

MAGUIRE REAL ESTATE

Established 1973



170

VAN BRUNT STREET

— BROOKLYN, NY —

IRREPLACEABLE NEW YORK CITY INVESTMENT OPPORTUNITY
IN-PLACE CASH FLOW WITH FUTURE REDEVELOPMENT POTENTIAL
PRIME RED HOOK BROOKLYN LOCATION

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Executive Summary

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Executive Summary

THE OPPORTUNITY

Maguire Real Estate LLC (“Maguire”) has been retained to present for sale **170 Van Brunt Street** (the “Property”) located in **Brooklyn New York**. The Property offers an investor or developer the exceedingly rare opportunity to purchase a highly functional, cash flowing industrial / distribution property situated within the most coveted real estate market in the United States.

The Property totals 40,000 square feet and is fully leased to two strong tenants with **below market in-place rents** and **1.89 years of weighted average lease term** and **3.00% contractual rent escalations**, offering an investor the opportunity to dramatically increase their net operating income within the short-term.

170 Van Brunt Street is situated on 0.87 acres within the Red Hook neighborhood of Brooklyn. **This location is mission critical for all asset classes** as it sits in the heart of Brooklyn and offers seamless connectivity to Manhattan. The Property offers the additional opportunity to add value through future redevelopment into a best-in-class commercial property within the largest city in the United States.

Property Overview

Property Address:	170 Van Brunt Street Brooklyn, New York 11231
Lot Area:	0.87 Acres
Lot Dimensions:	210’8” x 180’
Building Size:	40,000 SF
Building Dimensions:	184’ x 178’6”
Zoning:	M2-1 (Manufacturing)



Investment Highlights

ONCE IN A GENERATION OPPORTUNITY TO ACQUIRE IRREPLACEABLE URBAN INFILL REAL ESTATE

170 Van Brunt Street offers the investment and development community a generational opportunity to own commercial real estate within the most infill pocket of Brooklyn. The Property is situated within Red Hook and offers both seamless and immediate connectivity to Manhattan, Queens, Downtown Brooklyn and South Brooklyn.

The Property is located across the street from Pier 12 of the New York Marine Terminal, within 4-blocks of the Brooklyn Cruise Terminal and Red Hook Ferry offering access to Manhattan and less than 1-mile from the entrance of the Hugh L. Carey Tunnel connecting Red Hook to Downtown Manhattan.



OPPORTUNITY TO ADD SIGNIFICANT VALUE THROUGH THE MARK-TO-MARKET OF EXISTING TENANTS

The Property is fully leased to two strong tenants with less than 2-years of weighted average lease term and in-place rents that are $\pm 27\%$ below today's market rent. The rare combination of a substantial mark-to-market opportunity coupled with less than 2-years of term will allow an investor the opportunity to generate substantial NOI growth within the first five years of a hold period.

\$22.63 PSF

Average In-Place Rent

\$32.00 PSF

Market Rent

27.03%

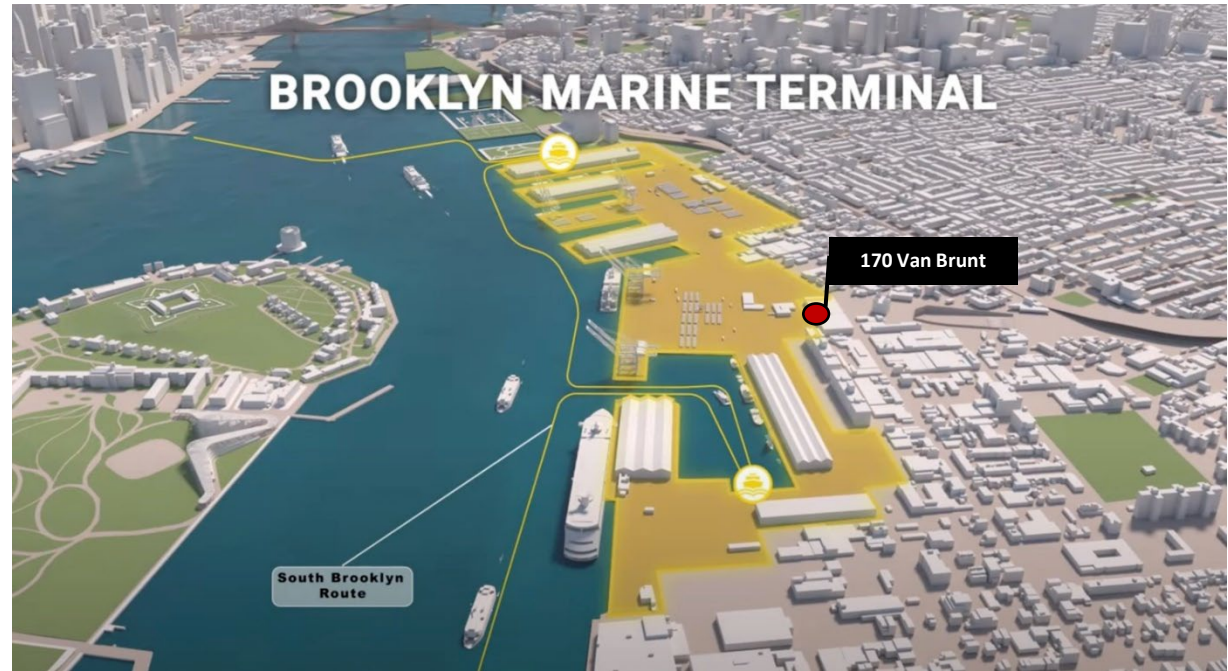
Below Market

Investment Highlights

\$110M BROOKLYN MARINE TERMINAL REVITALIZATION

Transformation of the Brooklyn Marine Terminal in Red Hook:

- 122-acre Brooklyn Marine Terminal into a modern port and mixed-use community hub
- \$80 million to stabilize piers
- \$15 million electrified container crane
- \$15 million state-of-the-art cold storage facility
- City to Develop Modern Maritime Port Focused on Freight Bound for the Five Boroughs, Blue Highway and Micro-Mobility Strategies that Reduce Truck Traffic



Rendering of Brooklyn Marine Terminal Site, via NYC Mayor's Office

A 21ST CENTURY MARINE TERMINAL SERVICING LAST-MILE DISTRIBUTION

As a result of the project, the city aims to grow the existing container business for the facility and enable micro-mobility strategies to reduce truck traffic. In addition, the city plans to assemble a task force to engage stakeholders and develop a shared vision for the facility's new amenities that will be added as a result of the project. New York City has applied for over \$350 million in federal funds to optimize the site for international cargo handling and low-carbon freight movement.

“There is so much we can unlock by investing in the Brooklyn Marine Terminal and the Red Hook container terminal,” said Andrew Gouardes New York State Senator and Brooklyn Marine Terminal Task Force vice chair.

Reference: New York Yimby

Investment Highlights

CORPORATE REAL ESTATE MICROMARKET

170 Van Brunt Street's location attracts the best-of-the-best tenants from both a national and regional perspective alike. In addition to three Amazon facilities, Tesla recently opened their second location in Red Hook immediately adjacent to the Property at 160 Van Brunt Street.



Investment Highlights

FUTURE REDEVELOPMENT POTENTIAL

170 Van Brunt Street is located within New York City's M2-1 zoning district. Zone M2-1 is a manufacturing district serving as the middle ground between light and heavy industrial areas. The Property's M2-1 designation allows for an FAR of 2.0x as well as a maximum building height of 60'.

M2-1 ZONING: APPROVED ZONING: Permitted uses within the M2-1 Zoning District include, but are not limited to the following:

- Art Galleries (Commercial)
- Automobile Repair, Sales & Storage
- Banks
- Medical Office
- Office Space
- Parking Facilities
- Retail (Including Supermarkets)
- Truck Terminals
- Warehousing
- Wholesale Establishments

BEST-IN-MARKET DEMOGRAPHICS & REACH

170 Van Brunt Street is located with immediate access to all five boroughs of New York City. The Property offers a user or tenant the opportunity to reach 38% of the New York City Population within a 5-mile radius. This location is mission critical to any business or operation as it offers direct access to over \$170 billion in annual buying power across the largest city in the United States within a 30-minute drivetime.

30-MINUTE DRIVETIME DEMOGRAPHICS



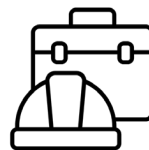
5,262,221

Total Population



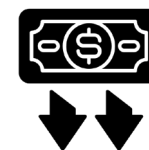
6,361,153

Daytime Population



5,262,220

Total Workforce



\$138,028

Average HH Income



\$173.9 Billion

Annual Budget
Expenditure



Property Overview

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Property Overview

Property Metrics

Property Address: 170 Van Brunt Street
Brooklyn, New York 11231

County: Kings County

Parcel Number: 00502-0001

Lot Area: 37,920 Square Feet
0.87 Acres

Lot Dimensions: 210'8" x 180'

Building Size: 40,000 Square Feet

Building Dimensions: 184' x 178'6"

Year Built: 1931

Loading: 7 Oversized Drive-in Doors

Ceiling Height: 32' 9"

Clear Height: 26'

Zoning: M2-1 (Manufacturing)



Property Overview





Market Overview

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Brooklyn Industrial Market

The Brooklyn Industrial Submarket

The New York City industrial market consists of four main primary pockets of warehouse / distribution space: **Brooklyn**, Bronx, Queens and Staten Island.

The Brooklyn industrial submarket is made up of three markets: North Brooklyn, South Brooklyn and Downtown Brooklyn. Brooklyn is the heart of logistics for New York City and represents the lion's share of inventory, accounting for 84% of the industrial inventory across New York City. Over the last decade, Brooklyn has led all of New York City in total industrial inventory, rental rate growth and net absorption throughout the current cycle.



Supply and demand across the borough has continued to drive market fundamentals. Over the last decade, industrial inventory in Brooklyn has decreased by 6 million square feet due to conversions and demolitions, with multi-family use the preferred option for developers. The increased consumer reliance on e-commerce is driving demand across into Brooklyn for industrial space and distribution facilities.

Brooklyn Industrial Market

Total Inventory

99.1

Million Square Feet

Overall Asking Rent

\$30.83

Per Square Foot NNN

Vacancy Rate

5.70%

YTD Net Absorption

+256.5

Thousand Square Feet

Relevant Brooklyn Industrial Sales Transactions

Building Address	Date Sold	Year Built	Building Size (SF)	Buyer	Seller	Purchase Price	Price PSF
2246 Fulton Street Brooklyn, NY	May-24	1967	15,000	Jacob Landau	Kinsella Realty	\$11,500,000	\$767
6201 6th Avenue Brooklyn, NY	May-24	1922	73,950	United Construction & Development	Private Seller	\$21,400,000	\$579
20 Anthony Street Brooklyn, NY	Apr-24	1940	10,000	Private Buyer	Cotard	\$9,600,000	\$960
181 Lombardy Street Brooklyn, NY	Mar-24	1940	24,000	Terreno Realty	Private	\$11,950,000	\$498



Financial Analysis & Lease Abstracts

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Financial Analysis

General Assumptions

Analysis Timing

Analysis Start Date November 2024

General Assumptions

Square Feet 40,000

Occupancy 100%

Rent Roll

Tenant	Square Footage	Lease Commencement	Lease Expiration	Escalation Date	Annual Rent	Monthly Rent	PSF Rent
Apollo Tech Construction	25,000	Mar-15	Feb-25	-	\$612,000	\$51,000	\$24.48
U-Tek Elevator ⁽¹⁾	15,000	May-21	Apr-29		\$292,808	\$24,401	\$19.52
				May-25	\$301,593	\$25,133	\$20.11
				May-26	\$310,640	\$25,887	\$20.71
				May-27	\$319,960	\$26,663	\$21.33
				May-28	\$329,558	\$27,463	\$21.97

3.00% Annual Increases

Footnote: U-Tek elevator lease contains a Landlord termination option whereby landlord can terminate the lease with 365 days notice with a financial penalty as detailed in the lease abstract.

Lease Abstract: Apollo Tech Construction

Tenant:	Apollo Tech Construction
Rentable Area:	25,000 Square Feet
Commencement Date:	March 1, 2015
Expiration Date:	February 28, 2025
Use:	Tenant shall use and occupy the Premises for an office and fabrication of metal products and for no other purpose.
Alterations:	Tenant shall make no changes in or to the demised premises of any nature without Owner's prior written consent. Subject to the prior written consent of owner, Tenant, at Tenant's expense, may make alterations, installations, additions or improvements which are non-structural and do not affect utility services or plumbing and electrical lines.
Landlord Repairs:	Owner shall maintain and repair the public portfolio of the building, both exterior and interior.
Access to Premises:	Owner or Owner's agents shall have the right to enter the demised premises in any emergency at any time, and, at other reasonable times to examine the same and to make such repairs, replacements and improvements as owner may deem necessary.
End of Term:	Upon the expiration or other termination of the term of this lease, Tenant shall quit and surrender the demised premises "broom clean" and in good order and condition, ordinary wear and tear excepted, and tenant shall remove all its property.
Water Charges:	If Tenant uses or consumes water for any purpose in addition to ordinary lavatory purposes, Owner may install a water meter and thereby measure tenant's water consumption. Tenant shall pay Owner for the cost of the meter and the cost of the installation thereof. Tenant shall pay to Owner as additional rent 66.66% of the total meter charges.
Sprinklers:	<p>Tenant shall, at Tenant's expense promptly make such sprinkler system installations, changes, modifications, alterations or supply additional sprinkler heads or other equipment as required, whether the work involved shall be structural or non-structural in nature. Tenant shall pay to Owners as additional rent tenant's portion of the contract price for sprinkler supervisory service.</p> <p>Tenant shall maintain the sprinkler system in good and proper condition and shall repair, replace and restore the same to a good working condition. Tenant shall pay as additional rent its pro-rata share of (i) the maintenance of the sprinkler system in the "sprinkler room", (ii) the annual inspection fee and (iii) the monitoring telephone line.</p>
Heat & Cleaning:	Tenant shall furnish heat to the demised premises. Tenant shall at Tenant's expense, keep the demised premises clean and in order to the satisfaction of the Owner and tenant shall make all repairs and replacements to the sidewalk and curbs adjacent thereto and keep said sidewalks and curbs free from snow, ice, dirt, rubbish and maintain said sidewalks in a reasonable safe condition. Tenant shall pay to Owner the cost of removal of any of Tenant's refuse and rubbish from the building.

Lease Abstract: Apollo Tech Construction

Security:	Tenant has deposited the amount of \$66,000 as security for the faithful performance and observance of the terms, provisions and conditions of this lease.
Glass:	Owner shall replace, at the expense of the tenant, any and all plate and other glass damaged or broken from any cause whatsoever in and about the demised Premises. Owner may insure all plate and other glass in the demised premises at Tenant's expense.
Guaranty:	Guarantor guarantees to Owner the full performance and observance of all agreements to be preformed and observed by Tenant. The guaranty shall remain un full force and effect as to any renewal, change or extension of the lease.
Real Estate Taxes:	Tenant shall pay to landlord 66.66% of any and all future increases in the real estate taxes assessed and levied against the premises over and above the tax fixed for the base period (2005–2006), whether such increases shall result from an increase in the tax rate or from an increase in the assessed valuation of the premises, or from both.
Tenant Repairs:	Tenant shall, throughout the term of this lease, take good care of the demised premises and the fixtures and appurtenances therein, and the sidewalks adjacent thereto and at its sole cost and expense, make all non-structural repairs thereto as and when needed to preserve them in good working order and condition. Tenant, at Tenant's sole cost, shall make all repairs and/or replacements to the plumbing, heating, air conditioning and electrical systems in the demised Premises. Tenant will, at Tenant's sole cost and expense, clear any obstruction in and to the sewer pipe, drains and connections with mains caused by or as a result of Tenant.
Occupancy Tax:	In the event there should be any tax or other charge imposed by the City of New York computed based on the occupancy of the space, Tenant expressly agrees to pay such tax.
Floor Repairs:	Tenant shall, at it sole cost and expense, immediately repair and seal the concrete floor within the Premises and the adjoining sidewalk to the satisfaction of the Landlord so as to prevent any leakage / seepage into the subsurface.
Termination Option:	Tenant shall have the right to cancel this lease and be relieved from all liability hereunder provided: (a) Tenant shall notify the Landlord in writing by certified mail; (b) the termination option shall not be in effect until 120 days after receipt of the written notice. Upon termination of the lease, security deposit shall be retained by Landlord as and for liquidated damages.

Lease Abstract: U-Tek Elevator

Tenant:	U-Tek Elevator, Inc.
Rentable Area:	15,000 Square Feet
Commencement Date:	May 1, 2021
Expiration Date:	April 30, 2029
Use:	Lessee shall use the Premises solely as an elevator manufacturing, installation and repair center and shall be permitted the use of welding equipment.
Security Deposit:	Lessee shall pay the security deposit of \$46,000 together with the first month of rent payable.
No Counterclaim:	All rent shall be absolutely net to Lessor so that this Lease shall yield to Lessor the full amount of the installments without deduction.
Maintenance & Repair:	Lessee, at all times during the Lease Term and at Lessee's expense, shall keep the demised premises, all improvements and all facilities and equipment, the adjoining sidewalk, curbs, vaults and vault space, streets, ways, plumbing, electrical, heating and sprinkler systems and all appurtenance to the demised premises in a good repair and clean order and condition. Lessee shall promptly make all necessary or appropriate repairs, replacements and renewals thereof, whether exterior or interior, nonstructural, ordinary or extraordinary, foreseen or unforeseen. All repairs, replacements and renewals shall be equal in quality and class to the original work.
Alterations:	In connection with any construction, alterations, additions, improvements, repairs and signs to be made or installed by Lessee in the demised premises, submit in advance for Lessor's approval, which shall not be unreasonably delayed or withheld, all plans and specifications.
Real Estate Taxes, Water & Sewer Charges:	Lessee, at Lessee's expense, shall bear, pay and discharge 33.33% of the real estate tax for the Premises above the base tax year for New York City of 2020/2021 and shall be responsible for 33.33% of the water and sewer and sprinkler charges of the Premises.
Sprinklers:	If the sprinkler system requires repair as a result of the actions or inactions of the Lessee, Lessee shall be responsible for 100% of the costs of said repairs.
Utility Services:	Lessee shall pay all charges for public or private utility services and all sprinkler systems and protection services at any time rendered to or in connection with the Demises Premises.
Insurance:	Lessee, at all times during the lease term and at Lessee's expense, shall provide and maintain: (a) insurance with respect to the improvements against loss or damage by fire, lightning, windstorm, hail, explosion, riot and other risks from time to time included under extended coverage policy in an amount equal to 100% of the full replacement cost; (ii) public liability and property damage insurance with limits of \$1,000,000 per person and \$3,000,000 per accident, and in the case of property damage \$500,000; (iii) war risk insurance; (iv) appropriate worker's compensation insurance; (v) flood insurance in an amount at lease equal to the maximum limit of coverage available; and (vi) insurance against such other hazards and in such amounts as is customarily carried by prudent owners and operators in similar properties.

Lease Abstract: U-Tek Elevator

Surrender:	Upon the expiration or termination of the Lease Term, Lessee shall quit, surrender and deliver to Lessor the demised premises with the improvements thereon in good order and condition, ordinary wear and tear excepted, and shall remove all Lessee's equipment therefrom.
Landlord Termination Option:	<p>After the expiration of the first three lease years, on or after May 1, 2024, Landlord may at any time and for any reason upon 365 days' notice, may serve upon the Lessee a written notice of election to cancel and terminate this lease, whereupon this lease shall cease, expire and come to an end upon the 365th day following the date of giving such notice.</p> <p>If the lease is terminated, Landlord agrees to pay the Tenant the following sums:</p> <ul style="list-style-type: none">• Between 5/1/2024 and 4/30/2025: \$500,000• Between 5/1/2025 and 4/30/2026: \$400,000• Between 5/1/2026 and 4/30/2027: \$300,000• Between 5/1/2027 and 4/30/2028: \$200,000• Between 5/1/2028 and 4/30/2029: \$100,000• After 4/30/2029: No Payment
Waste Removal:	Lessee agrees that its waste removal shall be billed to and paid for by the Lessee. Lessor shall not be responsible for any cleaning, waste removal or similar services to the Demised Premises.

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