


A group of people, including children and adults, are sitting in a modern backyard. The yard features a large, mature tree, a wooden house with a dark roof, and a gravel patio. A white cooler and a small table are visible. The scene is set in a natural, wooded environment.

HI A  US  
H O M E S

A photograph of a modern, single-story house with horizontal wood siding and a dark door. A large tree is in the foreground on the left, and the house is on the right. The background shows a blue sky with light clouds.

Hiatus™ Homes is a land developer and home builder specializing in small, modern, highly efficient homes and communities across the Mountain West.

We are builders and designers of captivating small spaces and inviting communities. We are advocates for people living in smaller houses. We believe there is a movement afoot that represents a fundamental shift in how people view housing and, more importantly, how they live their lives.



The Hiatus Capital Fund provides an opportunity for qualified investors to be a part of this movement and generate long-term capital appreciation.



**After World War II ended, the 3 bedroom 2 bath house in the suburbs was born!  
1970 - 40 percent of households were still nuclear families.**



Today, nuclear families only account for 20% of America's households, while nearly 30% are single adults living alone.

**22%**  
of Americans  
will be over  
65 in 2050



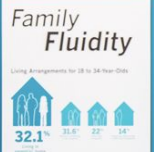
**America is an aging nation**—and that's only getting older. In 2004, 14% of the population was 65 and older. By 2050, that number will rise to 22%. That's more than doubling today's senior demographic.

In a recent AARP survey, 78% of respondents said they wanted to live in their current residence as long as possible. But most haven't yet developed the aging, home care, or support strategies that will be necessary to make that goal a reality. Many of us will require solutions that respond to the increased physical and cognitive challenges that come with growing older. The increasing popularity of trends that address the local or multi-generational living, and home sharing, both of which can provide on-site assistance and help with the costs of residential care.

Have you considered what sort of housing you'll live in when you are older? Will you "age in place"? Would you be able to stay in your current home? Would you consider downsizing? Would you be willing to share with house?



**32%**  
of young  
adults live  
at home



**Our households are not static.** They grow, change, and then shed their shells. Increasingly, these fluctuations represent a reality: Today, 32% of young adults live with their parents, nearly half of all households are in a single-parent living arrangement.

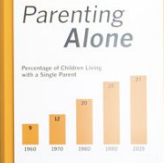
For many, that has become the norm. There's a three-year period, a recent Census Bureau study found that nearly one-third of all 18- to 34-year-olds are still living with their parents, a number that has increased since 2001.

Adults are also moving in with other relatives for extended periods. Some 22% said that they had lived in a residence with a parent that which can provide on-site assistance and help with the costs of residential care.

Do any of these scenarios ring true for you? Would you have ever considered a multi-generational living arrangement? Would you be willing to share with house?



**27%**  
of children  
live with a  
single parent



**The percentage of children living with a single parent has tripled since the 1960s.** For example, a woman that parented an average of 2.6 children in 1960 has contributed to an increase of 1.1 children living with a single parent today.

Not only are single-parent households significantly increasing in size, they're also becoming more diverse. In 2010, 24 percent of single-parent households, including those with children, were headed by a woman who was not the biological mother.

Are you a single parent? Is childcare more available in your neighborhood or community? Is it hard to find affordable housing that meets your needs?



**11%**  
America's  
middle class  
has shrunk



**America's middle class is shrinking.** In 2010, 11% of households were middle class, down from 18% in 1980. This is due to a combination of factors, including the rising cost of housing and the increasing number of single-parent households.

The middle class is not only shrinking, it's also becoming more diverse. In 2010, 24 percent of middle-class households were headed by a woman who was not the biological mother.

Are you a single parent? Is childcare more available in your neighborhood or community? Is it hard to find affordable housing that meets your needs?



**Snapshot of Today's Diverse Households**

**28%** Single people living alone

**25%** Couples (no children)

**20%** Adults sharing with other adults

**20%** Nuclear Families

**7%** Single-parent households

**Percentage of Nuclear Family Households**

**Percentage of Single Person Households**

**Percentage of Two Person Households**

**Percentage of Three Person Households**

**Percentage of Four Person Households**

**Percentage of Five Person Households**

**Percentage of Six Person Households**

**Percentage of Seven Person Households**

**Percentage of Eight Person Households**

**Percentage of Nine Person Households**

**Percentage of Ten Person Households**

**Percentage of Eleven Person Households**

**Percentage of Twelve Person Households**

**Percentage of Thirteen Person Households**

**Percentage of Fourteen Person Households**

**Percentage of Fifteen Person Households**

**Percentage of Sixteen Person Households**

**Percentage of Seventeen Person Households**

**Percentage of Eighteen Person Households**

**Percentage of Nineteen Person Households**

**Percentage of Twenty Person Households**

**Percentage of Twenty-One Person Households**

**Percentage of Twenty-Two Person Households**

**Percentage of Twenty-Three Person Households**

**Percentage of Twenty-Four Person Households**

**Percentage of Twenty-Five Person Households**

**Percentage of Twenty-Six Person Households**

**Percentage of Twenty-Seven Person Households**

**Percentage of Twenty-Eight Person Households**

**Percentage of Twenty-Nine Person Households**

**Percentage of Thirty Person Households**

**Percentage of Thirty-One Person Households**

**Percentage of Thirty-Two Person Households**

**Percentage of Thirty-Three Person Households**

**Percentage of Thirty-Four Person Households**

**Percentage of Thirty-Five Person Households**

**Percentage of Thirty-Six Person Households**

**Percentage of Thirty-Seven Person Households**

**Percentage of Thirty-Eight Person Households**

**Percentage of Thirty-Nine Person Households**

**Percentage of Forty Person Households**

National Building Museum - Making Room - Housing for a Changing America

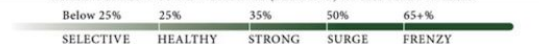
## WHAT'S HAPPENING IN THE BEND LUXURY MARKET?



[CLICK FOR FULL MARKET UPDATE](#)

PRICE RANGE	AUGUST NEW RESALE LISTING	AUGUST RESALE PENDING	SEPTEMBER 1ST ACTIVE RESALE LISTING	% PENDING 1ST 30 DAYS (JULY LIST)	SALES ACTIVITY INTENSITY™
900K-1M	27	18	32	65.6%	Frenzy
1-1.5M	45	42	62	59.0%	Surge
1.5-2M	25	18	54	40.0%	Strong
2-3M	8	8	22	41.2%	Strong
3+M	4	4	18	12.5%	Selective
<b>Total Activity Over \$900K</b>	<b>109</b>	<b>90</b>	<b>188</b>	<b>52.0%</b>	<b>Surge</b>

SCALE: PERCENT OF NEW LISTINGS (PENDING) IN THE FIRST 30 DAYS



**Q: Why aren't more houses being built for these changing demographics?**

**A: Housing supply is so low, most builders and developers are operating in a sellers market.**

# MARKET TRENDS

Statistics represent combined closed transactions for residential homes in Bend, Redmond, Sisters and Sunriver for the ninety-day period prior to publication.

448

CURRENT ACTIVE LISTINGS

\$4,125,000

MOST EXPENSIVE SOLD HOME

\$648,584

AVERAGE SALES PRICE

21

AVERAGE DAYS ON MARKET

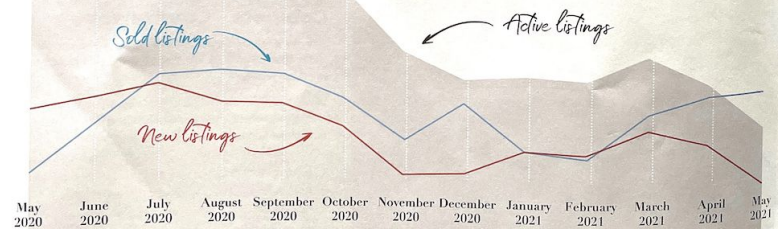
\$338

AVERAGE PRICE PER SQUARE FOOT

+29.17%

CHANGE OVER SAME PERIOD IN 2020

## INVENTORY OVERVIEW

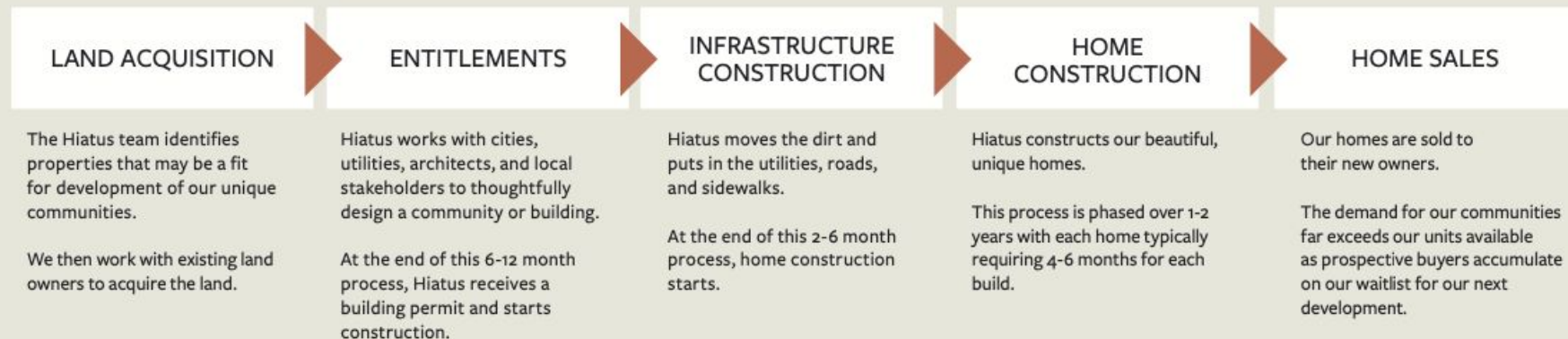


**Q: Why aren't more houses being built for these changing demographics?**

**A: Building Code - In the past, building several small homes on a residential lot was not permitted.**



# OUR REAL ESTATE DEVELOPMENT PROCESS



“ Bend, OR is the second-fastest growing city in America, based on a variety of factors beyond population, including topping the list in job growth and growth in the number of businesses.”

—Wallethub

# How does HB 2001 and HB 458 help with these factors?

- **HB 2001 - Cottage Clusters**
  - 15 dwelling units per acre
  - 900 sq. ft. with common courtyard
  - Does not need to front the street
  - 1 parking space per unit
  
- **HB 458 - Expedited Land Division**
  - No appeals - if it qualifies as middle housing and aligns with code
  - No public hearing
  - 21 days application deemed complete
  - Plan review goes from 120 days - 63 days.
  - Time is money



# Hiatus Benham



## Cottage Code 2015 - Bend, Oregon

- **Area 3.2 acres - 22 units - 600 sq. ft.**
- **Density**
  - 7 units per acre vs 15
    - $7 \times 3.2 = 22$  units
    - $15 \times 3.2 = 48$  units
- **Parking**
  - 1 per unit vs 2 per unit
    - 22 vs 48 parking spaces
    - $180 \text{ sq. ft.} \times 22 = 3,960 \text{ sq. ft.}$
- **No minimum lot sizes**
  - **Lot sizes 1700 - 2500 sq ft**

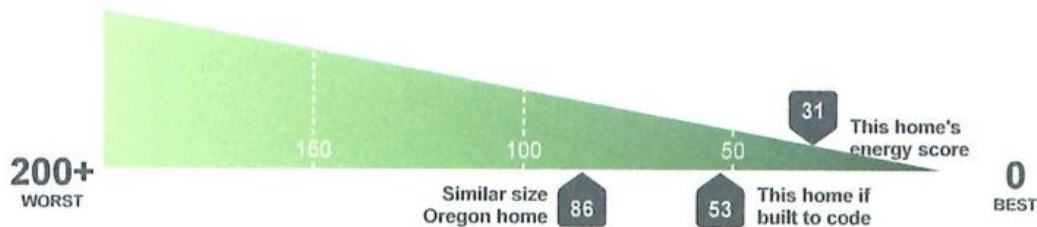




Energy Score

# 31

**ENERGY SCALE:** Based on home energy use of natural gas, electricity, or energy generated from an installed renewable system.



**Estimated total annual gross energy usage:** Electric (kWh): 4,504, Natural Gas (therms): 55

**Estimated average annual energy generation:** No system

**Estimated average net energy usage:** Electric (kWh): 4,504\*, Natural Gas (therms): 55

**CARBON FOOTPRINT:**

Measured in tons of carbon dioxide per year (tons/yr). One ton = 2,000 miles driven by one car (typical 21 mpg car).



**Insulated Ceiling: R-50**

**Efficient Windows: U-0.25**

**Space Heating: 12.5 HSPF Heat Pump**

**Insulated Walls: R-24**

**Efficient Lighting: 100.0 %**

**Envelope Tightness: 3.0 ACH @ 50 Pascals**

**Insulated Floors: R-38**

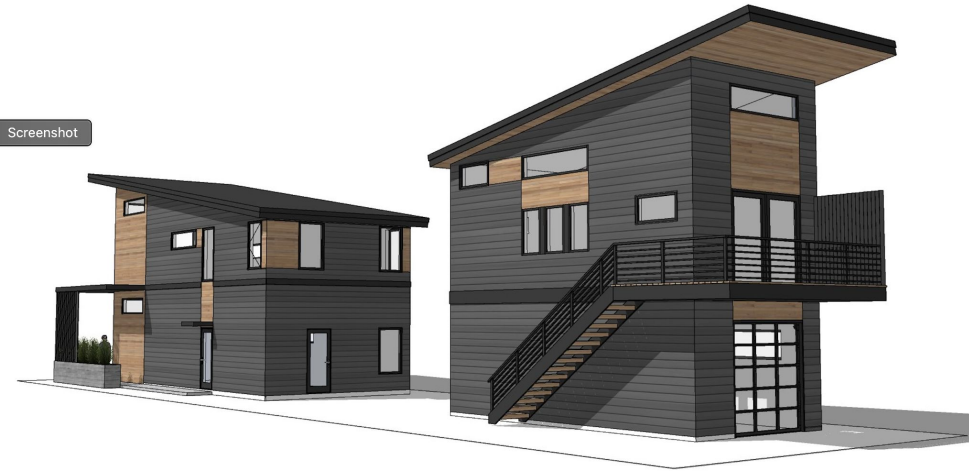
**Water Heater: 0.86 EF**

# How to help Middle Housing Beyond HB 2001 and 458

- **More housing types and code to support smaller more dense housing**
  - **Small Unit Development Code**
  - **Micro Apartment Code**
  - **Cottage Code**
- **Density Incentives**
  - **0-600 sq.ft. = .25 units**
  - **600 - 1200 sq.ft. = .5 units**
- **SDC Scaling**
  - **\$31K per unit**
    - **0-600 sq.ft. = .25 units = \$7,750**
    - **600 - 1200 sq.ft. = .5 units = \$15,500**
- **Financing**
  - **Invest**
  - **Support**

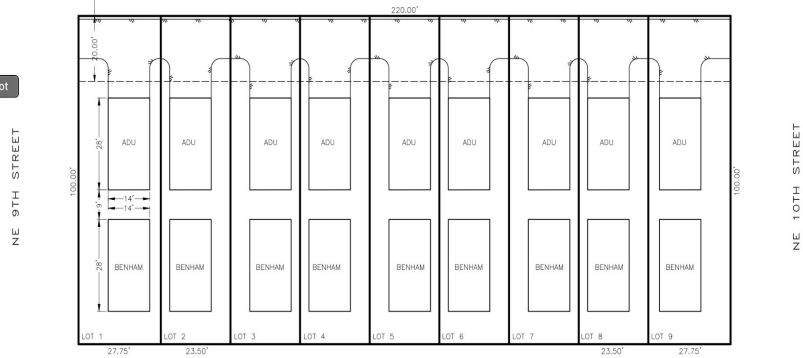
# Small Unit Development Code

Screenshot



SHARED ACCESS EASEMENT AND CITY OF BEND SEWER EASEMENT

Screenshot

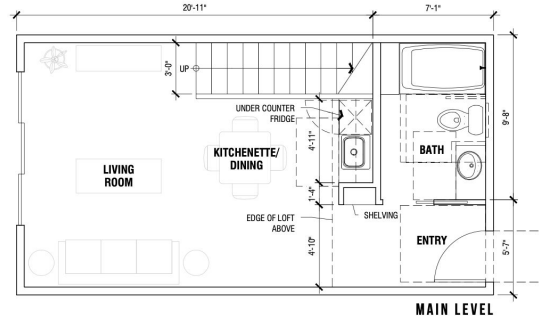
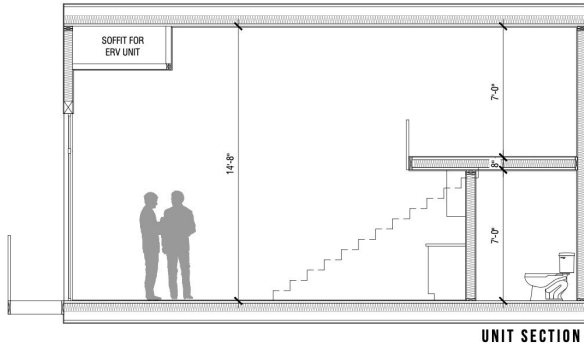


- **Hiatus 9th**
  - **Area: .5 acres**
  - **9 lots - ally access - 2 cottages per lot - 18 total units**
  - **7 units per acre vs 28**
    - **.5 x 28 = 14 units/lots**
  - **ADU's allowed**
    - **+14 ADU**
  - **Total allowable units on .5 acres = 28**
- **SDC**
  - **\$31K vs \$7500**
  - **18 x \$31K = \$558K**
  - **18 x \$7500 = \$135K**
  - **Savings of \$423K**
- **Parking**
  - **Required 1 per unit vs 2**



## Micro Apartment Code

- **Area .48 acres**
- **Density 0.5 vs 1**
  - **20 units vs 40 units**
- **SDC**
  - **\$31K vs \$7500**
  - **1.2M vs \$300K**
  - **Savings of \$900K**
- **Parking**
  - **Required 1 per unit vs .5**



# THE HIATUS™ CAPITAL FUND

## INVESTMENT TERM

minimum 2-year lockup

## TARGET INVESTMENT RETURNS

15% - 25%+ annualized IRR

## DISTRIBUTIONS

Annually based on liquidity events

## INVESTMENT OPPORTUNITY

Open to individuals, family trusts, self-directed IRAs, institutions

## TAX IMPLICATIONS

Annual K-1s, opportunity zone investments may be available

	Minimum Investment	Annual Management Fee	Performance profit split to Manager	Profit split to Investor	Annualized Target Returns (after fees)
Class A	\$250,000	3.0%	50%	50%	16% - 27%
Class B	\$100,000	3.0%	53%	47%	16% - 25%
Class C	\$50,000	3.0%	56%	44%	15% - 24%

This information is provided for educational purposes only and is not a solicitation to invest. All investments contain risk and prospective investors should review all fund documentation including the Private Placement Memorandum, Operating Agreement, Subscription Agreement and are responsible to conduct their own due diligence prior to investing. Targeted returns and forward looking statements are not guaranteed.



# HIATUS | CAPITAL FUND

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THANK YOU

