Finding Shelter: Affordability Squeeze in a Tight Texas Housing Market

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Houston Housing Authority (HHA)

- Offered 175, Closed and boarded up Properties
- 1 day auction event generated $8M+ for HHA, 500 +/- Attendees
- Sold and closed all properties
- Part of 400+ property Scattered site home program from HUD
- Average sales price $48,000
- Rehab needs, $5 - $30 K
San Antonio Housing Authority (SAHA)

- 80+/- Homes and Lots Offered
- 1 Day auction, users and investors
- Generated $1.8M sales
- Mostly surplus properties of SAHA
New Orleans Redevelopment Authority (NORA)

- Seller, New Orleans Redevelopment Authority (NORA)
- Nine Auctions held between 2012 and 2017, 1,000± houses and lots offered
- One day Absolute Live Auction Sales or On-line only
- 93% ± Sold and closed
- Gross Sales $40± Million
- Former Katrina Properties assumed by HUD and State
- Goal - To put properties back into commerce and reduce community blight
- Buyers - Mix of end users and investors
Challenges w/Gov Agencies

- Housing Authorities Est. in 1930’s as part of New Deal Initiatives
- Local and Federal relationship
- Need to be revamped to reflect current state of affordable housing needs
- HUD needs to lighten restrictions and rules, Ben Carson recently stated: “…Bureaucrats are concerned with process, we want to focus on results”
- Too much overlap between competing agencies
- Need to focus on vouchers and qualifications of users/constituents
- Sell off surplus and unused real estate
- Develop Public/Private partnerships
- Partner with other Non-Profits focused on affordable housing needs
Manufactured Home Communities

- 99 Manufactured Home Communities
- High Quality Communities
- Offered in a series of 3 auction programs over 2 years
- 56 Offered Absolute
- Sold – 59 Communities, $200+ Million
- Avg. Cap Rate 7.5%
Challenges for MHCs

- Most Communities/Govs Restrict Location
- Perceived Financial Stigma
- Offers Affordable housing option
- Financing/Ownership Structures
- MFC need to be operated correctly
- Different than RV parks
Take Away

- Public Agencies have excess/surplus properties that can be sold to generate funds to fulfill their core mission.
- Local, State and Federal Housing Agencies need to restructure rules and requirements to encourage more affordable housing options, but not give up on safety concerns.
- Communities tend to add restrictions, regulations and rules that discourage or limit additional affordable housing options.
- Public Agencies should serve to qualify those in need vs. being large real estate developers/owners.
- Public/Private Partnerships need to be created with NPOs and For-Profit developers that will provide affordable housing options.
- Affordable alternative living arrangements need to be created and encouraged.
Thank you

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