



SINGLE-FAMILY RENTALS IN BUILD-TO-RENT COMMUNITIES

JANUARY 2025

National Housing Snapshot

Total U.S. Housing Units	142.5	MILLION UNITS
Total Occupied Households	127.4	MILLION UNITS
Renter Occupied Households <i>~20MM Professionally Managed Multifamily</i>	44.0	MILLION UNITS
Single Family Rentals <i>3-4% (~600K-800K units) Institutional Owned SFR ~340K units in Build-to-Rent Communities</i>	20.0	MILLION UNITS

The Four Types of Single-Family Build-to-Rent

HORIZONTAL MULTIFAMILY

- 1,500 sq ft
- 1-3 bedrooms
- \$1,300-\$1,900 rents
- Single-level cottage homes, enclosed small backyards
- NextMetro & Lennar in Phoenix and Denver pioneered concept
- Fully amenitized community-pool/clubhouse

TWO-STORY TOWNHOMES AND/OR ATTACHED ROW HOUSES

- 1,700 sq ft
- 2-3 bedrooms
- \$1,300-\$1,900 rents
- Western U.S.
- Partial to no amenities

LUXURY SINGLE-FAMILY

- 2,000-3,000 sq ft
- >4 bedrooms
- \$4,500-\$7,000 monthly rents
- California + Nevada
- No community amenities

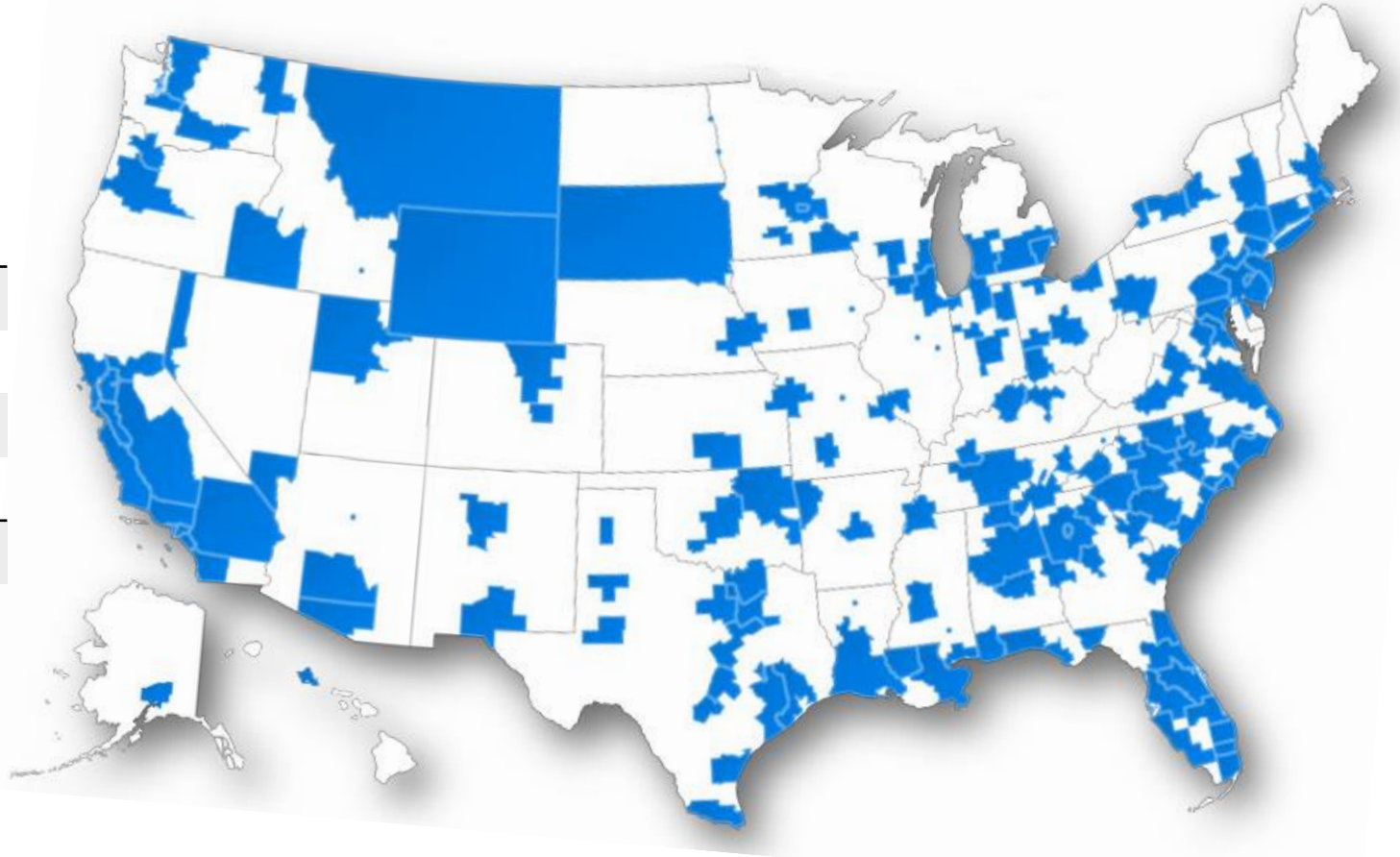
TRADITIONAL SINGLE-FAMILY

- 1,800-2,500 sq ft
- 3-4 bedrooms
- Southeastern U.S. (Nashville, TN)
- Larger lot sizes

Single-Family Rentals in Build-to-Rent Communities (SFR BTR) Are Now a Part of the Yardi Matrix Data Service!

Yardi Matrix Single-Family Rental Coverage Map

Status	Properties	Units
Completed	1,601	202,010
Under Construction	425	73,975
Planned	184	35,265
Prospective	327	73,975
TOTALS	2,537	385,224



Yardi Matrix coverage include single-family rentals and built-to-rent over 50 units. Complete explanation of our definition is available upon request

Data as of December 2024 | Source: Yardi Matrix



Renter Demand Drivers for SFR BTR Remain Strong

REMOTE WORK

- 68% of U.S. firms offered work location flexibility in Q4 2024, according to the Flex Index
- Increased space requirements needed at home to accommodate remote-work
- Accelerated housing demand in suburbs and exurbs

HOMEOWNERSHIP AFFORDABILITY

- U.S. housing shortage is an estimated 3.9M units, with the most prevalent shortages in the South
- Monthly mortgage cost of a single-family home far exceeds average rent nationwide
- Additional home ownership costs like insurance, taxes and maintenance also continue to rise

DEMOGRAPHIC TRENDS & LIFESTYLE PREFERENCES

Millennials:

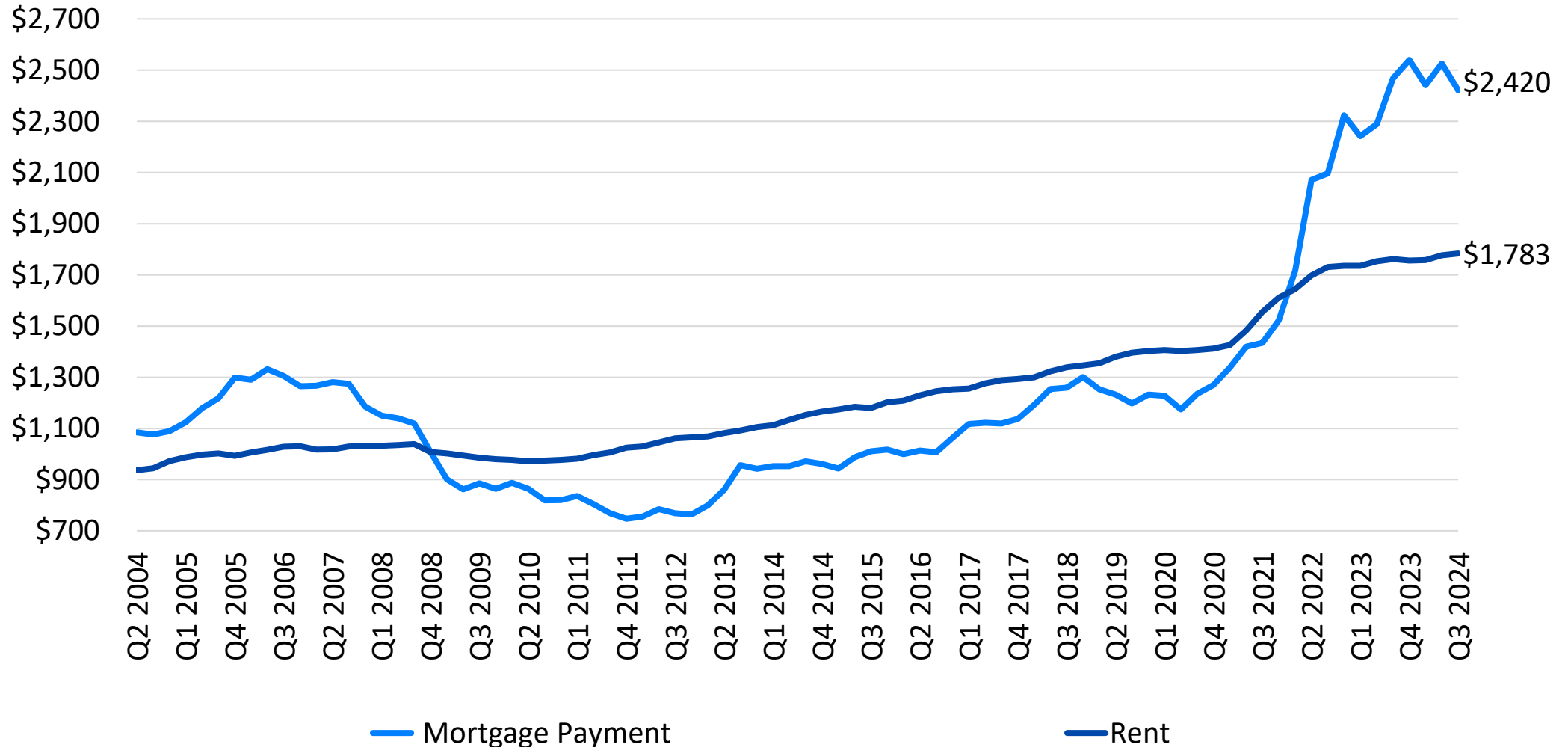
- The rising population of 20 to 34-year-olds who are creating families and looking to leave traditional apartments, but cannot afford home ownership, especially in the coveted suburban neighborhoods
- Even high-income millennials are increasingly renters by choice, preferring BTR's commitment and maintenance-free nature

Boomers / Empty Nesters:

- Older generation who want the financial flexibility and low-maintenance lifestyle of renting
- 31% of BTR tenants were previous homeowners, and this ratio was much higher among older families with children and older singles and couples

Renting is Still a Better Deal Compared to the Cost of Owning

Home Mortgage Payment vs. Rent



Renting is Cheaper Than Purchasing a Home by Thousands of Dollars in Nearly Half of Matrix Top Metros

Market	Mortgage Payment	Rent	Difference
San Francisco	\$7,029	\$2,840	\$4,189
San Diego	\$6,015	\$2,775	\$3,240
Seattle	\$5,026	\$2,241	\$2,785
Los Angeles	\$5,183	\$2,650	\$2,533
Denver	\$3,807	\$1,975	\$1,832
Portland	\$3,480	\$1,792	\$1,688
Boston	\$4,380	\$2,918	\$1,462
Washington DC	\$3,681	\$2,234	\$1,447
N. New Jersey	\$4,004	\$2,618	\$1,386
Miami	\$3,838	\$2,513	\$1,325
Las Vegas	\$2,797	\$1,510	\$1,287
Phoenix	\$2,768	\$1,644	\$1,124
Raleigh	\$2,720	\$1,608	\$1,112
Austin	\$2,736	\$1,688	\$1,048
Charlotte	\$2,422	\$1,634	\$788

Market	Mortgage Payment	Rent	Difference
Nashville	\$2,417	\$1,685	\$732
Baltimore	\$2,427	\$1,749	\$678
Twin Cities	\$2,254	\$1,577	\$677
Orlando	\$2,515	\$1,844	\$671
Dallas	\$2,236	\$1,574	\$662
Houston	\$2,013	\$1,384	\$629
Kansas City	\$1,938	\$1,328	\$610
Atlanta	\$2,213	\$1,691	\$522
Columbus	\$1,880	\$1,360	\$520
Tampa	\$2,342	\$1,846	\$496
Indianapolis	\$1,826	\$1,338	\$488
Philadelphia	\$2,161	\$1,823	\$338
Detroit	\$1,561	\$1,325	\$236
Chicago	\$2,176	\$1,988	\$188

Gateway markets are bold. New York excluded from list due to significant differences between metro division and Matrix boundaries. Data as of Q3 2024

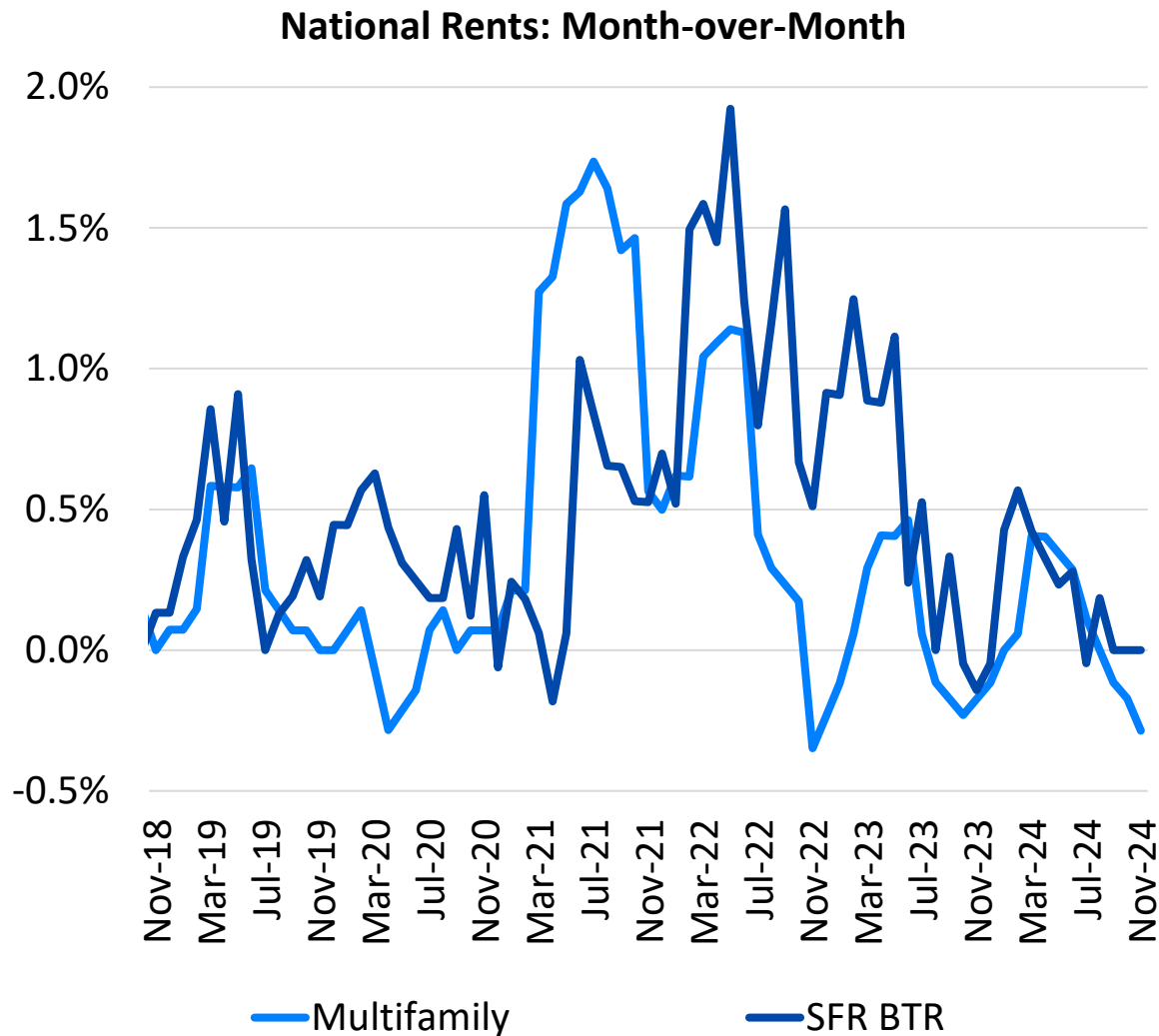
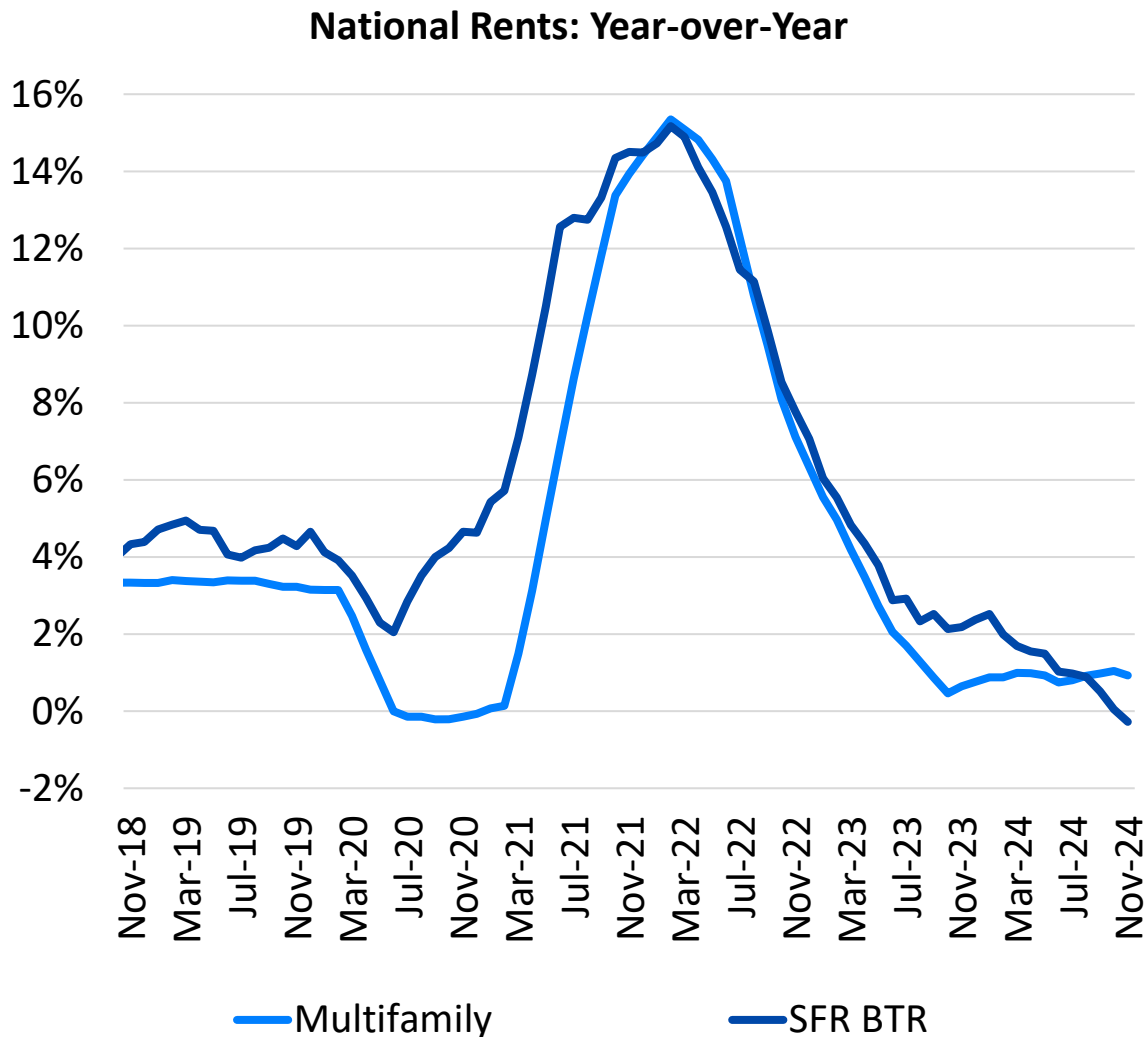
Source: Yardi Matrix; Moody's Analytics



SFR BTR Development Trends

- Amenities
 - Most popular: on-site maintenance and high-quality amenities
 - Highly desired: better parking, storage, privacy and exclusive outdoor space (yard and/or patio)
 - Bonus: upscale community amenities such as a pool, green spaces, walking trails and dog parks
- **Smart home technology is a MUST** – will likely become standard
 - E.g., keyless entries, Wi-Fi-enabled thermostats, smart doorbells, alarm systems & leak detectors
 - Plan for future demand – EV charging in garages
- Design homes to accommodate frequent moving and streamline property maintenance
 - Durable & low maintenance building products (e.g., high-quality faux wood floors, hard-surface countertops)
 - Wider hallways
 - Standardized appliances & fixtures
- Flex SF and lot size by location based on consumer demand
 - Young singles and couples prefer pet-friendly units with fenced-in backyards
 - Young families prefer large common areas
 - Singles and couples want an attached garage

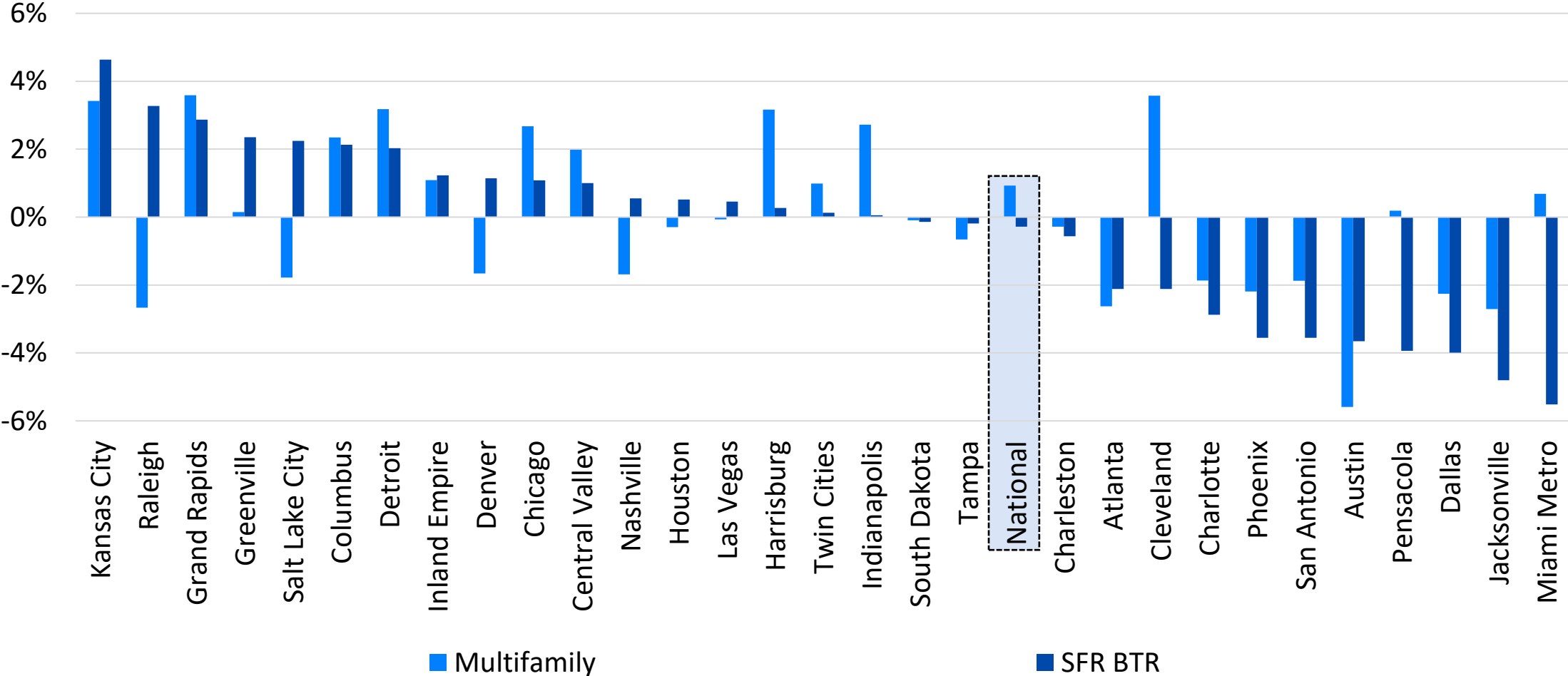
Rent Growth for SFR BTR Properties has been Stronger than Multifamily in Recent Years, But Annual Growth Slowed in November



Source: Yardi Matrix

Rent Growth for SFR BTR Outpaced Multifamily Properties in One-Third of the Top Metros, Mainly High Growth Secondary Markets

Year-Over-Year Rent Growth - Multifamily vs SFR BTR



Sorted by SFR BTR rent growth highest to lowest. Data as of November 2024 | Source: Yardi Matrix

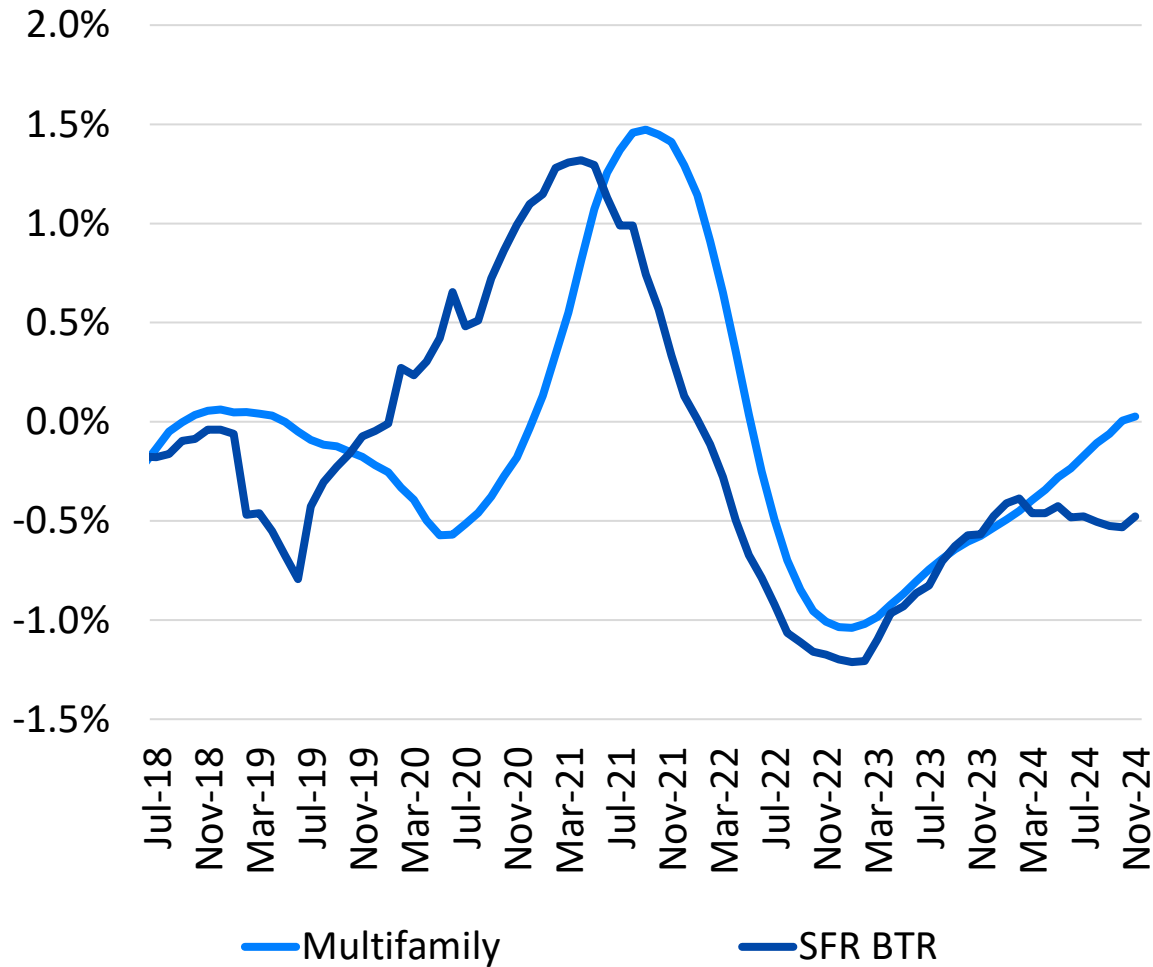
SFR BTR Rent Growth has Slowed in Most Markets Over the Last Six Months

SFR BTR Year-Over-Year Rent Growth

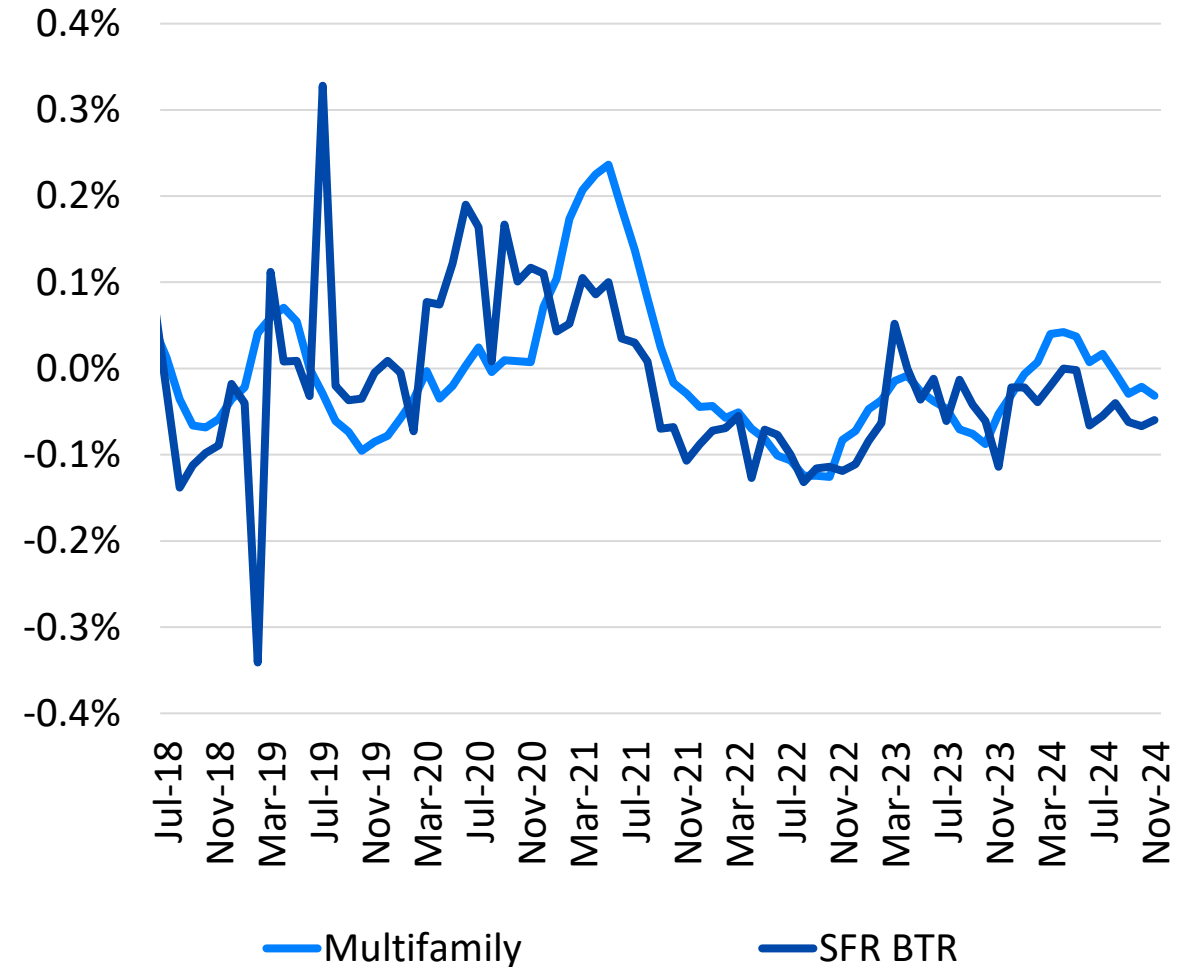
Metro	Nov-23	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Kansas City	6.4%	5.1%	4.9%	4.1%	3.7%	4.0%	4.6%
Raleigh - Durham	2.2%	11.6%	8.6%	7.4%	5.6%	3.6%	3.3%
Grand Rapids	5.4%	2.5%	1.8%	2.2%	1.5%	2.0%	2.9%
Greenville	-2.5%	1.8%	2.2%	1.1%	0.7%	2.1%	2.4%
Salt Lake City	0.9%	0.2%	-0.1%	0.7%	1.3%	1.3%	2.2%
Columbus	2.4%	2.3%	2.2%	3.6%	3.5%	0.7%	2.1%
Detroit	0.0%	-0.1%	1.1%	2.3%	3.5%	3.7%	2.0%
Inland Empire	3.8%	2.2%	1.8%	1.9%	1.4%	0.9%	1.2%
Denver	0.3%	2.0%	2.7%	2.4%	2.4%	2.0%	1.1%
Chicago	5.0%	-0.9%	0.0%	1.1%	2.9%	3.6%	1.1%
Central Valley	0.4%	1.4%	1.4%	1.4%	1.3%	1.5%	1.0%
Nashville	5.8%	2.1%	4.4%	1.9%	1.1%	1.6%	0.6%
Houston	6.8%	3.0%	1.8%	2.4%	1.5%	1.8%	0.5%
Las Vegas	3.0%	0.5%	1.4%	0.6%	1.2%	1.7%	0.5%
Harrisburg	2.4%	1.7%	2.0%	1.7%	1.4%	0.5%	0.3%
Twin Cities	10.1%	7.4%	5.2%	3.0%	2.0%	1.5%	0.1%
Indianapolis	5.1%	8.0%	6.0%	3.6%	2.5%	0.2%	0.1%
South Dakota	-3.8%	8.0%	7.2%	5.4%	1.7%	-1.7%	-0.1%
Tampa	-0.2%	-2.3%	-3.0%	-2.9%	-2.9%	-2.5%	-0.2%
Charleston	3.4%	0.3%	0.3%	1.3%	-0.7%	-0.4%	-0.6%
Atlanta	4.3%	-2.8%	-2.6%	-2.3%	-2.9%	-2.5%	-2.1%
Cleveland - Akron	5.6%	5.1%	2.6%	1.4%	-0.6%	-1.6%	-2.1%
Charlotte	3.8%	-3.9%	-3.0%	-2.9%	-2.1%	-2.1%	-2.9%
Phoenix	-3.2%	-4.5%	-4.2%	-3.7%	-4.0%	-3.5%	-3.6%
San Antonio	4.6%	-2.3%	-2.2%	-2.1%	-2.9%	-3.7%	-3.6%
Austin	-6.1%	-3.9%	-1.8%	-2.3%	-3.1%	-3.0%	-3.7%
Pensacola	1.8%	-1.3%	-2.8%	-2.7%	-2.3%	-3.2%	-3.9%
Dallas	-2.6%	-1.4%	-1.3%	-2.0%	-1.9%	-2.6%	-4.0%
Jacksonville	8.0%	-2.8%	-2.5%	-2.3%	-2.8%	-2.6%	-4.8%
Miami Metro	0.4%	1.8%	-0.5%	-4.5%	-3.3%	-5.0%	-5.5%

SFR BTR Occupancy Growth Remained Negative Through November 2024

National Occupancy: Year-over-Year

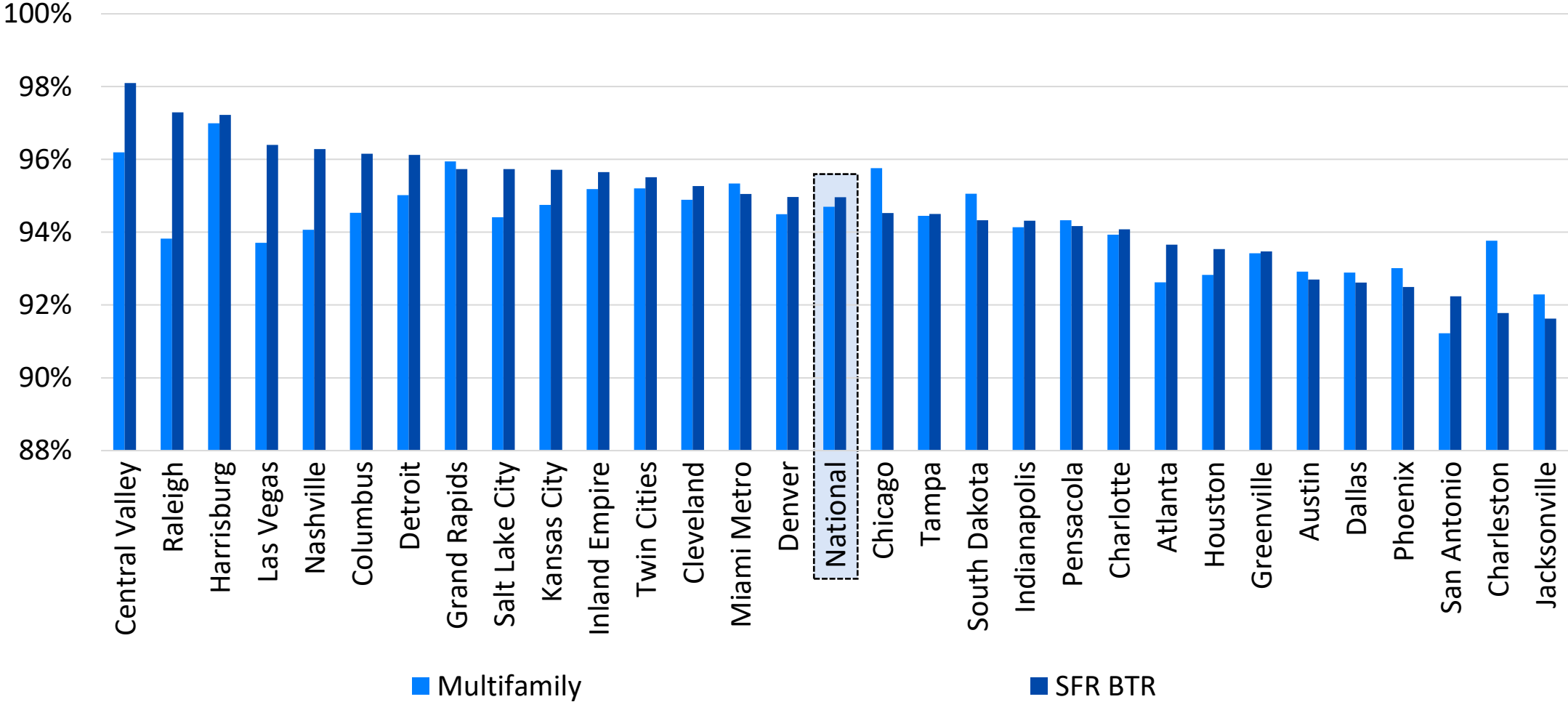


National Occupancy: Month-over-Month



SFR BTR Occupancy is Higher Than Multifamily in the Majority of Matrix Top Metros

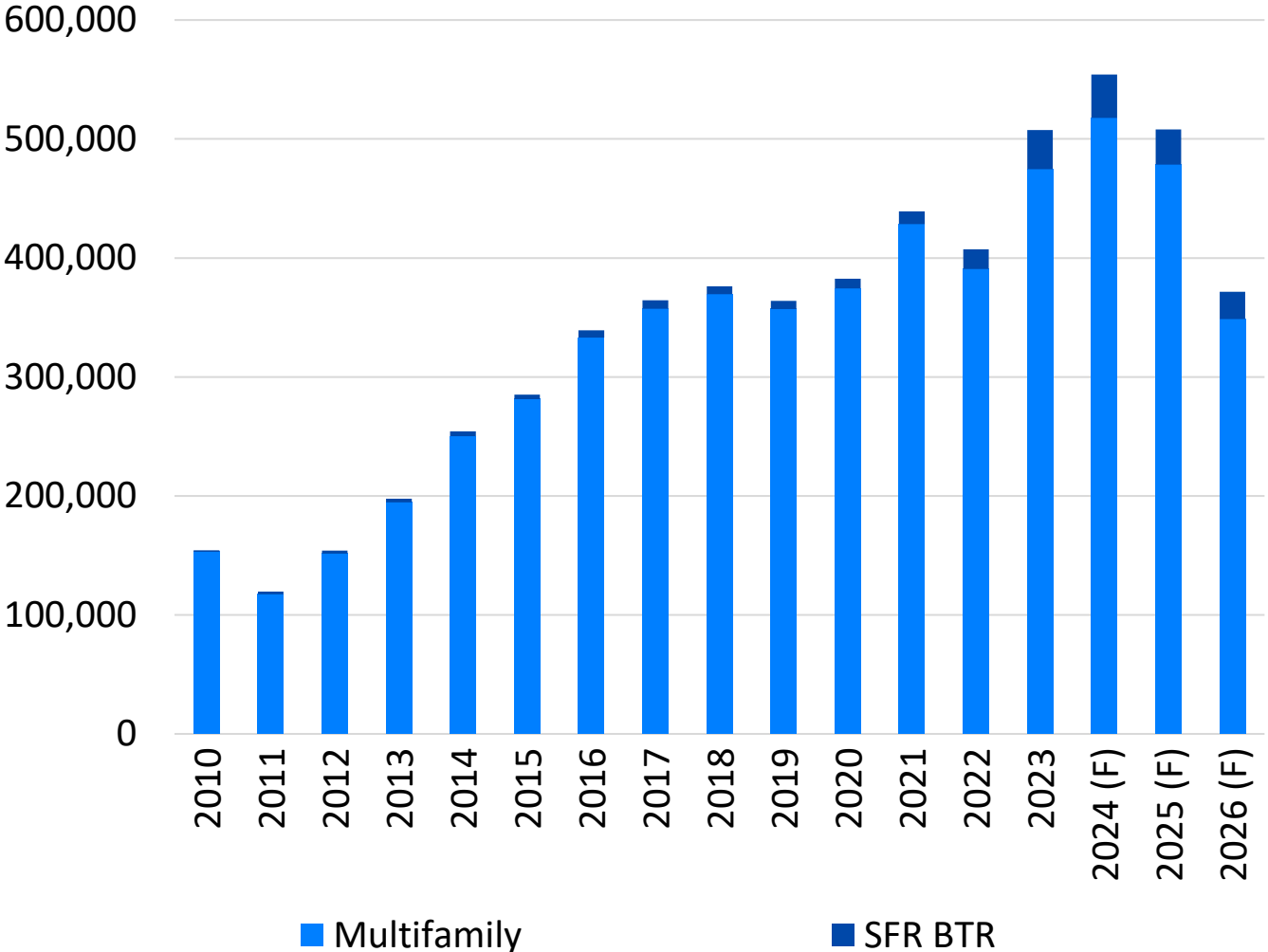
Occupancy - Multifamily vs SFR BTR



Sorted by SFR BTR occupancy highest to lowest. Data as of November 2024 | Source: Yardi Matrix

New Supply is Expected to Decline in 2026

Supply Pipeline

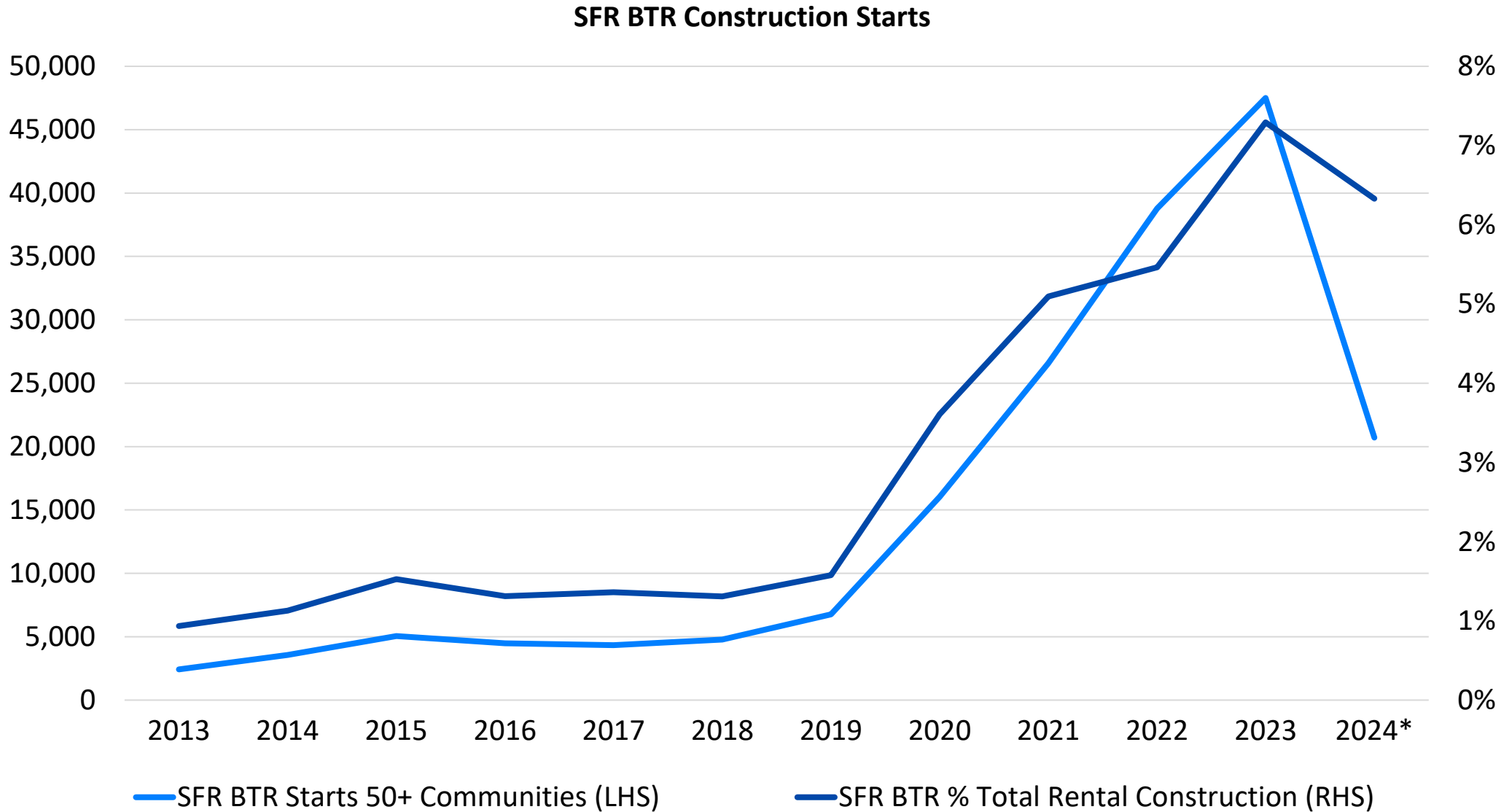


Year	# of SFR BTR Deliveries	SFR BTR Deliveries as a % of Total MF
2010	1,234	0.8%
2011	2,281	1.9%
2012	2,655	1.8%
2013	3,051	1.6%
2014	4,200	1.7%
2015	3,771	1.3%
2016	6,340	1.9%
2017	6,939	1.9%
2018	6,513	1.8%
2019	6,919	1.9%
2020	7,997	2.1%
2021	10,659	2.5%
2022	16,715	4.3%
2023	32,935	6.9%
2024 (F)	36,683	7.1%
2025 (F)	29,514	6.2%
2026 (F)	22,940	6.6%



Excludes student housing. Data as of December 2024 | Source: Yardi Matrix

SFR BTR Construction Starts Peaked in 2023 then Slipped in 2024

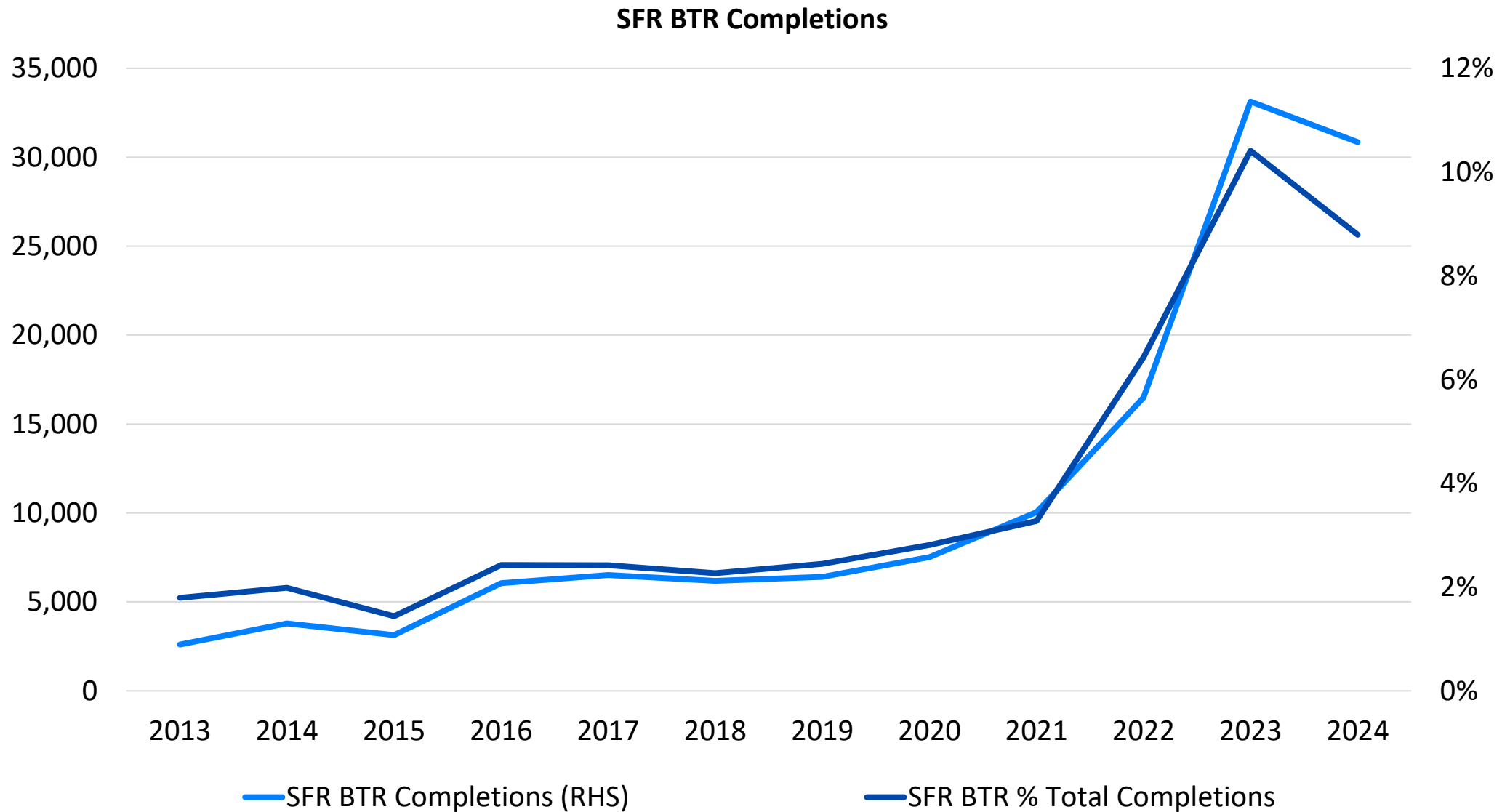


*2024 incomplete, data reports on a lagged basis | Source: Yardi Matrix

Despite SFR BTR Starts Slipping, They Are Still Above Historical Norms as a Percentage of Overall Units

Property Type	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Market Rate Starts	230,651	231,516	217,539	243,033	281,955	272,179	316,779	444,582	392,172	190,718
% of Overall Units	69.7%	67.8%	68.5%	66.6%	65.7%	61.3%	60.7%	62.6%	60.2%	58.3%
SFR BTR Starts	5,049	4,475	4,325	4,780	6,765	16,028	26,573	38,788	47,502	20,704
% of Overall Units	1.5%	1.3%	1.4%	1.3%	1.6%	3.6%	5.1%	5.5%	7.3%	6.3%
Other Starts	95,206	105,516	95,883	117,213	140,142	156,089	178,261	226,725	211,684	115,680
Total Starts	330,906	341,507	317,747	365,026	428,862	444,296	521,613	710,095	651,358	327,102

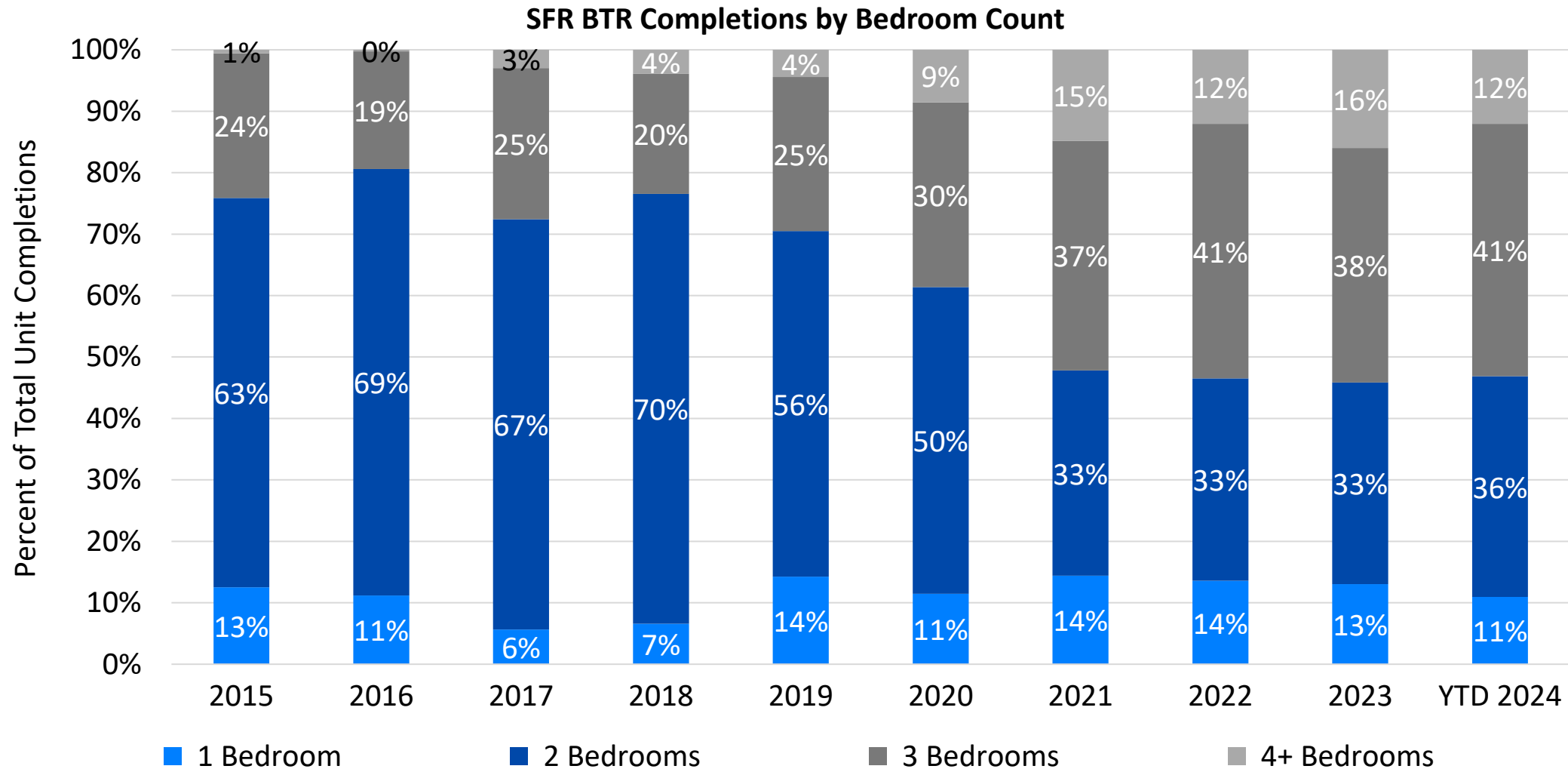
SFR BTR Deliveries Rose Rapidly, Will Likely Remain High Through 2025



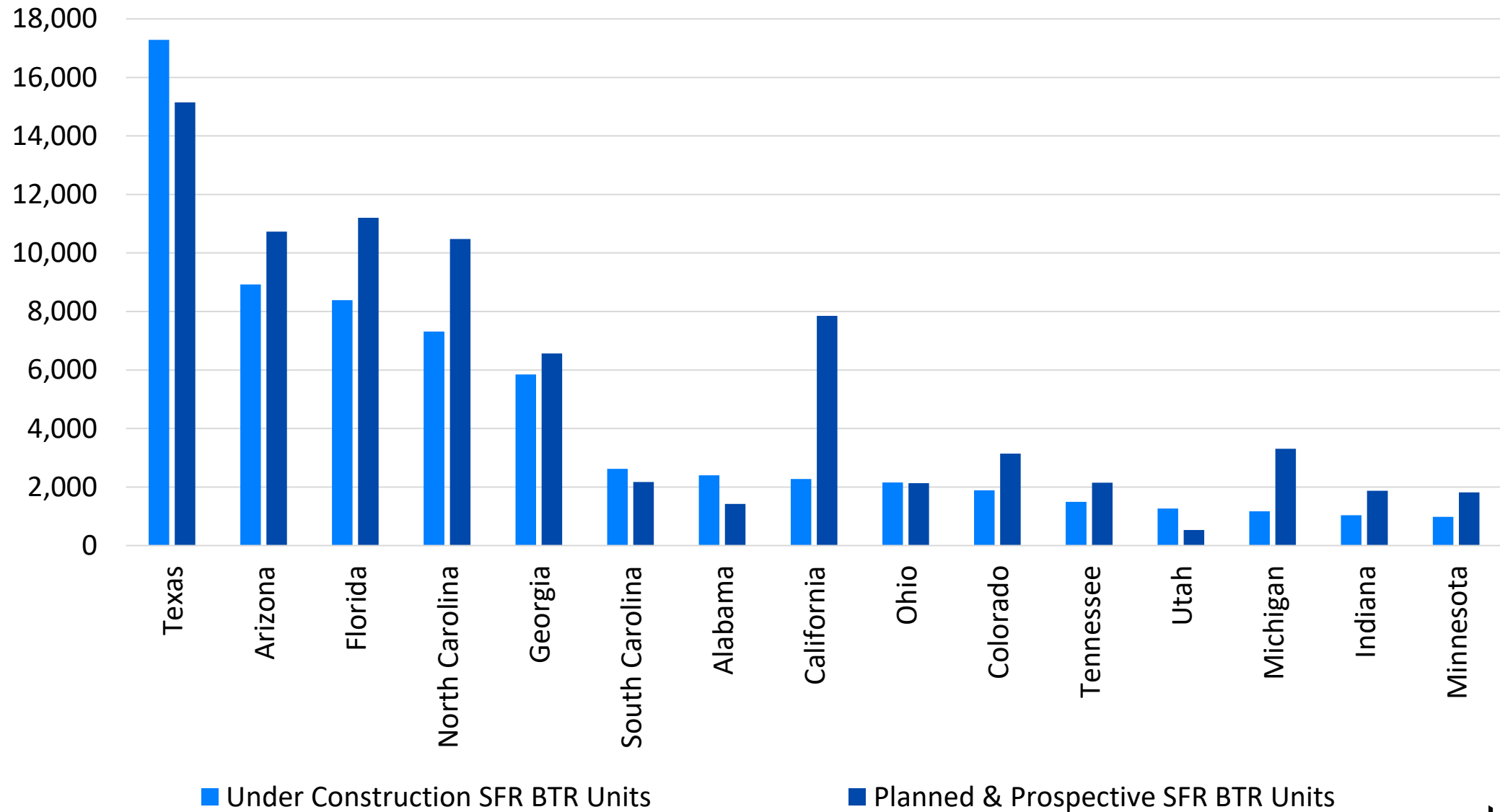
SFR BTR Completions Have Risen as a Percent of Rental Construction Over the Past Few Years

Property Type	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Market Rate Completions	217,799	249,613	268,971	272,637	261,613	267,391	306,928	256,498	318,218	350,797
% of Overall Units	76.0%	73.2%	73.3%	72.2%	71.2%	69.6%	69.6%	62.6%	62.3%	65.0%
SFR BTR Completions	3,132	6,050	6,508	6,179	6,406	7,512	10,047	16,486	33,126	30,847
% of Overall Units	1.4%	2.4%	2.4%	2.3%	2.4%	2.8%	3.3%	6.4%	10.4%	8.8%
Other Completions	65,720	85,393	91,621	98,974	99,213	109,517	124,134	136,591	159,491	157,793
Total Completions	286,651	341,056	367,100	377,790	367,232	384,420	441,109	409,575	510,835	539,437

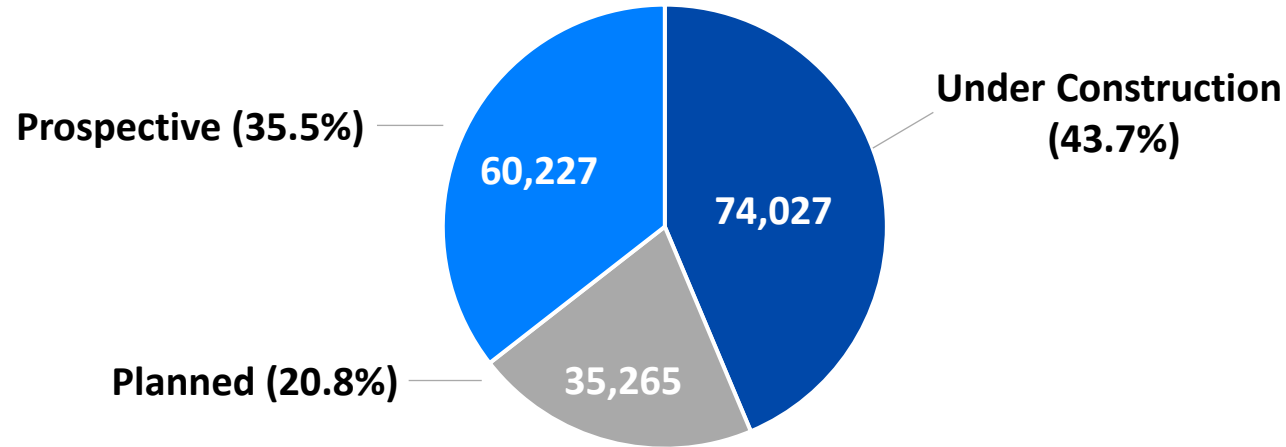
Two Bedroom Units No Longer Make Up the Majority of SFR BTR Completions as Units With 3+ Bedrooms Have Become Increasingly Popular in Recent Years



SFR BTR Construction Concentrated in High Migration States



New SFR BTR Supply Pipeline: Where is New Supply Concentrated?



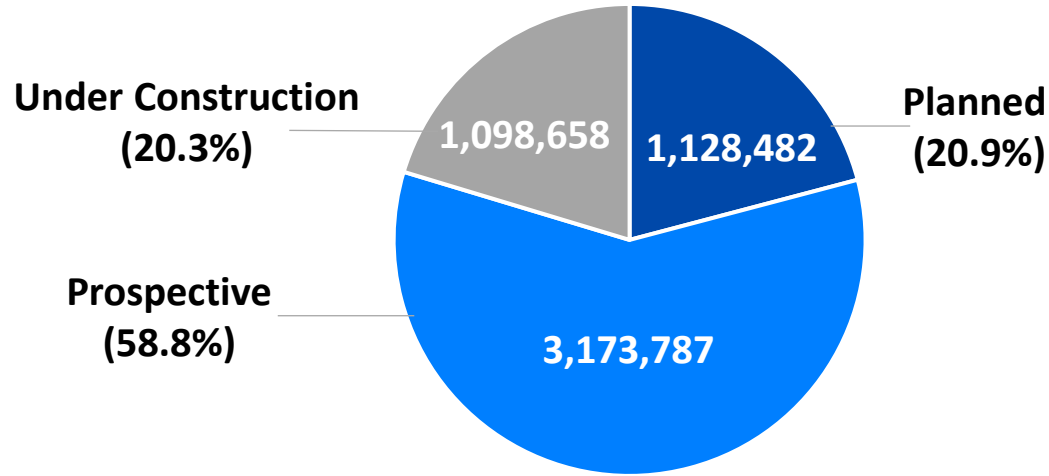
Top 10 Markets	Units	UC as a % of Existing Stock
Mankato	344	614.3%
Urban Boston	326	339.6%
Providence	192	193.9%
Colorado Springs	488	183.5%
Central East Texas	366	181.2%
Orlando	2,762	172.1%
Wilmington	299	170.9%
Louisville	290	152.6%
Albuquerque	374	143.8%
Huntsville	1,602	131.3%

Top 10 Markets	Units	Planned as a % of Existing Stock
Bay Area - S. Bay	106	212.0%
Bay Area - East Bay	436	196.4%
Northern Virginia	394	189.4%
Omaha	628	170.2%
Wilmington	280	160.0%
Fayetteville NC	567	130.9%
N. Central Florida	1,091	127.9%
Central East Texas	200	99.0%
Orlando	1,405	87.5%
Colorado Springs	210	78.9%

Top 10 Markets	Units	Prospective as a % of Existing Stock
Mankato	892	1592.9%
Urban Boston	517	538.5%
Northern Virginia	1,086	522.1%
Bay Area - S. Bay	251	502.0%
Bay Area - East Bay	965	434.7%
Wilmington	382	218.3%
Colorado Springs	580	218.0%
Athens	1,801	189.4%
Fayetteville NC	680	157.0%
Orlando	2,316	144.3%



New Multifamily Supply Pipeline: Where is New Supply Concentrated?



Top 10 Markets	Units	UC as a % of Existing Stock
Montana	6,394	33.7%
SW Florida Coast	19,189	20.4%
Asheville	4,393	19.5%
Brooklyn	28,007	17.1%
South Dakota	5,015	16.1%
Colorado Springs	7,609	15.8%
Charlotte	34,648	15.4%
Boise	4,392	15.3%
Austin	46,518	15.0%
Pensacola	6,602	14.9%

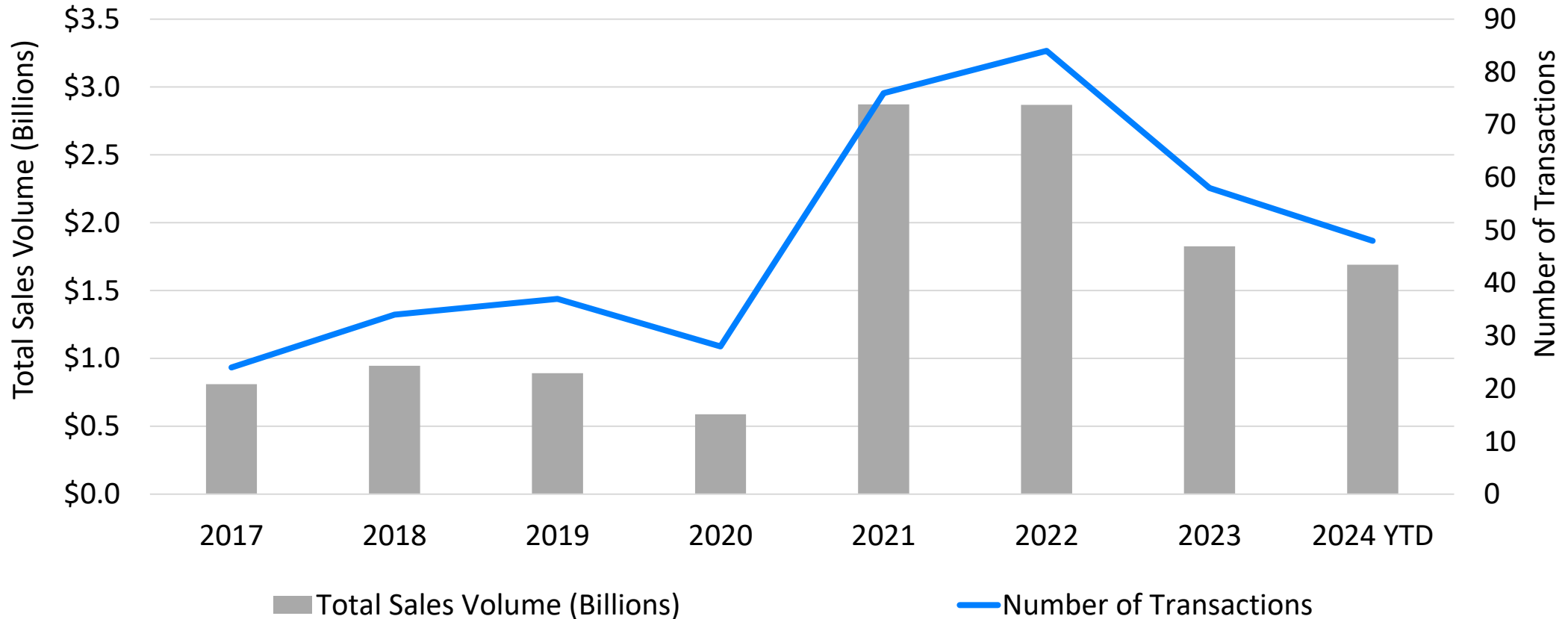
Top 10 Markets	Units	Planned as a % of Existing Stock
Boise	12,429	43.4%
Miami	50,732	29.8%
Portland ME	3,914	23.1%
Asheville	4,972	22.0%
SW Florida Coast	17,895	19.0%
Fort Lauderdale	22,830	18.7%
Port St. Lucie	3,620	17.8%
Los Angeles - Met	37,587	17.4%
San Francisco	22,618	15.9%
N. New Jersey	39,261	14.4%

Top 10 Markets	Units	Prospective as a % of Existing Stock
Miami	141,212	82.9%
SW Florida Coast	55,085	58.6%
Port St. Lucie	11,706	57.5%
Wilmington	12,577	47.5%
Raleigh - Durham	83,833	43.5%
Orlando	110,884	40.3%
White Plains	33,640	39.9%
Central Coast	14,205	38.6%
Boise	11,051	38.6%
N. Central Florida	23,578	37.8%



While SFR BTR Sales Have Slowed, They Continue to Account for More of the Total Multifamily Transaction Volume

SFR BTR Annual Sales Volume



SFR BTR as a % of Total MF Transactions	2017	2018	2019	2020	2021	2022	2023	2024 YTD
		0.6%	0.8%	0.9%	0.9%	1.3%	1.7%	3.0%



The SFR BTR Sector Presents Several Opportunities for Investors

- Demand for rental homes is strong and will continue to be driven by rising home prices that have made homeownership unaffordable for many. This presents investment opportunities in the SFR BTR sector...
- **Builders are stuck with more inventory than they can sell as sales slow**
 - Selling to landlords is cheaper– involves less customizations and reduces sales and marketing expenses
 - **Offering bulk packages of unsold houses at discounts as high as 20% to landlords**
 - 60% of builders report selling homes to investors from February 2024 – April 2024
 - As of August 2024, investors account for one-quarter of all new and resale residential transactions
- In Q2 2024, investors purchased 16.8% of all homes sold in the U.S., however, institutional ownership still comprises only about 3% of the market
- **Institutional investors and private-equity firms are pouring into the BTR market, hoping to capitalize on rising renter demand**
 - **AvalonBay Communities** recently made its first acquisition of 126-BTR homes in Bee Cave, TX for \$49M
 - The Apartment-REIT expects to invest over \$1B in the BTR sector going forward
 - **Blackstone, Invitation Homes and Pretium Partners** are also among the big Wall Street firms expanding their BTR portfolios



THANK YOU

Feel free to contact me with any questions.

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