



SINGLE-FAMILY RENTALS IN BUILD-TO-RENT COMMUNITIES

MARCH 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

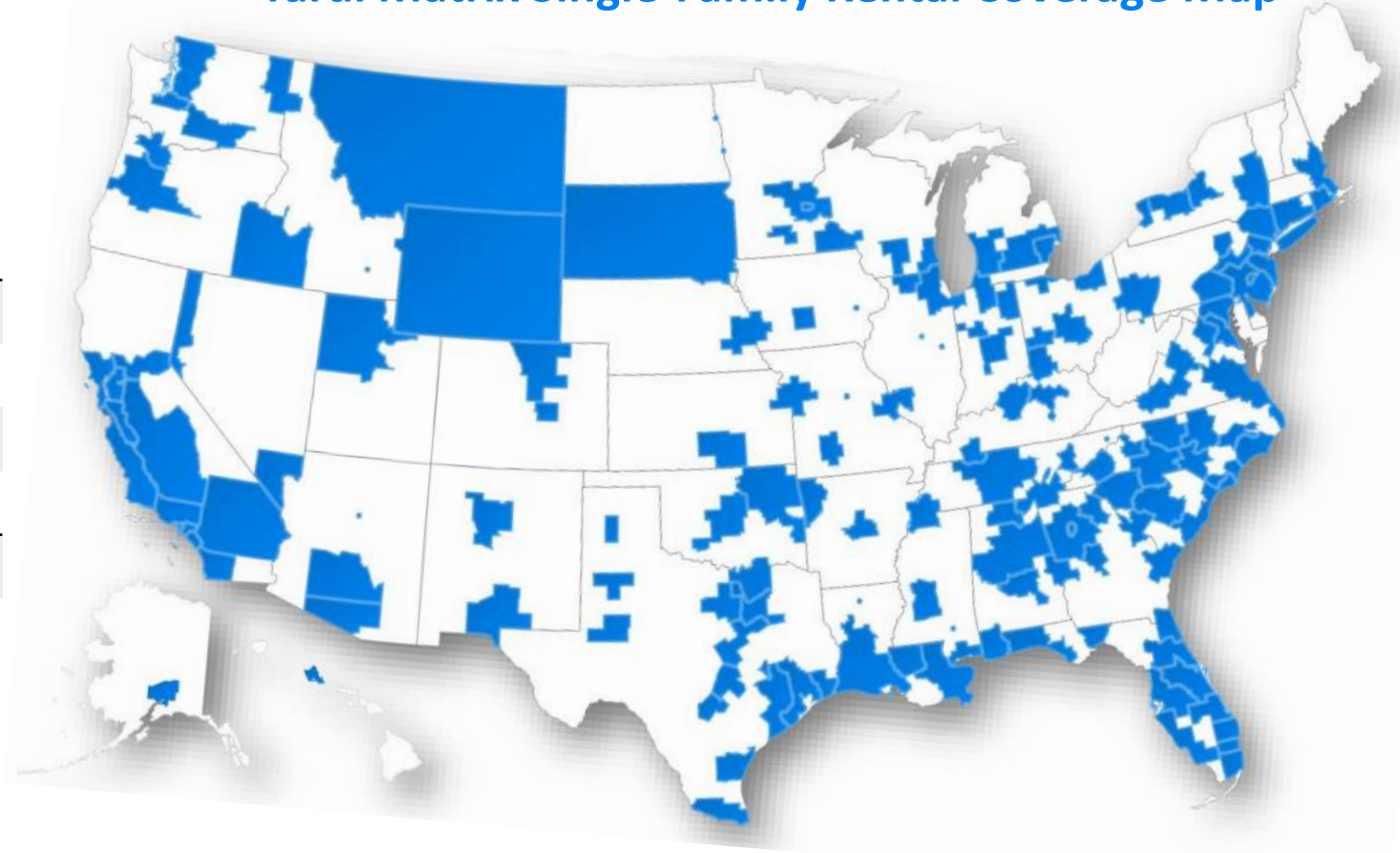
TRADITIONAL SINGLE-FAMILY

- 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!

Status	Properties	Units
Completed	1,664	210,809
Under Construction	431	76,425
Planned	176	33,341
Prospective	322	59,702
TOTALS	2,593	380,277

Yardi Matrix Single-Family Rental Coverage Map



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 February 2025 | 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:

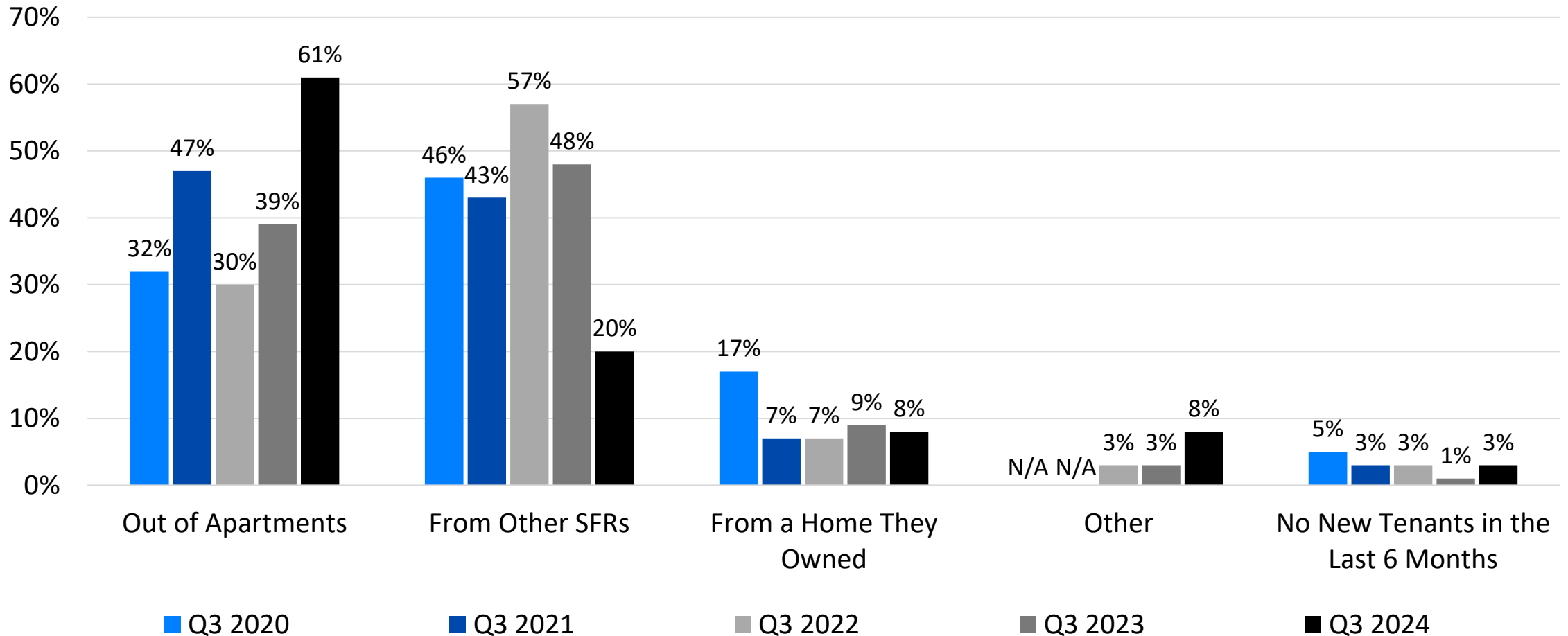
- The rising population of 20 to 34-year-olds who are creating families and looking to leave traditional apartments, but cannot afford home ownership, especially in the coveted suburban neighborhoods
- Even high-income millennials are increasingly renters by choice, preferring BTR's commitment and maintenance-free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

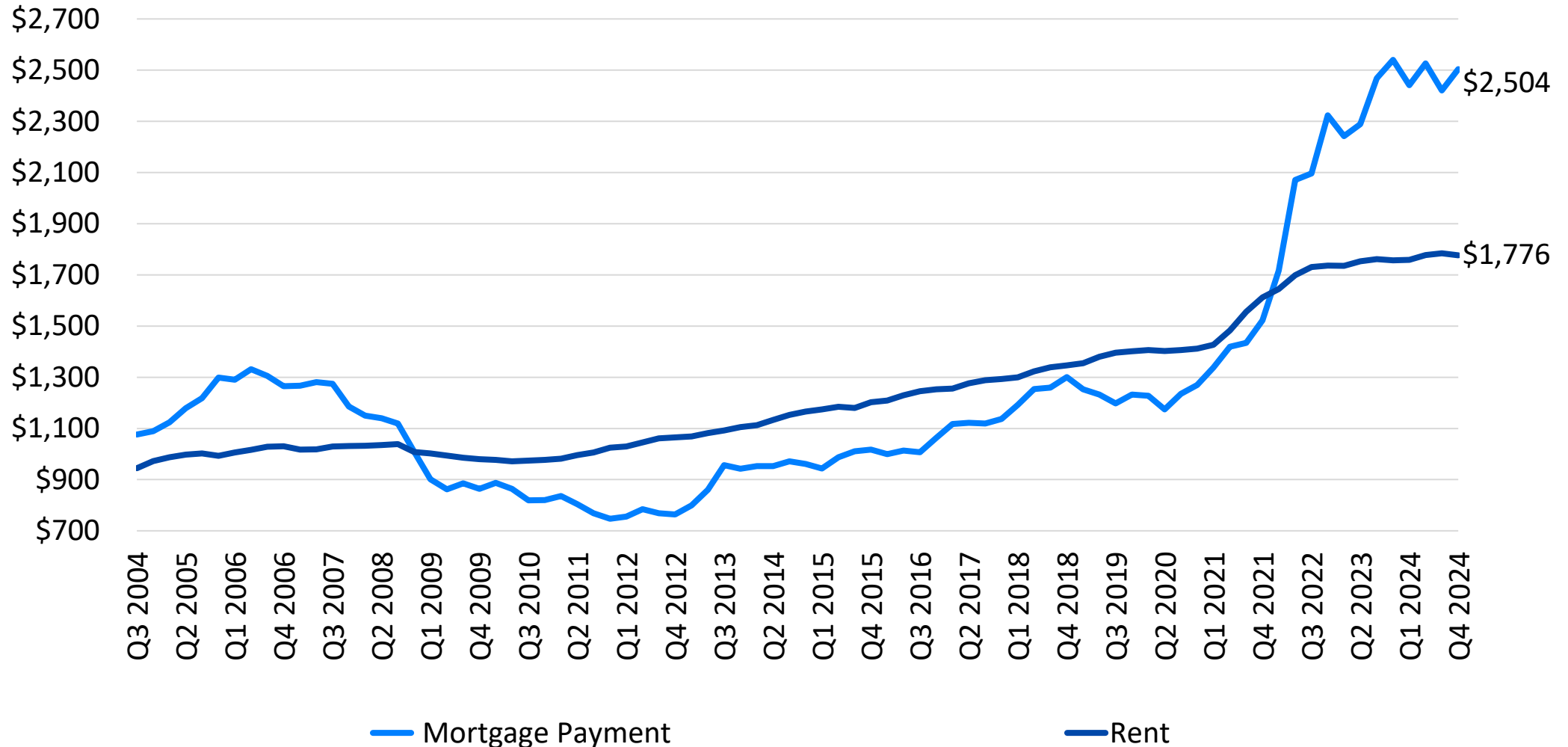
The Share of New Single-Family Renters Coming from Apartments Continues to Grow, Reaching 61% in Q3 2024

Sources of New Single-Family Tenants Over the Last 6 Months
(Weighted by Number of Properties)



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	\$6,896	\$2,842	\$4,054
San Diego	\$5,924	\$2,778	\$3,146
Seattle	\$5,146	\$2,246	\$2,900
Los Angeles	\$5,261	\$2,651	\$2,610
Denver	\$3,844	\$1,978	\$1,866
Portland	\$3,557	\$1,794	\$1,763
Washington DC	\$3,751	\$2,235	\$1,516
N. New Jersey	\$4,012	\$2,617	\$1,395
Boston	\$4,270	\$2,921	\$1,349
Las Vegas	\$2,827	\$1,509	\$1,318
Miami	\$3,840	\$2,606	\$1,234
Austin	\$2,830	\$1,690	\$1,140
Raleigh	\$2,732	\$1,612	\$1,120
Phoenix	\$2,760	\$1,646	\$1,114
Charlotte	\$2,443	\$1,637	\$806

Market	Mortgage Payment	Rent	Difference
Nashville	\$2,469	\$1,692	\$777
Twin Cities	\$2,266	\$1,578	\$688
Baltimore	\$2,421	\$1,749	\$672
Dallas	\$2,244	\$1,575	\$669
Orlando	\$2,516	\$1,847	\$669
Houston	\$2,041	\$1,385	\$656
Kansas City	\$1,981	\$1,328	\$653
Columbus	\$1,916	\$1,360	\$556
Atlanta	\$2,218	\$1,691	\$527
Indianapolis	\$1,813	\$1,338	\$475
Tampa	\$2,300	\$1,851	\$449
Philadelphia	\$2,164	\$1,827	\$337
Detroit	\$1,601	\$1,324	\$276
Chicago	\$2,243	\$1,988	\$255

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

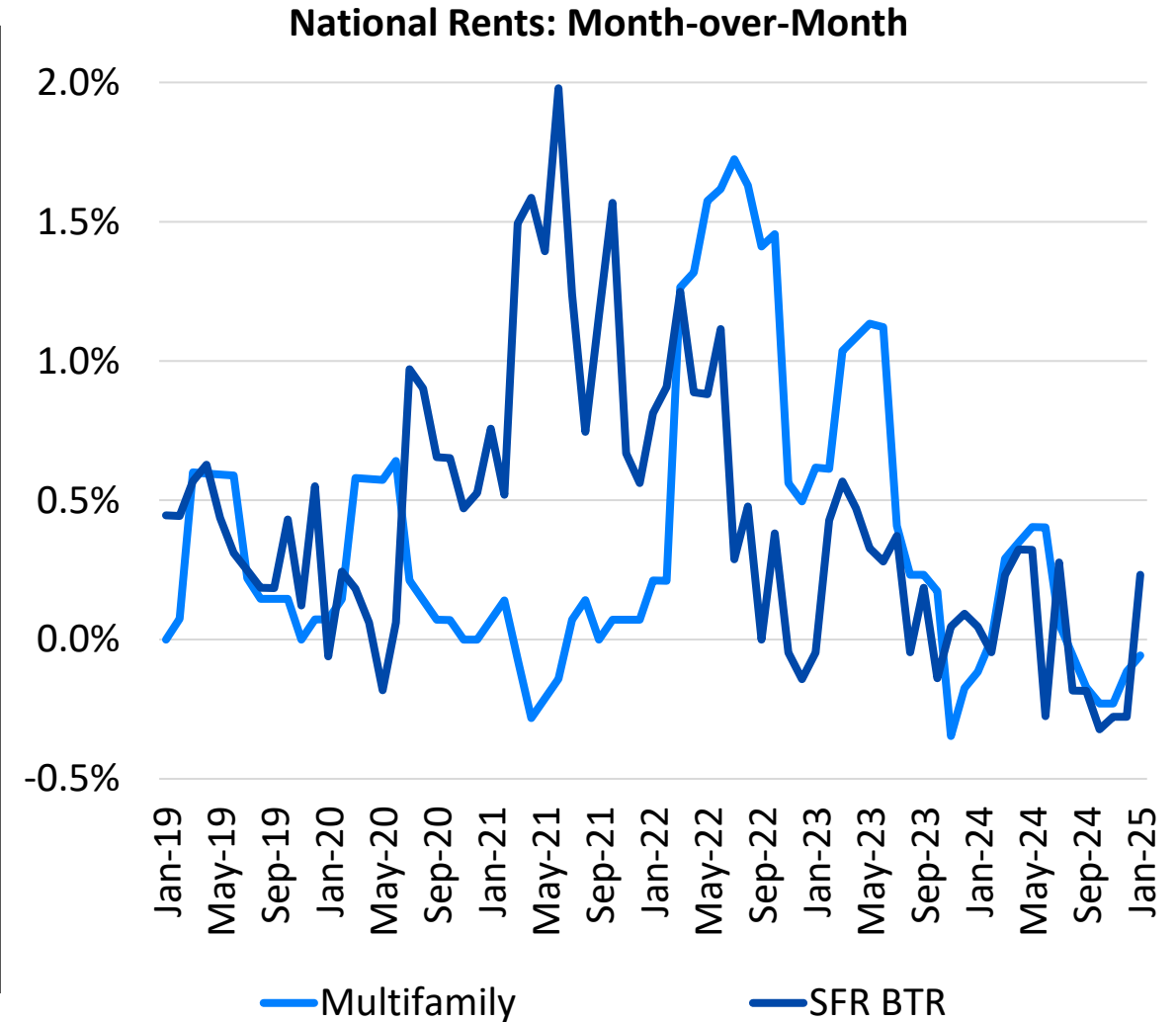
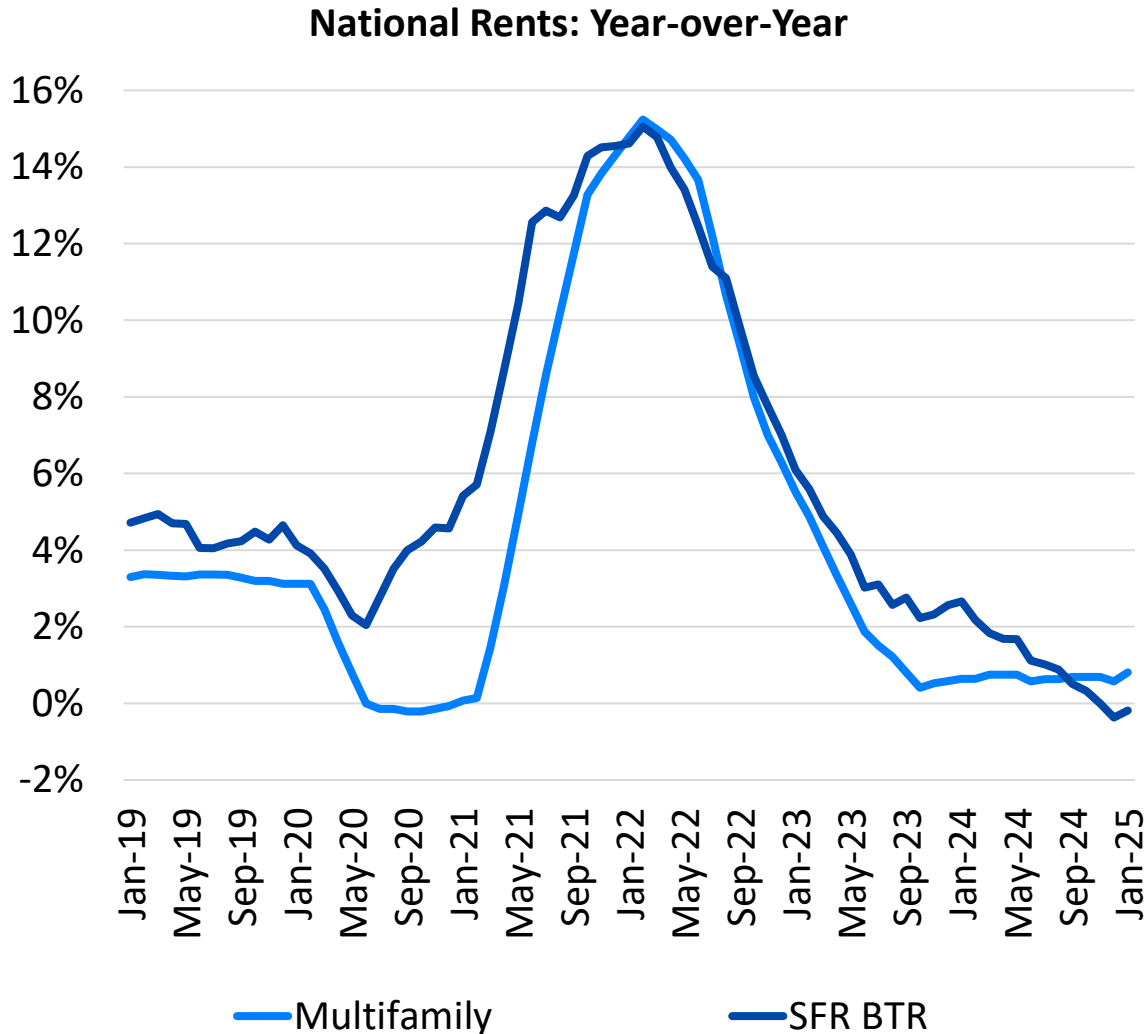
Source: Yardi Matrix; Moody's Analytics



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

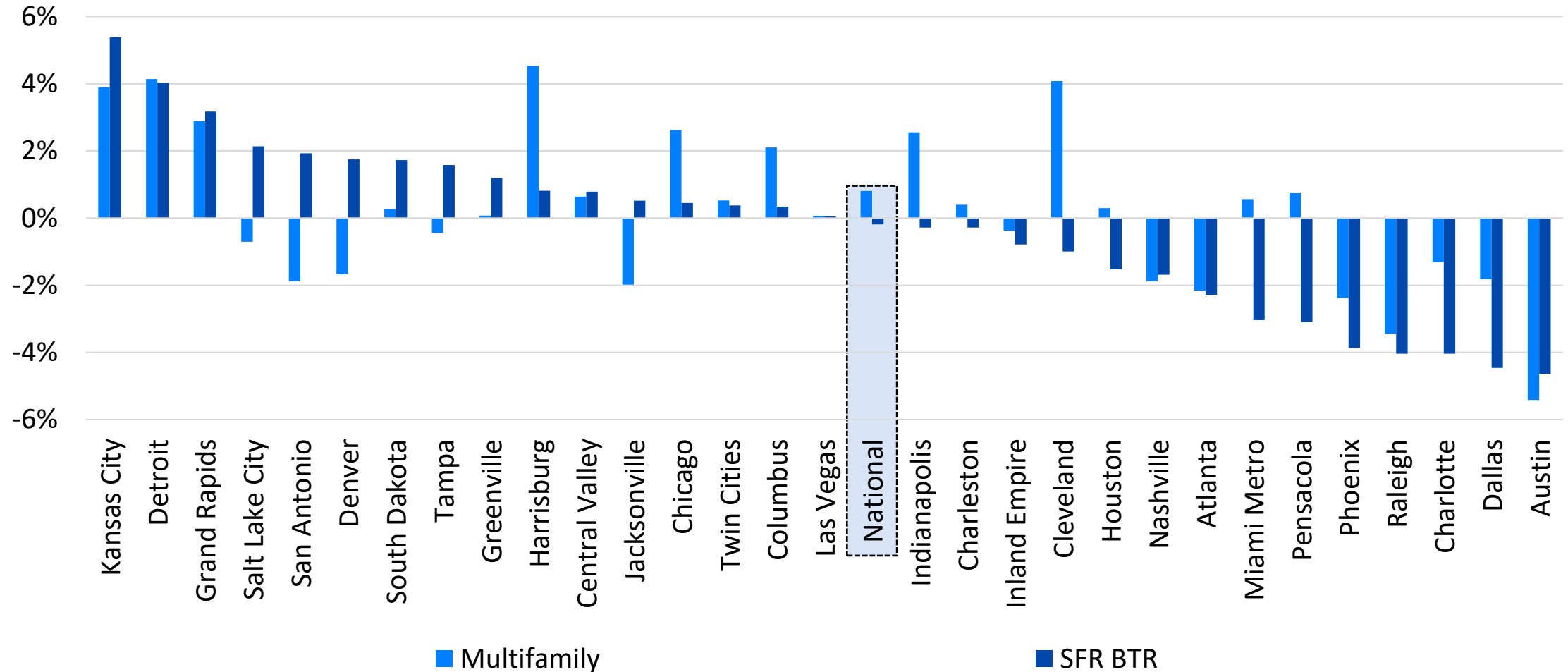
Rent Growth for SFR BTR Properties has been Stronger than Multifamily in Recent Years, but Annual Growth Slowed the Last Few Months



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



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

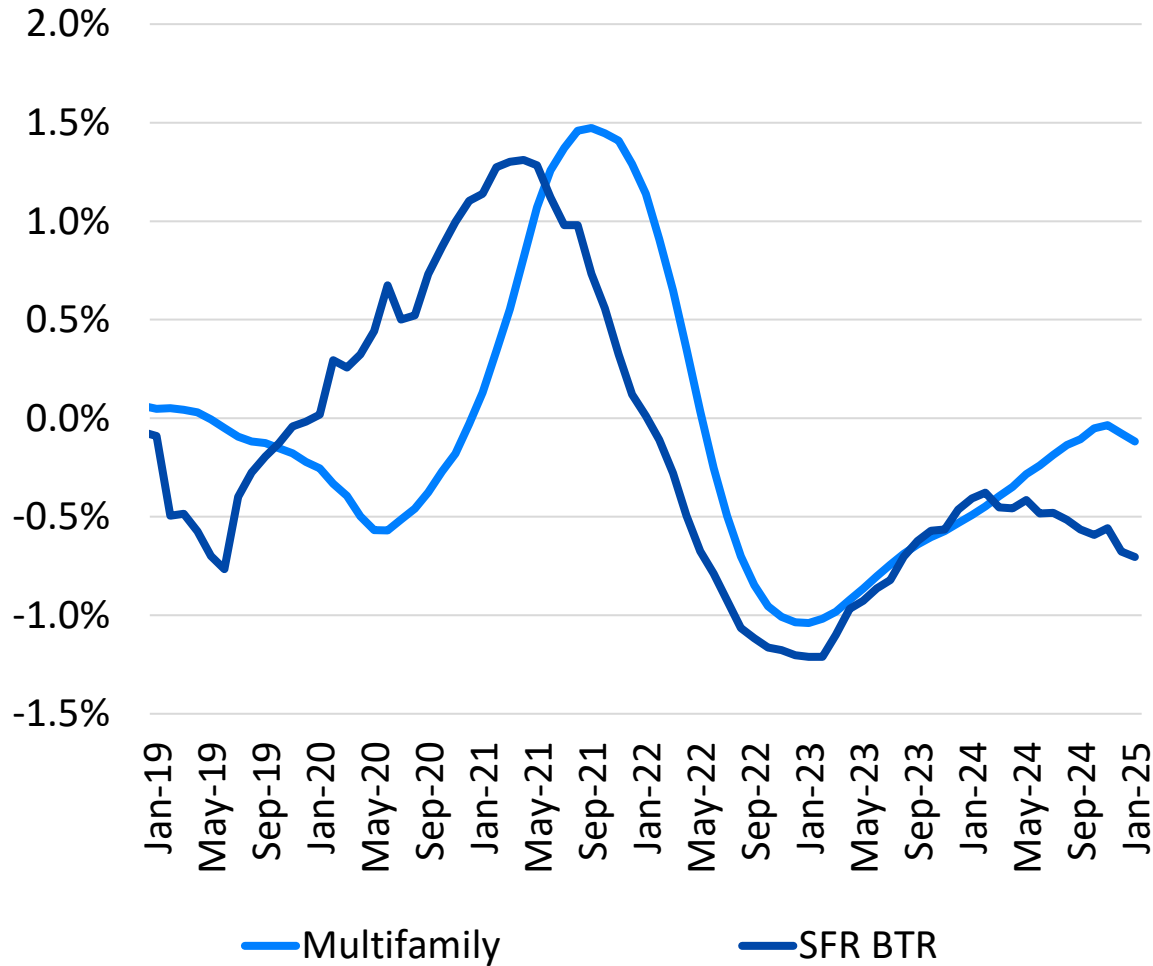
SFR BTR Year-Over-Year Rent Growth

Metro	Jan-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Kansas City	5.9%	4.1%	3.7%	4.0%	4.8%	5.6%	5.4%
Detroit	1.5%	2.2%	3.4%	3.8%	2.1%	1.7%	4.0%
Grand Rapids	5.5%	2.2%	1.5%	2.0%	2.8%	2.6%	3.2%
Salt Lake City	3.0%	-0.6%	0.4%	0.6%	2.3%	1.4%	2.1%
San Antonio	-0.2%	0.2%	-0.7%	-1.4%	-0.9%	-1.5%	1.9%
Denver	0.6%	2.4%	2.4%	2.0%	1.3%	1.1%	1.7%
South Dakota	-3.7%	5.4%	1.6%	-1.9%	-0.6%	-0.2%	1.7%
Tampa	-1.2%	-3.2%	-3.2%	-3.0%	-0.9%	0.7%	1.6%
Greenville	-1.3%	1.1%	0.7%	2.1%	2.5%	1.7%	1.2%
Harrisburg	2.4%	1.7%	1.4%	0.5%	0.4%	1.3%	0.8%
Central Valley	-0.9%	2.3%	2.2%	1.5%	0.8%	0.3%	0.8%
Jacksonville	1.5%	-2.3%	-2.8%	-2.6%	-3.7%	-1.9%	0.5%
Chicago	5.5%	1.8%	3.5%	4.4%	1.5%	1.0%	0.5%
Twin Cities	11.6%	2.7%	1.8%	1.3%	0.2%	-0.3%	0.4%
Columbus	4.9%	4.2%	3.9%	0.7%	2.2%	1.9%	0.3%
Las Vegas	1.4%	0.6%	1.2%	1.7%	0.4%	-1.5%	0.1%
Indianapolis	7.6%	3.6%	2.5%	0.2%	0.1%	-0.5%	-0.3%
Charleston	1.7%	1.3%	-0.7%	-0.4%	-0.6%	-0.7%	-0.3%
Inland Empire	3.6%	1.9%	1.4%	0.9%	1.4%	0.8%	-0.8%
Cleveland - Akron	7.6%	1.4%	-0.6%	-1.6%	-2.0%	-0.6%	-1.0%
Houston	7.3%	2.2%	1.2%	1.5%	0.2%	-0.5%	-1.5%
Nashville	7.0%	1.9%	1.1%	1.6%	0.5%	-0.6%	-1.7%
Atlanta	5.9%	-1.6%	-2.1%	-1.8%	-2.0%	-3.4%	-2.3%
Miami Metro	0.2%	-3.7%	-2.3%	-4.0%	-4.5%	-3.9%	-3.0%
Pensacola	2.3%	-2.7%	-2.3%	-3.2%	-4.1%	-4.4%	-3.1%
Phoenix	-2.7%	-3.6%	-3.9%	-3.4%	-3.4%	-3.6%	-3.9%
Raleigh - Durham	9.4%	4.4%	2.7%	0.7%	0.9%	-3.0%	-4.0%
Charlotte	3.0%	-2.9%	-2.1%	-2.4%	-2.8%	-3.3%	-4.0%
Dallas	-1.4%	-2.5%	-2.5%	-2.8%	-3.7%	-3.9%	-4.5%
Austin	-4.4%	-2.6%	-3.4%	-4.2%	-4.5%	-4.9%	-4.6%

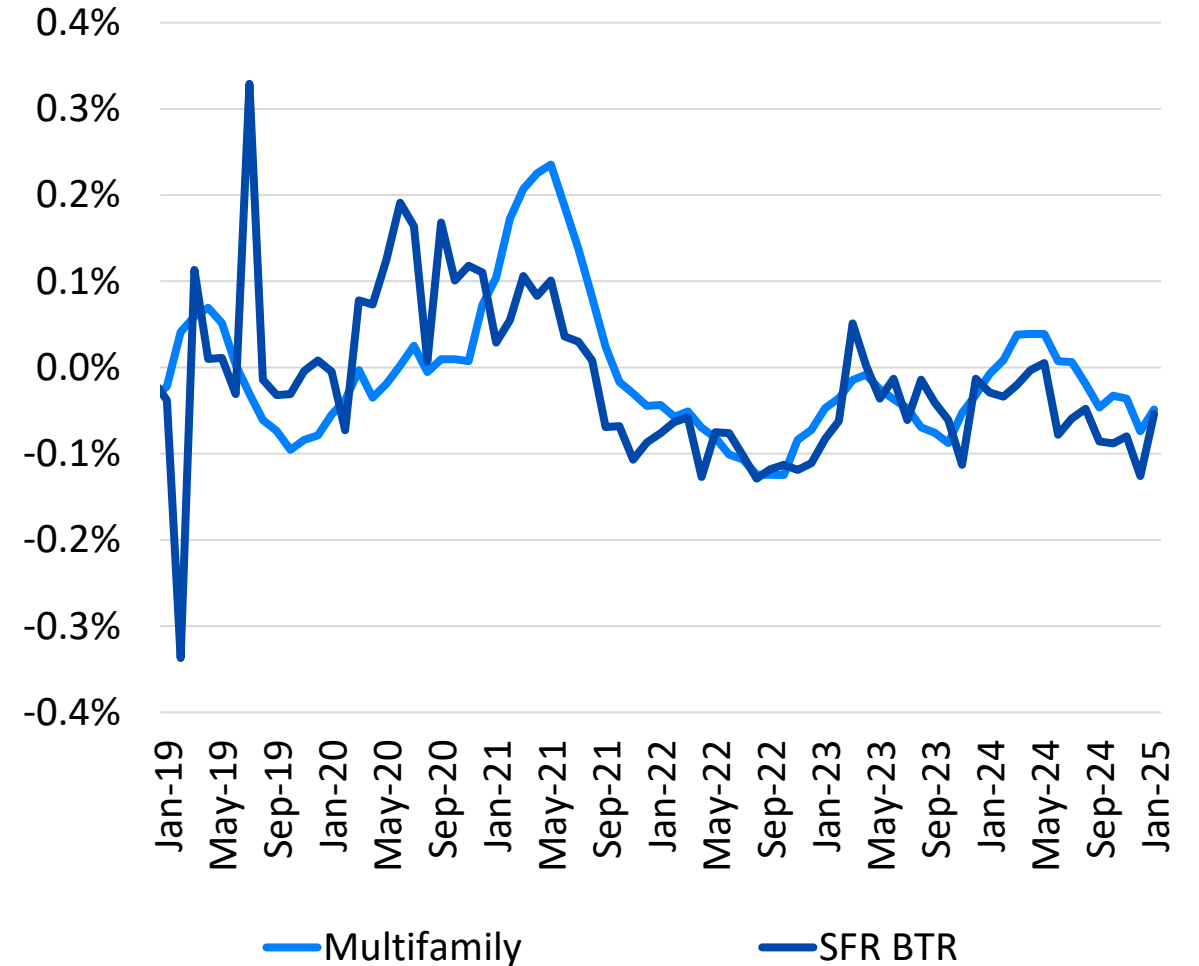


SFR BTR Occupancy Growth Remained Negative YoY Through January 2025

National Occupancy: Year-over-Year

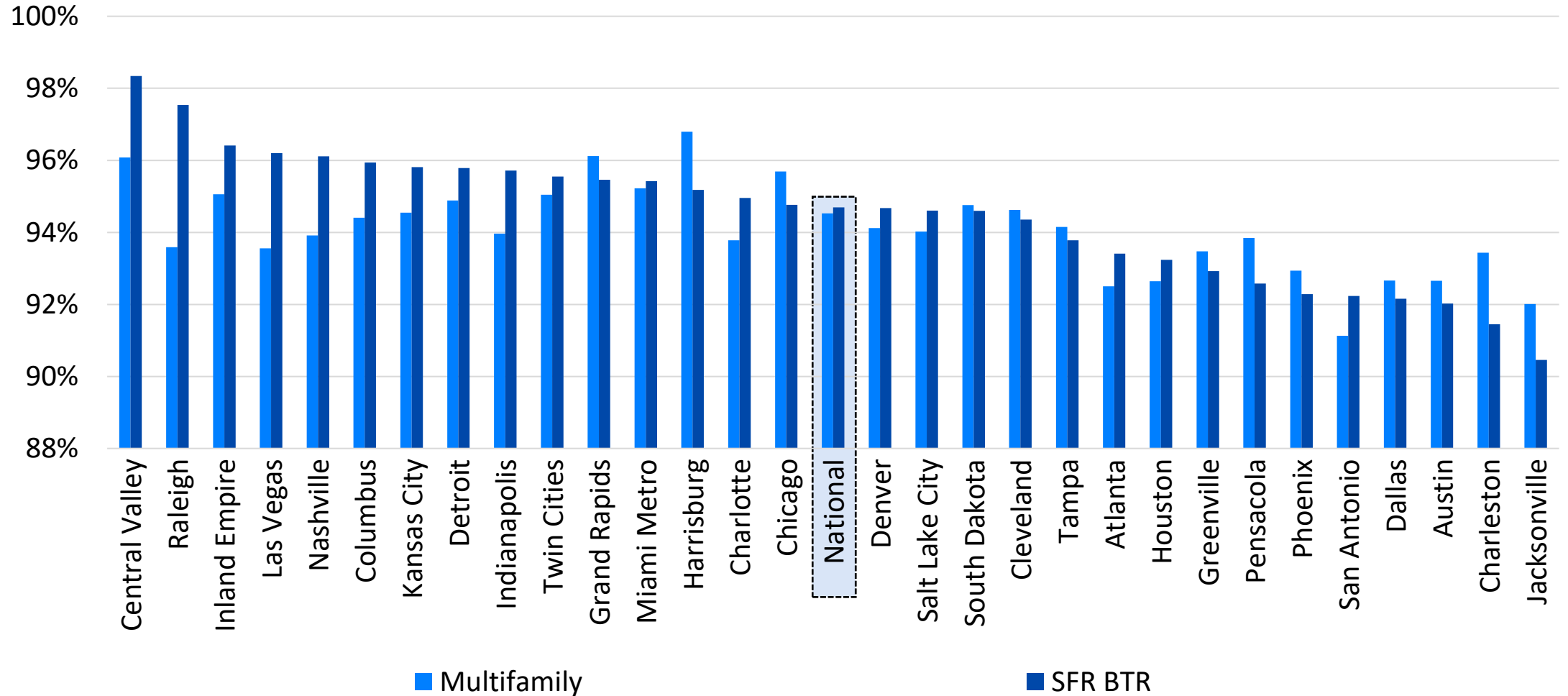


National Occupancy: Month-over-Month



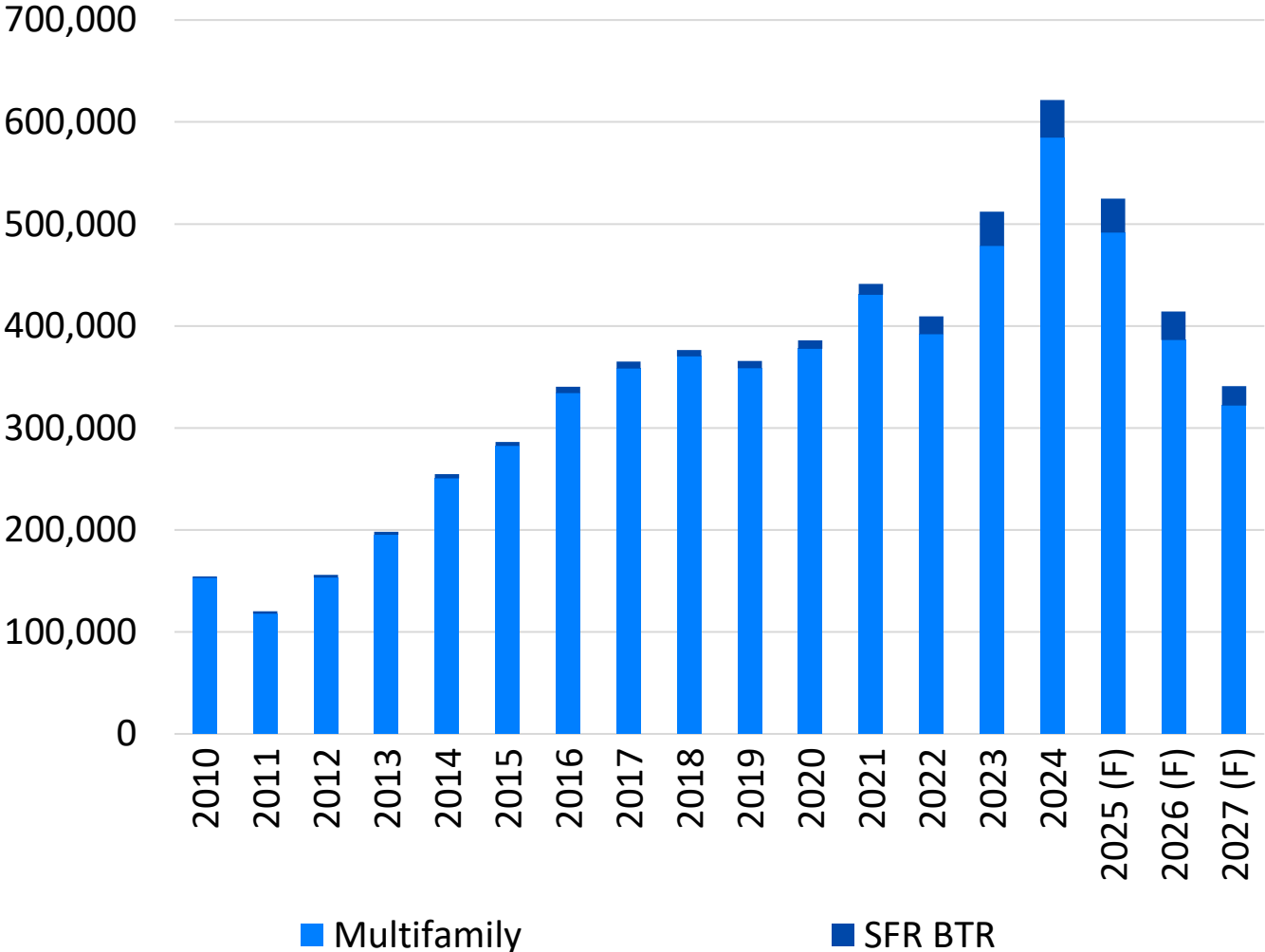
SFR BTR Occupancy is Higher Than Multifamily in Most of the Matrix Top Metros

Occupancy - Multifamily vs SFR BTR



New Multifamily and SFR BTR Supply is Expected to Decline After Last Year's Peak

Supply Pipeline

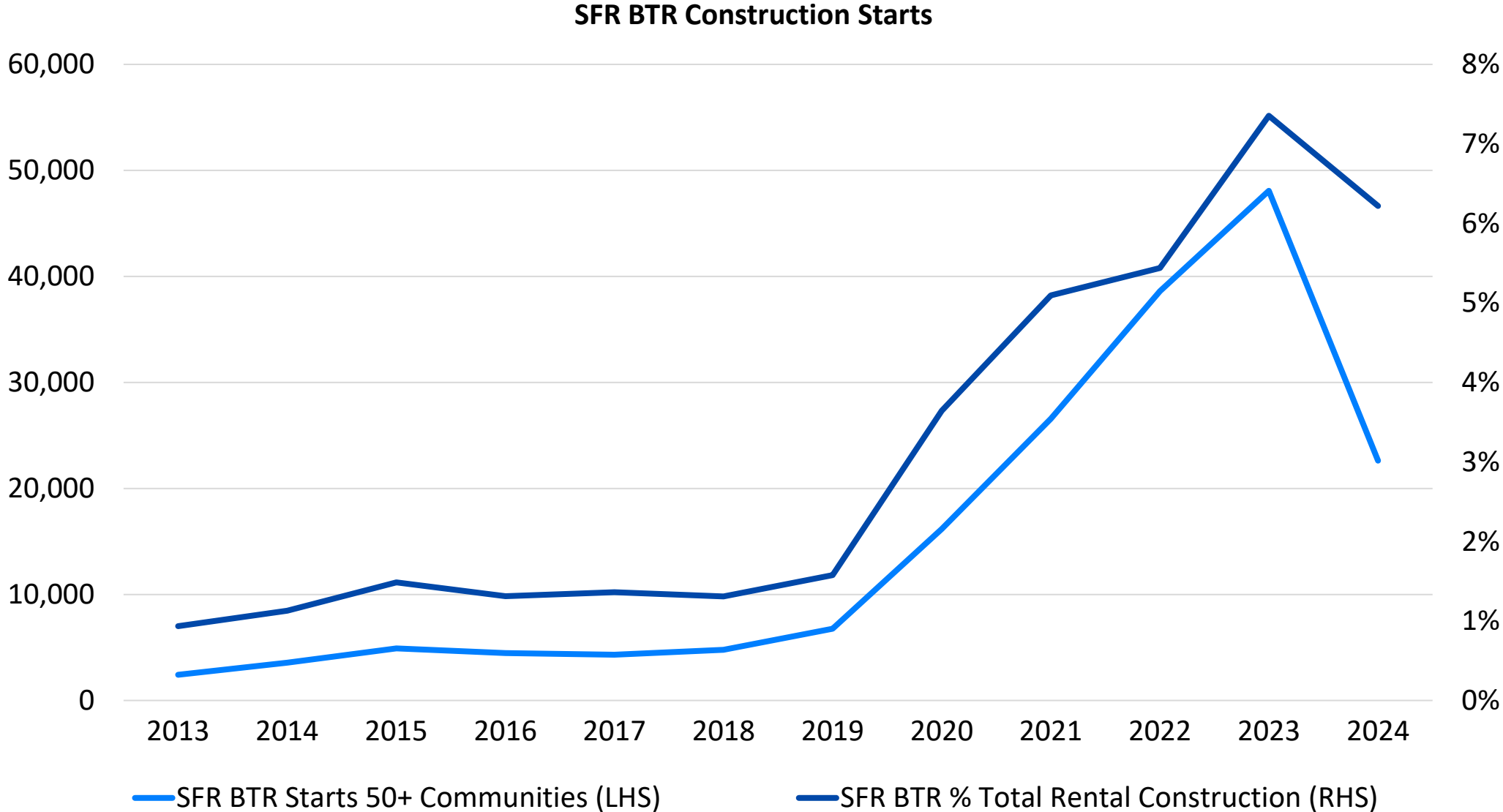


Year	# of SFR BTR Deliveries	SFR BTR Deliveries as a % of Total MF
2010	1,431	0.9%
2011	2,530	2.1%
2012	2,721	1.8%
2013	3,051	1.6%
2014	4,200	1.7%
2015	3,847	1.4%
2016	6,340	1.9%
2017	7,054	2.0%
2018	6,382	1.7%
2019	7,023	2.0%
2020	8,060	2.1%
2021	10,635	2.5%
2022	17,425	4.4%
2023	33,771	7.1%
2024	36,910	6.3%
2025 (F)	33,302	6.8%
2026 (F)	27,829	7.2%
2027 (F)	19,177	6.0%



Excludes student housing. Data as of March 2025 | Source: Yardi Matrix

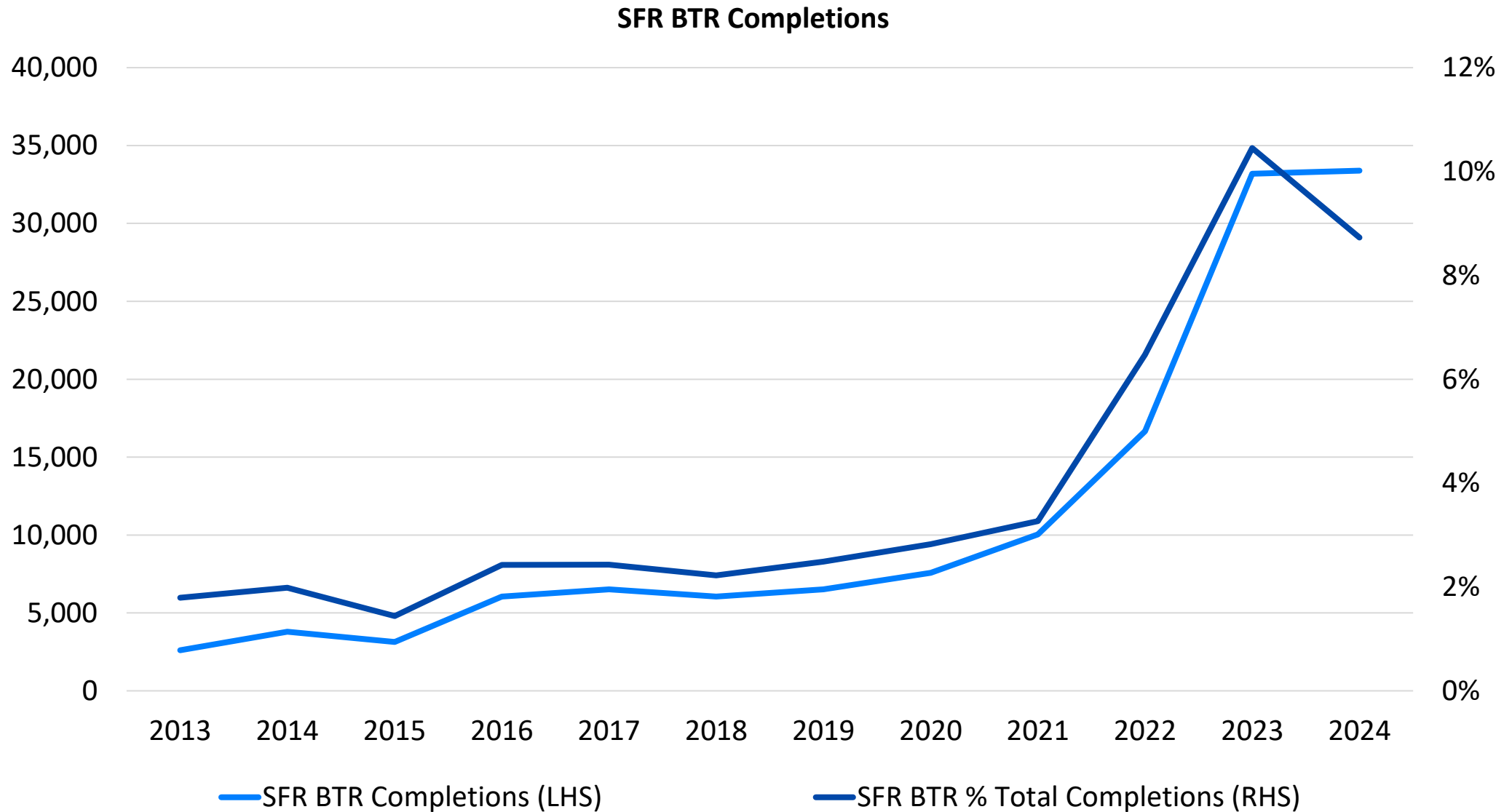
SFR BTR Construction Starts Peaked in 2023 then Dipped in 2024



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

Property Type	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
Market Rate Starts	231,455	217,526	243,832	281,675	271,703	316,546	444,407	391,981	211,204	3,431
% of Overall Units	67.8%	68.4%	66.7%	65.7%	61.2%	60.7%	62.6%	60.0%	58.1%	60.6%
SFR BTR Starts	4,475	4,325	4,780	6,765	16,181	26,573	38,605	48,076	22,610	372
% of Overall Units	1.3%	1.4%	1.3%	1.6%	3.6%	5.1%	5.4%	7.4%	6.2%	6.6%
Other Starts	105,516	95,986	116,899	140,430	156,161	178,348	226,843	213,704	129,723	1,858
Total Starts	341,446	317,837	365,511	428,870	444,045	521,467	709,855	653,761	363,537	5,661

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

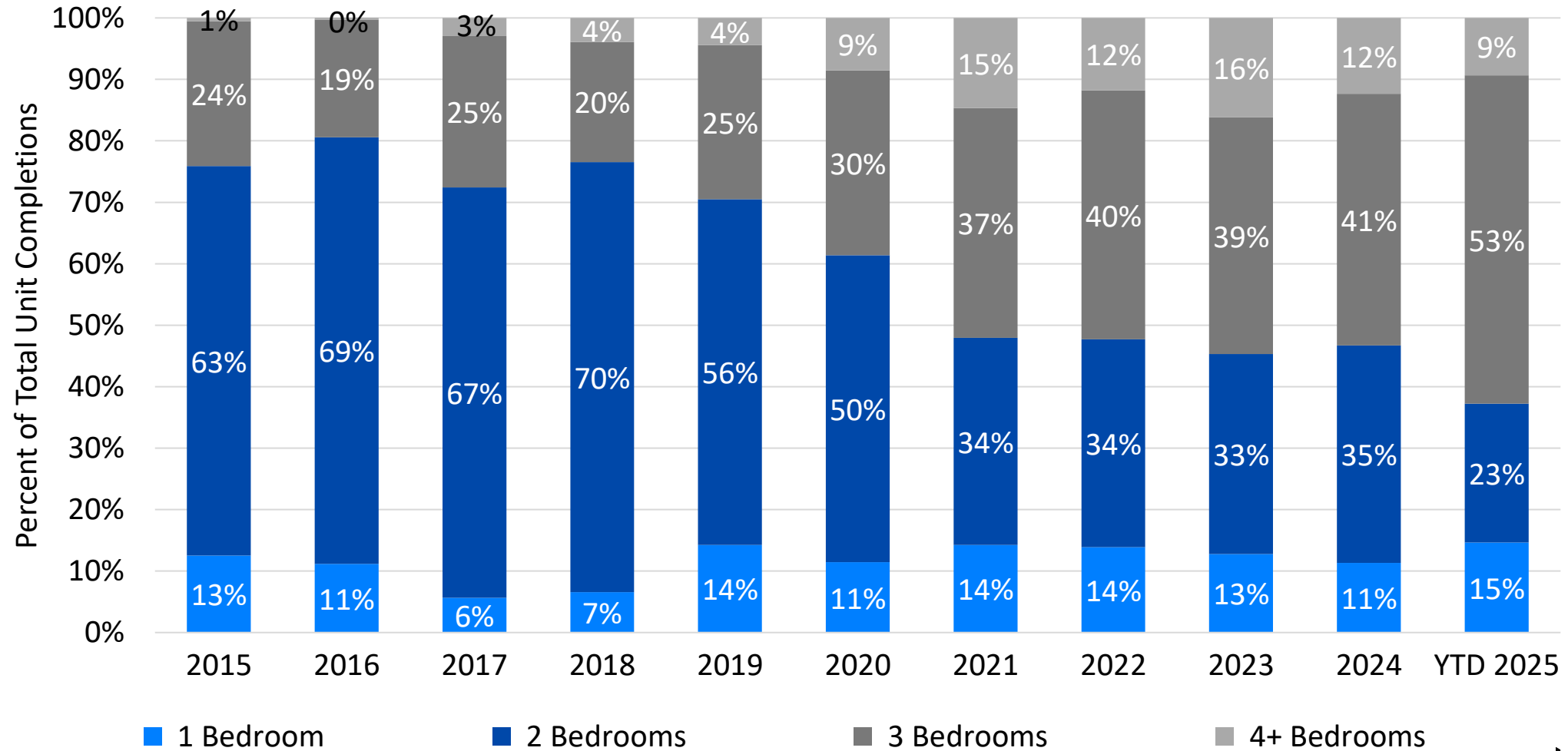


SFR BTR Completions Have Risen as a Percent of Rental Construction Over the Past Few Years

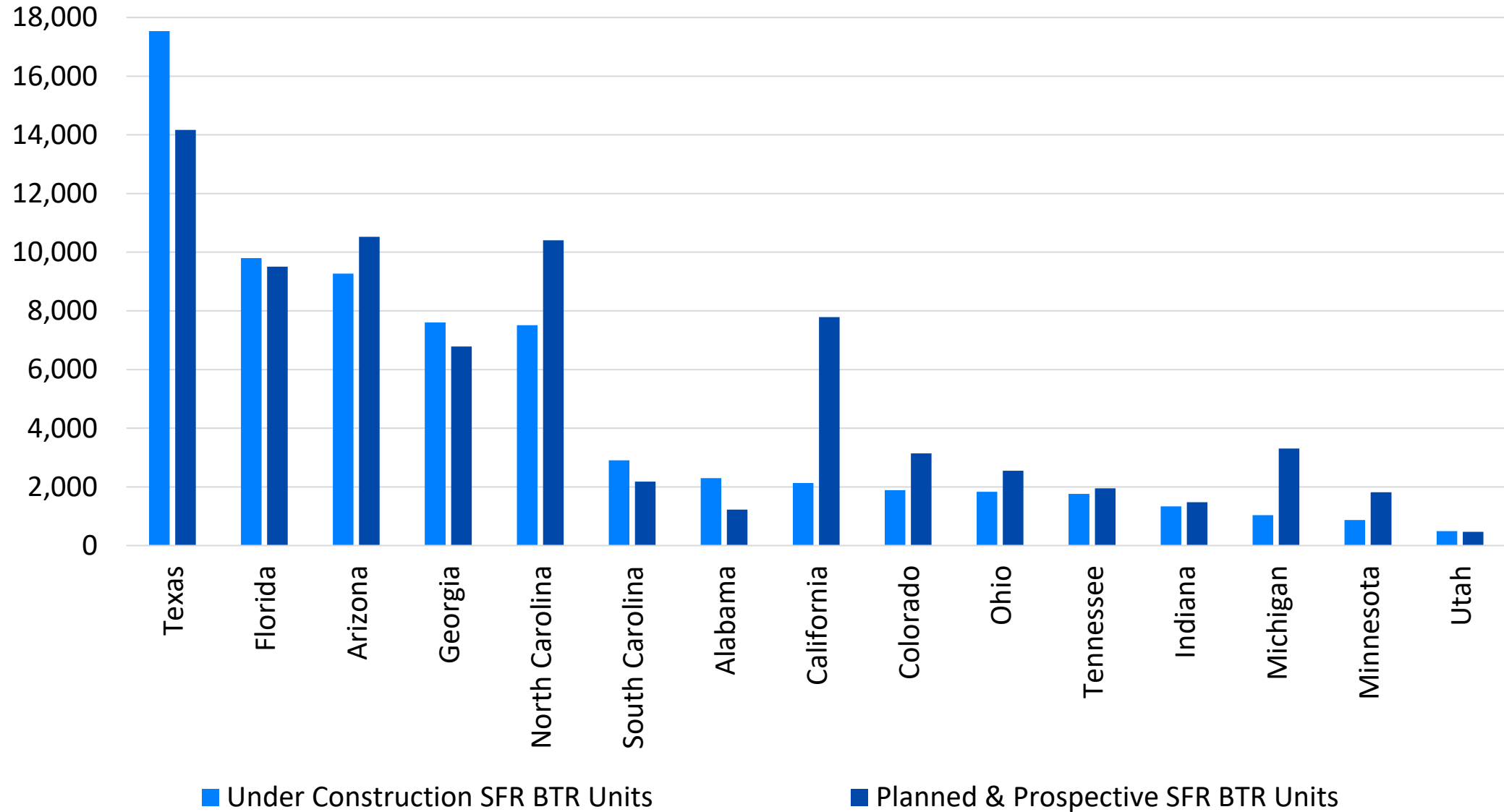
Property Type	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
Market Rate Completions	249,425	268,103	272,284	261,526	268,300	307,335	257,300	317,607	382,492	8,894
% of Overall Units	73.1%	73.0%	72.0%	71.1%	69.6%	69.6%	62.7%	62.2%	64.5%	63.4%
SFR BTR Completions	6,050	6,508	6,048	6,510	7,575	10,047	16,661	33,195	33,387	663
% of Overall Units	2.4%	2.4%	2.2%	2.5%	2.8%	3.3%	6.5%	10.5%	8.7%	7.5%
Other Completions	85,747	92,739	99,836	99,990	109,644	124,499	136,094	159,987	176,918	4,465
Total Completions	341,222	367,350	378,168	368,026	385,519	441,881	410,055	510,789	592,797	14,022

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

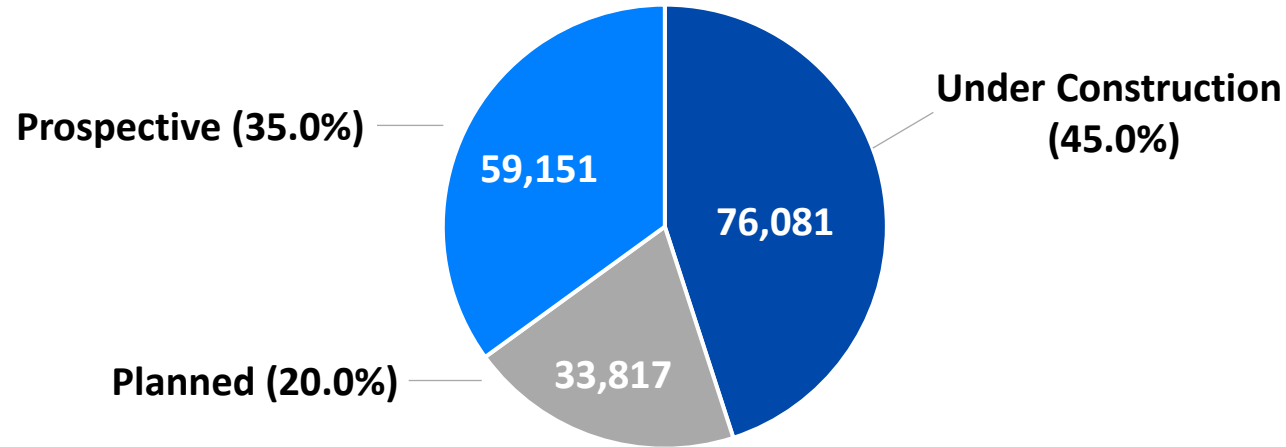
SFR BTR Completions by Bedroom Count



SFR BTR Construction Concentrated in High Migration States



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



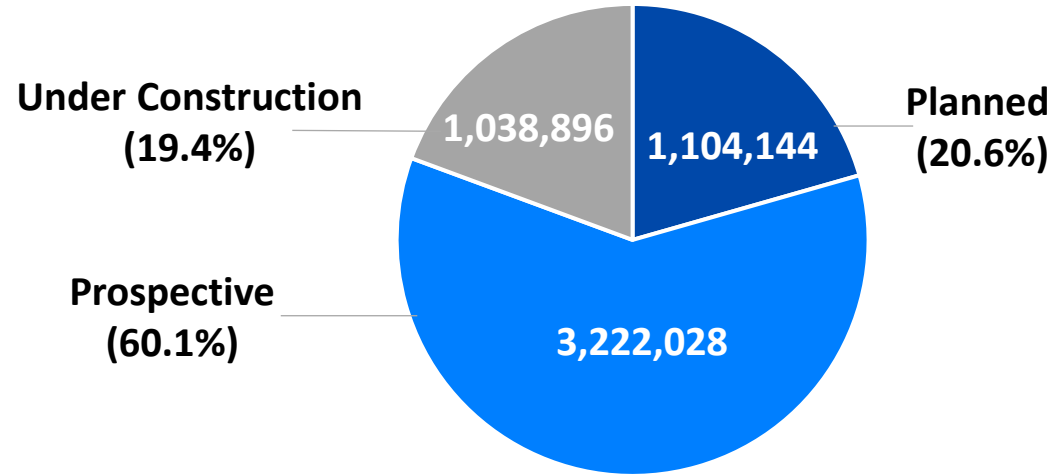
Top 10 Markets	Units	UC as a % of Existing Stock
Mankato	344	614.3%
Northern Virginia	410	197.1%
Providence	192	193.9%
Colorado Springs	488	183.5%
Central East Texas	366	181.2%
Urban Boston	270	177.6%
E. Los Angeles	100	158.7%
Albuquerque	376	144.6%
Lafayette	152	131.0%
Savanna	2,030	127.8%

Top 10 Markets	Units	Planned as a % of Existing Stock
Asheville	377	405.4%
Bay Area - S. Bay	106	212.0%
Bay Area - East Bay	436	196.4%
Urban Boston	250	164.5%
Fayetteville NC	667	154.0%
Northern Virginia	283	136.1%
N. Central Florida	991	116.2%
Chattanooga	591	116.1%
Boise	784	111.8%
Central East Texas	200	99.0%

Top 10 Markets	Units	Prospective as a % of Existing Stock
Mankato	892	1,592.9%
Bay Area - S. Bay	251	502.0%
Bay Area - East Bay	1,019	459.0%
Northern Virginia	805	387.0%
Urban Boston	517	340.1%
Asheville	208	223.7%
Colorado Springs	580	218.0%
Athens	1,815	190.9%
Fayetteville NC	580	133.9%
Orlando	2,513	116.0%



New Multifamily Supply Pipeline: Where is New Supply Concentrated?



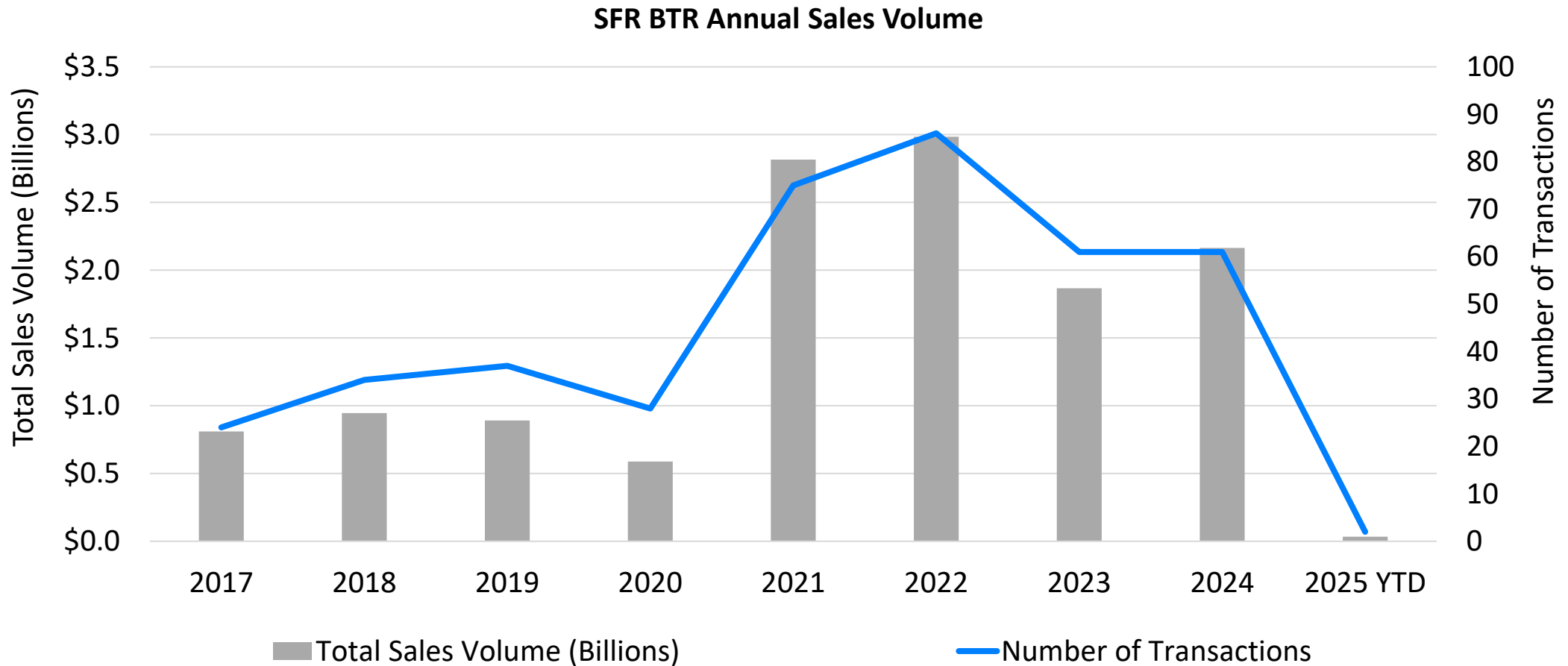
Top 10 Markets	Units	UC as a % of Existing Stock
Montana	5,744	28.6%
Asheville	5,076	21.9%
SW Florida Coast	20,530	21.5%
Mankato	901	18.8%
Colorado Springs	7,564	15.5%
Brooklyn	25,313	15.2%
Charlotte	34,236	14.9%
Salt Lake City	19,253	14.8%
Boise	4,033	13.7%
South Dakota	4,397	13.7%

Top 10 Markets	Units	Planned as a % of Existing Stock
Boise	10,401	35.3%
Miami	50,579	29.0%
Portland ME	4,004	22.6%
Asheville	4,367	18.9%
Fort Lauderdale	22,087	17.8%
Los Angeles - Met	36,828	17.0%
SW Florida Coast	15,984	16.7%
Port St. Lucie	3,456	16.7%
San Francisco	22,874	15.9%
N. New Jersey	38,999	14.2%

Top 10 Markets	Units	Prospective as a % of Existing Stock
Miami	145,987	83.7%
Port St. Lucie	12,610	60.8%
SW Florida Coast	57,119	59.8%
Wilmington	11,727	43.0%
Raleigh - Durham	84,530	42.9%
Montana	8,461	42.1%
Boise	11,988	40.7%
Orlando	113,357	40.3%
White Plains	34,351	40.3%
Central Coast	14,197	38.3%



SFR BTR Sales Remain Elevated Compared to the Pre-Pandemic Trend



SFR BTR as a % of Total MF Transactions	2018	2019	2020	2021	2022	2023	2024	2025 YTD
	0.8%	0.9%	0.9%	1.3%	1.8%	3.2%	3.0%	1.1%



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
 - **JPMorgan**, in partnership with **Georgia Capital** and **Paran Homes**, has launched the “*Laseter Development Group*,” a vertically-integrated BTR development firm focused on new construction in the Southeast



THANK YOU

Feel free to contact us with any questions

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