



The 2012 National Interagency Community Reinvestment Conference
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Single-Family Scattered Site Rental Financing

Presented by
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www.ANDPI.org | www.ANDPHomes.org

ANDP Foreclosure Redevelopment



Housing Development

- 210 Homes in pipeline
- 166 Sold/Contract
- Minimum goal of 250 homes/3 yrs

Housing Finance

- Supporting redevelopment of foreclosed homes and neighborhoods

Policy/Advocacy

- Piece by Piece Regional Foreclosure Response Initiative



Impact of Single-Family Vacancies



Violent Crime – 2.1% for every 1% increase in foreclosure.

Expense - Jurisdictions spend approx \$30,000/home in code enforcement, policing, etc.

Residential Rental Rates



Decline in Retail Sales

Decreased Tax Collection

Loss of Family Wealth during the Great Recession

African American – Decreased 53%
 Hispanics – Decreased 66%
 Whites – Decreased 16%

Single Family Mortgage



- Government (Fannie, Freddie, FHA) controls market
- Low rates
- 620-650 credit score
- Higher down payment requirements
- Low volume of purchase mortgage in high vacancy neighborhoods
- Lack of 203k Usage
- Impact of Appraisal Changes



Investor Financing



- Initially private wealth
- Growing market for Private Equity Pools
- International Investors
 - \$82B foreign investments in US
 - \$1.6B in Georgia, a Top 10 state
- Investor Model:
High Returns – Short Duration

Home market gets foreign aid

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By Christopher Guinn
The Atlanta Journal-Constitution

Foreign accents and real estate agents representing foreign buyers have become common at foreclosure auctions in metro Atlanta.

Enlarge photo



Low home prices and strong foreign currencies have made the Georgia even more attractive to investors.

Georgia has long been a top-10 state for foreign real estate investors, the National Association of Realtors says, but low home prices and strong foreign currencies have made the U.S. and Georgia even more attractive to investors. What is new in this round of buying is that individuals, not just investment firms, are getting involved, and they are dropping money into Atlanta houses, condos and apartments rather than stocks or bonds back home.

Foreign residential investments in the U.S. grew from \$66 billion to \$82 billion in the 12 months between March 2010 and 2011, the NAR says. Two percent of the \$82 billion came to Georgia, it says.

Related

Existing SF Rental Debt Financing



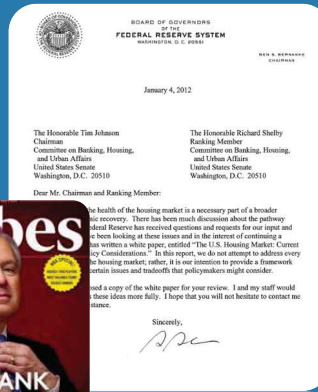
- Mom & Pop only; 10 home max for FHA/GSE
- Limited 203k investor use
- Community bank take-out products
- No identified product from national, regional banks
- Very limited LIHTC equity and debt (Cleveland model)



Help is on the Way...?



- Federal Reserve Jan 2012 White Paper
- Fannie Mae Initial Offering
- Freddie Debt offering
- FHA
- John Stumpf- Forbes



Housing Finance Tomorrow



TODAY TOMORROW

Single Family Homeownership
 Developer - Construction/Acquisition Loan
 Homeowner – 30-Year Mortgage



Multi-Family Rental
 Construction/Acquisition Loan
 Permanent Financing @ Lease-Up



Single-Family, Scattered Site Rental
 Acquisition Rehab Loan
 Permanent Financing



Opportunity for Affordable Housing



The Atlanta Market

Avg Home Sales Price 2011 **\$87,800**
 Cost of 3-BR/2BA Green Rehab **\$78,000**
 Acquisition \$15-35k
 Rehab (Including Soft) \$40 to 60k

