Housing WA. ANNUAL CONFERENCE

Rental to Homeownership Conversions

Creative preservation models with private capital

Bjorn Beer (SVN Imbrie) and Alex Aleman (REACH CDC)

2026

Eventus stultorum magister

Experience is the teacher of fools.

Learn from what we learned, and grow wiser.

Alex Aleman - Director of Housing Development, REACH CDC

Portland nonprofit housing developer since 1982

Provider in Oregon and Clark County, Washington

Alex has worked in affordable housing for 10 years and has a primary focus around community engagement to understand how best to design and develop buildings that create a sense of community and belonging for residents.



REACH Community Development

Bjorn Beer - VP, SVN Imbrie Realty



VP, SVN Imbrie Realty

Preservation broker and consultant

Real Leaders Award recipient

Help PHAs and NPOs with dispositions

Help providers avoid dispositions: consulting practice

Biggest focus: leveraging private capital for preservation

Preservation Is at Risk

8 in 10

nonprofits and PHAs hold assets needing recapitalization

39%

of Oregon's affordable portfolio unhealthy in 2023

3,641

Oregon units losing rent restrictions by 2029

Preservation: The Funding Gap

36 of 120

Oregon projects near foreclosure or losing money

$50M

of the $285M Oregon requested in 2025

1,000+

units at one nonprofit that may sell everything

Washington Feels It Too

$97.7M

requested for preservation; $34.1M available

3,200+

units in 91 preservation applications

25%

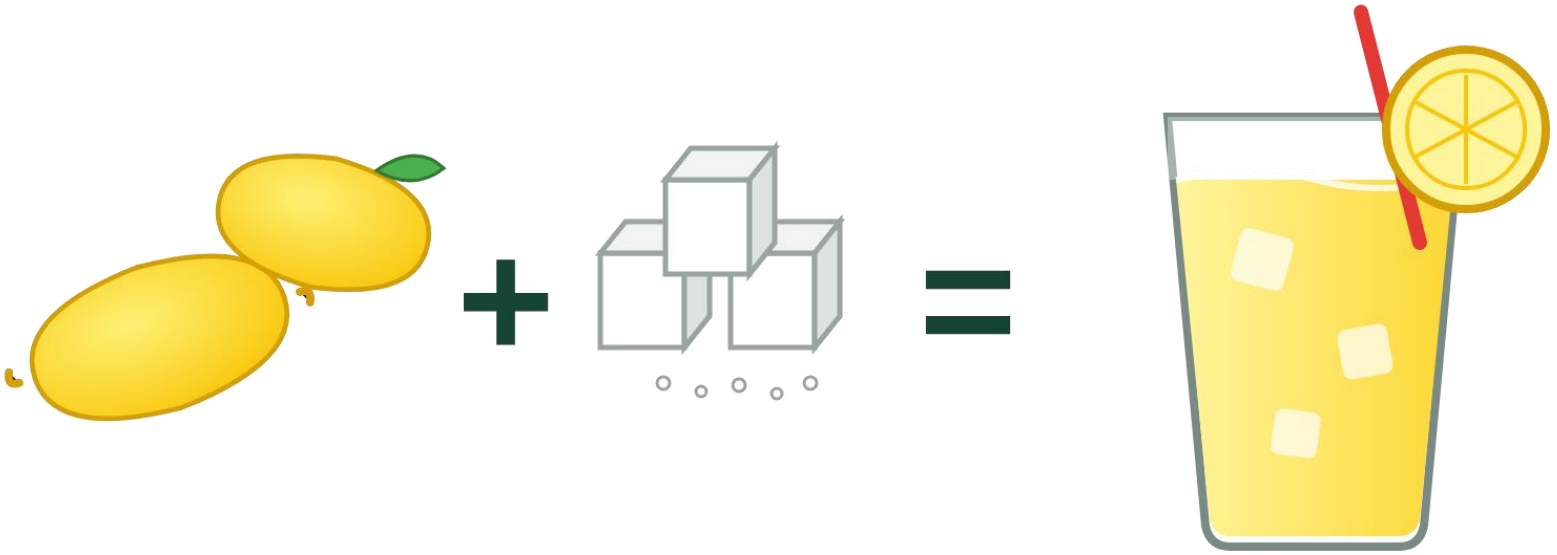
of households can afford the median Washington home

Private Capital for Preservation

- Foundation money
- Private party debt
- Investor capital
- **All non-LIHTC solutions**
- (LIHTC is kind of private capital, too)

Why Private Capital Matters

EVERY DOLLAR we can source from private capital for Affordable preservation is a LIHTC dollar or public dollar we free up for other uses!



Lemons into Lemonade

Every provider has challenging assets.

Sell older assets. Create homeownership. Generate revenue.

REACH’s Hard Decision: Sell or Hold?

Before the big deals, REACH tried a few single-family sales

Some off-market, some on the market

Each one sold a single home

Why One-Offs Fall Short

Same work

Selling 1 home is as much work as 10

Affordability

Hard to ensure with a one-off

Public funders

Hard to engage funders and agencies

Mortgage-ready is costly 1x1

You have to make each property “mortgage ready.”

Three Dispositions, Three Lessons

Rose City Fund

All single-family homes sold in one transaction

Apartments

Three small properties sold off-market

Laurelhurst

23 units sold on the market

Rose City Fund: One Sale, All Homes

62 aging homes – SFR, Duplex, Triplex

One neighborhood

Sold in one transaction

Repairs lift value from $22.9M to $27.8M

Goal: renters become owners



Rose City Fund: Mortgage-Ready Homes

Repairs need equity or debt

From a buyer or from partners

Not the seller. Not public funders.

Who pays for repairs to make a property mortgage-ready?

Rose City Fund: Who Paid

$13.5M

bank line of credit: the new debt

$1.5M

private cash equity for 43%

$2M

REACH equity for 57%

Rose City Fund: Why Local Partners Matter

Engagement

Residents and community

Boots on the ground

Relationships with agency partners

Down payment help

Local partners raise assistance

Rose City Fund: Helping Buyers

$300K

Oregon Community Foundation down payment assistance

$150K

REACH down payment assistance

15%

resident purchase target met

Rose City Fund: Finished Homes





Rose City Fund: Sales in Sequence

Vacant homes first

Homes above 120% AMI

Residents and partners buy "as is"

Partners remodel, then sell

Occupied homes to first-time buyers

Off-Market Sale: A Cautionary Tale

What happened

Three smaller apartment properties sold to a private investor, off-market

The lesson

Off-market sales are not advised. Go to market.



Laurelhurst: Price vs. Mission

Higher offers

Buyers were not aligned with keeping units affordable

Lower offers

Buyers would keep units affordable



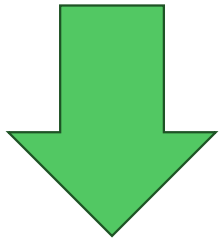
Laurelhurst: The Result

23

units sold on the market

$2M

private capital raised overnight



Remember: this is $2M that wasn't pulled from public sector!

Condos

buyer converts apartments to homeownership

Laurelhurst: Before and After

Before





After





Laurelhurst: Bedroom, Porch and Entrance

Before



After



Porch



Entrance



Laurelhurst: Capital Needs

New

roof

New

plumbing

New

electrical

…and everything else

A Humbling Turn: Condos Aren’t Selling

Took us 1.5 years to get the roof permit

Since then, interest rates skyrocketed

Now there is a glut of condos (767 of them, median listing: $342,000)

Good news: we just sold first one at $210,000

What's Next: Resident-Owned Co-ops

When condos stall, co-ops are another path

We are now converting to co-op

A little-used HUD loan product can support conversions

Lessons: Homeownership

Disposition can create ownership and revenue

Selling together beats one-off sales

Weigh price against mission

Private capital can move fast

Markets change: stay humble

Lessons: Brokerage

Hire a broker early

Make sure your broker understands the asset

An appraisal is not a market test

Make sure your broker goes live and cooperates with other brokers

Margaret Salazar's Lessons

Build coalitions

Habitat, Proud Ground, homeownership groups

Don't sell 1x1

One asset can't keep partners at the table

Plan ahead

Be proactive, not reactive

Plan Ahead: Homes vs. Apartments

Selling homes

Buyers need mortgage-ready homes. That means repairs first.

Selling apartments

Value is NOI-constrained. Buyers price in repairs.

A third path

Joint ventures, partnerships, and more

Sellers can be partners (via debt, equity, post closing resident services, etc)

Laurelhurst: 13 Offers, Think Big

13 offers with varying terms

Options went to the board and executive team

Mission-adjacent: lower price

Market-rate: higher price, more disruption

Do It Well. Start Early.

Dispositions can create homeownership and revenue

Take the Next Step

Questions? Let’s talk

We have some hand outs and flyers.

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Thank You

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