



Q+A: ANDREA GIFT ALLAN on the Importance and Opportunity of Investing in Affordable Housing

Investing in affordable housing can help address the critical and persistent U.S. housing shortage, support family stability and upward mobility, and offer resilient, long-term returns to investors.

We spoke with Andrea Gift Allan, Pretium’s head of affordable housing, about opportunities for investors, residents and communities.

Why is Pretium investing in affordable housing—and specifically, in single-family rentals (SFRs)?

Single-family rental homes represent a vital, underutilized opportunity to provide affordable housing, especially in higher-opportunity neighborhoods. On top of that, the average single-family home in the U.S. is over forty years old -- creating a need for rehabilitation and modernization to maintain this critical housing stock.

From an investment perspective, we believe single-family rentals will continue to provide a source of long-term opportunity, especially as demand continues to grow among Millennials and younger generations. Baby Boomers are choosing to stay in their homes for longer than previous generations have, keeping 1.4 million homes off the market that would otherwise be available. There are over 14 million single-family rental homes in the U.S., yet they’ve historically been underrepresented in both affordable housing policy and institutional investment. That’s the white space. And for investors, affordable single-family rentals offer the potential for attractive returns with stable cash flows.

How are single-family rentals “affordable housing”?

Pretium provides two types of single-family rental housing that serve the affordability spectrum.

The first is “workforce housing” — homes affordable to middle-income renters, typically earning up to 120% of area median income (AMI). For many of them, homeownership is not currently possible, based upon credit scores or simply the high cost of a mortgage, insurance, home maintenance, and other costs. Today, it’s approximately 40% or nearly \$1,000 a month cheaper to rent than own, according to John Burns Research and Consulting. Single-family rentals provide an affordable alternative, and a way for middle-income families to live in amenity-rich, single-family neighborhoods, with more opportunity to save for future homeownership or other pathways to wealth creation. Ninety-seven percent of single-family rentals in Pretium’s portfolio are workforce housing.

There’s also “traditional” affordable housing that’s supported by programs like the Housing Choice Voucher (HCV) program. This helps low-income renters afford homes by covering the gap between what they can affordably pay and reasonable market rent. These homes are affordable for households earning 80% of AMI or less. There are currently 2.3 million households in the U.S. supported by Housing Choice Vouchers.

What makes Pretium’s approach to affordable housing distinctive?

Our focus on SFRs is unique. Most institutional affordable housing capital has flowed into multifamily. But families, especially those with

children, often prefer single-family homes. The reality is that less than 10 percent of multifamily rental homes have three bedrooms or more. So, it's not surprising that a survey of rental households found that more than 70% of them would prefer a single-family home. They want more space, yards, privacy and access to neighborhoods with quality amenities like parks and playgrounds.

And our strategy is local. With approximately 2,000 Progress Residential employees that live in markets across the country, we engage closely with local public and community organizations, allowing us to scale while being responsive to specific community needs.

Finally, we're expanding choice — not just preserving it. We're enabling mixed-income communities in areas where large-scale affordable housing is often zoned out. That's meaningful, especially when you consider that only seven percent of affordable housing nationally is located in higher-opportunity neighborhoods.

Why are neighborhoods important?

There's a body of [research](#) from Harvard Professor Raj Chetty and his team which shows that neighborhood is the key determinant in terms of children's ability to achieve economic mobility, outearn their parents and move up the economic ladder. By providing affordable rental housing in higher-opportunity neighborhoods — places with lower crime and poverty rates, proximity to employment hubs and quality community amenities — we're creating opportunities for people who might otherwise not be able to live there. Affordable rental housing also helps break the cycle of intergenerational poverty and strengthens the social and economic foundation of a thriving community.

How does that extend to the Housing Choice Voucher program?

Same concept. What makes the HCV program so powerful is that it allows families to choose housing and neighborhoods that can support economic growth and remain stably housed. Stable, affordable housing is founda-

tional. But unfortunately, only about 60 percent of families who receive Housing Choice Vouchers can find a home to use them.

Why?

There are barriers. For housing providers, the process of making housing units available to residents with HCVs involves additional paperwork, property inspections and working with local public housing authorities (PHAs) that can result in increased vacancy losses which are a deterrent.

That's where Pretium has a competitive edge. Since 2021, we've invested in dedicated infrastructure to support voucher residents and work with PHA partners. Today, we have a 20-person affordable housing team within Progress Residential, our property management platform, managing relationships with housing authorities, handling inspections and guiding families. We turned an administrative challenge into an operational advantage.

With so many proposed cuts in the federal budget, what's the future of the HCV program?

It will likely be months before the Congressional appropriations process is complete. As of now, the House and Senate appropriations committees have maintained or increased funding for the HCV program in their proposals. We are well-positioned to work with state and local partners on whatever form federal rental assistance takes. Given that the HCV program provides critical housing to 2.3 million low-income households, it's hard to imagine any large-scale disruption to the program that would risk mass homelessness.

What's the long-term opportunity here—for Pretium and for the communities it serves?

This is an undersupplied segment of the housing market with strong demand from working families. And, we have a scalable, replicable model for delivering affordable housing through single-family rentals. Pretium's strategy offers the potential for stable, inflation-aligned returns while meeting a massive housing need in local communities.