



NoCo Housing NOW: Affordable Housing Reimagined

Friday, March 28, 2025

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HAVENS

HOMES

Affordable
Housing
Reimagined



No Co Housing Now

Havens Homes is dedicated to alleviating the affordable housing crisis by creating new affordable housing more quickly, cheaply, and profitably than other approaches. We're excited to share our business model and for you to be a part of the solution!

THE PROBLEM



The extreme shortage of affordable housing in northern Colorado, and indeed in virtually every community in America, has been well-documented. The share of entry-level single-family housing being constructed in the United States has fallen from 40% of all new construction in 1970 to approximately 7% in 2018.

The following table summarizes just how unaffordable home prices are for median-income households in northern Colorado.

	Median Income*	Affordable Mortgage**	Median House Price
Loveland	\$81,898	\$305,000	\$499,200
Fort Collins	\$78,977	\$290,000	\$526,000
Greeley	\$65,525	\$255,000	\$435,000

* Based on US Census Data, 2018-2022

** Assuming a 30-year fixed-rate mortgage at 7% interest

CURRENT SOLUTIONS



Every current solution designed to alleviate the affordable housing shortage involves the construction of more affordable housing. This will of course be needed. However, **there are several significant challenges** with construction-based approaches:

- **Slow to Market** - New housing requires new land purchases, new zoning considerations, and/or new permits, which collectively slow the process of bringing new affordable housing to market.
- **Unpopular** - People often resist new housing developments being built near their own homes, especially if those new homes are labelled 'affordable' or involve taxpayer-funded subsidies.
- **Unprofitable** - Builders can make a bigger profit building more expensive homes.

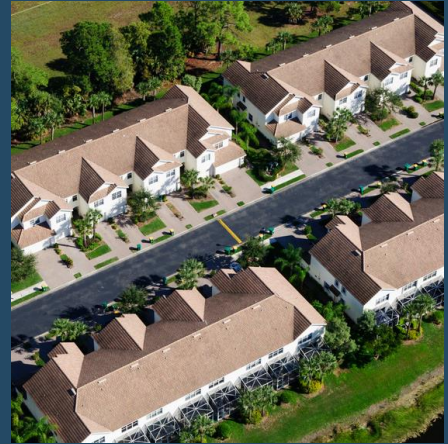
The challenges associated with these affordable housing solutions means that affordable housing options **don't** get built very often, or in large quantities, and so the shortage of affordable housing continues to get worse.

But what if most of the affordable housing we were missing was right in front of us?

Right now, all across America, millions of people are living in multi-family communities - apartment buildings, 4-plexes, mobile home parks, etc. **They're** already built, **they're** already zoned for residential purposes, they require no new construction, and their neighbors **aren't** complaining that **they're** there. These are homes in every sense of the word - *except the people living in them can't buy them.*

They can **rent** them for the rest of their lives, and in fact many of them do. In Fort Collins alone, for example, 44% of all residential buildings are multi-family, and a staggering 70% of Larimer County renters are living in some kind of multi-family structure. The vast majority of these people **can't** purchase the homes they live in - which means they **can't** build equity, guarantee themselves a fixed monthly payment, or develop generational wealth.

But what if they could?



OUR SOLUTION



Havens Homes is a for-profit business designed to increase the supply of affordable housing in northern Colorado (and eventually beyond) by following a simple and straightforward business model. We will purchase existing multi-family properties (4-plexes, apartment buildings, mobile home parks, etc.) and then engage in the necessary legal, inspection, surveying, and titling work to convert each multi-family property into individually purchasable units. This process is known as condominiumization, and it is a common and widespread practice in the real estate industry.

However, where most developers condominiumize their buildings as a way to maximize profits, we will be doing so in order to **maximize the creation of new housing affordable to households earning 80-120% of median income.**

Our purpose is to demonstrate that providing a social good can be a profitable enterprise. The following pages will illustrate the structure and function of the business in greater detail.

BUSINESS OPERATION

Havens Homes operates as follows. Because all monies invested in our projects are ultimately recovered following the conversion and sale of the original building, this process can be repeated indefinitely.

Purchase
property

*Convert to
individual
homes*



*Exit property
and repeat*

CASE STUDY



The Property

2506 49th Ave. Ct. Greeley, CO 80634

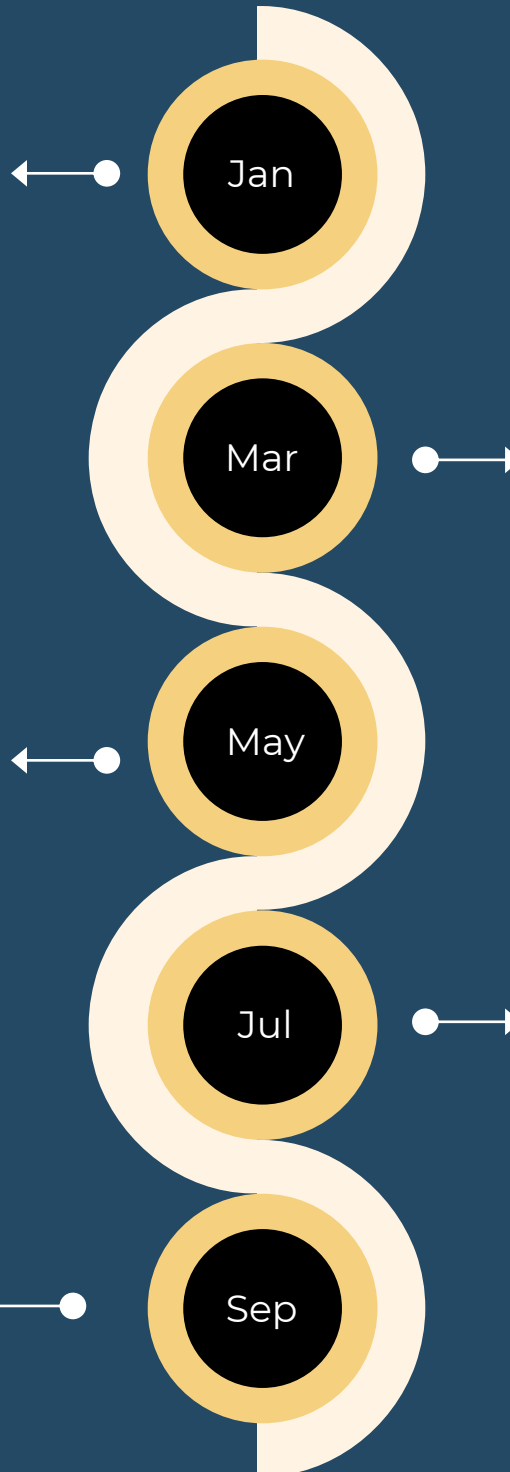
This building was constructed in 1984 and consists of 4 identical apartments. Each unit is approximately 1,200 finished square feet, with 3 bedrooms and 3 bathrooms (1 three-quarters, two half). Each unit also has two attached covered parking spaces. The roof was replaced in 2018, all water heaters in 2021, and all furnaces are approximately halfway through their expected service life.

The Process

Havens Homes purchased this building on January 19, 2024 for \$820,000. We listed the individual units at \$260,000 shortly after acquiring the building, and we accepted three offers within 6 days of listing. The building was officially converted to an condominium on May 30, 2024, at which point we began to schedule closings. The final unit sold on September 11, 2024. Havens Homes realized a profit of approximately \$60,000 on this project, which allowed us to return 10% to our investors. The following page outlines the full process in greater detail.

CASE STUDY

- Home purchased for \$820,000
- Minor renovations conducted



- Units listed at \$260,000. Price includes:
 - \$7,500 in seller concessions
 - Fully funded HOA accounts (working and reserve)
 - 10% margin for Havens Homes
- Accepted 3 offers in 6 days - two conventional loans, one FHA loan. We stopped accepting offers temporarily while we worked to convert the building and sought HUD approval for FHA loans.

- City of Greeley approves condo conversion
- Scheduled closings for buyers with conventional loans

- Two property closings (conventional loans)
- Received HUD approval
- Scheduled closing on third unit
- Accepted offer on fourth unit (FHA loan)

- Final two property closings (FHA loans)
- Realized profit of \$60,000
- Time to purchase the next property!

POSITIVE OUTCOMES



Havens Homes is poised to achieve that rarest of business outcomes: quadruple bottom line success for itself, its investors, its customers, and the communities in which we operate.

FOR OUR INVESTORS:

- **Promising rate of return** - Our target rate of return of 8-10% is on par with average stock market returns and significantly outperforms more conservative vehicles like T-bills or CDs.
- **Positive social outcome** - The benefits of increasing the availability of affordable home ownership cannot be overstated.
- **Local investment** - Investors can be assured that their money is being put to profitable use in the communities in which they live.
- **Compounded impact** - Where most investment in affordable housing is “sunk” into a specific project, investment in our projects will be recovered upon the conversion of a given property and can be re-invested into the next one. This vastly improves the efficiency, utility, and impact of investment dollars.

POSITIVE OUTCOMES

FOR OUR CUSTOMERS:

- **Home ownership finally within reach** - Median-income people everywhere want homes they can actually afford. There just **aren't** enough options. We can change that.
- **Fixed housing payment** - No more worrying about rent increases.
- **Ability to build equity and accumulate generational wealth** - Home ownership is the single most common method by which individuals and families accumulate wealth.

FOR THE COMMUNITIES IN WHICH WE OPERATE:

- **Unparalleled ease** - The Havens Homes model requires no new zoning, construction, or utility build-out. It does not increase traffic flows or urban density. And it eliminates the NIMBYism that so frequently plagues other affordable housing initiatives. **What's** not to love?
- **Increased tax base** - Once converted, Havens Homes properties generate higher tax revenues than the original buildings did. Taxes, we might add, that the new owners are quite happy to pay.
- **More vibrant communities** - In general, homeowners take better care of their properties than renters do and are more active participants in improving the communities in which they live.

SUMMARY



Havens Homes is business with a unique mission – to increase the availability of affordable housing by converting existing multi-family properties into individually purchasable homes; and to demonstrate that creating new affordable housing can be sufficiently profitable to sustain a business. With your help, **we'll** be able to make significant progress in the affordable housing crisis affecting every community in America at the same time that we build a business with a nearly infinite ability to scale.



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Jeff Havens
Havens Homes
jeff@jeffhavens.com
(608) 957-6942

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