

Fairstead acquires downtown Newark's Essex Plaza portfolio

Announces initial \$27M investment; job fair

JESSICA PERRY

A fully affordable housing portfolio in New Jersey's largest city has a new owner who plans to invest millions to begin upgrades for one building at the complex before the year is out, with improvements to come later at the remaining 12 properties.

On Nov. 1, Fairstead said it and LIHC Investment Group acquired the 691-unit Essex Plaza portfolio in Newark as a joint venture.

Fairstead said it will spend \$27 million on sustainable renovations, improvements and on-site support services for Essex Plaza One, a 450-unit senior housing residence at 1060 Broad St. Fairstead is serving as lead developer, general contractor and property manager for the portfolio, which is home to seniors and families.

"Cities across the country are grappling with the crisis of affordability so that residents – especially vulnerable neighbors – can stay in their homes and in their communities," Chief Executive Officer Jeffrey Goldberg said in a statement. "Fairstead is stepping up to this challenge. We are making major commitments to create and preserve sustainable housing and drive innovation that will revitalize our cities."

Fairstead said it is partnering with the State of New Jersey, Newark's Department of Economic & Housing Development, the New Jersey Housing and Mortgage Finance Agency and the U.S. Department of Housing and Urban Development – with financing from Goldman Sachs and Berkadia – on the revitalization of the Essex Plaza portfolio.

"The transformation that we are seeing in downtown Newark reflects years of work by local and state leaders to cultivate an inviting climate for

local investment by industry leaders like Fairstead. This investment involves not just acquisition, but a commitment to undertaking substantial rehabilitation and improvements, ensuring that the seniors who currently live at 1060 Broad St. can remain in their homes to enjoy the benefits of this redevelopment," said NJ Housing and Mortgage Finance Agency Executive Director Melanie Walter.

UPGRADES

Lighting and signage will be installed across Essex Plaza, Fairstead said, with added security cameras, new windows, elevator equipment and sidewalk repairs.

The kitchen and community room will be refurbished and a fitness center will be added.

A full-time resident services coordinator will provide health, medical and social services, in addition to curating events and programs for residents.

Seniors in Essex Plaza One will see new Energy Star appliances, Fairstead said, upgraded finishes, window treatments and flooring. Some units will also be brought up to Uniform Federal Accessibility Standards to provide handicapped-accessible homes to residents with mobility challenges.

In a statement, City of Newark Deputy Mayor and Director, Economic and Housing Development Allison Ladd described the development at Essex Plaza as “a valuable contribution toward reaching Mayor Baraka’s Five Year Equitable Housing Goals.”



Allison Ladd

In Newark, Fairstead will celebrate joining the community with a job fair focused on construction positions, scheduled for Nov. 17 from 10 a.m. to 2 p.m. at Newark City Hall. On Nov. 20, the company said it will hold a Thanksgiving celebration and Community Day for residents of Essex Plaza, featuring food, entertainment and access to community resources.

“We are proud to join Fairstead in revitalizing hundreds of homes for working families and seniors in line with the City of Newark’s affordable housing strategy,” said LIHC Investment Group Principal Charlie Gendron in a statement. “We are grateful for the support of our public and private partners in preserving and expanding safe and affordable housing opportunities for those who need them most.”

The Essex Plaza portfolio is located in the city’s Lincoln Park Historic District, near Newark City Hall, Newark Symphony Hall, and the Prudential Center. Its units are dedicated to seniors and families making 60% of the Area Median income.

Fairstead is a “purpose-driven” vertically integrated real estate company with a commitment to sustainable development and creating and preserving housing. To that end, last week the company announced a \$500 million equity commitment to expand its operations—including additions to its multifamily housing portfolio and enhancements to its property technology, sustainability and community impact programming.

We are grateful for the support of our public and private partners in preserving and expanding safe and affordable housing opportunities for those who need them most.

— Allison Ladd, City of Newark Deputy Mayor and Director, Economic and Housing Development