



**7457 SE 71st Avenue, Units A+B,
Portland, OR 97206**

Unit A: 2 bed, 1 bath, 800 SF (incl. loft, excl. 140 SF storage)

Unit B: 1 bed, 1 bath, 522 SF (incl. loft, excl. 66 SF storage)

Construction Cost	\$207,170 (excl. purchase, carrying costs, design fees)
Living Space (incl. lofts, excl. storage)	1,322 SF
Cost / SF	\$157 / SF

Project Facts

- The two units share a 7 kW solar array and are insulated roughly 20% beyond Code.
- Despite the narrow lot, the structure was kept low to help maintain the single-story character of the neighborhood. The south pitch of the roof is angled to maximize the output of the solar panels and the steep slope on the north pitch reduces the height of the wall against the adjacent home.
- The structure is designed in such a way that a single opening in the separation wall allows the two units to be combined into a single 4 bed, 2 bath single-family home.

Proof of Concept: Affordability Analysis

Per the Housing Bureau, the 2017 Fair Market Rents for two units of these sizes would be \$1,053 and \$1,242/month. After accounting for utilities and the expected benefits of the extra insulation and solar panels these become roughly \$875 and \$1,050/month. Assuming a further 30% reduction for taxes, insurance and reserves this project yields a **Simple ROI of 8%**, excluding real estate appreciation and tax benefits! Even if this project had cost \$300k the ROI would still exceed 5.5% We believe this project demonstrates it is possible to raise the bar on the design and construction of affordable housing and still match (if not beat) the long-term returns on Wall Street, all while supporting community reinvestment and providing appropriately-scaled, sustainable, and high-quality infill development.