

4540 Bergenline Ave, Union City

Sold For: \$1,530,000



Property Profile:

- Sold with no mortgage contingency
- 6% Cap rate
- \$218,571 per unit



For more information, or if you would like a complimentary Opinion of Value for your property, please contact:

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Situation

Cervelli Real Estate & Property Management was referred to the owner of a long-held family property located in Union City. The property was a mixed-use asset, and the majority of the income was derived from the commercial tenant.

Challenge #1

The commercial tenant had no lease, which does not give investors confidence that the tenant will remain in place and makes the asset much more difficult to sell. In addition, the property was being marketed for sale in a rising interest rate environment, which further reduced the potential pool of buyers.

Testimonial

It's been some six weeks since the closing of the sale of my family's property. Please accept this letter as a belated thank you. I often say to my customers that "exceeding expectations is key to our success." Well, you, Ana and Cervelli Real Estate certainly exceeded my expectations. Selling a property that was owned by family for over 50 years is extremely emotional. Although it was a commercial property, it was my parents home for most of their lifetime. The selling process was frustrating at times. Your guidance throughout the selling process with the Union City Building Department and Buyer was invaluable and kept me on track with my personal objectives goals. Thank you again for representing my interests. My sister-in-law is considering selling her Union City property in the coming months and I will strongly be recommending your firm to my family." – Jose A. Perez, Sole Member

Solution

Cervelli Real Estate used its hybrid marketing approach that combines systems used by Reginal Commercial Agencies, as well as the Multiple Listing Services (MLS) to expose the property to more "eyes" than any of our competitors have the ability to do. By casting such a wide net, we were able to identify several buyers with expiring 1031 deals who were highly motivated to identify potential acquisition opportunities.

Challenge #2

Another hurdle to closing the sale emerged once the property was under contract for sale. It was discovered that the seller had an open permit from over a decade ago with no records to prove the work had been completed to code.

The city is also very stringent with his building department process and review, which often results in weeks before a closed permit can be issued. If the deal didn't close within the allotted time period, the buyer would be forced to pay his capital gains tax and would likely not follow through on buying the property.

Solution

Cervelli Real Estate dedicated someone from its team to focus exclusively on resolving the open permit. If the issue wasn't resolved, it was a potential deal killer. However, the Cervelli representative was able to expedite the process in just a few days.