BRANDON
(310) 955-5836
jim.brandon@matthews.com

DEAL SUMMARY

Total Building Square Feet	±33,616 SF
Acres	±3.50 AC
Lot Square Feet	±152,460 SF
Building/Lot Coverage	22%
Construction	Concrete Tilt Up
Clear Height	±22'
Grade Level Doors	Five (5)
Side Loading Docks	Four (4)
Year Built / Renovated	1993 / 2019
Roof	New Carlisle TPO Roof in 2016 with 20-Year Warranty
Lease Commencement	10/1/1993
Lease Expiration	9/30/2028
Term Remaining	±5.50 Years
Options to Renew	2, 5 Year Options @ Fair Market Value
Rent Increases	2% Annually
Lease Type	Industrial NNN
Landlord Responsibilities	Roof/Structure (New Roof 2016 / 20 Year Warranty)
Tenant Responsibilities	Operating Expenses (Tax, Insurance, Utilities, Maintenance, Etc.)

ANNUALIZED OPERATING DATA

TERM	MONTHLY RENT	ANNUAL RENT	RENT/SF	INCREASES	CAP RATE	MARKET RENT ANALYSIS 4% ANNUAL RATE**
10/1/2022-9/30/2023	\$21,374.41	\$256,492.92	\$7.63	2%	5.50%	\$9.15
10/1/2023-9/30/2024	\$21,801.90	\$261,622.80	\$7.78	2%	5.61%	\$9.52
10/1/2024-9/30/2025	\$22,237.93	\$266,855.16	\$7.94	2%	5.72%	\$9.90
10/1/2025-9/30/2026	\$22,682.69	\$272,192.28	\$8.10	2%	5.84%	\$10.29
10/1/2026-9/30/2027	\$23,136.35	\$277,636.20	\$8.26	2%	5.95%	\$10.70
10/1/2027-9/30/2028	\$23,599.07	\$283,188.84	\$8.42	2%	6.07%	\$11.13
5-YEAR OPTION @ FAIR MARKET VALUE (FMV)						
PROFORMA MARKET RENT ANALYSIS**						
11/1/2028 - 10/31/2029	\$32,432.91	\$389,194.92	\$11.58	37%	8.35%	\$11.58
11/1/2029 - 10/31/2030	\$33,081.57	\$396,978.82	\$11.81	2%	8.51%	\$12.04
11/1/2030 - 10/31/2031	\$33,743.20	\$404,918.40	\$12.05	2%	8.68%	\$12.52
11/1/2031 - 10/31/2032	\$34,418.06	\$413,016.76	\$12.29	2%	8.86%	\$13.02
11/1/2032 - 10/31/2033	\$35,106.42	\$421,277.10	\$12.53	2%	9.03%	\$13.54
5-YEAR OPTION @ FAIR MARKET VALUE (FMV)						
11/1/2033 - 10/31/2034	\$39,459.59	\$473,515.13	\$14.09	2%	10.15%	\$14.09
11/1/2034 - 10/31/2035	\$40,248.79	\$482,985.43	\$14.37	2%	10.36%	\$14.65
11/1/2035 - 10/31/2036	\$41,053.76	\$492,645.14	\$14.66	2%	10.56%	\$15.24
11/1/2036 - 10/31/2037	\$41,874.84	\$502,498.05	\$14.95	2%	10.78%	\$15.84
11/1/2037 - 10/31/2038	\$42,712.33	\$512,548.01	\$15.25	2%	10.99%	\$16.48

**Over the past 3 Years, Industrial rents in the Danbury/Stamford Market experienced an average $\pm 8\%$ annual rent growth.

However, The Proforma Market Rent Analysis applies a more conservative 4% annual growth rate to estimate the FMV rent in the Option Periods.

**CoStar estimates the Market Industrial Rent in the Danbury/Stamford Market to be approximately \$11.74/SF.

However, The Proforma Market Rent Analysis applies a more conservative current 2023 Market Rent/SF estimate of \$9.15/SF.

The Proforma Market Analysis are estimates based on current/historical data and not guaranteed.



LOCATION MAP





± 53,000 VPD

DANBURY FAIR

★ macy's
JCPenney
SEPHORA
TJ-maxx

The Cheesecake Factory
OLD NAVY
BANANA REPUBLIC

ZENDEX TOOL CORP.

DAVID'S BRIDAL

guitar Center

five BELOW

BARDEN CORPORATION



EXTREME VEHICLE BUILDERS



BACKUS AVE ± 13,000 VPD



± 36,000 VPD



DANBURY MUNICIPAL AIRPORT



HOLOGIC INC

SUBJECT PROPERTY



W N DE SHERBININ PRODUCTS INC

AUDI SERVICE AND PARTS



WOOSTER SCHOOL
336 STUDENTS

TENANT PROFILE



TENANT

FEDERAL EXPRESS CORPORATION

FEDEX CORP. REVENUE

±\$93 Billion

CREDIT RATING

BBB (Investment Grade)

HEADQUARTERS

MEMPHIS, TN



FEDERAL EXPRESS CORPORATION

Federal Express Corporation ("FedEx Express"; S&P: BBB) is the world's largest express transportation company, offering time-definite delivery to more than 220 countries and territories, connecting markets that comprise more than 99% of the world's gross domestic product. As of May 31, 2022, FedEx Express employed nearly 250,000 employees and had approximately 74,000 drop-off locations (including FedEx Office stores and FedEx OnSite locations, such as approximately 19,000 Walgreens, Dollar General, and Albertsons stores), 696 aircraft, and approximately 86,000 vehicles in its global network (Source: FedEx Corporation 2022 10K). As of February 28, 2023, FedEx Express generated TTM total revenues of \$44.3 billion. The Tenant under the Lease, Federal Express Corporation, is a wholly owned subsidiary of FedEx Corporation and accounted for 49% of FedEx Corporation's revenue in FY2022.

AREA OVERVIEW

DEMOGRAPHICS

POPULATION	3-MILE	5-MILE	10-MILE
2028 Projection	54,413	104,249	227,946
2023 Estimate	54,160	104,200	227,818
2010 Census	50,924	100,355	220,079
HOUSEHOLDS	3-MILE	5-MILE	10-MILE
2028 Projection	17,820	27,071	82,066
2023 Estimate	17,046	25,947	81,997
2010 Census	50,924	100,355	79,078
HOUSEHOLDS	3-MILE	5-MILE	10-MILE
Average Household Income	\$97,851	\$109,899	\$134,398

DANBURY, CT

Danbury, a city in western Connecticut, features a classic New England vibe with a cosmopolitan, energetic metropolitan culture. Arts enthusiasts can take in Broadway shows at several theaters, outdoor music festivals, and neighborhood concerts. The downtown retail district has specialized restaurants, day spas, and boutique shops. Danbury offers more than a dozen parks, hiking trails, and Candlewood Lake for people wanting to get away from city life and engage in water sports like fishing, boating, or swimming. With more than 5,000 students enrolled, Western Connecticut State University is situated right in the middle of the city. The city has a 2023 population of over 87,000 people and is in Fairfield County. The city is the 7th largest in the state of Connecticut.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **70 Backus Ave, Danbury, CT 06810** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

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2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.



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