

# HIATUS PENN



**HIATUS HOMES**  
Request for Debt

# HIATUS PENN

445 Penn Avenue, Bend, Oregon 97701

In 2024, Hiatus Homes will open a first-of-its-kind apartment building in Bend, Oregon. The project is envisioned as a three-story building that has 40 open one bedroom one bathroom units with a kitchenette and a private outdoor patio. The residential units are designed around four community spaces to strike a balance between private space and collaborative community space. The shared spaces offer a full kitchen and living room on each floor, including a farm table for communal meals and plenty of coworking space. The building will also include a workout room, conference room, and a rooftop deck with BBQs, a fire pit, hammocks, and breathtaking views of the Cascade Mountains. Transportation includes car-share parking as well as bike lockers and electric bike charging stations.

The intelligently designed units feature a sleeping loft, vaulted 13-foot ceilings, and large windows that bring a flood of light into the room. The private units are around 440 square feet with a lofted bedroom for additional space. Integrated storage for bikes, a built-in workspace, and clever cabinetry maximize the storage in each unit.

The building is located at 445 N Penn Avenue around the corner from the Midtown Yacht Club food carts. The location is walkable and bikeable, located less than a mile from Pioneer Park on the Deschutes River and a short ride to Central Oregon Community College (COCC).

Hiatus Homes is delivering the dream of living in Bend to more people, thoughtfully increasing housing density in the region, and creating community minded living, concentrating on the influx of remote workers into Bend.

# DEVELOPMENT STATS

Asset class: **Apartments + Community/Coworking**

Number of units: 40

Building SF: 45,003 (roof is 9,590 SF)

Unit mix: Studio1BD - lofted bedroom

Unit avg. SF: Main 339, loft 136 = total unit SF 474

Lot: .48 acres (20,946 SF)

Height: 49'6"

Parking 18 spaces (3 EV parking spaces)

Bike parking: 40 in-unit, 31 common

Total bike parking = 71

Status: Construction begins January 2023







Exterior view from the south





## **BUILDING AMENITIES**

**COMMON AREAS** for communal cooking, dining, and cocktail hour

**COWORKING SPACE** for collaboration or production

**ROOFTOP DECK** with hammocks, BBQs, and a fire pit



Third floor common space





# UNIT AMENITIES

**SLEEPING LOFT** with built-in wardrobe and desk

**LARGE WINDOWS** with 13' vaulted ceilings bringing a flood of light into the space

**PRIVATE PATIO** space with outside storage

**BIKE RACK** that fits 2 bikes

**UPGRADED APPLIANCES** and stylish, modern finishes





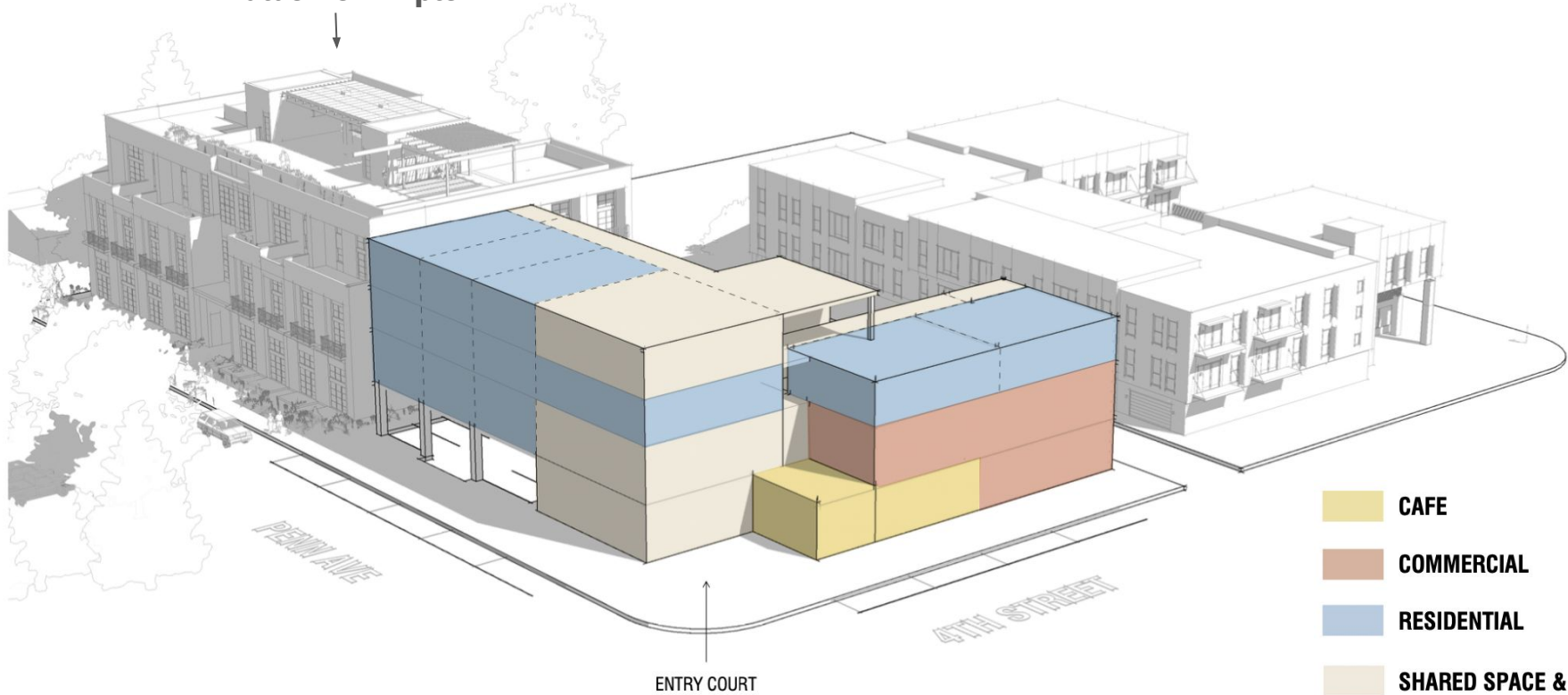




# FUTURE OF PENN AVE

First of three projects planned

Hiatus Penn Apts



- CAFE
- COMMERCIAL
- RESIDENTIAL
- SHARED SPACE & CIRCULATION

TARGET MARKET

# REMOTE WORKERS



# 12.1%

## In Bend Telecommute

[MovingToBend.com](https://movingtobend.com) reports that **Bend, Oregon leads the US** with 12.1% of the workforce telecommuting

### Open 1-Bedroom Apartments

PROPERTY	SQ/FT	RENT TODAY	2024 RENT
<b>HIATUS PENN</b>	<b>440SF</b>	<b>\$1,750/mo</b>	<b>\$1,892</b>
The Hixon	667SF	\$1,600/mo	\$1,731
The Eddy	635SF	\$1,700/mo	\$1,840
The Nest	455SF	\$1,760/mo	\$1,903

### Co-working Spaces

PROPERTY	RENT TODAY
BendTech	\$200-300/mo
The Haven	\$265-475/mo
The Collective NWX	\$100-425/mo

### HIATUS PENN

## \$2,070 at today's rents

(equivalent to \$1,750 apartment rent + \$320 coworking rent)

At 5.5% rent appreciation: \$2,243 average rent in 2024





## ABOUT THE ARCHITECT

# TEN OVER STUDIO

Started in 2014 in San Luis Obispo, California, Ten Over Studio also has offices in San Jose, California, and Bend, Oregon. Principals Jim Duffy and Joel Snyder and their team have led the design on buildings across hospitality, office, mixed-use, and public projects. Ten Over's specialty is outside-of-the-box multifamily and creating spaces that are livable and set a building apart.

The team has brought 47 multifamily and mixed-use buildings through design and construction.

Ten Over has led the design on the Hiatus Penn Apartments since the project was conceived in 2020. The principals of the firm are equity investors in the Hiatus Capital Fund and are active stakeholders in the community in Bend, Oregon, which is why we have been excited to collaborate with them on this project.





## ABOUT THE DEVELOPER

# HIATUS HOMES

Hiatus Homes is a residential and multifamily land developer and home builder based in Bend, Oregon. The company was founded in 2015 by Jesse Russell (CEO, Managing Partner). After successfully completing two developments: Hiatus Benham and Hiatus Roanoke, Russell partnered with Ryan Andrews (CFO, Managing Partner) in 2020 to form the Hiatus Capital Fund (borrower entity is Hiatus Capital Fund LLC, sponsor is Hiatus Capital Management LLC). The Fund is capitalized with \$5.5+ million in LP investor equity and is in the process of developing 4 portfolio projects totaling 110 residential units with a finished value over \$65 million.

Hiatus' first project pioneered a new housing type in the Pacific Northwest by being the first to utilize Bend's ground breaking cottage development code.

Hiatus is focused on a design-first mentality that starts with the people. By designing the dwellings, buildings, and neighborhoods around how people actually use their space, Hiatus achieves a design that supports the lifestyle of the people who choose to make Bend their home.



### HIATUS BENHAM

**22 cottage homes**

**500 SF**

Sales Price

**\$230k - \$330k**

Investor Yield

**20%+ IRR**



### HIATUS ROANOKE

**10 2-bedroom homes**

**910 SF**

Sales Price

**\$798k - \$898k**

Investor Yield

**29% IRR**



ABOUT

# THE SPONSORS



## JESSE RUSSELL

Managing Partner,  
CEO

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Jesse is the founder of Hiatus Homes—a Bend, Oregon-based company known for high-quality, ecologically sound, and intelligently designed home construction. The small footprint of these homes helps create urban density and provide more housing inventory during a time of national housing shortages. He is considered a thought leader in the design and development of small spaces and communities, and is an advocate for people living in smaller, more efficient, net-zero homes.

Jesse grew up in Bend, Oregon, and after a stint travelling around the world and working in New York and Los Angeles as a television producer, he returned to his hometown in 2015 and started building his first tiny house in a friend's backyard. That early prototype debuted at the Bend Design Conference the same year, garnering media attention and lines around the block for a tour. Jesse went on to experiment with designs for various small structures, including a tiny tavern on wheels, two mini pubs for 10 Barrel Brewing Co., and a food truck at Brasada Ranch. He has been devoted to the small-home movement ever since.

In 2019, Hiatus Homes pioneered the first community of small-scale homes in the city, called Hiatus Benham. It was inspired by Washington architect Ross Chapin's concept of 'pocket neighborhoods' and Bend's need for efficient, sustainable, high-quality housing. The development required years of close work with the city in order to permit this new style of housing. "Building that first development was the most challenging thing I'd ever done, but all the support I felt from city staff, investors, and homeowners has made it one of the best life experiences I've ever had," recalls Jesse.

Now, Jesse brings 20+ years of experience in executive-level leadership, project management, construction, and land development as CEO of Hiatus Homes, and Managing Partner of the Hiatus Capital Fund. Every Hiatus development is guided by the same principles embodied by Jesse's first house build: employing smart design, using high-quality materials, reducing utility consumption, and with an eye toward creating community.



ABOUT

# THE SPONSORS



## RYAN ANDREWS

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CFO

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Ryan is the Chief Financial Officer of Hiatus Homes and the Hiatus Capital Fund. Ryan has managed 8 investment funds across real estate debt, equity, and venture capital specializing in capitalizing construction and development. In concert with Hiatus Homes' goal of providing housing to a new type of buyer, Ryan aimed to provide local investors with access and opportunities to invest in development projects in their own community. He structured the Hiatus Capital Fund to be owned and funded primarily by local investors who live in Bend, Oregon. When a project is financially successful, the profits flow back to the people have invested in the local community instead of to out-of-the-area professional investors.

Ryan grew up in Orange County, California, and attended the business school at Cal Poly San Luis Obispo, where he earned a bachelor's in finance concentrating in sustainable real estate development. Ryan worked in Pacific Investment Management Company's (PIMCO) institutional investment division and later became an early employee at CrowdStreet, a fintech startup that pioneered online real estate syndications.

In 2014, Ryan became a principal and head of capital markets at Trueline Capital, a boutique construction debt fund focused on financing infill residential projects. He was involved in capitalizing over 100 development projects. In 2018, Ryan launched the Recession Resistant Fund, where he invested in over fifty mobile home parks, apartment buildings, and self-storage facilities across thirteen states. The fund generated an 8.8% annualized yield to investors through Q2 2022.

Between 2019 and 2022, Ryan was the Portfolio Manager for the Phoenix Real Estate Debt Fund, a subsidiary of Tel Aviv-based Phoenix Insurance. The portfolio specialized in investing in syndicated multifamily construction debt. Ryan oversaw the growth and investment of the fund as it grew from \$13 million to over \$500 million in assets in three years.

Ryan and Jesse partnered in 2020 to create the Hiatus Capital Fund. The goal was to connect local investors with a series of local development projects that would focus on density, energy efficiency, and small-footprint modern design. By 2022 the Hiatus Capital Fund included fifty investors, four development projects totaling 110 homes, and over \$5.5 million in equity capital. Three-quarters of the Fund's investors are local to Bend, Oregon, and are active stakeholders in the community.





HIATUS PENN APARTMENTS



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