



SIMS LIMITED
LEASE TENANT AND LEASE GUARANTOR



APERAM - ELG UTICA ALLOYS (HARTFORD)
SUBLESSEE, OCCUPANT & SUBGUARANTOR TO SIMS

FOR SALE
Absolute NNN Lease

TWO INVESTMENT OPTIONS

1. Single Tenant Net Leased Asset - Credit Tenant
2. Zero Cash Flow w/Assumable Financing Investment

219 & 239 WEST SERVICE ROAD
HARTFORD, CONNECTICUT

- Below Market Rents
- Central Hartford Location
- Credit Tenant & Subtenant
- High Quality Facility
- Huge Tenant Investment
- Mission Critical Facility
- Recession Resistant Industry
- Well Below Replacement Cost



220,000
TRAFFIC COUNT
(2022 AADT)

DOWNTOWN
HARTFORD
±2.7 MILES



ELG Utica Alloys (Hartford)

**Weston
Street**

**West
Service
Road**



CIRCA 2022 AERIAL



INVESTMENT HIGHLIGHTS

- Below Market Rents
- Central Hartford Location
- Credit Tenant & Subtenant
- High Quality Facility
- Huge Tenant Investment
- Mission Critical Facility
- Recession Resistant Business
- Well Below Replacement Cost

OFFERING PRICE \$35,790,000
(±\$84.15 per square foot)

CAP RATE ±6.5%
(Based on December 2024 Rent)

FAVORABLE COST STRUCTURE

The cost to replicate this facility, at this location, with this much advanced equipment installed, would far exceed the current cost structure.

The original building was built in 1967, with expansions occurring in 1987 and 2009. Major facility upgrades occurred circa 2009 and 2019. The current rent is a function of the lower 2010 cost structure. Many of the building upgrades were paid for by the tenant, and thus not recaptured through additional rent. As such, current rent (Dec. 1, 2024) is only ±\$5.47 per square foot annually.

The tenant enjoys significant operational cost advantages at this location, and the likelihood for the tenant to exercise lease options to remain would be considered high.

The sale pricing reflects the capitalization of these below market rents, at a price of ±\$84.15 per square foot.

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TWO INVESTMENT POSSIBILITIES

This offering can be purchased in one of two ways, whichever fits the investor best:

1. "Traditional" single tenant net leased (STNL) income stream (credit tenant)
2. "Zero Cash Flow" (Zero) Investment with assumable financing, and the paydown readvance feature

1. "TRADITIONAL" SINGLE TENANT NET LEASED INVESTMENT (STNL) **±6.5% CAP RATE (DEC. 2024 RENT)**

This asset can be purchased as a "traditional" cap rate based, single tenant net leased investment. The lease is a true triple net lease whereby the landlord has virtually no responsibilities, management obligations, or expenses.

The lease is secured by the credit of Sims Limited, which is further enhanced by the sublease obligations of ELG Utica Alloys (Hartford).

This facility is desirable industrial product, in an industrial compatible submarket, with excellent freeway access. The property is in close proximity to Downtown Hartford, and enjoys a strong, and proximate, employment base.

There are ten years plus of remaining firm term remaining on the original lease. The tenant enjoys a lease rate based on a favorable 2010 cost structure, is in a stable industry, and can reasonably be expected to exercise its extension options. However, should the tenant elect to vacate, the landlord would have the opportunity to backfill a well located industrial building, at more favorable, market rents



2. ZERO CASH FLOW A UNIQUE OPPORTUNITY

**±6.43% YEAR 1
RETURN**

The current investment is held as a "zero cash flow" asset, with assumable financing that contains a "paydown readvance" feature. The tenant's lease payments exactly match the loan payment throughout the firm term of the lease, and the tenant pays rent directly to the lender, not to the landlord. Thus, the investment results in "zero cash flow" for the property owner. The Buyer of this asset has the option to acquire the property in the same manner.

Zero cash flow investments ("zeros") are generally considered appropriate for high net worth individuals who value equity growth, tax considerations, and estate planning, over income. Zeros are often good fits for trade buyers, and the "paydown readvance" feature can offer a unique path for all cash trade buyers to access capital, and to leverage existing capital. An all cash buyer has the ability to "paydown" the debt at close of escrow, and then "readvance" all, or a portion, of that debt shortly thereafter.

This particular zero has the added advantage of past owners having done the heavy lifting of making years of loan payments on the "front half" of the loan term, during which time the payments were heavy on interest, and light on equity. That situation has now reversed.

The existing loan originated in March 2011, and expires in November 2034. The loan is now well in to the "back half" of its term, and is amortizing rapidly, and ever increasingly. The principal loan balance in January 2025 will be \$17,125,448, and the loan fully amortizes over its term.

In calendar year 2025 alone there is \$1,200,076 in scheduled loan amortization. At the asking price of \$35,790,000, less the \$17,125,448 loan balance, the down payment is ±\$18,664,552. That \$1.2 million 2025 loan amortization represents a ±6.43% "imputed cap rate," in the form of loan amortization, instead of income, based on the down payment above.

Of course, each year's amortization will be higher than the last. The last twelve months of the loan term equate to a ±12.76% cap rate when considered in the same manner.

Additionally, there is an added incentive to acquire the property in this manner, if the buyer assumes the existing debt the Seller avoids the cost at sale of a prepayment penalty to payoff the existing debt, which results in an overall cost savings in the transaction.

Investor Disclaimer: The broker, and seller, make no representations as to the investor's ability to utilize the investment, or loan, features of this offering. The investor should consult with its tax, and legal, advisors to confirm that the investor can utilize the desired features of this investment.

THE SUBLEASE, THE RENT & THE OPPORTUNITY

In 2013 Sims Metal Management, Ltd. (Tenant) sold its Metal Management Aerospace, Inc. division (processor of aerospace scrap and titanium alloys recycling) to ELG Utica Alloys, Inc. In 2021, ELG Utica Alloys, Inc. was purchased by Aperam S.A. (Subtenant).

Sims is obligated to pay rent per the original lease. ELG, in turn, is obligated to pay rent to Sims per the sublease, which is directly between Sims and ELG. While the landlord is not a party to the sublease, the building owner is an indirect beneficiary of ELG's sublease commitment to Sims. For all practical purposes the credit of both tenants underwrites the original lease.

The "zero cash flow" structure of the original lease, and the associated financing which is currently in place, require Sims to pay rent to the lender directly.

Per the sublease, ELG pays Sims 105% of the applicable base lease rental rate each month. It is believed that both Sims, and ELG, would prefer to have Sims "out of the middle" of the lease, which could present an opportunity for the buyer to receive the additional 5% in rent currently paid to Sims. However, that would require the cooperation of multiple parties and/or the retirement of the debt. Thus the pricing herein is based only upon the rent received by from Sims.

MISSION CRITICAL FACILITY

This location is ELG Utica Alloys largest operation in the United States, and serves virtually all components of their business. The Hartford, CT facility was designed, and is utilized for, the collection, cleaning, cutting and compaction, of recycled metals. These are generally high grade, high value metals, including steel, titanium and alloys, that are certified for re-use, primarily for large aerospace companies. The recycled metals are shipped elsewhere, and there are no on site smelting operations, per ELG Utica Alloys (Hartford).

The long term prospects for the industry are expected to be both stable, and promising. The costs of the metal resources is expected to continue to rise over time, thus supporting the need for recycled metals, The industries that use these metals are essential to worldwide transportation.

Additionally, the tenants have invested millions of dollars to upgrade the facility's infrastructure, and to install advanced processing equipment (see "Building Upgrades"). The office component was completely rebuilt, the tenant installed its own specialized laboratory and testing equipment, on-site water treatment, and secured metals storage area.





BUILDING INFORMATION

219 & 239 West Service Road, Hartford, Connecticut

YEAR BUILT:	Originally Built in 1967 ±26,267 Square Foot Expansion in 1987 ±146,031 Square Foot Expansion in 2009
CONSTRUCTION:	Metal and Masonry
BUILDING SIZE:	±425,294 Total Square Feet (±384,160 SF Industrial) (±41,134 SF Office)
LOT SIZE:	±25.99 Acres
ASSESSOR'S PARCEL NUMBER:	Hartford County APN 305-075-007 (±26 Acres)
ZONING:	City of Hartford - ID-1 Industrial
BUILDING USE:	Light Processing and Distribution The Sublessee specializes in the processing of titanium, stainless steel and nickel alloys at the facility. The alloys are collected, compacted, cleaned, re-packaged and certified for the aerospace and other industries.
CLEAR HEIGHT:	24' (±196,995 SF) 36' (±146,031 SF)
TRUCK DOORS:	8 Ground Level Doors 4 Dock High Doors 12 Interior Docks With Levelers
BUILDING UPGRADES:	2009 - \$17 Million in Tenant Improvements: Specialized Testing and Laboratory Equipment Closed-Loop Water Treatment Facility Stainless Steel, Titanium and Nickel Compactors ESFR Sprinkler System Processing and Sorting Equipment 2019 - Subtenant Improvements Including: Fiber Optic Lines Two 20-foot Rotobec Pedestal Cranes Remodeled Office, Lighting, Flooring and HVAC



TENANT SUMMARY

Sims Limited is based in Mascot (Sydney), Australia and is publicly traded on the Australian stock exchange under the ticker symbol SGM. Sims Limited is among the largest worldwide recycling and renewable energy operators with approximately 4,000 employees in over 260 locations, spread across 15 countries. As of fiscal year end 2023, Sims Limited reported revenues of over \$8 Billion US, with EBITDA of nearly \$516 Million US and a net worth in excess of \$2.65 Billion US. Sims Limited was ranked #1 in Corporate Knights' 2024 Global 100 Sustainable Corporation Ranking.

SIMS LIMITED PROFILE

FOUNDED:	1917
2023 SALES REVENUE:	\$8.06 Billion US
EBITDA:	\$515.7 Million US
NET ASSETS:	\$2.65 Billion US
EMPLOYEES:	±4,000
FACILITIES:	260 Locations in 15 Countries

www.simsltd.com

SIMS LIMITED TIMELINE RELATIVE TO FACILITY

- 1917 - Sims Metal Management founded in Sydney, Australia
- 1983 - Metal Management, Inc. founded in Chicago, Illinois
- 1977 - Metal Management, Inc. Purchases Aerospace Metals, Inc.
- 2008 - Sims Group Ltd. merges with Metal Management, Inc. to become Sims, Ltd.
- 2013 - Sims Metal Management, Ltd. (Tenant) Sells its Metal Management Aerospace, Inc. division to ELG Utica Alloys, Inc. (Subtenant)

SUBTENANT SUMMARY

Aperam S.A., including its subsidiaries, is a leading global stainless and specialty steel producer, and the world's lowest CO2 footprint stainless steel producer. In 2021 Aperam acquired ELG Utica Alloys, a global leader in stainless steel and superalloys recycling. ELG is now fully consolidated into the Aperam Group under a new Recycling and Renewables' operating segment. As of the end of Q4 2023, Aperam had a workforce of approximately 10,700 employees for its operations in Europe, North America, and South America. Aperam posted 2023 sales of just under ±\$7.1 Billion US, and EBITDA of ±\$315 Million US.

APERAM S.A. PROFILE

2023 SALES REVENUE:	±\$7.08 Billion US
2023 NET INCOME:	±\$218 Million US
EBITDA:	±\$315 Million US
EMPLOYEES:	±10,700 Worldwide
FACILITIES:	Europe, North & South America

www.aperam.com

APERAM S.A. TIMELINE RELATIVE TO FACILITY

- 1965 - ELG Utica Alloys, Inc. founded in Duisburg, Germany
- 2011 - Aperam founded in Luxemborg City, Luxemborg
- 2021 - Aperam purchases ELG Utica Alloys, Inc. (Subtenant)

Disclaimer: These timelines are approximate summaries provided for reference only and may contain errors or omissions.



LEASE SUMMARY

219 & 239 WEST SERVICE ROAD, HARTFORD, CONNECTICUT

LEASE TYPE:	Absolute NNN Lease
TENANT / LEASE GUARANTOR:	Sims Metal Management Limited
SUBLESSEE:	Metal Management Aerospace, Inc. (ELG Utica Alloys, Inc.)
TENANCY:	Full Building Occupancy
ANNUALIZED RENT:	\$2,326,359 (Starting December 1, 2024)
BASE TERM RENT INCREASES:	5% every 5 years
LEASE COMMENCEMENT:	December 1, 2010
LEASE EXPIRATION:	November 30, 2034 (firm term) 1st Option Term Expiration November 30, 2044 2nd Option Term Expiration November 30, 2054
RENEWAL OPTIONS:	Two 10 Year Renewals



RENT SCHEDULE

Term	Lease Years	Annual Rent	Rent PSF
BASE TERM	Until 11/30/2024	\$2,156,241	±\$5.07
	12/1/2024 - 11/30/2029	\$2,326,358	±\$5.47
	12/1/2029 - 11/30/2034	\$2,496,476	±\$5.87
1ST OPTION TERM	12/1/2034 - 11/30/2035	\$2,521,441	±\$5.93
	12/1/2035 - 11/30/2036	\$2,546,655	±\$5.99
	12/1/2036 - 11/30/2037	\$2,572,122	±\$6.05
	12/1/2037 - 11/30/2038	\$2,597,843	±\$6.11
	12/1/2038 - 11/30/2039	\$2,623,822	±\$6.17
	12/1/2039 - 11/30/2040	\$2,650,060	±\$6.23
	12/1/2040 - 11/30/2041	\$2,676,560	±\$6.29
	12/1/2041 - 11/30/2042	\$2,703,326	±\$6.36
	12/1/2042 - 11/30/2043	\$2,730,359	±\$6.42
	12/1/2043 - 11/30/2044	\$2,757,663	±\$6.48
2ND OPTION TERM	12/1/2044 - 11/30/2045	\$2,785,239	±\$6.55
	12/1/2045 - 11/30/2046	\$2,813,091	±\$6.61
	12/1/2046 - 11/30/2047	\$2,841,222	±\$6.68
	12/1/2047 - 11/30/2048	\$2,869,635	±\$6.75
	12/1/2048 - 11/30/2049	\$2,898,331	±\$6.81
	12/1/2049 - 11/30/2050	\$2,927,314	±\$6.88
	12/1/2050 - 11/30/2051	\$2,956,587	±\$6.95
	12/1/2051 - 11/30/2052	\$2,986,153	±\$7.02
	12/1/2052 - 11/30/2053	\$3,016,015	±\$7.09
	12/1/2053 - 11/30/2054	\$3,046,175	±\$7.16

LOCATION

The subject property is located in the North Meadows submarket, just north of Downtown Hartford, Connecticut. North Meadows is a largely commercial and industrial area that straddles Interstate 95 along the east side of the Connecticut River. North Meadows is home to many regional operations that serve the Greater Hartford area, such as the CT Transit hub, Hartford Public Works, Hartford Solar, Manchester Recycling, a USPS regional sorting facility, and multiple vehicle sales and rental facilities. The facility is located along North Service Road, which is an I-95 frontage road, with a long stretch of freeway frontage visibility. The property enjoys easy vehicle access to I-95, just north of I-84, and just south of I-291. The location is ideal for industrial operations, and employee access.





N/F
 #239 WEST SERVICE ROAD
 G/NLP 239 WEST SERVICE ROAD LLC
 1,132,418 S.F.
 25,997 AC.
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Interstate 91



West Service Road

Weston Street

U.P.R.R.

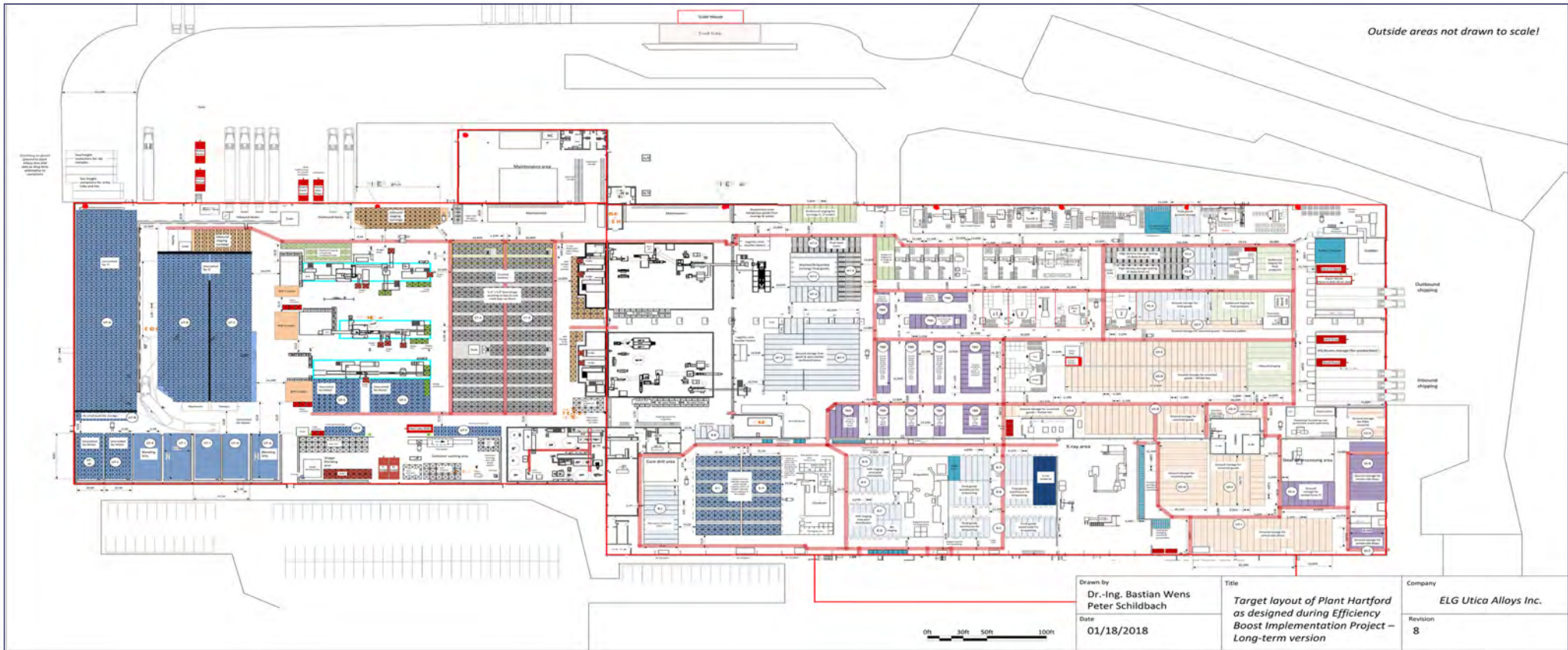


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ELG Utica Alloys, Inc. 2018 Target Layout



This information has been obtained from sources believed reliable, but has not been verified for accuracy or completeness. Please conduct a careful, independent investigation of the property, and verify all information.

HARTFORD COUNTY

POPULATION

899,498

2021 AMERICAN COMMUNITY SURVEY

MEDIAN HOUSEHOLD INCOME

\$80,869

2021 AMERICAN COMMUNITY SURVEY

HOMEOWNERSHIP RATE

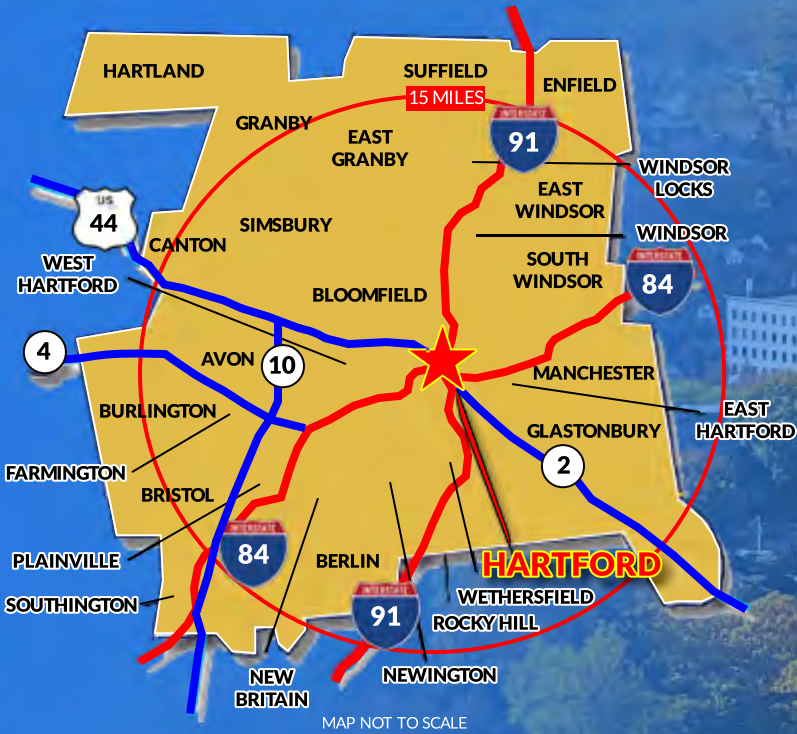
62%

2021 AMERICAN COMMUNITY SURVEY
(SOURCE: US CENSUS BUREAU)

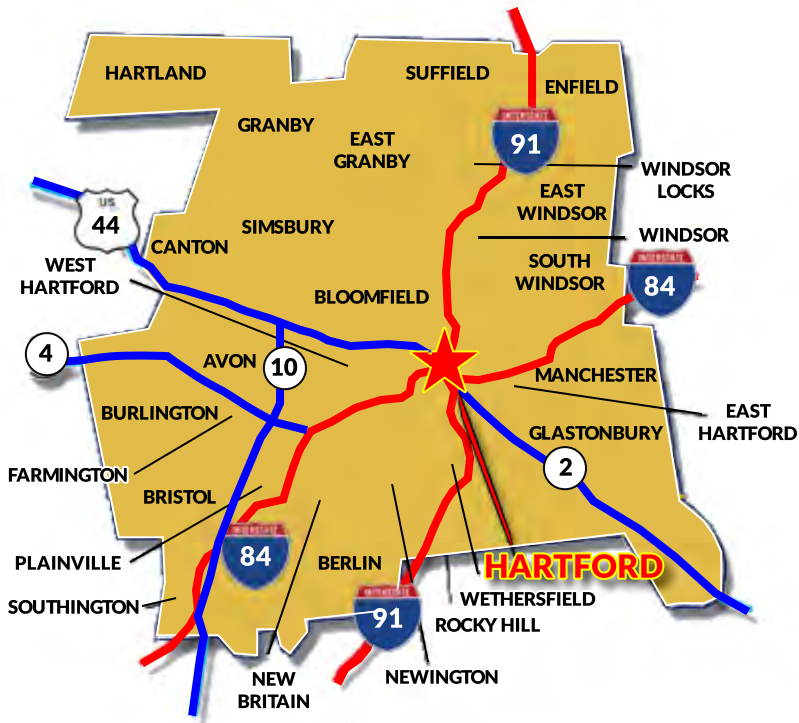
MEDIAN HOME SALE VALUE

\$322,000

(SOURCE: REDFIN DECEMBER 2023)



HARTFORD DEMOGRAPHICS



	1 MILE	2 MILES	3 MILES
2024 TOTAL POPULATION	4,107	93,067	237,009
2024 HOUSEHOLDS	1,283	36,750	94,711
2024 HOUSEHOLD INCOME	\$70,625	\$76,981	\$93,777

SOURCE: ESRI



LOCATION & INDUSTRIES

The City of Hartford is the capital of the State of Connecticut, and the central city of the Greater Hartford Metropolitan Statistical Area (MSA). The 2021 U.S. Census Bureau population estimate for the MSA was ±1.2 million. Connecticut has most Fortune 500 companies per capita in the nation, and Greater Hartford is home to multiple Fortune 500 companies, including Cigna, Aetna, Otis Worldwide, The Hartford, Stanley Black & Decker, and Eversource Energy.

The City of Hartford has been experiencing both an economic, and cultural, revival as it is increasingly recognized for its recreational opportunities, and quality of life benefits. U.S. News & World Report in 2024 ranked Hartford as one of the Top 8 cities in the United States to live, based on its high quality of life score.



INFRASTRUCTURE & TRANSPORTATION

The City of Hartford is a central hub of transportation infrastructure to the neighboring regions of Springfield, Massachusetts to the north, Providence, Rhode Island to the east, Albany, New York to the west and New Haven, Connecticut and New York City, New York to the south. Bradley International Airport, located in nearby Windsor Locks, is the second largest airport in New England. The Hartford Line commuter rail system runs from Springfield Massachusetts to New Haven Connecticut in the south, there it connects to Metro-North rail line for continuing service to New York City.



CONNECTICUT: TOMORROW'S ECONOMY

Connecticut is a leader in innovation, investing heavily in R&D and talent. For centuries, Connecticut has been a haven for original ideas and fresh thinking and this drive toward the future has made the state home to acclaimed scientists, inventors, and creators, producing the first functional helicopter, anesthesia, the color television, and many more amazing discoveries.

A unique mixture of pioneering start-ups, established industry leaders, and emerging innovators, alongside natural and cultural treasures, nationally ranked schools, and an exceptionally productive workforce has drawn workers and companies of all kinds to the state. These factors have resulted in Connecticut boasting the **2nd most Fortune 500 companies per capita** in the U.S., with 2 Fortune 100, 14 Fortune 500, and 28 Fortune 1000 companies located throughout the state. Regardless of a company's size, Connecticut has the talent to fuel their growth, and that talent is the cornerstone of our economy.

Leading the Way Towards the Future

- **#2** Highest Patent Activity in the U.S.¹
- **#4** Most Innovative Economy²
- **#6** in Workforce Productivity³
- **#1** State for Federal Defense Contract Spending Per Capita⁴
- **#7** in Foreign Direct Investment in USD⁵
- **38** World-class Colleges & Universities, including Yale & UConn
- **#3** Highest Percentage of Employees with Advanced Degrees⁶
- **#4** for Human Capital Investment⁷
- **#6** Highest Concentration of Engineers⁸
- **#8** Most Venture Capital Dollars Per Capita⁹

¹ Bloomberg State Innovation Index, 2020; ² Bloomberg State Innovation Index, 2020; ³ Defined by GDP per capita, Statista, 2021; ⁴ Department of Defense, 2021; ⁵ U.S. Bureau of Economic Analysis, 2017; ⁶ U.S. Census Bureau, ACS 1Y, 2021; ⁷ Milken Institute, 2022; ⁸ Lightcast, 2022; ⁹ Pitchbook, U.S. Census Bureau, 2022

ADVANCECT
CONNECTICUT

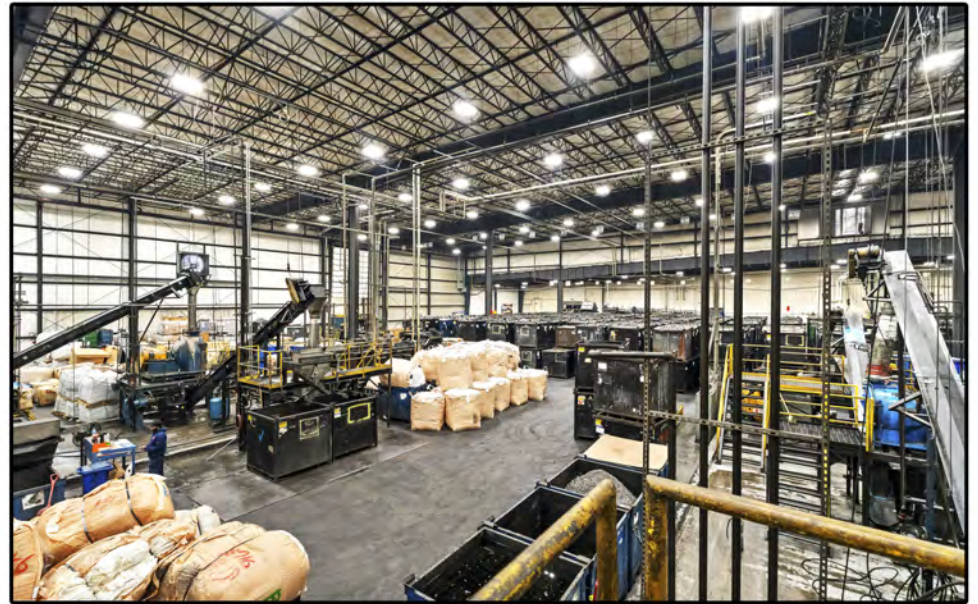
BUILDING EXTERIOR



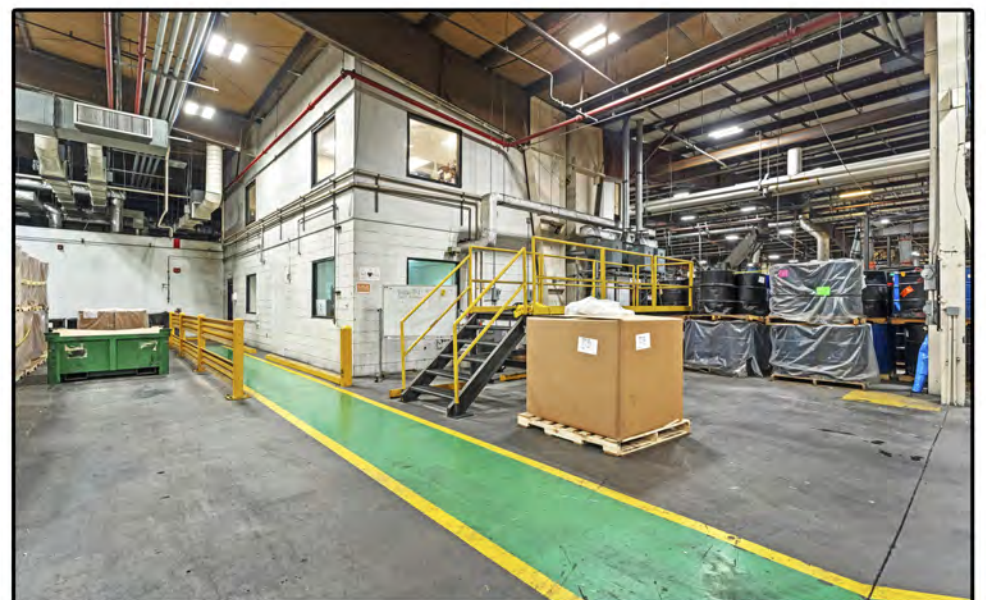
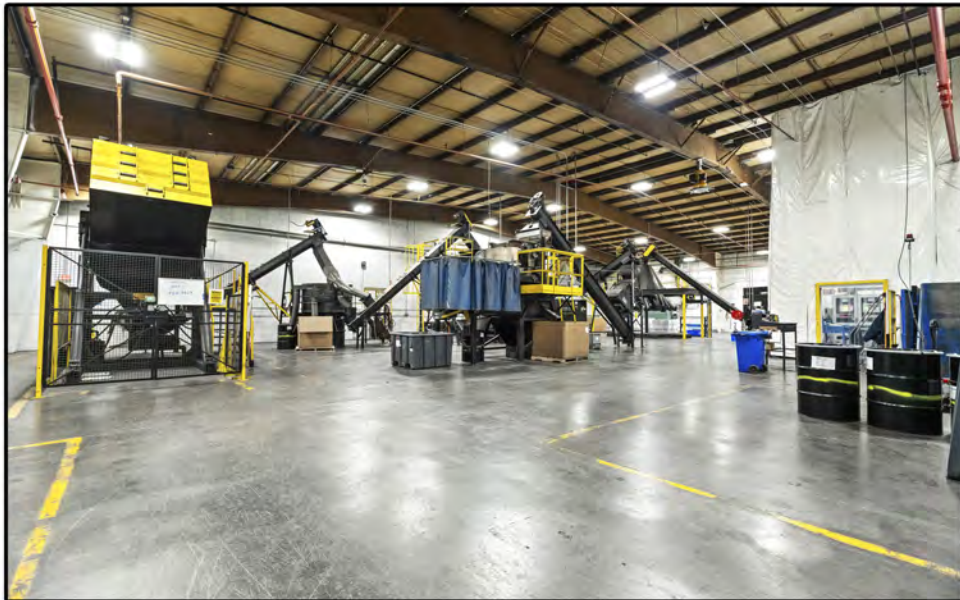
BUILDING EXTERIOR



WAREHOUSE INTERIOR



WAREHOUSE INTERIOR



OFFICE INTERIOR



OFFICE INTERIOR



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BUILDING INTERIOR VIDEO**



