Dear [Neighbor's Name],

I hope this message finds you well. I am writing to return the [specific tool] that I borrowed on [date]. I truly appreciate your kindness in lending it to me.

The tool has been very helpful for my project, and I have taken great care of it during the time I had it. You can find it in its original condition, ready for you to use once again.

Please let me know a convenient time for you to pick it up or if you would like me to drop it off.

Thank you once again for your generosity!

Best regards, [Your Name]