Rental Housing Outlook

Build-to-Rent and Single-Family Rental

April 2024

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Executive Summary

Renting is notably more affordable than owning based on monthly payments

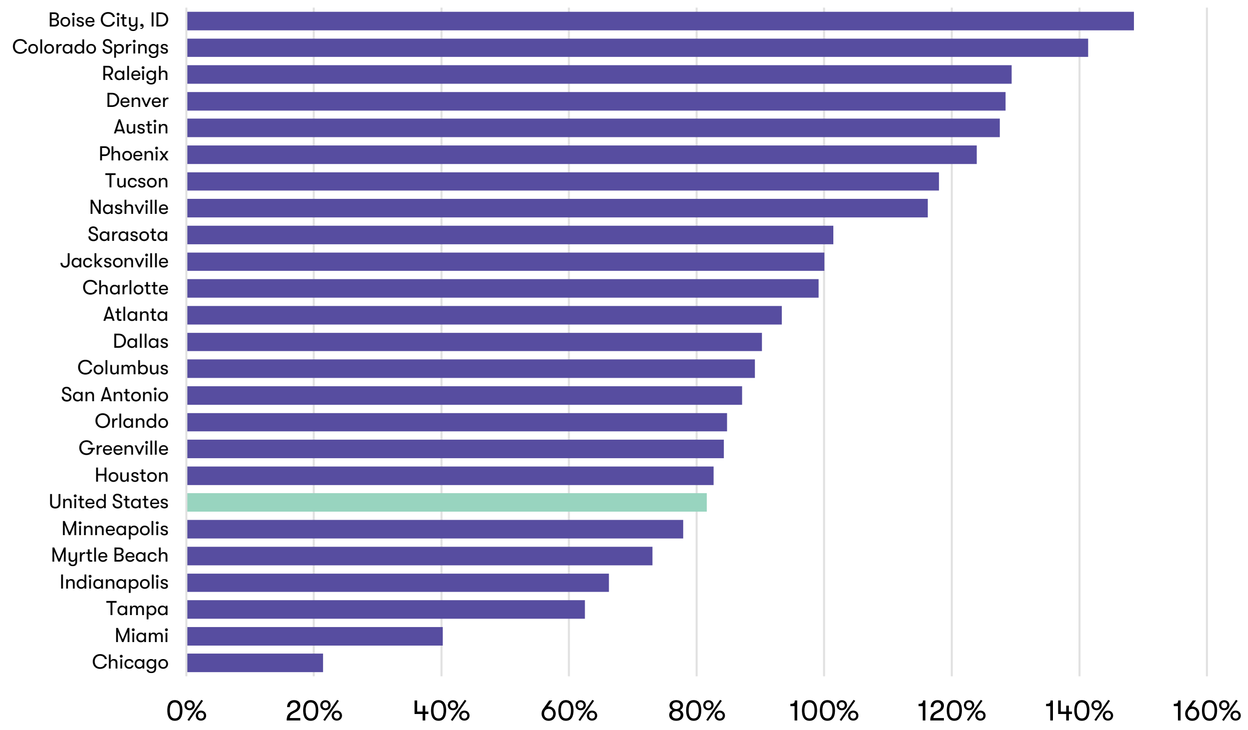
Homeownership is more expensive than renting a 2-bedroom unit in all top BTR markets

Nationally, it is 82% more expensive to own a home than rent. **Developers have been successful in getting BTR projects approved at the municipality level by playing up this message and demonstrating how they can address affordability challenges locally.**

Among top markets:

- Boise, Colorado Springs, and Raleigh have the highest homeownership premiums. While rents have risen dramatically in these markets, home prices combined with mortgage rates have pushed the cost of homeownership up even more.
- The homeownership premium in Greenville, Houston, and Minneapolis is close to the national average at 84%, 83%, and 78%, respectively.
- The homeownership premium is relatively low in markets like Chicago and Miami. We attribute this to higher 2-bedroom rents in the core submarkets pulling up the average rent and reducing the premium.

Median Home Premium vs 2-Bed Rent



Note: Homeownership premium calculated based on 2-bedroom rent vs. monthly mortgage payment. Markets included in this analysis are the top 25 BTR markets based on active units. Home price based on deed transactions. Payment assumes 5.0% downpayment; 7.3% mortgage rate; 1.0% property tax; 1.25% PMI; 0.35% homeowners' insurance.

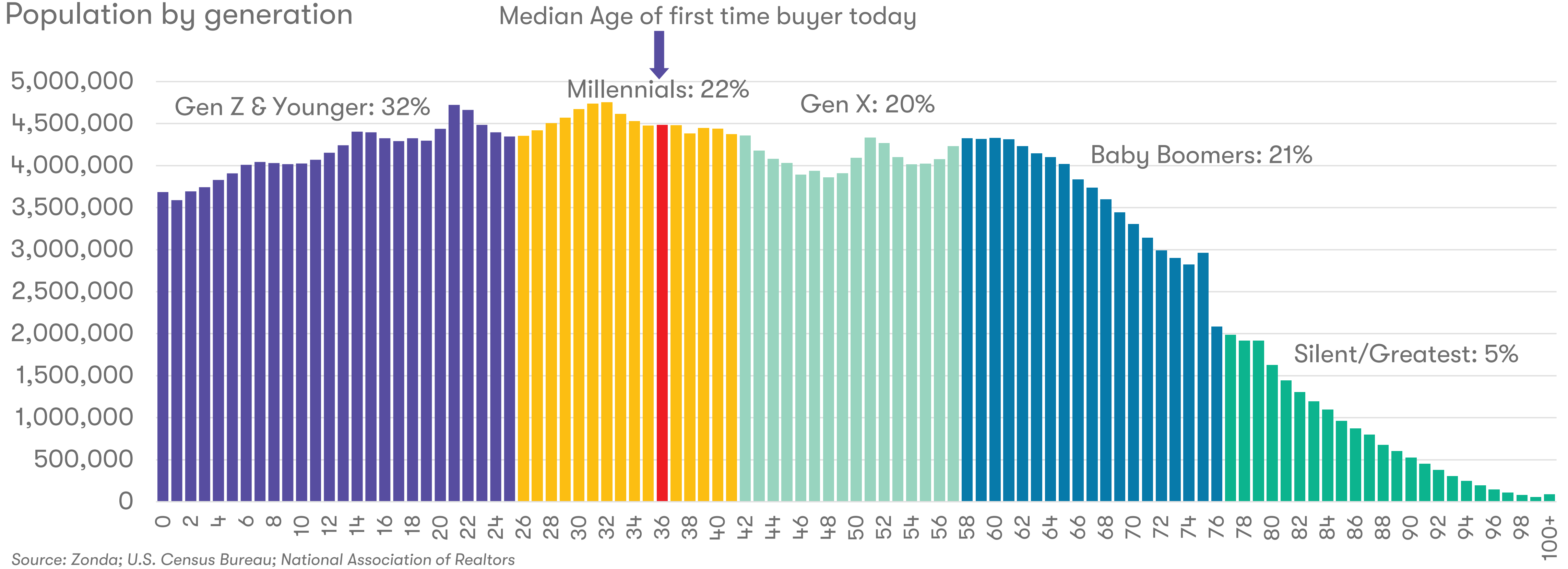
Data source: **Zonda; Deed transactions, Real Page, Inc.**

Zonda Research

Millennials are the largest living generation, and roughly 17 million households are still renting

The median age for first-time buyers has climbed to 36 years old currently. While a large share of millennials are in the peak homebuying years, over half in the cohort are younger than that, and there's a wave of Gen Z renters behind them. Elevated interest rates, low supply, and high home prices are pushing for-sale affordability beyond the point many people can afford. As a result, individuals are waiting to purchase a home and remaining as renters.

Population by generation



Source: Zonda; U.S. Census Bureau; National Association of Realtors

Data source: **Zonda**

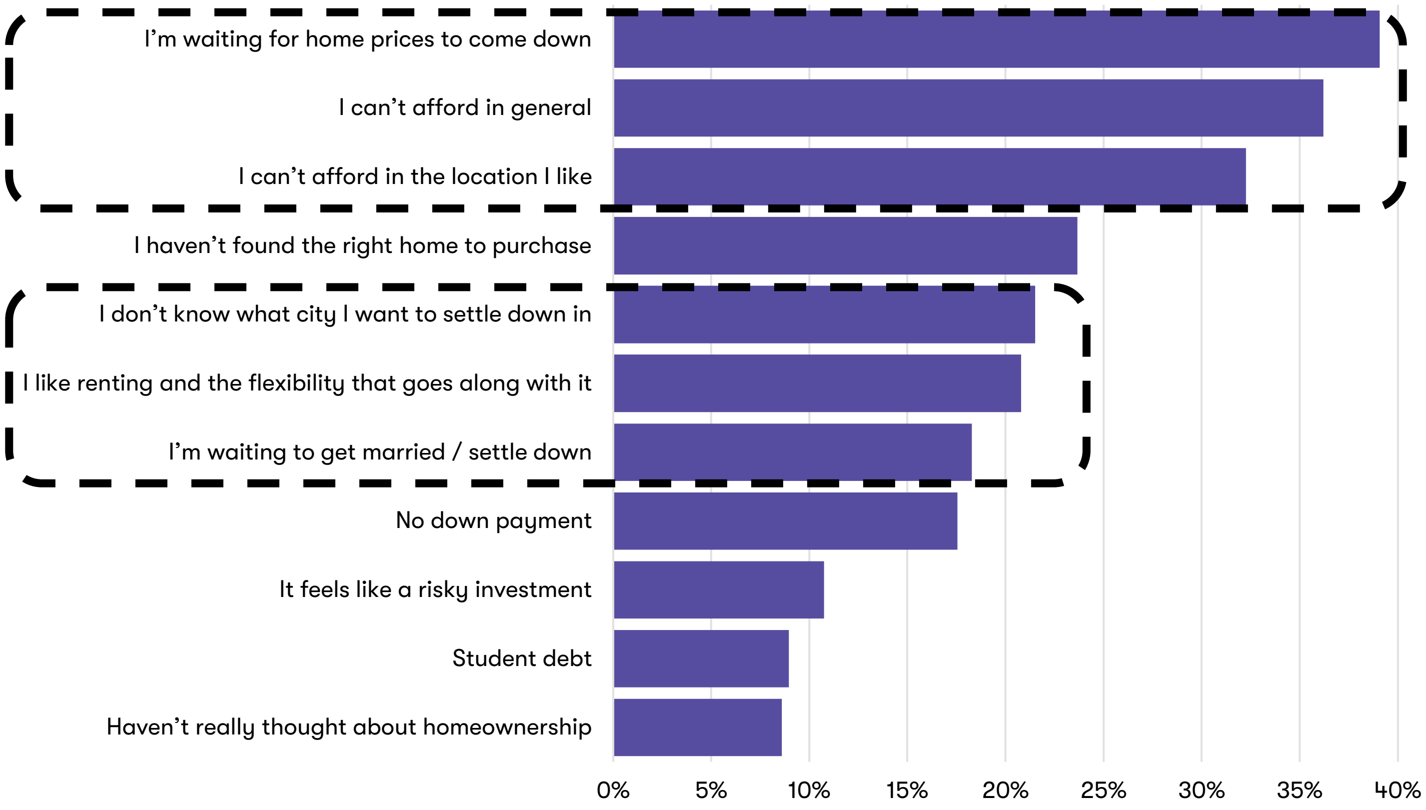
Zonda Research

Zonda's Millennial Survey reveals that affordability will keep renters renting

The top 3 reasons cited by millennials for renting all note high home prices and elevated mortgage rates

- Zonda's survey of millennial renters reveals affordability as the primary driver behind their decision to rent. A significant portion (39%) are waiting for housing prices to decrease while 36% say they can't afford homeownership in general, and 32% struggle to find affordable options in their desired locations.
- Additionally, many millennials noted that they value renting as it's more suitable to their life stage. Approximately 22% are still determining which city they want to permanently call home and another 18% are waiting to get married, which people have steadily waited longer to do in the US.
- Finally, 21% expressed their preference for the flexibility associated with renting vs. owning.
- Note: we will distribute a more detailed article to RHO subscribers in the next few weeks, analyzing rental housing insights from our Millennial Survey.

What Is Your Main Reason For Renting?



Data source: **Zonda**

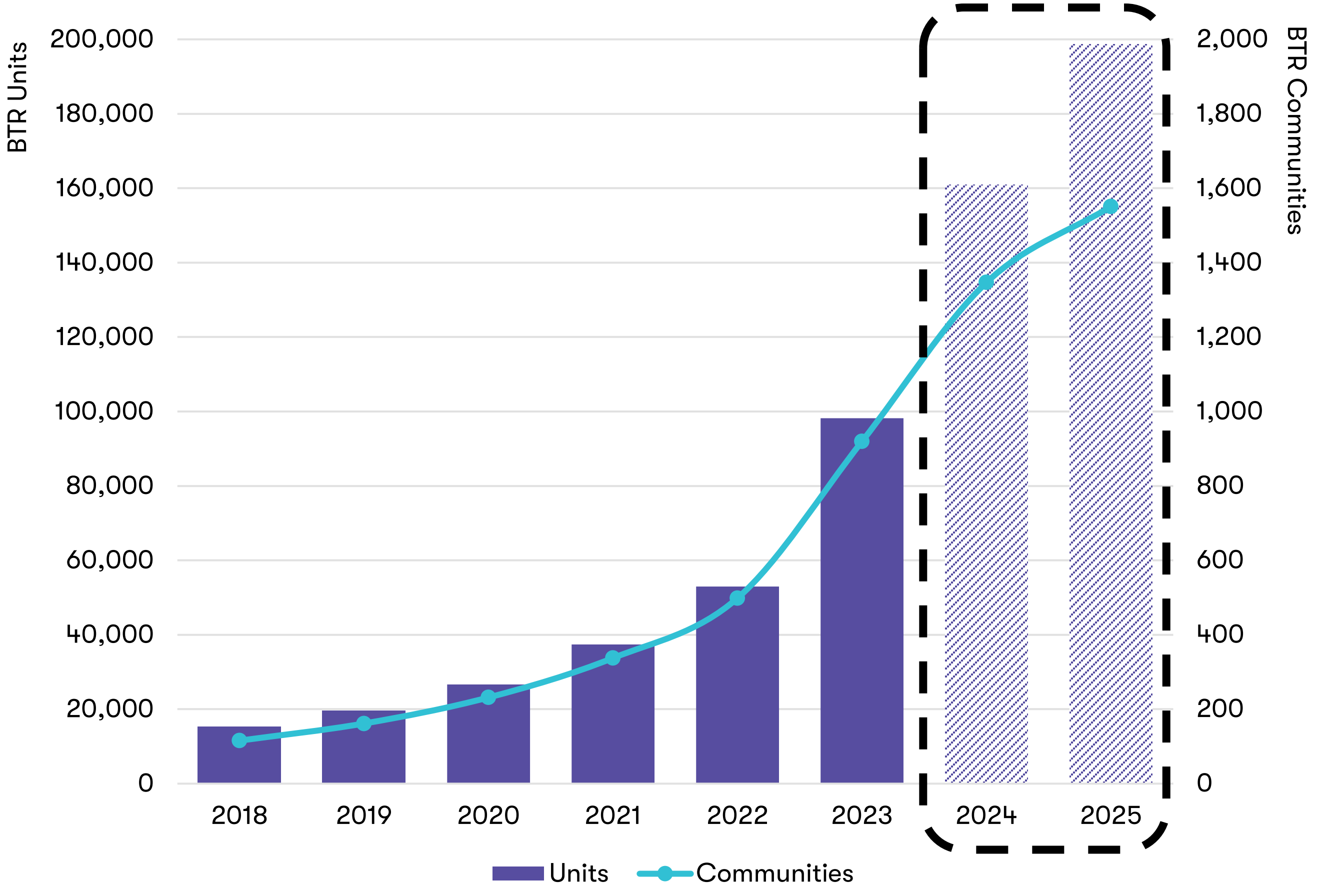
More supply is on the way

Build-to-rent unit counts are projected to double over the next two years

The demographic tailwinds of millennials and Gen Z fuel optimism in the space even with headwinds. Through our analysis of active, under-construction, and future projects, we forecast that BTR unit counts will increase by 102% through 2025, climbing from roughly 100K in 2023 to nearly 200K.

Moreover, we project the roughly 900 current BTR communities to climb 69% to over 1.5K over the next two years, led by **Phoenix**, **Atlanta**, and **Dallas.**

While the longer-term fundamentals remain positive for rental housing and many units are in the pipeline, continued credit tightening, any potential economic slowdown, and/or sustained elevated rates could delay some of these projects coming to market and even result in some distress.



Note: BTR unit and BTR community count growth rates are based on cumulative annual completions sourced from Zonda's BTR database. The data shown is a sample of approximately 200k units across 1,600 projects with completion dates between 2013 and 2025.

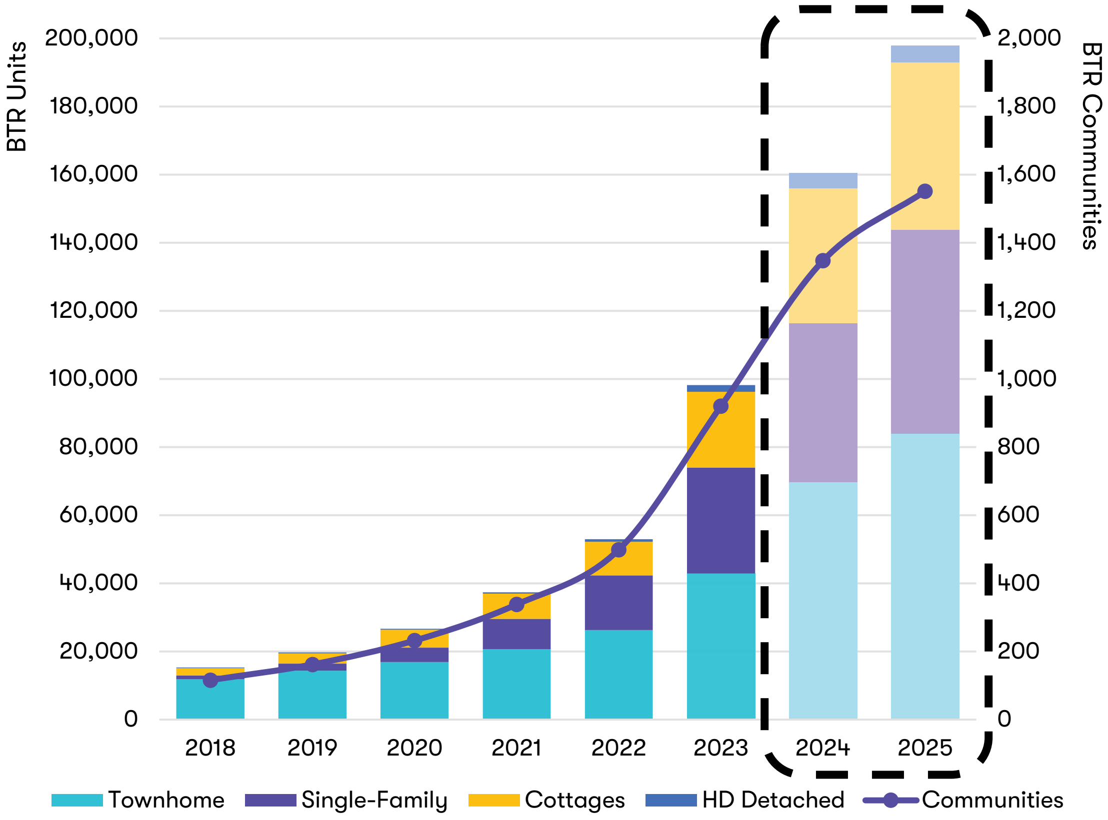
Data source: **Zonda**

Zonda Research

Higher-density townhomes will be the primary driver for the expansion of BTR units

All build-to-rent (BTR) product types are expected to expand over the next few years

- Townhomes are projected to make up the largest share of BTR unit completions over the next two years, with ~41K units added, or an increase of 95%. Community counts are expected to climb by over 300 to a total of just more than 700 projects, a 73% increase. The Southeast will lead the way in townhome construction, with Atlanta and Charlotte expected to delivery the most units followed by Phoenix and Dallas.
- Conventional Single-Family will account for the second-highest increase in BTR unit counts through 2025, increasing by roughly 29K, a 93% increase. Community count is projected to increase by 52%, climbing by 180 projects to over 500 in 2025. Texas is projected to add the most single-family units, with Dallas and Houston taking the top two spots for completions.
- Cottages are expected to experience the greatest overall percentage increase for the top 3 product types over the next two years, rising by 27K units, or 121% growth. Community counts are expected to increase by 89% or 126 projects to 267 by the end of 2025. Phoenix is a dominant leader for the expected completion of cottage units over the next two years.
- High-Density Detached is projected to remain a relatively small share of overall project and unit counts, with the addition of nearly 3K units and 18 communities through 2025. While high-density detached growth will be modest to other product types, a handful of markets are driving its expansion, including Houston and Phoenix.



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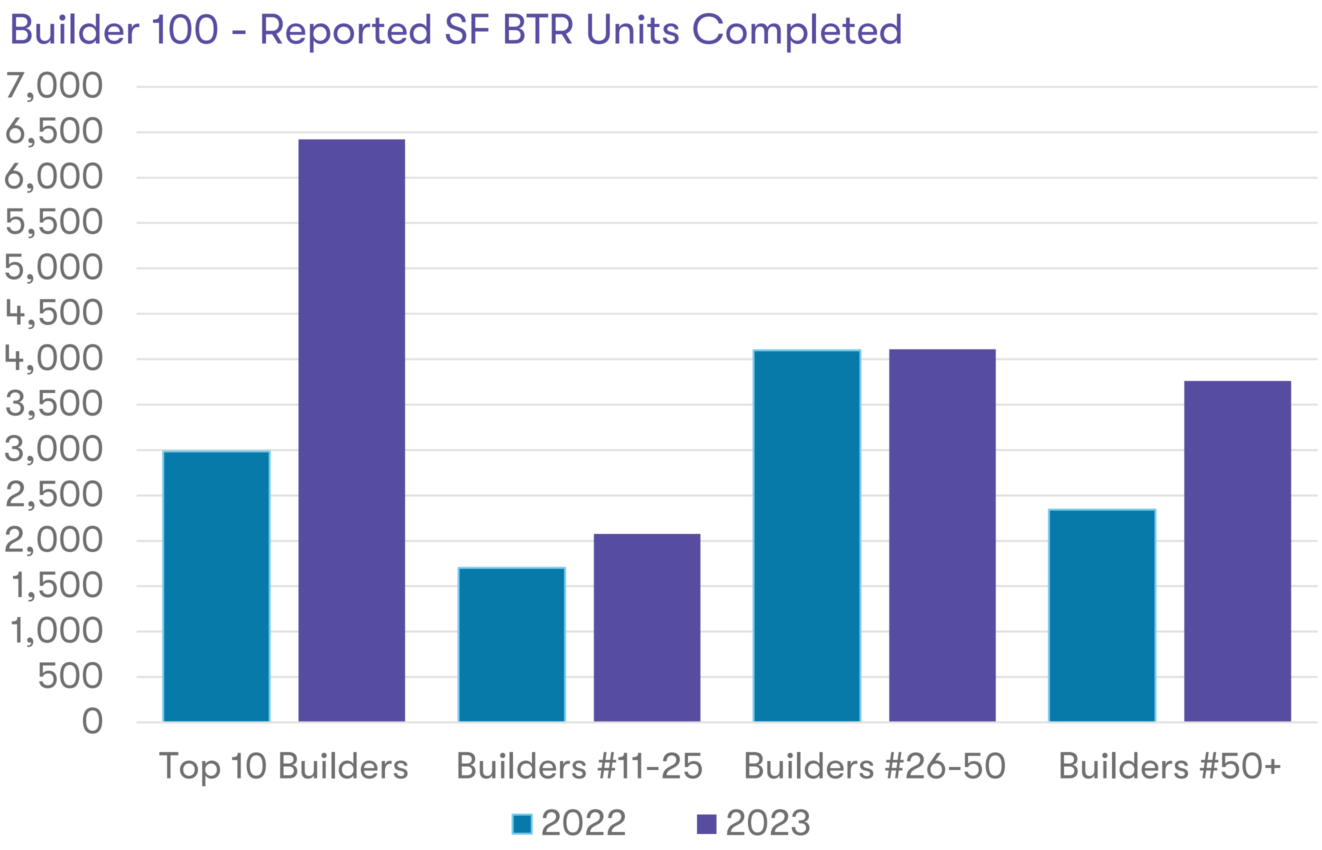
Data source: **Zonda**

Zonda Research

The top 10 builders in our Builder 100 survey report a massive increase in SF BTR completions year-over-year

At nearly 6,500 reported completions, the 10 top builders responding to our survey delivered more SF BTR units than the roughly 6,200 between builders #11-25 and #26-50 combined

- **Largest builders expanding BTR production.** The top 10 builder completions increased 215% YOY, accounting for nearly 40% of the Builder 100 reported BTR deliveries in 2023. In comparison, the top 10 accounted for just 27% of all completions in 2022.
- **Builders #11-50 completions hold steady.** Compared to last year, 2023 reported completions remained relatively steady (6.2K vs. 5.8K) for builders #11-25 and #26-50, while builders #50+ experienced a 1,400 increase.
- **Public builders capturing share.** 7 public builders reported 9.7K total SF BTR completions, 60% of the total. Conversely, 36 private builders delivered 6.6K units or 40% of the total.
- The full Builder 100 list, including the details on SF BTR completions by builders, will be released on www.builderonline.com next month.



Data source: **Zonda**

Zonda Research

BTR outlook remains strong despite some leveling off or modest pullbacks in rents and occupancy QoQ

Built-to-rent operational metric growth has subsided from the robust upward trends over the previous two years and continues to outperform apartments despite real-time feedback of a downshift in the market

$2.1K
BTR effective rent

- The overall BTR rent reached a record high in 2Q 2023, climbing to nearly $2.2K, and ticked down slightly since. Rents troughed at roughly $1.6K in 2020 before steadily climbing for the past several years. Single-family rents are the highest at $2.3K per month followed by townhome rents at $2.2K.

94.0%
BTR occupancy

- BTR occupancy rates have eased over the past year as more competition comes to the market. As supply has come to market and new communities approach stabilization, the rate has declined slightly to more traditional occupancy levels. Occupancy rates peaked after the pandemic at 97.7%. They remain higher than Class A apartments at 93.7%.

+84% YOY
BTR community count

- BTR community counts continue to trend upward at an increasing pace. Community count in the latest quarter increased 85% YOY.

+85% YOY
BTR unit count

- Similar to BTR community count, unit counts have grown sharply over the past year, climbing 85% YOY. The rate of growth has slowed modestly as the pool of completed units steadily increases. We expect this trend to continue to remain positive over the next two years, doubling again by the end of 2025.

132.0K
U/C BTR units

- The number of BTR units currently under construction has climbed to 132K in 1Q 2024. We now track well over 100K that are in the process of being built throughout the country. With occupancy rates high and mortgage rates still well above recent lows, demand is anticipated to remain strong for these future units.

89.7K
Future BTR units

- The future BTR pipeline remains strong but has fallen to 90K units in 1Q 2024, which is in addition to the 132K units under construction. Due to the longer time horizon for these future units, there should be a steady stream of BTR unit deliveries over the next several years.

Data source: Zonda; Real Page, Inc.

Zonda Research

The long-term thesis for the SFR and BTR housing sectors

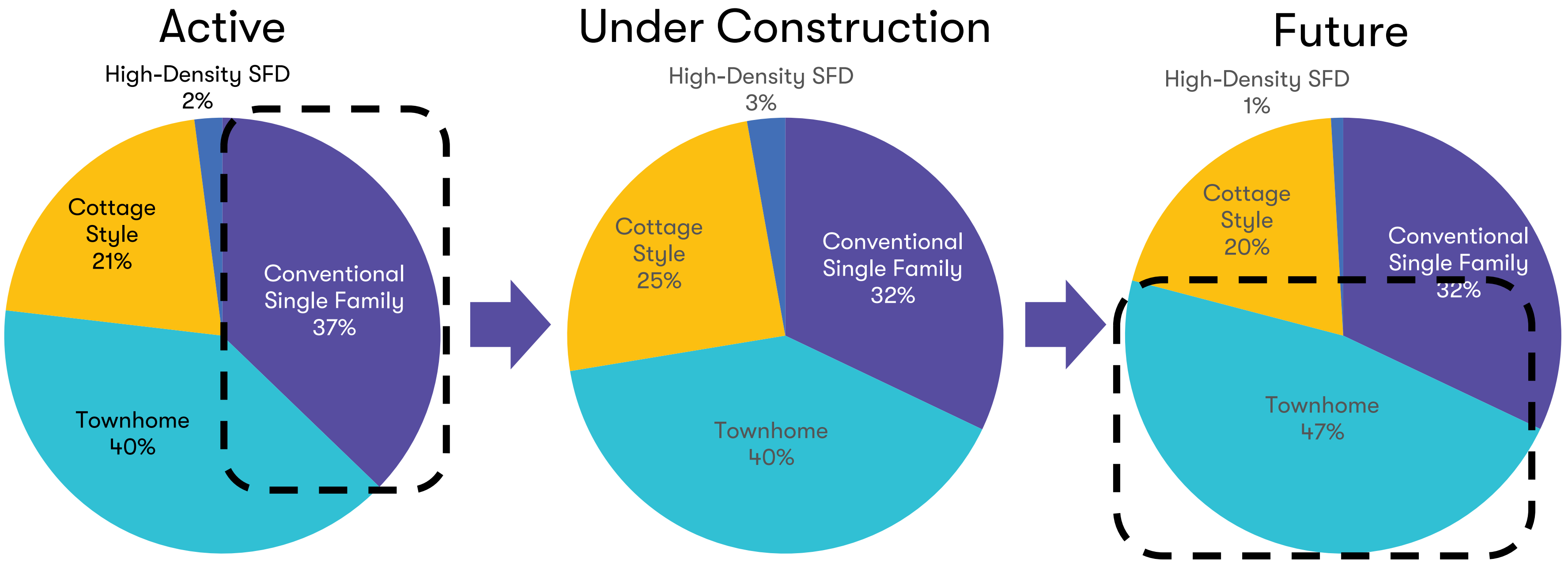
Single-family rental and build-to-rent = A permanent asset class

- Rising prices and lack of affordable housing support the opportunity for SFR and build-to-rent community development by delaying renters converting to homeownership. Mortgage rates remain elevated despite coming down from 23-year highs, holding around 7%. Moreover, rates are expected to remain elevated for an extended period of time, which should make renting more appealing compared to buying as long as they remain higher than recent levels.
- Build-to-Rent communities continue to grow rapidly in terms of community count, developer count, and active metro areas. We expect this sector will continue to expand with BTR rental units forecasted to nearly double in count by 2025. BTR Community count is expected to grow by 69% over the next two years. Currently, more than 220K BTR homes are either under construction or planned over the next several years.
- Demographic shifts in the US indicate a delayed conversion to homeownership and an aging population, both of which support rental housing. SFR and BTR renters span the age and lifestyle spectrum, from single professionals to growing families and downsizing empty nesters.
- Build-to-Rent communities are moving from conventional single-family product to higher density. Product types are becoming more diverse with the introduction of townhomes and higher-density detached homes. The increase in these homes will expand product offerings and increase the supply of more affordable options, which should capture a greater share of the renter market.
- Traditionally for-sale homes have steadily converted to for-rent communities. Zonda has identified nearly 50,000 units across 395 communities shifting from Build-to-Sell to Build-to-Rent via our proprietary tracking methodology. In many markets, there has been an increased demand for rental properties due to factors such as changing demographics, affordability challenges, and lifestyle preferences.
- Developers of master-planned communities are increasingly including built-for-rent neighborhoods within their communities. For example, Newland Communities' Nexton and Painted Tree master plan communities offer BTR communities, seeing them as the best way to serve the needs of those not yet ready to buy, those who have recently relocated and want to "test drive" an area, and those who seek a low maintenance lifestyle.

Zonda Research

A shift towards density

Build-to-rent construction is moving from conventional single-family to higher-density townhome product



Build-to-Rent townhomes and conventional single-family homes capture nearly 80% of all products for active projects.

While affordability is the ultimate concern in the for-sale space, rental affordability is also a concern. **To address this, the market is shifting away from traditional single-family homes in favor of higher-density products, such as cottages for those under construction and townhomes for future units.**

Cottage Style product consistently accounts for roughly 20-25% of all active, under-construction, and future BTR product.

Note: Active is defined as stabilized; Under Construction is defined as being actively built but not yet complete; Future is defined as planned or pre-planned.

Data source: **Zonda**

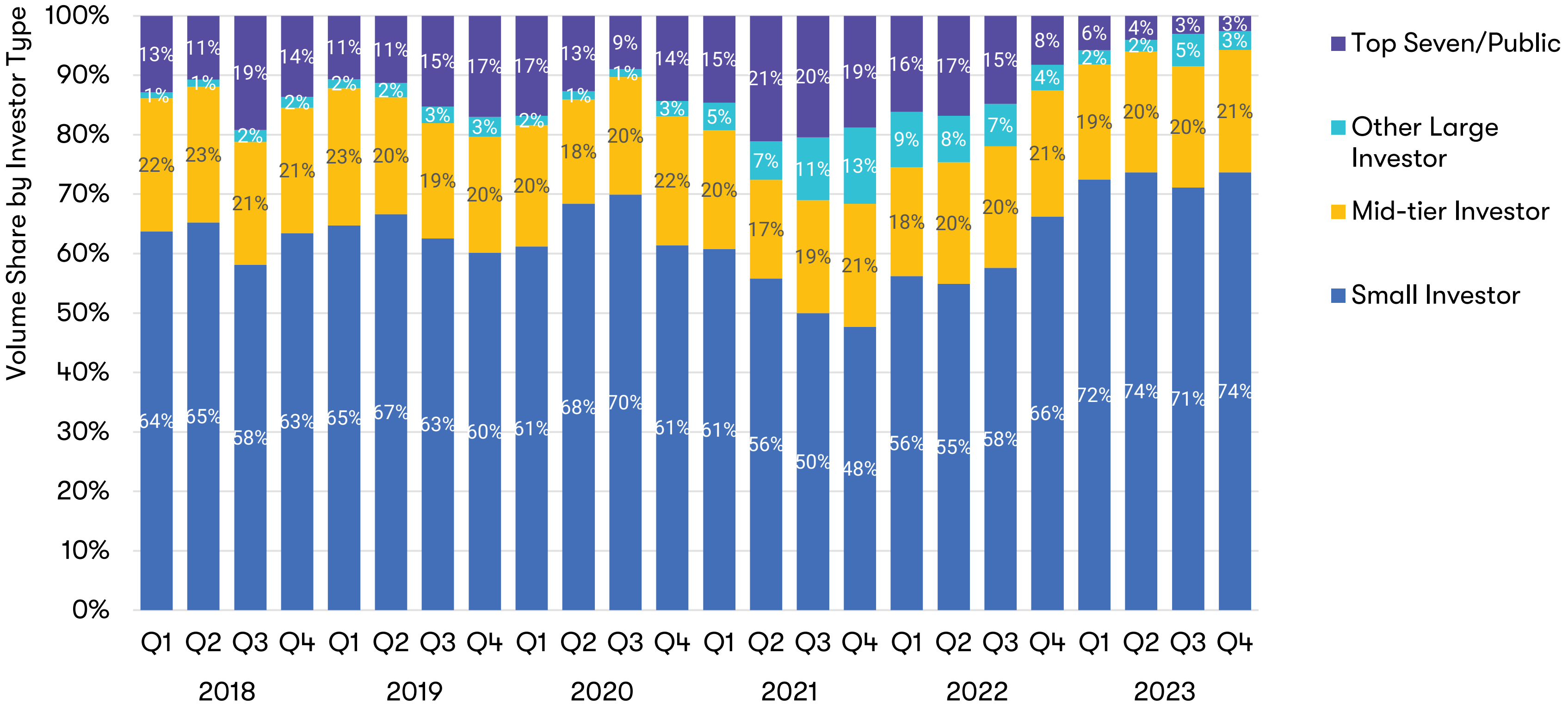
Zonda Research

Institutional investors have paused acquisitions, while smaller players gain share

Single-family rental acquisitions shift more heavily to smaller investors

Single-family rental acquisitions by the largest seven investors including the public REITs grew through mid-year 2022. **As the market softened, these investors pulled back acquisitions from a peak of 21% of total transaction volume to just 3% of SFR acquisitions in Q4 2023.**

Acquisition activity by other large investors and mid-tier investors has remained largely consistent. Small investors (10 to 99 units) acquisition share has grown as they are presented more opportunity with less market competition from the largest groups.



Note: Investor size is defined by the number of units owned in any year from 2018 – 2023. Top Seven/Public: Progress Residential, Cerberus/FirstKey, Amherst Group, Tricon, Vinebrook Homes, Invitation Homes, AMH; Other Large Investor: 1,000+ units; Mid-Tier Investors 100 to 999 units; Small Investor: 10 to 99. Mom and Pop investors are excluded from the data.

Data source: **Zonda; Deed transactions**

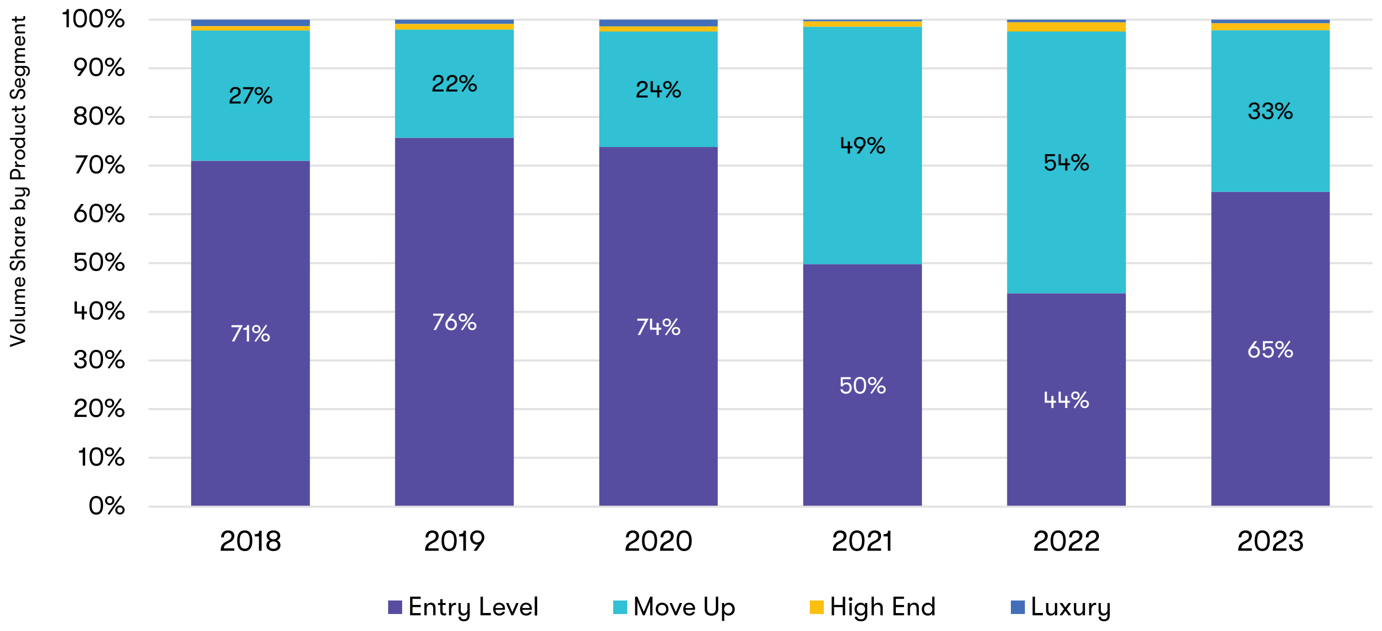
Zonda Research

Single-family rental: a permanent asset class that will ebb and flow on product acquisitions based on market conditions

Top 7 investors/public REIT acquisition by product segment

Acquisition activity has moderated significantly in 2023 and shifted from move-up to entry level

Large Investor Acquisition Activity by Product Segment



Acquisition activity of the largest investors has declined sharply in 2023 due to higher asset prices and increasing capital costs. Investors have become more focused on value-oriented homes at lower price points that meet their return requirements. As a result, there has been a shift from move up to entry-level units driven by investment market focus and product type shifts.

With capital costs and recent highs, investors will likely remain focused on more opportunistic and value-oriented price points in more affordable markets.

Previously, SFR transaction volume took off in 2021. At the same time, entry-level product became less prevalent nationwide as home prices increased. TX, FL, and the Southeast markets gained SFR volume share in 2021 and 2022.

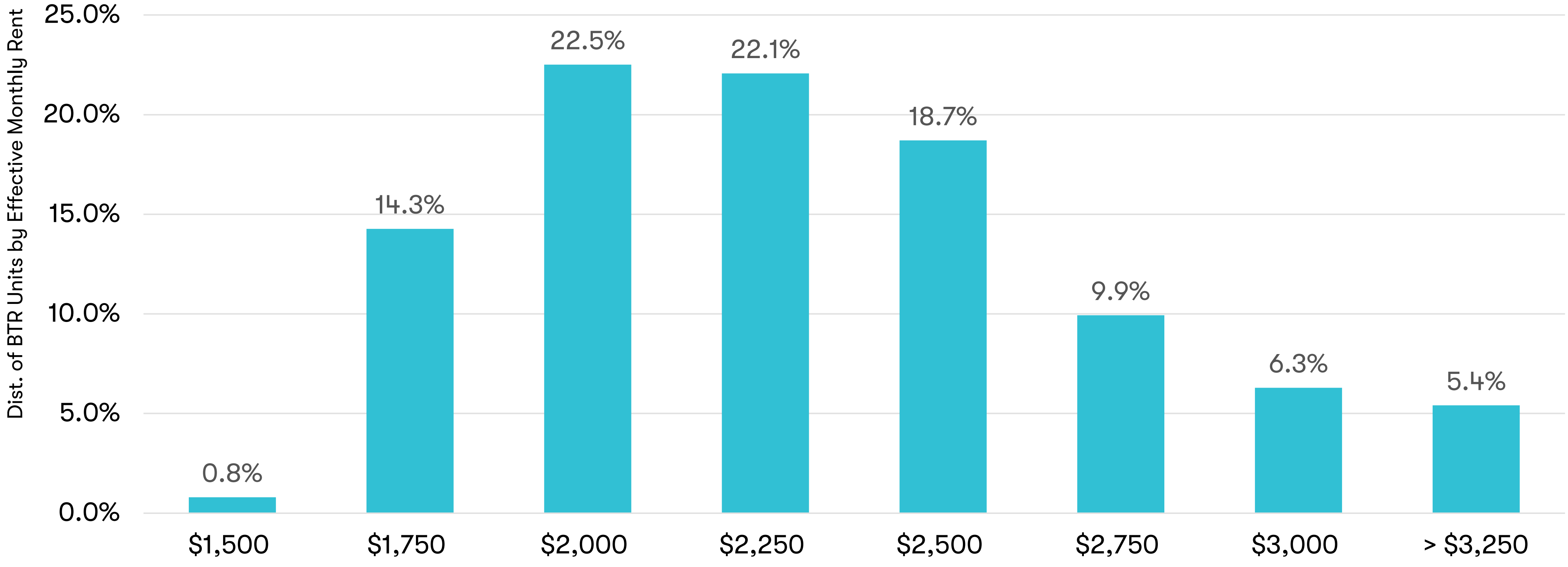
Note: Product segments vary by market based on closing price. Entry-Level is defined as up the 40th percentile, move-up is defined as the 40th to 80th percentile, high end is defined as the 80th to 95th percentile, luxury is defined as greater than the 95th percentile. Top Seven/Public REITs are defined as: Progress Residential, Cerberus/FirstKey, Amherst Group, Tricon, Vinebrook Homes, Invitation Homes, AMH.

Data source: **Zonda; Deed transactions**

Rents and affordability

Nearly two-thirds of BTR product rents between $2,000 and $2,500 per month nationally

Rental rates have risen dramatically since the start of the pandemic, but relative to the for-sale market, BTR offers a significant value in many markets today



Data source: Zonda; Real Page, Inc.

Zonda Research

Renting is notably more affordable than owning based on monthly payments

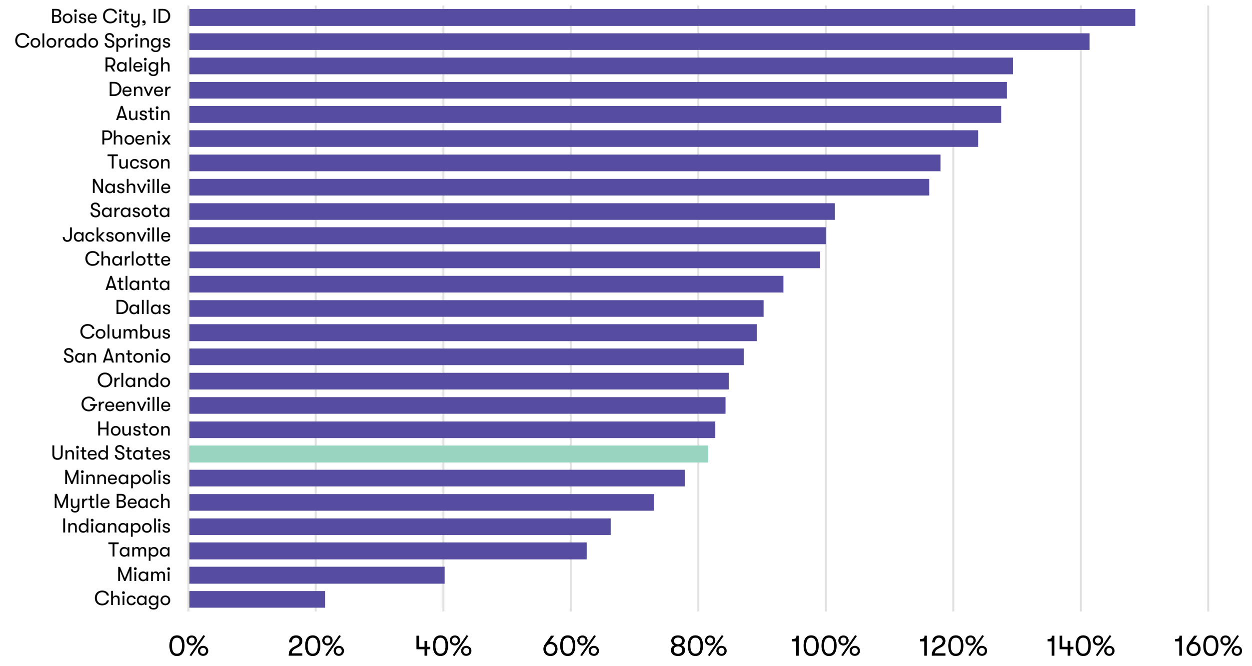
Homeownership is more expensive than renting in all top BTR markets

Nationally, it is 82% more expensive to own a home than rent. **Developers have been successful in getting BTR projects approved at the municipality level by demonstrating how they can address affordability challenges in those markets.** Boise shows the highest home ownership premium at 149% of the cost of rent.

The homeownership premium in Greenville, Houston, and Minneapolis is close to the national average at 84%, 83%, and 78%, respectively. The homeownership premium is relatively low in markets like Chicago and Miami.

Elevated interest rates, low supply, and high home prices are pushing for sale affordability beyond the point many families can afford. As a result, people are waiting to purchase a home and remaining as renters.

Median Home Premium vs 2-Bed Rent



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Data source: **Zonda; Deed transactions, Real Page, Inc.**

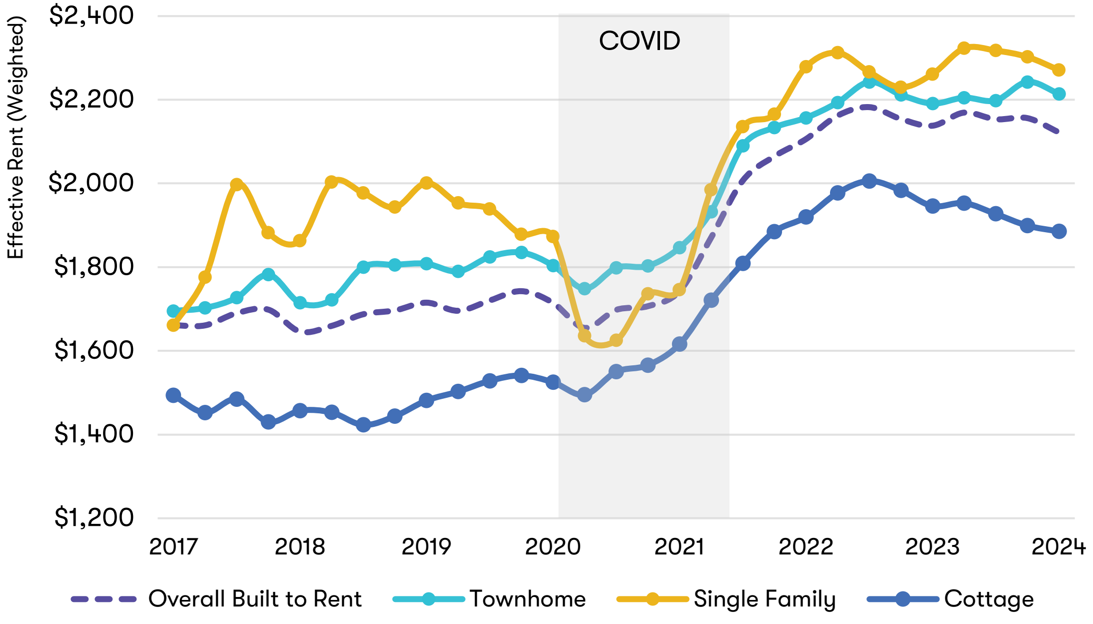
Zonda Research

Single-family premium has shrunk

Within the rental market, rents are relatively similar for SF and TH products, with a range between $2,200 and $2,400 per month. Smaller, Cottage Style homes rent at a discount to these product types at roughly $1,900, largely because this product is much smaller. **In 2018, SF product commanded a 16% premium over townhomes compared to just 4% today.**

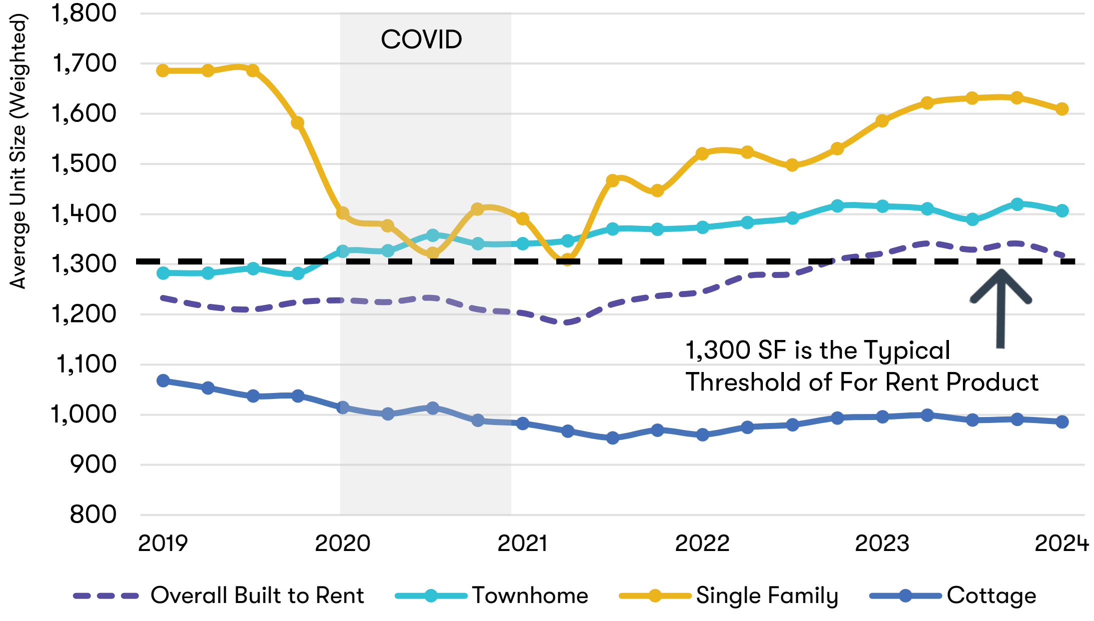
The overall BTR average unit size (~1,320 square feet) is smaller than the average new for-sale product (2,400 square feet) but the low maintenance lifestyle, the rent versus own math, and the flexibility contribute to the segment's success.

SF & TH BTR Products at a Premium to Cottage Rents



Data source: **Zonda**

BTR Unit Size By Product Type

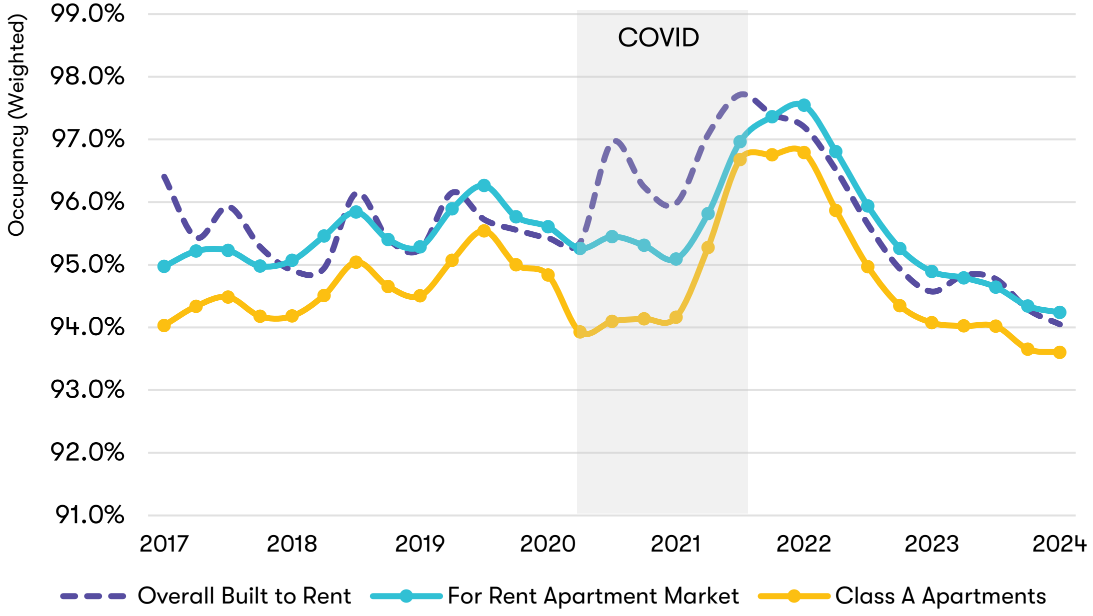


Data source: **Zonda; Real Page, Inc.**

Occupancy off peak, concessions tick down slighlty

After a boom in 2022 at almost full occupancy, BTR occupancy has now returned to equilibrium at around 94-95%. This was expected as more supply came online. The increased supply and the stabilization of many BTR communities have led to a sharper increase in concessions for these communities compared to the larger and more stabilized apartment market. Concessions in BTR average 5.5% compared to 5.8% for Class A apartments. BTR concessions have fluctuated in the 5% to 6% range for just under 2 years. The uptick in concessions compared to early 2021 is likely due to the larger number of projects competing in the market.

Occupancy Rates



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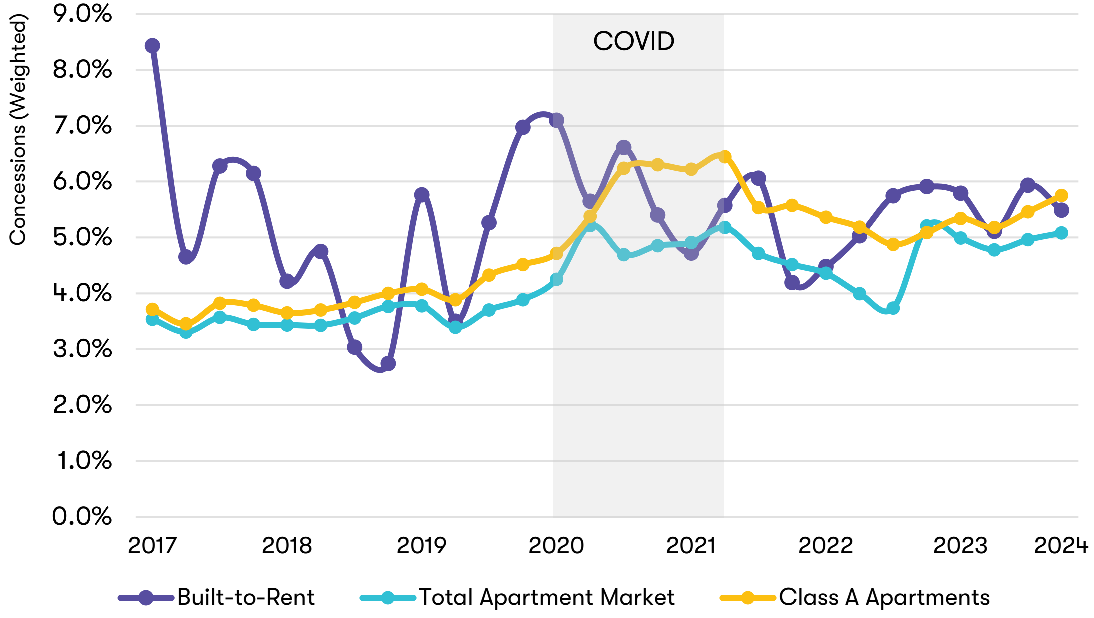


Data source: **Zonda; Real Page, Inc.**

Market Trends

Zonda Research

Phoenix, Dallas, and Atlanta poised for most growth based on units under construction

Top BTR Markets as a Share of the Total Rental Market

Market	Total BTR Units (a + b + c)	Active BTR (a)	Active as a Share of Rental Market	U/C BTR (b)	U/C Share of Rental Market	Future BTR Likely to Covert (c)	Future BTR Likely to Convert Share of Rental Market	Total Future BTR	Total Future BTR as Share of Rental Market
Phoenix	34,902	11,692	5.3%	19,648	257.0%	3,562	2.6%	14,247	10.3%
Dallas	21,122	6,378	1.7%	13,207	242.4%	1,537	1.6%	6,147	6.3%
Atlanta	16,143	6,566	2.3%	8,410	158.4%	1,167	2.4%	4,667	9.5%
Houston	10,207	3,224	0.8%	6,624	84.8%	359	0.8%	1,435	3.0%
Charlotte	10,279	4,078	3.3%	4,755	129.3%	1,446	2.9%	5,783	11.7%
Jacksonville	6,420	2,995	5.1%	3,315	108.9%	110	0.8%	438	3.2%
Austin	8,104	3,464	2.1%	3,491	36.0%	1,149	1.8%	4,596	7.3%
Tampa	5,783	2,636	2.2%	2,123	60.5%	1,024	3.6%	4,094	14.6%
San Antonio	7,195	2,883	2.5%	4,210	93.8%	102	0.5%	408	2.1%
Denver	5,547	1,347	0.8%	3,206	85.4%	994	1.8%	3,974	7.1%
Orlando	5,295	1,621	1.3%	2,711	53.6%	963	1.7%	3,850	6.8%
Nashville	3,458	2,148	2.4%	1,290	48.9%	20	0.0%	81	0.1%
Myrtle Beach	2,080	1,365	18.6%	562	36.4%	153	2.5%	612	10.0%
Sarasota	4,328	1,561	7.5%	2,397	79.6%	370	3.2%	1,481	12.7%
Salt Lake City	3,382	1,500	2.5%	1,766	81.8%	116	0.5%	464	1.8%
Las Vegas	2,724	1,317	1.2%	1,215	35.8%	192	3.5%	769	13.9%
Columbus	3,728	2,070	2.2%	1,486	74.9%	172	0.7%	686	3.0%
Twin Cities	3,591	851	0.8%	2,493	1252.8%	247	0.9%	989	3.6%

Phoenix dominates the built-for-rent space with nearly 35,000 units active, under construction, or future likely to convert. Dallas is a dominant #2 market, followed by Atlanta. Active communities account for less than 3% of rental market share across nearly all top BTR markets.

As BTR unit count is expected to double by 2025, under construction communities' share of the rental market is greater than active communities.

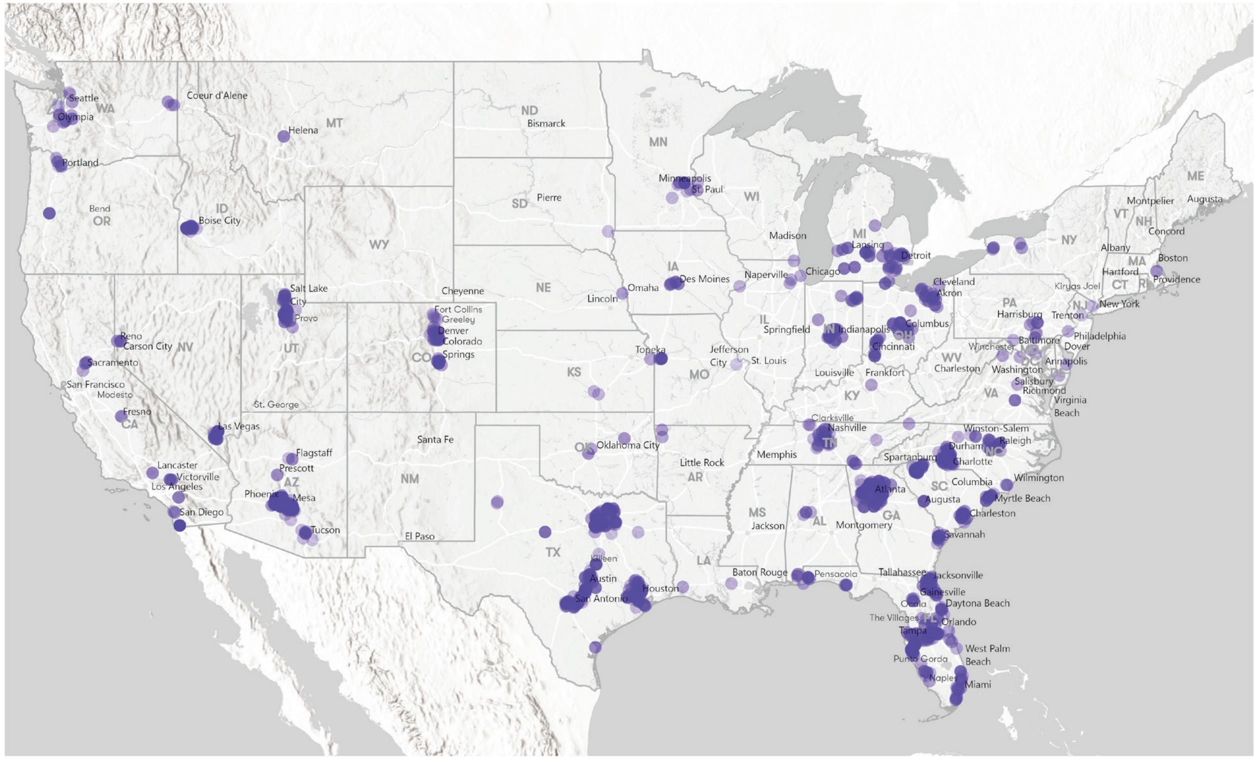
Note: Markets with more than 3,000 total units included in the table above. The Rental Market is defined as all rental units in a CBSA. Active is defined as stabilized; Under Construction is defined as being actively built but not yet complete.; Future is defined as planned or pre-planned. Future BTR Likely to Convert (c) is calculated at 25% of future units.

Data source: **Zonda**

Zonda Research

The most active BTR communities can be found in the Southwest and Southeast

Of the active communities, AMH Development (~8,200 units), Redwood Living (~5,800), NexMetro (~4,200), D.R. Horton (~3,800), and Christopher Todd (~2,000) are the top developers



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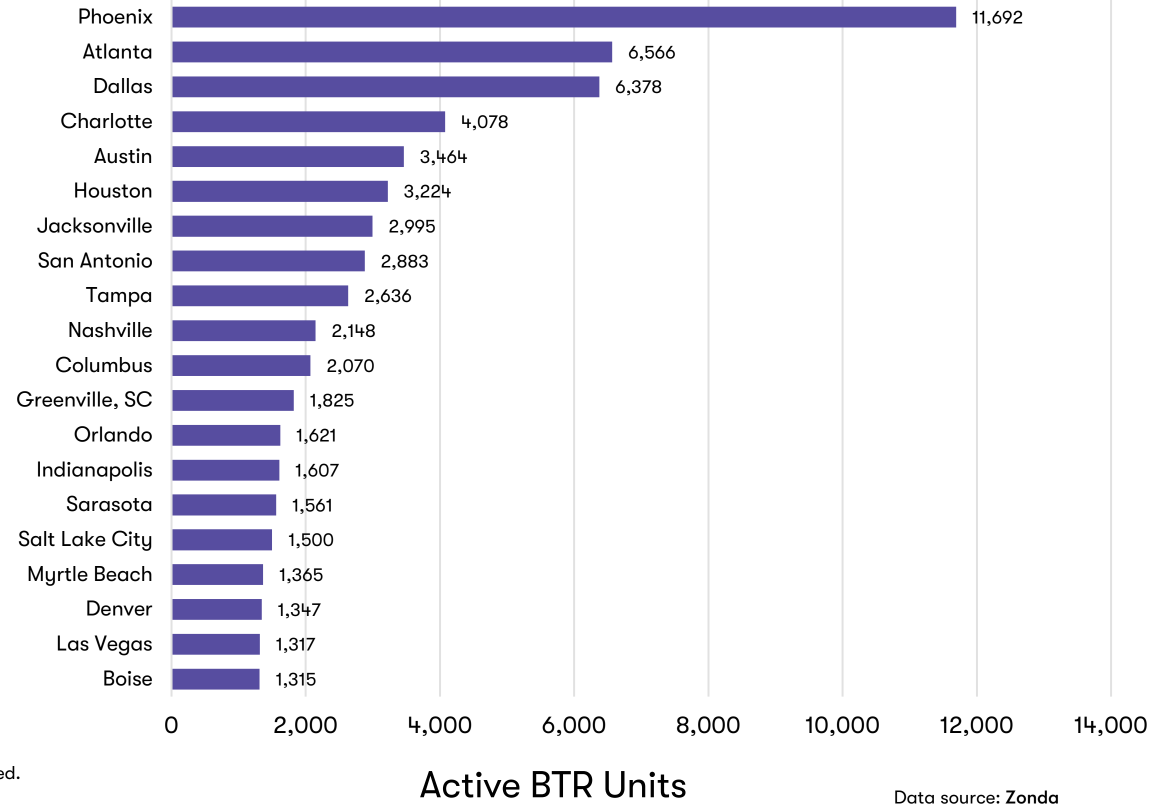
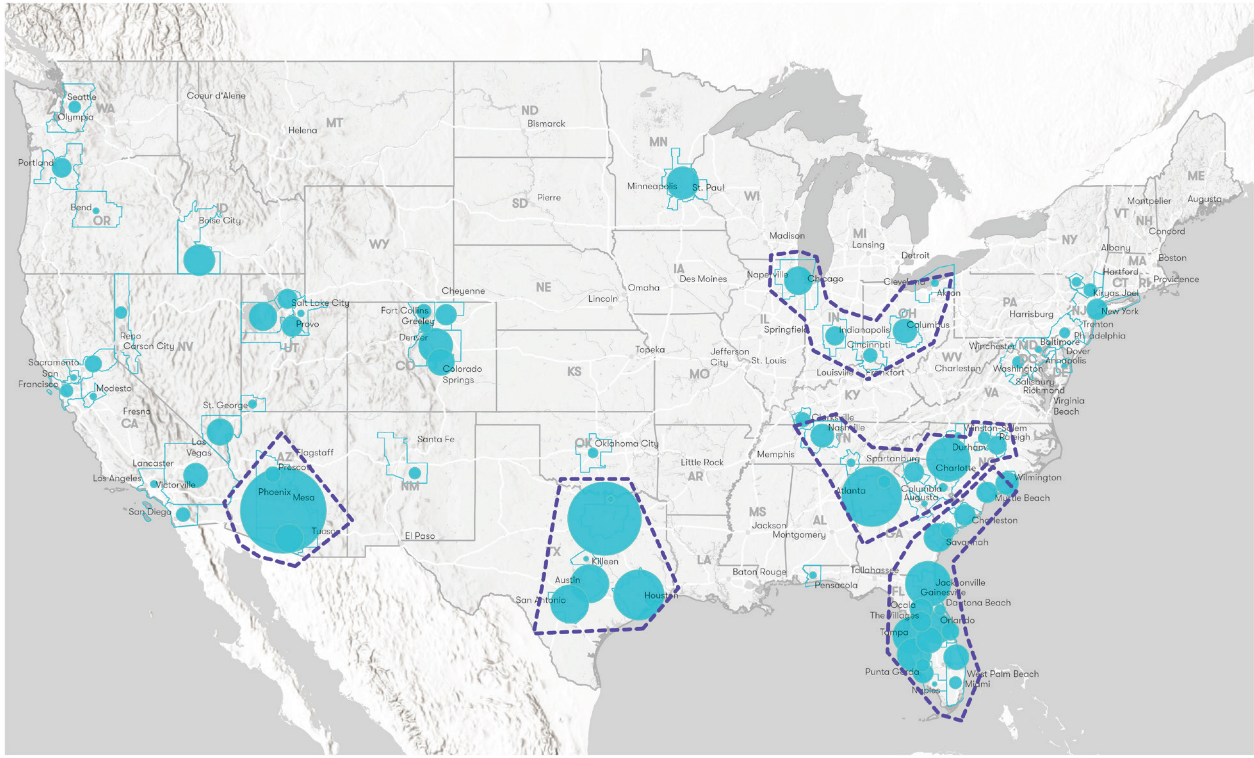


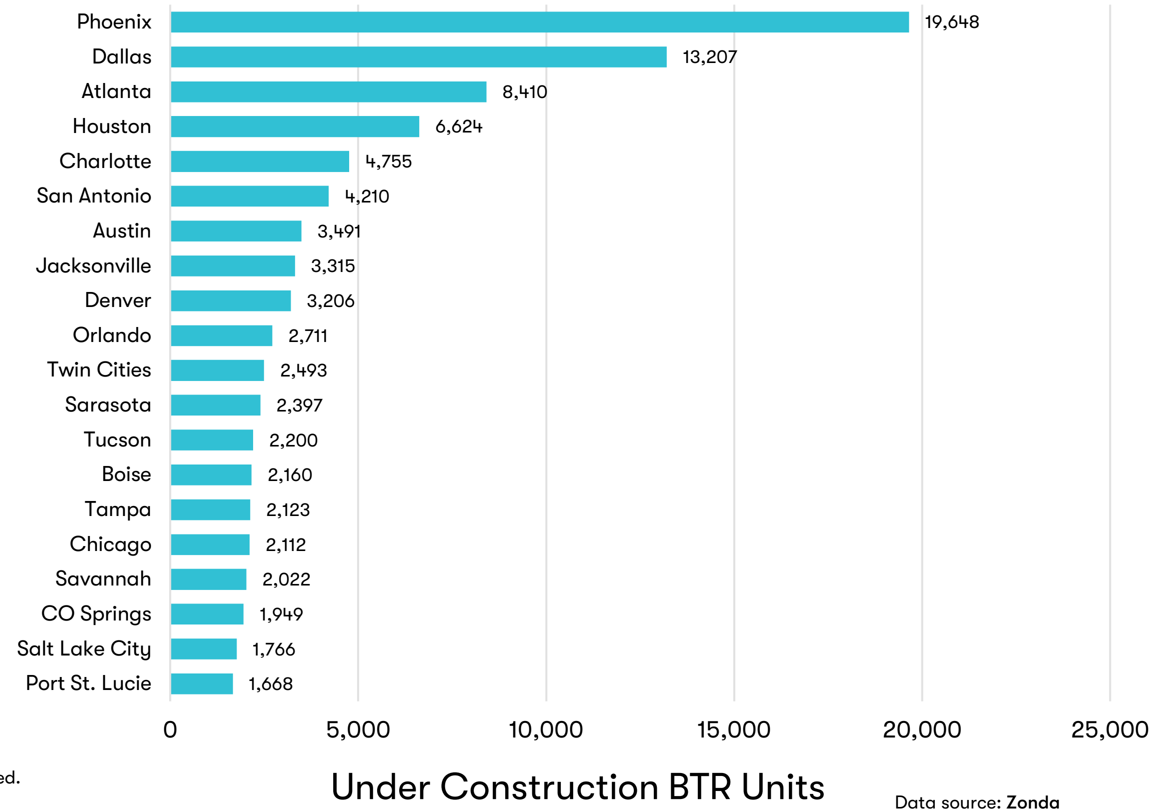
Data source: **Zonda**

Zonda Research

There are roughly 132,000 BTR units under construction

These projects will likely move to 'active' over the next 1-2 years, assuming no major unforeseen economic events. Besides the aforementioned concentration in the Southeast and Southwest, the Midwest is a top spot for BTR growth.





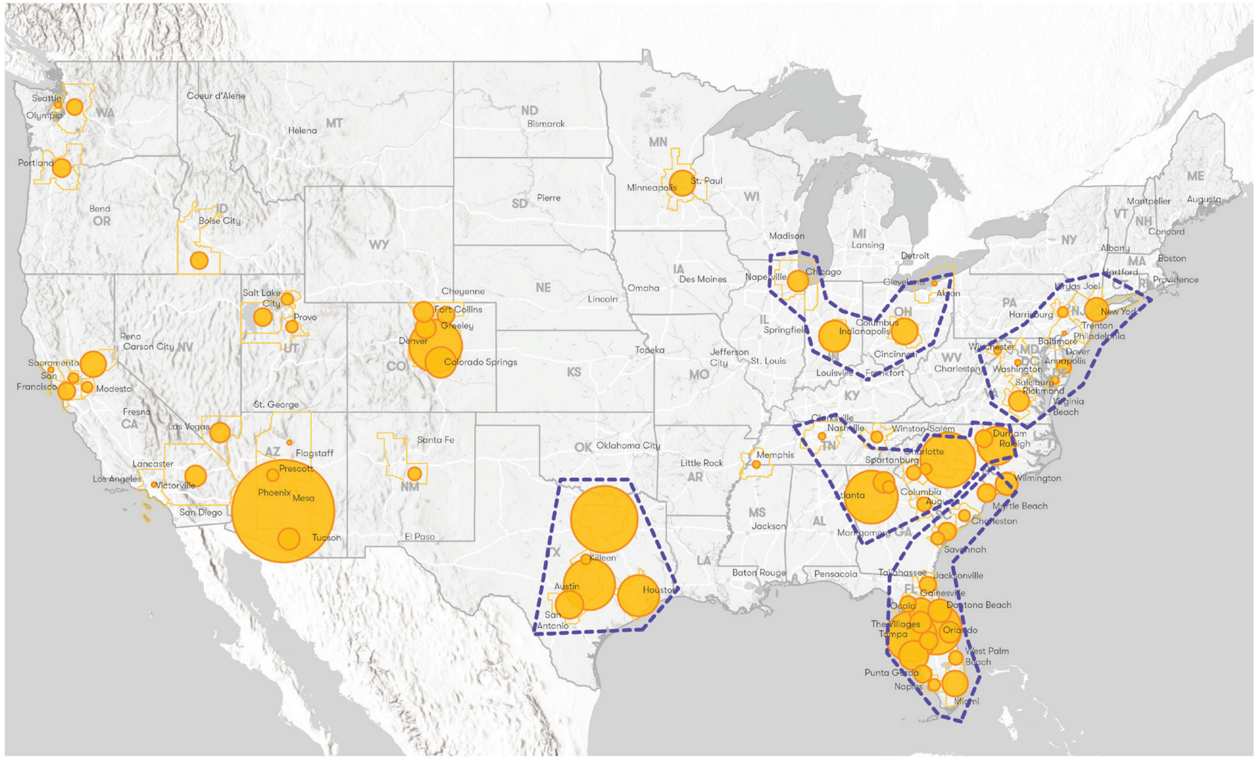
Note: Active is defined as stabilized; Under Construction is defined as being actively built but not yet complete.; Future is defined as planned or pre-planned.

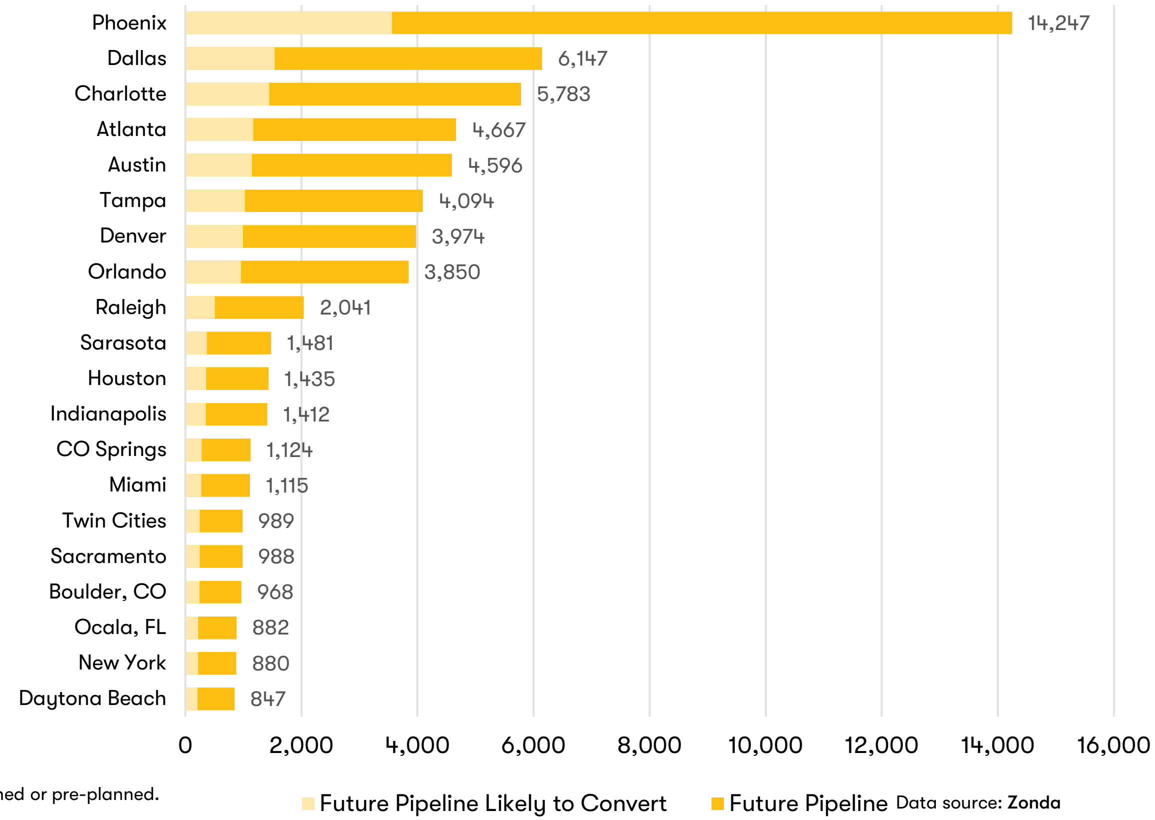
Data source: **Zonda**

Zonda Research

There are roughly 90,000 future BTR Rental Units

NexMetro, Mill Creek Residential, and Taylor Morrison are the top developers for future BTR projects. See the full list in the Supplemental Data and Research part of this report. Delivery of these units depends on capital markets, competitive supply, and renter demand.





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Zonda Research

BTR still accounts for a relatively minimal percentage of overall rental unit completions in most markets

Even while capital markets tightened and some sentiment around the market soured, most markets experienced a sharp uptick in BTR completions in 2023 compared to 2022.

		BTR Completions as a % of Total Rental Completions			BTR Completions			BTR Units by CBSA and Status			
Rank	CBSA	2022	2023	Avg. 2024-25	2022	2023	Avg. 2024-25	U/C Lease Up	U/C Not Leasing	Planned	Proposed
1	Phoenix	14.1%	32.3%	20.1%	1,931	7,553	7,949	7,727	11,921	3,655	10,592
2	Dallas	7.9%	19.8%	14.3%	1,278	3,790	5,963	5,465	7,742	4,186	1,961
3	Atlanta	8.3%	15.7%	10.7%	809	3,614	2,367	3,534	4,876	2,551	2,116
4	Charlotte	6.1%	17.1%	8.6%	386	2,272	1,829	2,526	2,229	3,263	2,520
5	Austin	1.1%	8.2%	10.0%	139	1,326	2,120	1,477	2,014	3,609	987
6	Houston	7.1%	4.5%	10.1%	1,152	716	2,407	4,473	2,151	661	774
7	Tampa	6.1%	14.9%	11.1%	392	1,056	1,222	1,269	854	3,161	933
8	Denver	1.5%	2.7%	5.5%	135	244	672	986	2,220	2,804	1,170
9	Orlando	0.6%	10.5%	7.8%	35	1,057	1,096	1,161	1,550	2,326	1,524
10	San Antonio	14.5%	15.1%	11.4%	376	954	1,311	2,658	1,552	193	215
11	Jacksonville	19.2%	15.2%	15.8%	948	1,381	1,360	2,781	534	336	102
12	Sarasota	27.1%	19.5%	16.1%	399	633	949	1,128	1,269	1,242	239
13	Twin Cities	5.6%	5.1%	10.9%	506	460	791	2,109	384	602	387
14	Columbus	-	7.0%	8.1%	0	381	693	568	918	280	406
15	Raleigh	1.9%	2.5%	2.6%	101	221	442	619	468	536	1,505

After a surge in 2023, the BTR market growth rate is settling into a more sustainable long-term trend. The top 15 markets, which saw a three-fold increase in 2023, are expected to experience a moderation to a growth rate of just over 20%. With more communities coming online, use of concessions are becoming more commonplace. As we move forward, BTR completions are projected to account for less than 15% of all rental unit construction in most markets.

Phoenix experienced a sharp uptick in BTR completions in 2023, accounting for roughly one-third of all rental housing completions. There is some concern of a near-term rental supply glut in the market.

Data source: **Zonda; Real Page, Inc.**

Zonda Research

Phoenix has the highest concentration of BTR units across all stages of development

Dallas and Atlanta have a large share of units under construction. Charlotte, Austin, and Tampa have a significant number of units in the pipeline.

		Total BTR Units by CBSA and Status				Distribution of BTR Units Under Construction			
Rank	CBSA	Completed	Under Construction	Planned	Proposed	Completed	Under Construction	Planned	Proposed
1	Phoenix	11,692	19,648	3,655	10,592	3.7%	6.2%	1.1%	3.3%
2	Dallas	6,378	13,207	4,186	1,961	2.0%	4.1%	1.3%	0.6%
3	Atlanta	6,566	8,410	2,551	2,116	2.1%	2.6%	0.8%	0.7%
4	Charlotte	4,078	4,755	3,263	2,520	1.3%	1.5%	1.0%	0.8%
5	Austin	3,464	3,491	3,609	987	1.1%	1.1%	1.1%	0.3%
6	Houston	3,224	6,624	661	774	1.0%	2.1%	0.2%	0.2%
7	Tampa	2,636	2,123	3,161	933	0.8%	0.7%	1.0%	0.3%
8	Denver	1,347	3,206	2,804	1,170	0.4%	1.0%	0.9%	0.4%
9	Orlando	1,621	2,711	2,326	1,524	0.5%	0.9%	0.7%	0.5%
10	San Antonio	2,883	4,210	193	215	0.9%	1.3%	0.1%	0.1%
11	Jacksonville	2,995	3,315	336	102	0.9%	1.0%	0.1%	0.0%
12	Sarasota	1,561	2,397	1,242	239	0.5%	0.8%	0.4%	0.1%
13	Twin Cities	851	2,493	602	387	0.3%	0.8%	0.2%	0.1%
14	Columbus	2,070	1,486	280	406	0.7%	0.5%	0.1%	0.1%
15	Raleigh	1,062	1,087	536	1,505	0.3%	0.3%	0.2%	0.5%

Data source: **Zonda**

Zonda Research

The largest institutional investors top the list of biggest buyers of existing SFR homes over the past two years

Institutional investors have concentrated their sales activity in the entry-level and move-up price segments

Rank	Corporation	Resale Closings		Avg. Resale Price		Product Segment		
		2022	2023 YTD	2022	2023 YTD	Entry Level	Move Up	High End
1	Amherst Group	11,725	3,971	$283,257	$282,363	48.5%	36.3%	15.2%
2	Progress Residential	11,658	955	$333,067	$323,013	39.8%	56.8%	3.4%
3	Cerberus/FirstKey	10,811	340	$377,156	$289,363	30.1%	63.6%	6.3%
4	Tricon	6,269	1,317	$318,867	$290,980	46.9%	52.0%	1.1%
5	My Community Homes	4,925	37	$325,498	$304,969	54.2%	44.3%	1.5%
6	Vinebrook Homes	3,765	101	$148,203	$211,624	93.3%	2.0%	4.8%
7	American Homes 4 Rent	1,865	555	$344,421	$327,274	35.7%	17.9%	46.4%
8	Sylvan Road Capital	2,163	86	$293,777	$220,356	84.1%	13.0%	2.9%
9	RESICAP	1,855	176	$283,511	$204,239	68.2%	30.6%	1.3%
10	Invitation Homes	1,666	153	$416,993	$332,813	51.8%	46.8%	1.4%
11	Rithm Capital	1,533	6	$262,351	$121,200	41.4%	24.1%	34.5%
12	Global Atlantic Financial	1,500	-	$242,301	-	72.2%	-	27.8%
13	Pagaya	1,324	1	$326,996	$285,100	46.2%	53.8%	-
14	JLL Income Property Trust	1,112	80	$324,697	$307,435	84.7%	15.3%	-
15	Brookfield Asset Management Inc	1,122	20	$247,101	$171,577	46.5%	52.5%	1.0%

Amherst, Progress, and Cerberus/First Key have all acquired more than 10,000 homes over the past two years.

Vinebrook has been heavily concentrated in the entry-level segment while American Homes 4 Rent (AMH) is the only institutional investor with more than 40% of acquisitions in the high-end segment.

Nearly all SFR investors have average resale prices in the $250K-$350K price ranges.

Data source: **Zonda**

Zonda Research

Existing home SFR transactions vary significantly in key home metrics across markets

While home sizes are relatively consistent in the 1,500-2,000 sq. ft. range, average year built, lot sizes, and bed and bath counts have a much wider distribution across the top markets

Existing Home Sales Transactions	Avg. Home Size		Avg. Year Built		Avg. Lot Size		Avg. Bedroom Count		Avg. Bathroom Count	
CBSA	2022	2023 YTD	2022	2023 YTD	2022	2023 YTD	2022	2023 YTD	2022	2023 YTD
Atlanta	1,868	1,769	1997	1995	14,998	14,912	3.38	3.34	2.09	2.08
Dallas	1,885	1,869	2000	1995	7,167	7,380	3.31	3.33	2.08	2.08
Phoenix	1,710	1,751	2000	1995	5,976	5,995	-	-	2.46	2.41
Charlotte	1,803	1,859	2001	2007	11,126	8,778	3.30	3.35	2.01	2.02
Houston	2,001	2,135	2002	2002	6,576	6,678	3.42	3.57	2.08	2.08
Tampa	1,684	1,720	1996	1997	7,205	7,208	3.44	3.39	2.14	2.21
Jacksonville	1,743	1,677	1999	2002	9,161	8,310	3.36	3.31	2.12	2.09
Indianapolis	1,798	1,782	1995	1997	8,736	8,353	3.27	3.33	1.64	1.69
Orlando	1,693	1,689	1996	1996	8,253	8,120	3.31	3.31	2.09	2.12
Las Vegas	1,741	1,750	2001	1990	4,526	5,190	3.30	3.62	2.11	2.01
Nashville	1,651	1,722	2001	2003	10,384	9,009	3.08	3.19	2.19	2.20
San Antonio	1,956	1,938	2007	2006	6,190	6,110	3.39	3.37	2.08	2.06
Raleigh	1,724	1,901	2006	2012	12,879	12,880	3.29	3.39	2.24	2.25
Lakeland, FL	1,730	1,713	2004	2004	8,457	8,622	3.27	3.22	2.03	2.04
Ft. Myers	1,511	1,450	2004	1999	10,647	10,912	3.15	3.17	2.05	2.02

Over the past two years, Houston and Jacksonville's existing SFR investor transactions were generally built around 2000, while Atlanta and Orlando's homes purchased by investors were built closer to 1995. Interestingly, the median age of housing stock is similar in the four markets, at 28 years for San Antonio, Dallas, and Atlanta and 26 for Charlotte.

Atlanta has the largest average lot sizes at roughly 15,000 sq. ft., while Las Vegas has the smallest lots at approximately 5,000 sq. ft.

Phoenix has the highest average bathroom count at nearly 2.5 while Indianapolis averages less than 2 bathrooms.

Data source: **Zonda**

Zonda Research

New home SFR transactions significantly more consistent across markets vs. existing, with some outliers

Home sizes are relatively consistent in the 1,700-1,900 sq. ft. range and bedroom counts average roughly 3.5 across the top markets

New Home Sales Transactions	Avg. Home Size		Avg. Year Built		Avg. Lot Size		Avg. Bedroom Count		Avg. Bathroom Count	
MSA	2022	2023 YTD	2022	2023 YTD	2022	2023 YTD	2022	2023 YTD	2022	2023 YTD
Atlanta	2,141	1,752	2021	2022	8,686	-	3.76	3.86	2.05	2.57
San Antonio	1,745	1,760	2021	2022	5,238	5,549	3.58	3.68	2.02	2.08
Dallas	1,733	1,688	2022	2022	6,495	6,300	3.58	3.66	2.22	2.37
Charlotte	1,841	1,971	2021	2022	8,543	7,699	3.29	3.74	2.19	2.22
Phoenix	1,921	1,764	2022	2022	5,949	4,802	-	-	2.82	2.97
Lakeland, FL	1,812	1,851	2022	2023	7,162	6,888	3.17	3.71	2.05	2.14
Greenville, SC	1,663	2,145	2022	2023	3,155	4,879	3.33	4.00	2.13	2.00
Tampa	1,910	1,897	2022	2023	5,806	4,172	3.87	4.08	2.47	2.78
Houston	1,807	1,734	2022	2022	7,997	5,223	3.59	3.50	2.10	2.00
Ft. Myers	1,660	1,639	2022	2022	10,341	10,922	3.43	3.00	2.05	2.00
Orlando	1,893	2,071	2022	2022	5,984	6,721	3.53	3.57	2.25	2.43
Nashville	1,797	2,104	2021	2023	6,295	-	3.30	-	2.14	-
Jacksonville	1,945	2,006	2022	2023	6,674	8,512	3.50	3.89	2.42	2.50
Oklahoma City	1,833	1,694	2021	-	12,145	16,876	3.53	3.40	2.16	2.00
Sarasota	1,855	1,588	2022	2023	6,678	7,659	3.58	3.00	2.24	2.00

Four markets averaged home sizes over 2,000 in 2023, Greenville, Nashville, Orlando, and Jacksonville. The previous year, only Atlanta averaged a home size over that threshold.

Two Florida markets, Sarasota and Cape Coral, had the smallest bedroom counts at 3.0 in 2023. This could be due to a larger mix of retiree rental homes.

Oklahoma City has the largest average lot sizes at roughly 17,000 sq. ft. in 2023, while Tampa has the smallest lots at approximately 4,200 sq. ft.

Phoenix has the highest average bathroom count at nearly 3.0 while most markets average between 2.0 and 2.5.

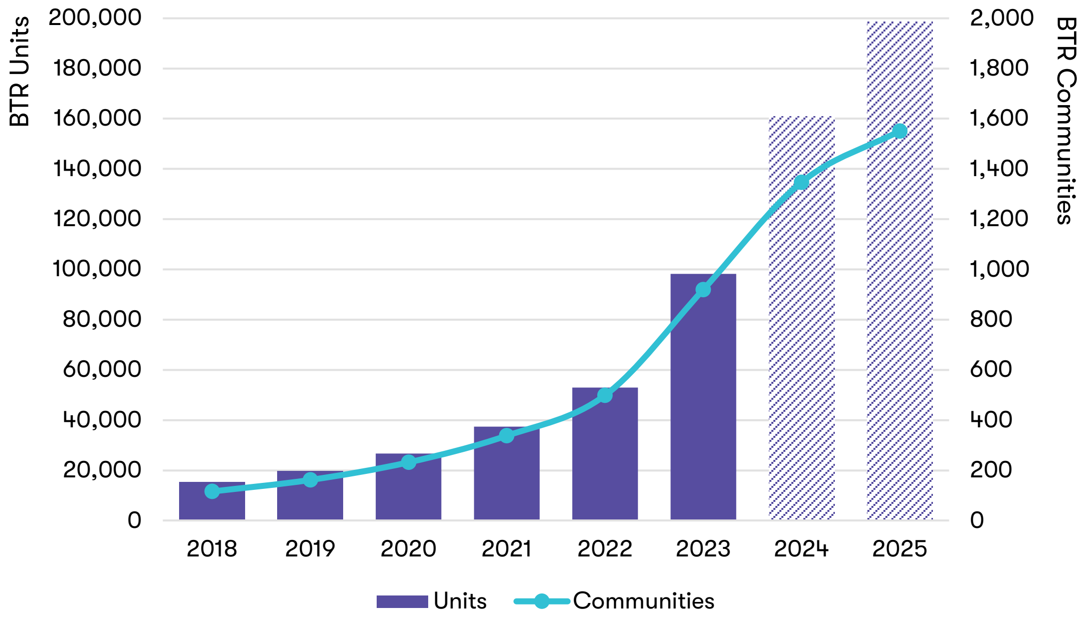
Data source: **Zonda**

Zonda Research

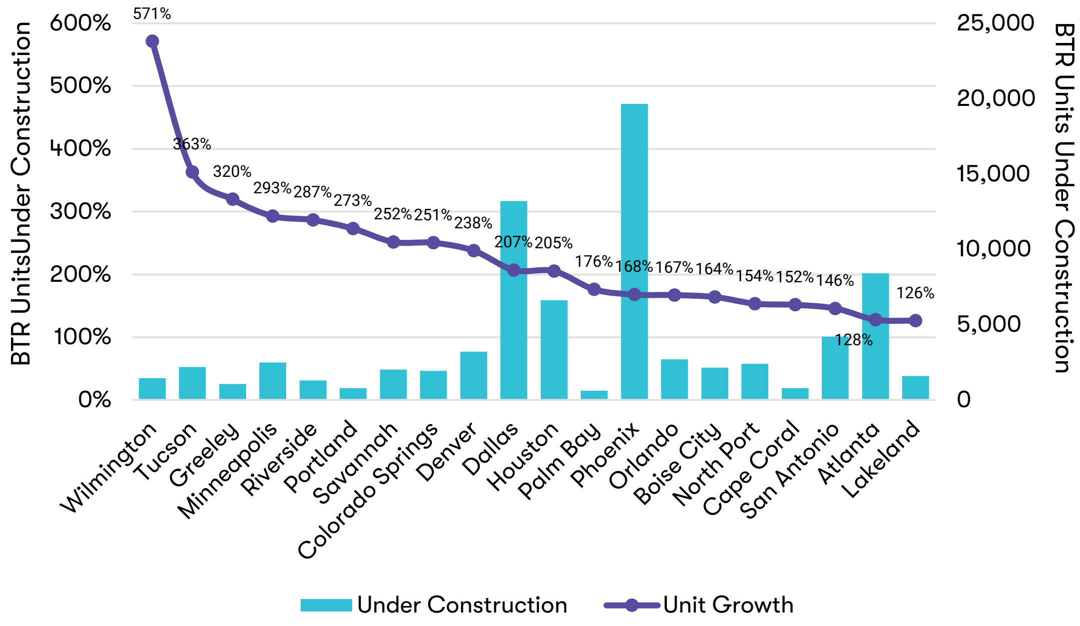
The BTR sector is expected to grow the most relative to itself in Wilmington, Tucson, and Greeley

The BTR sector is expected to experience growth based on various factors such as increasing demand for rental properties, changing preferences among consumers, and investment in the construction of new BTR communities. Today's high price levels, limited for-sale supply, and elevated interest rates make purchasing a home out of reach for more families. BTR communities provide a unique alternative to homeownership. In addition, many consumers prefer the ease of renting and low maintenance lifestyle.

BTR Units are Forecast to More than Double by 2025; Community Counts Expected to Grow by +69%



Hottest Markets for Growth by 2025



Note: BTR unit and BTR community count growth rates are based on cumulative annual completions sourced from Zonda's BTR database. The data shown is a sample of approximately 190k units across 1,500 projects with completion dates between 2013 and 2025.

Data source: **Zonda**

Zonda Research

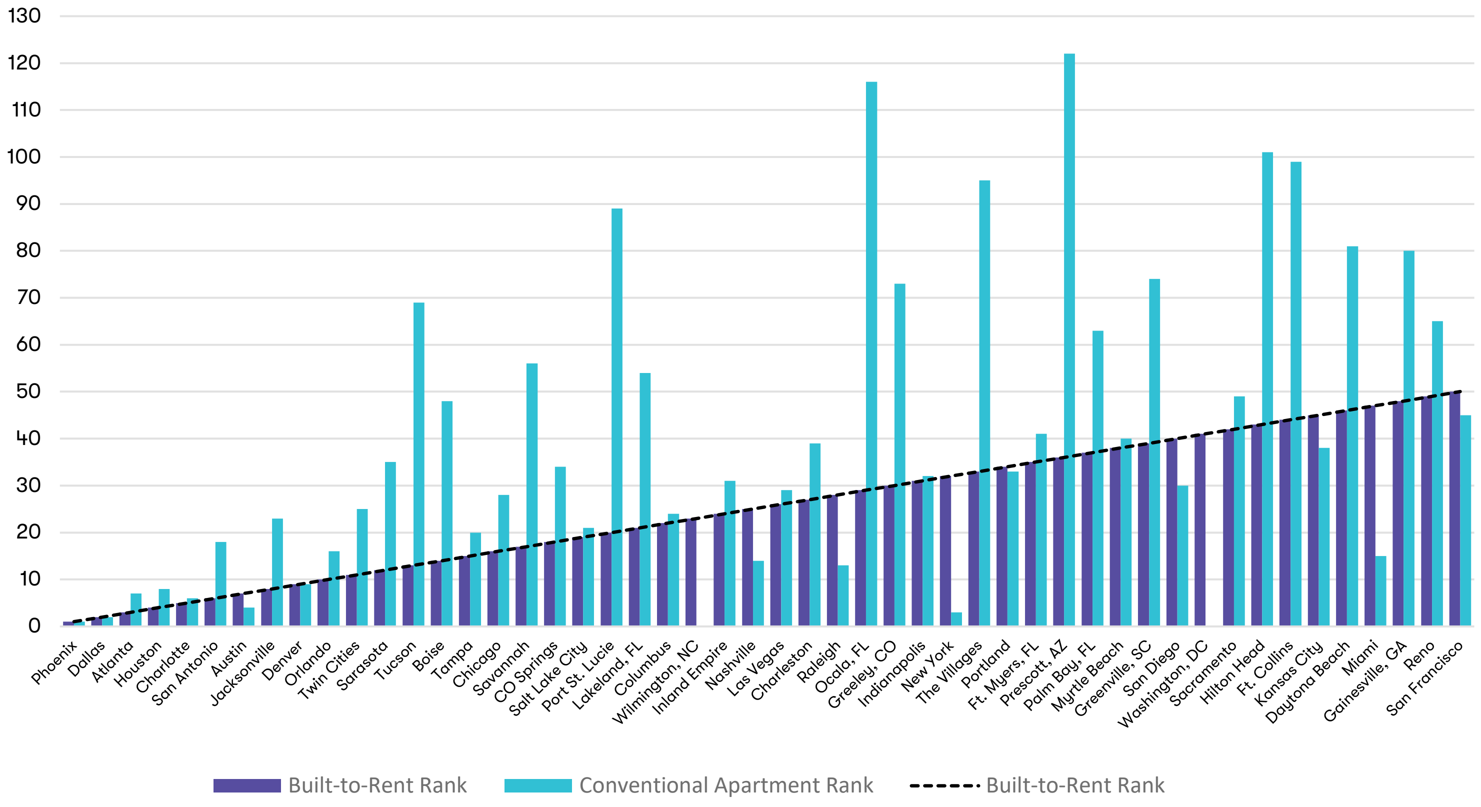
BTR leads construction activity in many tertiary markets relative to conventional apartments

Comparison of U/C metro ranking for BTR versus traditional apartments

The ranking to the measures the amount of conventional or traditional apartments under construction versus the amount of BTR under construction in each metro area. The markets are ranked in the purple bars from 1st (Phoenix) to 50th (San Francisco) for BTR construction. The teal columns represent the apartment rank.

Typical conventional or traditional apartment markets such as New York (in the middle of the graph) have a notably higher apartment market rank compared to BTR.

By contrast, markets where BTR construction rank exceeds conventional apartment rank, have a large teal spike. For example, Tucson ranks 13th in terms of BTR under construction, but 69th for apartment construction.



Data source: **Zonda; Real Page, Inc.**

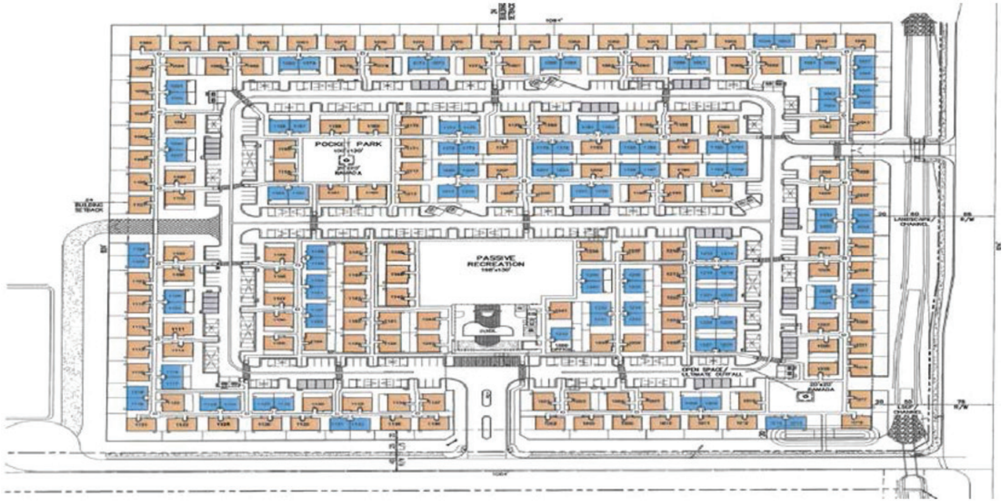
Supplemental data and research

Build-to-Rent – The Two Product Types Defined

Conventional Single-Family

- Typically, single-family homes on individual legal lots
- 3-4 bedrooms, private yards, one/two stories, garages
- Significant family renters with schools as a top concern
- Owner could sell some or all units individually
- Does not typically compete with for sale or apartments

Cottage Style



- Primarily cottage-style homes
- 1-3 bedrooms, smaller yards, surface parking
- Significant millennial and empty-nester renters
- Built on a single legal lot (cannot sell units individually)
- Does not compete with for sale, but can with apartments
- Traffic counts are important (like with apartments)

Data source: **Zonda**

Single-Family Rental and Build-to-Rent
Consumer Segmentation

Metro Lifestyle

These consumers value the benefits and amenities offered in their surroundings. They prioritize the location of their residence and understand that it plays a vital role in their overall quality of life. These households are mostly non-family or single-parent households. Product solutions are typically townhomes that are very high-density SFD or duplex. The surrounding location serves as their amenity.

Core location density:
Amenity and/or significant location;
B/C; 10-14 du/ac; Avg 10 du/ac

Typical product type: Townhomes

Unit size: 900 to 1,800sf

Bedroom count: 2-3

Special features: Pet-friendly

Garage: Direct access (1-2 car)

Project unit count: 50-200

Rear yard: Balcony and patio

Front yard: Yes

Driveway: Per plan

Metro Avenues

These consumers are more family-oriented or recently "existing family" (i.e., move-down). They value location but affordability, and a private yard is equally essential. Depending on location, product solutions include high-density detached, duplex, or garden towns. Local locations often reflect more diversity in lifestyle and ethnicity. These homes are often more pet-friendly.

Core location density:
Affordable with private yard;
B/C; 7-14 du/ac; Avg 10 du/ac

Typical product type: Conventional Single-Family or High Density Detached

Unit size: 900 to 1,800sf

Bedroom count: 2-3

Special features: Pet-friendly

Garage: Direct access (1-2 car)

Project unit count: 50-200

Rear yard: Private fenced

Front yard: Yes

Driveway: Per plan

Suburban Lifestyle

These consumers are more family oriented or moving down. They are more willing to drive to find "new" and a lifestyle that a master plan offers. The extra drive affords them the amenity they want and a lower-density home alternative like a single-family detached or villa, depending on the lifestyle and location offered. These homes are often more pet-friendly.

Core location density:
Significant amenity + yard;
C/D; 4-10 du/ac; Avg 6 du/ac

Typical product type: Conventional Single-Family or High Density Detached

Unit size: 900 to 2,200sf

Bedroom count: 2-4

Special features: Pet-friendly

Garage: Direct access (2 car)

Project unit count: 100-400*

Rear yard: Private fenced

Front yard: Yes

Driveway: Per plan

Suburban Avenues

These consumers are mostly family-oriented or move-downs willing to drive the distance to rent a single-family detached home. This offering is the most affordable offering as they are often built-in "drive to qualify" locations. Product solutions include high-density one-level cottages or villas with a central shared amenity serving 100-400 homes. These homes are often more pet-friendly.

Core location density:
More affordable SFD or duplex with private yard; C/D; 4-8 du/ac;
Avg 6 du/ac

Typical product type: Conventional Single-Family

Unit size: 1,450 to 2,200sf

Bedroom count: 2-4

Special features: Pet-friendly

Garage: Direct access (2 car)

Project unit count: 50-200*

Rear yard: Private fenced

Front yard: Yes

Driveway: Yes

Note: Let the masterplan play a part of the offered amenity when possible.

Data source: **Zonda**

Zonda Research

Single-Family Rental and Build-to-Rent
Consumer Segmentation

Senior Metro

This 55+ group is comfortable where they live but they want less maintenance. These consumers are mostly couples and singles with 1 out of 5 being a single 55+ female. They want no maintenance living, a place to plant a garden, or socialize with their friends outdoors in privacy. They are ready to give up their single-family home but they need enough size to put the treasures they value.

Core location density:
Amenity and/or significant location; B/C; 7-16 du/ac; Avg 12 du/ac; 1-story flats or 2-3 story

Typical product type: Townhomes

Unit size: 900 to 1,750sf

Bedroom count: 1+D – 3+D

Special features: Pet-friendly

Garage: Direct access (1-2 car)

Project unit count: 50-200

Rear yard: Balcony and patio

Front yard: Yes

Driveway: Per plan

Senior Lifestyle

This 55+ group is ready for a move but financial and social security are both drivers. They are mostly couples and singles with 1 of 5 being a single +55 female. They want no maintenance living and private outdoor space and a single-family lifestyle if possible. They will drive the distance for affordability but they need to test it first. A programmed social atmosphere with amenities is just the thing they want.

Core location density:
55+ with amenity and social programming; C/D; 6-10 du/ac; Avg 6 du/ac

Typical product type: Conventional Single-Family or High Density Detached

Unit size: 900 to 1,850sf

Bedroom count: 2-4

Special features: Pet-friendly

Garage: Direct access (1-2 car)

Project unit count: 100-400

Rear yard: Private fenced

Front yard: Yes

Driveway: Per plan

Senior Avenues

This 55+ group is ready for a move but financial is most important. They are mostly couples and singles with 1 of 5 being a single 55+ female. They want no maintenance living and private outdoor space and a single-family lifestyle if possible. They will drive the distance for affordability but they need to test it first. They are often more private with long-term financial security as their primary.

Core location density:
55+ affordable SFD, modest amenity; C/D; 4-8 du/ac; Avg 6 du/ac

Typical product type: Conventional Single-Family

Unit size: 900 to 1,850sf

Bedroom count: 2-4

Special features: Pet-friendly

Garage: Direct access (2 car)

Project unit count: 50-200*

Rear yard: Private fenced

Front yard: Yes

Driveway: Yes

Note: Let the masterplan play a part of the offered amenity when possible.

Data source: **Zonda**

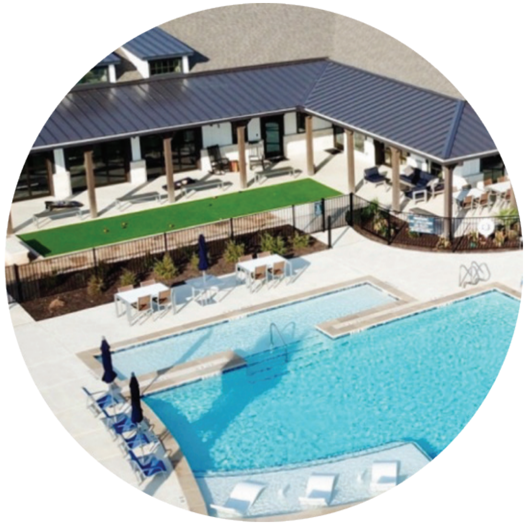
Zonda Research

Product Design

Most Common Amenities

- Private outdoor space
- Clubhouse / Fitness center
- Pool
- Playground / Green Space
- Dog Park
- Onsite leasing / Maintenance

Lifestyle, amenities, and management are key to institutional quality assets!



AHV Communities - Pradera

Bird Song at Alamo Ranch

Christopher Todd - Stadium

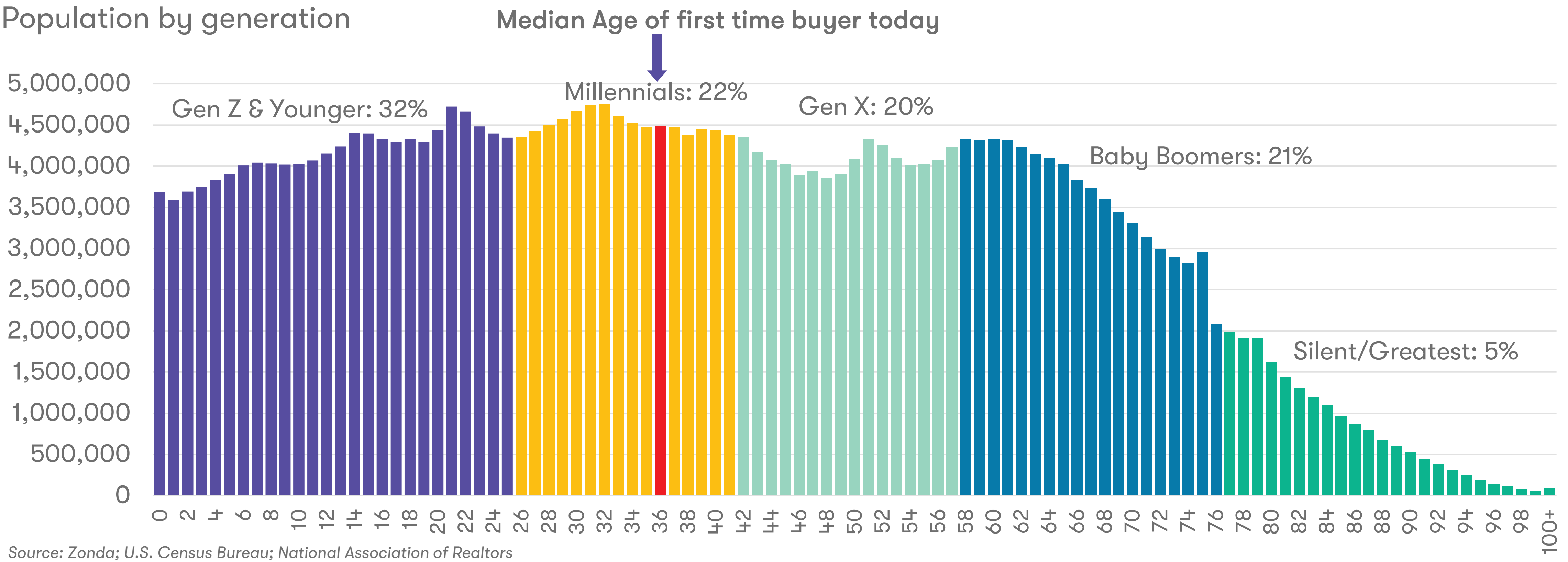
Zilber – Estia at Lakewood Ranch

Data source: Zonda

Zonda Research

Millennials are the largest generation of Americans and will likely be renting longer over the next several years

Currently, the median age for first-time buyers is 36 years old, with over half of Millennials younger than that and a wave of Gen Z that is already renting behind them



Source: Zonda; U.S. Census Bureau; National Association of Realtors

Zonda Research

Top Buyer Seller Relationships

Builder	Investor	2018	2019	2020	2021	2022	2023	Total
Lennar	**Total**	**221**	**363**	**205**	**673**	**1,314**	**958**	**3,734**
	Cerberus/FirstKey	108	30	48	224	544	44	998
	Tricon	61	163	15	50	142	239	670
	Progress Residential	15	9			160	406	590
	Transcendent		54	20	50	186	39	349
	AMH	17	36	99	166	21		339
	Invitation Homes		27	22	70	47	81	247
	Amherst Group	20	25	1	9	88	82	225
	Other Large Investor				55	65	5	125
	Other Mid-tier Investor		19		49	61	62	191
LGI Homes	**Total**	**405**	**436**	**509**	**1,002**	**880**	**285**	**3,517**
	Amherst Group	128	287	271	399	138	12	1,235
	American Homes 4 Rent	240	84	141	63	31	19	578
	Tricon	23	55	18	77	122	115	410
	Transcendent			11	173	154	2	340
	Fundrise, LLC				92	160	1	253
	CF KL Assets LLC			53	94	29	29	205
	Other Large Investor	14	10	15	88	171	82	380
	Other Mid-tier Investor				16	75	25	116
Meritage Homes	**Total**	**1**		**7**	**37**	**912**	**335**	**1,292**
	Progress Residential			5		322	234	561
	Amherst Group				4	323	3	330
	Tricon				4	216	98	318
	Other Large Investor	1		2	29	36		68
	Other Mid-tier Investor					15		15

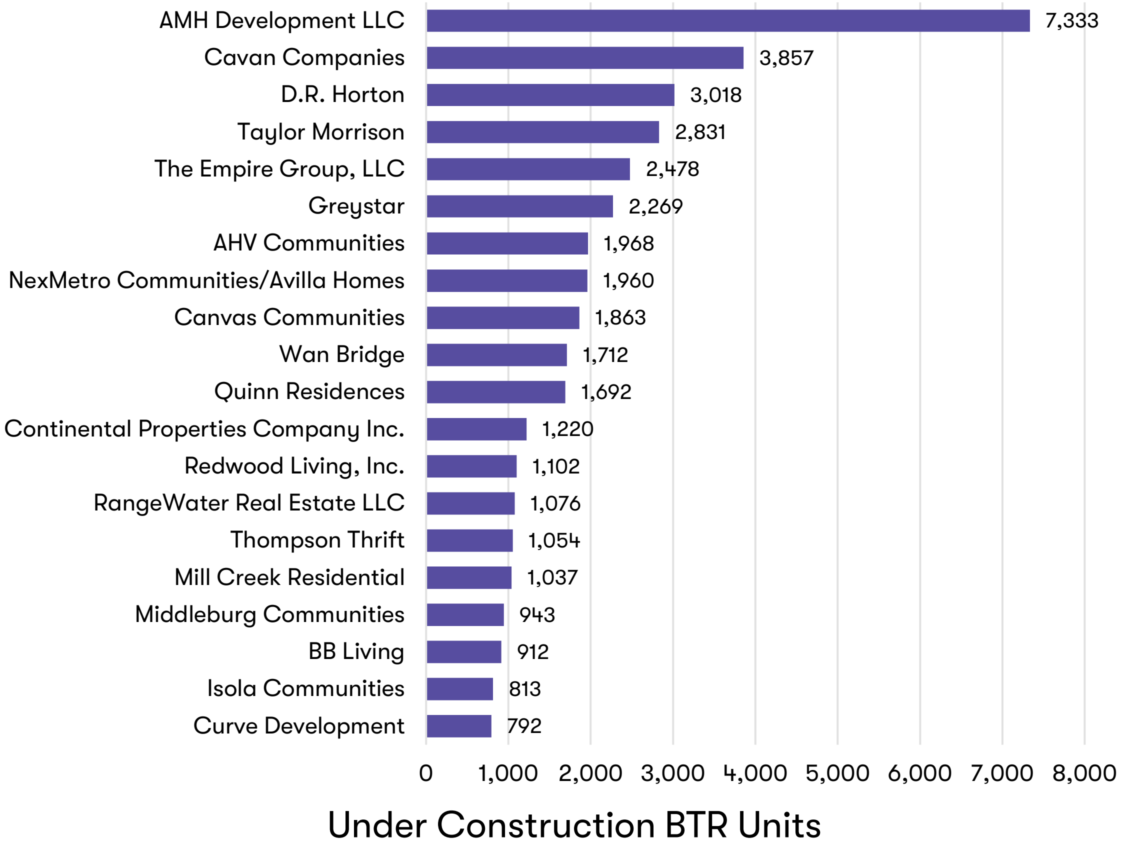
Builder	Investor	2018	2019	2020	2021	2022	2023	Total
DR Horton	**Total**	**127**	**79**	**126**	**284**	**394**	**42**	**1,052**
	Hudson Advisors				74	119	4	197
	Transcendent Investment Management		10	36	50	89		185
	Cerberus/FirstKey	75	35	3		2		115
	Invitation Homes		5	20	41	25	7	98
	Other Large Investor	33	24	63	106	113	14	353
	Other Mid-tier Investor	19	5	4	13	46	17	104
Century Communities	**Total**	**49**	**49**	**185**	**458**	**573**	**147**	**1,461**
	CF KL Assets LLC			129	131	169	77	506
	Transcendent Investment Management			10	183	249	28	470
	Progress Residential	30	19	15	81		9	154
	Tricon	1	16	10	11	50	18	106
	Other Large Investor	1	5	6	14	20	2	48
	Other Mid-tier Investor	17	9	15	38	85	13	177
Ashton Woods Homes	**Total**	**7**	**91**	**137**	**265**	**424**	**129**	**1,053**
	Fundrise, LLC				206	267		473
	Progress Residential			5	19	36	85	145
	Amherst Group		41	85				126
	Coronado West		12	16	8	53	17	106
	Other Large Investor	6	38	31	18	50	14	157
	Other Mid-tier Investor	1			14	18	13	46
Stanley Martin Homes	**Total**	**2**			**5**	**446**	**445**	**898**
	Cerberus/FirstKey					218	444	662
	Fundrise, LLC					161		161
	Other	2			5	67	1	75

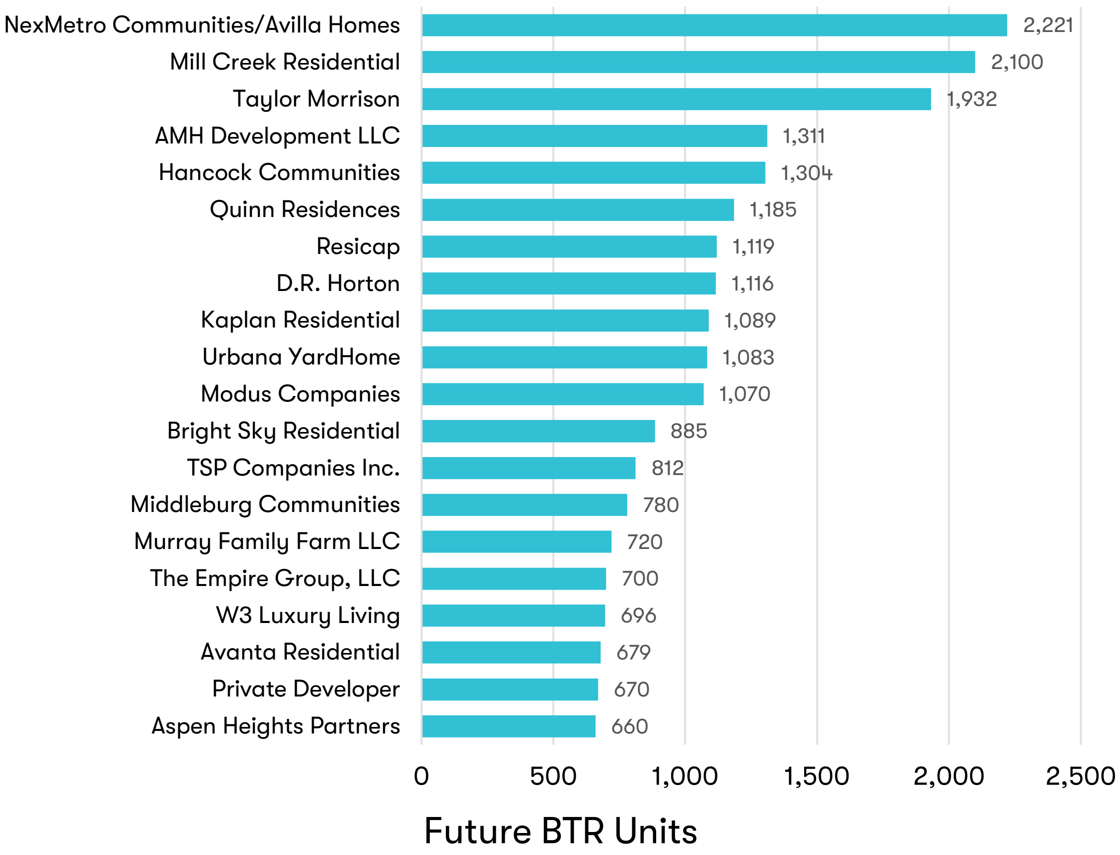
Note: This analysis includes what Zonda has estimated as a sample of total transaction volume.

Data source: **Zonda; Deed transactions**

Zonda Research

Most Active BTR Developers





Note: Active is defined as stabilized; Under Construction is defined as being actively built but not yet complete.; Future is defined as planned or pre-planned.

Data source: **Zonda**

Zonda Research

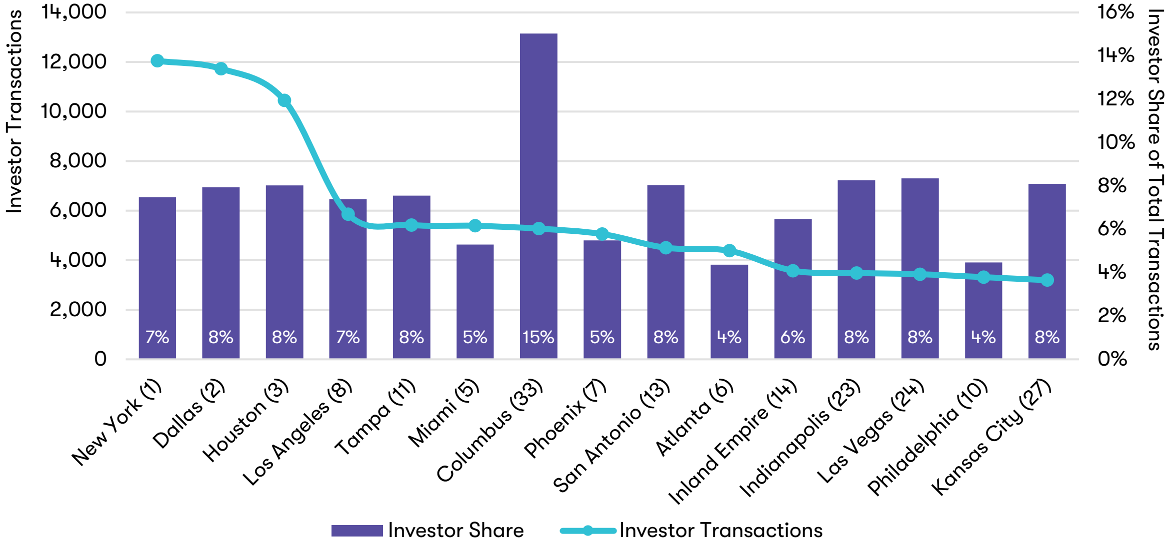
Investors continue to increase their concentration in the entry-level space

In traditionally more affordable markets, investors are heavily focused on the entry-level segment of the market. In more expensive parts of the country like New York, Los Angeles, and Miami, investors are split between entry-level and move up segments.

Top SFR Investor Markets and Product Segment

	Product Segment			
Market	Entry-Level	Move Up	High End	Luxury
New York	39.0%	33.3%	18.8%	9.0%
Dallas	58.9%	29.9%	7.1%	4.0%
Houston	56.0%	29.4%	10.0%	4.6%
Los Angeles	33.7%	36.3%	19.3%	10.6%
Tampa	56.3%	27.6%	10.7%	5.5%
Miami	40.9%	34.3%	17.5%	7.4%
Columbus	39.9%	41.4%	13.8%	4.9%
Phoenix	52.6%	26.2%	13.0%	8.2%
San Antonio	60.7%	28.6%	7.2%	3.6%
Atlanta	63.3%	23.8%	8.6%	4.4%
Inland Empire	53.2%	24.0%	13.5%	9.4%
Indianapolis	69.1%	23.2%	5.0%	2.7%
Las Vegas	51.1%	31.1%	12.3%	5.5%
Philadelphia	70.6%	18.6%	7.6%	3.3%
Kansas City	66.1%	24.7%	5.9%	3.3%

Top SFR Investor Markets vs. Overall Transaction Rankings



The above chart is ordered by the top SFR investor markets. The ( ) shows each markets ranking of total transactions, the summation of investors and primary/non-investment properties. Mid-size markets such as Columbus, OH, Kansas City, Las Vegas, and Indianapolis attracts a larger percentage (~8%+) of investors as compared to overall volume.

Note: Transaction data as of 2023. Market data includes entire CBSA. Product segments vary by market based on closing price. Entry-Level is defined as up the 40th percentile, move-up is defined as the 40th to 80th percentile, high end is defined as the 80th to 95th percentile, luxury is defined as greater than the 95th percentile.

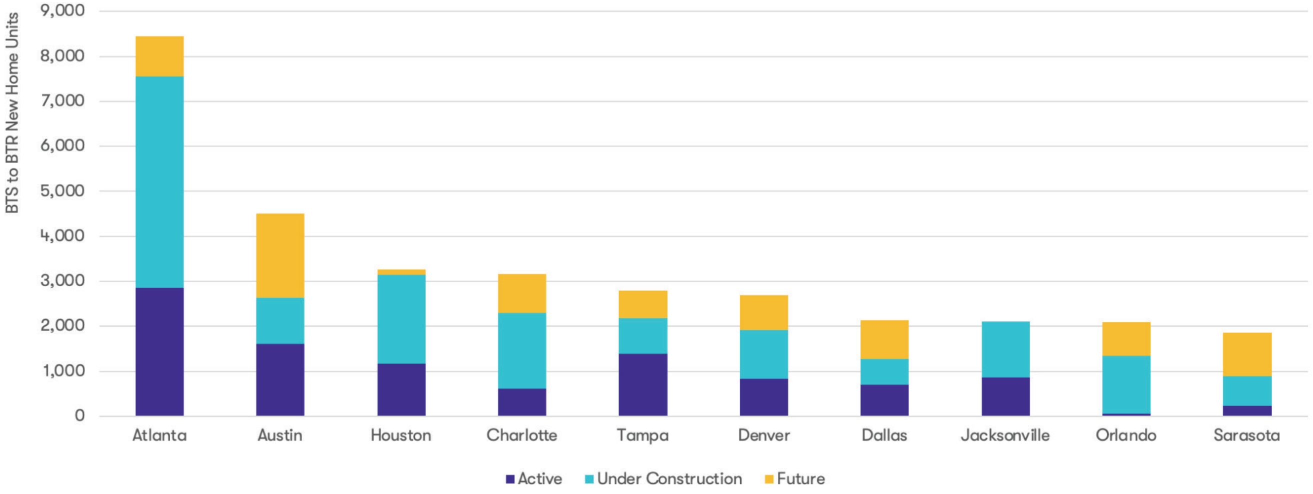
Data source: **Zonda; Deed transactions**

Zonda Research

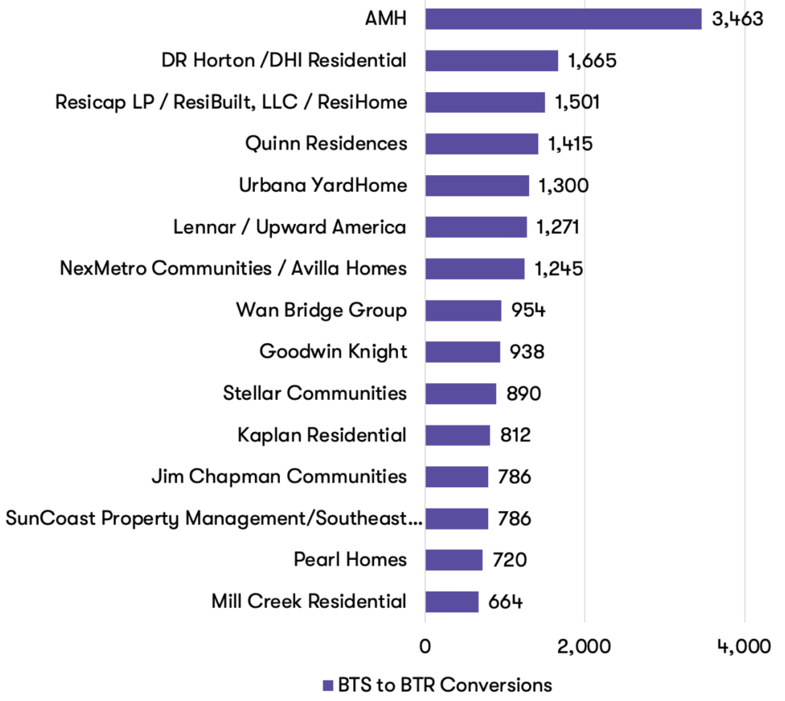
Conversion of communities from for-sale to for-rent based on market dynamics

Nearly 50,000 Units Have Shifted from Build for Sale to Build for Rent – Atlanta is #1

Zonda has identified nearly 50,000 units across 395 communities shifting from Built for Sale to Built for Rent. In many markets, there has been an increased demand for rental properties due to factors such as changing demographics, affordability challenges, and lifestyle preferences. This growing demand has encouraged developers to shift their focus from building homes for sale to constructing purpose-built rental units.



Who is Purchasing BTS or BTR?



Note: BTS to BTR communities are identified as initial new for-sale communities based on Platt map submissions to municipalities. During Zonda's audit of new Platt submissions and existing communities tracked, Zonda identified a use case shift from a for-sale to a for-rent community. These use case shifts are identified as a conversion from BTS to BTR. Active is defined as stabilized; Under Construction is defined as being actively built but not yet complete; Future is defined as planned or pre-planned.

Data source: **Zonda**

SF REITS Earnings calls 4Q 2023

Trends to Watch – Acquisitions and Dispositions

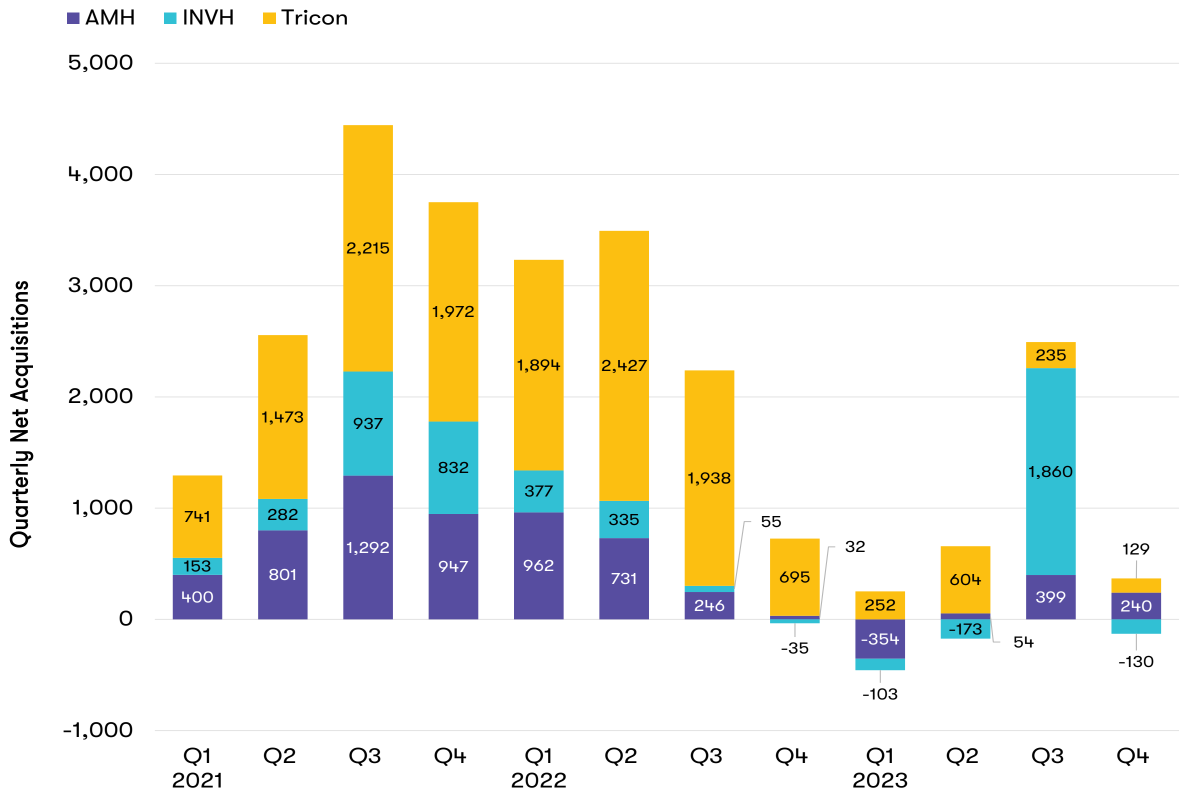
After acquiring 1,900 homes from Starwood in 3Q23, one of the largest acquisitions for the company in recent years, Invitation Homes was a net negative acquirer of single-family rental homes in 4Q23, returning to a position they held from 4Q22 to 2Q23. In its last quarter before agreeing to be taken private, TCN remained a net positive acquirer of SFR properties in 4Q23 but had its lowest volume of net acquisitions over the past few years. Similarly, AMH remained a net positive acquirer of SFR homes in 4Q23 but also by a relatively modest volume and lower compared to 3Q23. The majority of AMH's acquisitions in 4Q23 were AMH development properties, as their traditional and national builder acquisition channels continue to be largely on pause, primarily due to the current cost of capital.

Performance Metric Summary

In 2023 Q4, the three primary publicly traded single-family rental REITs who own and manage 180,220 homes reported the following same-home results:

- 96.9% same-home occupancy, compared to 97.0% last quarter and 97.2% one year ago
- 2.2% same-home new lease rent growth, compared to 6.2% last quarter and 8.0% one year ago
- 6.6% same-home renewal rent growth, compared to 6.8% last quarter and 8.6% one year ago
- $2,153 same-home average monthly rent, compared to $2,129 last quarter and $2,038 one year ago
- 67.1% same-home NOI margins, compared to 66.0% last quarter and 67.0% one year ago
- 23.7% same-home annualized turnover, compared to 24.2% last quarter and 22.2% one year ago

Single-Family REIT Acquisitions and Dispositions



Data source: **Zonda; SFR REIT filings/transcripts**

Zonda Research

BTR Project Status

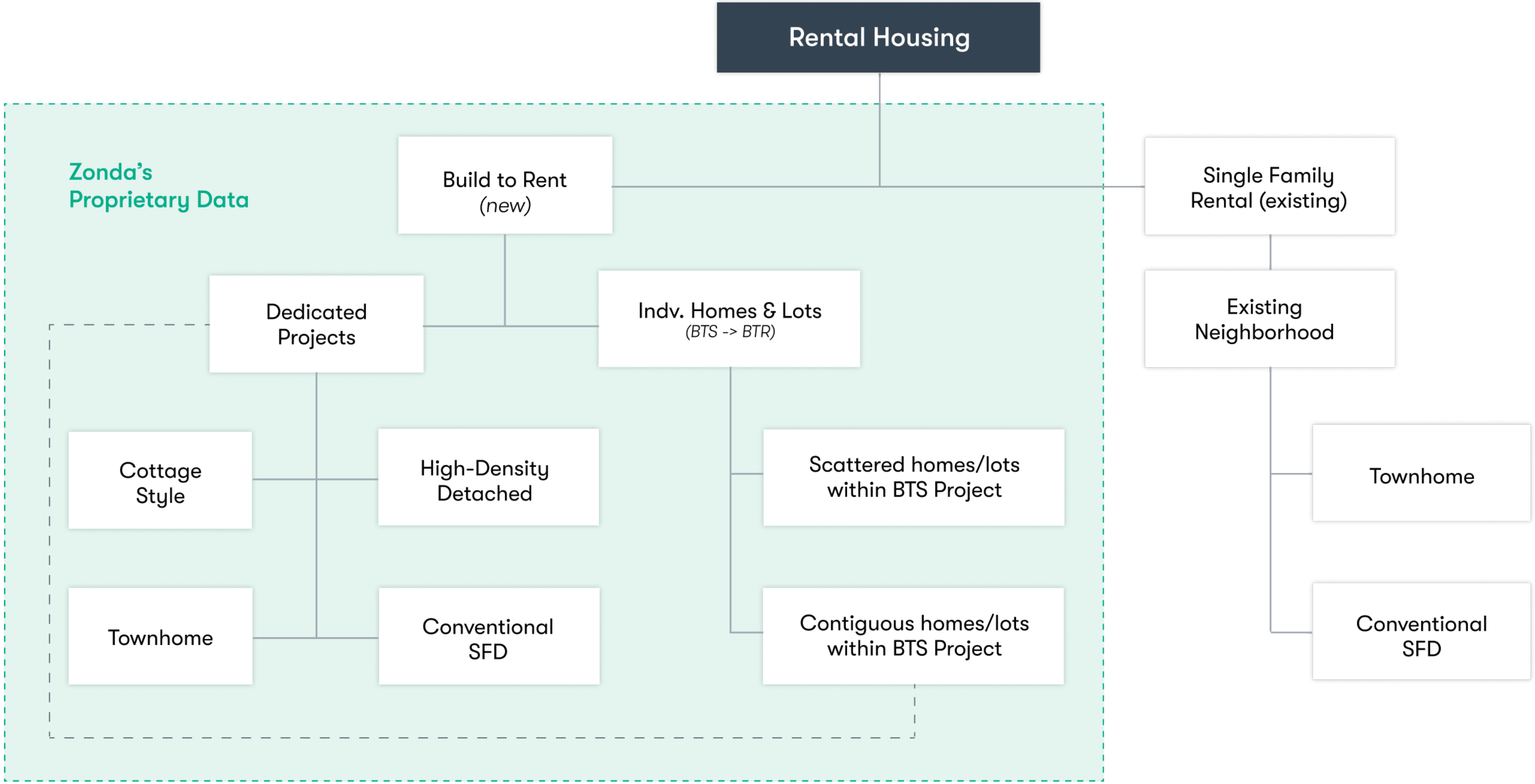
Market	Total BTR Units (a + b + c)	Active BTR (a)	Active as a Share of Rental Market	U/C BTR (b)	U/C Share of Rental Market	Future BTR Likely to Covert (c)	Future BTR Likely to Convert Share of Rental Market	Total Future BTR	Total Future BTR as Share of Rental Market
Phoenix	34,902	11,692	4.0%	19,648	36.1%	3,562	2.6%	14,247	10.3%
Dallas	21,122	6,378	1.1%	13,207	24.4%	1,537	1.6%	6,147	6.3%
Atlanta	16,143	6,566	1.7%	8,410	24.7%	1,167	2.4%	4,667	9.5%
Houston	10,207	3,224	0.6%	6,624	21.0%	359	0.8%	1,435	3.0%
Charlotte	10,279	4,078	2.4%	4,755	13.6%	1,446	2.9%	5,783	11.7%
Jacksonville	6,420	2,995	3.5%	3,315	24.6%	110	0.8%	438	3.2%
Austin	8,104	3,464	1.5%	3,491	7.8%	1,149	1.8%	4,596	7.3%
Tampa	5,783	2,636	1.6%	2,123	13.8%	1,024	3.6%	4,094	14.6%
San Antonio	7,195	2,883	1.7%	4,210	23.4%	102	0.5%	408	2.1%
Denver	5,547	1,347	0.6%	3,206	10.8%	994	1.8%	3,974	7.1%
Orlando	5,295	1,621	0.9%	2,711	13.3%	963	1.7%	3,850	6.8%
Nashville	3,458	2,148	1.7%	1,290	5.3%	20	0.0%	81	0.1%
Myrtle Beach	2,080	1,365	12.4%	562	7.8%	153	2.5%	612	10.0%
Sarasota	4,328	1,561	5.3%	2,397	29.9%	370	3.2%	1,481	12.7%
Salt Lake City	3,382	1,500	2.0%	1,766	12.4%	116	0.5%	464	1.8%
Las Vegas	2,724	1,317	0.8%	1,215	11.7%	192	3.5%	769	13.9%
Columbus	3,728	2,070	1.5%	1,486	11.4%	172	0.7%	686	3.0%
Twin Cities	3,591	851	0.6%	2,493	21.2%	247	0.9%	989	3.6%
Boise	3,643	1,315	7.0%	2,160	40.9%	168	1.7%	671	6.7%
Savannah	2,897	803	3.5%	2,022	53.7%	72	3.5%	286	13.8%
Raleigh	2,659	1,062	0.7%	1,087	4.4%	510	0.8%	2,041	3.2%
Greenville, SC	2,464	1,825	3.6%	552	19.0%	87	1.6%	347	6.4%
CO Springs	3,008	778	2.3%	1,949	23.9%	281	3.8%	1,124	15.3%
Indianapolis	2,915	1,607	1.3%	955	10.7%	353	3.0%	1,412	12.0%
Chicago	2,479	224	0.1%	2,112	20.2%	143	0.4%	572	1.6%

Note: The Rental Market is defined as all rental units in a CBSA . Active is defined as stabilized; Under Construction is defined as being actively built but not yet complete.; Future is defined as planned or pre-planned. Future BTR Likely to Convert (c) is calculated at 25% of future units.

Data source: **Zonda**

Methodology

Rental Housing Universe – By Product



Data source: **Zonda**

Build-to-Rent – as Defined by Zonda

- **Zonda defines Build-to-Rent product** as either a newly constructed unit that was built with the intention of being a rental home or a newly constructed unit that was purchased by a corporation with the intention of renting the product to a consumer.
- **Zonda defines a Build-to-Rent** community as either a purpose-built rental community or a recently-built for-sale community that has converted to rental units. Build-to-Rent unit configuration is defined as detailed below.

	Cottage-Style	Townhomes	High-Density Detached	Conventional Single-Family
Unit Configuration	Detached (2BR); Duplex (1BR)	Rowhomes; Duplex	Non-conventional land plan (alley load, cluster, zero lot)	Detached most like for-sale SFD
Unit Above/Below	No	Typically, No	No	No
# of Floors	1	1+	1+	1+
Shared Wall	Up to 1	Up to 2	No	No
Density	10-14 du/ac	8-14 du/ac	10-12 du/ac	5-10 du/ac
Lot Size	N/Av	Yes	=< 4,000 SF	>= 4,000 SF
Parking	Detached Garage (1-2 car) or Carport; Surface Parking; 1-car Tandem	Direct Access Garage (1-2 car); Surface Parking; Carport	Direct Access Garage (1-2 car)	Front/Side-Load Direct Access Garage (2-car)
Rear Yard	Yes; Small	Some; Small	Some; Small	Yes
Front Yard	No	No	No	Yes
Driveway	No	Some	Some; Small	Yes

Data source: **Zonda**

Zonda Research

Existing Single-Family Rental – as Defined by Zonda

- **Zonda defines single-family** as homes located within existing (not new construction) for-sale neighborhoods.
- **Zonda defines single-family rental product** as most typically, a conventional single-family detached home. However, single-family rental product can include higher-density single-family detached product or townhomes.
- **Zonda defines five primary owner types of SFR rentals.**
  - Top 7 Institutional Investors/SF REITs
  - Other Large Investor
  - Mid-Tier Investor
  - Small Investor
  - Mom & Pop

Top Seven/Public Investors:
Progress Residential, Cerberus/FirstKey, Amherst Group, Tricon, Vinebrook Homes, Invitation Homes, AMH;

Large Investor:
1,000+ units

Mid-Tier Investors:
100 to 999 units

Small Investor:
10 to 99

Mom and Pop:
1 to 9 units

Data source: **Zonda**

Zonda Research

SFR and BTR Trends and the Future of Market Research

How it Started; Where We are Today; and the Future State

Past

After the Great Recession, institutions purchased SFR in bulk. Once bulk sales subsided, a need arose to build (or buy from builders) to gain scale.

SFR rent growth takes off: COVID fuels Work from Home and introduction of Build-to-Rent community concepts.

The space contains various public and private owners/operators and "mom-and-pop" investors.

Present

Zonda has built a Census, not just a Survey to define the Rental Housing space.

This data is the only of its kind available in the US and drives the unique insights behind the Rental Housing Outlook.

Future

Zonda will continue to expand its Census of build-to-rent communities both in the number of projects tracked and the metrics monitored.

Additionally, Rental Housing Outlook clients will have the ability to subscribe to the Enterprise platform which will allow them to actively track every BTR project we cover in an intuitive interface.

Data source: **Zonda**

Zonda Research

Zonda's Comprehensive Data Collection Process

Zonda's Data Tracks

Active and future projects

The Zonda Research team will track Active and Future BTR projects from inception/initial parcel identification through lease-up and stabilization.

Includes deed transactions that are identified as BTR transactions through our proprietary logic. Zonda currently tracks more than 2,400 projects.

Deed transactions

Deed Transactions focus on capturing portfolio-level activity by known Developers, Builders, and Operators of both newly constructed SF BTR and existing single-family rental portfolios.

Our proprietary methodology for analyzing deed transactions focuses on capturing all SF BTR activity, including the scattered lot SF BTR units that may not be captured through our Active Projects survey methodology.

Data source: **Zonda**

Zonda Research

Rental Housing Outlook Methodology

Then Rental Housing Outlook data research consists of surveys, transaction analysis, and listings data.

Active and future projects

The Zonda Research team will track Active and Future BTR projects from inception/initial parcel identification through lease-up and stabilization. Includes deed transactions that are identified as BTR transactions through our proprietary logic.

Deed transactions

Deed Transactions focus on capturing portfolio-level activity by known Developers, Builders, and Operators of both newly constructed SF BTR and existing single-family rental portfolios. Our proprietary methodology for analyzing deed transactions focuses on capturing all SF BTR activity, including the scattered lot SF BTR units that may not be captured through our Active Projects survey methodology.

We track 100 of the top CBSA housing markets, Geographies included:

Albuquerque, NM, Allentown-Bethlehem-Easton, PA-NJ, Atlanta-Sandy Springs-Alpharetta, GA, Augusta-Richmond County, GA-SC, Austin-Round Rock-Georgetown, TX, Baltimore-Columbia-Towson, MD, Boise City, ID, Boulder, CO, Cape Coral-Fort Myers, FL, Charleston-North Charleston, SC, Charlotte-Concord-Gastonia, NC-SC, Chicago-Naperville-Elgin, IL-IN-WI, Cincinnati, OH-KY-IN, Cleveland-Elyria, OH, Colorado Springs, CO, Columbia, SC, Columbus, OH, Dallas-Fort Worth-Arlington, TX, Deltona-Daytona Beach-Ormond Beach, FL, Denver-Aurora-Lakewood, CO, Durham-Chapel Hill, NC, Flagstaff, AZ, Fort Collins, CO, Fresno, CA, Gainesville, FL, Gainesville, GA, Greeley, CO, Greenville-Anderson, SC, Hilton Head Island-Bluffton, SC, Houston-The Woodlands-Sugar Land, TX, Indianapolis-Carmel-Anderson, IN, Jacksonville, FL, Jacksonville, FL , Jefferson, GA, Killeen-Temple, TX, Lakeland-Winter Haven, FL, Las Vegas-Henderson-Paradise, NV, Los Angeles-Long Beach-Anaheim, CA, Miami-Fort Lauderdale-Pompano Beach, FL, Minneapolis-St. Paul-Bloomington, MN-WI, Myrtle Beach-Conway-North Myrtle Beach, SC-NC, Naples-Immokalee-Marco Island, FL, Nashville-Davidson--Murfreesboro--Franklin, TN, New York-Newark-Jersey City, NY-NJ-PA, North Port-Sarasota-Bradenton, FL, Ocala, FL, Ogden-Clearfield, UT, Oklahoma City, OK, Olympia-Lacey-Tumwater, WA, Orlando-Kissimmee-Sanford, FL, Palm Bay-Melbourne-Titusville, FL, Philadelphia-Camden-Wilmington, PA-NJ-DE-MD, Phoenix-Mesa-Chandler, AZ, Port St. Lucie, FL, Portland-Vancouver-Hillsboro, OR-WA, Prescott Valley-Prescott, AZ, Provo-Orem, UT, Punta Gorda, FL, Raleigh-Cary, NC, Reno, NV, Richmond, VA, Riverside-San Bernardino-Ontario, CA, Rome, GA, Sacramento-Roseville-Folsom, CA, Salisbury, MD-DE, Salt Lake City, UT, San Antonio-New Braunfels, TX, San Diego-Chula Vista-Carlsbad, CA, San Francisco-Oakland-Berkeley, CA, Santa Rosa-Petaluma, CA, Savannah, GA, Seattle-Tacoma-Bellevue, WA, Sebastian-Vero Beach, FL, Sherman-Denison, TX, Spartanburg, SC, Tampa-St. Petersburg-Clearwater, FL, The Villages, FL, Tucson, AZ, Washington-Arlington-Alexandria, DC-VA-MD-WV, Winchester, VA-WV, Winston-Salem, NC.

Data source: **Zonda**

Zonda Research

Project specific data available on the Zonda Portal

Project Name	CBSA	City, State	Developer	Total Units	Product Type(s)	Property Manager	Construction Status
ABODE at Litchfield Park	Phoenix-Mesa-Scottsdale, AZ	Litchfield Park, AZ	Heitman LLC	135	Cottages	Greystar	Completed
Acero 202 & Elliot	Phoenix-Mesa-Scottsdale, AZ	Phoenix, AZ	IDM Companies	36	Cottages	-	Proposed
Amavi Aster Ridge	Phoenix-Mesa-Scottsdale, AZ	Phoenix, AZ	Mill Creek Residential	177	TH	-	U/C
Ara Residences	Phoenix-Mesa-Scottsdale, AZ	Phoenix, AZ	ARA Residences LLC	50	TH	AMC Apartment Management	Completed
Arise North Phoenix	Phoenix-Mesa-Scottsdale, AZ	Phoenix, AZ	Family Development	170	Cottages	-	U/C
Arrebol Villas	Phoenix-Mesa-Scottsdale, AZ	Goodyear, AZ	Isola Communities	230	Cottages	-	U/C
Arroyo Verde	Phoenix-Mesa-Scottsdale, AZ	Buckeye, AZ	AMH Development LLC	400	SFD	AMH Development	U/C
Ascent at Canyon Trails	Phoenix-Mesa-Scottsdale, AZ	Goodyear, AZ	FFH Rental I LLC	0	TH / SFD	-	Proposed
Avanterra Queen Creek	Phoenix-Mesa-Scottsdale, AZ	Queen Creek, AZ	Continental Properties Company Inc.	130	SFD	Avanterra Homes	U/C
Avanterra Town Square	Phoenix-Mesa-Scottsdale, AZ	Gilbert, AZ	Continental Properties Company Inc.	102	SFD	Avanterra Homes	U/C
Avilla Broadway	Phoenix-Mesa-Scottsdale, AZ	Tolleson, AZ	NexMetro Communities/Avilla Homes	117	Cottages	Avilla Homes	U/C
Avilla Camelback Ranch	Phoenix-Mesa-Scottsdale, AZ	Phoenix, AZ	NexMetro Communities/Avilla Homes	127	Cottages	MEB Management Services	Completed
Avilla Canyon	Phoenix-Mesa-Scottsdale, AZ	Phoenix, AZ	NexMetro Communities/Avilla Homes	211	Cottages	MEB Management Services	Completed
Avilla Deer Valley	Phoenix-Mesa-Scottsdale, AZ	Phoenix, AZ	NexMetro Communities/Avilla Homes	125	Cottages	MEB Management Services	Completed
Avilla Enclave	Phoenix-Mesa-Scottsdale, AZ	Mesa, AZ	NexMetro Communities/Avilla Homes	96	Cottages	MEB Management Services	Completed
Avilla Grand	Phoenix-Mesa-Scottsdale, AZ	El Mirage, AZ	NexMetro Communities/Avilla Homes	267	Cottages	MEB Management Services	U/C

Download here the Index from our Zonda Portal ↓

Data source: **Zonda**

Zonda Research

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