

PACIFIC BUSINESS NEWS

RESIDENTIAL REAL ESTATE

Community Preservation Partners acquires 164-unit affordable housing complex in Honolulu

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Community Preservation Partners, or CPP, has acquired the Smith-Beretania Apartments for an undisclosed amount, the California- and Virginia-based affordable housing preservation developer announced this week.

The 22-floor affordable housing complex has 164 one- and two-bedroom units, all of which receive subsidy under a Section-8 Housing Assistance Payments contract. CPP partnered with Hawaii real estate private equity firm BlackSand Capital and Bank of Hawaii to finance the property acquisition, in addition to working with Kailua-based affordable housing specialist Ahe Group.

The sale closed Dec. 31, 2021. CPP could not disclose the purchase price or the seller.

“At CPP, we believe that working with local community partners is essential in bringing about affordable housing projects that make the residents and community proud,” CPP President Anand Kannan said in a statement. “By working closely with BlackSand Capital, Bank of Hawaii and Ahe Group, we were able to execute the deal efficiently and preserve affordable housing for more than 300 residents in a high-cost market. We are looking forward to providing a modern renovation, enhancing social services and building a sense of community for the residents that will last for years to come.”

The median asking rent on Oahu has risen from \$1,700 to \$2,100 in the last year and Honolulu has seen a 3.9% increase in rent prices, according to the announcement.

“CPP didn’t assume they knew our local community. Instead, they paired their extensive expertise in affordable housing with our intimate knowledge of and commitment to Hawaii,” B.J. Kobayashi, chairman and CEO at BlackSand Capital said in a statement. “Preserving existing affordable housing in high-cost markets is very important to maintaining communities and ensuring that people have access to adequate and affordable housing; BlackSand Capital is proud to be part of this much-needed affordable housing effort right in our own backyard.”



Community Preservation Partners has acquired the Smith-Beretania Apartments, a 22-floor, 164-unit affordable housing complex in Honolulu

The acquisition marks CPP’s first foray into the Hawaii market, Kannan said in an email to PBN.

The property was publicly marketed by Greystone Advisors and CPP was one of several groups considering the opportunity, he said.

“Since the property was in the heart of downtown Honolulu and never had an extensive or substantial renovation in the past, it made sense to acquire the property and position it and the community for future growth and success.”

According to the announcement, future renovations to the Smith-Beretania Apartments will be financed through the low-income housing tax credit program.

CPP will work with Hawaii-based business partners to invest nearly \$10 million to rehabilitate the complex. Renovations will include exterior paint, unit turns, energy efficiency improvements, accessibility upgrades and site amenity updates.

Kannan said the company began working on the sale last September and anticipates renovations to begin once financing is in place at the end of 2022.

Since its inception in 2004, CPP has invested more than \$2.6 billion into neighborhoods across the country and developed more than 12,500 low-income housing units.