



OFFERING MEMORANDUM

40 South Hamilton Street

Poughkeepsie, New York 12601

Nine private rooms • Coin laundry • Off-street parking • 0.34 acres

Offered at \$799,999

9 private rooms	0.34 acre lot, one parcel	\$103,500 gross potential income
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The property

40 South Hamilton Street is a three-story building in downtown Poughkeepsie, one block off Montgomery Street. It runs today as a rooming house: private single-occupancy rooms, seven full bathrooms, a shared kitchen and lounge, and common facilities on each floor. There is a coin-operated laundry in the basement and off-street parking behind the building.

The lot is 0.34 acres, roughly 59 feet of frontage running about 215 feet deep. It is a single tax parcel. The building has been under the same ownership since 2009 and carries no mortgage.



Aerial view. The lot runs deep, with parking behind the building.



Rear elevation and parking area.

Why it is worth a look

The use cannot be recreated. Poughkeepsie rewrote its zoning code in October 2024. Rooming and boarding houses are no longer a permitted use in this district, by right or by special permit. This building is grandfathered. Even in the two districts where the city still permits the use, a new one requires a special permit and must sit at least 1,200 feet from any other rooming house, group home or community residence, so no one can add another one across the street.

Four apartments by right, eight if you split the lot. The RNC district caps density at four dwelling units per lot and requires 6,000 square feet of land for four units. This lot has 14,881. Split it in two and each half still clears the minimum, which yields eight units across two lots. The subdivision filing fee is \$700.

Student housing is permitted. Student residence is an allowed use here, capped at three people per unit in buildings of one to four units. Marist, Vassar, Dutchess Community College and the Culinary Institute are all within a short drive, and the existing floor plan is already a dormitory.

Institutional tenants are paying above these rents. HUD Fair Market Rent for a Dutchess County SRO unit is \$1,023 a month for FY2026. Dutchess County budgeted \$9.5 million for temporary housing in 2026. One provider already operates a facility on North Hamilton Street, a few blocks away. Details on page 4.

Property detail

Address	40 South Hamilton Street, Poughkeepsie, NY 12601
Tax parcel	131300-6161-22-162944-0000
Lot	0.34 acres / 14,881 SF, single parcel
Frontage	Approx. 59 ft on South Hamilton, approx. 215 ft deep
Building	Approx. 6,900 SF above grade; approx. 9,300 SF including basement
Stories	Three
Year built	c. 1890
Rooms	Nine private single-occupancy rooms
Bathrooms	Seven full
Common areas	Shared kitchen, lounge, hallway facilities each floor
Basement	Full, partially finished, storage; houses the coin laundry
Parking	Rear driveway and rear lot, within the parcel
Water / sewer	Public / public
Zoning	RNC, Residential Neighborhood C. No overlays.
Property class	483, converted residence
School district	Poughkeepsie City
Assessed value (2026)	\$540,800 (land \$101,100 / improvements \$439,700)
Taxes (2026)	\$18,474
Ownership	40 South Hamilton Inc., held since 2009
Encumbrances	None. Mortgage discharged November 2023.



Entry vestibule, original tile and millwork.



Shared kitchen.

Pro forma

Figures below are marked by source. Items marked A are documented from public record. Items marked O are reported by ownership. Items marked E are estimates where no operating data was provided, set at ordinary levels for a building of this age and use in this market.

Income	Source	Annual
Gross potential rent, rooms at full occupancy	O	\$100,000
Coin laundry	O	3,500
Gross potential income		\$103,500
Less vacancy and credit loss at 8%	E	(8,280)
Effective gross income		\$95,220

Operating expenses	Source	Annual
Real estate taxes	A	\$18,474
Heat and electric	O	17,600
Insurance	E	9,500
Repairs and maintenance	E	8,500
Property management, 6% of EGI	E	5,713
Replacement reserves, \$300 per room	E	2,700
Water and sewer	O	2,690
Internet	O	2,800
Trash removal	O	2,175
Total operating expenses		\$70,152

Net operating income, as operated today

\$25,068 operating expense ratio 73.7% of effective gross income

The expense ratio is high because the rents include heat, electric, water, trash and internet. That is normal for this format and it is the reason a master lease changes the economics so sharply. Verified operating statements, a current rent roll and three years of Schedule E are available on request.

The master lease use case

The strongest buyer for this building is an organization that houses program participants and wants furnished single rooms with shared common space on one lease.

Dutchess County budgeted \$9.5 million for temporary housing in 2026. County records show 247 single adults in county-funded placements as of October 2025. One county-contracted provider operates a facility on North Hamilton Street, several blocks from this address. Another provider already owns both a rooming house and a lodging property in Dutchess County.

What the rent would be

Federal rules cap agency lease payments at HUD Fair Market Rent. For Dutchess County in FY2026 that is \$1,023 a month for an SRO unit, \$1,364 for an efficiency, and \$1,549 for a one-bedroom. A realistic whole-building lease sits between \$1,100 and \$1,300 per room.

Rooms leased	At \$1,100 / room	At \$1,300 / room
Nine rooms	\$118,800	\$140,400

What that does to the numbers

At \$1,200 a month a room, on a gross lease where ownership continues to carry utilities, the building produces about \$130,400 of effective gross income against roughly \$68,400 of expenses. Net operating income lands near \$62,100, against \$25,068 today.

Net operating income under a whole-building lease at \$1,200 per room

\$62,086

vacancy at 2%, single tenant, expense ratio 52%

Ownership would structure the lease around a program funding cycle, including phased occupancy where rent steps up as rooms are delivered.



One of seven full bathrooms.



Side elevation and drive.

What the owner does and does not do in a master lease use case

Under a master lease, ownership remains the landlord: structure, systems, repairs, code compliance, taxes and insurance. The tenant organization brings its participants, its staff and its case management. Permanent and supportive housing where residents hold tenancies requires no shelter certification.

What can be built here

Zoning is RNC, Residential Neighborhood C, under City of Poughkeepsie Chapter 19 as adopted October 2024.

Option	Status	Detail
Rooming house	Grandfathered	Not a permitted use in RNC. Existing use is legal and pre-existing. Capped at 12 residents, no more than two per room.
Four apartments	By right	Requires 6,000 SF of lot; this lot has 14,881. Parking at 1.25 spaces per unit, so five spaces.
Eight apartments	By subdivision	Split into two lots of 7,405 SF; each clears the four-unit minimum. Needs 25 ft frontage per lot against about 59 ft available. Filing fee \$700.
Student residence	By right	Three people per unit, buildings of one to four units. Four units gives twelve beds.
Five or more units on one lot	Not permitted	RNC prohibits five or more dwelling units per lot. Would require a variance.

Building height in RNC is capped at 2.5 stories and 35 feet, so the existing three-story massing is also grandfathered.

Terms and next steps

Price	\$799,999
Terms	Cash or conventional financing. Seller financing is not available.
Condition	Sold as-is, where-is
Timing	Ownership can close on an accelerated schedule. 1031 accommodation available.
Available on request	Trailing twelve-month statement, current rent roll, three years Schedule E, Certificate of Occupancy, survey, title report

Information here comes from the Dutchess County 2026 Final Assessment Roll, Dutchess County GIS, the City of Poughkeepsie Zoning Code as adopted October 2024, HUD FY2026 Fair Market Rent schedules and the Dutchess County 2026 Adopted Budget, together with information supplied by ownership. It is believed accurate but is not warranted. Buyers should verify independently.