

437 Elm Street, Kearny
Sold For: \$575,000



Property Profile:

- 3 story building
- 6 unit apartment house



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

Chris Cervelli, CCIM

201.868.6300

chris@realestatenj.com

CHALLENGES:

This property is a six unit apartment house with a surface parking lot in the township of Kearny. Kearny is a suburb located between the two largest cities in NJ, Newark and Jersey City. The seller was looking for a broker who could not only produce a buyer, but would also consult them through the selling process as this was the first time they were selling a commercial investment property. The property had some physical challenges like poorly laid out floor plans that required a reshuffling of walls and water lines, oil heating system and some minor structural issues that needed some shoring up, but for the most part, offered a great value opportunity for someone willing to invest some time.

OUTCOME:

Originally, Chris Cervelli had come into contact with the buyers when they were looking for value and development deals in larger cities, but CRE was able to point out to these investors that the purchase of this property in a non-rent controlled town, such as Kearny, could provide them with a stream of revenue that could offset the flat return that they receive while their other projects are in the construction phase. This reduced their reliance on one single project and allowed them to hedge their exposure over various different product classes. Additionally, purchasing this asset would give them equity, and the ability to leverage for their other construction projects. This was the missing link that allowed the buyers to bridge the gap between an equity call from their partners, and the pay back of the investor's original investment. Now they could provide a steady and consistent cash flow, while building their portfolio.

CONCLUSION:

Cervelli Real Estate was able to bring investors from outside of the normal buyer pool for this type and size asset to maximize the sale price for the owner. For the buyer he was able to help them strategize and hedge their portfolio thereby reducing stress, increasing leverage potential, and spreading the risk across various different asset classes to endure the success of their endeavor.