

Community Preservation Partners Hits \$2B in Investments

The affordable housing company has gone through a rapid expansion in the last two years, building a portfolio of 8,000 low-income housing units.

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Community Preservation Partners has invested \$2 billion in affordable housing communities. The significant milestone comes after two years of rapid expansion in which the company built a portfolio of 8,000 low-income housing units. As an example of the growth, the company invested its first billion over 13 years, since its founding in 2004, and invested its second billion in just two years.

"Affordable housing is a national issue. After focusing on rehabilitation and preservation in California for about 12 years and perfecting that model, we began a national growth initiative," **Anand Kannan**, president of CPP, tells GlobeSt.com. "In 2018, CPP opened an office in Virginia and started approaching owners of aging affordable housing communities who might not be able to invest in renovations but also want to take care of their residents. We are finding tremendous opportunities not only to improve these assets and enrich the lives of residents, but also to extend the affordability of each community by renewing low income housing tax credits."

CPP isn't the only company understanding the needs for more affordable housing stock, and as a result, the company has been able to forge partnerships with financial partners, helping to support growth. "We've found that the demand for affordable housing investments is still very high despite changes to the tax code," says Kannan. "Recently, we've added new financial partners, such as Key Bank and Wells Fargo, while maintaining our long-standing relationships with lenders like Citi and California Bank & Trust. They all realize that affordable housing is a worthwhile investment because it is proven to strengthen communities, and it's economically attractive with minimal risk and competitive returns from an after-tax standpoint."

Focusing on East Coast markets has been key to CPP's growth. "Since targeting the Eastern U.S. a couple years ago, we've acquired, enhanced and preserved two communities in New York, two in Virginia, one in Pennsylvania and have many more in the pipeline," says Kannan. "We've also entered Colorado, Utah, and New Mexico and added to our robust portfolios in Southern California and the Bay Area where we're working on one of the biggest affordable housing rehabs in the nation. There really isn't anywhere that we're not looking to grow."

This year, CPP expects similar growth as a result of the only rising demand for affordable housing stock. "We are very bullish on affordable housing this year. The opportunities for preservation, in particular, are very exciting," says Kannan. "In addition to the benefits for investors and residents, rehabs are also the most eco-friendly type of development. All of these economic and socioeconomic forces are coming together at the moment of peak demand."