



# NORTHERN NEW JERSEY ROOMING HOUSE PORTFOLIO

# Executive Summary

This offering represents a rare opportunity to acquire scale in one of the most resilient corners of the multifamily market. The portfolio consists of 15 licensed rooming houses across Newark, East Orange, and Somerville, NJ, with a total of 277 rentable rooms. Properties of this type and scale almost never come to market, making this a truly unique chance to secure a turnkey, income-producing platform in a supply-constrained housing segment.

The portfolio is being offered at \$15.5M ( $\pm$ \$55,000 per room) and is partially stabilized, with roughly half the units intentionally vacated by the seller to streamline renovations and re-leasing. This proactive approach allows a buyer to step in without delays associated with tenant relocation and move quickly to capture upside. At current occupancy, the portfolio generates an annualized NOI of approximately \$856,000, but at stabilization, it is projected to deliver  $\pm$ \$2.33 million in NOI—nearly three times today's cash flow. This simple but powerful value-add—leasing vacant units at  $\pm$ \$900 per month and modestly adjusting legacy rents—creates the potential for one of the highest-yielding investments available in the multifamily sector today.

Beyond the numbers, the portfolio comes with a seasoned management team that knows the properties and tenants intimately. The seller is also willing to provide post-sale management or a transitional lease-back structure, ensuring operational continuity and mitigating early-stage vacancy risk. All properties are up to date with state inspections and licensing, reducing compliance risk and reinforcing the long-term defensibility of the investment.

In short, this is a turnkey, recession-resistant portfolio built and maintained over two decades, positioned for significant near-term upside and long-term revenue stability. It offers investors flexibility—whether seeking durable cash flow, a refinance play, or future repositioning—and represents a scale of opportunity in the rooming house sector that is virtually impossible to replicate.

# Headline Items

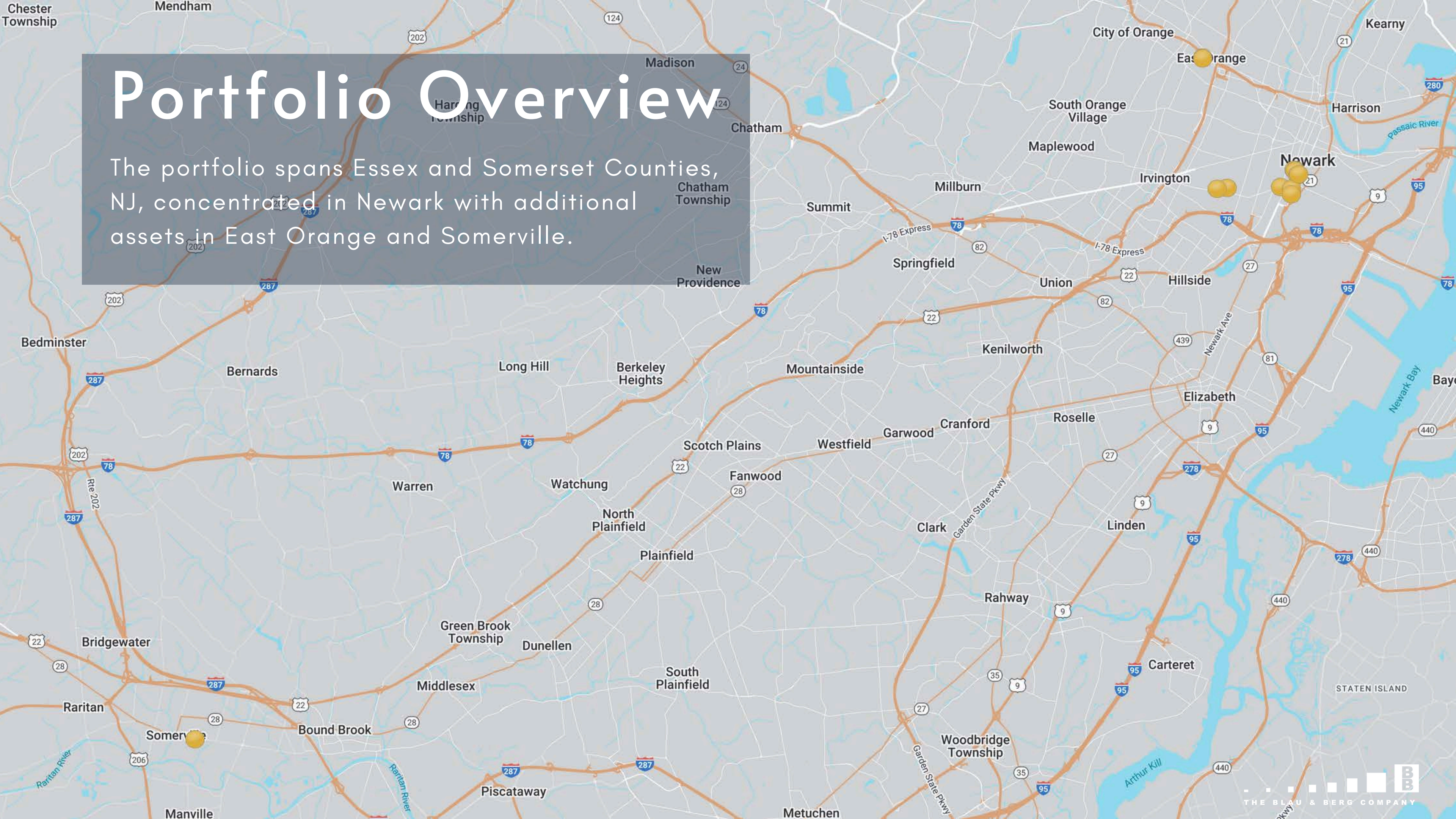
- | Asking Price: \$15.5M ( $\pm$ 55K per room)
- | Seller is willing to provide post-sale management support for continuity and will also consider seller-financing for qualified buyers
- | Significant upside:  $\pm$ 50% of units are intentionally vacant and available for renovation/re-leasing.
- | Stabilized pro forma NOI is nearly three times the current NOI, driven by re-occupancy at  $\pm$ \$900/month rents.

# PROJECT DETAILS



# Portfolio Overview

The portfolio spans Essex and Somerset Counties, NJ, concentrated in Newark with additional assets in East Orange and Somerville.





# Property Details

The portfolio consists of the following 15 properties:

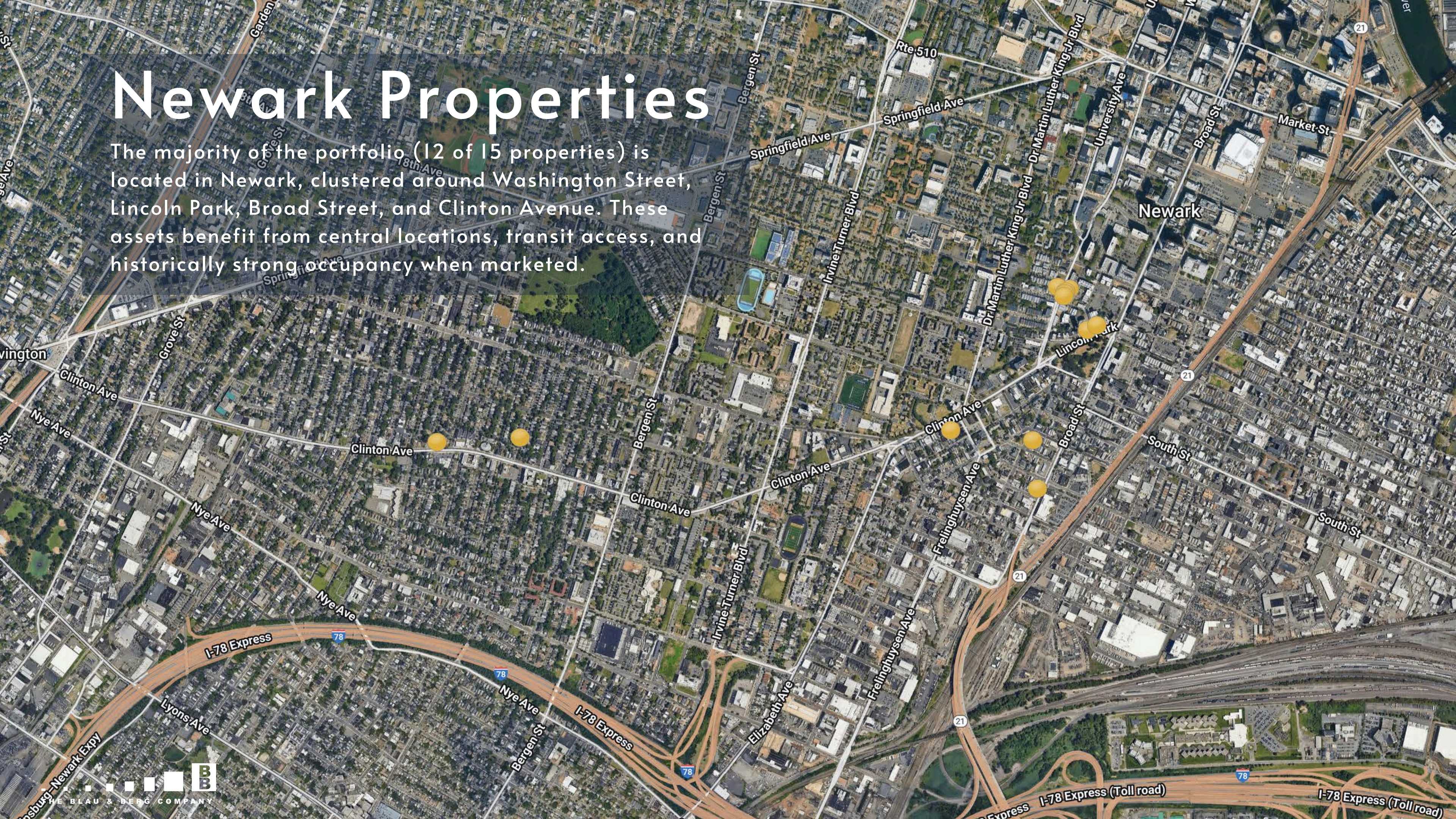
ADDRESS	TOTAL ROOMS	CURRENT OCCUPANCY
75 Baldwin Ave, Newark, NJ 07107	16	100%
11–13 Lincoln Park, Newark, NJ 07102	35	85%
350 East Main Street, Somerville, NJ 08876	39	82%
677–681 Clinton Ave, Newark, NJ 07108	30	57%
168 Clinton Ave, Newark, NJ 07108	18	78%
50 South Walnut St, East Orange, NJ 07018	11	18%
52 South Walnut St, East Orange, NJ 07018	11	18%
69 Pennsylvania Ave, Newark, NJ 07105	12	8%
1163 Broad St, Newark, NJ 07114	14	57%
19 Lincoln Park, Newark, NJ 07102	18	56%
468 Washington St, Newark, NJ 07102	12	75%
471 Washington St, Newark, NJ 07102	16	0%
472 Washington St, Newark, NJ 07102	18	76%
474 Washington St, Newark, NJ 07102	14	64%
476 Washington St, Newark, NJ 07102	13	69%

Note: all properties are licensed Class A rooming houses, except for 11-13 Lincoln Park, Newark, NJ, and 350 East Main Street, Somerville, NJ.



# Newark Properties

The majority of the portfolio (12 of 15 properties) is located in Newark, clustered around Washington Street, Lincoln Park, Broad Street, and Clinton Avenue. These assets benefit from central locations, transit access, and historically strong occupancy when marketed.





# Newark, NJ

75 Baldwin Ave



168 Clinton Ave



11-13 Lincoln Park



69 Pennsylvania Ave



677-681 Clinton Ave





# Newark, NJ

19 Lincoln Park



1163 Broad St



471 Washington St



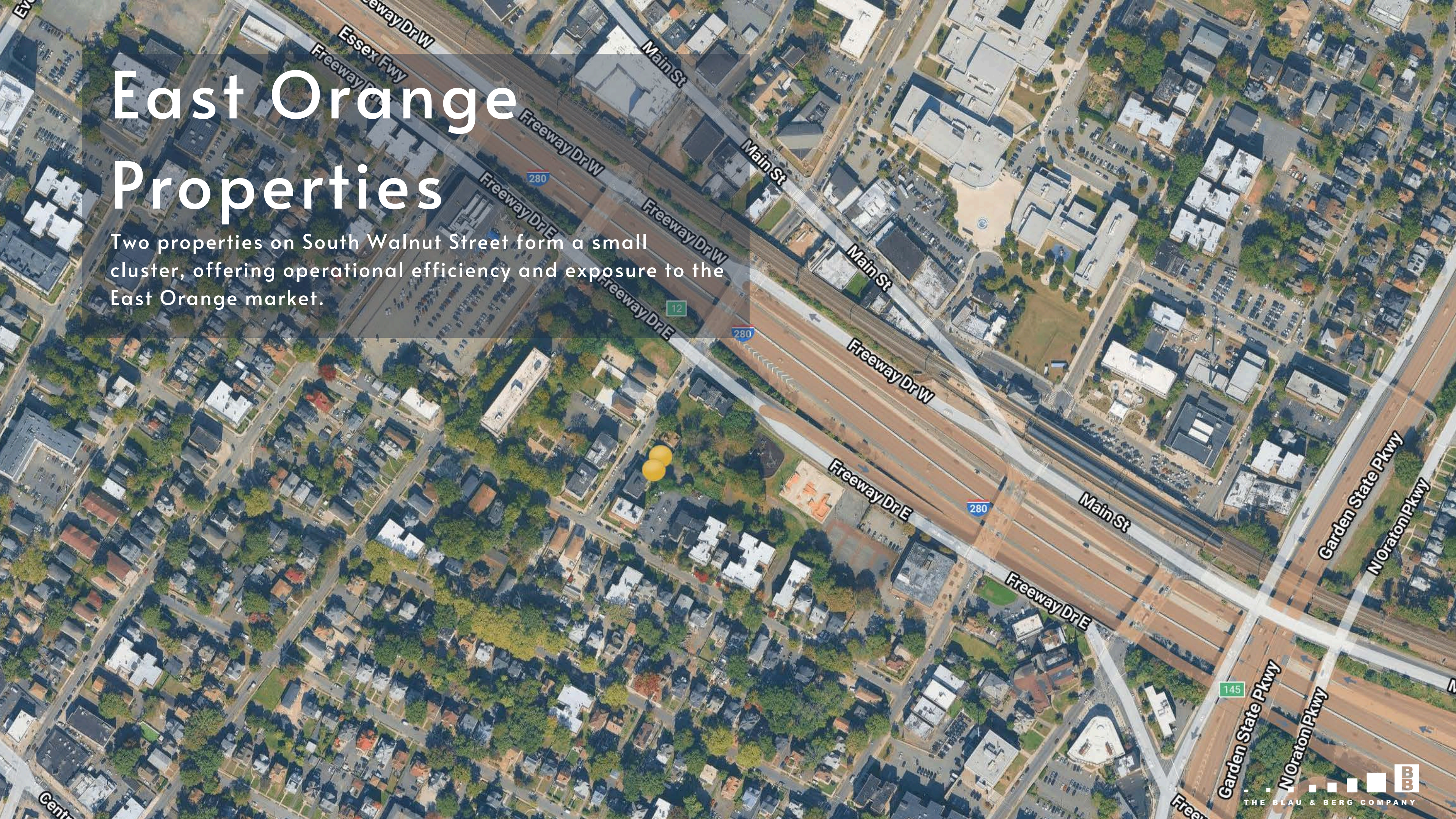
468, 472, 474, 476 Washington St





# East Orange Properties

Two properties on South Walnut Street form a small cluster, offering operational efficiency and exposure to the East Orange market.





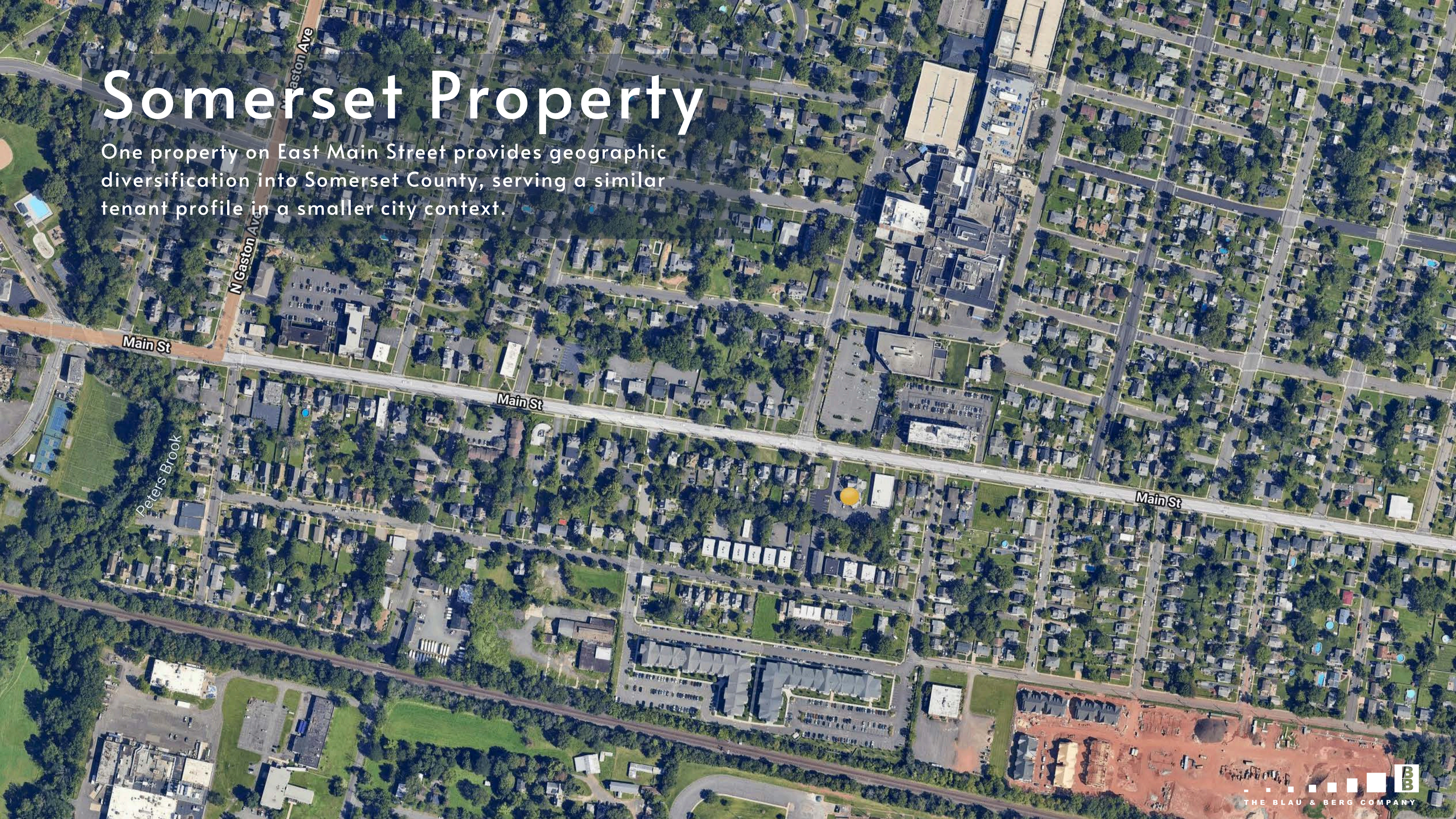
# 50, 52 South Walnut Street East Orange, NJ





# Somerset Property

One property on East Main Street provides geographic diversification into Somerset County, serving a similar tenant profile in a smaller city context.





# 350 East Main Street Somerville, NJ



# Operations

Current occupancy:  $\pm 50\%$  of rooms, with intentional vacancies to enable renovations and tenant repositioning.

Tenant profile: working-class individuals, retirees, and others priced out of traditional apartments.

To reduce downside risk, the seller is willing to structure a lease-back of vacant units, ensuring stability during the transition. Such an arrangement would be limited to sophisticated investors with aligned perspectives on tenant quality and commitment to current leasing standards.

# Financial Overview Analysis

The portfolio's financials highlight both its current cash flow and the significant upside from stabilization. With roughly half the rooms intentionally kept vacant, 2025 annualized performance reflects  $\pm\$1.52\text{M}$  in gross income and  $\pm\$856\text{K}$  in NOI at 50% occupancy. Once renovated units are leased at market rents, the portfolio is projected to achieve nearly full stabilization ( $\pm 95\%$  occupancy), generating  $\pm\$2.99\text{M}$  in gross income and  $\pm\$2.33\text{M}$  in NOI. This simple shift—filling vacancies and modest rent adjustments—nearly triples net operating income, underscoring the compelling value-add opportunity.

Metric	Current (2025 Annualized)	Stabilized Pro Forma
Occupancy Rate	50% (139/277 rooms)	~95% (263/277 rooms)
Gross Rental Income	~\$1.52M	~\$2.99M
Operating Expenses	~\$664K	~\$700K (est.)
Net Operating Income	~\$856K	~\$2.33M

**Note:** Current NOI is depressed due to landlord-driven vacancies; stabilized performance nearly triples NOI. Cap rate analysis should consider pro forma rather than current NOI.



# Market Context and Demand

Licensed rooming houses meet a critical affordability gap at a time when cost-burdened renters far outnumber available units. With new construction focused on luxury housing and virtually no new supply at the lower tier, demand for SROs remains strong and resilient. Elevated mortgage rates push more households into rentals, while zoning barriers in places like East Orange and Somerville restrict new competition. Together, these factors create durable demand and supply-constrained growth potential for this asset class.

Newark average 1BR rent:  $\pm$ \$1,810/month; median rent rose to \$2,200 in 2024.

Portfolio rooms at  $\pm$ \$900/month remain highly competitive.

Licensed rooming houses are scarce, with significant barriers to entry.



# Strategic Positioning and Opportunities

This portfolio is a rare scale play in a niche asset class—277 licensed rooms across 15 properties—offered partially stabilized and priced with significant value-add upside. Current ownership has intentionally vacated units to facilitate renovations, so a buyer can immediately re-lease without tenant displacement. With properties fully up to date on inspections, a seasoned management team in place, and the seller open to transitional management, this is a true turnkey platform.

The upside is clear: filling vacancies and implementing incremental rent increases could more than double NOI, positioning the portfolio as one of the highest-yield opportunities in the multifamily sector. These assets are inherently resilient and counter-cyclical, thriving in times of economic stress when demand for affordability surges.

The opportunity is well-suited for a variety of buyers—including private investors, institutional funds, and nonprofits—with the organizational infrastructure to manage tenant intake and operations. Select properties may be adaptable for alternative uses such as supportive housing, sober living facilities, or even short-term rental strategies, while the Somerville asset could provide redevelopment value for off-site affordable obligations.

- Unique Selling Points: high yield potential, affordable housing niche, clustered Newark assets, low basis per room, seller management support, valuable licenses.
- Flexible Exit Strategies: long-term cashflow, refinance, break-up sale, or selective repositioning—make this a highly versatile investment thesis.

# Next Steps & Transaction Process

- Exclusive offering by the Blau Berg Company.
- Property tours by appointment only.
- Confidential data room available to qualified buyers.
- Target timeline:
  - Offers in 4-6 weeks, PSA shortly thereafter
  - Closing approximately 60 days from PSA execution



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# For More Info

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