

Property Profile:

- Estate Sale
- 7 Residential Apts
- 5,500 Sq Ft of Commercial Space
- Less than 1 mile from Journal Square



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

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CHALLENGES:

The executor of an estate had contacted Chris Cervelli for a professional valuation and eventual disposition of a 10,000 square foot property in the Journal Square section of Jersey City. There were several challenges that needed to be addressed prior to closing, several of which were discovered a week prior to the scheduled closing.

Determining the potential investor pool was the first challenge that would also affect the valuation. A sophisticated buyer well versed in this market that could accept several of the associated risks with the property was needed. The pool of such buyers was much smaller than the general investor market.

The valuation was a challenge itself. The seller obviously wanted to maximize the sales price but the risks and issues associated with the property coupled with the smaller pool of potential buyers had to be factored into this equation. Pricing the property correctly allowed the contract terms to be properly negotiated and the parties to agree on a price relatively quickly.

Once under contract, the initial challenge was dealing with environmental issues at the property. Namely, a leaking underground heating oil storage tank needed to be decommissioned and any contamination remediated to the satisfaction of the New Jersey Department of Environmental Protection.

There were also several unresolved estate issues that needed to be addressed to the satisfaction of the buyer's title company. This involved negotiations with the state and the title company to satisfactorily conclude these issues.

The subject property had several month-to-month tenants without leases in place paying below market rents. Some units were vacant. Some tenants were in rent controlled apartments while others were in market apartments. The different types of tenancies provided different risks. Some tenants were behind in their rental payment obligations so negotiating an assignment of rights to collect was at issue between seller and buyer. There was significant commercial space which needed to be cleaned, marketed and leased to obtain financing.

TESTIMONIALS:

- Chris is an excellent real estate broker that comes from his experience, expertise, diligence, responsiveness and levelheadedness. He is honest, forthcoming and has incredible integrity in his dealings. He gained our trust and respect quickly. He facilitated conversations between the parties to address serious challenges that could not be resolved by the attorneys. In fact, without his involvement at every critical step, the deal would not have concluded successfully. This was a complex transaction and Chris's perseverance throughout the transaction was incredibly supportive. We highly recommend Chris without the slightest reservation to anyone looking to value and sell their property. – Vivek Singh, Attorney for Buyer

CONCLUSION:

Cervelli RE was able to produce a capable and creative buyer who was able to deal with the challenges and understand the upside the property could provide. Mutually satisfactory pricing and terms were negotiated and agreed to. This was the critical part that allowed the parties to work together to address all the challenges. The environmental situation was addressed to the satisfaction of the NJDEP. Financing was put in place even though it needed to be re-authorized due to the delays involved in the environmental cleanup. The estate issues were resolved after much negotiation. The tenancy and assignment issues were resolved. Several items remained to be addressed as post closing undertakings which were agreed to by the parties.