



The KIRE Chronicles | E3

Welcome to **The KIRE Chronicles**, KIRE's official newsletter. As leaders in developing and building middle income housing solutions, we are excited to share our journey, insights, and updates with you.

Navigating Affordable Housing:

Naturally Occurring Affordable vs. Subsidized Affordable Projects

Why Costs Vary and How KIRE is Leading with Cost-Efficient Development

Naturally Occurring Affordable Housing (NOAH):

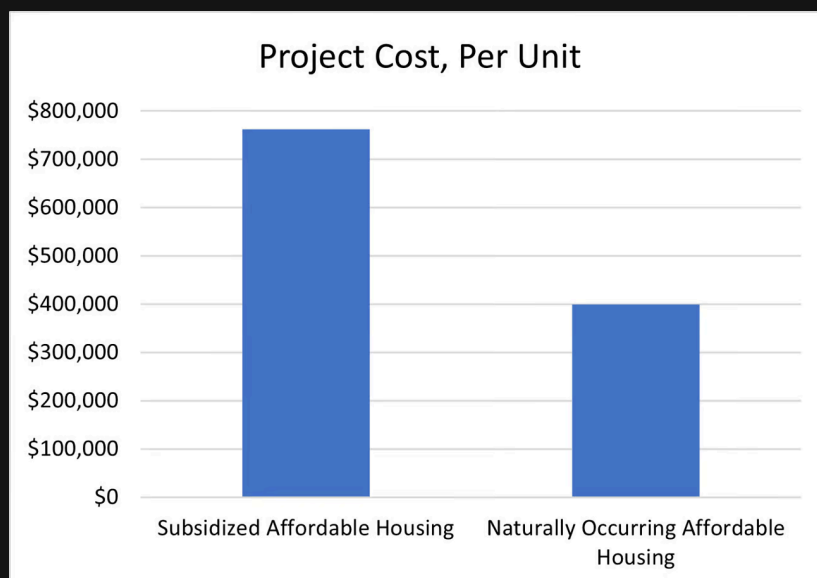
NOAH refers to properties that are affordable without government subsidies. These properties are able to maintain low, affordable rents without the aid of federal subsidy.

Subsidized Affordable Housing:

This model relies on government assistance through tax credits, grants, or low-interest loans. While it plays a crucial role in housing affordability, the involvement of public funding introduces layers of compliance, regulation and longer development timelines.

Cost Breakdown Study:

Recent approvals of three affordable housing developments in Southern California reveal just how costly subsidized projects can be. These projects, which rely heavily on government financing programs, average a total cost of \$761,000 per unit. This figure underscores the significant expense tied to regulatory complexities, lengthy approval processes, and stringent building standards required for subsidized housing. In contrast, KIRE has been able to deliver naturally occurring affordable housing (NOAH) at an average cost basis below \$400,000 per unit—nearly half the price.



Why Do Subsidized Projects Cost More?

- **Regulatory Complexity:** Extensive compliance requirements increase administrative costs and extend timelines.

- Lengthy Approval Processes: Securing government funding involves multiple approvals, leading to delays and higher expenses.
- Stringent Build Standards: Mandatory design and sustainability criteria, though beneficial, raise construction costs.
- Labor Costs: Subsidized housing projects can require prevailing wages which may affect the overall budget and pricing structure, particularly when compared to markets where labor costs may be lower.

KIRE's Cost-Efficient Approach:

- Strategic Site Acquisitions: Identifying underutilized land in emerging neighborhoods allows us to acquire properties at lower costs.
- Cost-Efficient Designs: Thoughtfully planned layouts maximize space and functionality without unnecessary extravagance.
- Hands-On Management: Our in-house team oversees every development stage, eliminating third-party inefficiencies.
- Vertical Integration: Complete control over the process ensures projects are delivered on time and within budget, maintaining high quality.

Building a Better Future with KIRE

- At KIRE, we believe affordability shouldn't mean sacrificing quality. Our focus on NOAH enables us to provide essential workers and middle-income earners with apartment homes that meet their needs without the hefty price tag. We're committed to building communities, not just structures, through innovation and efficient management.

Keep an eye out for the next KIRE Chronicles for more deep dives into all things workforce housing.

Groundbreaking

TALAS | 48 Multifamily Units



Talas, our 13th project in National City over the past decade, is now underway. This development will provide high-quality, affordable housing for 48 middle-income families.

Talas was launched as a syndication and received an overwhelming response from our investment community. The project was oversubscribed, demonstrating the strong confidence and trust our investors have in our strategic approach to real estate development.

In Other Exciting News....

KIRE is expecting to break ground on three new workforce housing projects in the San Diego MSA:

PLATFORM 25 | 39 Multifamily Units



Overview

Platform 25 will provide a mix of 39 well-designed studios and one-bedroom units to the highly supply constrained Southeastern San Diego submarket.

SENECIO | 48 Multifamily Units



Overview

Senecio will provide a mix of 48 well-designed one and two-bedroom units to the rapidly expanding, vibrant Escondido submarket.

SOL HAUS | 147 Multifamily Units



Overview

Sol Haus will deliver 147 carefully crafted studio, one, and two-bedroom units to meet the needs of the fast-growing, lively Southeast San Diego submarket.

[Click here to learn more!](#)

Have you signed up for our Investor Portal?

Gain access to KIRE's upcoming investment opportunities, by clicking the button below! Questions? Please reach out to Ryan at: r.bickford@kire.group

[Investor Portal](#)

We are Hiring!

KIRE is growing and we're looking for additions to the following divisions

Construction: Superintendent and Assistant Superintendent

Interested candidates can email their CV and a cover letter to jobs@kirebuildersinc.com.



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