



BURNS

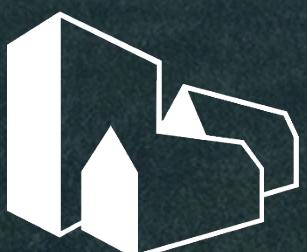
Single-Family Rental Analysis and Forecast

Published December 20, 2022

Contents

| | |
|------------------------------------|-----|
| Executive summary..... | 4 |
| Build to rent overview..... | 19 |
| Demand..... | 58 |
| Supply..... | 87 |
| Affordability..... | 101 |
| Macro drivers..... | 115 |
| Distress/investors/mortgage credit | 147 |
| Preferences and demographics..... | 159 |
| SFR market data sheets..... | 176 |

**John Burns
Real Estate
Consulting**



Our team

The team members below prepared this report. Please contact any of them with questions, feedback, or requests for more information.



Analysis

Rick Palacios, Jr.
Managing Principal, Dir. of Research
rick@jbrec.com
(949) 246-2695



Analysis

Danielle Nguyen
Senior Manager, Research
dnguyen@jbrec.com
(949) 870-1247



Analysis

Ian Miller
Research Analyst I
imiller@jbrec.com



Data

Avery Blackman
Research Analyst II
abblackman@jbrec.com



Data

Trevor Tetzlaff
Director, Data Insights
ttetzlaff@jbrec.com
(949) 870-1248



Data

Steve Dutra
Chief Information Officer
steved@jbrec.com
(949) 870-1227

Editorial

Kaitlyn Schultz
Associate Editor
Ted Beam
Senior Manager, Editorial

We are expecting just 2% US SFR rent growth in 2023.

Rent growth is moderating off recent highs in many top markets. However, the overall supply/demand dynamics should support continued rent growth in 2023 and beyond—albeit likely less robust than in recent years.

Key metrics and factors we're watching closely that fuel our deceleration thesis:

- **Home prices are now falling in many markets** or decelerating significantly from highs seen in mid-2022.
 - SFR rental growth trends typically follow home price appreciation or depreciation shifts, though at a much lesser magnitude.
 - Although gross rental yields after property taxes have compressed since 2011, we expect yields to rise through 2025—driven by positive rent growth and falling home prices.
- **Single-family rents and/or the rate of year-over-year (YOY) rent growth have peaked in many top markets** (on new leases per our index tracking 99 markets).
 - Recent industry conversations and insights that confirm the slowdown:
 - Less traffic and lease-ups taking longer compared to insatiable demand seen the past two years
 - Rising concessions and lower asking rents. Falling demand will likely push more landlords to offer concessions in 2023, especially if job growth turns negative and the economy tips into a recession.



We are expecting just 2% US SFR rent growth in 2023.

Key metrics and factors we're watching closely that fuel our deceleration thesis:

- **Single-family rent-to-income ratios are at all-time highs for many top SFR markets,** limiting tenants from taking on double-digit rent increases—supporting rents cooling off in 2023.
- **Large spike in SFR supply hitting the market from a few different avenues:**
 - **Would-be sellers are pivoting to renting out their home rather than selling** at a value below what they hoped for, especially if they've locked in a low mortgage rate, which most existing owners have.
 - **Builders looking to offload inventory as the market slows**, selling to single-family rental and build-to-rent operators
 - **Rising SFR listings for some of the large SFR operators** in recent months. (See the section on [new report additions](#) on page 7.)
- **Modest job losses.** We project that 2023 and 2024 will see modest negative employment growth coming off two years of record growth.
 - A modest jobs pullback has repeatedly been signaled by the Fed as part of its recipe for taming 40-year-high inflation.

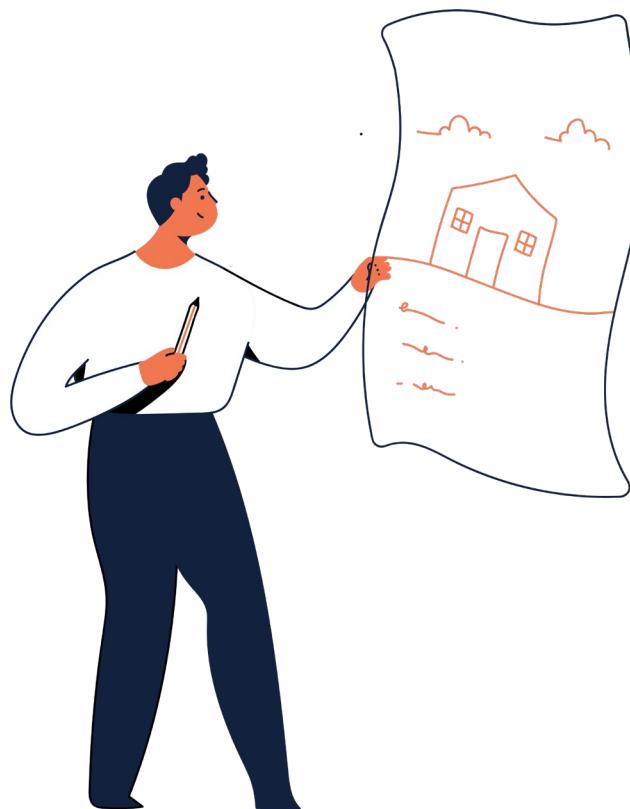


Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

At the national level (roll-up of 99 SFR markets), the SFR industry tends to perform relatively well during recessions compared to other real estate asset classes.

Nationally, we expect single-family new lease effective rent growth to decelerate in 2023–2024, though stay positive through 2025.

- The divergence in performance for single-family new lease effective rent growth between the top 20 SFR markets compared to our national 99-market roll-up is close to the largest spread we've ever seen going back to 1985:
 - National (99 market roll-up) single-family rents are up +6.8% YOY as of October 2022.
 - For the top 20 SFR markets, new lease rents are **up +10.0% YOY**.



We expect single-family new lease effective **rent growth to range from -2% to 4% in 2023** across the top 20 SFR markets, decelerating significantly from the solid rent growth we expect in 2022.



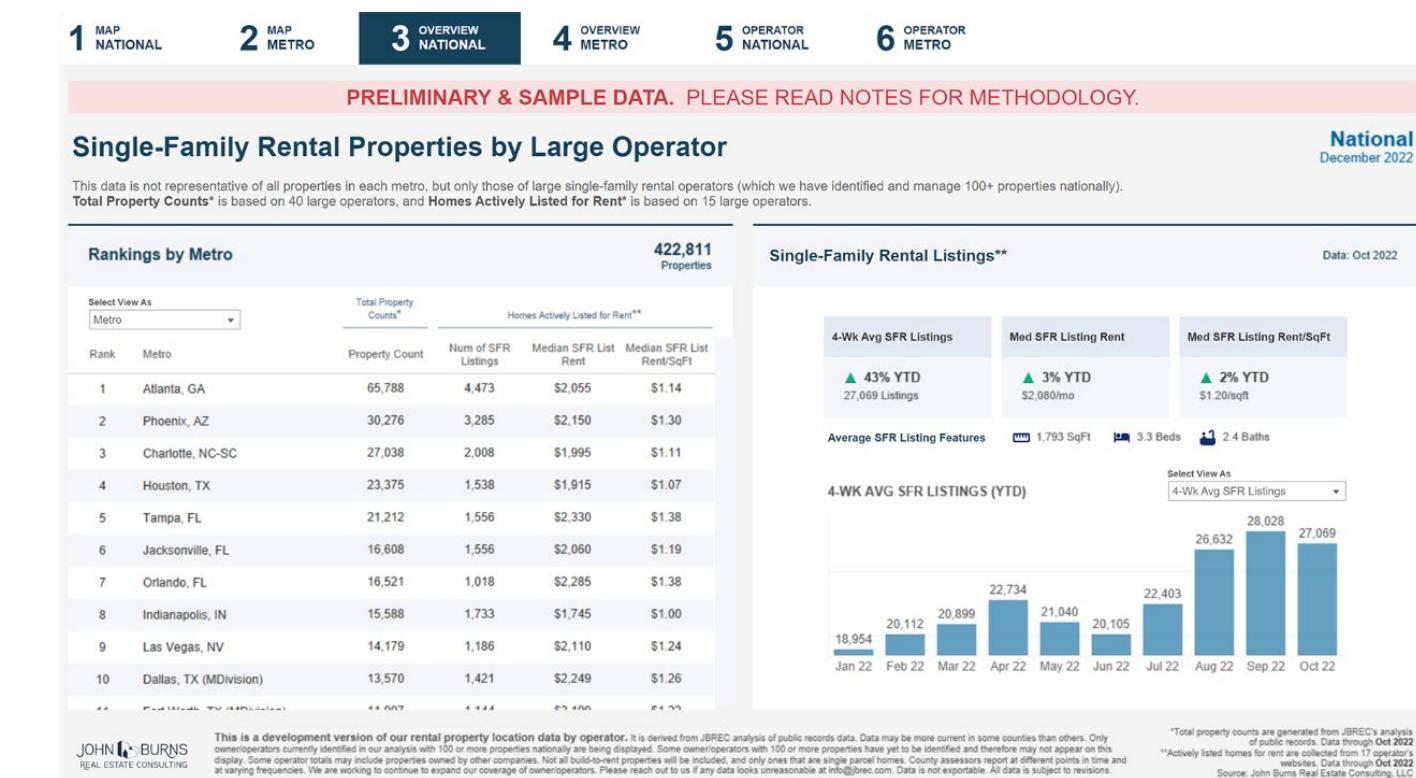
As a reminder, our annual forecasts represent what we expect new lease rents to do from December to the following December each year.

As a reminder, our Burns Single-Family Rent Index (BSFRI) is a weighted average of the 99 single-family markets we cover. The broad 99-market sample helps explain the gap between what large institutional operators have been reporting on overall new leases (often double-digit growth), as they are typically concentrated in a handful of outperforming markets

Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

Important additions and updates to our single-family rental subscription/report this quarter:

- **Stabilized cap rate acquisition assumptions**, per the Single-Family Rental Survey we run in collaboration with the National Rental Home Council (NRHC). See [page 117](#).
- **New communities added our build-to-rent (BTR) communities map**, which now tracks 900+ dedicated BTR communities (with at least 25 homes), rising from ~761 previously
 - Check out the updated map in [Burns Interactive Dashboards](#).
 - We are currently working on producing a *coming soon* map of BTR communities that will highlight BTR communities that are under construction and/or in the pipeline.
- **Large SFR operators' footprints and key trends** (listings, rents, rents per square foot, bedroom count, bathroom count, etc.) for homes actively listed for rent by metro and operator
 - Includes improved SFR market-level portfolio distribution analysis, down to the operator/entity level found
 - [Click here](#) to view the new dashboard.



Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

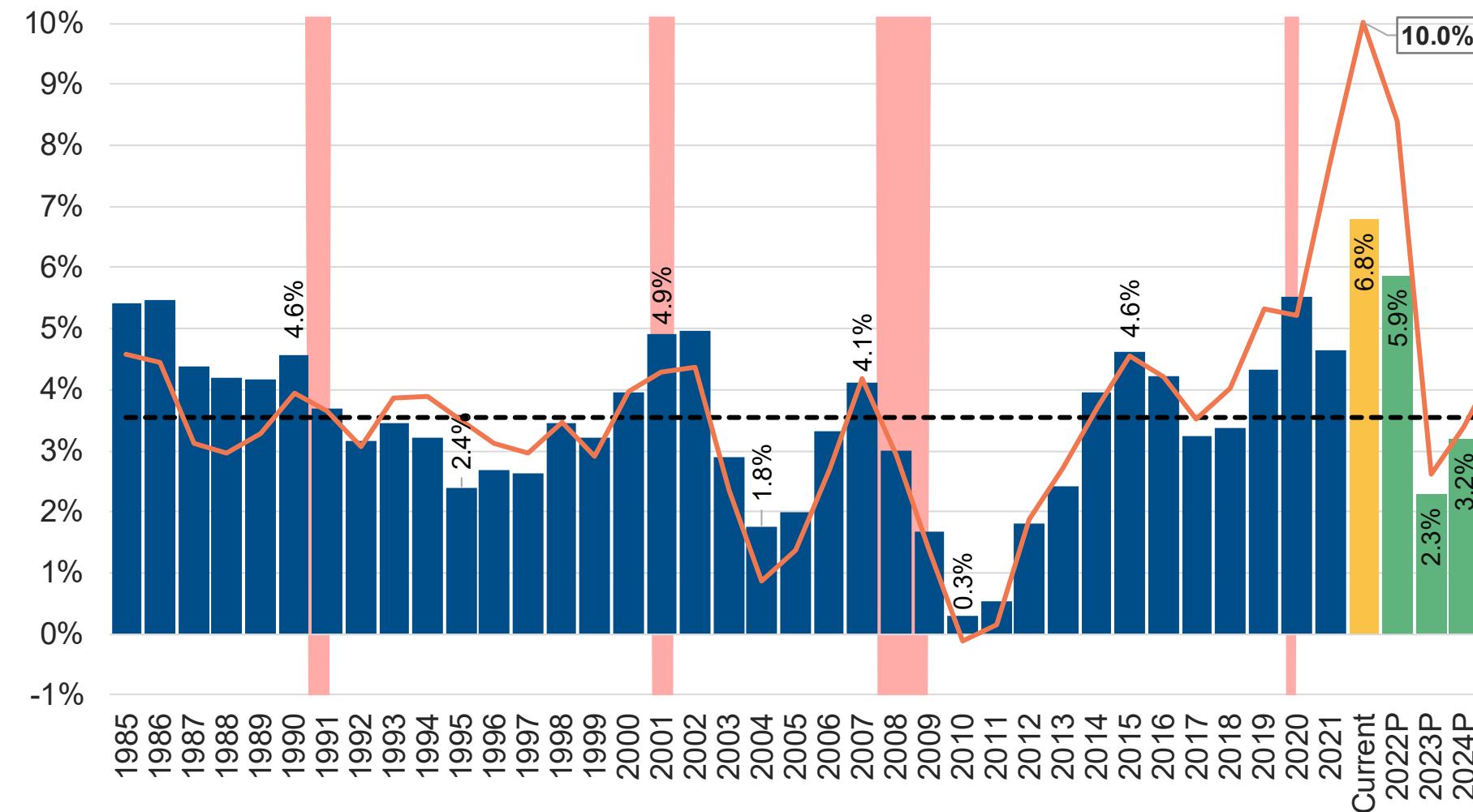
Nationally, we expect 6% new lease SFR effective rent growth for 2022. SFR rent growth should moderate in 2023–2024 but to stay positive through 2025.

Burns Single-Family Rent Index™

Single-family new lease effective rent YOY %

Forecast %
Historical average = 3.5%

US roll-up = 6.8%
Top 20 SFR markets = 10.0%



Currently, single-family new lease effective rent growth for the *top 20 SFR markets* increased 10% YOY. We also expect SFR rent growth to moderate in 2023–2024, though stay positive through 2025.

Rent growth has historically stayed positive (nationally), even in recessionary periods (shaded in pink in the graph to the left).

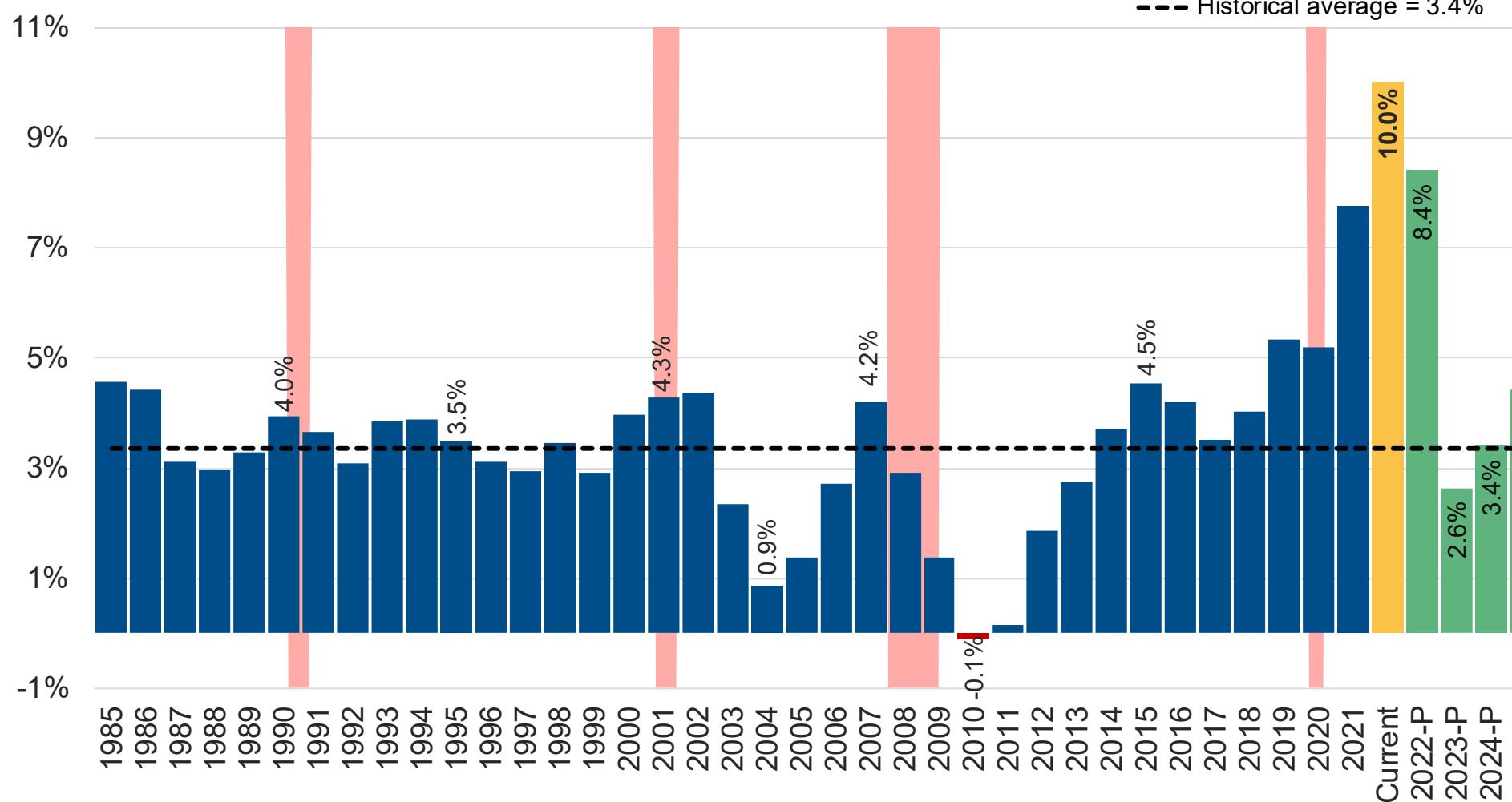
Note: Burns Single-Family Rent Index is a measure of new lease effective rent. We calculate the US roll-up based on a weighted average of 99 markets.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

Across the top 20 SFR markets, expect strong 8% new lease SFR effective rent growth in 2022 and moderating growth through 2024, before rising through 2025.

Top 20 SFR Markets: Burns Single-Family Rent Index(TM)

Single-family new lease effective rent YOY %

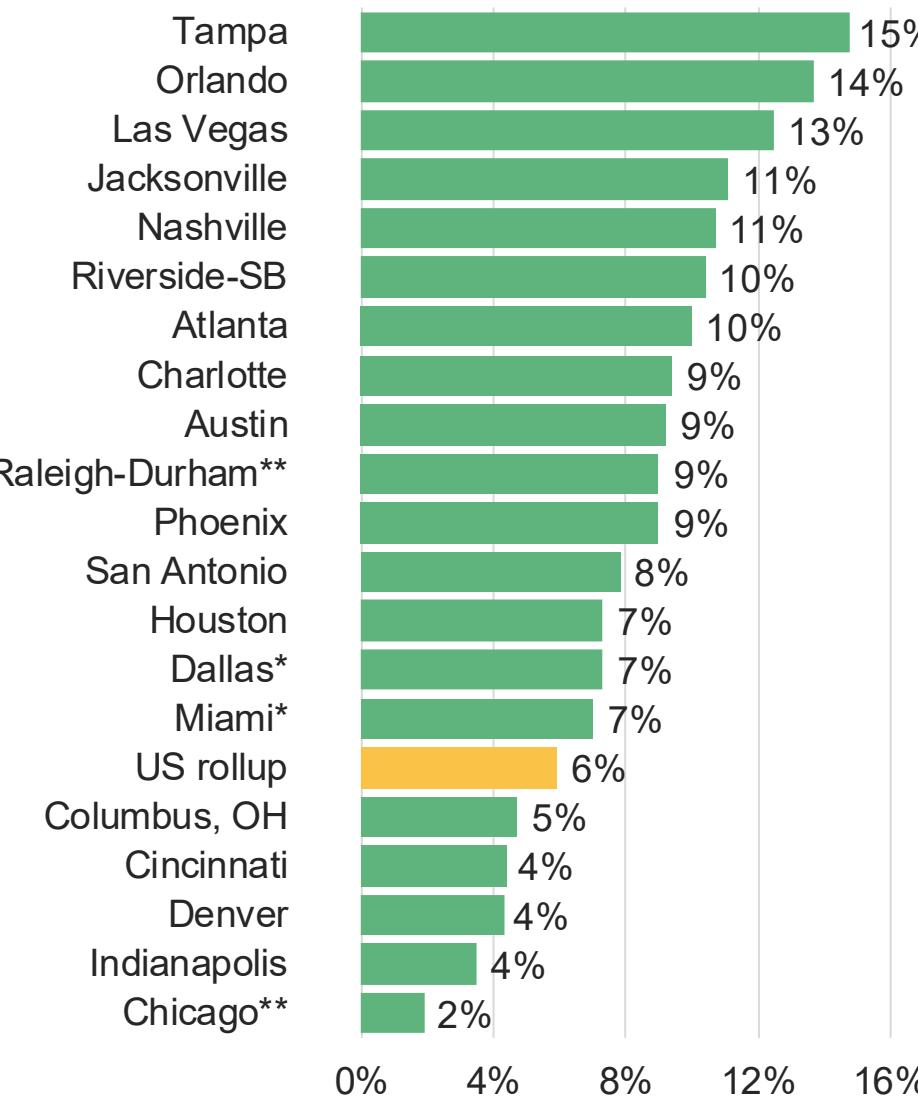


Currently, single-family new lease effective rent growth for the *top 20 SFR markets* increased 10% YOY, and we expect growth to continue through 2025.

Note: Burns Single-Family Rent Index is a measure of new lease effective rent. Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

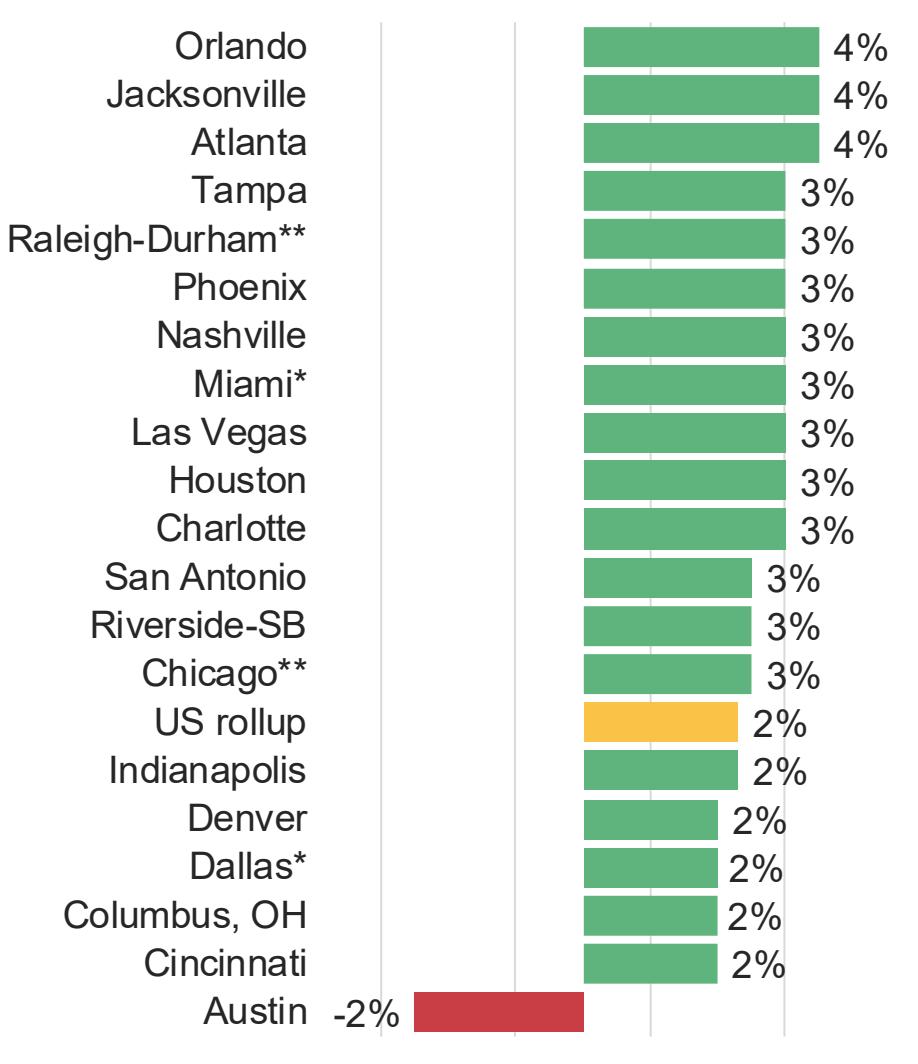
2022P: Single-Family New Lease Effective Rent Growth (Burns Single-Family Rent Index)

YOY % change 2022P



2023P: Single-Family New Lease Effective Rent Growth (Burns Single-Family Rent Index)

YOY % change 2023P



2023 SFR new lease effective rent forecasts are decelerating across top 20 SFR markets compared to one year ago, ranging for -2% to 4% YOY.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Note: Burns Single-Family Rent Index™ is a measure of new lease effective rent.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

2022P vs. 2023P: Single-Family New Lease Effective Rent Growth (Burns Single-Family Rent Index™)

| Metro | 2022P | 2023P | Difference |
|------------------|-----------|-----------|------------|
| Tampa | 15% | 3% | -12% |
| Orlando | 14% | 4% | -10% |
| Las Vegas | 13% | 3% | -10% |
| Jacksonville | 11% | 4% | -8% |
| Nashville | 11% | 3% | -8% |
| Riverside-SB | 10% | 3% | -8% |
| Atlanta | 10% | 4% | -7% |
| Charlotte | 9% | 3% | -6% |
| Austin | 9% | -2% | -12% |
| Raleigh-Durham** | 9% | 3% | -6% |
| Phoenix | 9% | 3% | -6% |
| San Antonio | 8% | 3% | -5% |
| Houston | 7% | 3% | -4% |
| Dallas* | 7% | 2% | -5% |
| Miami* | 7% | 3% | -4% |
| US rollup | 6% | 2% | -4% |
| Columbus, OH | 5% | 2% | -3% |
| Cincinnati | 4% | 2% | -2% |
| Denver | 4% | 2% | -2% |
| Indianapolis | 4% | 2% | -1% |
| Chicago** | 2% | 3% | 1% |

2023 SFR new lease effective rent forecasts are decelerating across the top 20 SFR markets compared to one year ago, ranging from -2% to 4% YOY.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

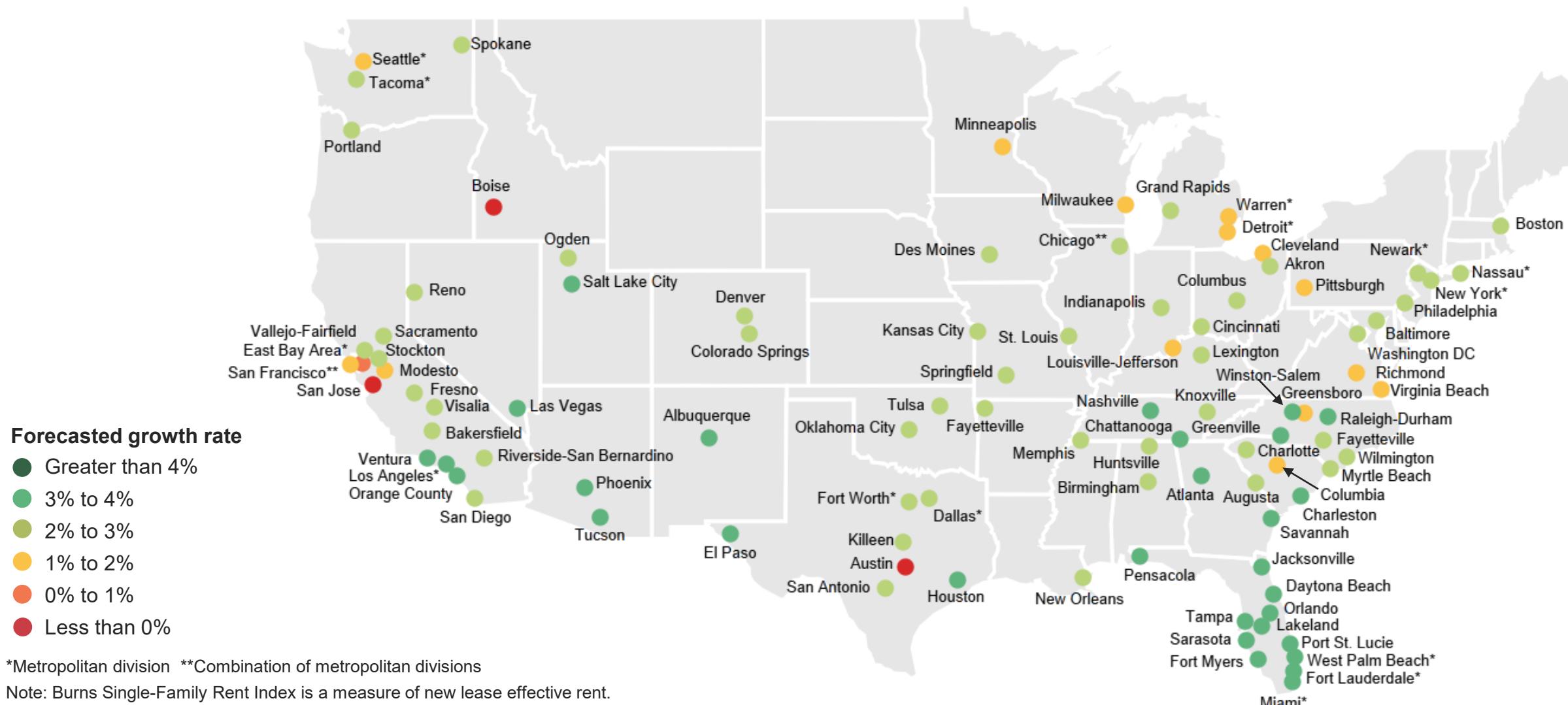
Note: Burns Single-Family Rent Index™ is a measure of new lease effective rent.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

2023 SFR new lease effective rent forecasts stay positive, though decelerating significantly from 2022. We expect Boise, San Jose, and Austin rents to fall -1%+ YOY in 2023.

2023 Forecasted Single-Family Rental YOY Growth Rate

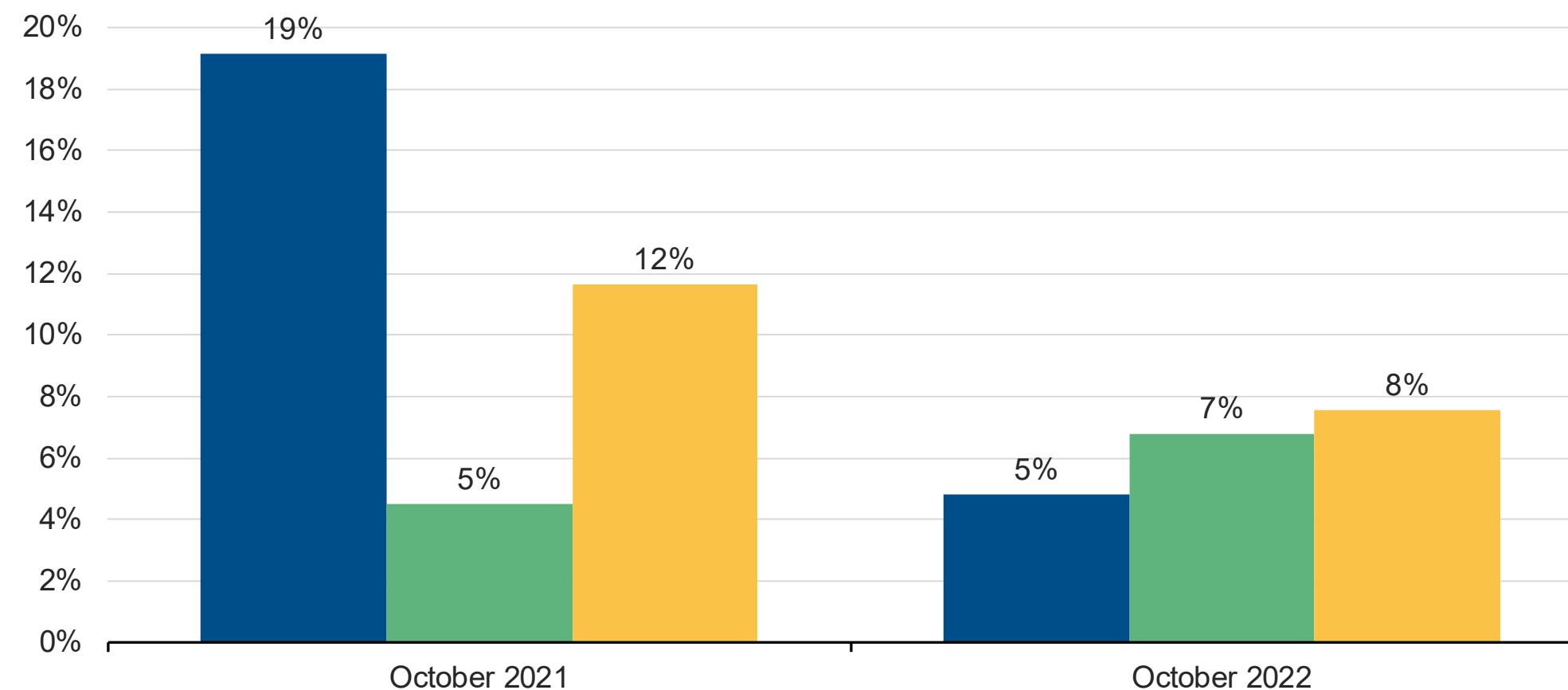
Burns Single-Family Rent Index™ is a measure of new lease effective rent; All 99 single-family rental markets.



National SFR rents on new leases are growing at 7% YOY. Apartment rents are also steady at 8% YOY. Home prices are increasing at 5% YOY, decelerating from one year ago.

Home Price Appreciation vs. Single-Family Rent vs. Apartment Rent

National YOY % change ■ Home price appreciation ■ Single-family rent growth ■ Apartment rent growth



Compared to one year ago, home price appreciation and apartment rent growth is decelerating, and we are monitoring rate impact on the housing market in the coming months.

Resale home price appreciation is our Burns Home Value Index™ weighted average roll-up of 148 markets. Data goes to November 2022.

Single-family rent is our Burns Single-Family Rent Index™ weighted average roll-up of 99 markets. Data goes to October 2022.

Apartment rent is RealPage, Inc. 139-market weighted roll-up. Data goes to October 2022.

Sources: RealPage; John Burns Real Estate Consulting, LLC (Data: Oct-22/Nov-22, Pub: Dec-22)

Entry-Level Home Payment YOY % Change vs. Burns Single-Family Rent Index™

Burns Single-Family Rent Index is a measure of new lease effective rent growth.

| Metro | Entry-Level Home Payment, % Growth YOY | Burns Single-Family Rent Index, % Growth YOY | Difference |
|----------------------|--|--|------------|
| Nashville | 57% | 13% | 44% |
| Charlotte | 56% | 11% | 44% |
| Miami* | 55% | 9% | 46% |
| Raleigh-Durham** | 54% | 10% | 44% |
| Orlando | 53% | 16% | 36% |
| Jacksonville | 52% | 13% | 39% |
| Atlanta | 50% | 12% | 39% |
| Indianapolis | 50% | 4% | 46% |
| Tampa | 49% | 17% | 32% |
| Columbus, OH | 48% | 5% | 43% |
| Denver | 46% | 5% | 41% |
| Cincinnati, OH-KY-IN | 45% | 3% | 42% |
| Riverside-San Bern. | 44% | 12% | 32% |
| US national | 43% | 7% | 37% |
| Phoenix | 43% | 12% | 31% |
| Dallas, TX* | 43% | 9% | 35% |
| Las Vegas | 43% | 15% | 28% |
| Houston | 41% | 9% | 32% |
| San Antonio | 40% | 9% | 31% |
| Chicago** | 37% | 3% | 35% |
| Austin | 27% | 11% | 16% |

**Rapidly rising mortgage
payment for entry-level buyers
is likely pricing out some
would-be home buyers, a
tailwind for the SFR industry.**

Home payment, entry-level home (mortgage): 5% down payment, 30-year fixed-rate mortgage, PITI (principal, interest, taxes and insurance) payment plus mortgage insurance payment.

Note: We base the US National rollup on a weighted average of 99 markets. Actual values may vary slightly due to rounding.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22/Nov-22, Pub: Dec-22)

Burns Single-Family Rent Index™ and Burns Home Value Index™ YOY%

| Metro | Burns Home Value Index™, YOY % | Burns Single-Family Rent Index™, YOY % | Difference |
|---------------------|-----------------------------------|---|------------|
| Miami* | 16% | 9% | 7% |
| Columbus, OH | 10% | 5% | 5% |
| Cincinnati | 8% | 3% | 5% |
| Indianapolis | 8% | 4% | 4% |
| Chicago** | 4% | 3% | 1% |
| Charlotte | 12% | 11% | 0% |
| Nashville | 13% | 13% | 0% |
| Dallas* | 8% | 9% | 0% |
| Raleigh-Durham | 9% | 10% | -1% |
| Houston | 7% | 9% | -2% |
| US national† | 5% | 7% | -2% |
| Atlanta | 9% | 12% | -2% |
| Jacksonville | 11% | 13% | -3% |
| Orlando | 13% | 16% | -3% |
| San Antonio | 6% | 9% | -3% |
| Denver | 2% | 5% | -3% |
| Tampa | 9% | 17% | -8% |
| Riverside-San Bern. | 1% | 12% | -10% |
| Phoenix | 0% | 12% | -12% |
| Austin | -5% | 11% | -16% |
| Las Vegas | -1% | 15% | -16% |

Single-family new lease effective rent growth now exceeds home value growth in most of the top SFR markets.

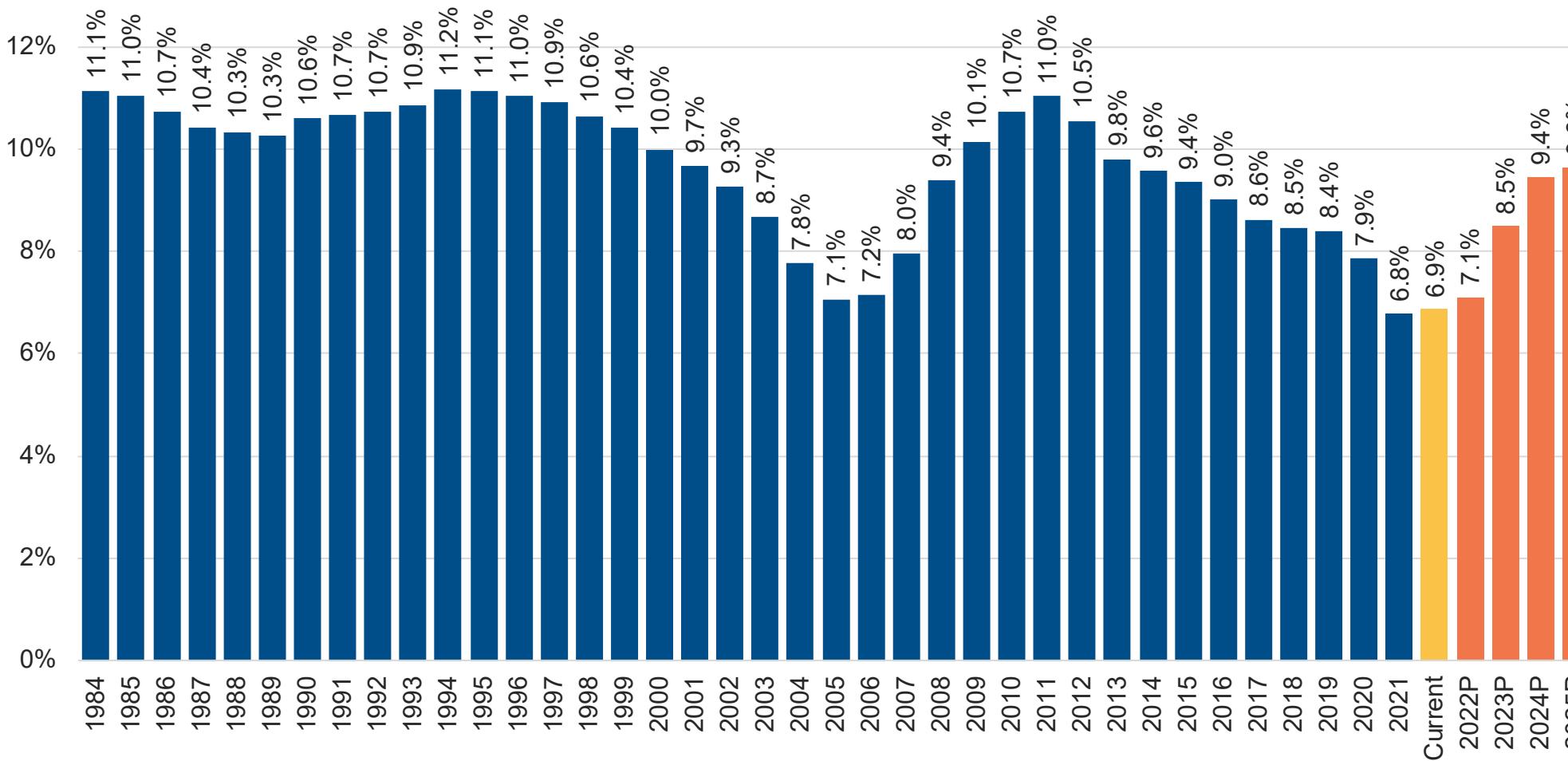
Recently, home values have significantly decelerated as rising mortgage rates impact housing demand.

Note: We base the US National rollup on a weighted average of 99 markets. Actual values may vary slightly due to rounding.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22/Nov-22, Pub: Dec-22)

Nationally, current single-family gross rental yield is 7%. Yields have compressed since 2011, largely due to rapid home price appreciation outpacing rent growth but has begun to rise as home prices cool.

Single-Family Gross Rental Yield after Property Taxes*



*Gross rental yield = percentage of home value that is the rental rate for the first year minus property taxes

Note: We base the US roll-up on a weighted average of 99 markets.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)



Click here to view single-family gross rental yield by metro on Burns Interactive Dashboards.

Single-family rental operators with 5,000+ homes: # of homes and average monthly rent

Single-Family Rental Sector Landscape (Active Leasing Portfolio)



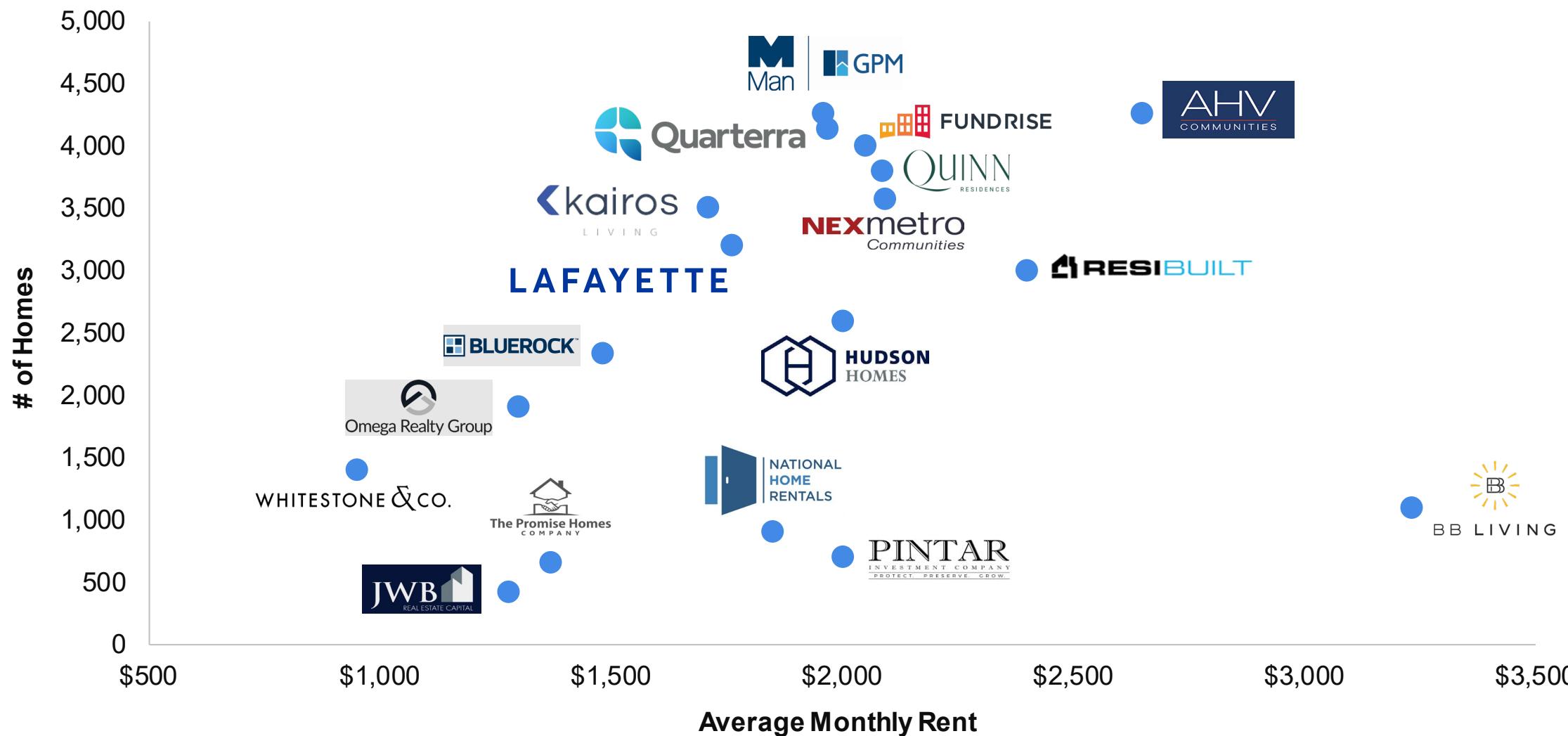
Note: Public REITs (Invitation Homes, American Homes 4 Rent, and Tricon Residential) as of 3Q22.

Source: Private SFR operators' self-provided figures to JBREC as of Nov/Dec 2022, some private operators' numbers come from our analysis of public records, proprietary build-to-rent database, and SFR operators' websites; John Burns Real Estate Consulting, LLC (Pub: Dec-22)

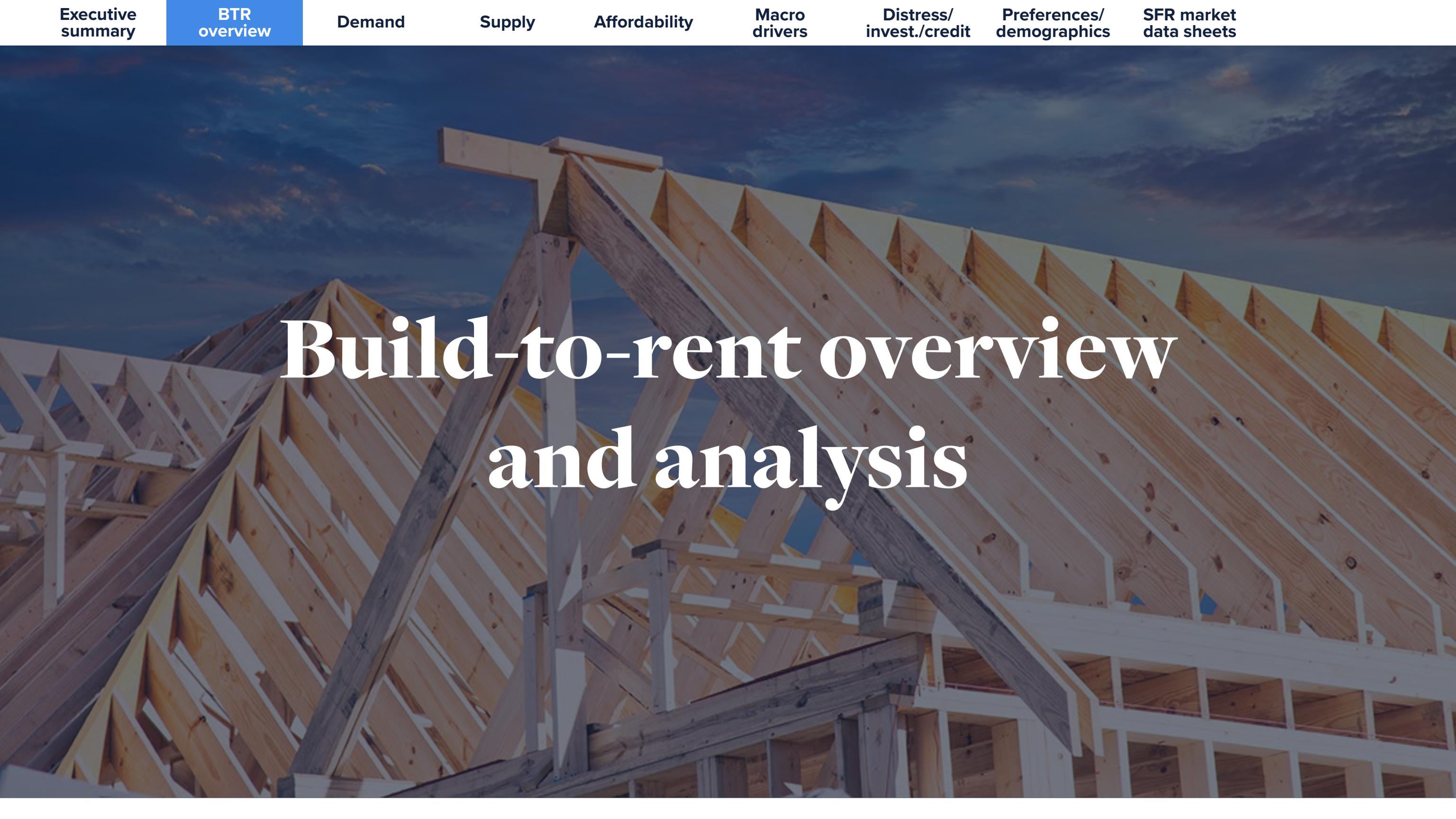
Single-family rental operators with under 5,000 homes: # of homes and average monthly rent

Single-Family Rental Sector Landscape (Active Leasing Portfolio)

Under 5,000 homes

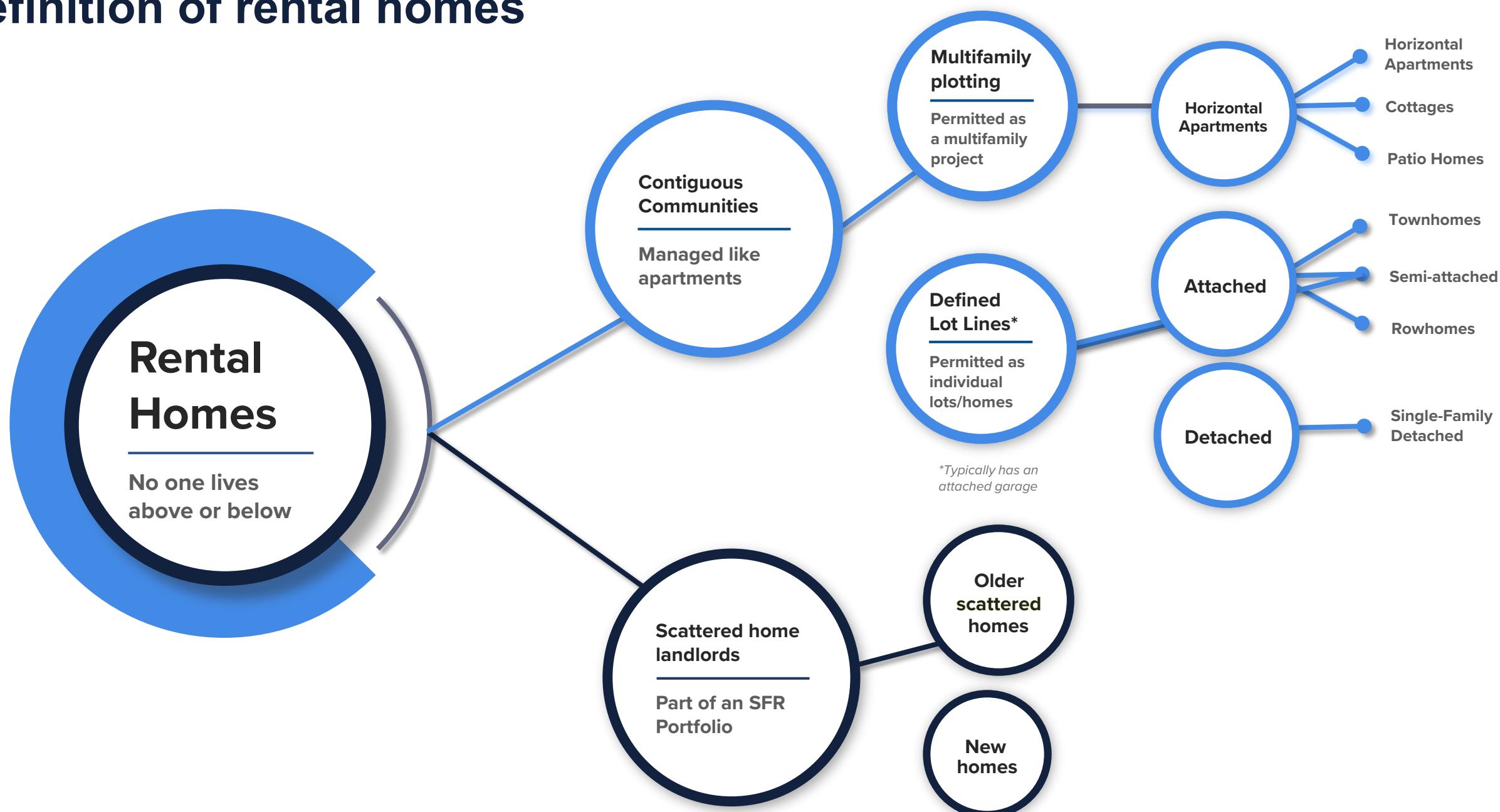


Source: Private SFR operators' self-provided figures to JBREC as of Nov/Dec 2022, some private operators' numbers come from our analysis of public records and SFR operators' websites; John Burns Real Estate Consulting, LLC (Pub: Dec-22)

A wide-angle photograph of a large-scale construction site, likely for a residential complex. Numerous wooden building frames are visible, showing the structural beams and roof trusses of many units. The site is set against a backdrop of a cloudy sky at dusk or dawn, with some light reflecting off the clouds. The overall scene conveys a sense of significant industrial activity and urban development.

Build-to-rent overview and analysis

Our definition of rental homes



We have compiled and analyzed ~900 active build-to-rent communities in our database.

Definition of build to rent (BTR) in our database:



Dedicated community of single-family detached and attached rental homes. Walls can be shared, but units generally cannot be stacked



Communities must contain a minimum of 25 units



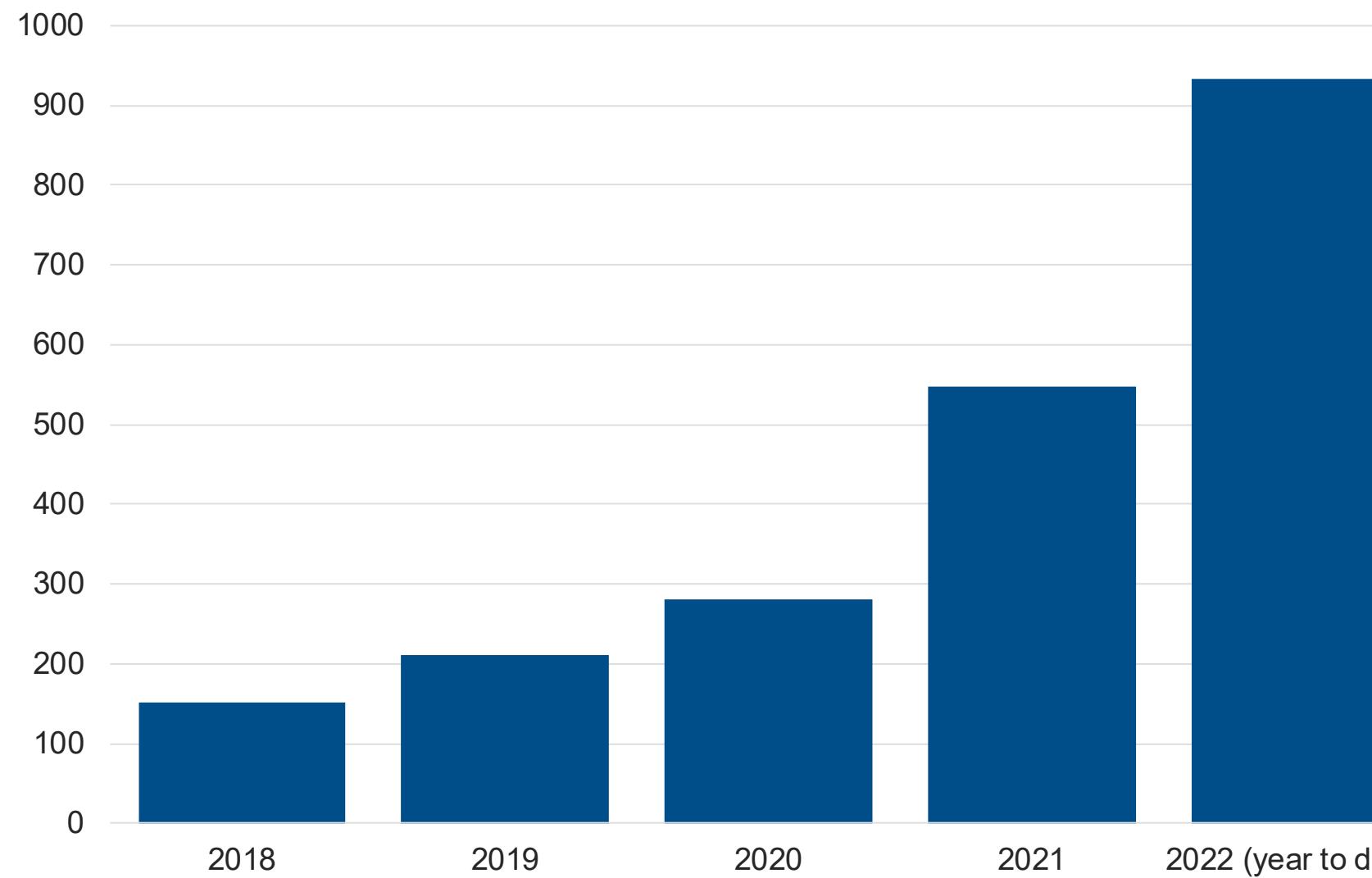
Excluded communities where an SFR operator may own/have acquired random homes from a builder to close-out a for-sale project

Data excludes BTR projects in the planning/construction process.

Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

Our build-to-rent database has grown from ~150 communities in 2018 to ~900 communities.

Number of Dedicated Build-to-Rent Communities Tracked in Our Database



Note: We updated our analysis this quarter, growing from ~650 communities to ~900 communities.

Note: We don't have an official "record creation date" on when the communities were added. New communities get added all throughout the year (we have no snapshot of what was/was not present since the database was started several years back). Actual results may vary, but the big picture trend is correct.

Source: Based on analysis of JBREC build-to-rent database; John Burns Real Estate Consulting, LLC (Pub: Dec-22)

Build-to-rent product groupings

| Product Category | Typical Home Size Range | Typical Density (DU/Acre) | Project Examples |
|--|----------------------------|------------------------------|---|
| | Smallest Largest | | |
|  Horizontal apartments Small single-family detached and attached homes | 650 sq. ft. 1 bd/1 ba | 1,400 sq. ft. 3 bd/2 ba | 12 Isle Cottages (amenities) Estia at Lakewood Ranch (amenities) |
|  Two-story townhomes and single-family rowhomes Homes in two- to seven-unit building configurations | 1,300 sq. ft. 2 bd/2 ba | 1,750 sq. ft. 4 bd/2.5 ba | 10 BB Living at Val Vista (two-story townhomes) Perrysburg Single-level rowhomes) Beacon Place (single-level rowhomes) |
|  Traditional single-family Detached homes on traditional lots | 1,400 sq. ft. 3 bd/2 ba | 2,000 sq. ft. 4 bd/3 ba | 8 Frontera (amenities) Legacy (amenities) Rockridge (non-amenitized) |
|  Luxury single-family Detached and attached homes on individual lots | 2,000 sq. ft. 3 bd/3 ba | 2,800 sq. ft. 4 bd/3.5 ba | 6 Elan Inwood (attached and detached) Mills Creek (detached) Domain Memorial (attached) |

Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

Build-to-rent range of services and amenities

Full-service amenities

- On-site leasing experts supported by up to three model units
- Services include property management, 24-hour maintenance, lawn service, and trash valet
- Abundant amenities can include gated entrances, private streets, pools, clubhouses/fitness center, walking trails, and parks

Strategy

Take a Class-A apartment approach to attracting tenants with strong life-style offerings supported by proactive marketing and lease-up strategies.

Minimal model

- Akin to traditional single-family detached neighborhood with very few or no on-site services
- Virtually no amenities

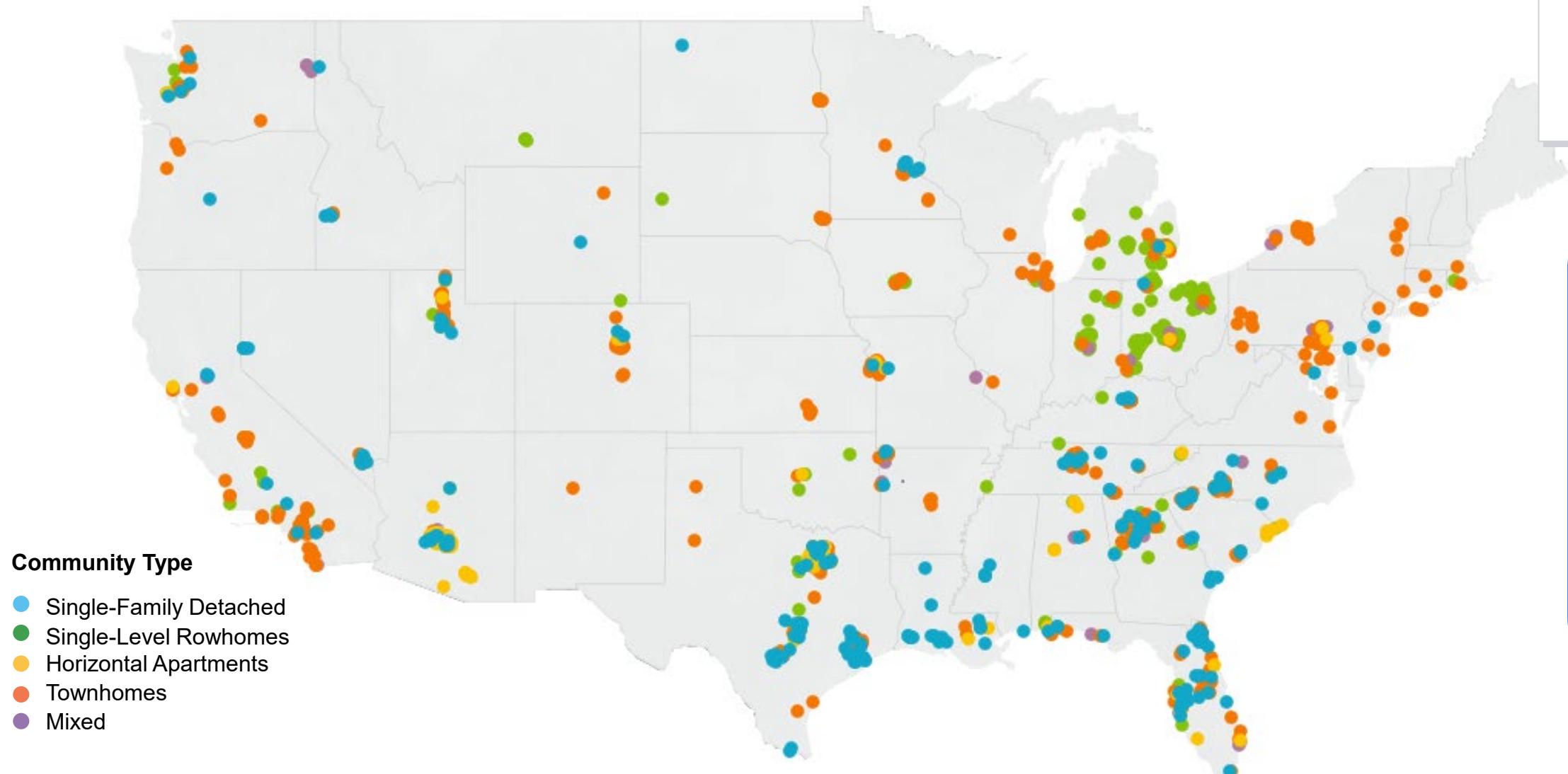
Strategy:

Keep rents relatively affordable to maximize absorption and occupancy.

Build-to-rent communities are concentrated in growing and/or affordable MSAs.

Dedicated Single-Family Build-to-Rent Communities in the US

Interactive map with project details available in [Burns Interactive Dashboards](#)



This includes only dedicated rental communities with more than 25 homes. New projects are being planned around the country.

How to access interactive map in Burns Interactive Dashboards:

- Log in at [BurnsDashboards.com](#).
- Select **Single-Family Rental** from the main menu.
- Scroll to **Map: Single-Family Rent Communities**.

Interactive data offered:

- Builder/owner name
- Community
- Property manager
- Units
- Type
- Metro

Source: Based on analysis of JBREC build-to-rent database; John Burns Real Estate Consulting, LLC (Pub: Dec-22)

Primary build-to-rent operators/owners



LAFAYETTE



Note: Some operators listed have successfully built and sold several communities to other investors.

Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

The current build-to-rent operators generally own a modest number of properties. There are several other groups that have only one project. A few new participants have plans and capital to create national portfolios. (Click the logos to the left to go to the company websites.)

Build-to-rent debt providers

Alliance Bank
OF ARIZONA®



 **ARBOR**

★ **Texas Capital Bank**

 **COREVEST**®

flatiron

 **FUNDRISE**

LendingOne

 **TREZ CAPITAL**

 **GENESIS
CAPITAL**

 **usbank**

Regional banks

Please reach out to [Don Walker](#) or [Rick Palacios](#) if you are looking for an introduction in the space. (Click the logos to the left to go to the company websites.)

Build-to-rent equity providers

**Don Walker**

San Diego

dwalker@jbrec.com

**David Jarvis**

Houston

djarvis@jbrec.com

**Rick Palacios Jr.**

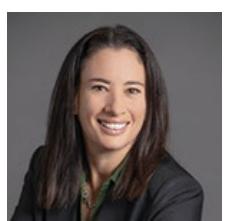
Irvine

rpalacios@jbrec.com

**Will Frank**

San Diego

wfrank@jbrec.com

**Lesley Deutch**

Boca Raton

ldeutch@jbrec.com

**Dustin Moudy**

Houston

dmoudy@jbrec.com

**Ken Perlman**

San Diego

kperlman@jbrec.com

Please reach out to these team members if you are looking for an introduction to our clients investing in the space.

Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

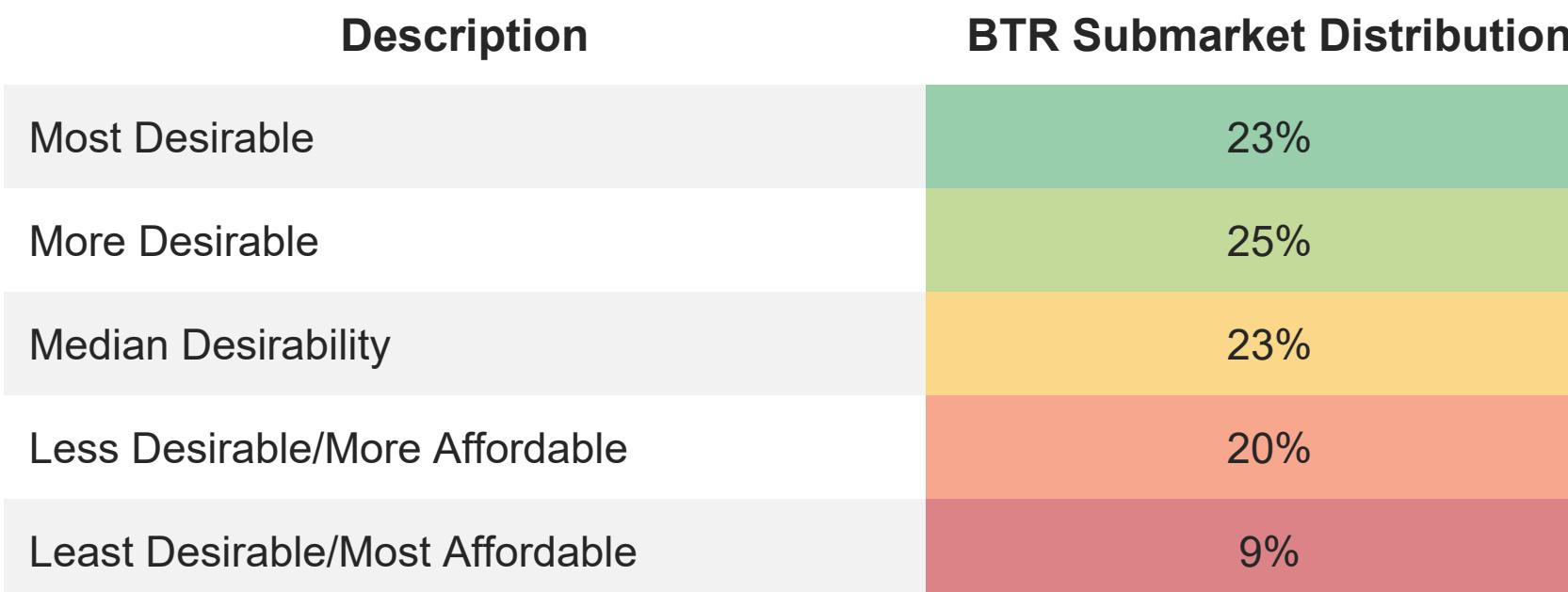
Build-to-rent project locations are generally in desirable submarkets.

BTR Submarket Distribution

Of the active BTR projects in our database, 48% are in submarkets we rank as Most Desirable / More Desirable, while only 29% would be rated Less Desirable / Least Desirable.

Note: Less Desirable / Least Desirable markets can support successful projects, they just need to be more affordable.

Submarket Grading



1) The submarket grading shares above exclude Redwood's 95 projects located in many smaller markets in which JBREC does not have a submarket ranking.

Note: Percentages may not exactly round up to 100% due to rounding.

Source: Based on analysis of JBREC build-to-rent database; John Burns Real Estate Consulting, LLC (Pub: Dec-22)

Absorption pace is heavily influenced by the strategy of the owner/landlord.

Summary of Build-to-Rent (BTR) Statistics by Product Type in Our JBREC Database

Projects surveyed as of September 2022

| Product Type | Avg Monthly Absorption | Avg Leased Rate | Typical Range | Community Count | Unit Count |
|-------------------------------|------------------------|-----------------|---------------|-----------------|---------------|
| Horizontal Apartments | 19 | 98.1% | 10 to 30 | 85 | 13,911 |
| Townhomes | 10 | 97.0% | 7 to 15 | 130 | 13,584 |
| Single-Level Rowhomes | 8 | 97.1% | 5 to 16 | 134 | 15,589 |
| Single-Family Detached | 9 | 96.5% | 6 to 10 | 137 | 15,800 |
| Luxury Attached and Detached | 5 | 97.2% | 2.5 to 8.5 | 11 | 1,078 |
| Overall Average/Totals | 11 | 97.1% | | 497 | 59,962 |

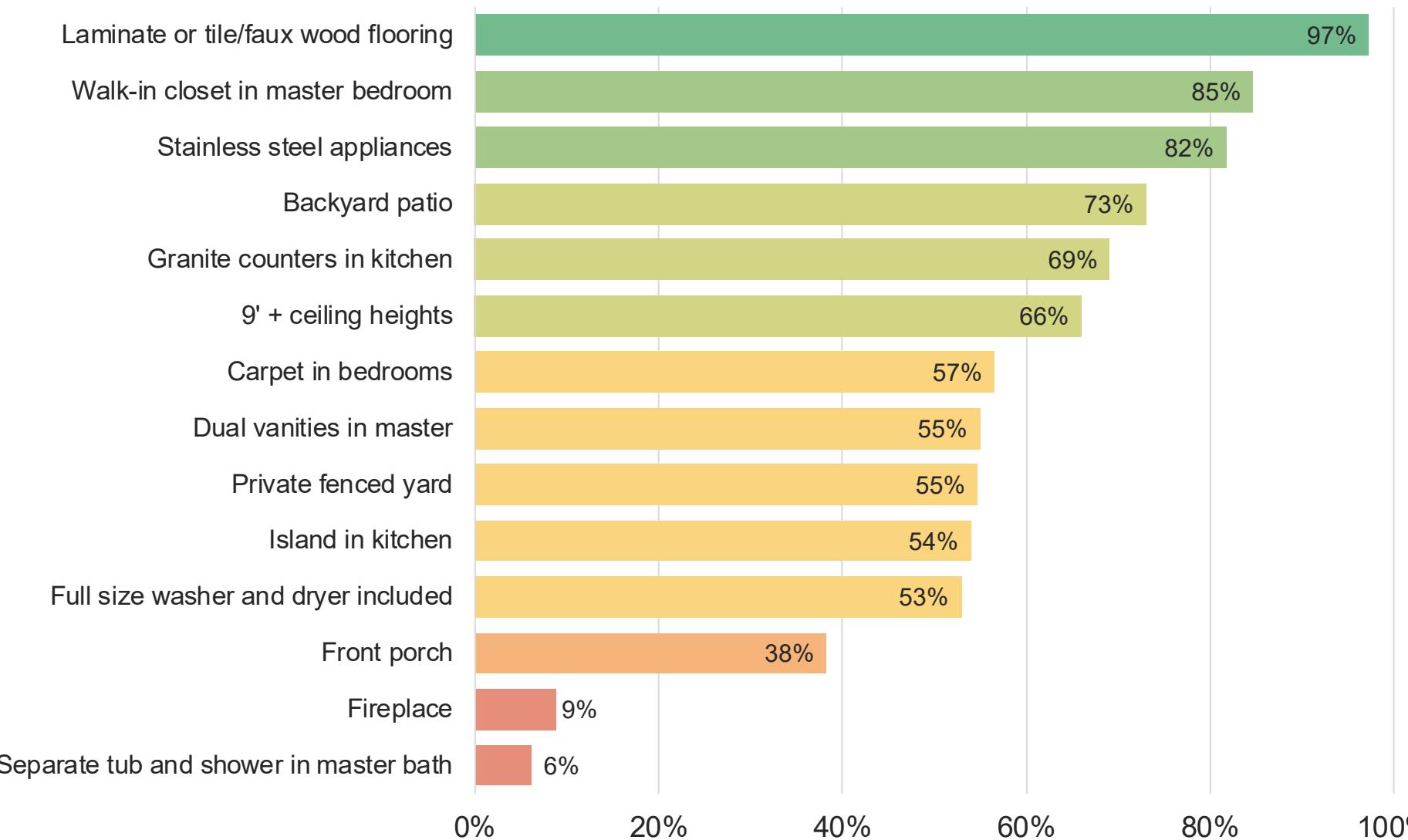
For the 497 projects within this analysis, BTR operators reported an overall 11/month average absorption rate and 97% average leased rate.

This table includes only projects in which respondents could provide input on initial monthly absorption rates (96) or lease or occupancy rates (353). Projects surveyed as of September 2022. This includes only dedicated rental communities with more than 25 homes.

Source: Based on analysis of JBREC build-to-rent database; John Burns Real Estate Consulting, LLC (Pub: Dec-22)

Build-to-rent quality or spec levels vary.*

% of Offering of Home Amenities



Builders of BTR product are designing homes and selecting materials to withstand wear and tear to minimize R&M and turn-over costs.

Spec levels can vary:

- Granite vs. laminate counters
- Tile vs. fiberglass tub/ showers
- 9'+ vs. 8' ceilings
- Dual vs. single vanities in master

Built to be resilient:

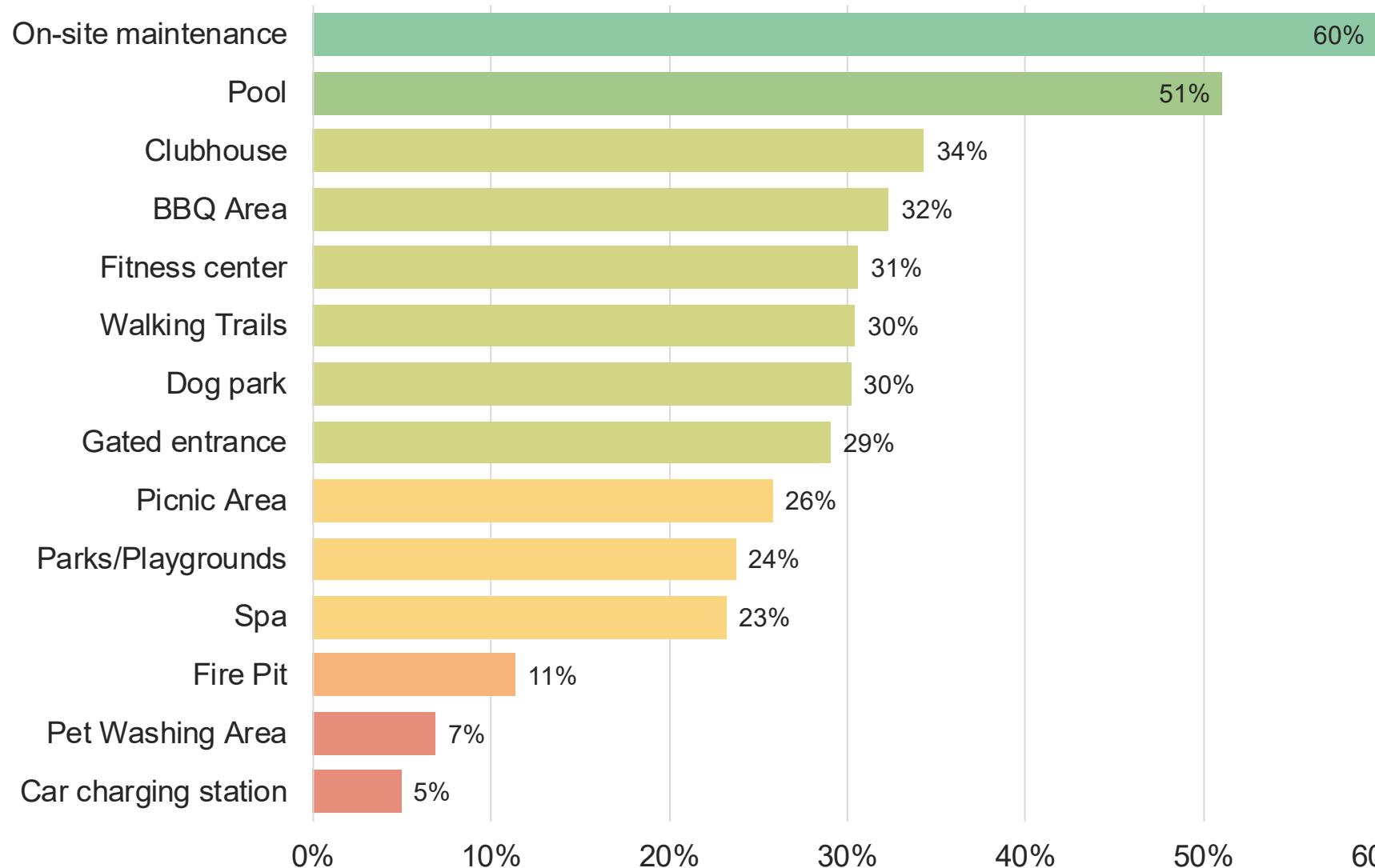
- Laminate faux wood flooring
- Minimal carpet
- Seamless counter tops
- Stainless steel appliances
- Limited front/rear yard landscaping

*This excludes Redwood. Vast majority of its 95 projects provide attainably priced product.

Source: Based on analysis of JBREC build-to-rent database; John Burns Real Estate Consulting, LLC (Pub: Dec-22)

Community amenities can make a difference.

% of Offering of Community Amenities



Lot size is far less important to renters than owners. Community amenities can be an important draw. Amenities can be within the property or provided through a master-planned community.

Similar to home buyers, renters value:

- Pools
- Trails
- Gated entrances
- Clubhouse and fitness
- Dog parks

Unique to rentals, on-site management and maintenance are valued services. Projects that provide them can command solid premiums.

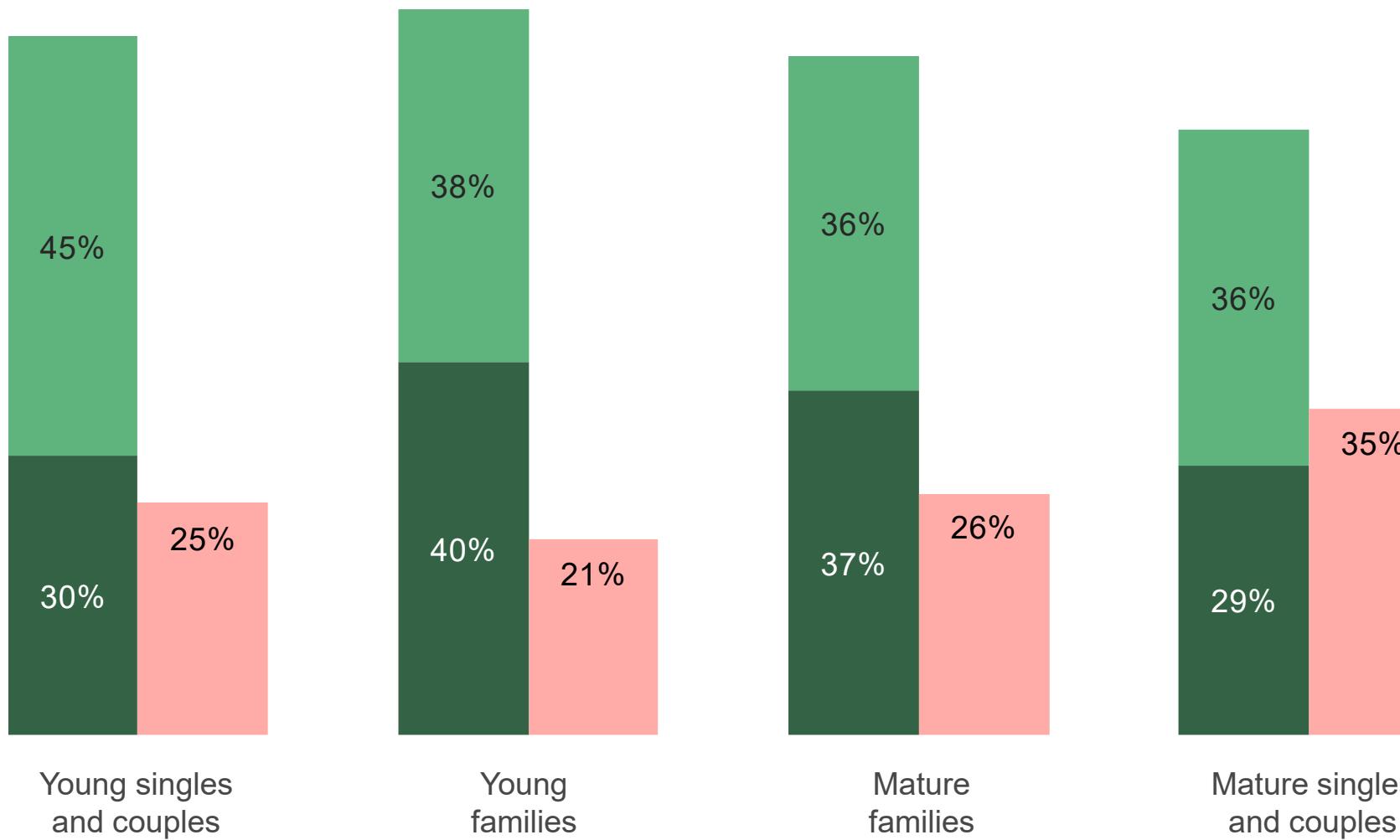
*This excludes Redwood. Vast majority of its 95 projects provide attainably priced product.

Source: Based on analysis of JBREC build-to-rent database; John Burns Real Estate Consulting, LLC (Pub: Dec-22)

A majority of single-family renters would pay extra to live in a community with amenities.

Single-Family Renters' Preference to Pay Extra to Live in a Community with Amenities

■ Worth paying a reasonable amount more ■ Worth paying a very small amount more ■ Not worth paying extra



35% of mature singles and couples report it is not worth paying extra to live in a community with amenities versus 21% of young families.

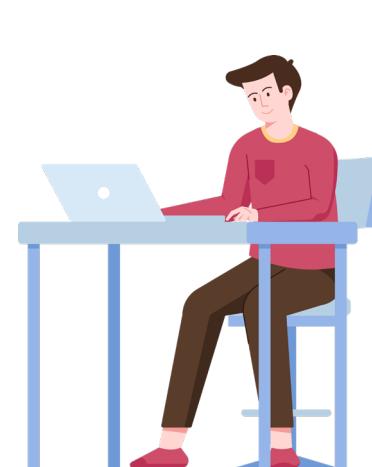
*Source: New Home Trends Institute by John Burns Real Estate Consulting, LLC, April survey of 1,160 single-family renters with a household budget for rent of \$1,000+ Data: 1Q21; Pub: Dec-22

Build-to-rent (BTR) underwriting survey 2022: background and survey assumptions

JBREC conducted a survey of BTR builders/operators, multifamily operators, private equity providers, lenders, and brokers participating in the build-to-rent (BTR) industry to ascertain the typical underwriting criteria for this new asset class.

To narrow the range of possible responses, we provided the following *general assumptions*:

- This is for a new, ground-up BTR community.
- Finished lots are acquired (ready for the builder to pull permits and start construction).
- Homes are to be built, leased, held, and sold.
- Responses are to reflect typical underwriting criteria, not actual performance.



We received 44 responses from 33 BTR builder/operators, 4 multifamily groups, 3 private equity providers, 2 lenders, and 2 leading property managers specializing in the BTR space.

Similar to our 2021 survey results, there was a fair amount of consistency in the responses, but there are some distinctions between the groups relative to their outlook in terms of cap rates, yield on cost, annual turnover rates, operating expense ratios, and target IRRs.

In our 2022 survey, nearly 25% of respondents noted that the terminal cap rates would be equal to or lower than the current cap rates, likely based on an expectation of a gradual easing of interest rates in coming years and of increased acceptance of BTR as an institutional investment class, with cap rates approaching those of multifamily properties.

Cap rates had been trending down sharply in 2022, but some say cap rates have begun to inch up due to the spike in interest rates. Overall, cap rates and yield on costs as reported in this mid-2022 survey were down slightly relative to 2021. The survey results are summarized on the following pages. Please let us know if you have any questions.

Build-to-rent (BTR) underwriting survey 2022 results

2022

Range of current cap rates (median)

| | |
|------|------|
| Low | 4.0% |
| High | 5.0% |

Range of terminal cap rates (median)

| | |
|------|------|
| Low | 4.5% |
| High | 5.0% |

Range of years a property is held prior to sale (median)

| | |
|------|-----|
| Low | 4.0 |
| High | 5.0 |

Range of yield on cost at stabilization (median)

| | |
|------|-------|
| Low | 5.75% |
| High | 6.5% |

2022

Do you include leverage in your pro forma?



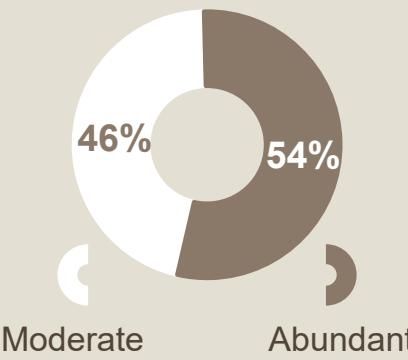
Range of leveraged project-level IRR (medians)

| | |
|------|-------|
| Low | 19.5% |
| High | 22.5% |

Typical loan to value by loan type (median)



Availability of construction debt



We conducted a build-to-rent underwriting survey in May 2022, an update from a survey we did in 2019 and 2021.

The independent survey had ~44 respondents across BTR builders/operators, private equity providers, lenders, and leading property managers.

Source: John Burns Real Estate Consulting, LLC, independent survey of 50 responses across BTR builder/operators, private equity providers, multifamily groups, and leading broker/property managers, NSA (Data: May-22, Pub: Dec-22)

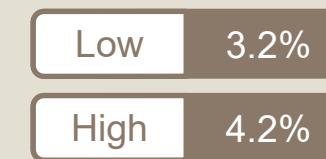
Build-to-rent (BTR) underwriting survey 2022 results

Do you include inflation
in your pro forma?



2022

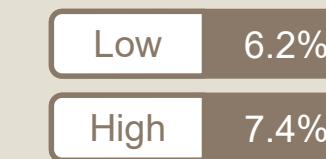
Range of Revenue
Trending (Averages)



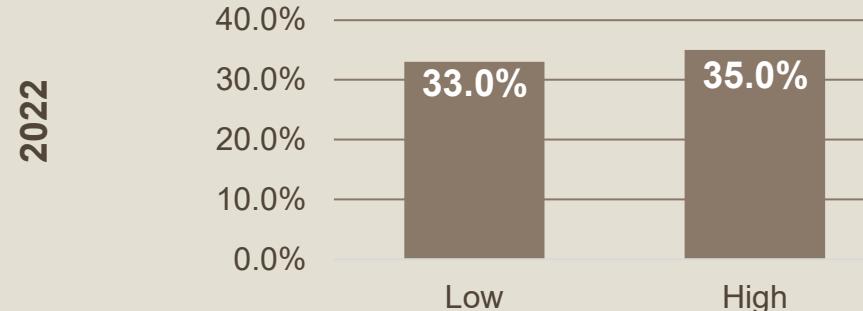
Range of OpEx Cost
Trending (Averages)



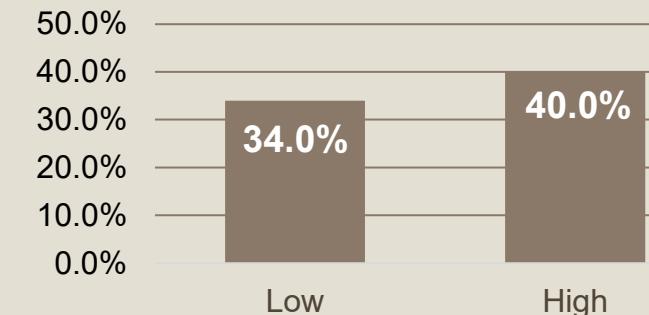
Range of Construction
Cost Trending (Averages)



Range for Annual Turnover
Rates (Medians)



Range of Operating Expense
Ratios (Medians)



95% of survey respondents include inflation in their proforma. We are also monitoring OpEx (operational expenses) and construction costs. Annual turnover rates are between 33% and 35%.

Source: John Burns Real Estate Consulting, LLC, independent survey of 44 responses across BTR builder/operators, private equity providers, multifamily groups, and leading broker/property managers, NSA (Data: May-22, Pub: Dec-22)

Build-to-rent (BTR) underwriting survey 2022 results

Range of current cap rates (medians)

Range of terminal cap rates (medians)

Range of years a property is held prior to sale (medians)

Range of yield on cost at stabilization (medians)

2022

| | |
|------|------|
| Low | 4.0% |
| High | 5.0% |

| | |
|------|------|
| Low | 4.5% |
| High | 5.0% |

| | |
|------|-----|
| Low | 4.0 |
| High | 5.0 |

| | |
|------|-------|
| Low | 5.75% |
| High | 6.5% |

2021

| | |
|------|------|
| Low | 4.5% |
| High | 5.0% |

| | |
|------|------|
| Low | 5.0% |
| High | 5.3% |

| | |
|------|-----|
| Low | 3.0 |
| High | 5.0 |

| | |
|------|------|
| Low | 6.0% |
| High | 6.5% |

2019

| | |
|------|------|
| Low | 5.3% |
| High | 5.9% |

| | |
|------|------|
| Low | 5.5% |
| High | 6.0% |

| | |
|------|-----|
| Low | 3.0 |
| High | 3.5 |

| | |
|------|------|
| Low | 7.0% |
| High | 7.1% |

According to our 2022 BTR underwriting survey, current and terminal cap rates had a modest change on the lower end of the ranges compared to our 2021 survey, both dropping 50 basis points.

The typical hold period increased by up to one year in our 2022 survey.

Source: John Burns Real Estate Consulting, LLC, independent survey of 44 responses across BTR builder/operators, private equity providers, multifamily groups, and leading broker/property managers, NSA (Data: May-22, Pub: Dec-22)

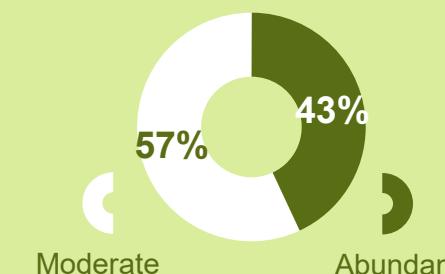
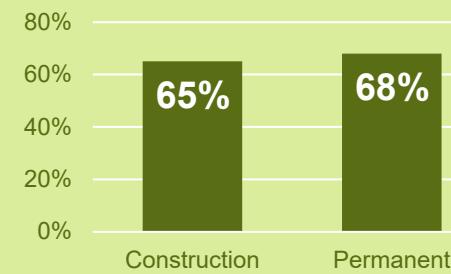
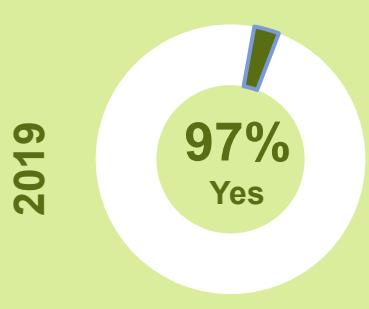
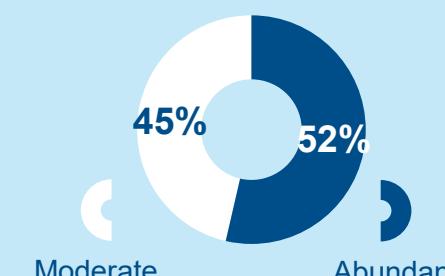
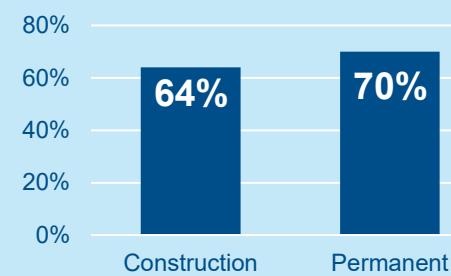
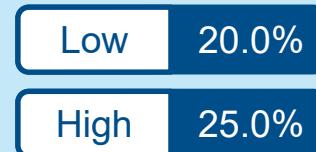
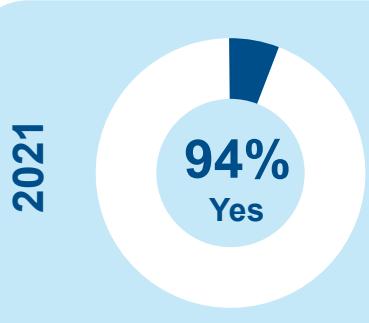
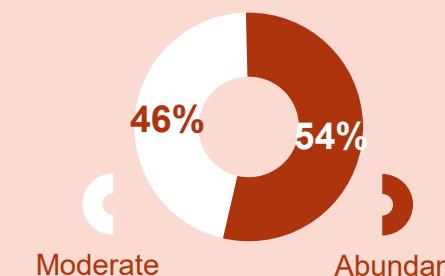
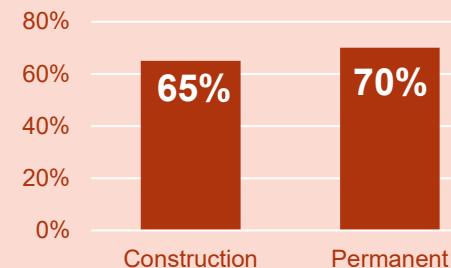
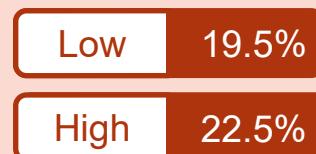
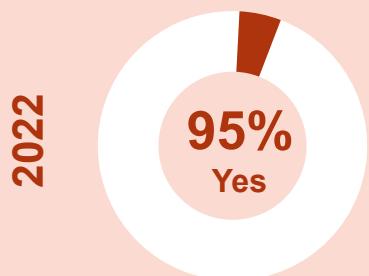
Build-to-rent (BTR) underwriting survey 2022 results

Do you include leverage in your pro forma?

Range of Leveraged Project Level IRR (Medians)

Typical Loan to Value by Loan Type (Median)

Availability of Construction Debt



According to our 2022 BTR underwriting survey, participants continue to include leverage, though the leveraged project level IRRs fell by 50 to 250 basis points.

Loan to value ratios remained consistent in our surveys, reflecting BTR demand from investors.

Source: John Burns Real Estate Consulting, LLC, independent survey of 44 responses across BTR builder/operators, private equity providers, multifamily groups, and leading broker/property managers, NSA (Data: May-22, Pub: Dec-22)

Build-to-rent (BTR) underwriting survey 2022 results

Do you include inflation
in your pro forma?

Range of Revenue
Trending (Averages)

Range of OpEx Cost
Trending (Averages)

Range of Construction
Cost Trending (Averages)

2022

95%
Yes

| | |
|------|------|
| Low | 3.2% |
| High | 4.2% |

| | |
|------|------|
| Low | 2.7% |
| High | 3.4% |

| | |
|------|------|
| Low | 6.2% |
| High | 7.4% |

2021

92%
Yes

| | |
|------|------|
| Low | 2.6% |
| High | 3.1% |

| | |
|------|------|
| Low | 2.4% |
| High | 2.7% |

| | |
|------|------|
| Low | 2.4% |
| High | 2.7% |

2019

87%
Yes

| | |
|------|------|
| Low | 2.6% |
| High | 2.9% |

| | |
|------|------|
| Low | 2.1% |
| High | 2.3% |

| | |
|------|------|
| Low | 1.8% |
| High | 1.9% |

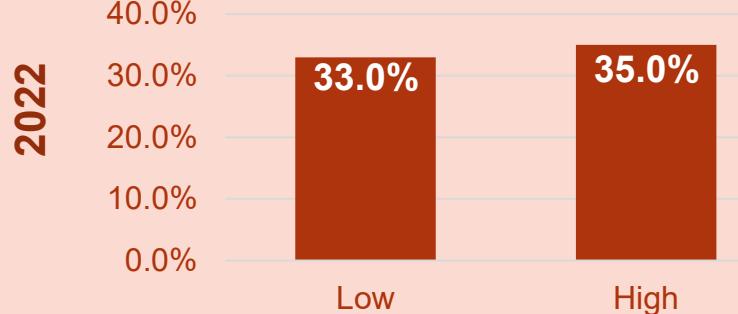
Likely due to strong housing demand and rising cost pressures, the 2022 BTR survey respondents are assuming stronger rent growth and operating-expense increases.

Average construction cost trending assumptions more than doubled in the wake of dramatic material and labor cost increases over the last 12 months.

Source: John Burns Real Estate Consulting, LLC, independent survey of 44 responses across BTR builder/operators, private equity providers, multifamily groups, and leading broker/property managers, NSA (Data: May-22, Pub: Dec-22)

Build-to-rent (BTR) underwriting survey 2022 results

Range for Annual Turnover Rates (Medians)



Range of Operating Expense Ratios (Medians)



2021

Range for Annual Turnover Rates (Medians)



Range of Operating Expense Ratios (Medians)



According to our 2022 BTR underwriting survey, turnover rates and operating expense ratios remained largely unchanged from the 2021 survey.

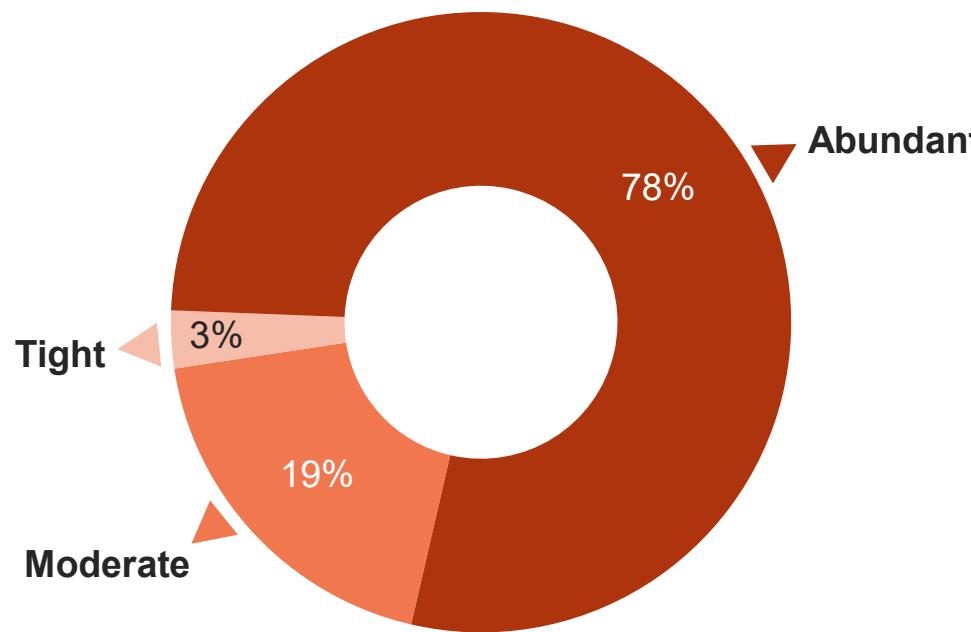
Assumed turnover rates are much higher than the low-to-mid 20% range reported by the publicly traded SFR REITs.

Source: John Burns Real Estate Consulting, LLC, independent survey of 44 responses across BTR builder/operators, private equity providers, multifamily groups, and leading broker/property managers, NSA (Data: May-22, Pub: Dec-22)

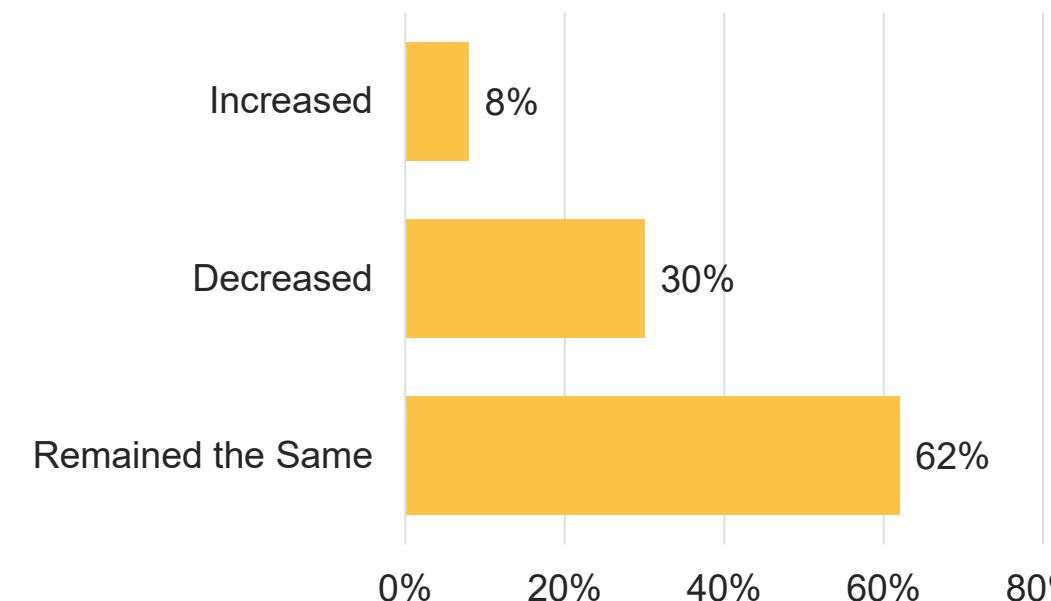
Build-to-rent (BTR) underwriting survey 2022 results

Given the recent spike in interest rates driven by the Fed's desire to quash high inflation, we asked a new question in our May 2022 survey pertaining to the availability of equity capital for the development of BTR housing.

Is the current market for equity capital abundant, moderate or tight?



Has the availability of equity capital increased, decreased, or remained the same over the past 90 days?



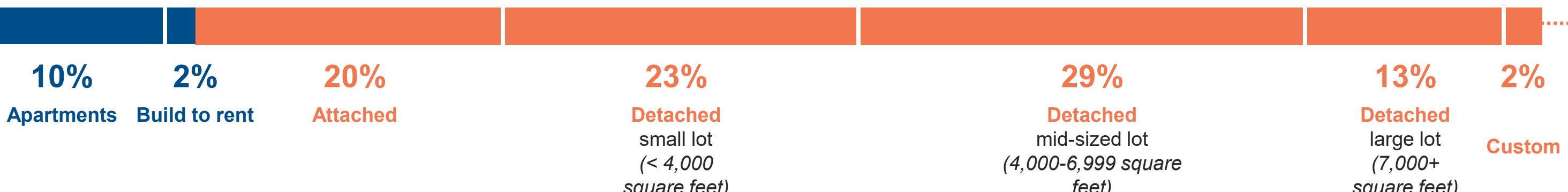
Somewhat surprisingly, 62% of respondents said the availability of equity capital remains abundant, but more respondents indicated the availability has decreased (30%) vs. increased (8%).

Source: John Burns Real Estate Consulting, LLC, independent survey of 44 responses across BTR builder/operators, private equity providers, multifamily groups, and leading broker/property managers, NSA (Data: May-22, Pub: Dec-22)

According to our master-planned community survey, developers typically devote 12% of residential product to rental (10% apartments and 2% build to rent).

Average share of residential product allocated to each product type*

12% Rental

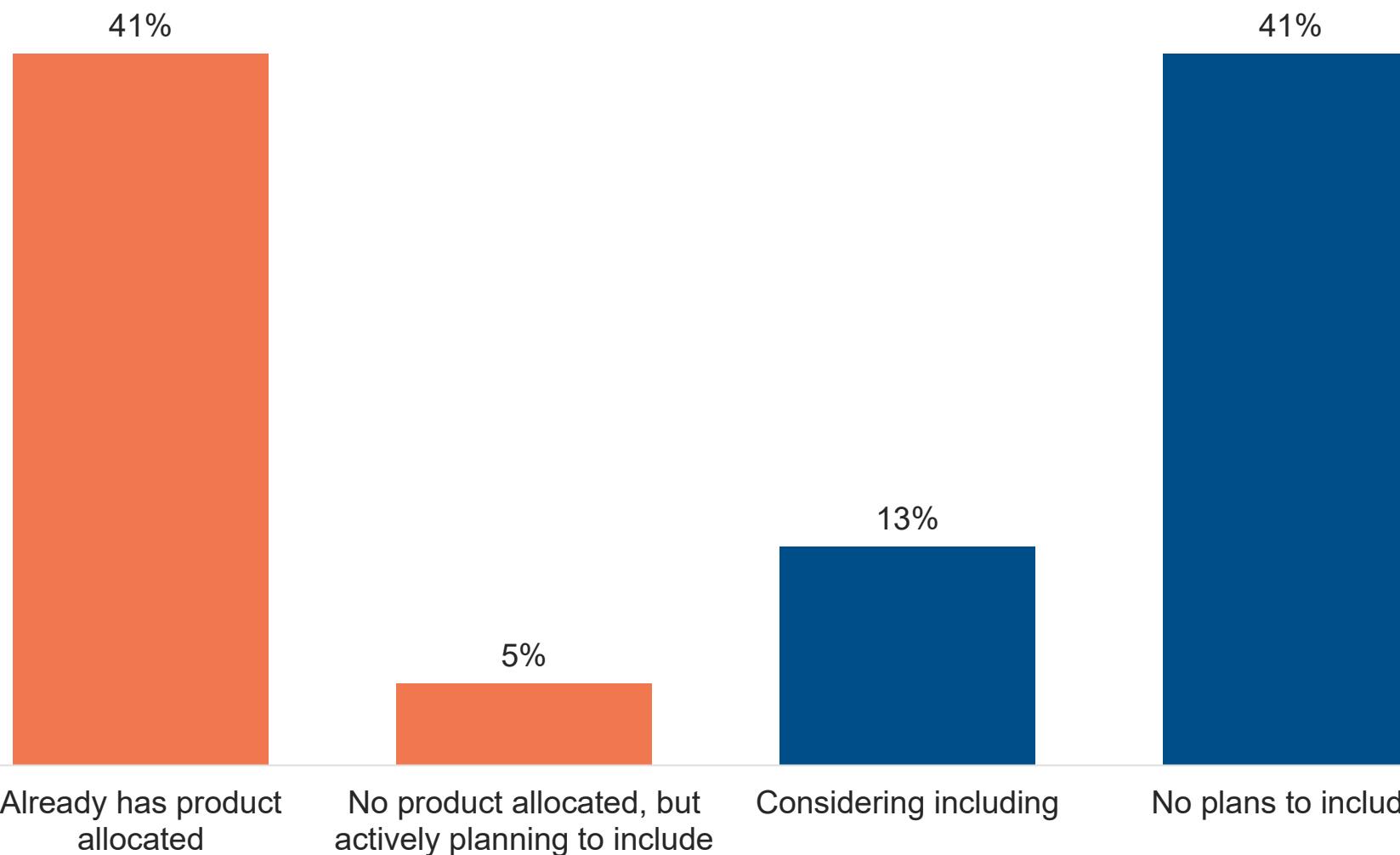


*Note: + 2% devoted to Other

Source: New Home Trends Institute by John Burns Real Estate Consulting, LLC, March 2022 survey of 79 master plan communities across the United States (Data: Mar-22, Pub: Dec-22)

According to our master-planned community survey, 46% of master plans have, or are actively planning to include, a build-to-rent section.

Share of Master Plans by Anticipated Inclusion of a Build-to-Rent Section



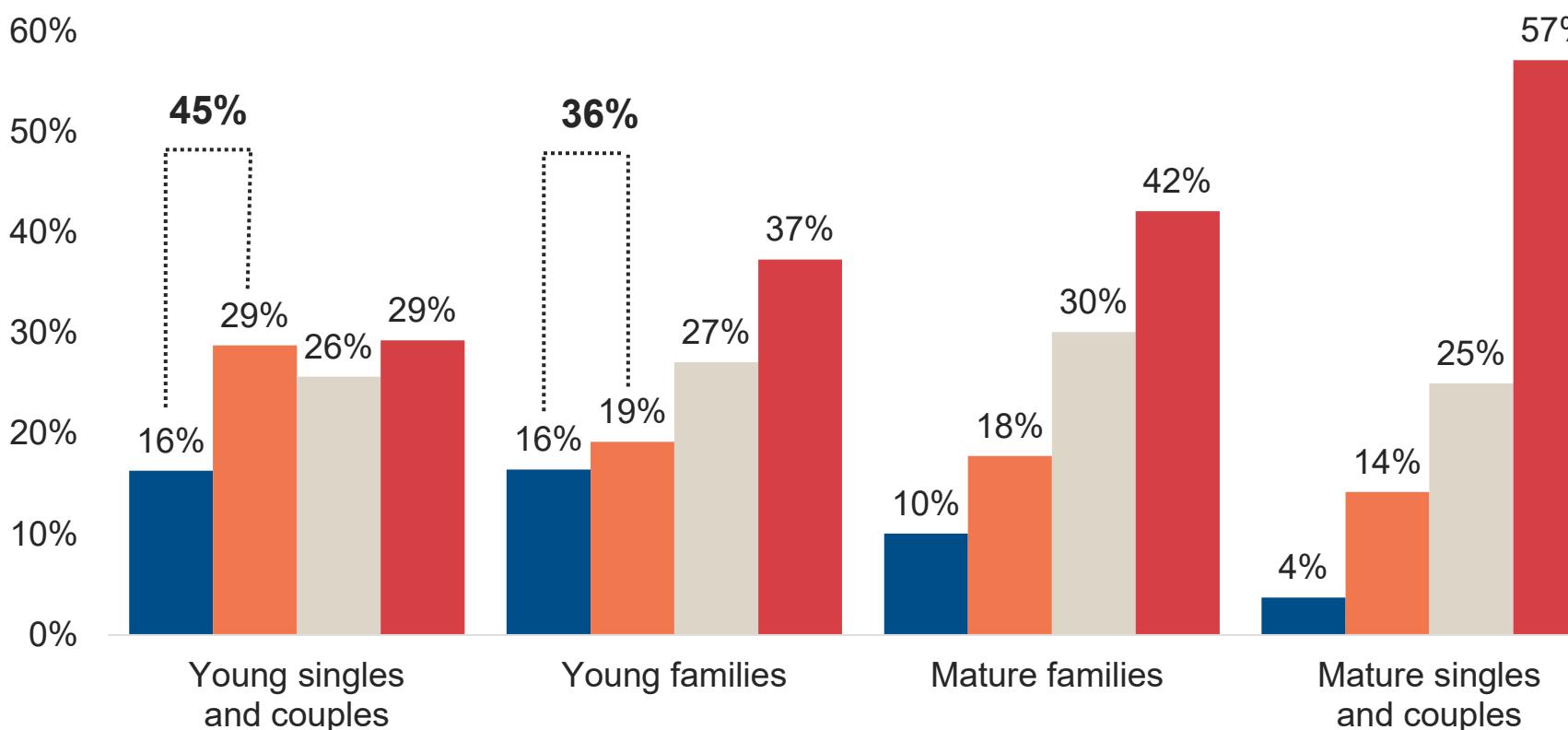
While many are including build-to-rent pockets, this product type still makes up a small overall share. Of the 41% of developers who have already allocated space to build to rent, on average 6% of product is set aside for this use.

Source: New Home Trends Institute by John Burns Real Estate Consulting, LLC, March 2022 survey of 79 master plan communities across the United States (Data: Mar-22, Pub: Dec-22)

According to our master-planned community survey, homeowners show interest in transitioning to build-to-rent homes, depending on life stage.

Share of Homeowners by Interest Level in Build-to-Rent Communities

- I would be very interested
- I would be somewhat interested
- I would not be interested now, but maybe in the future
- I would never be interested



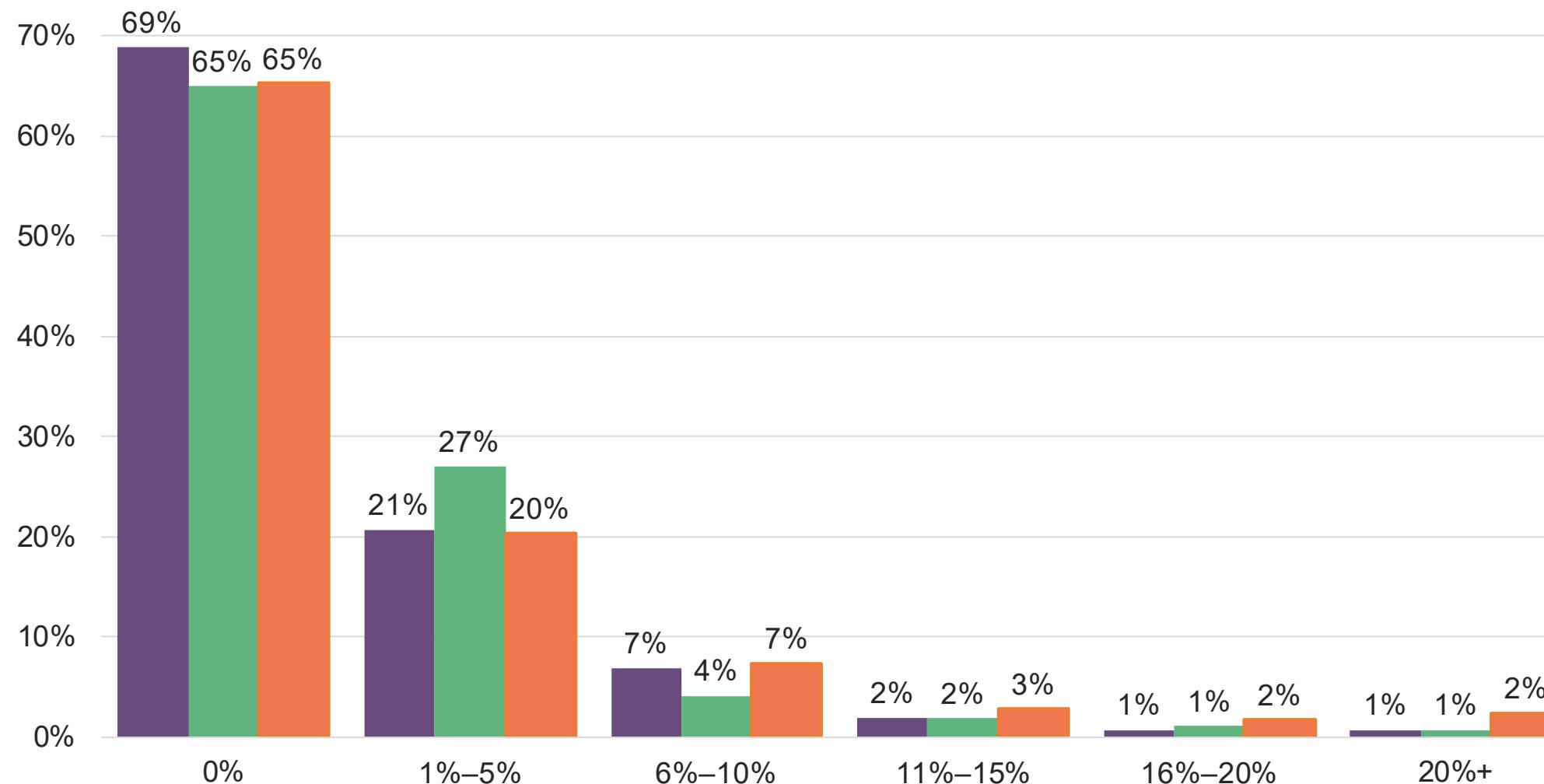
Young singles and couples and young families are particularly open to these community types: 45% and 36% are very or somewhat interested, respectively.

Source: New Home Trends Institute by John Burns Real Estate Consulting, LLC, March 2022 survey of 79 master plan communities across the United States (Data: Mar-22, Pub: Dec-22)

34% of home builders sold a portion of their homes to single-family rental operators in the last 12 months.

National: What Percentage of Your New Home Sales Were to Single-Family Rental Operators?

■ 2019 ■ 2020 ■ 2021

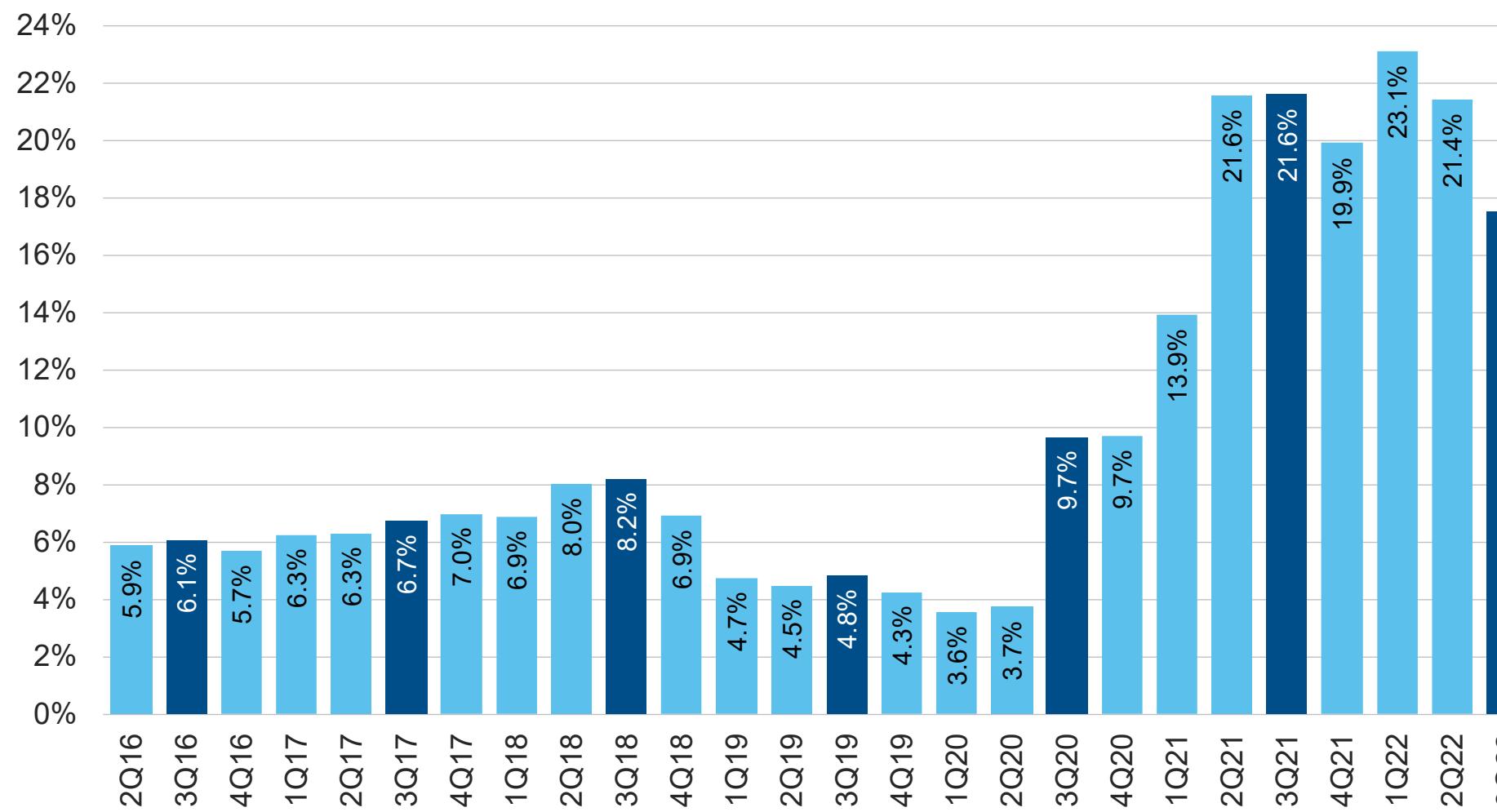


Source: John Burns Real Estate Consulting, LLC, independent survey of ~19% of all US new home sales, NSA (Data: Oct-21, Pub: Dec-22)

Production home builder construction costs (a good proxy for build-to-rent costs) are up 18% YOY, falling from a record high in 1Q22.

National New Home Construction Cost*

12-month weighted averages



For cost trends by region, including historical data and analysis please see our *October 2022 Burns Home Builder Survey*, which can be downloaded on your [client portal](#).

*Construction costs include labor and materials but exclude the lot.

Source: John Burns Real Estate Consulting, LLC, independent survey of ~20% of all US new home sales, NSA (Data: 3Q22, Pub: Dec-22)

Current / Year Ago Increase in Costs YOY

3Q 2022 (from the *Burns Home Builder Survey*)

| | 3Q22 | 3Q21 | Change in YOY % Growth Rate |
|----------------------|------|------|--------------------------------|
| Electrical/lighting | 16% | 18% | -2% |
| Windows/doors/trim | 15% | 16% | 0% |
| Plumbing/HVAC | 15% | 14% | 1% |
| Deck | 15% | 38% | -23% |
| Foundations/concrete | 14% | 12% | 3% |
| Brick | 14% | 14% | 1% |
| Cabinets | 14% | 9% | 6% |
| Framing | 14% | 15% | -1% |
| Steel/aluminum | 14% | 27% | -13% |
| Insulation | 14% | 12% | 2% |
| Vinyl siding | 13% | 17% | -4% |
| Roofing/shingles | 13% | 12% | 1% |
| Flooring | 12% | 9% | 4% |
| Drywall | 12% | 11% | 1% |
| Fiber cement siding | 12% | 9% | 2% |
| Lumber | 11% | 57% | -46% |
| Painting | 11% | 12% | -1% |
| House wrap | 11% | 9% | 2% |
| Appliances | 10% | 7% | 3% |
| Stucco | 9% | 14% | -4% |
| Other | 7% | 42% | -35% |

Production home builder construction costs (a good proxy for build-to-rent costs) are up double digits YOY across most categories.

After a year of volatile lumber prices, builders are starting to see cost pressure easing across several categories.

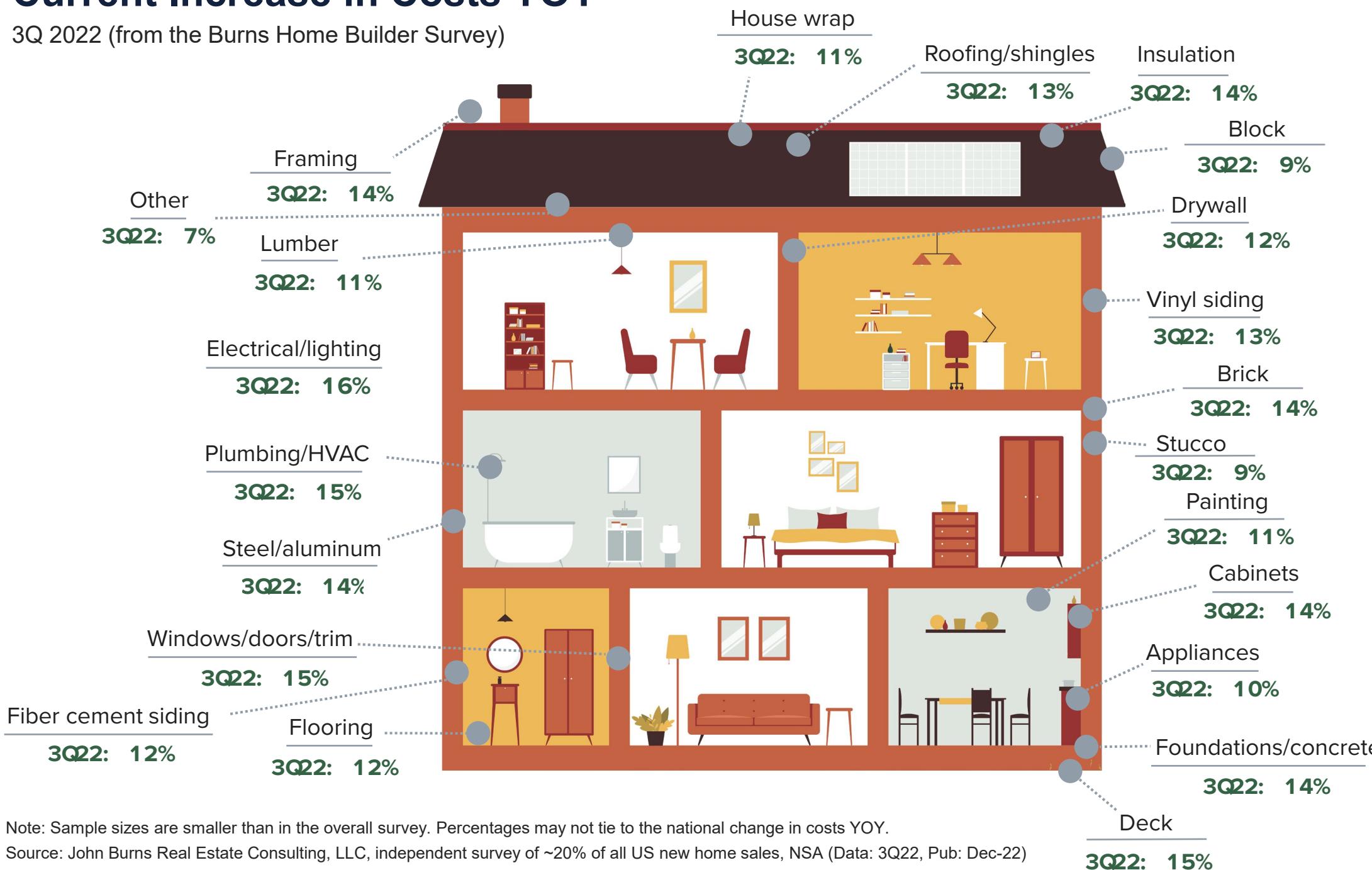
Lumber costs are up 11% YOY, decelerating significantly from one year ago.

Materials that fall into the ‘other’ category include garage doors and core walls (party wall). Note: Sample sizes are smaller than in the overall survey. Percentages may not tie to the national change in costs YOY.

Source: John Burns Real Estate Consulting, LLC, independent survey of ~20% of all US new home sales, NSA (Data: 3Q22, Pub: Dec-22)

Current Increase in Costs YOY

3Q 2022 (from the Burns Home Builder Survey)



Production home builder construction costs (a good proxy for build-to-rent costs) are up across all categories.

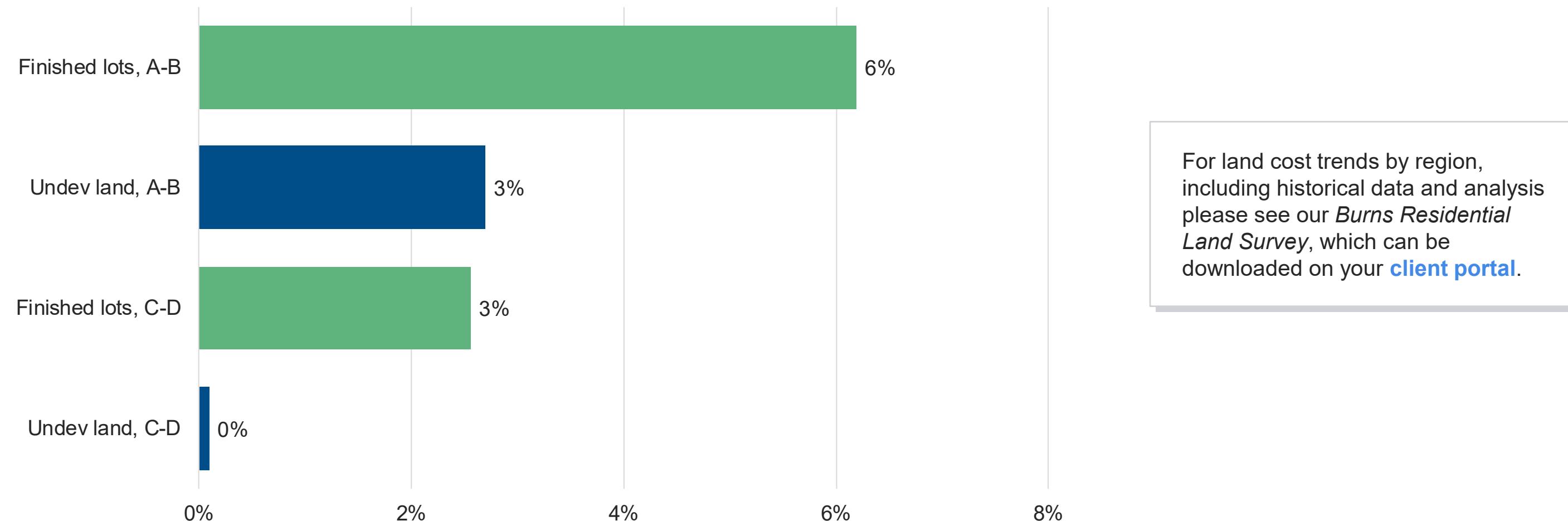
Note: Sample sizes are smaller than in the overall survey. Percentages may not tie to the national change in costs YOY.

Source: John Burns Real Estate Consulting, LLC, independent survey of ~20% of all US new home sales, NSA (Data: 3Q22, Pub: Dec-22)

Finished lot and undeveloped land prices range from flat to 6% YOY across A-B and C-D submarket locations, we are monitoring land prices as the cost of capital rises and for-sale market slows.

Comparison of YOY Price Appreciation by Land Type and Location

3Q22 national weighted averages



For land cost trends by region, including historical data and analysis please see our *Burns Residential Land Survey*, which can be downloaded on your [client portal](#).

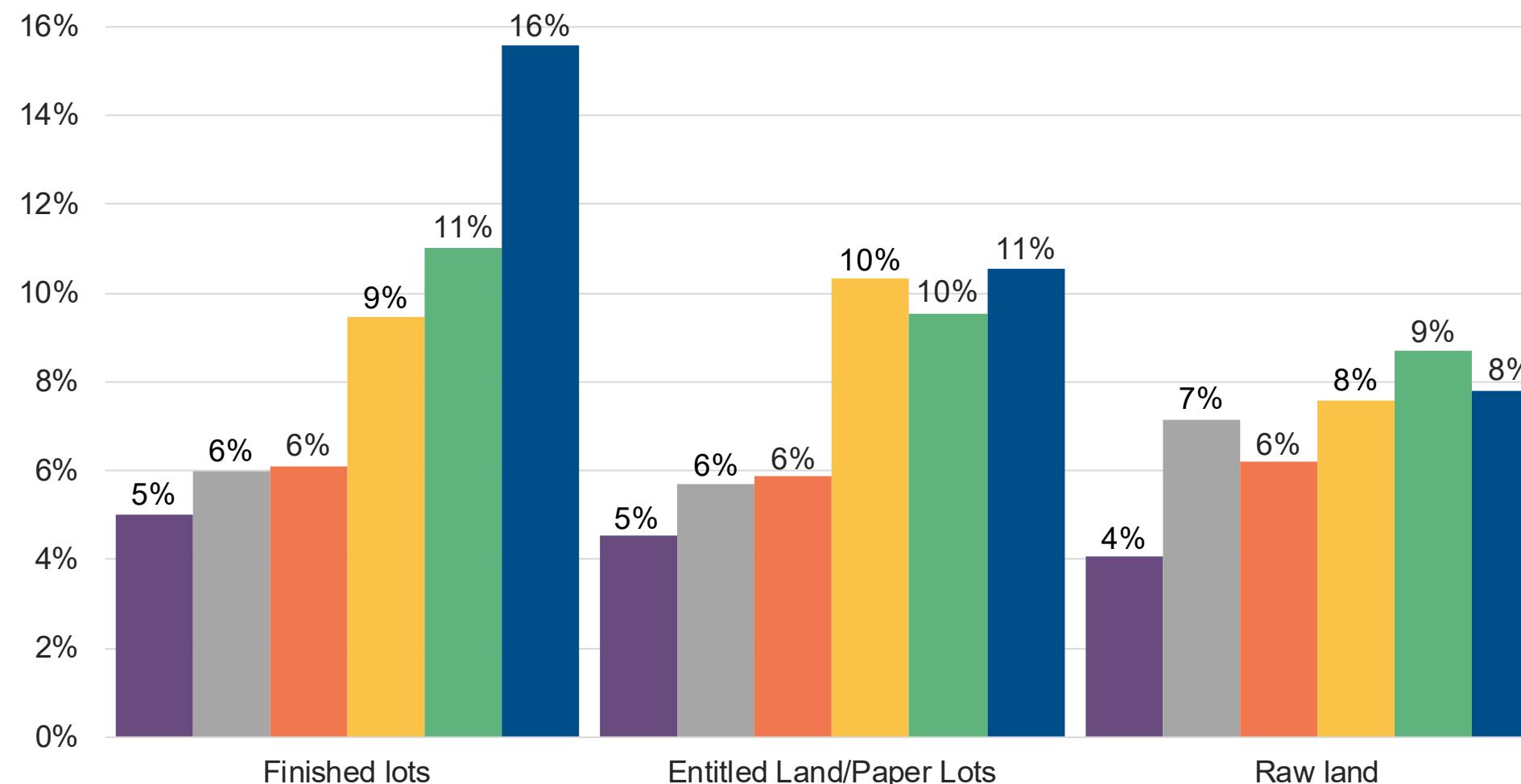
Weighted using metro single-family permits.

Source: John Burns Real Estate Consulting, LLC, independent survey, NSA (Data: Oct-22, Pub: Dec-22)

Build-to-rent operators represent 8% to 16% of 3Q22 lot and land purchases nationally.

Build-to-Rent Operators as Share of Land Purchases

Weighted averages ■ 2Q21 ■ 3Q21 ■ 4Q21 ■ 1Q22 ■ 2Q22 ■ 3Q22



Weighted using metro single-family permits.

Source: John Burns Real Estate Consulting, LLC, independent survey, NSA (Data: Oct-22, Pub: Dec-22)

We added the build-to-rent category as potential buyers for each type of land acquisition in our *Burns Residential Land Survey*, which can be downloaded on your [client portal](#).

Build-to-rent operators are buying land most actively in the Southwest and Southern California.

3Q 2022: Percentage of Lots Purchased by Build-to-Rent Operators

Share of build-to-rent operators out of all buyer types for land purchase (ex.: public builders, private builders, investors, and build-to-rent operators)

| Region | Finished Lots | Entitled Land/ Paper Lots | Raw Land |
|---------------------|---------------|------------------------------|-----------|
| Southwest | 44% | 22% | 22% |
| Southern California | 20% | 22% | 5% |
| Southeast | 17% | 12% | 14% |
| Northeast | 16% | 0% | 0% |
| Nation | 16% | 11% | 8% |
| Northwest | 11% | 8% | 4% |
| Florida | 11% | 10% | 4% |
| Texas | 10% | 9% | 3% |
| Midwest | 9% | 11% | 6% |
| Northern California | 1% | 4% | 1% |

Note: Historical data may have been changed to reflect revised and additional survey responses. Previously, historical data used was as-reported survey response.

Source: John Burns Real Estate Consulting, LLC, independent survey, NSA (Data: Oct-22, Pub: Dec-22)

Public builders are pursuing single-family rent / build-to-rent.



CCS

Century Living: new growing national multifamily and build-to-rent division



DHI

- Several home building divisions constructing and leasing homes as single-family rental opportunities.
- Rental property inventory approximately \$1.7 billion of SFR properties



LEN

- Single-family rental (SFR) and build-to-rent strategy (Quarterra)
- Building and selling homes in bulk with no lease-up risk to Lennar



MTH

Relationships with large national build-to-rent operators selling individual homes and contracting for full communities over next several years



TOL

Partnership with BB Living



TMHC

- Build-to-rent joint venture with Varde Partners
- Launched new BTR brand: Yardly



LGIH

Wholesale closings to single-family rental operators (28.6% of total closings to wholesale in 3Q22)



PHM

7,500 home partnership with Invitation Homes over the next 5 years



TPH

Monitoring opportunity for land sales to carve out more significant pieces of land to allocate to single-family rental and build-to-rent operators.

Source: Public builder filings/transcripts; John Burns Real Estate Consulting, LLC (Pub: Dec-22)

Expect rental supply growth from both builders and SFR operators.

“



INVH (10/27)

“We have over 2,000 homes in our pipeline that we're doing with Pulte and other partners. And we would view this as a very opportunistic moment for us.”



AMH (11/4)

“During the quarter, we added 410 homes for an estimated total investment cost of approximately \$155 million. This is especially notable during the currently constrained acquisition environment, which adds extra reinforcement to the value of our AMH Development program and land pipeline of over 15,000 lots.”



DHI (11/9)

“Our rental property inventory at September 30 was \$2.6 billion, which included approximately \$900 million of multifamily rental properties and \$1.7 billion of single-family rental properties.

We've got about 7,400 homes in production on the single-family for rent side, and that's from beginning to those that are complete.”



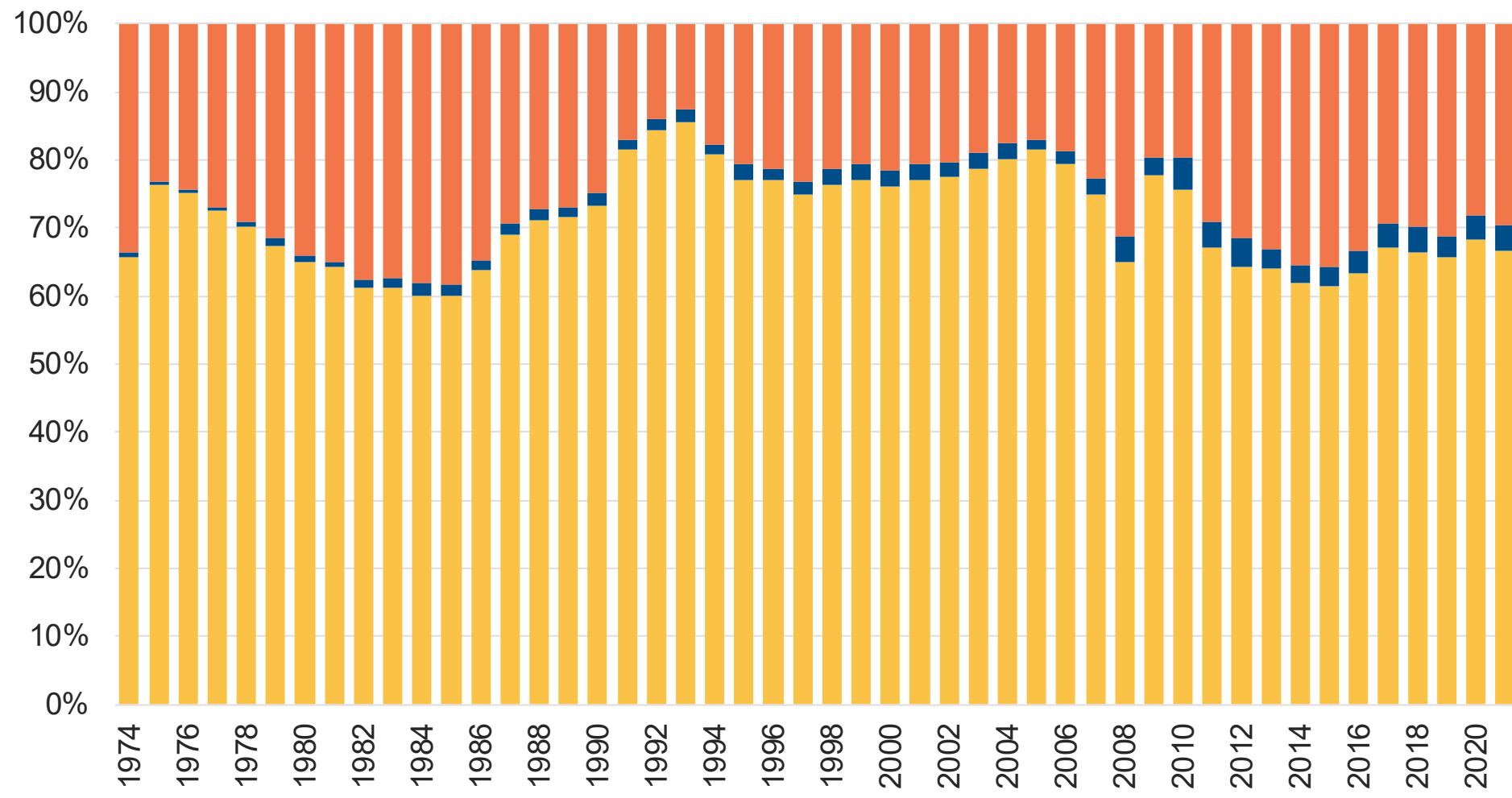
LEN (12/15)

“Over the course of the past year, and these are the facts, over the course of the past year, we have sold approximately 7% of our homes to single-family for rent purchasers, including Quarterra. That percentage is approximately the same range quarter-by-quarter. And as we look ahead to 2023, we think the percentage will be roughly the same or less.”

According to the Census Bureau, single-family build-to-rent construction accounts for 4% of total housing starts.

Annual Housing Construction

% of total housing construction ■ SF for sale ■ SF build for rent ■ Multifamily



We believe the Census Bureau's figure is understated in recent years, given the land-buying activity of late around build-to-rent.

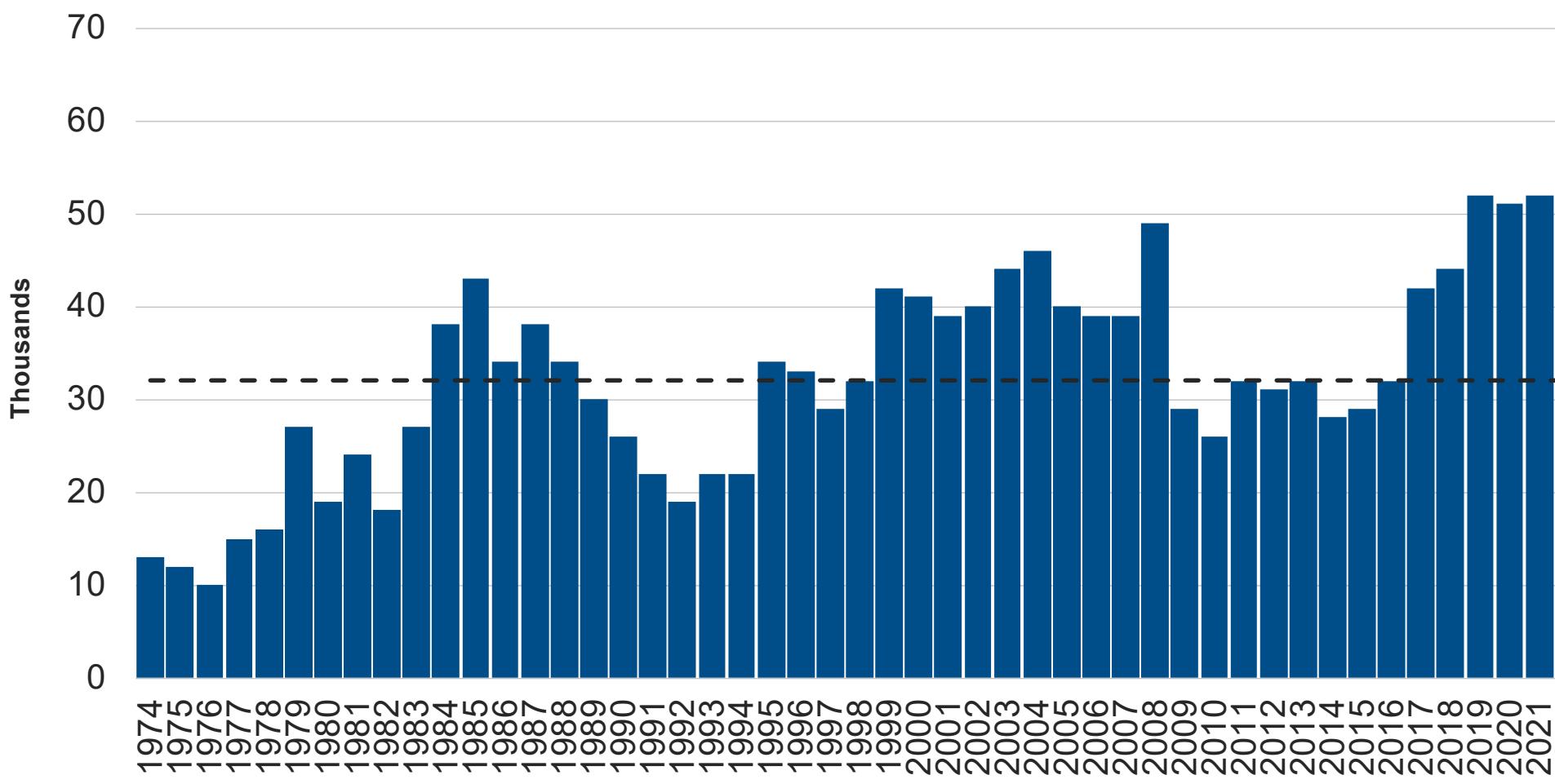
Note: Data contains new privately owned housing units started.

Source: US Census Bureau (Data: 3Q22, Pub: Dec-22)

According to the Census Bureau, builders completed 65K new single-family attached and detached homes for rent over the past year, which is up 30% YOY.

Single-Family Build-to-Rent Completions

Trailing-12-month total 3Q22 = 65K (30% YOY) - - Historical avg = 32K



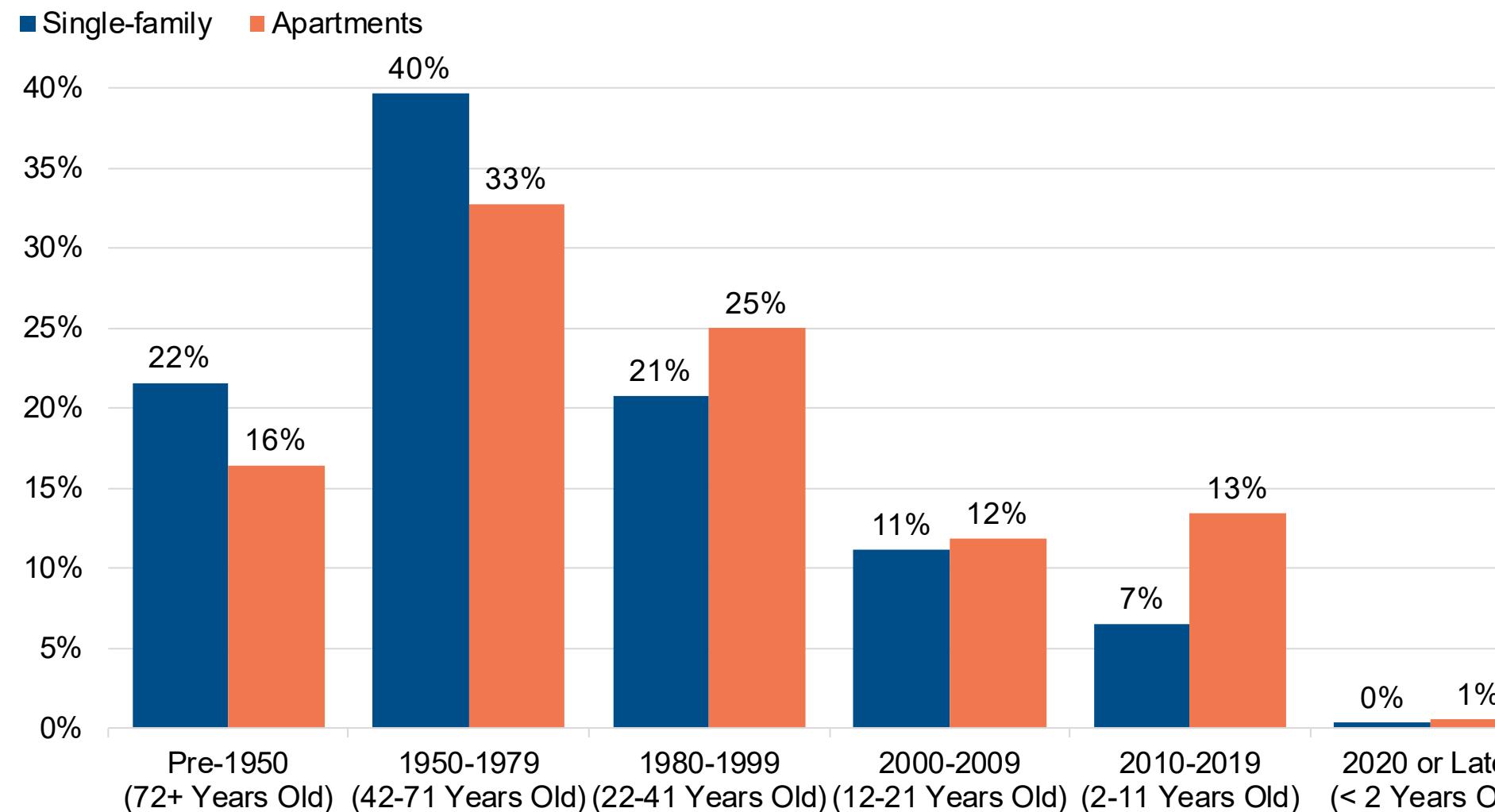
This figure is likely higher, as it does not count wholesale and one-off transactions from home builders to investors, which have become a growing part of total new home sales.

Note: This category includes all new residential homes placed on the rental market at completion. Data does not include wholesale and one-off transactions from new home builders to investors.

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Dec-22)

The age of single-family rental housing stock is older than apartments, which presents an opportunity for new build-to-rent product.

Age of Rental Housing Stock



22% of single-family rentals were built pre-1950, versus 16% of apartments.

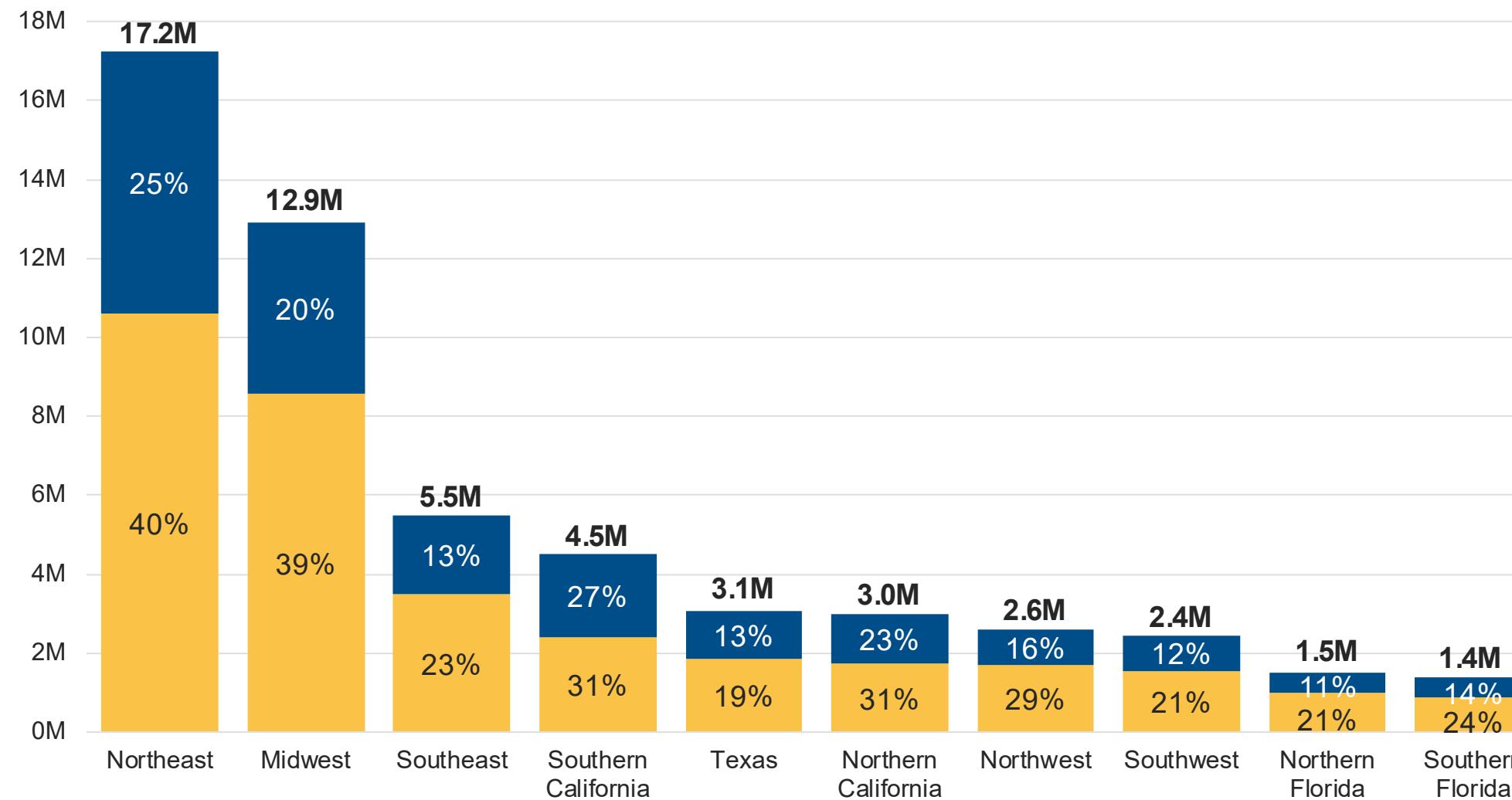
Note: Single-Family includes attached and detached units.

Sources: JCHS tabulations of US Census Bureau, 2021 American Community Survey 1-Year Estimates; John Burns R.E. Consulting, LLC (Data: 2021, Pub: Dec-22)

Housing stock (both owner and renter) is oldest in the Northeast and Midwest and newest in Florida.

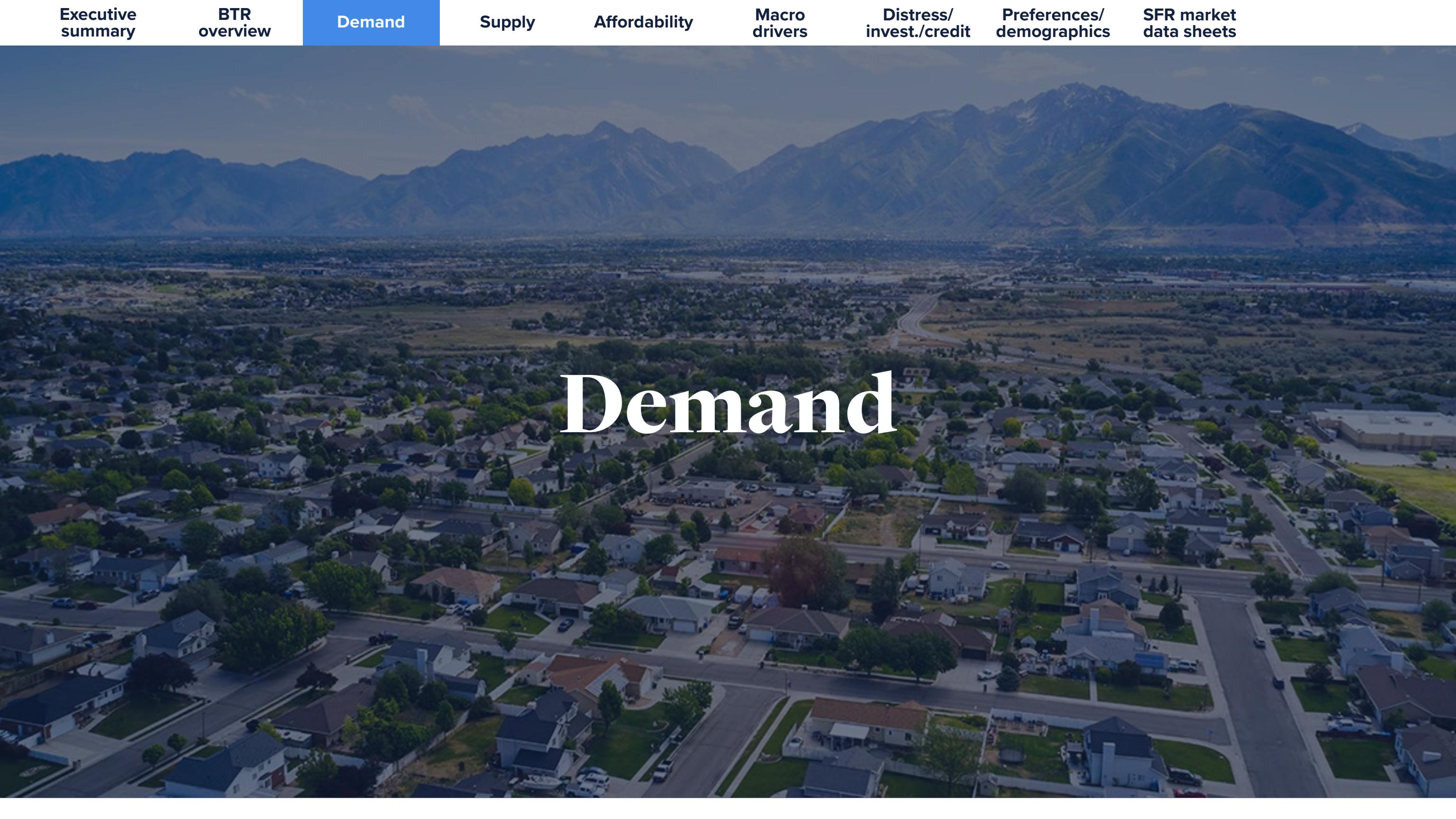
Homes Built Prior to 1980

Millions ■ Owner-occupied ■ Renter-occupied



Note: Values are based on a county rollup to region. Data is not available for all counties and may not match a full state value. Input data geography footprint for this slide is expanded from other JBREC regional slides/data.

Sources: U.S. Census Bureau, American Community Survey, John Burns Real Estate Consulting, LLC (Data: 2021, Pub: Dec-22)

An aerial photograph of a suburban residential area. The foreground shows numerous single-family homes with lawns and driveways, arranged in a grid pattern. A major highway or road cuts through the middle ground. In the background, a range of mountains is visible under a clear sky.

Demand

November 2022 Single-Family Rental Home Listings by Market

Collected weekly

of listings per 1,000 single-family rental homes in November 2022 with total listings, 3-month comparison, average rental price, square foot, and price per square foot

| Rank | Metro | Listings per 1,000 SFR homes | Current (Nov-22) | QOQ % Difference | Avg. rental price | Avg. sq. ft. | Avg. price per sq. ft. |
|------|---------------------|------------------------------|------------------|------------------|-------------------|--------------|------------------------|
| 1 | Jacksonville | 6.6 | 1,011 | -23.8% | \$2,084 | 1,763 | \$1.21 |
| 2 | Atlanta | 6.6 | 3,149 | -19.4% | \$2,095 | 1,891 | \$1.16 |
| 3 | Indianapolis | 6.4 | 1,197 | -23.1% | \$1,738 | 1,812 | \$1.01 |
| 4 | Charlotte | 6.0 | 1,377 | -26.5% | \$2,025 | 1,886 | \$1.13 |
| 5 | Phoenix | 5.0 | 2,154 | -29.8% | \$2,172 | 1,719 | \$1.31 |
| 6 | Raleigh-Durham | 4.1 | 543 | -19.6% | \$2,018 | 1,827 | \$1.16 |
| 7 | Nashville | 3.7 | 621 | -24.8% | \$2,212 | 1,806 | \$1.27 |
| 8 | Las Vegas | 3.5 | 754 | -36.6% | \$2,185 | 1,779 | \$1.26 |
| 9 | Tampa | 3.4 | 934 | -30.1% | \$2,405 | 1,765 | \$1.42 |
| 10 | Dallas* | 3.0 | 993 | -21.6% | \$2,325 | 1,914 | \$1.25 |
| 11 | San Antonio | 2.2 | 531 | -32.5% | \$1,994 | 1,920 | \$1.09 |
| 12 | Denver | 2.2 | 389 | -7.2% | \$2,745 | 1,985 | \$1.46 |
| 13 | Orlando | 2.2 | 540 | -47.0% | \$2,339 | 1,762 | \$1.37 |
| 14 | Houston | 2.0 | 1,019 | -44.9% | \$2,016 | 1,965 | \$1.06 |
| 15 | Columbus, OH | 2.0 | 319 | -31.0% | \$1,990 | 1,716 | \$1.19 |
| 16 | Cincinnati | 1.6 | 232 | -38.3% | \$1,781 | 1,528 | \$1.22 |
| 17 | Austin | 0.5 | 107 | -28.2% | \$2,249 | 1,846 | \$1.27 |
| 18 | Chicago** | 0.5 | 169 | -41.7% | \$2,212 | 1,567 | \$1.49 |
| 19 | Miami* | 0.4 | 72 | -37.4% | \$3,223 | 1,924 | \$1.73 |
| 20 | Riverside-San Bern. | 0.1 | 51 | -17.7% | \$2,961 | 1,796 | \$1.75 |

*3-month prior = August 2022 snapshot

Source: John Burns Real Estate Consulting, LLC (Data: Nov-22; Pub: Dec-22)

November 2022 SFR listings from 20 major operators: Jacksonville ranks as #1 with ~7 single-family rental home listings per 1,000 homes.

We now aggregate listings data and display market level rollups here.

Data is collected once per week from 20 major institutional operators and aggregated on a rolling four-week basis. We then display monthly totals and averages for these markets based on this snapshot in time data.

Note This is a snapshot of what we've aggregated for November 2022 from the 20 major SFR operators. Denver has the largest average square footage (1,985 average square feet) compared to the rest of the top 20 SFR markets.

JBREC Single-Family Rental Rankings

See details on the following page.

| Rank | Current | Rank | Future (2023P-2025P) |
|------|---------------------|------|-------------------------|
| #1 | Nashville | #1 | Orlando |
| #2 | Orlando | #2 | Atlanta |
| #3 | Miami* | #3 | Charlotte |
| #4 | Charlotte | #4 | Phoenix |
| #5 | Jacksonville | #5 | Raleigh-Durham |
| #6 | Tampa | #6 | Houston |
| #7 | Atlanta | #7 | Dallas* |
| #8 | Dallas* | #8 | Las Vegas |
| #9 | Houston | #9 | Chicago** |
| #10 | Raleigh-Durham | #10 | Tampa |
| #11 | Riverside-San Bern. | #11 | San Antonio |
| #12 | Las Vegas | #12 | Miami* |
| #13 | San Antonio | #13 | Denver |
| #14 | Columbus, OH | #14 | Jacksonville |
| #15 | Phoenix | #15 | Columbus, OH |
| #16 | Austin | #16 | Indianapolis |
| #17 | Indianapolis | #17 | Cincinnati |
| #18 | Cincinnati | #18 | Nashville |
| #19 | Denver | #19 | Riverside-San Bern. |
| #20 | Chicago** | #20 | Austin |

Note: Burns Single-Family Rent Index is a measure of new lease effective rent.

Nashville currently ranks as #1. We forecast Orlando to top the list through 2025.

Current market ranking Weighting of current YOY job growth (30%), current YOY single-family rental new lease effective rent growth on new leases (30%), and current YOY home price growth (40%).

Future market ranking Weighting of JBREC 3-year average annual forecasted new lease effective rent (60%) and home price growth (40%).

Note: We define the 20 largest single-family rental markets as the markets that have the highest concentration of single-family rental homes, as reported by the public single-family REITs.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22/Nov-22, Pub: Dec-22) *Metropolitan division **Combination of metropolitan divisions

20 largest single-family rental market rankings: current and future

JBREC Current Metro Ranking Matrix

Burns Single-Family Rent Index™ is a measure of new lease effective rent.

| Rank | Market | Employment Growth YOY % Oct-22 | Burns Single-Family Rent Index™ YOY Growth % Oct-22 | Burns Home Value Index™ YOY Growth % Nov-22 |
|--------------------|---------------------|--------------------------------|---|---|
| 1 | Nashville | 6% (4) | 13% (5) | 13% (3) |
| 2 | Orlando | 5% (9) | 16% (2) | 13% (2) |
| 3 | Miami* | 6% (2) | 9% (15) | 16% (1) |
| 4 | Charlotte | 6% (5) | 11% (9) | 12% (4) |
| 5 | Jacksonville | 5% (10) | 13% (4) | 11% (5) |
| 6 | Tampa | 5% (8) | 17% (1) | 9% (9) |
| 7 | Atlanta | 5% (7) | 12% (7) | 9% (7) |
| 8 | Dallas* | 7% (1) | 9% (13) | 8% (11) |
| 9 | Houston | 6% (3) | 9% (14) | 7% (13) |
| 10 | Raleigh-Durham | 4% (14) | 10% (11) | 9% (8) |
| 11 | Riverside-San Bern. | 5% (6) | 12% (8) | 1% (17) |
| 12 | Las Vegas | 5% (12) | 15% (3) | -1% (19) |
| 13 | San Antonio | 5% (13) | 9% (12) | 6% (14) |
| 14 | Columbus, OH | 2% (19) | 5% (17) | 10% (6) |
| 15 | Phoenix | 4% (16) | 12% (6) | 0% (18) |
| 16 | Austin | 5% (11) | 11% (10) | -5% (20) |
| 17 | Indianapolis | 3% (18) | 4% (18) | 8% (12) |
| 18 | Cincinnati | 1% (20) | 3% (19) | 8% (10) |
| 19 | Denver | 4% (15) | 5% (16) | 2% (16) |
| 20 | Chicago** | 4% (17) | 3% (20) | 4% (15) |
| Wgt Average | | 5% | 10% | 7% |

Current ranking:
Nashville at #1, boosted by 6% employment growth, 13% single-family new lease effective rent growth and 13% home price appreciation

Future ranking (2023–2025P): Orlando #1, propelled by solid 4% average annual new lease effective rent growth, but -7% average annual home price depreciation forecasts.

JBREC Future Metro Ranking Matrix

Burns Single-Family Rent Index™ is a measure of new lease effective rent.

| Rank | Market | Burns Single-Family Rent Index Annual Average Forecast Growth 2023P-2025P | Burns Home Value Index™ 2023-2025P Annual Average Forecasted Growth |
|--------------------|---------------------|---|---|
| 1 | Orlando | 4% | (1) -7% (12) |
| 2 | Atlanta | 4% | (5) -6% (9) |
| 3 | Charlotte | 4% | (4) -6% (11) |
| 4 | Phoenix | 4% | (2) -7% (15) |
| 5 | Raleigh-Durham | 4% | (7) -6% (8) |
| 6 | Houston | 3% | (12) -3% (1) |
| 7 | Dallas* | 4% | (8) -6% (10) |
| 8 | Las Vegas | 4% | (6) -7% (13) |
| 9 | Chicago** | 3% | (14) -3% (2) |
| 10 | Tampa | 4% | (3) -8% (19) |
| 11 | San Antonio | 3% | (13) -6% (6) |
| 12 | Miami* | 4% | (9) -7% (16) |
| 13 | Denver | 3% | (17) -5% (5) |
| 14 | Jacksonville | 3% | (11) -7% (14) |
| 15 | Columbus, OH | 3% | (18) -5% (4) |
| 16 | Indianapolis | 3% | (16) -6% (7) |
| 17 | Cincinnati | 3% | (19) -5% (3) |
| 18 | Nashville | 4% | (10) -8% (18) |
| 19 | Riverside-San Bern. | 3% | (15) -8% (17) |
| 20 | Austin | 2% | (20) -9% (20) |
| Wgt Average | | 4% | -6% |

*Metropolitan division **Combination of metropolitan divisions

Current ranking assumes 30% employment growth, 30% Burns Single-Family Rent Index growth, and 40% Burns Home Value Index growth.

Future ranking assumes 60% Burns Single-Family Rent Index growth and 40% Burns Home Value Index growth.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22/Nov-22, Pub: Dec-22)

Non-core single-family rental market rankings (represent 79 markets outside top 20 in size)

JBREC Current Metro Ranking Matrix

Burns Single-Family Rent Index™ is a measure of new lease effective rent.

| Rank | Market | Employment Growth YOY % Oct-22 | Burns Single-Family Rent Index™ YOY Growth % Oct-22 | Burns Home Value Index™ YOY Growth % Nov-22 |
|------|------------------|--------------------------------|---|---|
| 1 | Daytona Beach | 4% (21) | 17% (5) | 14% (5) |
| 2 | Sarasota | 3% (29) | 19% (2) | 15% (2) |
| 3 | Myrtle Beach | 4% (24) | 15% (6) | 14% (3) |
| 4 | Greenville, SC | 5% (5) | 10% (22) | 14% (6) |
| 5 | Charleston | 7% (1) | 12% (13) | 11% (16) |
| 6 | Savannah | 5% (11) | 8% (30) | 15% (1) |
| 7 | West Palm Beach* | 5% (12) | 12% (14) | 12% (14) |
| 8 | Fayetteville, AR | 5% (14) | 11% (17) | 12% (11) |
| 9 | Fort Myers | 3% (34) | 19% (3) | 13% (7) |
| 10 | Port St. Lucie | 5% (6) | 19% (1) | 8% (32) |
| 11 | Fort Lauderdale* | 4% (19) | 13% (12) | 11% (18) |
| 12 | Knoxville | 5% (15) | 10% (24) | 12% (13) |
| 13 | Fayetteville, NC | 3% (47) | 14% (7) | 13% (8) |
| 14 | Lakeland | 3% (49) | 17% (4) | 12% (9) |
| 15 | Killeen | 3% (55) | 14% (9) | 14% (4) |
| 16 | Wilmington | 4% (27) | 9% (27) | 12% (12) |
| 17 | Fort Worth* | 6% (2) | 6% (42) | 8% (29) |
| 18 | Pensacola | 3% (39) | 12% (15) | 9% (25) |
| 19 | Oklahoma City | 3% (32) | 7% (37) | 8% (27) |
| 20 | Huntsville | 2% (68) | 13% (10) | 9% (23) |

Current ranking:
Daytona Beach at #1,
 boosted by strong single-family new lease effective rent growth (17% YOY) and home price appreciation (14% YOY).

Future ranking (2023–2025P): We forecast **Ventura** to outperform through 2025 based on strong average annual single-family new lease effective rent growth of 4% YOY, but -3% annual average home price depreciation.

JBREC Future Metro Ranking Matrix

Burns Single-Family Rent Index™ is a measure of new lease effective rent.

| Rank | Market | Burns Single-Family Rent Index Annual Average Forecast Growth 2023P-2025P | Burns Home Value Index™ 2023-2025P Annual Average Forecasted Growth |
|------|------------------|---|---|
| 1 | Ventura | 4% | (12) -3% |
| 2 | Los Angeles* | 4% | (8) -4% |
| 3 | Portland | 4% | (7) -5% |
| 4 | New York* | 3% | (34) -3% |
| 5 | San Diego | 4% | (15) -5% |
| 6 | Reno | 4% | (13) -6% |
| 7 | Seattle* | 3% | (36) -4% |
| 8 | Orange County* | 3% | (25) -4% |
| 9 | El Paso | 4% | (14) -6% |
| 10 | Oklahoma City | 3% | (27) -4% |
| 11 | Fort Lauderdale* | 3% | (19) -5% |
| 12 | Colorado Springs | 4% | (16) -6% |
| 13 | San Francisco** | 3% | (49) -3% |
| 14 | Port St. Lucie | 4% | (1) -8% |
| 15 | Charleston | 3% | (18) -6% |
| 16 | Tucson | 4% | (10) -6% |
| 17 | Winston-Salem | 3% | (17) -6% |
| 18 | Lakeland | 4% | (4) -7% |
| 19 | Salt Lake City | 4% | (11) -6% |
| 20 | Albuquerque | 3% | (31) -5% |

*Metropolitan division **Combination of metropolitan divisions

Current ranking assumes 30% employment growth, 30% Burns Single-Family Rent Index growth, and 40% Burns Home Value Index growth.

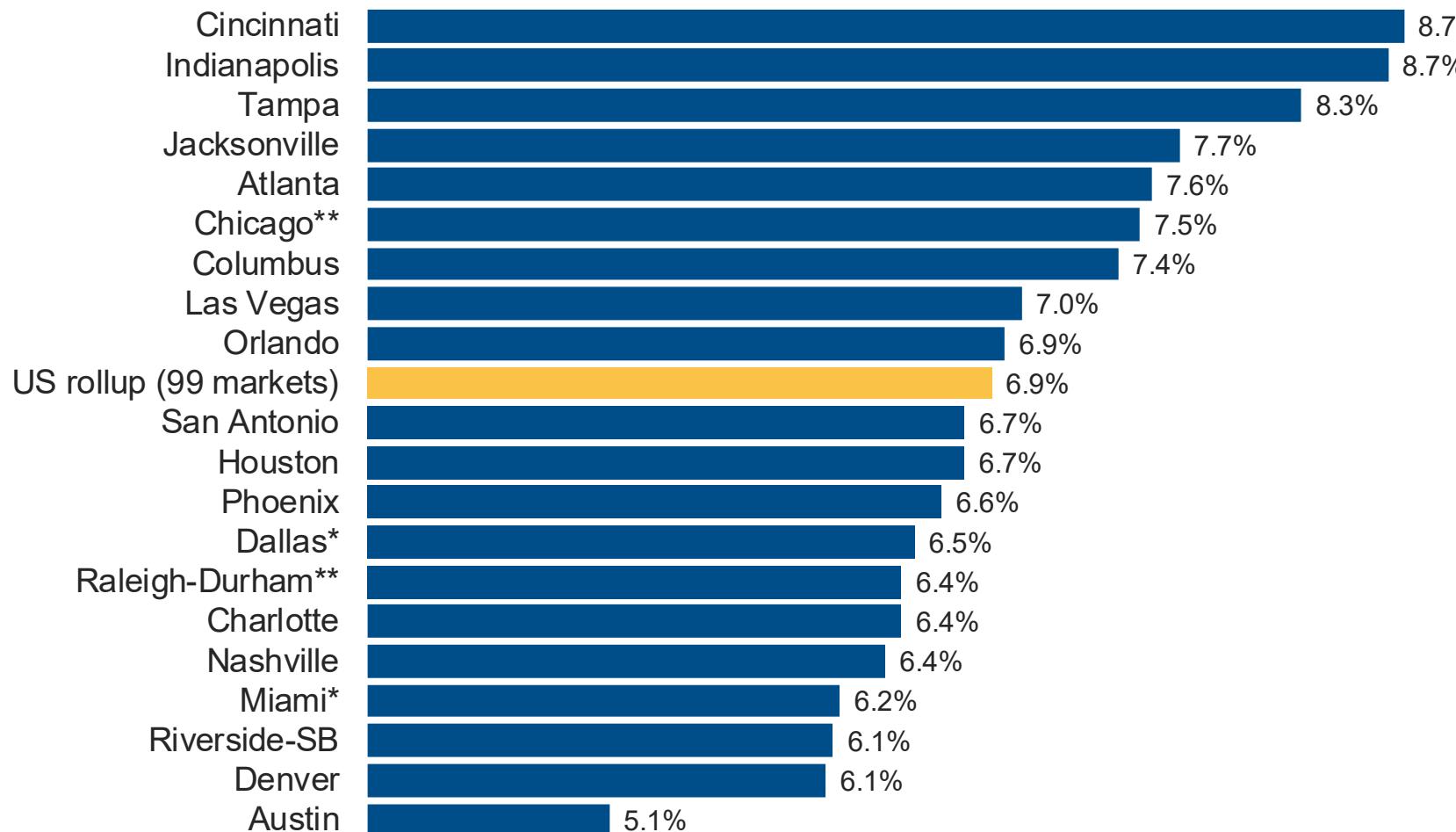
Future ranking assumes 60% Burns Single-Family Rent Index growth and 40% Burns Home Value Index growth.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22/Nov-22, Pub: Dec-22)

Gross rental yields range from 5% in Austin to 9% in Cincinnati and Indianapolis.

Gross Rental Yield after Property Taxes*(1)(2)

Oct-22



Cincinnati and Indianapolis have the highest yields, in large part due to entry-level home purchase affordability.

Methodology

(1) Comparing a market's median home price to the median rent is not an apples-to-apples comparison. To better estimate a market's gross rental yield, we have created a case-study property. For each market we collected data on homes that recently sold for a price equal to 80% of the market's median sales price and then estimated what those homes would rent for. We set a point-in-time home price and rent for 2015. We based the trend for the case-study price and rent on our home and rent indices. We assume the price to be for a rent-ready home and do not include renovation or acquisition costs.

(2) Gross Rental Yield is the quotient of one year's case-study rental amount (less property taxes) and the case-study home price.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

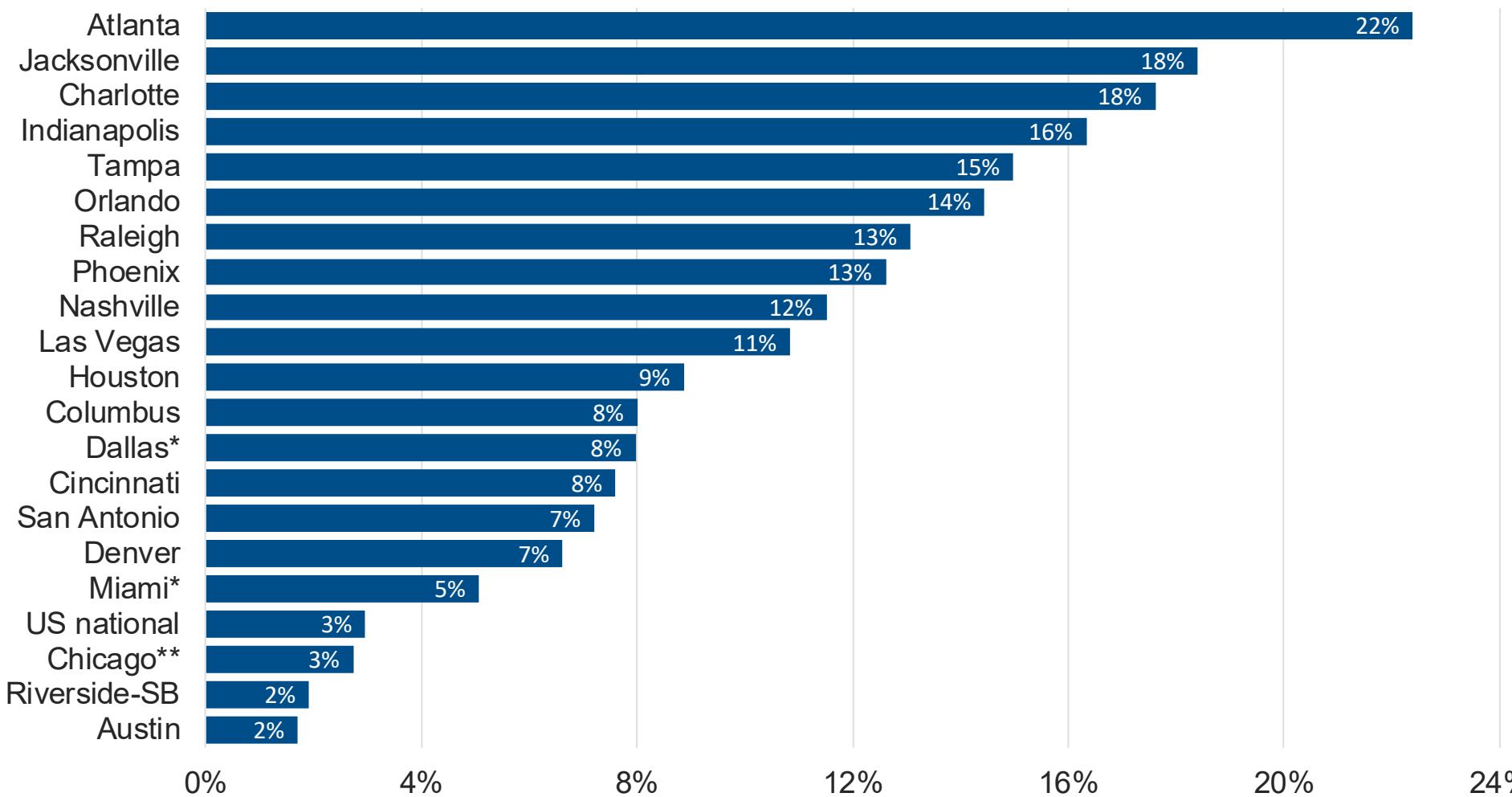
Note: We base the US roll-up on a weighted average of 99 markets.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

SFR institutional ownership in top 20 markets: Atlanta, Jacksonville, and Charlotte have 18%+ of homes in their markets owned by investors with 1000+ homes.

Single-Family Rental Market by Distribution of Investor-Owned Homes

■ Institutional investors (1000+ properties owned nationwide)



Methodology

This is a new data source. We aggregate data from public records to create the rollups displayed here. This data comes from a new provider and does not necessarily use the same methodology as the source we have used for the prior two years. Therefore, a comparison should not be made between the two data sets. This is a preliminary view of this information, and we will continue to fine tune the data and rankings in the coming months. We will not have a historical view for this new data set, but plan to have monthly releases of updated data versus the prior yearly releases. If you have concerns about any of the data, please send an email to info@jbrec.com. The feedback and insight our clients provide help us become smarter and more accurate.

Our analysis includes single-family detached residential only, per our non-owner-occupied methodology. Values may include second homes that are not rented and non-owner-occupied homes that are not used as rentals. We estimate the total US properties based on market areas where the data is available. National counts are aggregates of any property that people/firms own, regardless of whether they are within an MSA. We programmatically identify non-owner-occupied homes (rental) and owner groupings by reviewing the owner's name, zip code, and/or mailing address.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Sources: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

Market-level SFR ownership by distribution portfolio size of investor-owned homes (all 99 SFR markets)

See the methodology notes on the previous pages.

All 99 Single-Family Rental Markets (October 2022)

Distribution portfolio size of investor-owned single-family homes

| Metro | Current | | | | Metro | Current | | | | Metro | Current | | | | Metro | Current | | | |
|-------------------|---------|----------|------------|-------|----------------------|---------|----------|------------|-------|----------------|---------|----------|------------|-------|-----------------|---------|----------|------------|-------|
| | 1 TO 9 | 10 TO 99 | 100 TO 999 | 1000+ | | 1 TO 9 | 10 TO 99 | 100 TO 999 | 1000+ | | 1 TO 9 | 10 TO 99 | 100 TO 999 | 1000+ | | 1 TO 9 | 10 TO 99 | 100 TO 999 | 1000+ |
| Atlanta | 59% | 14% | 4% | 22% | Sarasota | 81% | 10% | 2% | 7% | Salt Lake City | 84% | 12% | 2% | 2% | Wilmington | 86% | 13% | 1% | 0% |
| Jacksonville | 64% | 13% | 5% | 18% | Charleston | 79% | 12% | 2% | 7% | Fresno | 80% | 14% | 5% | 2% | Warren* | 80% | 14% | 5% | 0% |
| Charlotte | 60% | 19% | 4% | 18% | San Antonio | 76% | 13% | 4% | 7% | Sacramento | 89% | 8% | 1% | 2% | Virginia Beach | 80% | 15% | 4% | 0% |
| Indianapolis | 58% | 20% | 5% | 16% | Kansas City | 63% | 23% | 7% | 7% | Fayetteville | 74% | 20% | 3% | 2% | Richmond | 71% | 23% | 6% | 0% |
| Tampa | 70% | 12% | 3% | 15% | Denver | 79% | 11% | 4% | 7% | Riverside-SB | 87% | 10% | 1% | 2% | Springfield | 64% | 28% | 8% | 0% |
| Orlando | 69% | 14% | 3% | 14% | Ogden | 79% | 11% | 4% | 7% | Albuquerque | 88% | 9% | 1% | 2% | San Diego | 89% | 9% | 2% | 0% |
| Raleigh-Durham | 68% | 16% | 3% | 13% | Greensboro | 64% | 23% | 7% | 6% | Austin | 84% | 12% | 2% | 2% | Killeen | 75% | 18% | 7% | 0% |
| Phoenix | 75% | 10% | 2% | 13% | Fort Myers | 78% | 13% | 4% | 6% | Reno | 85% | 11% | 2% | 2% | Pensacola | 84% | 12% | 3% | 0% |
| Nashville | 62% | 21% | 5% | 12% | Tucson | 83% | 9% | 3% | 5% | Fayetteville | 74% | 19% | 6% | 1% | Grand Rapids | 82% | 15% | 3% | 0% |
| Memphis | 59% | 24% | 6% | 11% | Minneapolis | 73% | 18% | 4% | 5% | Los Angeles* | 88% | 9% | 2% | 1% | Orange County | 89% | 7% | 3% | 0% |
| Fort Worth* | 68% | 18% | 3% | 11% | Miami* | 76% | 16% | 3% | 5% | Ventura | 91% | 7% | 0% | 1% | El Paso | 84% | 12% | 4% | 0% |
| Lakeland | 71% | 14% | 4% | 11% | Daytona Beach | 82% | 11% | 2% | 5% | Pittsburgh | 77% | 18% | 4% | 1% | Lexington | 68% | 25% | 8% | 0% |
| Las Vegas | 71% | 14% | 4% | 11% | Port St. Lucie | 79% | 13% | 3% | 5% | Tulsa | 66% | 26% | 7% | 1% | Newark* | 90% | 8% | 2% | 0% |
| Colorado Springs | 75% | 10% | 5% | 10% | Savannah | 73% | 17% | 6% | 4% | Cleveland | 73% | 18% | 8% | 1% | Bakersfield | 82% | 15% | 3% | 0% |
| Columbia | 71% | 15% | 4% | 10% | St. Louis | 71% | 20% | 5% | 4% | Baltimore | 78% | 15% | 6% | 1% | New Orleans | 81% | 15% | 3% | 0% |
| Fort Lauderdale* | 67% | 17% | 7% | 9% | Huntsville | 78% | 16% | 2% | 4% | East Bay Area* | 88% | 9% | 2% | 1% | New York* | 92% | 7% | 1% | 0% |
| Houston | 76% | 13% | 3% | 9% | Augusta | 74% | 18% | 4% | 4% | Akron | 67% | 25% | 6% | 1% | Wichita | 65% | 28% | 7% | 0% |
| Tacoma* | 81% | 8% | 3% | 9% | Louisville-Jefferson | 69% | 23% | 5% | 3% | Knoxville | 78% | 17% | 4% | 1% | Spokane | 85% | 12% | 3% | 0% |
| Birmingham | 70% | 16% | 6% | 9% | Greenville | 72% | 20% | 5% | 3% | Portland | 86% | 11% | 3% | 1% | Des Moines | 59% | 28% | 13% | 0% |
| Columbus | 60% | 20% | 12% | 8% | US national | 80% | 14% | 3% | 3% | Modesto | 87% | 11% | 1% | 1% | Boston | 91% | 7% | 2% | 0% |
| Dallas* | 71% | 18% | 3% | 8% | Chicago** | 79% | 13% | 6% | 3% | Stockton | 84% | 14% | 1% | 0% | Nassau* | 92% | 6% | 2% | 0% |
| West Palm Beach* | 79% | 11% | 2% | 8% | Seattle* | 89% | 7% | 2% | 3% | Myrtle Beach | 92% | 7% | 1% | 0% | Chattanooga | 74% | 22% | 4% | 0% |
| Winston-Salem | 68% | 20% | 4% | 8% | Oklahoma City | 62% | 26% | 10% | 3% | Philadelphia | 79% | 17% | 4% | 0% | San Francisco** | 93% | 6% | 1% | 0% |
| Cincinnati | 63% | 22% | 7% | 8% | Boise | 83% | 13% | 2% | 2% | Detroit* | 75% | 16% | 8% | 0% | Visalia | 84% | 13% | 3% | 0% |
| Vallejo-Fairfield | 81% | 9% | 3% | 7% | Milwaukee | 76% | 18% | 3% | 2% | Washington DC | 84% | 12% | 3% | 0% | San Jose | 93% | 6% | 1% | 0% |

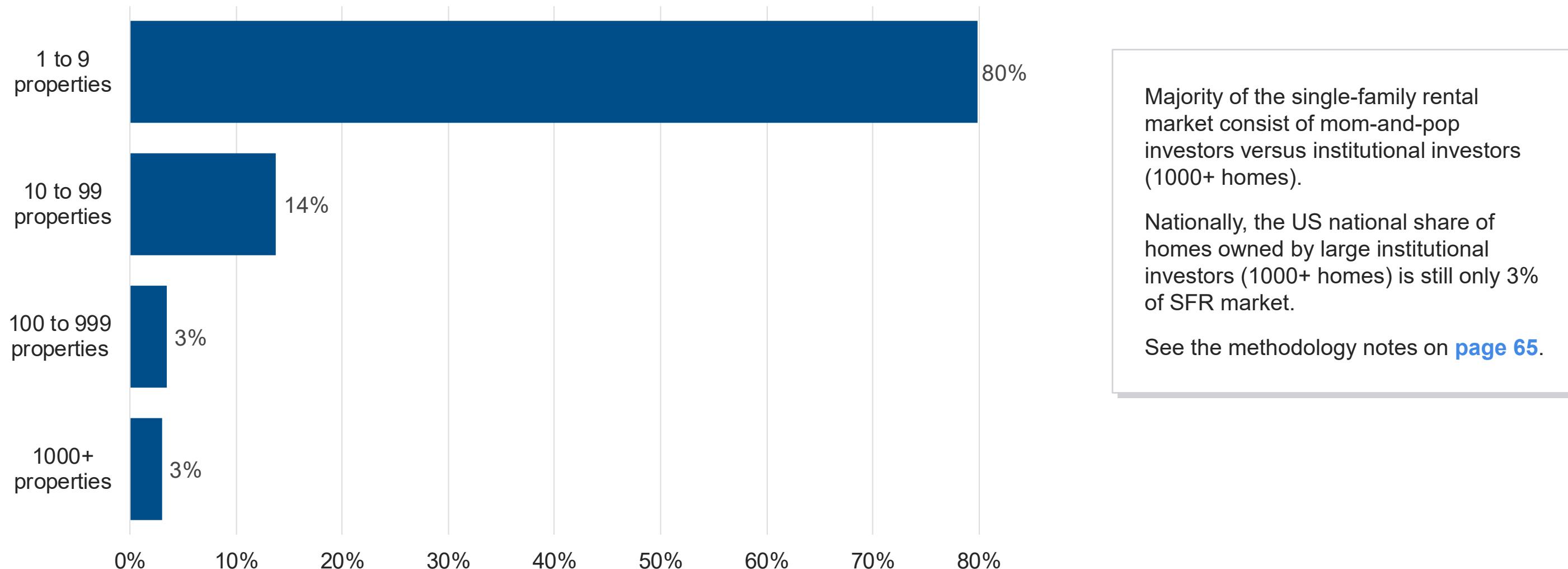
Note: Our investor methodology may include second homes and vacation homes.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

The majority of SFR homes are owned by mom-and-pop investors. 80% own 1 to 9 homes; 17% own 10 to 99.

National Single-Family Rental Market by Distribution of Investor-Owned

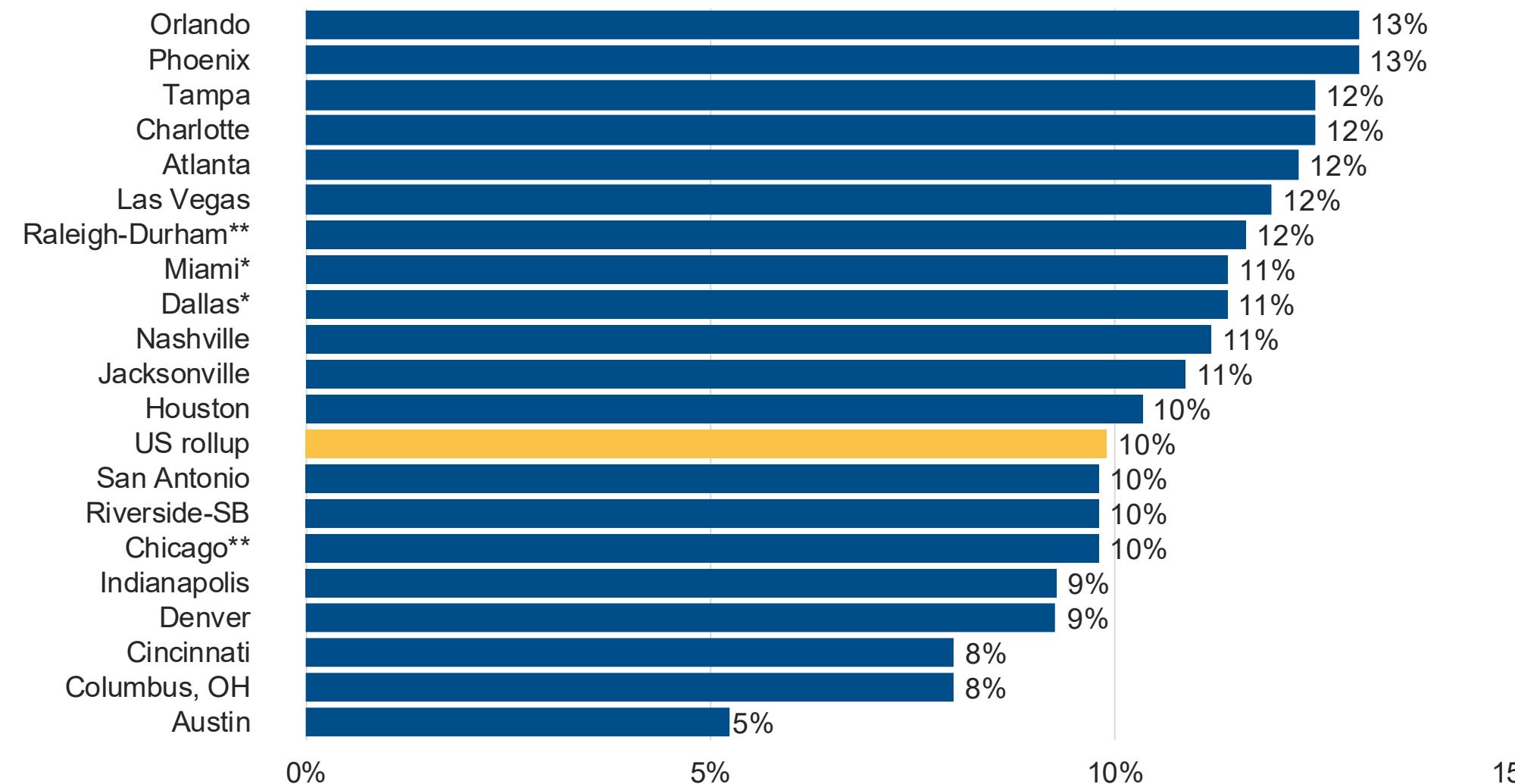


Source: John Burns Real Estate Consulting based on public records, LLC (Data: Oct-22, Pub: Dec-22)

Expect healthy SFR new lease effective rent growth in all top 20 markets through 2025.

3-Year Single-Family Rental New Lease Effective Growth Forecast

Cumulative % change 2023P–2025P



The trend of Sunbelt and select Southwest and Texas markets with diversified economies outperforming pre-COVID will continue post-COVID.

*Metropolitan division **Combination of metropolitan divisions

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

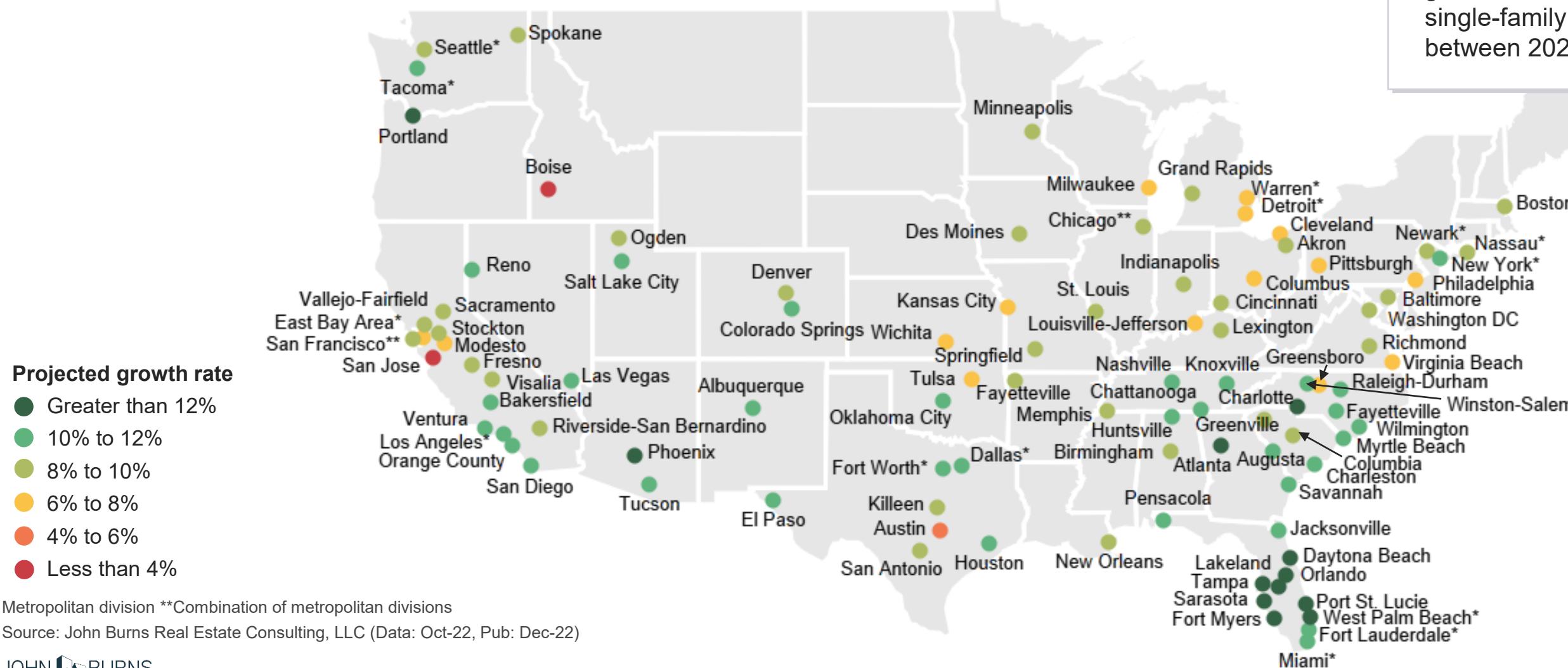
Cumulative SFR new lease effective rent forecasts through 2025 are stronger in Florida, Texas, the Southeast, and the Southwest.

3-Year Cumulative Single-Family Rental Growth Forecasts

99 single-family rental markets, cumulative % change 2023P–2025P (3 years)

Burns Single-Family Rent Index™ is a measure of new lease effective rents.

This is a cumulative growth forecast for 99 single-family markets between 2023 and 2025



Burns Single-Family Rent Index™ YOY%

October 2021 vs. October 2022

Burns Single-Family Rent Index is a measure of new lease effective rent.

| Metro | Oct 2021 | Oct 2022 | Change in YOY % Growth Rate |
|------------------------|----------|----------|--------------------------------|
| Tampa | 9% | 17% | 9% |
| Orlando | 7% | 16% | 9% |
| Las Vegas | 10% | 15% | 5% |
| Jacksonville | 9% | 13% | 4% |
| Nashville | 8% | 13% | 5% |
| Phoenix | 12% | 12% | 0% |
| Atlanta | 10% | 12% | 2% |
| Riverside-SB | 8% | 12% | 4% |
| Charlotte | 10% | 11% | 1% |
| Austin | 9% | 11% | 2% |
| Raleigh-Durham | 7% | 10% | 3% |
| San Antonio | 5% | 9% | 4% |
| Dallas* | 7% | 9% | 2% |
| Houston | 6% | 9% | 3% |
| Miami* | 4% | 9% | 5% |
| US rollup (99 markets) | 5% | 7% | 2% |
| Denver | 4% | 5% | 1% |
| Columbus, OH | 5% | 5% | 1% |
| Indianapolis | 7% | 4% | -3% |
| Cincinnati | 2% | 3% | 1% |
| Chicago** | 3% | 3% | 0% |

SFR new lease effective rent growth is increasing YOY in the majority of top 20 SFR markets, except Phoenix, Indianapolis, and Chicago.

SFR new lease effective rent growth is accelerating fastest in Tampa (17% YOY), Orlando (16% YOY), and Las Vegas (15% YOY).

YOY single-family new lease effective rent growth decelerated in Phoenix, Indianapolis, and Chicago compared to one year ago.

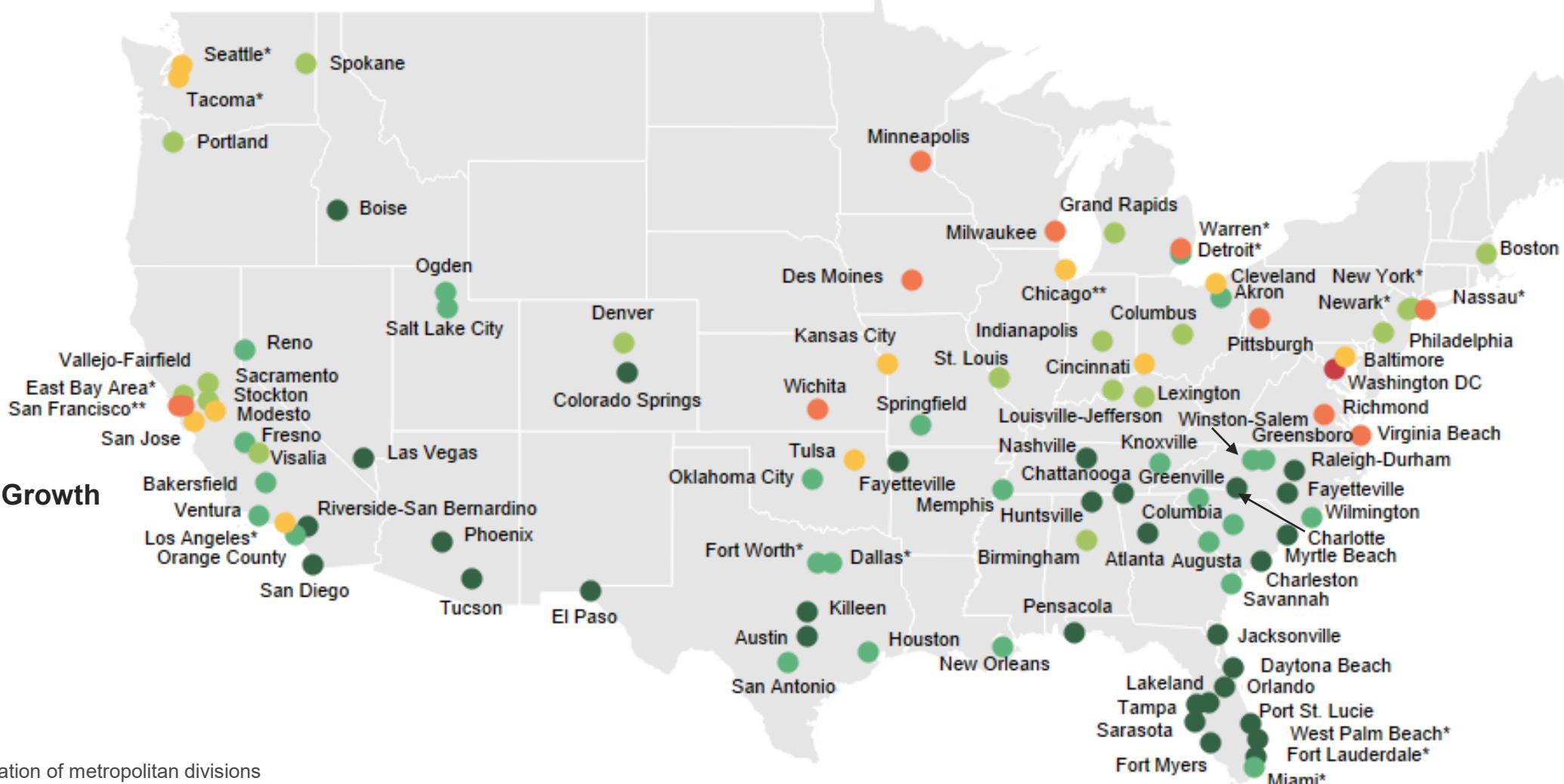
Note: Actual values may vary slightly due to rounding.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22) *Metropolitan division **Combination of metropolitan divisions

Across 99 markets, single-family new lease effective rents rising the most in Florida, Texas, Southeast, and Southwest.

Burns Single-Family Rent Index™ YOY Growth Rate (October 2022, 99 Markets)

Burns Single-Family Rent Index is a measure of new lease effective rent.



Single-family new lease effective rent growth varies by market.

Burns Single-Family Rent Index™ YOY Growth Rate (Top 20 SFR Markets)

Burns Single-Family Rent Index is a measure of new lease effective rent

| | Oct-21 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 |
|------------------|--------|--------|--------|--------|--------|--------|--------|
| Tampa | 9% | 15% | 16% | 17% | 17% | 17% | 17% |
| Orlando | 7% | 14% | 15% | 16% | 16% | 16% | 16% |
| Las Vegas | 10% | 14% | 15% | 15% | 16% | 15% | 15% |
| Jacksonville | 9% | 14% | 14% | 14% | 14% | 14% | 13% |
| Nashville | 8% | 10% | 11% | 12% | 12% | 13% | 13% |
| Phoenix | 12% | 13% | 14% | 14% | 13% | 13% | 12% |
| Atlanta | 10% | 12% | 12% | 12% | 12% | 12% | 12% |
| Riverside-San B. | 8% | 9% | 9% | 9% | 10% | 11% | 12% |
| Charlotte | 10% | 13% | 13% | 12% | 12% | 12% | 11% |
| Austin | 9% | 10% | 11% | 11% | 11% | 11% | 11% |
| Raleigh-Durham | 7% | 10% | 10% | 10% | 11% | 11% | 10% |
| San Antonio | 5% | 9% | 10% | 10% | 10% | 10% | 9% |
| Dallas* | 7% | 11% | 11% | 11% | 10% | 10% | 9% |
| Houston | 6% | 8% | 8% | 8% | 8% | 9% | 9% |
| Miami* | 4% | 13% | 13% | 12% | 11% | 10% | 9% |
| Denver | 4% | 5% | 5% | 5% | 5% | 5% | 5% |
| Columbus | 5% | 6% | 6% | 6% | 6% | 6% | 5% |
| Indianapolis | 7% | 6% | 5% | 5% | 5% | 5% | 4% |
| Cincinnati | 2% | 2% | 2% | 3% | 3% | 3% | 3% |
| Chicago** | 3% | 4% | 3% | 3% | 3% | 3% | 3% |

We are monitoring the rate of growth, which has peaked in several markets.

*Metropolitan division **Combination of metropolitan divisions. Note: Burns Single-Family Rent Index is a measure of new lease effective rent.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

Burns Single-Family Rent Index™ YOY Growth Rate (79 Markets)

Burns Single-Family Rent Index is a measure of new lease effective rent

| | Oct-21 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 |
|------------------|--------|--------|--------|--------|--------|--------|--------|
| Port St. Lucie | 10% | 16% | 17% | 18% | 18% | 19% | 19% |
| Sarasota | 7% | 14% | 16% | 17% | 18% | 19% | 19% |
| Fort Myers | 10% | 16% | 17% | 18% | 18% | 19% | 19% |
| Lakeland | 10% | 16% | 16% | 16% | 17% | 17% | 17% |
| Daytona Beach | 6% | 15% | 15% | 16% | 16% | 17% | 17% |
| Myrtle Beach | 3% | 9% | 10% | 12% | 13% | 14% | 15% |
| Fayetteville | 7% | 9% | 10% | 11% | 12% | 13% | 14% |
| Killeen | 6% | 10% | 11% | 12% | 13% | 13% | 14% |
| Tucson | 8% | 14% | 15% | 14% | 15% | 14% | 14% |
| Huntsville | 8% | 11% | 12% | 12% | 13% | 13% | 13% |
| Boise | 9% | 13% | 13% | 14% | 14% | 14% | 13% |
| Fort Lauderdale* | 6% | 15% | 15% | 14% | 14% | 13% | 13% |
| Charleston | 4% | 9% | 10% | 11% | 12% | 12% | 12% |
| West Palm Beach* | 7% | 14% | 15% | 14% | 13% | 12% | 12% |
| Pensacola | 7% | 10% | 11% | 11% | 12% | 12% | 12% |
| Chattanooga | 6% | 8% | 9% | 9% | 10% | 11% | 11% |
| Fayetteville | 6% | 7% | 7% | 8% | 9% | 10% | 11% |
| Colorado Springs | 7% | 9% | 10% | 11% | 11% | 11% | 11% |
| El Paso | 8% | 8% | 8% | 9% | 9% | 10% | 10% |
| San Diego | 4% | 8% | 8% | 9% | 10% | 10% | 10% |
| Detroit* | 12% | 8% | 8% | 9% | 9% | 11% | 10% |
| Greenville | 6% | 8% | 9% | 9% | 10% | 10% | 10% |
| Greensboro | 9% | 12% | 11% | 11% | 11% | 10% | 10% |
| Knoxville | 4% | 7% | 8% | 9% | 9% | 9% | 10% |
| Ventura | 5% | 6% | 7% | 7% | 8% | 9% | 9% |
| Springfield | 7% | 7% | 7% | 8% | 9% | 9% | 9% |
| Wilmington | 6% | 7% | 7% | 8% | 8% | 9% | 9% |
| Memphis | 6% | 9% | 10% | 9% | 10% | 10% | 9% |
| Winston-Salem | 10% | 12% | 11% | 10% | 10% | 9% | 9% |
| Savannah | 4% | 6% | 6% | 7% | 7% | 8% | 8% |
| Albuquerque | 6% | 6% | 7% | 7% | 8% | 8% | 8% |
| Augusta | 1% | 5% | 5% | 6% | 7% | 7% | 8% |
| Salt Lake City | 1% | 4% | 5% | 5% | 6% | 7% | 8% |
| Orange County | 4% | 8% | 8% | 8% | 8% | 8% | 8% |
| Reno | 9% | 8% | 8% | 8% | 8% | 8% | 8% |
| Fresno | 5% | 7% | 8% | 8% | 8% | 8% | 8% |
| Oklahoma City | 3% | 6% | 7% | 7% | 8% | 8% | 8% |
| New Orleans | 4% | 4% | 5% | 5% | 6% | 7% | 7% |
| Bakersfield | 3% | 6% | 6% | 6% | 7% | 7% | 7% |
| Akron | 3% | 3% | 4% | 5% | 6% | 6% | 7% |

| | Oct-21 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 |
|----------------------|--------|--------|--------|--------|--------|--------|--------|
| Columbia | 5% | 7% | 7% | 7% | 7% | 7% | 6% |
| Fort Worth* | 7% | 10% | 9% | 9% | 8% | 7% | 6% |
| Ogden | 3% | 3% | 3% | 4% | 5% | 6% | 6% |
| Spokane | 5% | 5% | 5% | 5% | 6% | 6% | 6% |
| Portland | 6% | 3% | 3% | 4% | 5% | 5% | 6% |
| Birmingham | 7% | 6% | 7% | 7% | 7% | 7% | 6% |
| Sacramento | 7% | 5% | 5% | 5% | 5% | 5% | 5% |
| New York* | 1% | 4% | 5% | 5% | 5% | 5% | 5% |
| Grand Rapids | 5% | 4% | 4% | 4% | 5% | 5% | 5% |
| Vallejo-Fairfield | 5% | 6% | 6% | 5% | 5% | 5% | 5% |
| Lexington | 0% | 3% | 3% | 3% | 3% | 4% | 4% |
| Louisville-Jefferson | 2% | 3% | 4% | 4% | 4% | 4% | 4% |
| Newark* | 3% | 3% | 4% | 4% | 5% | 5% | 4% |
| Stockton | 7% | 5% | 5% | 5% | 5% | 4% | 4% |
| Boston | 3% | 0% | 0% | 1% | 2% | 3% | 4% |
| Philadelphia | 3% | 3% | 3% | 3% | 4% | 5% | 4% |
| Visalia | 5% | 4% | 3% | 3% | 4% | 4% | 4% |
| St. Louis | 3% | 3% | 3% | 4% | 4% | 4% | 4% |
| Cleveland | 4% | 3% | 3% | 4% | 4% | 4% | 4% |
| Modesto | 4% | 3% | 3% | 3% | 3% | 4% | 4% |
| Tulsa | 3% | 4% | 4% | 3% | 4% | 4% | 4% |
| Kansas City | 4% | 2% | 3% | 3% | 4% | 4% | 3% |
| Tacoma* | 5% | 6% | 5% | 5% | 4% | 4% | 3% |
| Los Angeles* | 2% | 4% | 4% | 4% | 4% | 4% | 3% |
| San Jose | -1% | 1% | 2% | 2% | 2% | 3% | 3% |
| Seattle* | 5% | 4% | 4% | 3% | 3% | 3% | 3% |
| Baltimore | 0% | 1% | 1% | 2% | 2% | 3% | 3% |
| Pittsburgh | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| Virginia Beach | 3% | 1% | 1% | 1% | 1% | 2% | 2% |
| San Francisco** | -3% | 0% | 0% | 1% | 1% | 2% | 2% |
| East Bay Area* | 1% | 1% | 1% | 1% | 1% | 2% | 2% |
| Warren* | 4% | 2% | 2% | 2% | 1% | 2% | 1% |
| Nassau* | 3% | 5% | 4% | 3% | 2% | 2% | 1% |
| Milwaukee | 2% | 0% | 0% | 0% | 1% | 1% | 1% |
| Des Moines | 3% | 0% | 0% | 0% | 0% | 0% | 1% |
| Minneapolis | 2% | 0% | 0% | 0% | 0% | 1% | 1% |
| Wichita | -2% | -1% | -1% | 0% | 0% | 0% | 0% |
| Richmond | 3% | -1% | -2% | -1% | -1% | 0% | 0% |
| Washington DC | 1% | 0% | 0% | -1% | -1% | -1% | -1% |

Single-family new lease effective rent growth is positive in most markets.

We are monitoring the rate of growth, which has peaked in several markets.

*Metropolitan division **Combination of metropolitan divisions.

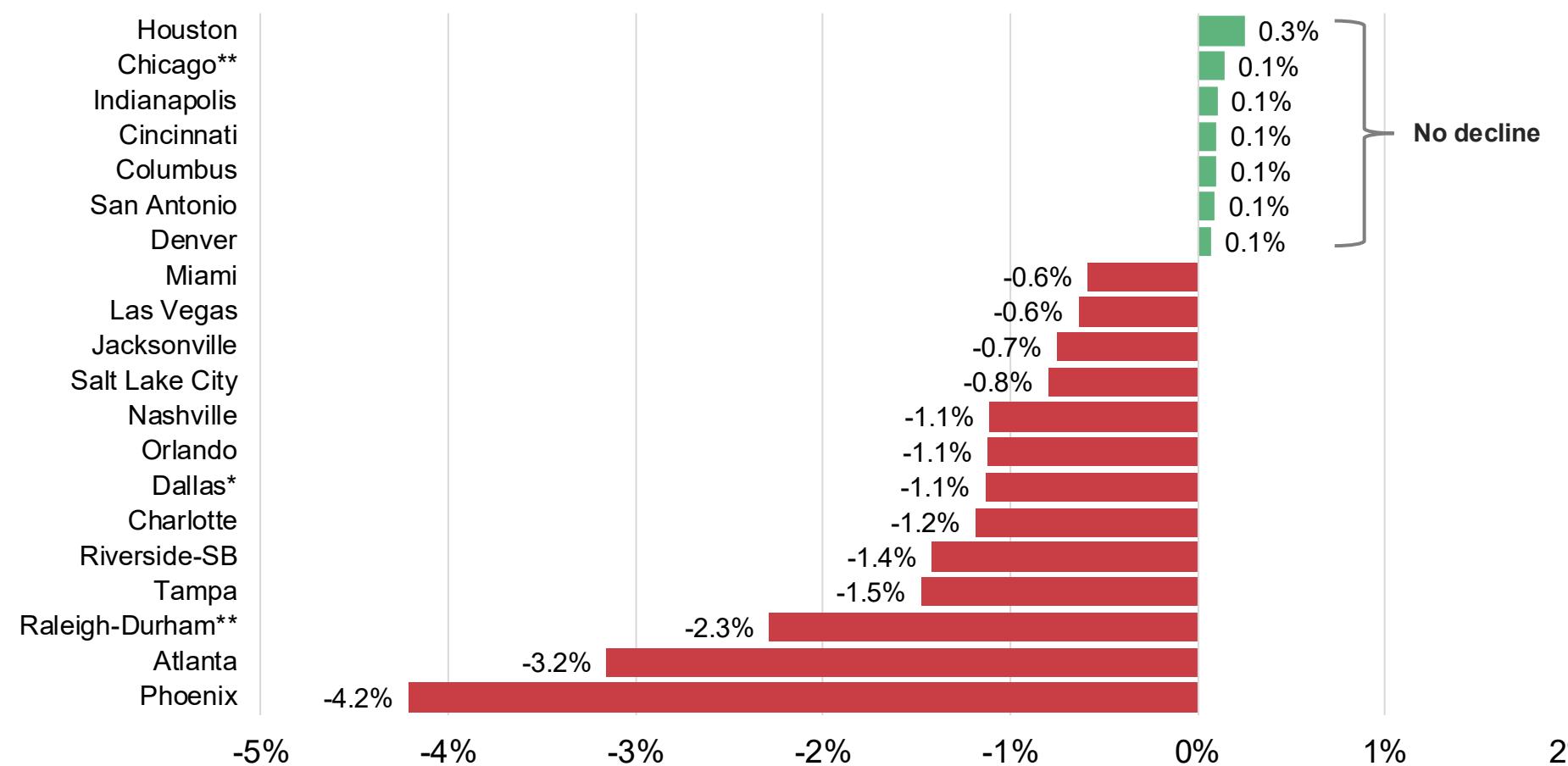
Note: Burns Single-Family Rent Index is a measure of new lease effective rent.

Source: John Burns Real Estate Consulting, LLC
(Data: Oct-22, Pub: Dec-22)

SFR new lease effective rents did not fall nationally during the Great Recession, but rents did dip slightly in most top markets.

Burns Single-Family Rent Index™ Increases/Declines during Great Recession

Total % change in new lease effective rent from peak to trough



No decline

At a national level, single-family rents have historically weathered economic storms quite well. However, every market varies.

The peak is defined by the max rent value from Jan-07 to Dec-09, and the trough is the minimum value from Jan-10 to Dec-12.

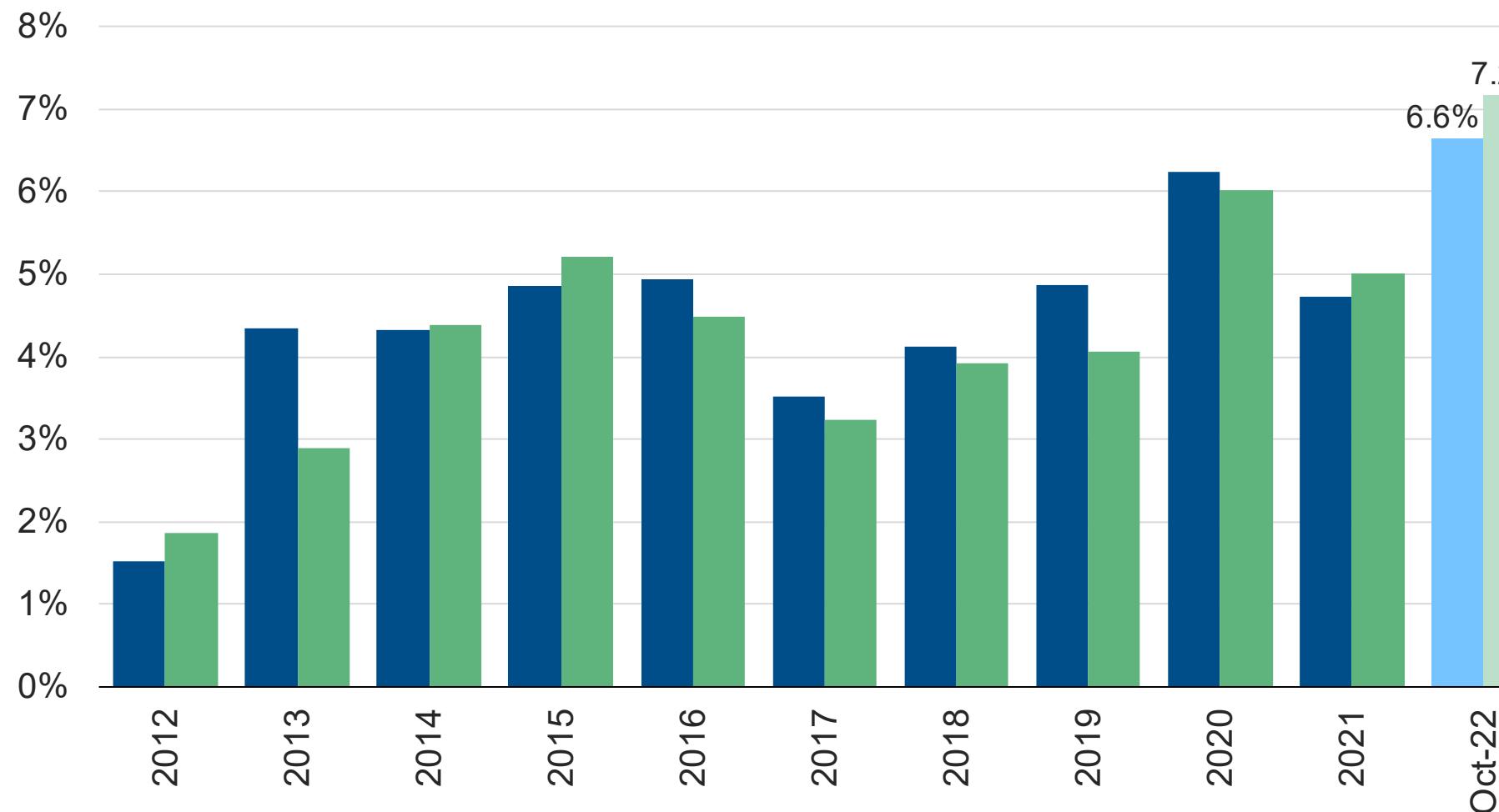
Note: Burns Single-Family Rent Index is a measure of new lease effective rent.

Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

SFR low-tier and high-tier new lease effective rents are up 7% YOY.

Burns Single-Family Rent Tiered Index™

Single-family new lease effective rent YOY % ■ Low tier = 6.6% ■ High tier = 7.2%



Our Burns Single-Family Rent Tiered Index splits homes into three equally sized groups based on rent.

High-tier rents increased 60bps faster than low-tier single-family rentals, indicating slightly stronger demand for higher-end properties.

Note: We calculate the US roll-up based on a weighted average of 96 markets, with data prior to 2015 containing smaller market groupings based on data availability.

Burns Single-Family Rent Index is a measure of new lease effective rent.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

Burns Single-Family Rent Index™ Low- and High-Tier YOY Growth

Burns Single-Family Rent Index is a measure of new lease effective rent

| Market | Low tier | High tier | Difference |
|-------------------------------|-----------|-----------|------------|
| Tampa | 18% | 18% | 0% |
| Jacksonville | 16% | 13% | -3% |
| Orlando | 15% | 16% | 1% |
| Nashville | 12% | 14% | 2% |
| Charlotte | 12% | 11% | -1% |
| Riverside-SB | 12% | 13% | 1% |
| Phoenix | 11% | 9% | -2% |
| Austin | 11% | 11% | 0% |
| Atlanta | 10% | 11% | 1% |
| San Antonio | 9% | 9% | 0% |
| Houston | 9% | 9% | 0% |
| Miami* | 7% | 8% | 1% |
| Dallas* | 7% | 8% | 1% |
| US roll-up (96-market) | 7% | 7% | 1% |
| Denver | 4% | 7% | 2% |
| Columbus, OH | 4% | 4% | 1% |
| Cincinnati | 3% | 6% | 3% |
| Chicago** | 2% | 3% | 1% |

The biggest spread between low- and high-tier SFR new lease effective rent growth is in Jacksonville and Cincinnati.

Across the top markets, rents for low tier and high tier rentals in **Jacksonville** (18% YOY) gained the most.

*Metropolitan division **Combination of metropolitan divisions

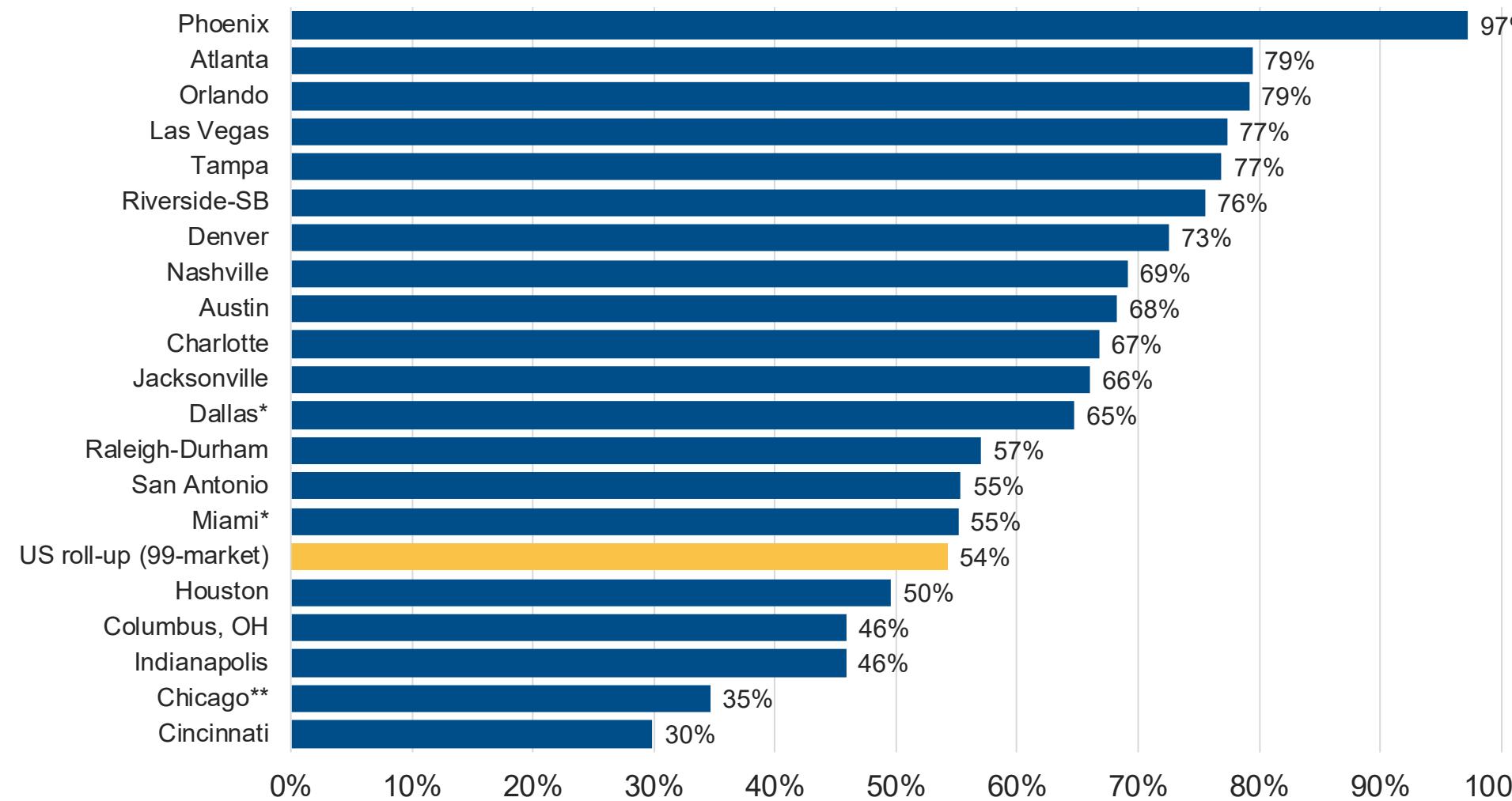
Note: Actual values may vary slightly due to rounding.

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

National single-family new lease effective rents have increased +54% since 2011.

Burns Single-Family Rent Index™ Cumulative Growth

Total new lease effective rent growth since April 2011



Single-family new lease effective rents have increased the most in **Phoenix** (+97%) and the least in **Cincinnati** (+30%) since 2011, which is when rent in most markets bottomed in the prior cycle.

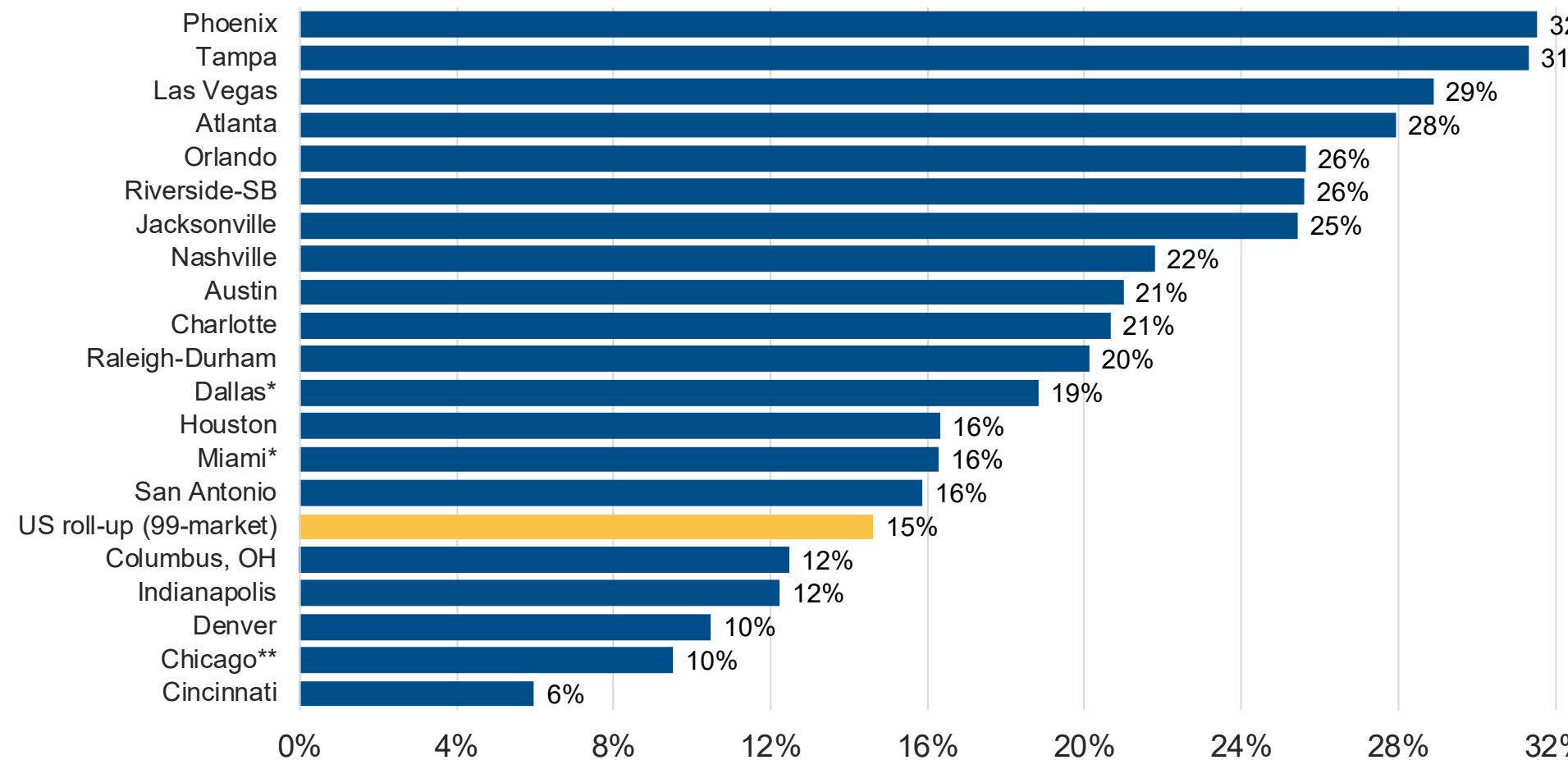
Note: Burns Single-Family Rent Index is a measure of new lease effective rent. *Metropolitan division **Combination of metropolitan divisions

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

Single-family rents across the top 20 SFR markets have risen 6% to 32% since the start of the pandemic in March 2020.

Burns Single-Family Rent Index™ Cumulative Growth

Total new lease effective rent growth since March 2020



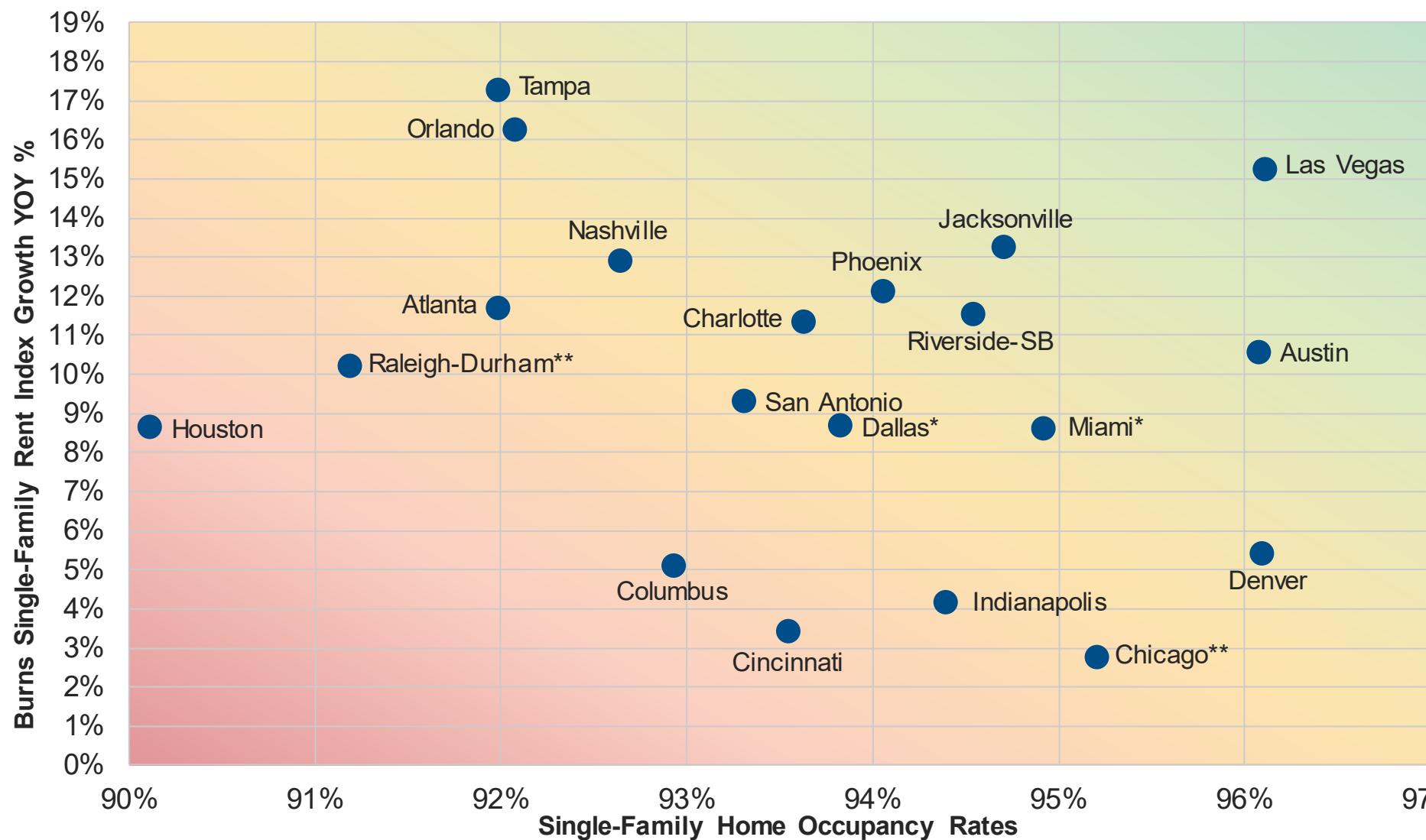
Capital has been entering the space and chasing high-yields and strong rent growth since the start of the pandemic.

Note: Burns Single-Family Rent Index is a measure of new lease effective rent. *Metropolitan division **Combination of metropolitan divisions

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

Single-family new lease effective rents are generally growing faster in high-occupancy markets.

Current Single-Family New Lease Effective Rent Growth vs. Single-Family Home Occupancy Rates



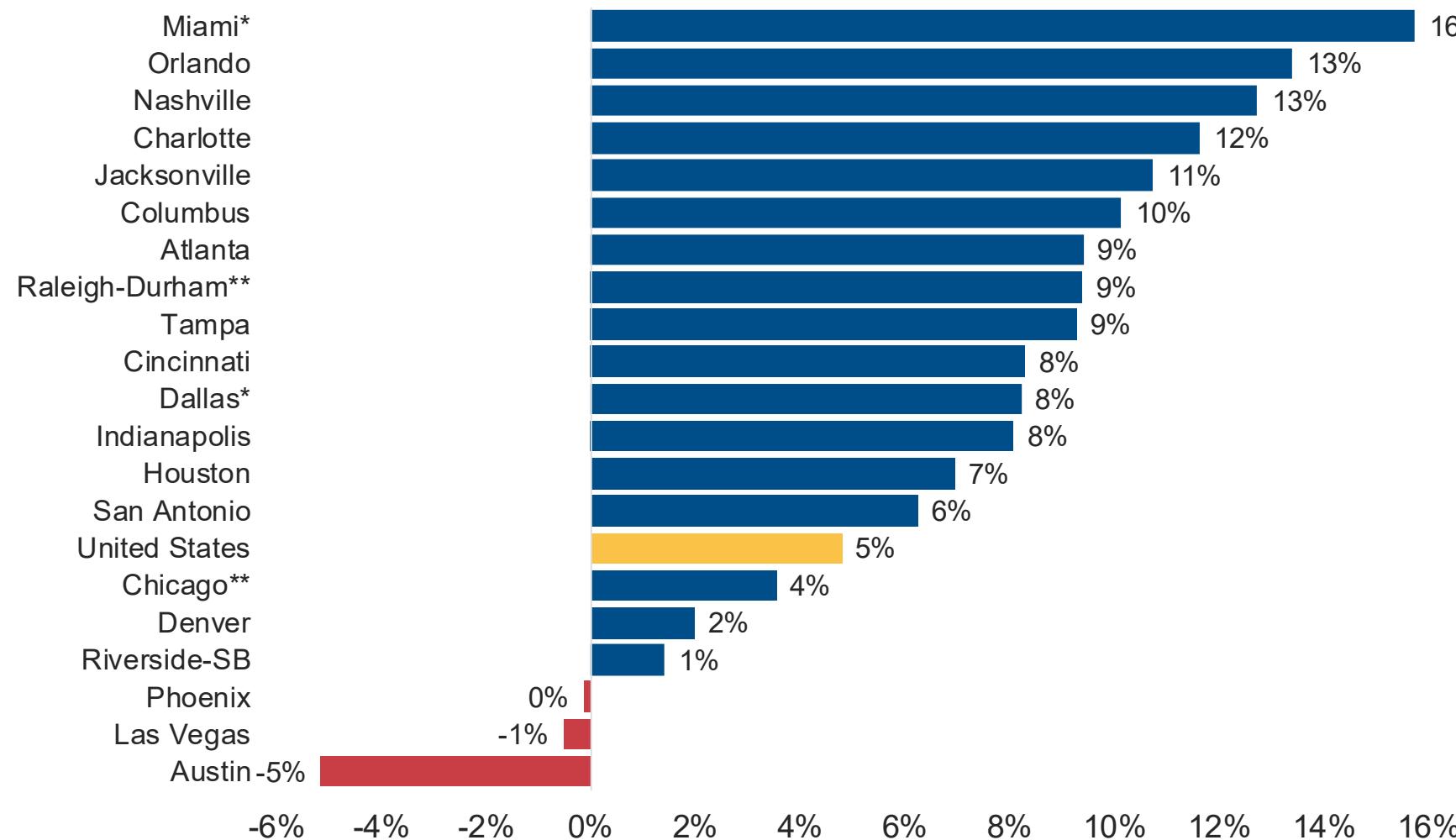
Note: Burns Single-Family Rent Index is a measure of new lease effective rent. *Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Sources: RentRange; John Burns Real Estate Consulting, LLC (Data: Oct-22/3Q22, Pub: Dec-22)

Resale home prices are rising in most top SFR markets, though moderating from recent highs. Compared to one year ago, price appreciation has decelerated as the for-sale market slows.

Burns Home Value Index™

Nov-22 YOY %



Nationally, home prices increased 5% YOY in November 2022.

- Price appreciation is decelerating across majority of housing markets as sharply higher mortgage rates are cooling the for-sale market.
- Home prices rose 13%+ for **Miami**, **Orlando**, and **Nashville**, while home prices decreased -5% YOY in **Austin**.

Note: Our US roll-up includes all 150 markets in our Burns Home Value Index. *Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Nov-22, Pub: Dec-22)

Burns Home Value Index™ YOY%

November 2021 vs. November 2022

| Metro | Nov-21 | Nov-22 | Change in YOY % Growth Rate |
|---------------------|------------|-----------|--------------------------------|
| Miami | 22% | 16% | -6% |
| Orlando | 24% | 13% | -11% |
| Nashville | 28% | 13% | -15% |
| Charlotte | 26% | 12% | -14% |
| Jacksonville | 28% | 11% | -17% |
| Columbus | 16% | 10% | -6% |
| Atlanta | 26% | 9% | -17% |
| Raleigh-Durham | 28% | 9% | -19% |
| Tampa | 28% | 9% | -19% |
| Cincinnati | 15% | 8% | -7% |
| Dallas | 23% | 8% | -14% |
| Indianapolis | 17% | 8% | -9% |
| Houston | 17% | 7% | -10% |
| San Antonio | 20% | 6% | -14% |
| US National | 19% | 5% | -14% |
| Chicago | 12% | 4% | -9% |
| Denver | 21% | 2% | -19% |
| Riverside-San Bern. | 25% | 1% | -24% |
| Phoenix | 30% | 0% | -30% |
| Las Vegas | 27% | -1% | -27% |
| Austin | 33% | -5% | -39% |

Existing home prices have decelerated across all the top SFR markets compared to one year ago.

Miami home prices rose 16% YOY, decelerating from 22% YOY one year ago in November 2021.

Nationally, home price appreciation increased 5% YOY.

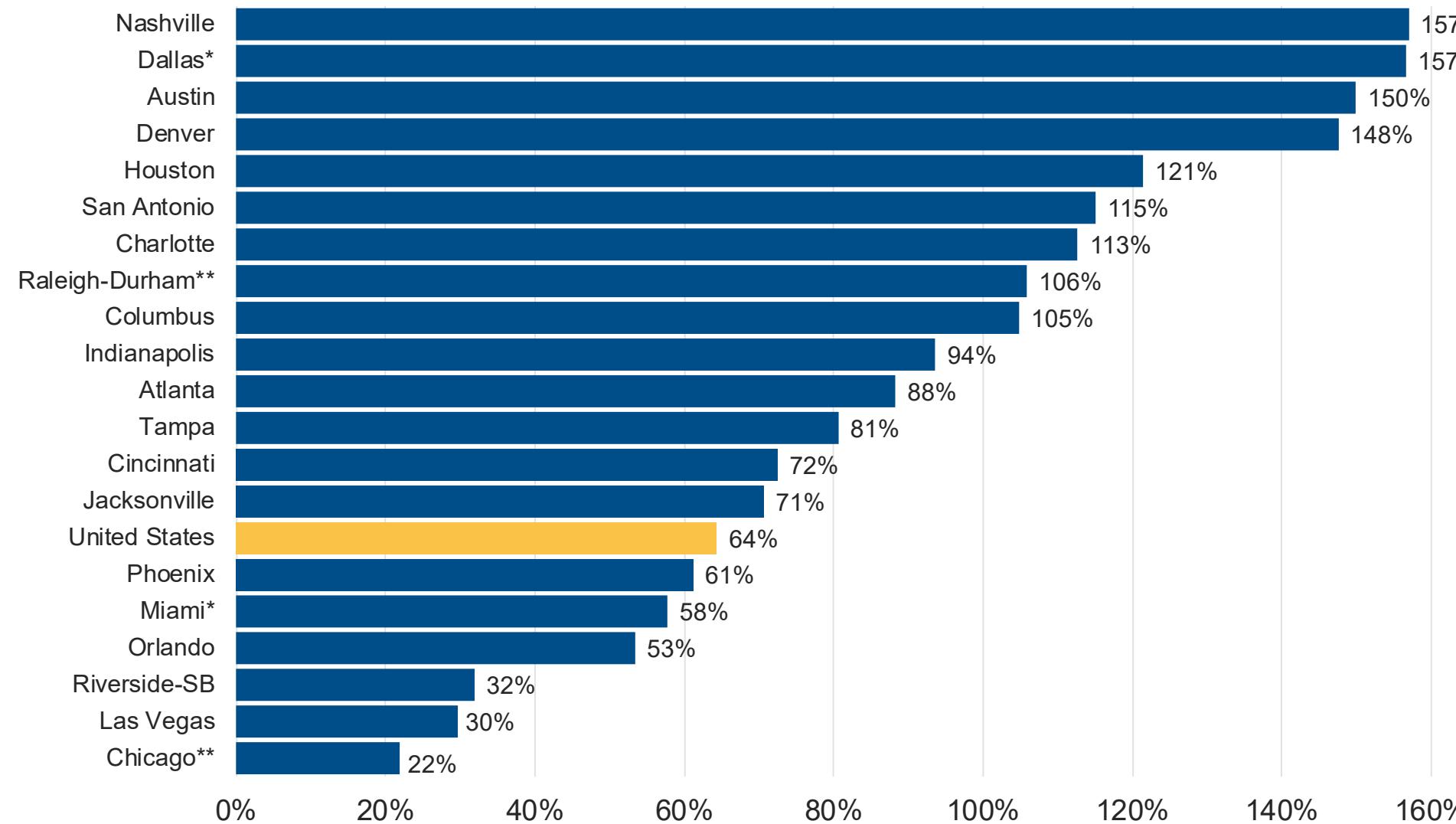
Note: Our US roll-up includes all 148 markets in our Burns Home Value Index. Actual values may vary slightly due to rounding. *Metropolitan division

**Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Nov-22, Pub: Dec-22)

Home values are above the prior peak (2002–2008) in all the top single-family rental markets.

Burns Home Value Index™ Percent above/below 2002–2008 Peak



Nashville and **Dallas** are 157%+ above prior peak levels.

Hard-hit markets like **Chicago**, **Las Vegas**, and **Riverside-SB** remain 22% to 32% above prior peak levels.

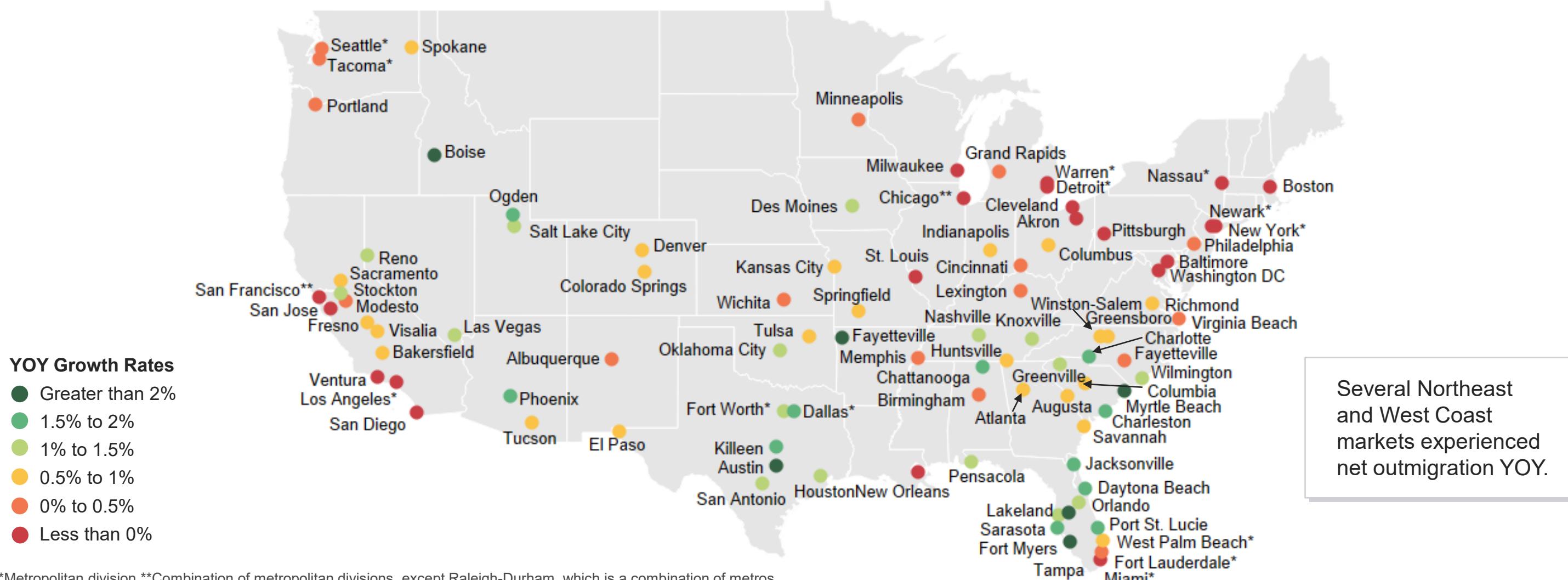
*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Nov-22, Pub: Dec-22)

Top 99 SFR markets: Population growth is strongest in Boise, Myrtle Beach, Austin and Lakeland, at 2.5%+ YOY.

Current YOY Population Growth Rates

Top 99 single-family rental markets (October 2022)

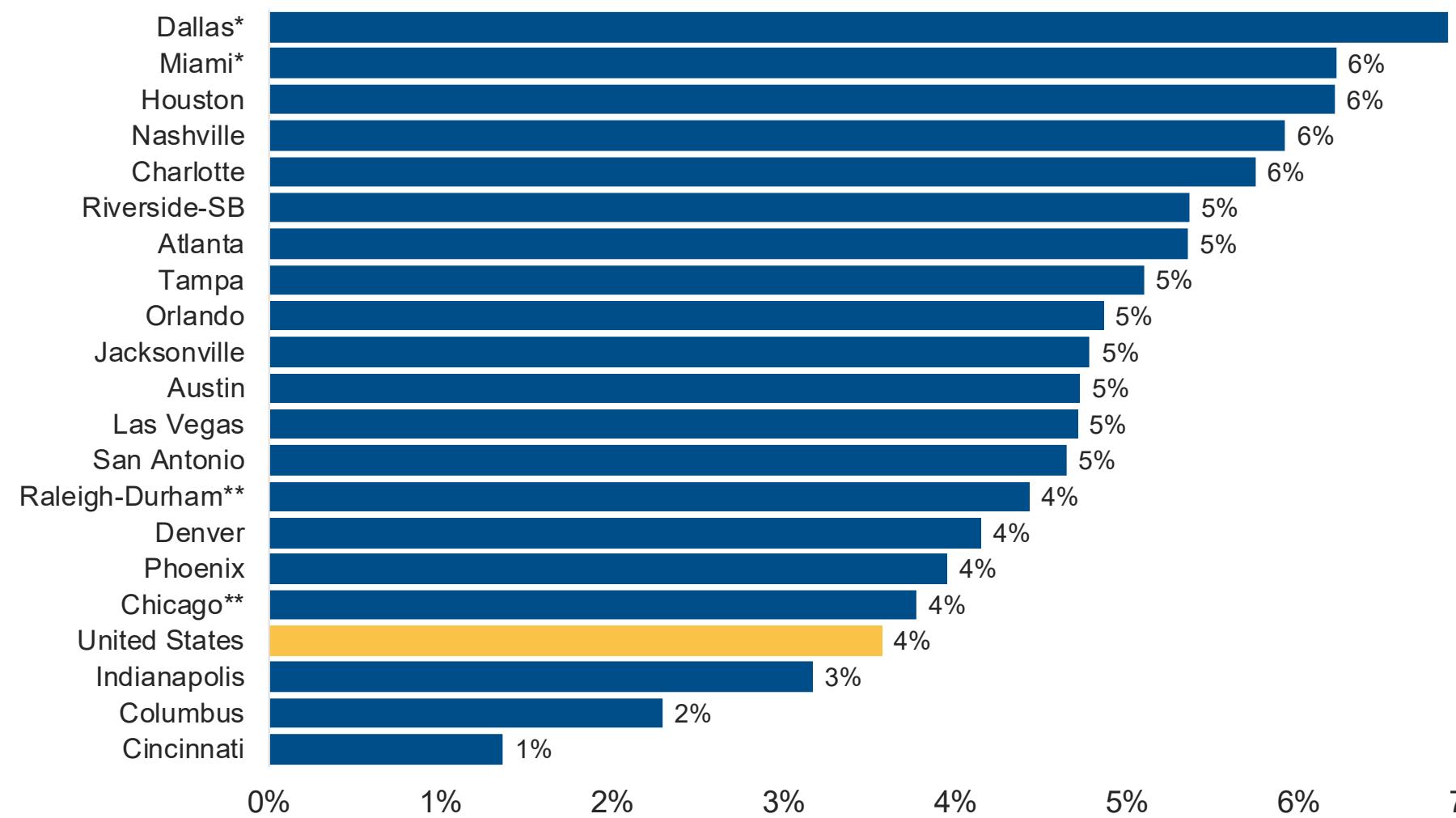


Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

Job growth increased YOY across the majority of top 20 SFR markets, ranging from 1% (Cincinnati) to 7% YOY (Dallas) growth.

Current Employment Growth

Oct-22 YOY %



Job growth ranged from 1% to 7% YOY across the top 20 SFR markets.

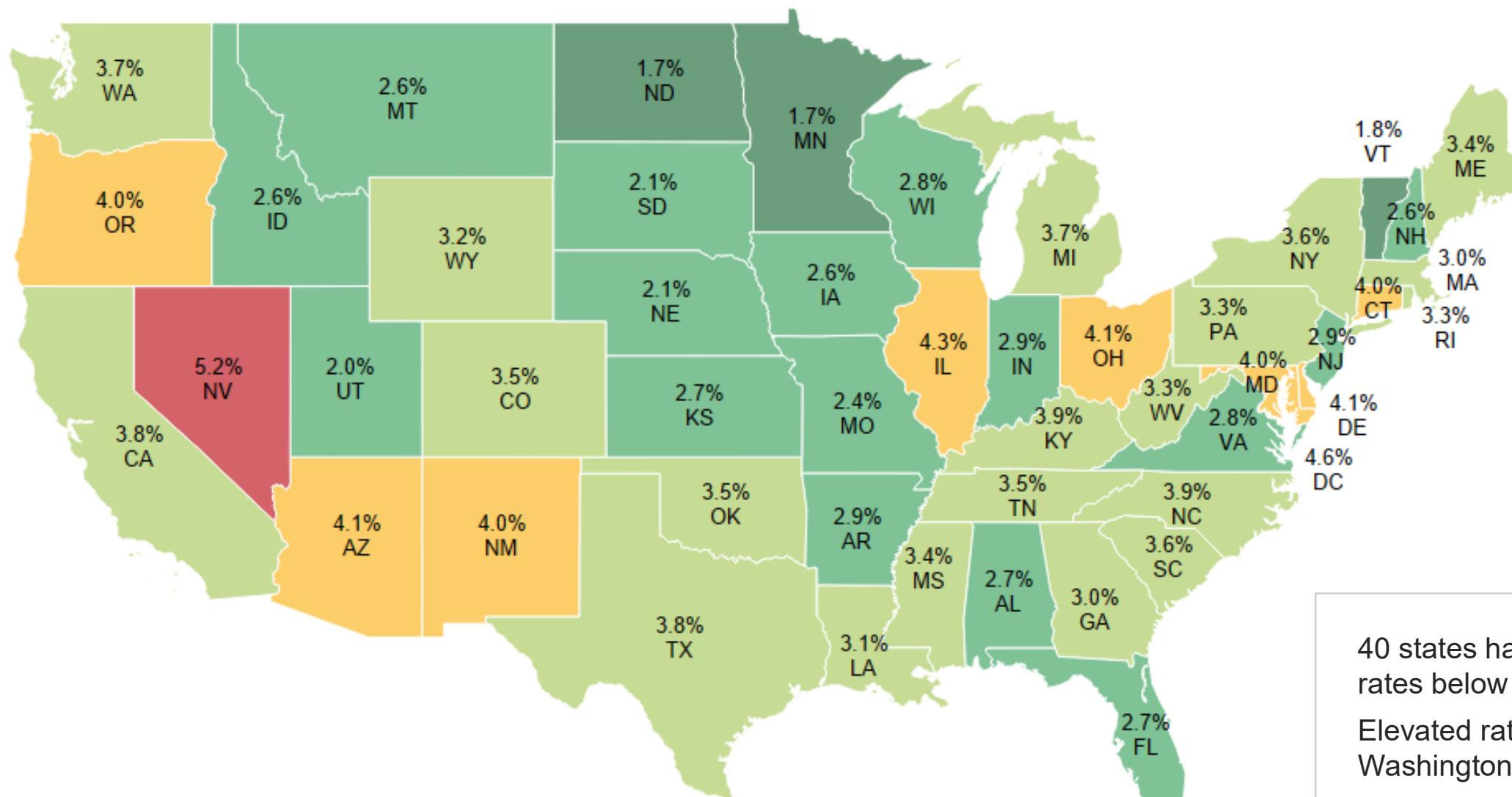
Major markets like **Las Vegas** with a huge exposure to leisure and hospitality suffered most due to COVID, whereas more diverse economies held up better.

Markets that were hit hardest from COVID-19 triggered job losses (Las Vegas/Orlando) are now recovering with strong job growth as their economies open up with tourism/leisure and hospitality.

Metropolitan division **Combination of metropolitan divisions

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

State unemployment rates



Legend

- Less than 2%
- 2% to 3%
- 3% to 4%
- 4% to 5%
- Greater than 5%

40 states have unemployment rates below 4%*.

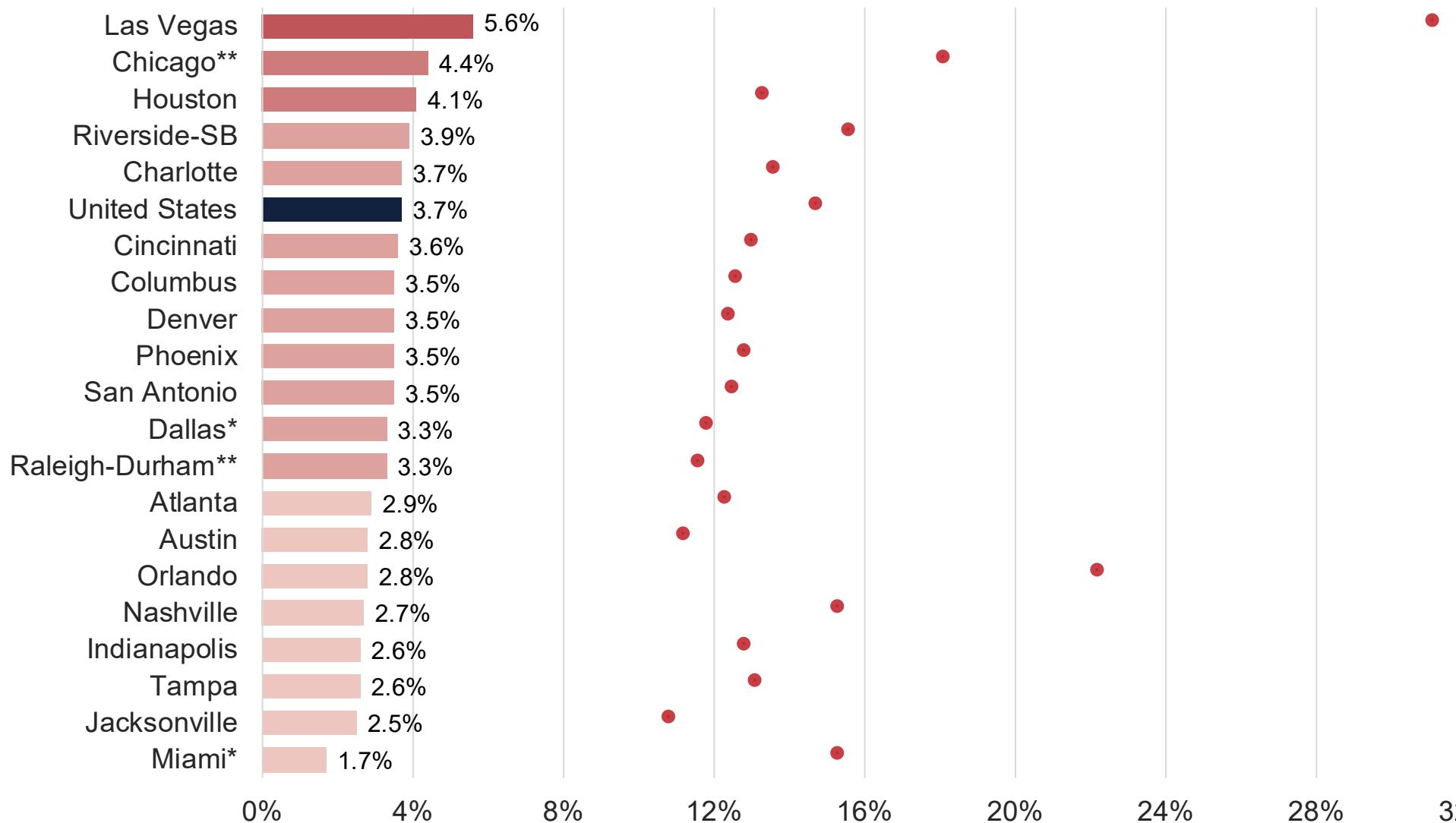
Elevated rates in Nevada, Washington, DC, and Illinois.

*Unemployment rate values on map are rounded. Data is not seasonally adjusted.

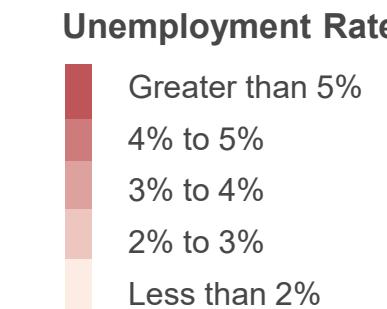
Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

Current vs. 2020 Unemployment Peak Rate

- Unemployment rate: 2020 peak



Unemployment rates have dropped sharply across the top 20 SFR markets compared to the 2020 COVID recession peak.



*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Note: Unemployment rate for United States is seasonally adjusted.

Sources: BLS; John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

Median Household Income Growth

| Metro | Nov-21 YOY % Growth | Nov-22 YOY % Growth |
|----------------------|------------------------|------------------------|
| Orlando | 5% | 5% |
| Miami* | 5% | 5% |
| Dallas, TX* | 5% | 5% |
| Columbus, OH | 5% | 5% |
| Phoenix | 6% | 5% |
| Austin | 5% | 5% |
| Cincinnati, OH-KY-IN | 5% | 5% |
| Houston | 3% | 5% |
| Denver | 4% | 4% |
| Chicago** | 4% | 4% |
| Top 20 wtd. avg. | 4% | 4% |
| Tampa | 5% | 4% |
| San Antonio | 3% | 4% |
| Jacksonville | 4% | 4% |
| Riverside-San Bern. | 4% | 4% |
| Raleigh-Durham** | 3% | 3% |
| Charlotte | 3% | 3% |
| Indianapolis | 4% | 3% |
| Atlanta | 3% | 3% |
| Las Vegas | 1% | 2% |
| Nashville | 4% | 2% |

Income growth ranges from 2% to 5% YOY in the top SFR markets. Income growth has moderated compared to one year ago across several top SFR markets.

Several markets have strong income growth at 5% YOY. Income growth grew 2% YOY in Nashville and Las Vegas.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

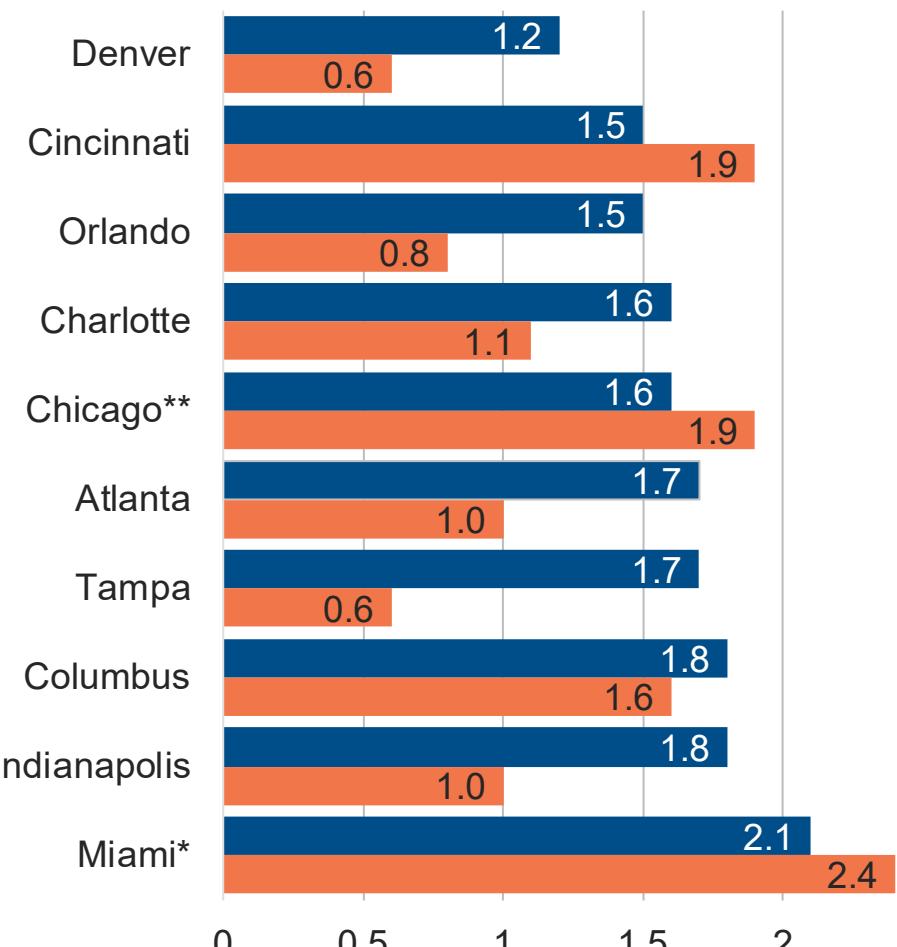
Sources: JBREC smoothing of Moody's Analytics data (Data: Nov-22, Pub: Dec-22)

Supply

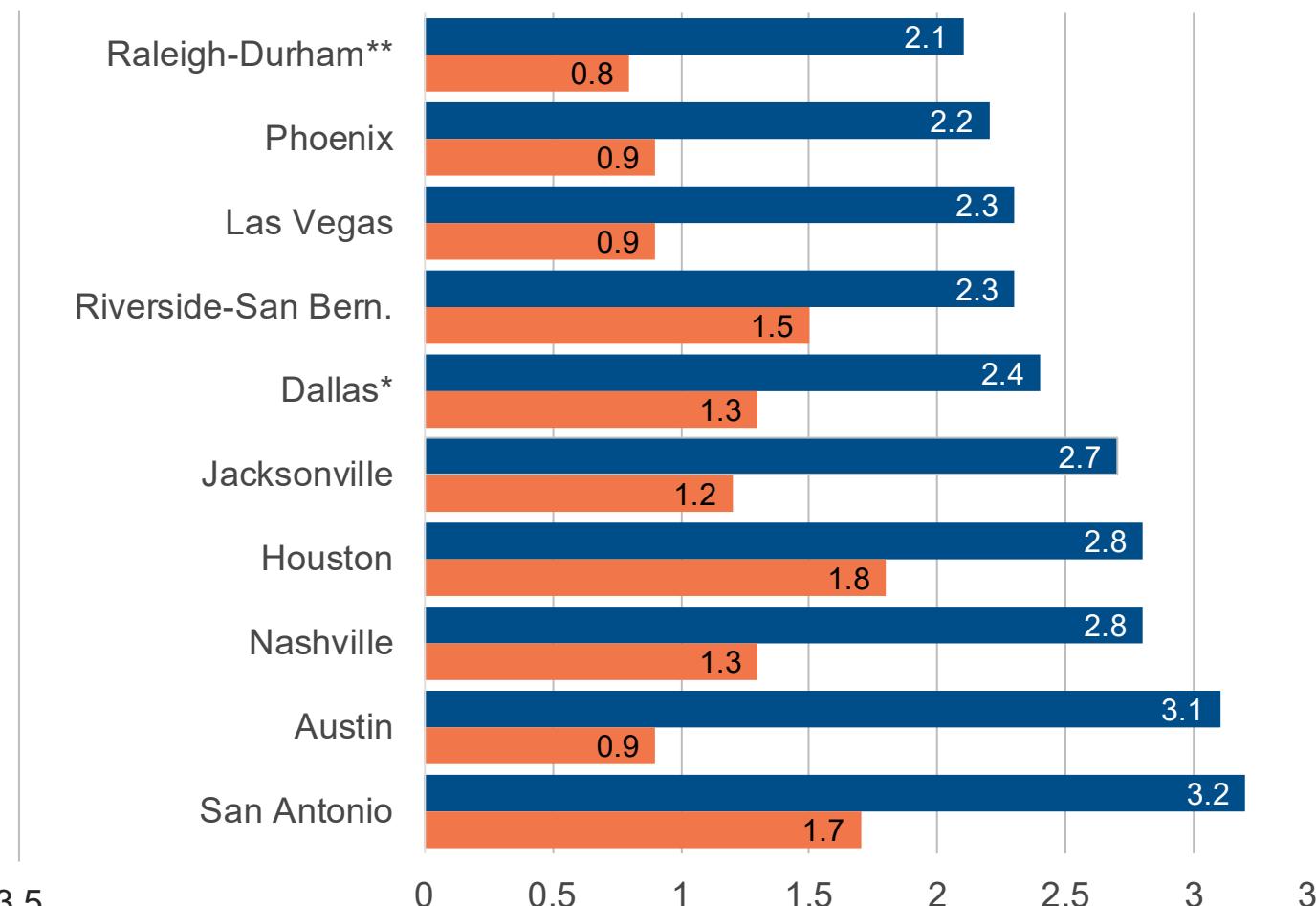
Resale supply ranges from 1 to 3 months across the top SFR markets, higher than year-ago levels for the majority of the top SFR markets.

Existing Home Months of Supply Available for Sale

■ Current ■ 1 year ago



■ Current ■ 1 year ago



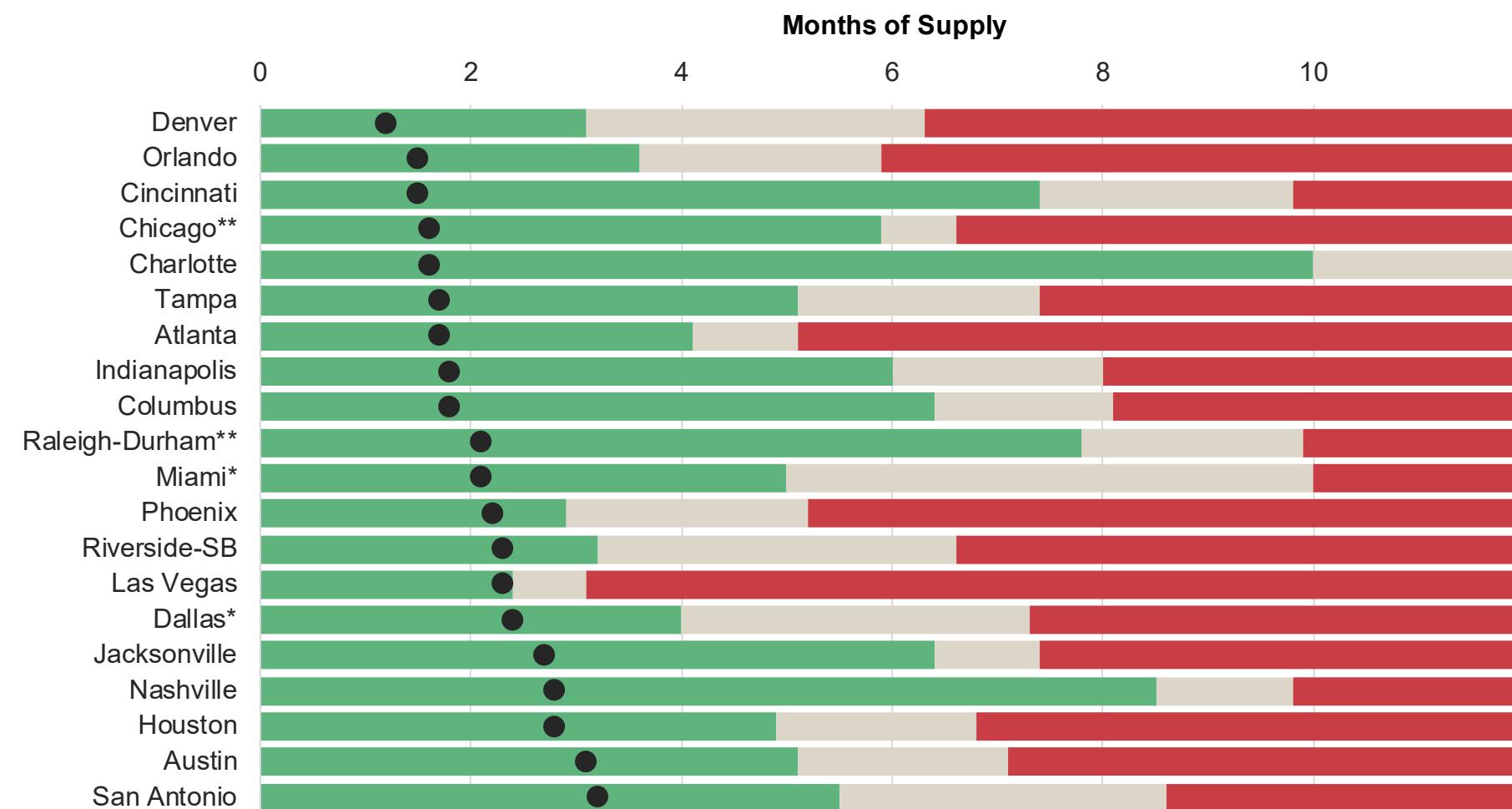
*Note: Months of supply of homes available for sale does not include pending sales. Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Nov-22, Pub: Dec-22)

All top SFR markets have healthy (low) levels of months of supply of homes available for sale, implying price appreciation.

Burns Months of Supply of Homes Available for Sale Barometer

- Current MOS
- Healthy (price appreciation)
- Mixed
- Unhealthy (price depreciation)



Notes

The Burns Months of Supply Barometer measures resale inventory as a price appreciation indicator. We evaluated the relationship between home price appreciation (BHVI YOY) and resale months of supply and noted a strong correlation between low months of supply (MOS) and high price appreciation, and vice versa.

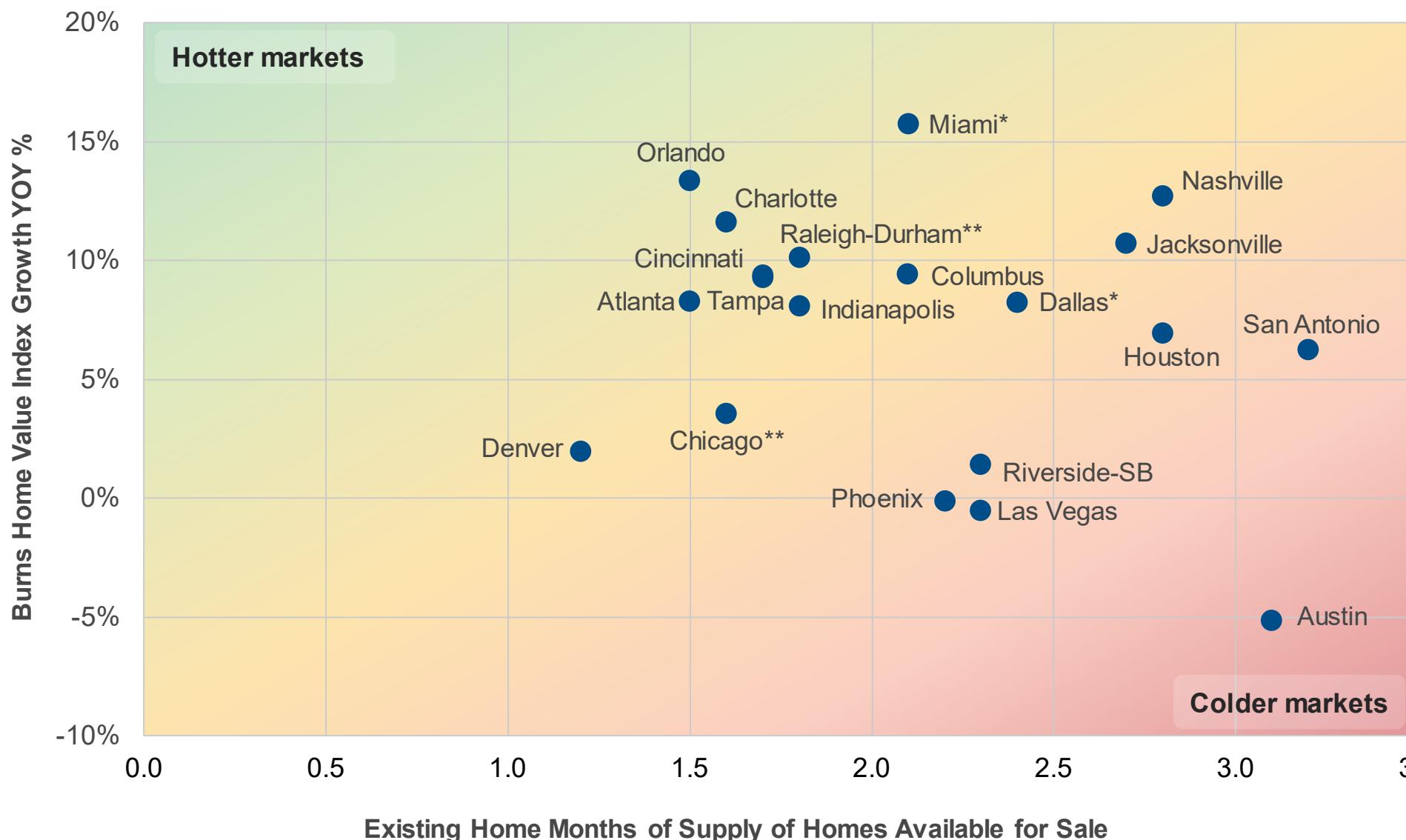
Each market is measured as Healthy, Mixed, or Unhealthy based on its own history. A market with MOS in the Healthy category indicates historically positive price appreciation. When MOS reaches the Mixed category, the market has historically shown either appreciation or depreciation depending on factors other than MOS. An Unhealthy rating more often indicates depreciation. The Burns Months of Supply Barometer visually depicts this relationship between MOS and price appreciation.

For this analysis, we review historical data back to 1999, with some markets' data only going back to the beginning of the current cycle (2005+).

**Note: Months of supply of homes available for sale does not include pending sales. Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Nov-22, Pub: Dec-22)

Current Burns Home Value Index™ Growth vs. Existing Home Months of Supply of Homes Available for Sale



Markets with limited supply (homes available for sale) generally exhibit higher home price appreciation.

Note: Months of supply of homes available for sale does not include pending sales. *Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

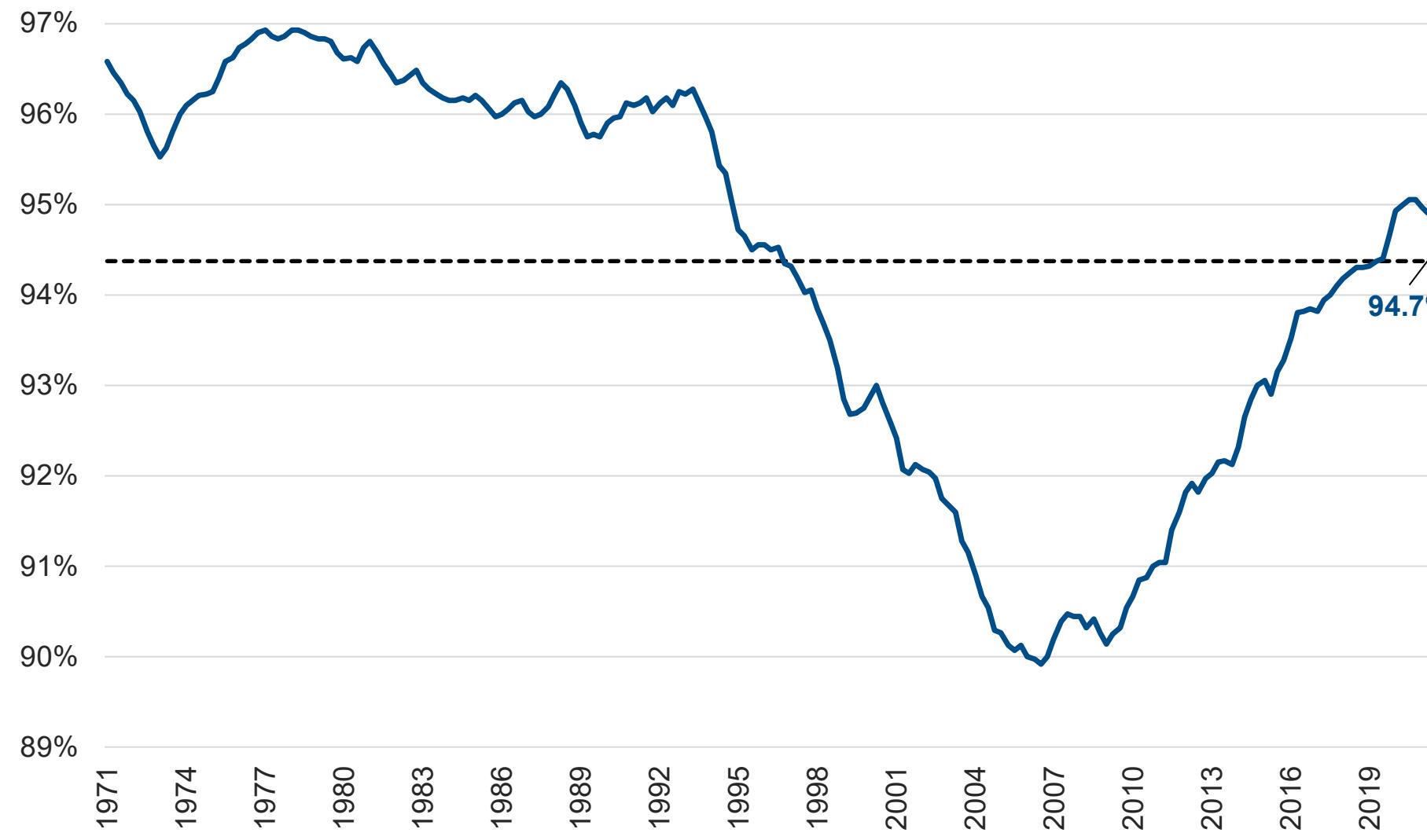
Source: John Burns Real Estate Consulting, LLC (Data: Nov-22, Pub: Dec-22)

Single-family rental occupancy rate is above the historical average but down from recent highs.

Rental Occupancy Rates

One-unit structure, quarterly

----- Historical average = 94.4% — Rolling four-quarter average = 94.7%



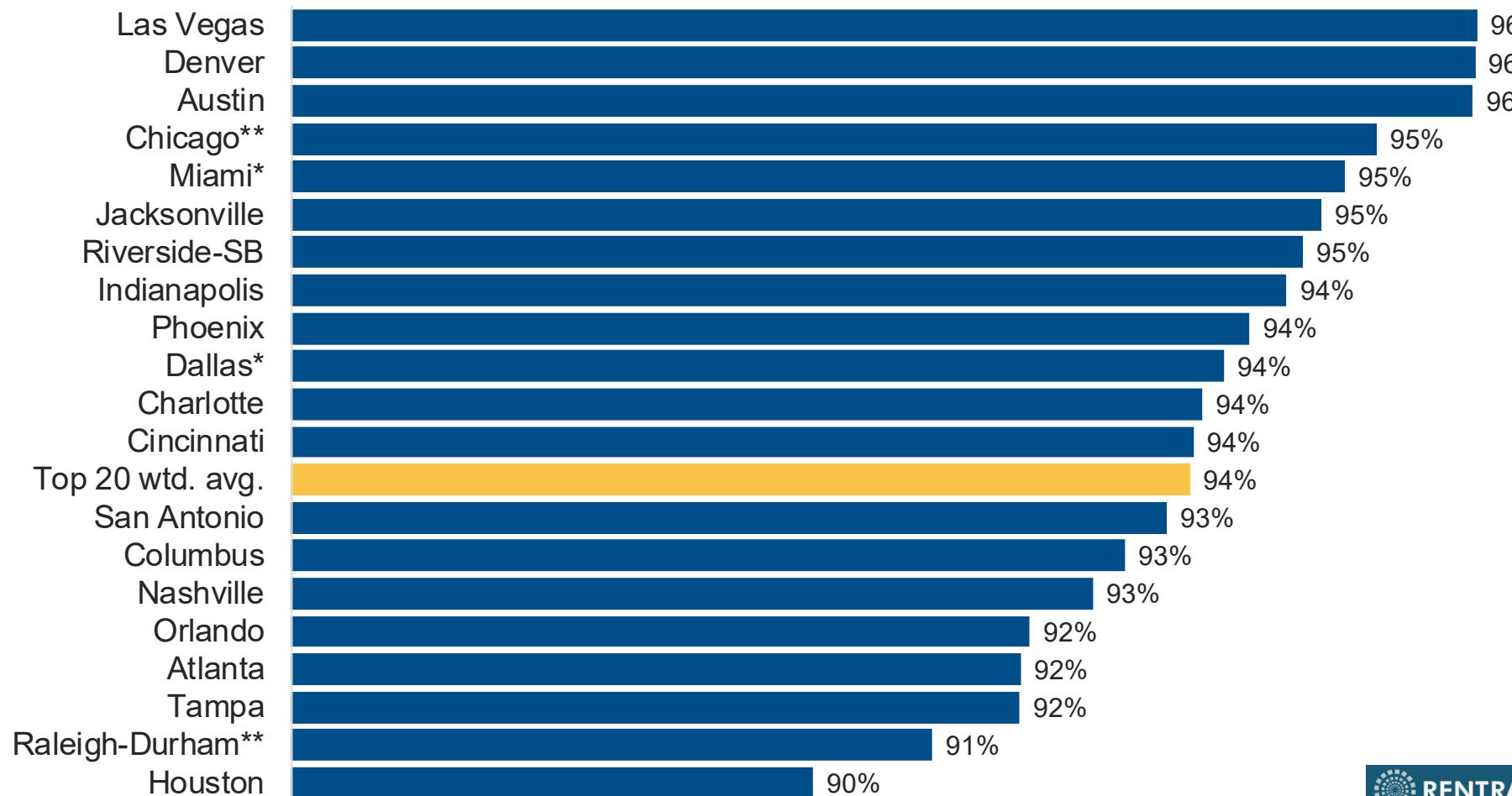
Adjusting for seasonality, 94.7% of all US single-family rental homes are currently occupied. Current demand for rental homes pushed occupancy levels past the historical average but are trending downward.

Sources: U.S. Census Bureau, Current Population Survey / Housing Vacancy Survey; John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Dec-22)

Occupancy rates: largest single-family rental markets

Single-Family Home Occupancy Rate

3Q22



Note that these are not same-store as reported by institutional operators, rather this represent the entire market.

Vacation/second home markets such as Orlando and Phoenix for example will also always show lower occupancy than what is being reported by operators in those markets on a same-store basis.



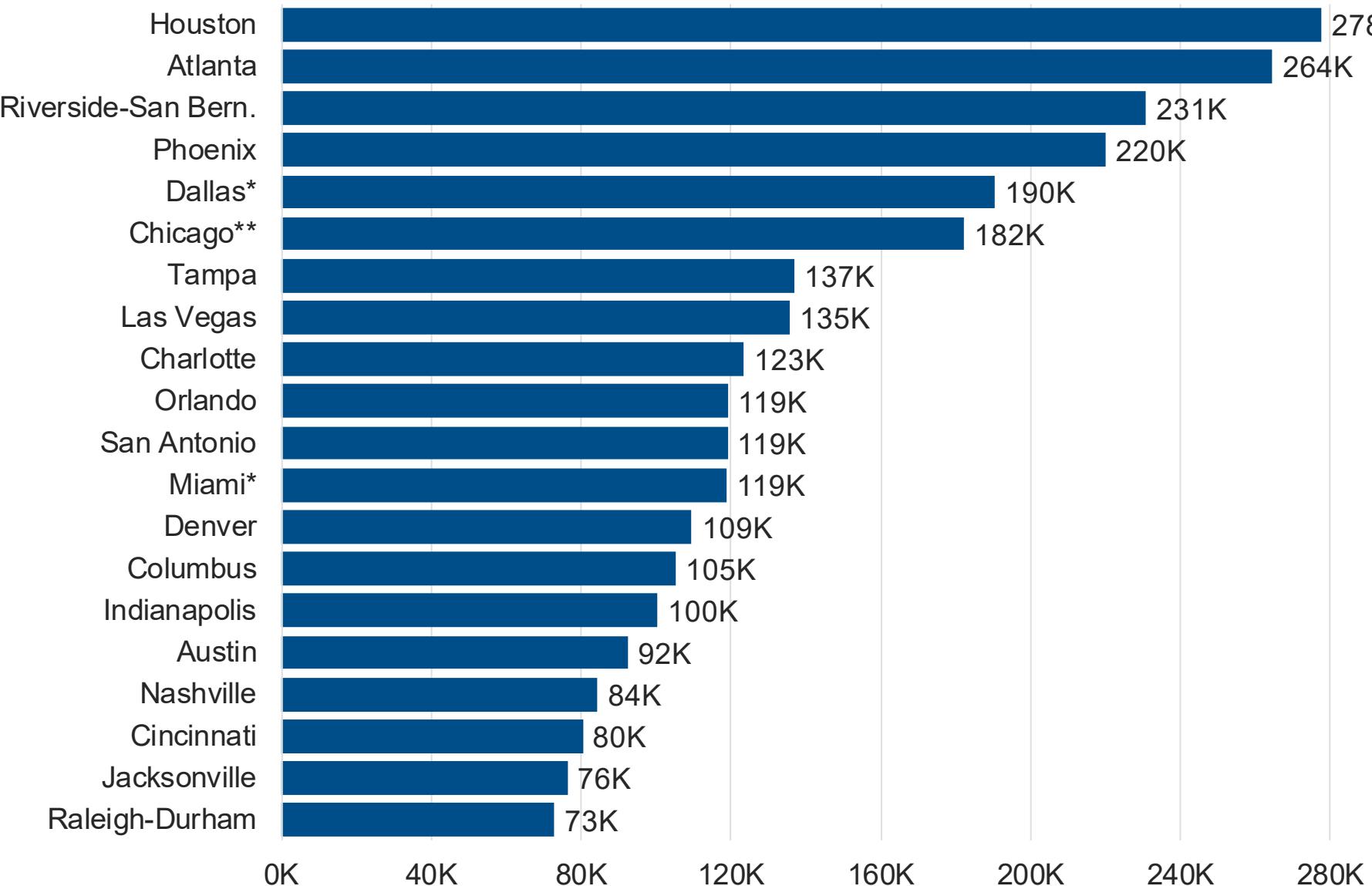
*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Note: Data is the estimated single-family occupancy rate as reported by RentRange using a combination of Census/American Community Survey data and proprietary information within each metro area.

Sources: RentRange; John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Dec-22)

Total Occupied Single-Family Rental Units

Attached and detached



Total single-family rental units by market: highest in Houston (278K), Atlanta (264K), and Riverside-SB (231K)

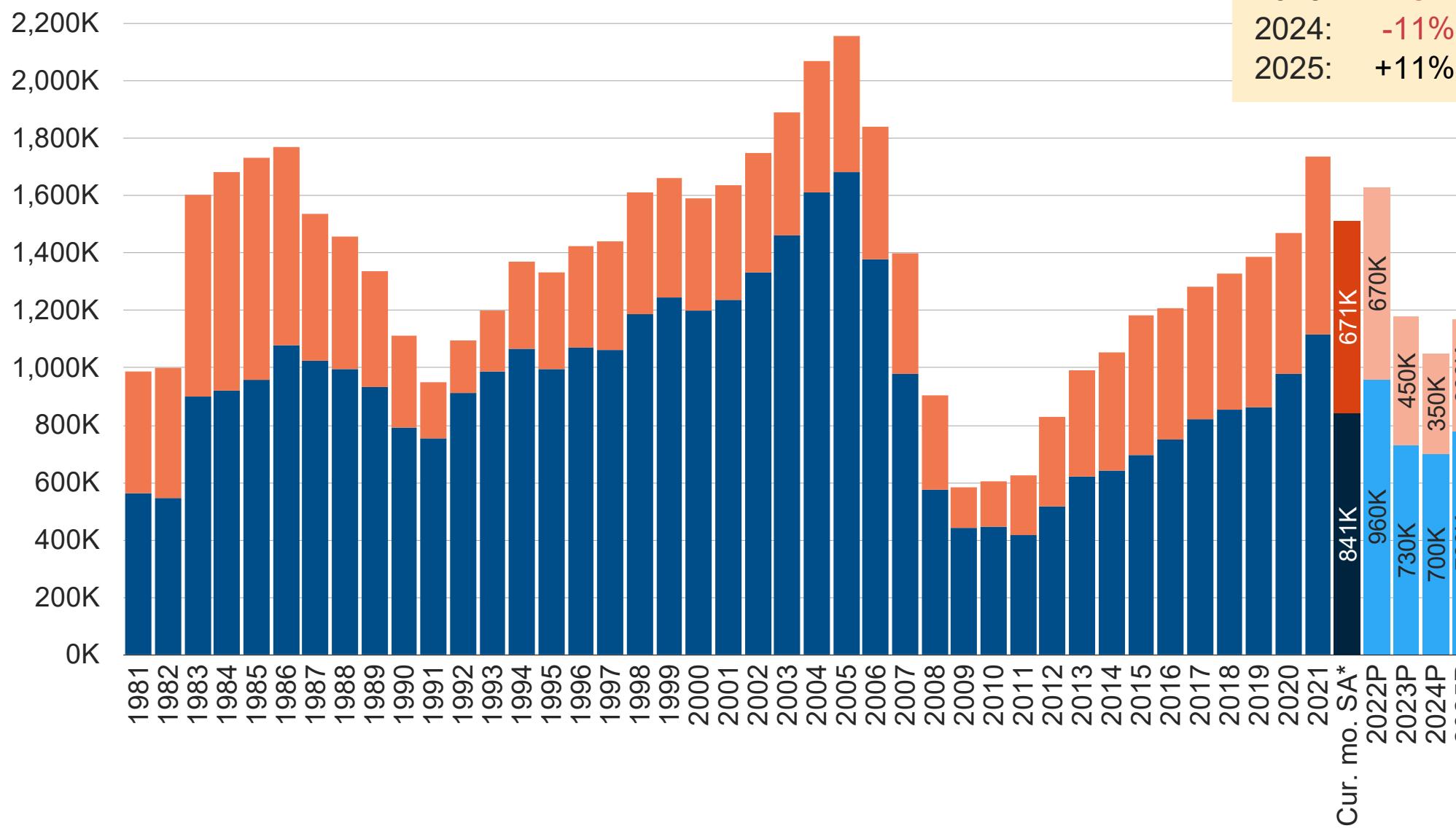
Houston, Atlanta, and Riverside-SB have the most single-family rental units out of all top markets. Cincinnati, Jacksonville, and Raleigh-Durham have the lowest supply of single-family rental units.

*Metropolitan division **Combination of metropolitan divisions

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: 2021, Pub: Dec-22)

US Residential Permits

■ Single-family ■ Multifamily



2022: -6%
2023: -28%
2024: -11%
2025: +11%

We forecast residential construction (multifamily and single-family) to decline from year-end 2022 to 2024 and rebound in 2025.

Single-family permits are currently at 841K (SAAR), and multifamily permits are currently at 671K.

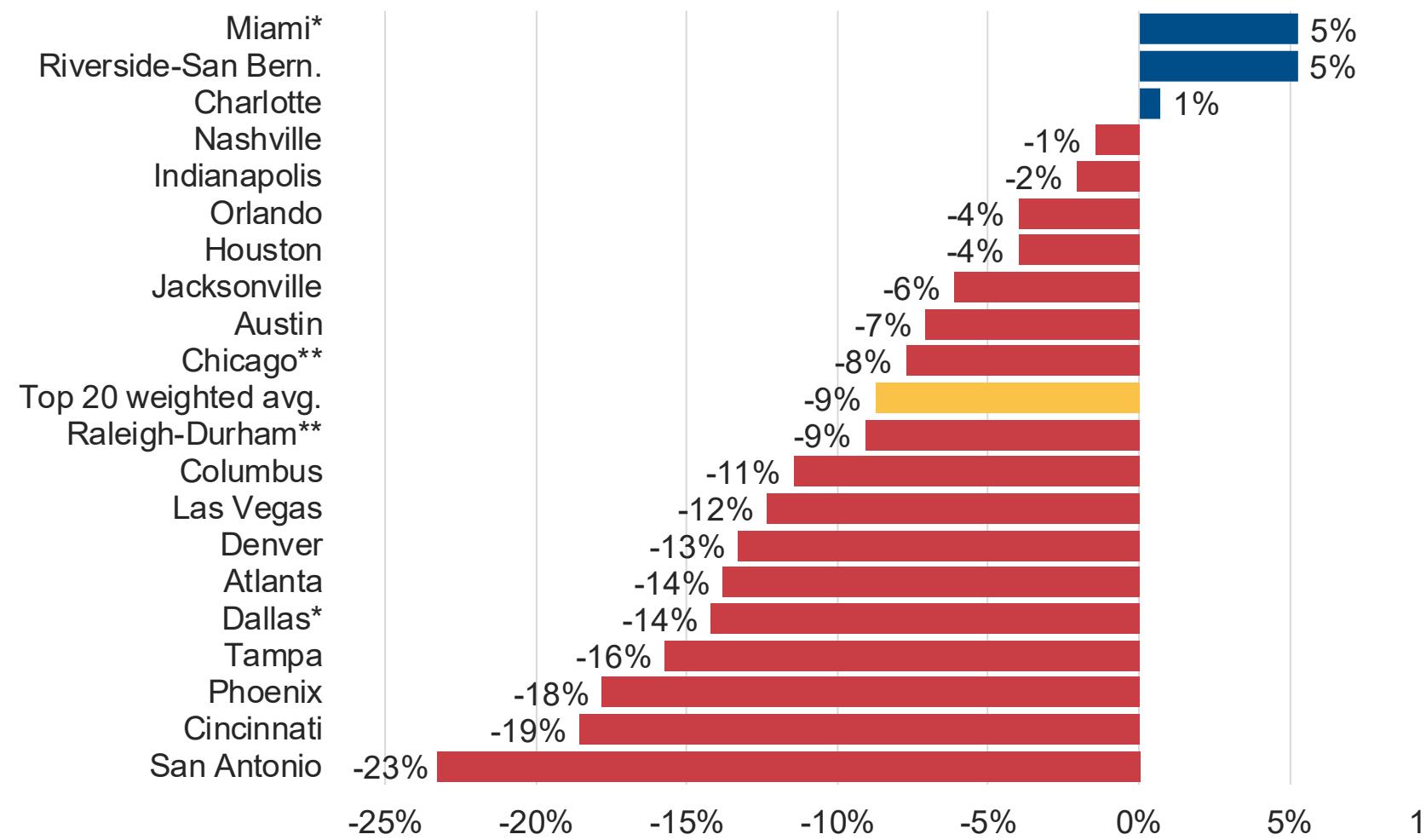
*Current month SA = current month (seasonally adjusted annual rate)

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC, forecasts (Data: Oct-22, Pub: Dec-22)

New home construction activity declined -9% YOY across the top 20 single-family rental markets.

Single-Family Permit Growth (TTM)

Trailing-12 month, YOY % change through Oct-22



The pace of growth has cooled significantly since the start of the year, with single-family permit growth now declining YOY in the majority of top SFR markets—falling -16%+ in Tampa, Phoenix, Cincinnati, and San Antonio.

We are monitoring permit growth as builders will be reluctant to start projects that may come onto the market during a recession.

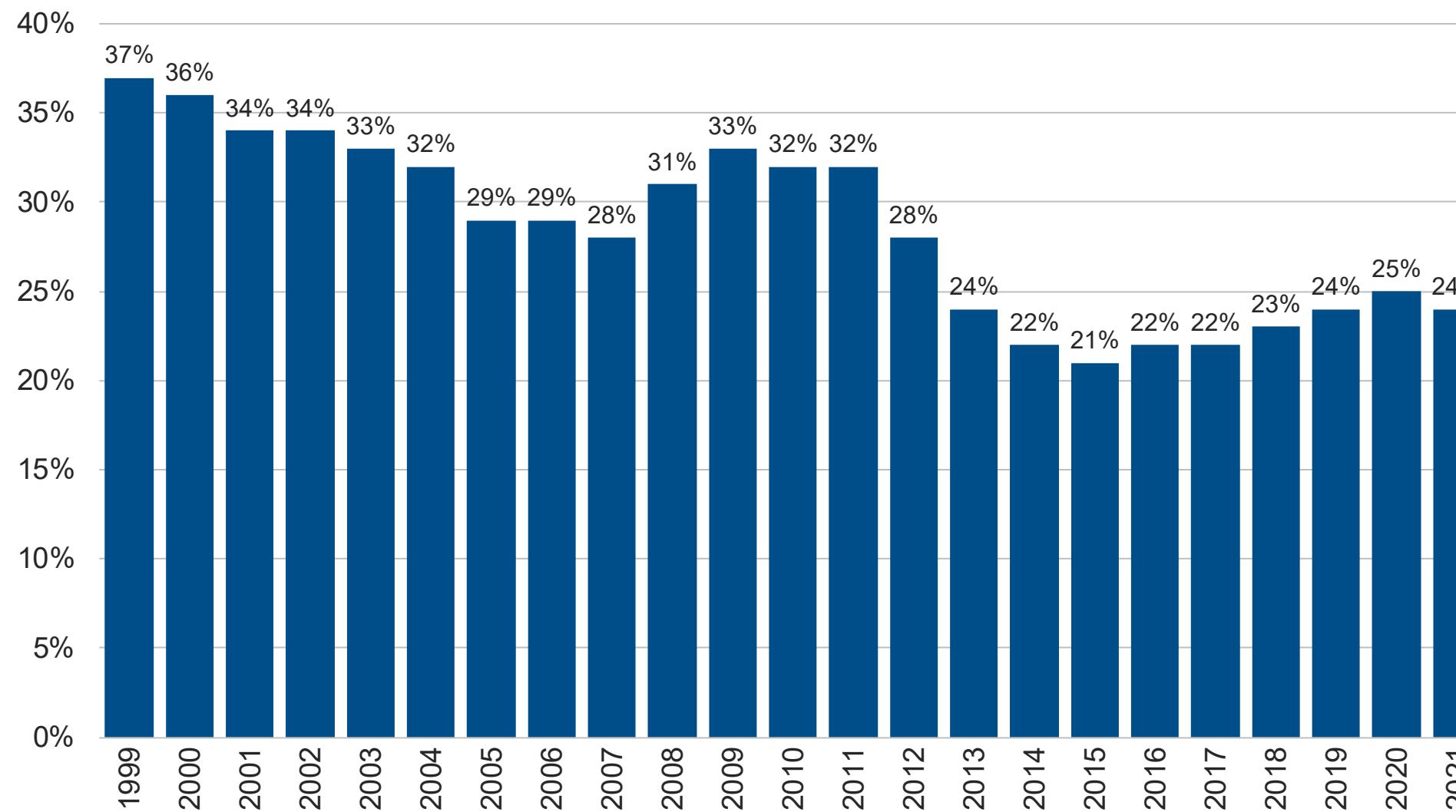
Rising mortgage rates and higher cost of owning are pushing prospective home buyers back to the rental market, resulting in slowing new home construction.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

New homes under 1,800 square feet (a proxy for entry-level homes) are currently 24% of new home construction. With rising mortgage rates, we expect buyers to move to smaller floor plans and reduce option spend.

Percentage of New Homes Built with Less than 1,800 Square Feet



Since 1999, new homes built with less than 1,800 sq. ft. declined from 37% to 24% of annual new home construction. This size threshold is roughly in line with the square footage of homes purchased by 35 and younger home buyers according to NAR, which we view as a good proxy for starter homes.

Source: U.S. Census Bureau (Data: 2021, Pub: Dec-22, updated annually):

Completions of new single-family homes under 1,799 square feet (entry-level home proxy) increased 3% YOY.

New Single-Family Completions

YOY% change in square feet of floor area

Under 1,799 (3% YOY)
1,800–2,399 (7% YOY)
2,400–2,999 (7% YOY)
3,000+ (8% YOY)



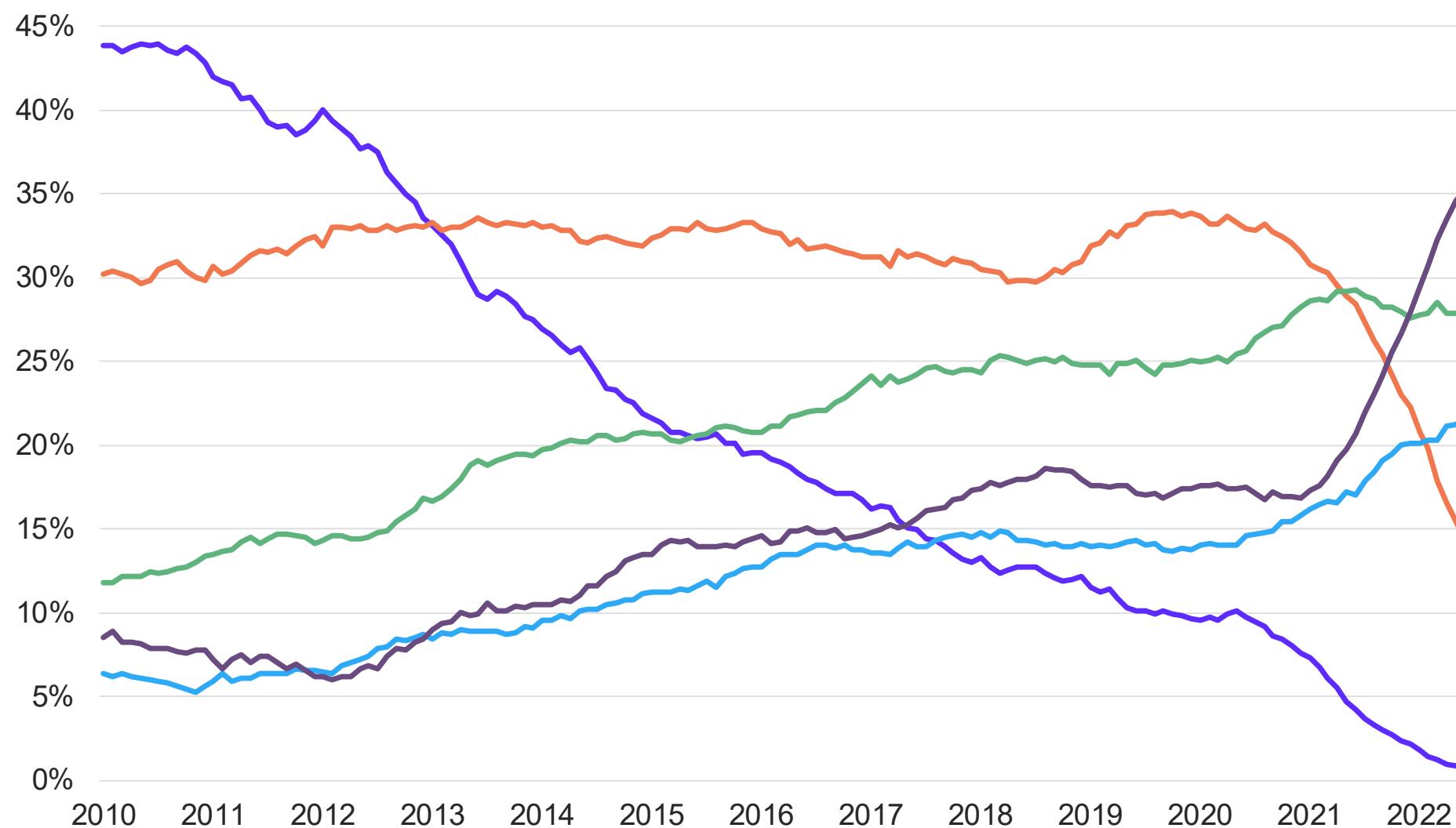
In recent years, builders pivoted to focus on smaller homes to supply the entry-level buyer.

Source: U.S. Census Bureau (Data: 2021; Pub: Dec-22, updated annually†)

New Homes Sold by Sales Price

Percentage of total sales, rolling 12-month average

— Under \$200K (0%) — \$200K to \$300K (11%) — \$300K to \$400K (28%)
 — \$400K to \$500K (21%) — \$500K and over (39%)



Higher price tiers (\$400K+) are trending higher on market share, with \$500K rising sharply last year.

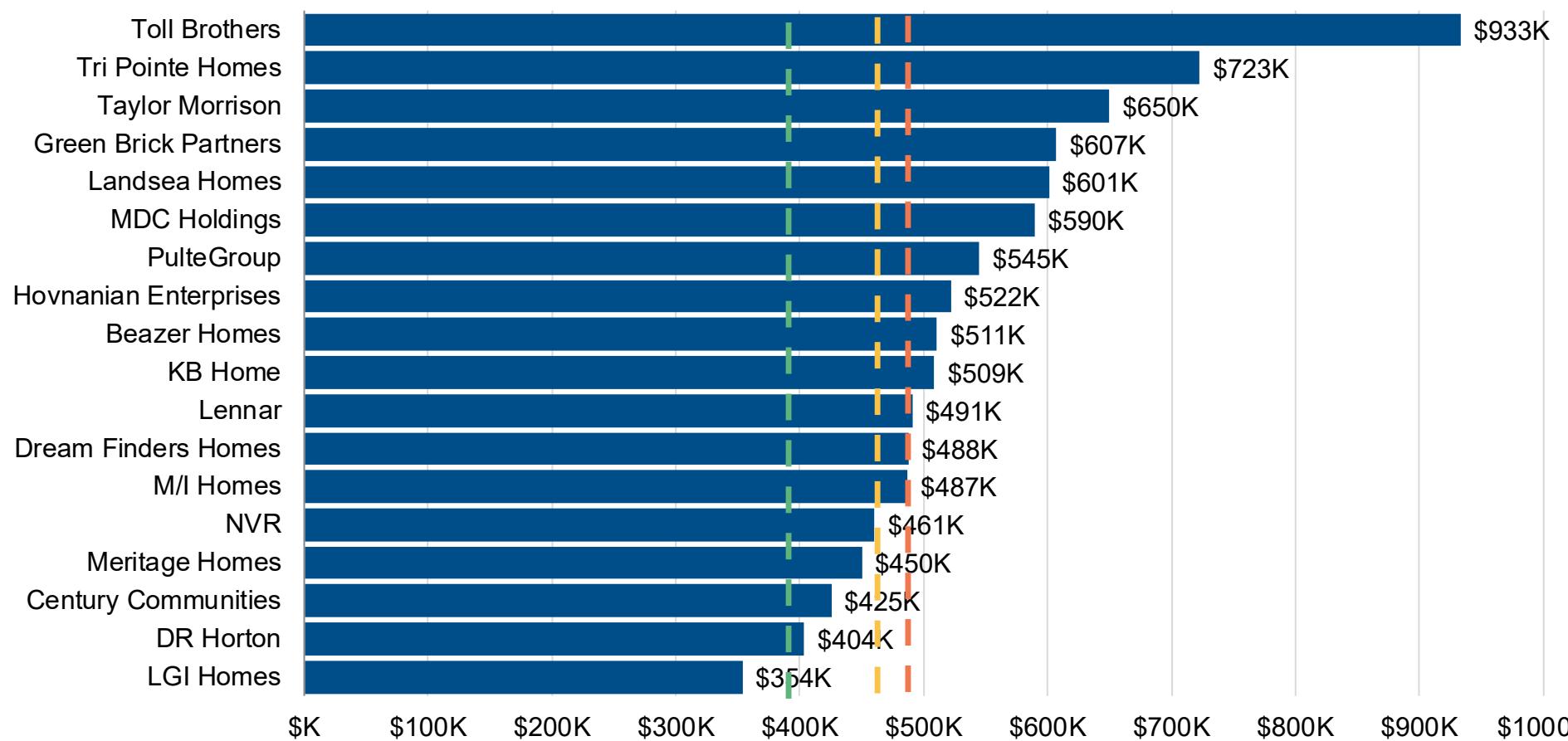
Below \$300K (entry-level proxy) is falling fast.

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

SFR operators are buying homes near the US median new home price (~\$462K). SFR operators are also buying homes directly from builders.

Home Builder Average Sales Price

- US median resale price = \$392K
- US median new home price = \$462K
- Weighted average builder sales price = \$491K



Note: Several publicly traded home builders generally sell at price points well above target buy boxes of SFR operators.

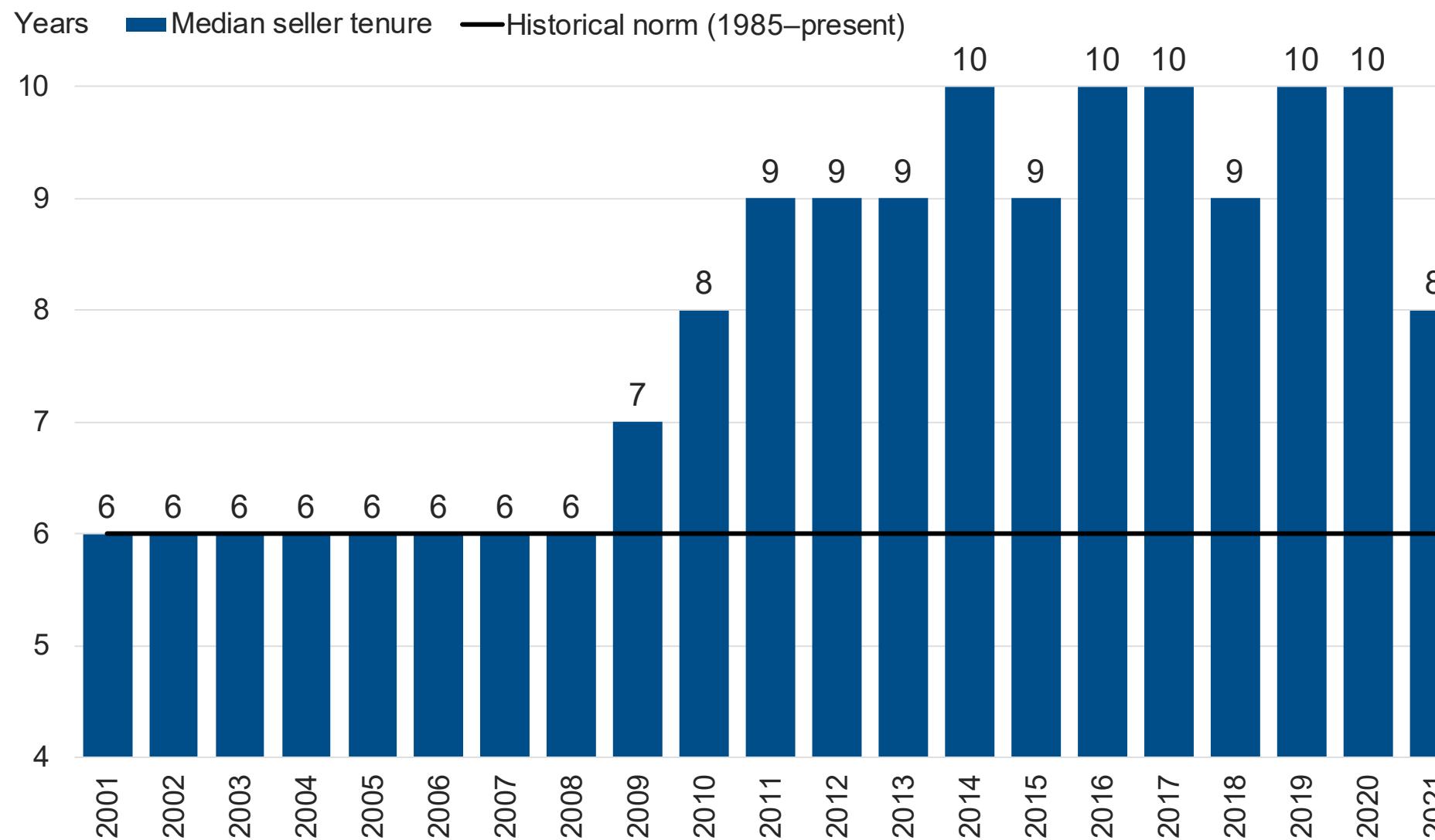
For reference, SFR REIT average purchase prices are Invitation Homes (3Q22) at \$403K and American Homes 4 Rent (3Q22) at \$379K.*

*INVH and AMH = average estimated cost basis of quarterly acquisitions according to Q3 2022 Supplements.

Sources: John Burns Real Estate Consulting, LLC; builders' and REITs' most recently reported quarterly results; Census Bureau (Data: 3Q22 (builders') / 3Q22 (REITs'), Pub: Dec-22)

Homeowners now stay 8 years in their home before selling. The YOY deceleration from 2020 to 2021 was the largest single-year change in the history of this data set.

Median Seller Tenure in Home



Median seller tenure in home is now at 8 years, which is still higher than the long-term now and further suppressing inventory.

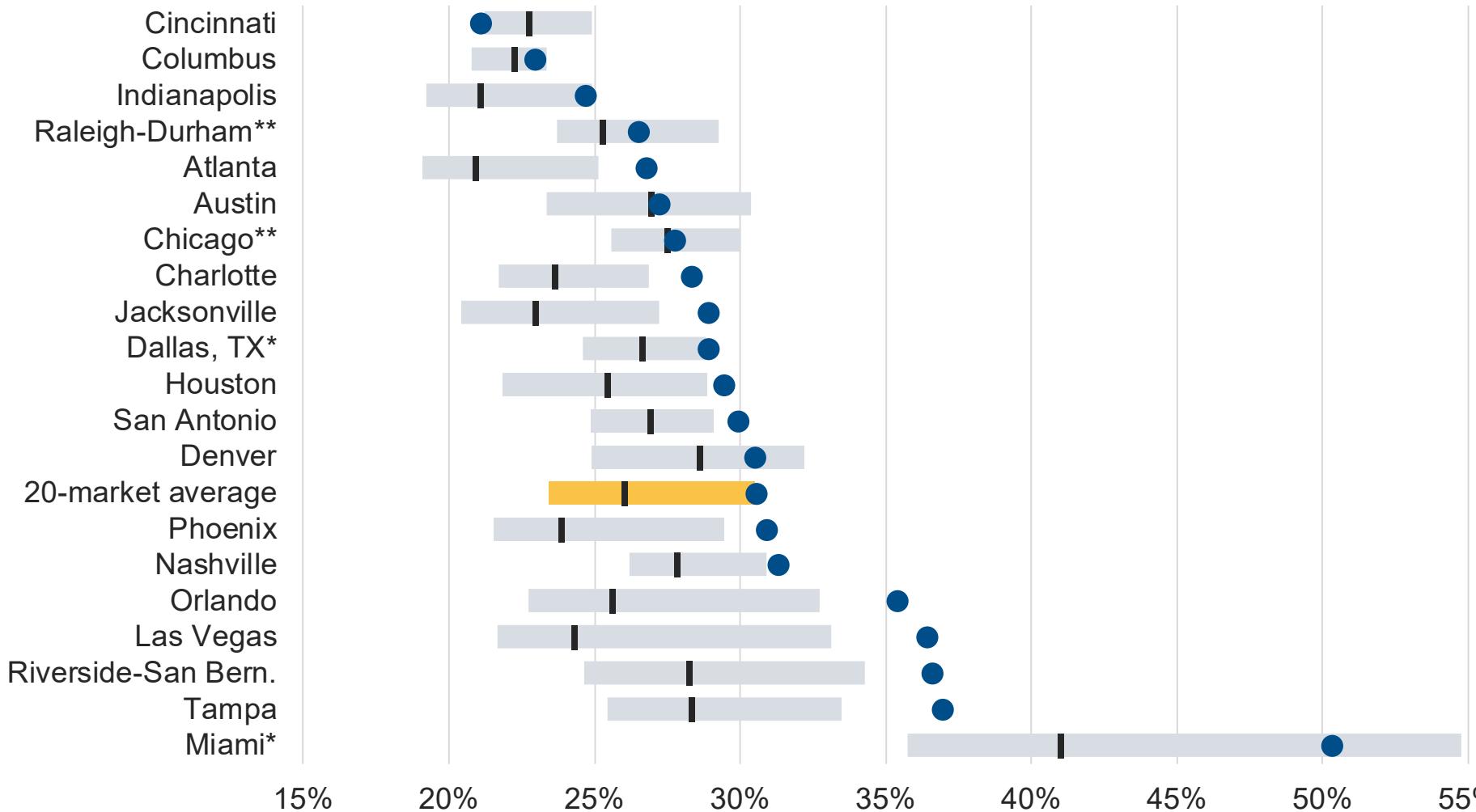
Sources: ©2021 National Association of REALTORS®; John Burns Real Estate Consulting, LLC, (Data: 2021; Pub: Dec-22 updated annually†)

Affordability

Single-family rent-to-income ratios are at or near all-time highs in many top 20 markets.

Single-Family Rent-to-Income Ratios

● Current ■ Median ■ Min-to-max range (1984–2021)



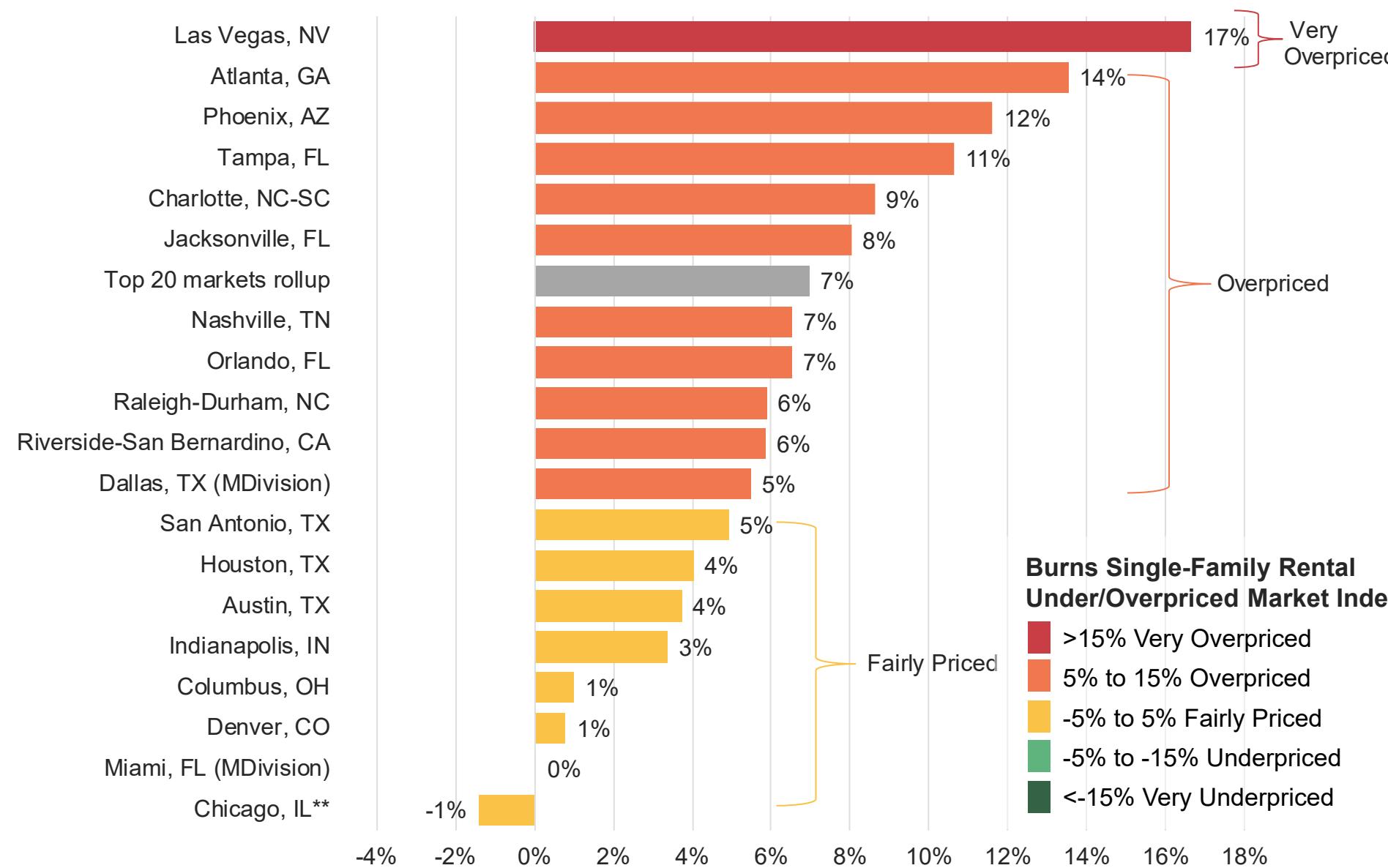
Rent growth has been rapid over the last several years, causing SFR rent-to-income ratios to exceed historical medians in all markets but **Cincinnati**.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22/Nov-22, Pub: Dec-22)

Burns Single-Family Rental Under/Overpriced Market Index

% under/overpriced compared to adjusted long-term single-family rent-to-income ratio



*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

Rental affordability differences vary significantly by market based on long-term fundamentals. Las Vegas single-family rents are 17% overpriced.

Our Burns Single-Family Rental Under/Overpriced Market Index™ was created to better analyze how much a market is underpriced or overpriced compared to the market's own long-term single-family rent to income ratio. We are currently showing the top 20 markets, with plans for a full rollout for all 99 SFR markets. The index remains under testing, and we welcome feedback/questions.

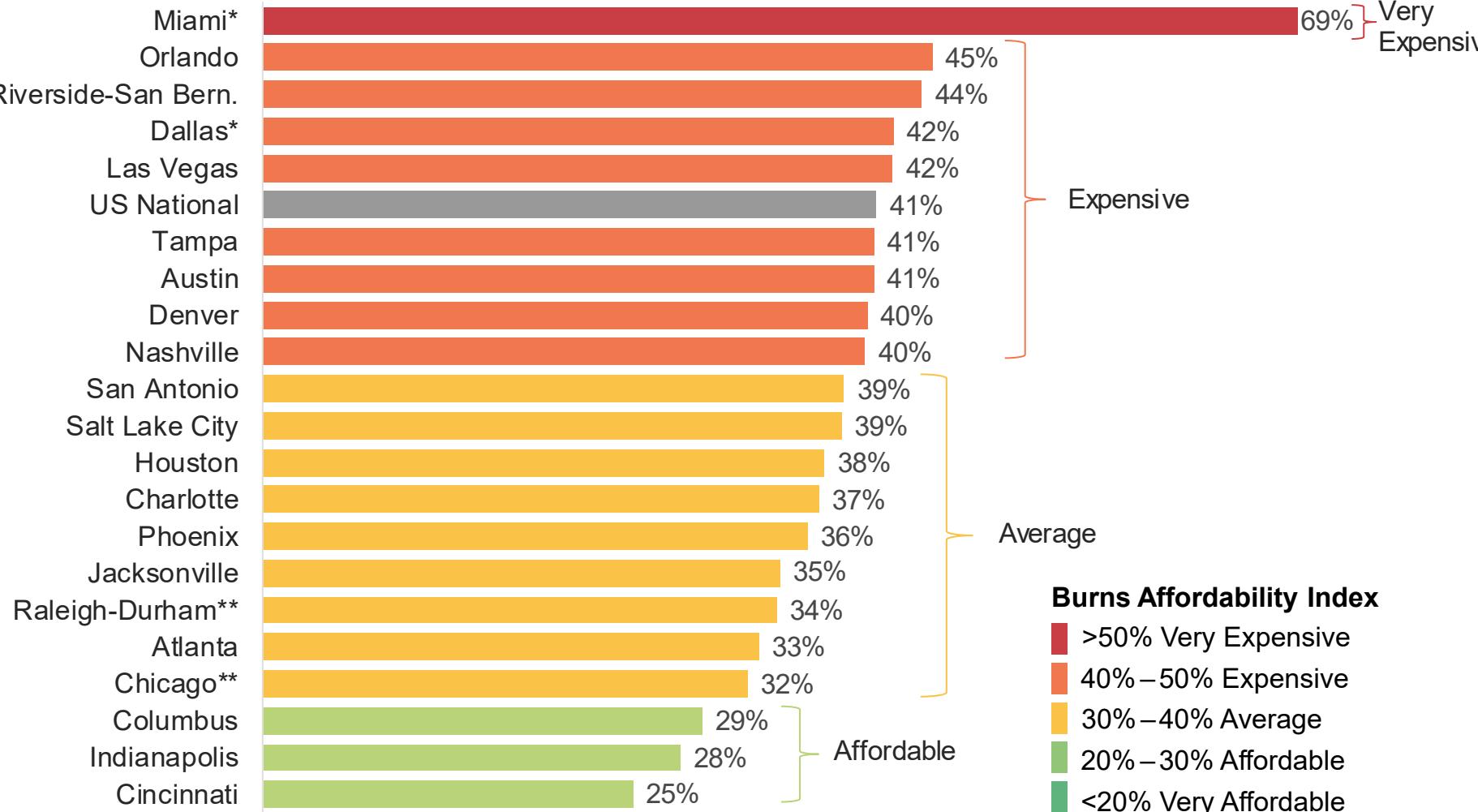
How to interpret: Las Vegas single-family rents are currently 17% above where we would expect, indicating an overpriced environment.

Across the top 20 markets, single-family rents are 6% overpriced.

For-sale affordability index (Burns Affordability Index™): Miami has the highest housing-cost-to-income ratio, at 69%. Cincinnati has the lowest, at 25%.

Burns Affordability Index™

Nov-22



The Burns Affordability Index measures the housing cost to income ratio for each market.

- We calculate the housing cost to income ratio (HC/I ratio) by dividing the market's median monthly housing costs by 125% of the median income.
- Housing cost assumes the purchase of a home equal to the market's median-priced existing home with a 10% down payment and a 30-year, fixed-rate mortgage. Payment includes PITI (principal, interest, taxes and insurance) plus mortgage insurance.

Burns Affordability Index

- >50% Very Expensive
- 40%-50% Expensive
- 30%-40% Average
- 20%-30% Affordable
- <20% Very Affordable

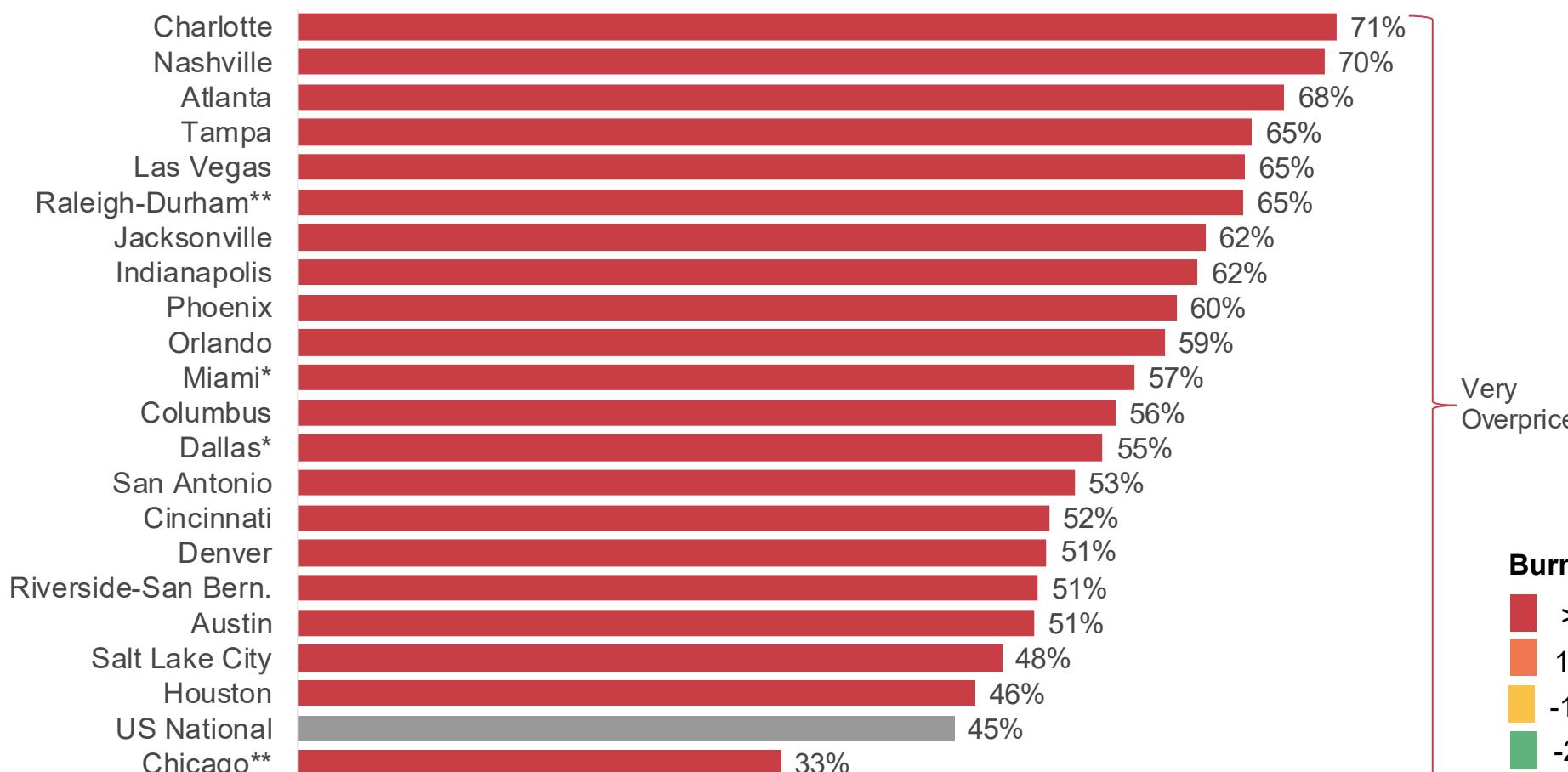
*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Nov-22, Pub: Dec-22)

For-sale housing affordability (based on long-term fundamentals) remains worse than normal in the majority of the top SFR markets. All top markets are Very Overpriced from 33% to 71%.

Burns Under/Overpriced Market Index™

Top 20 SFR markets, at a 6.6% mortgage rate (rate for Nov 2022)



Our Burns Under/ Overpriced Market Index was created to better analyze how much a market is underpriced or overpriced compared to the market's own long-term housing cost to income ratio.

How to interpret: At the top end of the markets, we are indicating that home values in Charlotte are currently 71% above where we would expect, indicating a Very Overpriced environment.

Burns Under/Overpriced Market Index

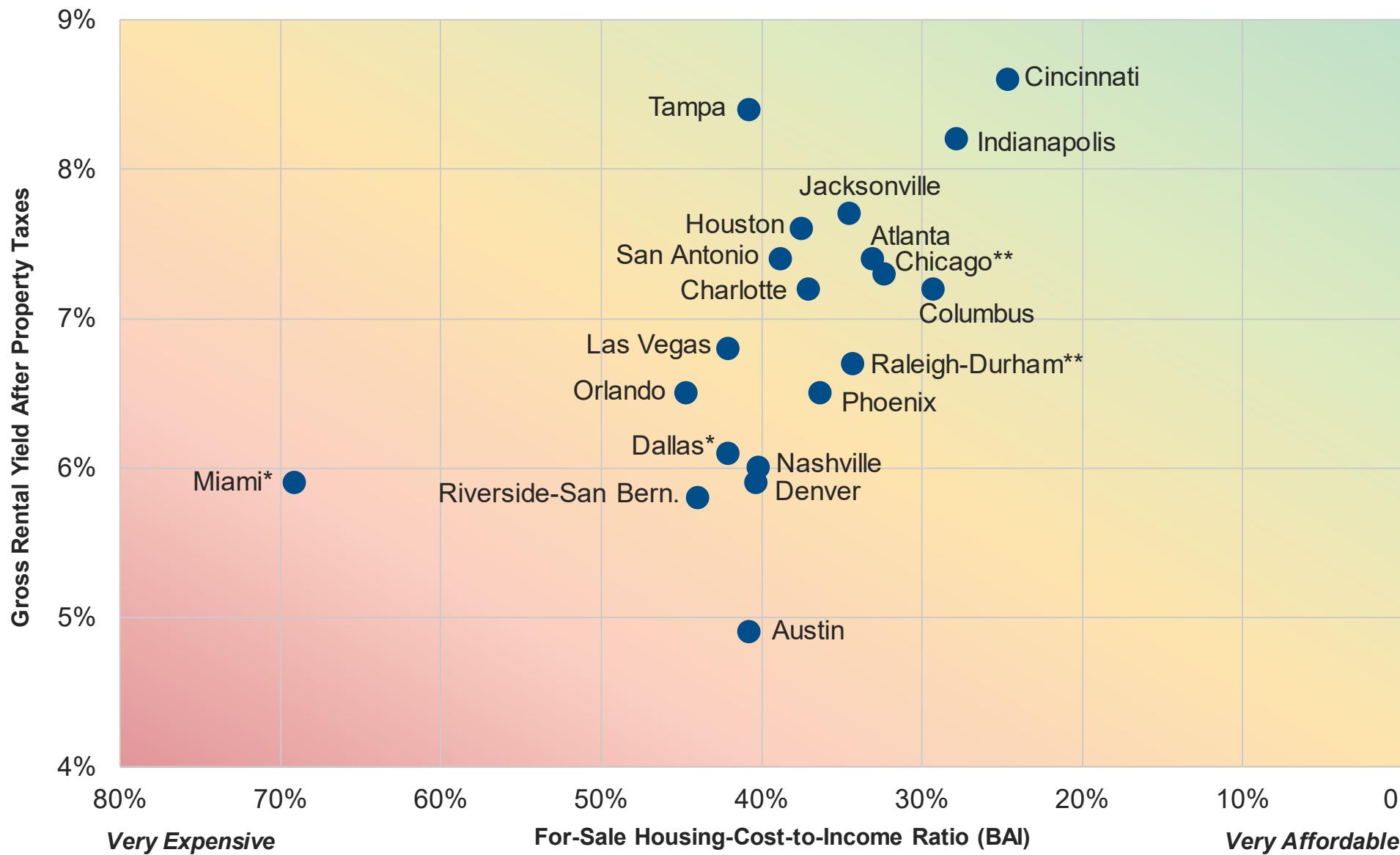
- █ >20% Very Overpriced
- █ 10% to 20% Overpriced
- █ -10% to 10% Fairly Priced
- █ -20% to -10% Underpriced
- █ <20% Very Underpriced

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Nov-22, Pub: Dec-22)

Midwest markets have the highest yield and best purchase (for-sale) affordability.

Current For-Sale Housing-Cost-to-Income Ratio vs. Gross Rental Yield after Property Taxes



Cincinnati and Indianapolis yield 8%+ while their housing cost to income ratio remains affordable according to our Burns Affordability Index™.

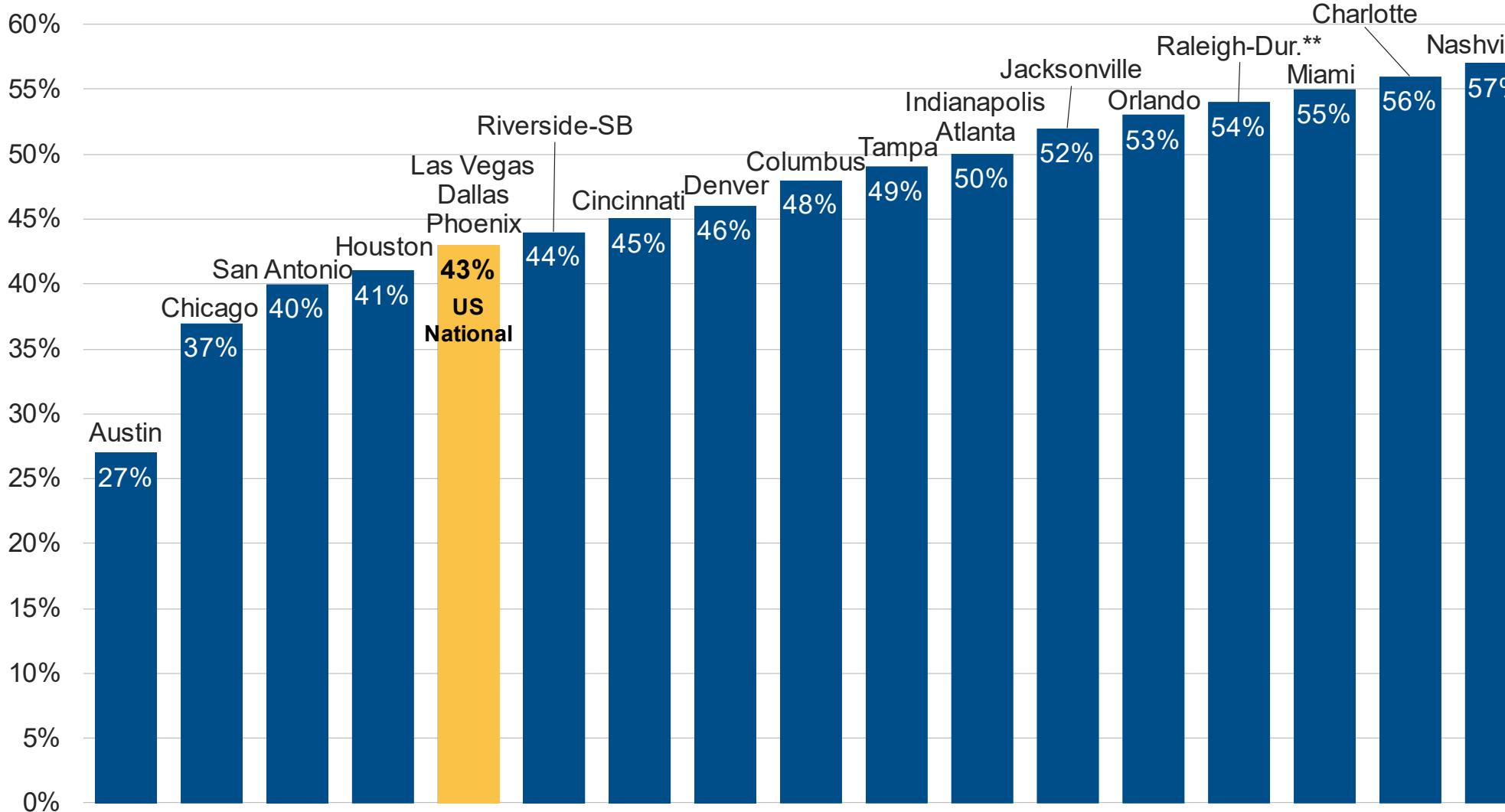
The higher the housing cost to income ratio, the more expensive homes are in the market's history.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22/Nov-22, Pub: Dec-22)

Entry-Level Mortgage Payment Change

YOY % change



Mortgage payments on entry-level home purchases are up 27% to 57% across the top 20 SFR markets.

Rising mortgage rates should drive payments even higher, likely pricing out would-be buyers—further boosting SFR demand.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Note: We base the US national rollup on a weighted average of 99 markets. Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

The cost to owning* has accelerated at a stronger pace than single-family new lease effective rents across the top 20 SFR markets.

| Metro | Cost to Own* (Payment + Maintenance), YOY % Growth | Burns Single- Family Rent Index™, YOY % Growth | Difference |
|--------------------|---|---|------------|
| Nashville | 52% | 13% | 39% |
| Charlotte | 51% | 11% | 40% |
| Miami | 51% | 9% | 42% |
| Raleigh-Durham | 50% | 10% | 39% |
| Orlando | 49% | 16% | 33% |
| Jacksonville | 48% | 13% | 35% |
| Atlanta | 47% | 12% | 35% |
| Tampa | 46% | 17% | 29% |
| Indianapolis | 45% | 4% | 41% |
| Columbus | 44% | 5% | 39% |
| Denver | 43% | 5% | 38% |
| Cincinnati | 42% | 3% | 38% |
| Riverside-SB | 41% | 12% | 29% |
| Dallas | 40% | 9% | 32% |
| US national | 40% | 7% | 33% |
| Phoenix | 40% | 12% | 28% |
| Las Vegas | 40% | 15% | 25% |
| Houston | 37% | 9% | 29% |
| San Antonio | 37% | 9% | 28% |
| Chicago | 34% | 3% | 32% |
| Austin | 26% | 11% | 15% |

***Housing payment (cost of owning):** We assume the purchase of a home at 80% of the current median-priced existing home with a 5% down payment and a 30-year, fixed-rate mortgage. We include PITI plus mortgage insurance and maintenance costs. We assume the purchase price to be for a rent-ready home and do not include renovation or acquisition costs in our calculation. Annual **maintenance costs** range from 0.85% to 1.25% of the home's value and vary by market. Maintenance costs cover small repairs as well as large capital expenditures, like replacing a roof.

Single-family rent: we assume a home valued at 80% of the current median-priced existing home. We look for homes at this valuation in current single-family for-rent listings and then collect the asking rents. We also add **renter's insurance** to the cost of renting, which is based on state level data.

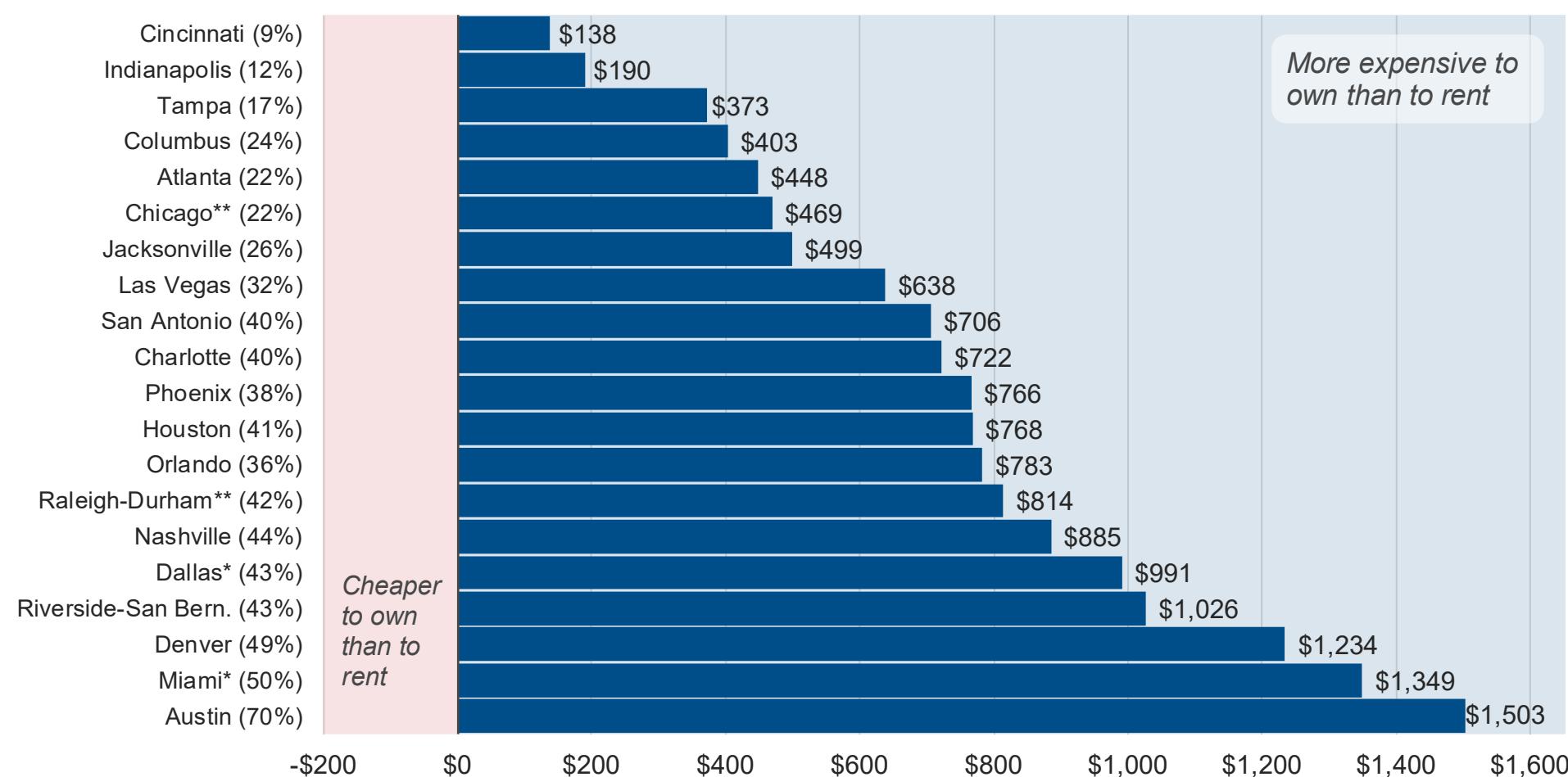
*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Note: We base the US national rollup on a weighted average of 99 markets. Source: John Burns Real Estate Consulting, LLC (Data: Oct-22/Nov-22, Pub: Dec-22)

The monthly cost of owning a typical single-family starter home exceeds the monthly rent in all top 20 markets. It is \$1,503 more expensive to own than rent in Austin.

Cost of Owning* vs. Renting Single-Family Starter Home

■ / ■ Homeownership premium



Many tenants lack the down payment or FICO score necessary to qualify under today's underwriting standards or prefer to rent.

Also, for-sale inventory remains low across most markets, particularly homes within the price range of entry-level buyers.

***Housing payment (cost of owning):** We assume the purchase of a home at 80% of the current median-priced existing home with a 5% down payment and a 30-year, fixed-rate mortgage. We include PITI plus mortgage insurance and maintenance costs. We assume the purchase price to be for a rent-ready home and do not include renovation or acquisition costs in our calculation. Annual **maintenance costs** range from 0.85% to 1.25% of the home's value and vary by market. Maintenance costs cover small repairs as well as large capital expenditures, like replacing a roof.

Single-family rent: we assume a home valued at 80% of the current median-priced existing home. We look for homes at this valuation in current single-family for-rent listings and then collect the asking rents.

Note: A negative number means that it costs less to own and maintain a home than to rent an equivalently valued home.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

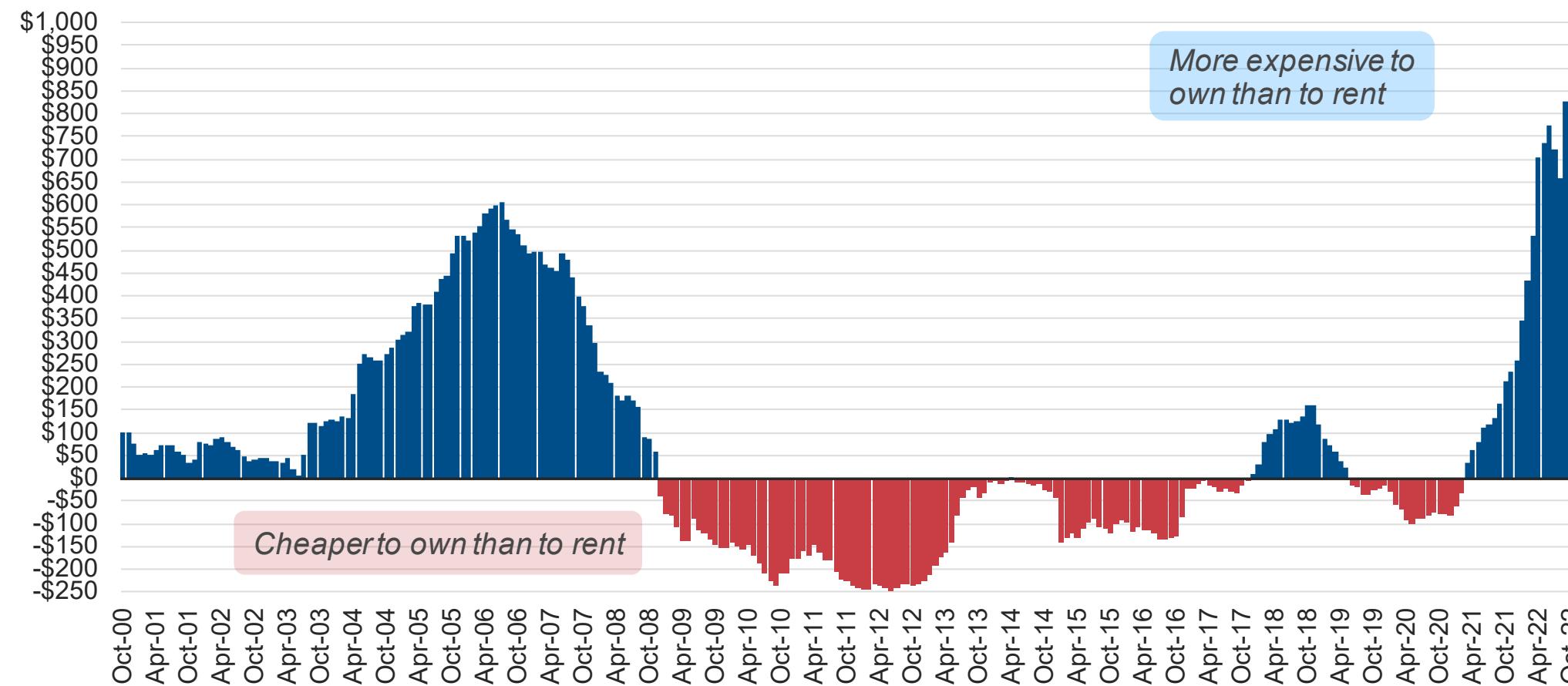
Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

Nationally, the monthly mortgage payment for a typical single-family starter home exceeds the monthly rent. It is \$979 more expensive to own.

National Cost of Owning* vs. Renting Single-Family Starter Home

Monthly mortgage payment for single-family starter home vs. monthly rent

■ / ■ Homeownership premium



Note: A negative number means that it costs less to own and maintain a home than to rent an equivalently valued home.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

On paper, renting is cheaper than owning nationally. Many tenants lack the down payment or FICO score necessary to qualify under today's underwriting standards or prefer to rent.

Also, for-sale inventory remains low across most markets, particularly homes within the price range of entry-level buyers.

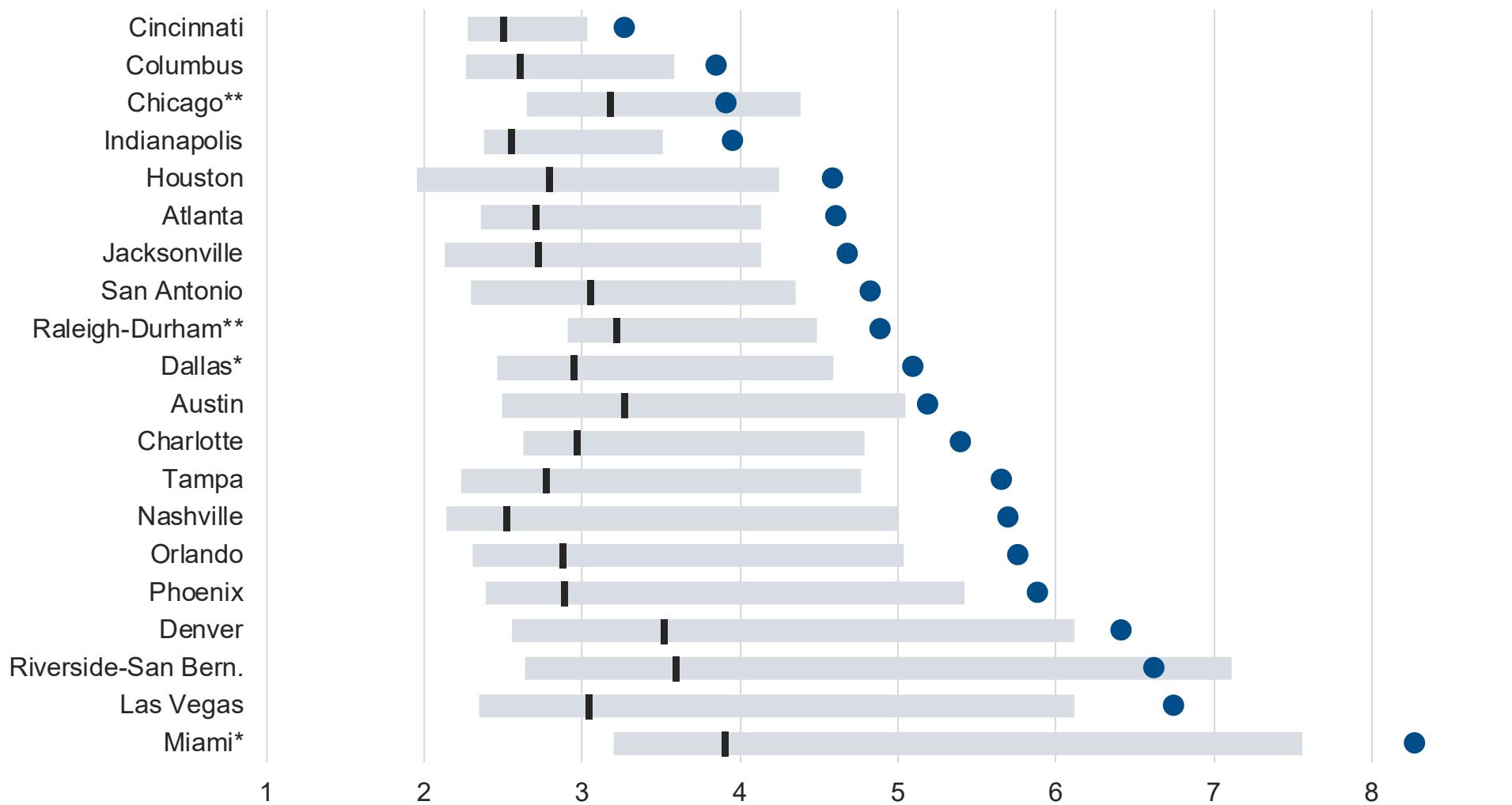
***Housing payment (cost of owning):** We assume the purchase of a home at 80% of the current median-priced existing home with a 5% down payment and a 30-year, fixed-rate mortgage. We include PITI plus mortgage insurance and maintenance costs. We assume the purchase price to be for a rent-ready home and do not include renovation or acquisition costs in our calculation. Annual **maintenance costs** range from 0.85% to 1.25% of the home's value and vary by market. Maintenance costs cover small repairs as well as large capital expenditures, like replacing a roof.

Single-family rent: we assume a home valued at 80% of the current median-priced existing home. We look for homes at this valuation in current single-family for-rent listings and then collect the asking rents.

Home-price-to-income ratios are above historical peaks in the majority of top 20 SFR markets.

Home-Price-to-Income Ratios

● Current ■ Median ■ Min-to-max range (1981–2021)



Coupled with rising mortgage rates, saving for a down payment remains difficult given historically high home prices relative to income.

- Midwest markets have the lowest home price-to-income ratios and best purchase affordability.
- In **Austin**, home price gains have far outpaced income growth. The median home price is currently 5.2x the median income compared to the market's historical median of 3.3x.
- Miami** has the highest home price-to-income ratio, at 8.3x, compared to its historical median of 3.9x.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

FHA loan limits increased in all top 20 SFR markets. Nashville loan limits increased the most, up 28% YOY from 2022.

FHA Conforming Loan Limit (2023 vs. 2022), YOY % Growth Rate

Top 20 single-family rental markets

| Market | 2022 | 2023 | YOY \$ Change | YOY % Change | Market | 2022 | 2023 | YOY \$ Change | YOY % Change |
|------------------|-----------|-----------|---------------|--------------|---------------------|-----------|-----------|---------------|--------------|
| Nashville | \$694,600 | \$890,100 | \$195,500 | 28.1% | Denver | \$684,250 | \$787,750 | \$103,500 | 15.1% |
| Atlanta | \$471,500 | \$592,250 | \$120,750 | 25.6% | Riverside-San Bern. | \$562,350 | \$644,000 | \$81,650 | 14.5% |
| Jacksonville | \$432,400 | \$526,700 | \$94,300 | 21.8% | Charlotte | \$420,680 | \$472,030 | \$51,350 | 12.2% |
| Miami* | \$460,000 | \$557,750 | \$97,750 | 21.3% | Chicago** | \$420,680 | \$472,030 | \$51,350 | 12.2% |
| Phoenix | \$441,600 | \$530,150 | \$88,550 | 20.1% | Cincinnati | \$420,680 | \$472,030 | \$51,350 | 12.2% |
| Raleigh-Durham** | \$420,680 | \$502,550 | \$81,870 | 19.5% | Houston | \$420,680 | \$472,030 | \$51,350 | 12.2% |
| Austin | \$483,000 | \$571,550 | \$88,550 | 18.3% | Indianapolis | \$420,680 | \$472,030 | \$51,350 | 12.2% |
| Dallas* | \$450,800 | \$531,300 | \$80,500 | 17.9% | Orlando | \$420,680 | \$472,030 | \$51,350 | 12.2% |
| Las Vegas | \$420,680 | \$494,500 | \$73,820 | 17.5% | Tampa | \$420,680 | \$472,030 | \$51,350 | 12.2% |
| San Antonio | \$449,650 | \$524,400 | \$74,750 | 16.6% | Columbus | \$439,300 | \$488,750 | \$49,450 | 11.3% |

We're watching how higher FHA/GSE loan limits will impact the SFR market, namely tenant move-outs to purchase that to date remain subdued.

*Metropolitan division **Combination of metropolitan divisions, except Raleigh-Durham, which is a combination of metros

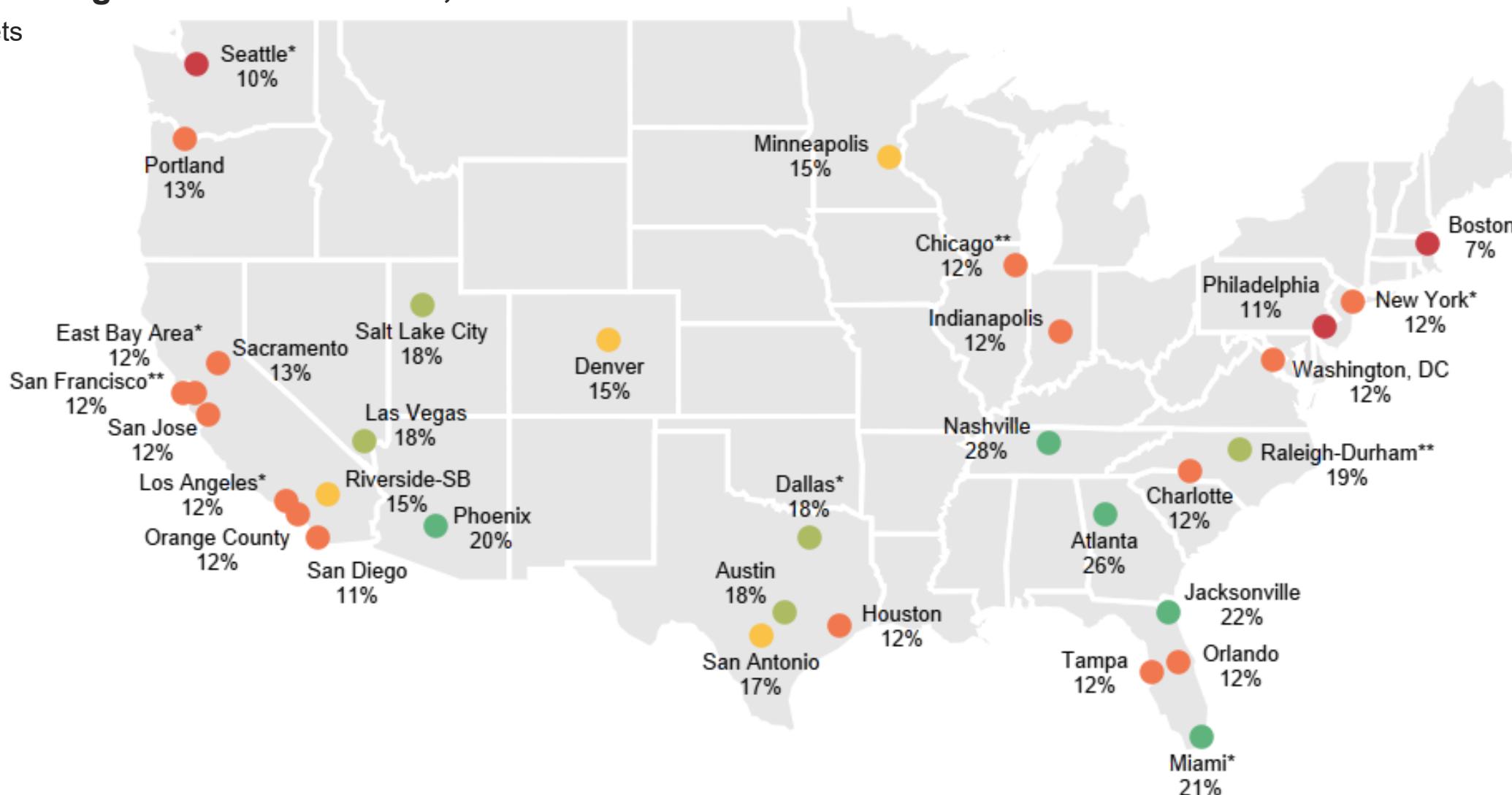
Note: Burns Single-Family Rent Index™ is a measure of new lease effective rent.

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Dec-22)

FHA loan limits (used primarily by first-time buyers with small down payments) increased by double digits across a majority of top 63 SFR markets.

Change in FHA Conforming Loan Limit for 2023, YOY% Growth Rate

63 single-family rental markets

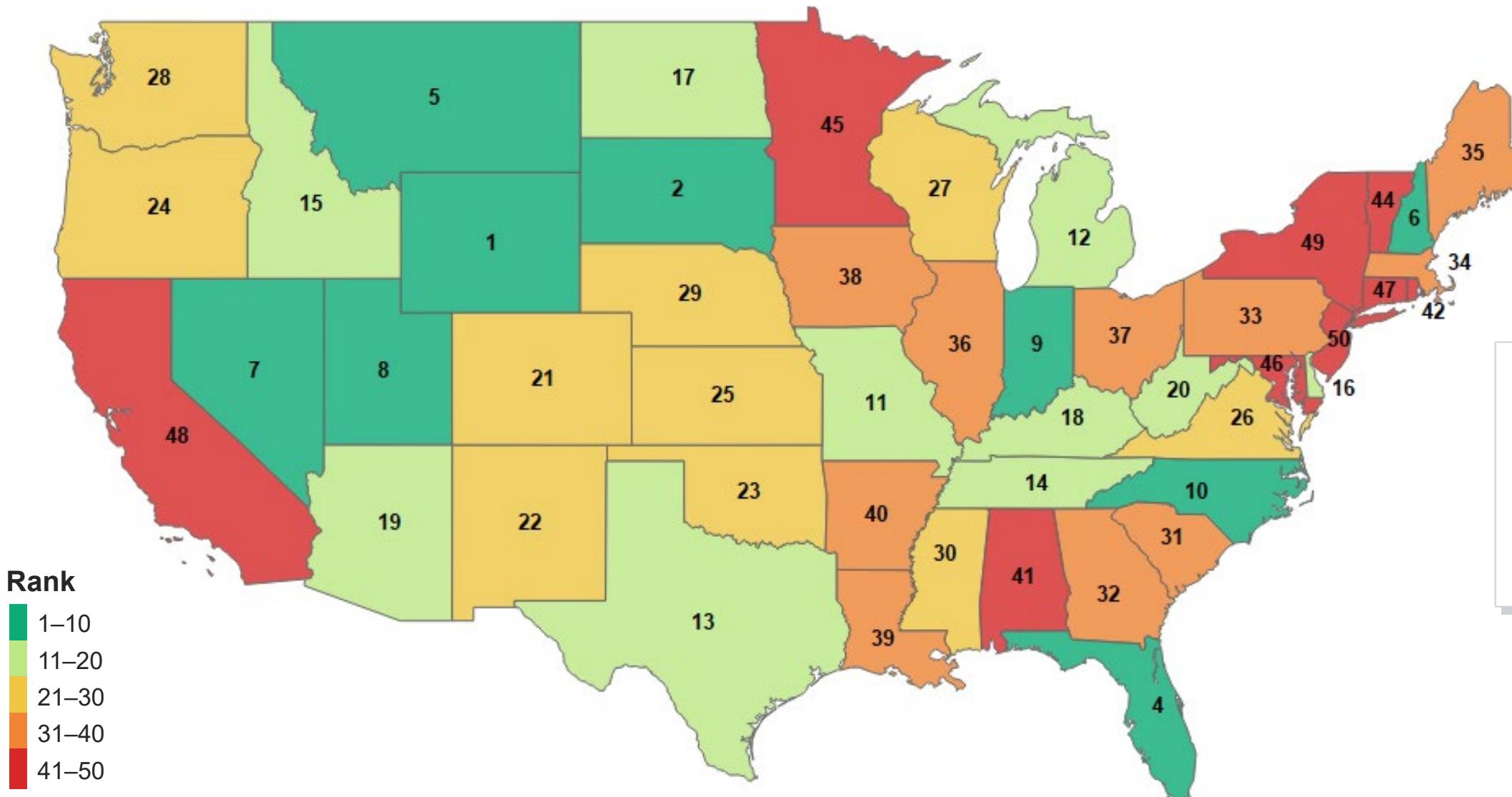


Home payment, entry-level home (mortgage): 5% down payment, 30-year fixed-rate mortgage, PITI (principal, interest, taxes and insurance) payment plus mortgage insurance payment.

Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

Overall tax rankings by state: Taxes are higher in California and the Northeast.

Overall Tax Rankings



Rankings are based the combined impact of 5 taxes: corporate, income, sales, property, and unemployment insurance. A higher ranking implies higher taxes. Note that not all states levy each tax.

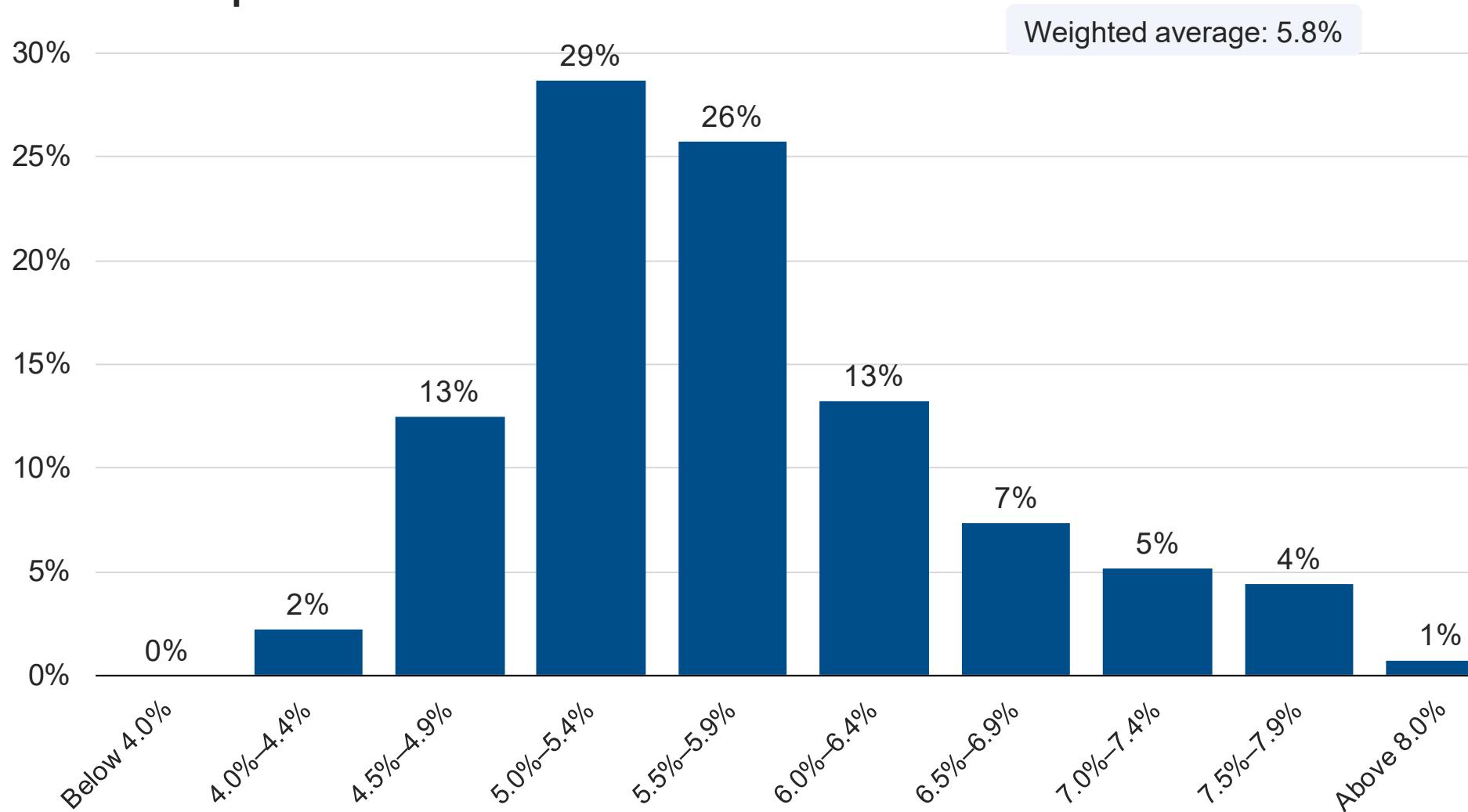
Notes: A rank of 1 is best, 50 is worst. Rankings do not average to the total. States without a tax rank equally as 1. DC's score and rank do not affect other states. The report shows tax systems as of July 1, 2022 (the beginning of Fiscal Year 2023). Not all ranks are visible since Alaska and Hawaii are not shown.

Source: Tax Foundation. (Data: 2022; Pub: Dec-22)

Macro drivers

Nationally, single-family rental operators assume 5.8% stabilized cap rates as of 3Q22, rising from 4.9% in 1Q22.

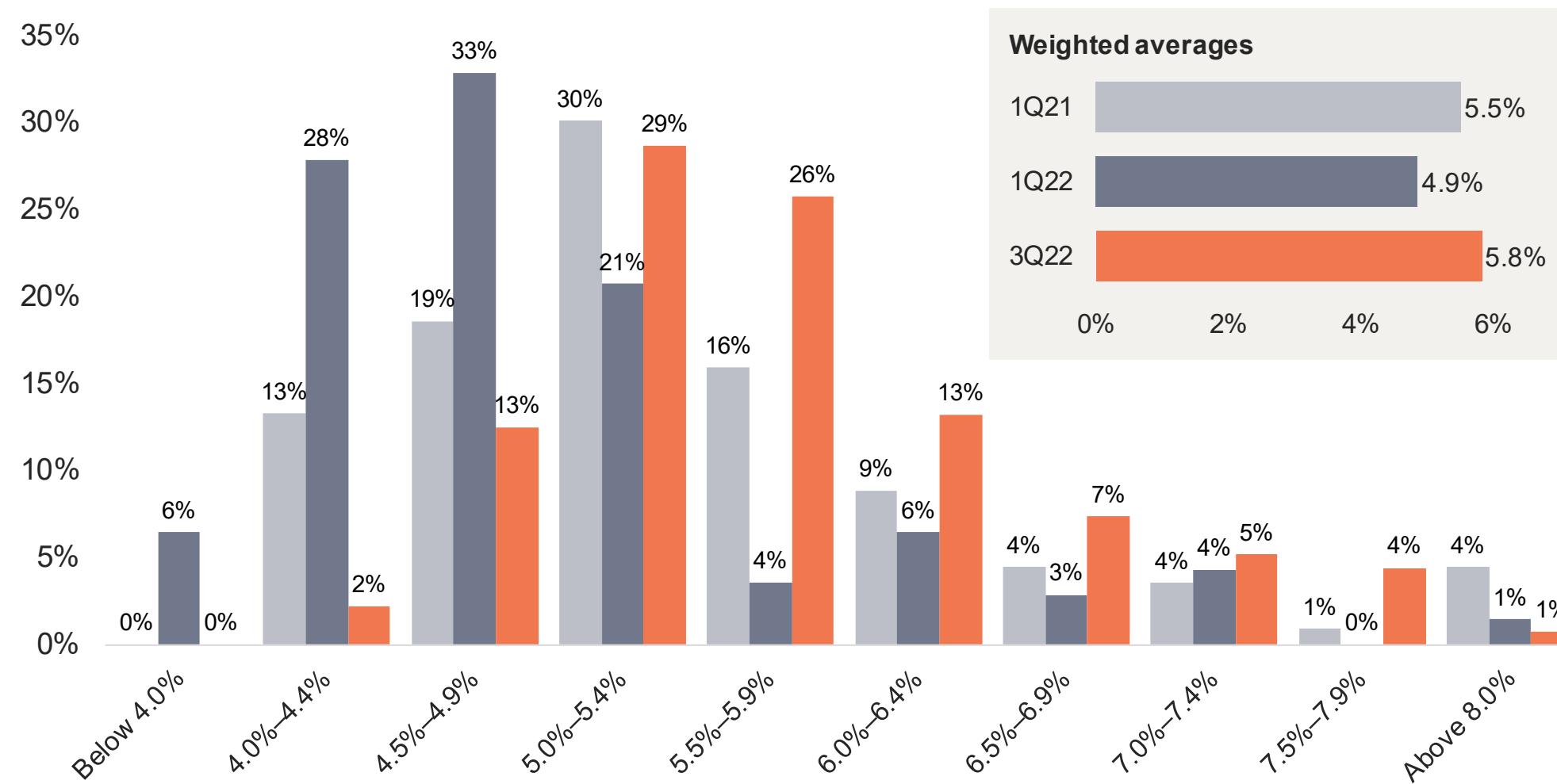
When acquiring homes in this metro, what are most operators assuming for stabilized cap rates?



Sources: National Rental Home Council; John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Dec-22)

Nationally, single-family rental operators assume 5.8% stabilized cap rates as of 3Q22, rising from 4.9% in 1Q22.

When acquiring homes in this metro, what are most single-family rental operators assuming for stabilized cap rates? ■ 1Q21 ■ 1Q22 ■ 3Q22



The rising costs of capital and inflation are contributing to higher cap rate assumptions during the acquisition phase. Most operators shifted their assumptions from 4.0%–5.4% stabilized cap rates in 1Q22 (shaded dark gray) to 4.5%–6.4% in 3Q22 (shaded orange).

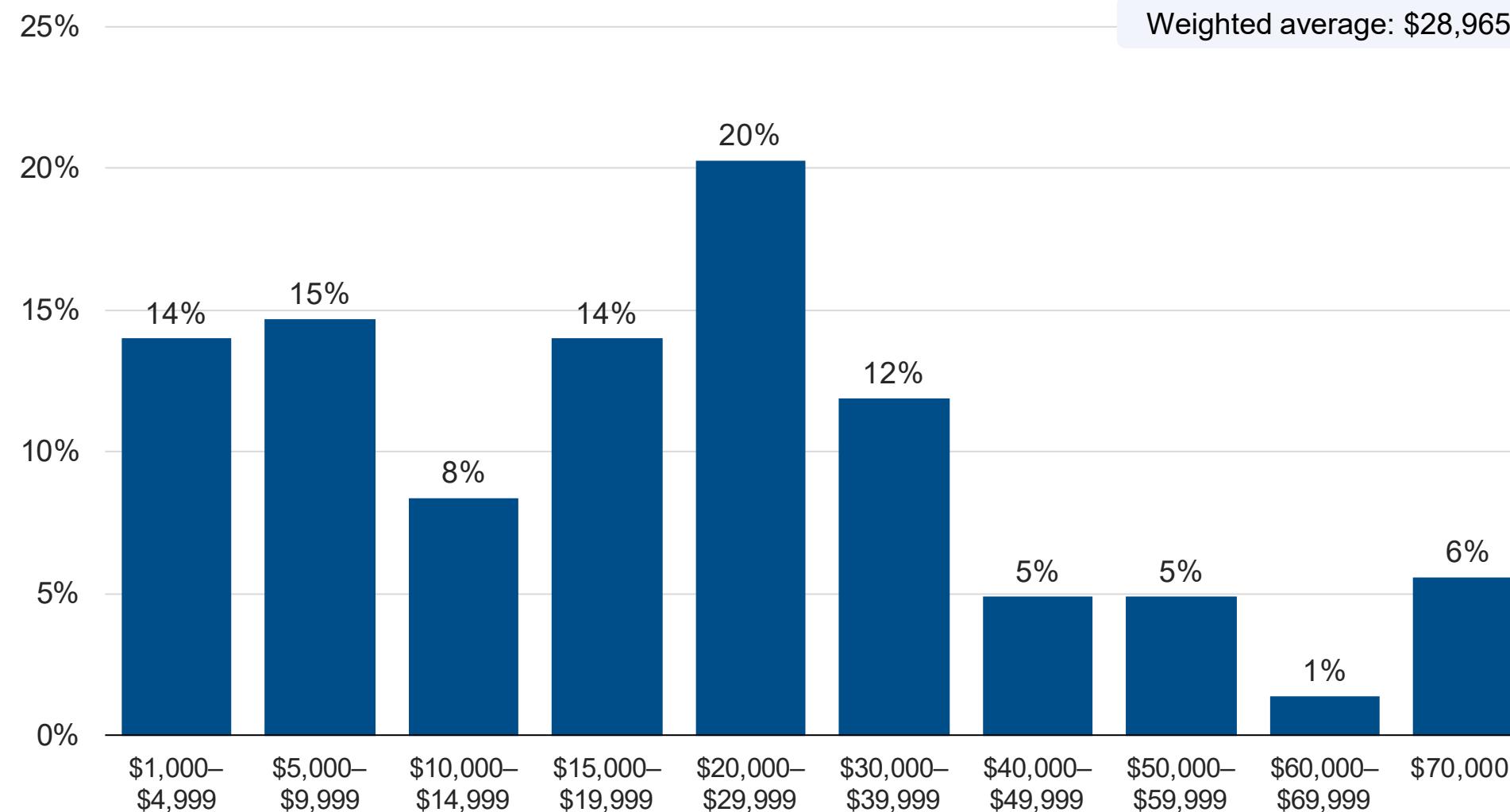
A Greenville operator confirms, “Cap rates have increased significantly in the last few months.”

A Nashville operator adds, “The cap rate has changed tremendously. Operators need higher cap rates and they’re just not finding them.”

Sources: National Rental Home Council; John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Dec-22)

According to our 1Q22 SFR operator survey, 71% of operators report spending nearly \$30K on renovation/repairs for each SFR home acquired in the last 12 months.

On average, what did you spend on renovation/repairs for each SFR home acquired in the last 12 months?



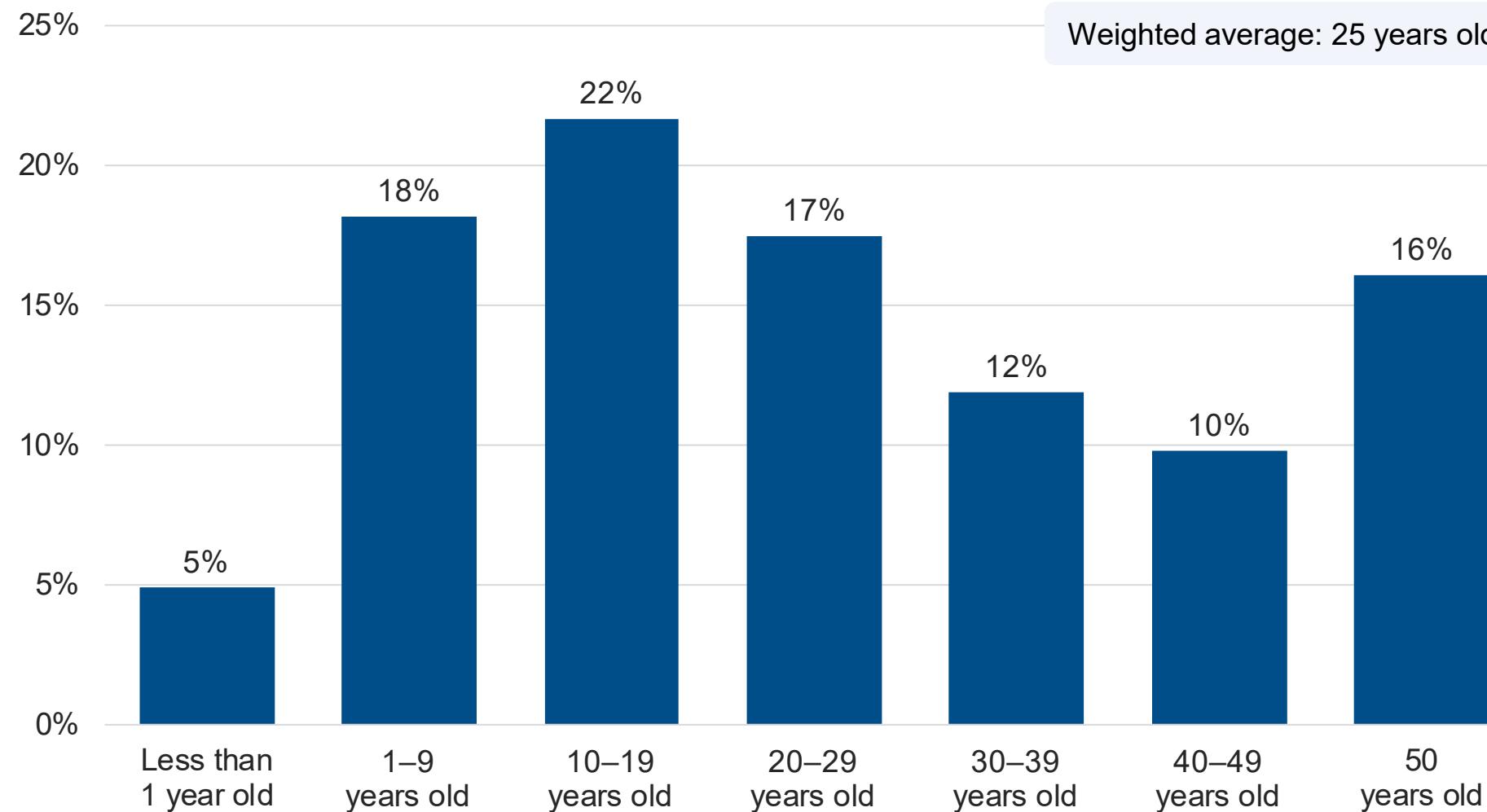
20% of operators spent between \$20,000 to \$29,999 on renovation/repairs, while just 7% report spending \$60,000+.

High acquisition costs, labor and materials shortages, and strained affordability challenge operators working to keep renovation/repair costs low and protect their margins.

Sources: National Rental Home Council; John Burns Real Estate Consulting, LLC (Data: 1Q22, Pub: Dec-22)

According to our 1Q22 SFR operator survey, 22% of SFR homes acquired in the last 12 months were 10–19 years old. Just 5% of acquired homes were less than 1 year old.

What was the average age of the SFR homes you acquired in the last 12 months?



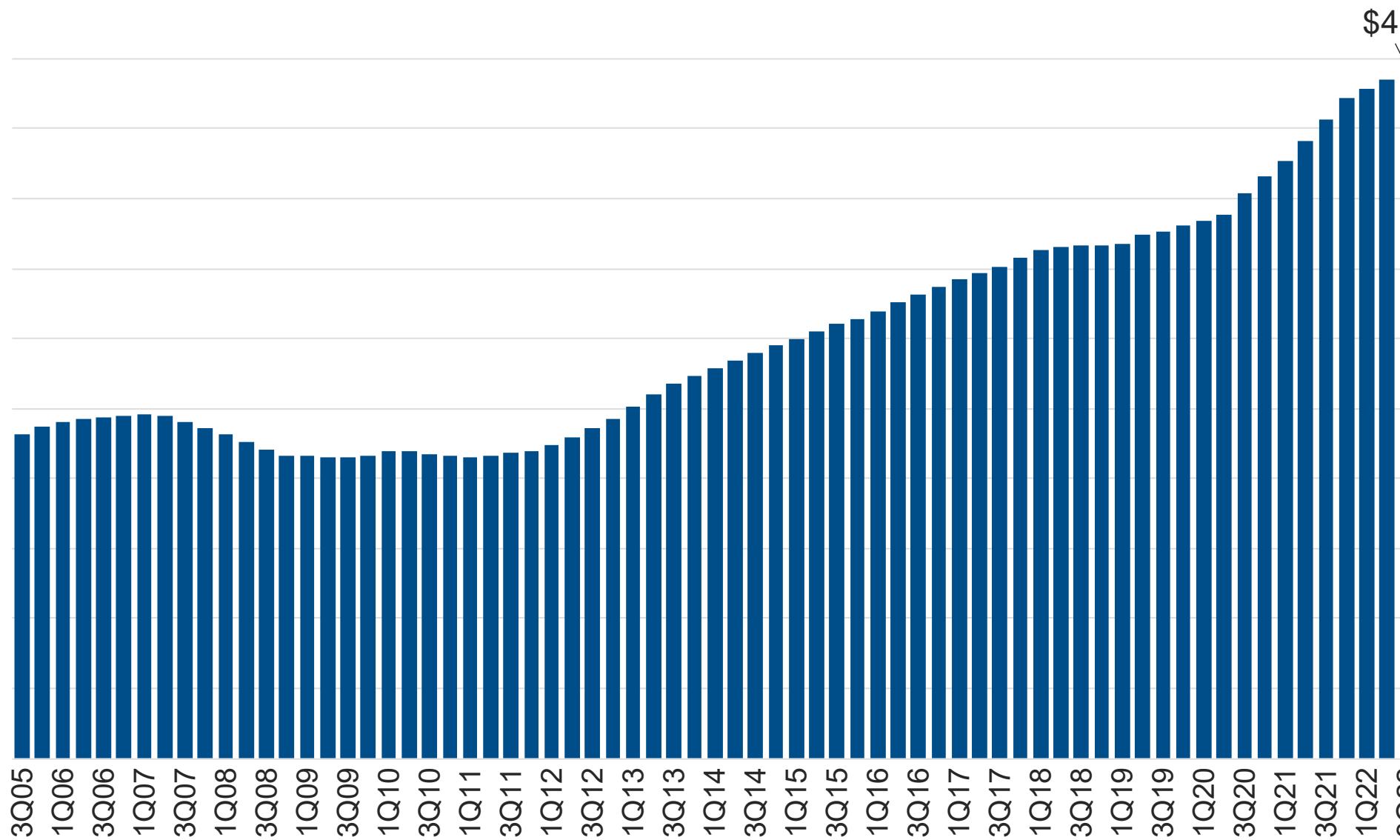
16% of SFR homes acquired over the last year were 50+ years old. Acquiring older properties can help operators achieve lower acquisition costs and typically smaller homes, often more attractive to single-family renters. However, renovation costs are typically higher, and repairs may be more frequent.

We anticipate new home acquisition to grow over time as build to rent becomes more prominent.

Sources: National Rental Home Council; John Burns Real Estate Consulting, LLC (Data: 1Q22, Pub: Dec-22)

Market Value of Single-Family Rental Homes

Trillions



We are at a record-high single-family rental home market value (\$4.9 trillion) versus low of \$2.2 trillion in 2011.

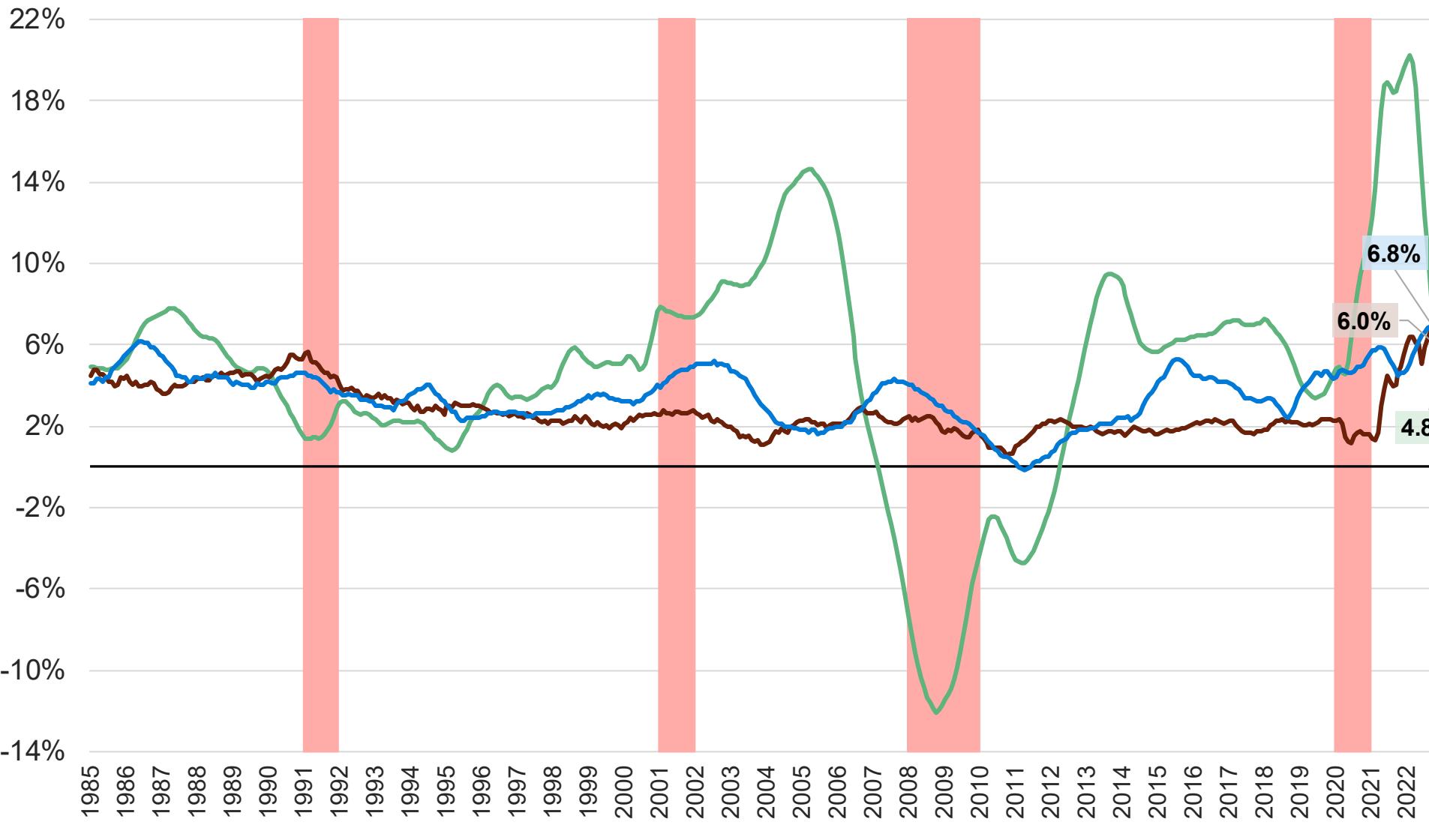
Notes: Calculated using total number of single-family rental homes and the national entry-level home value (JBREC). JBREC estimates using 2010 Census figures and trending data from ACS/HVS.

JBREC calculates entry-level home value, which assumes the purchase of a home at 80% of the market's median-priced existing home with a 5% down payment and 30-year, fixed rate mortgage. Burns Single-Family Rent Index™ is a measure of new lease effective rent.

Sources: U.S. Census Bureau, ACS; John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Dec-22)

Home Price Appreciation vs. Single-Family New Lease Effective Rent vs. Core CPI

National YOY % change — Home price appreciation — Core CPI — Single-family rent growth



Single-family new lease effective rent growth historically provides an inflation hedge. Single-family rents are nearing CORE CPI.

Recessionary periods are **shaded in pink** in the graph to the left.

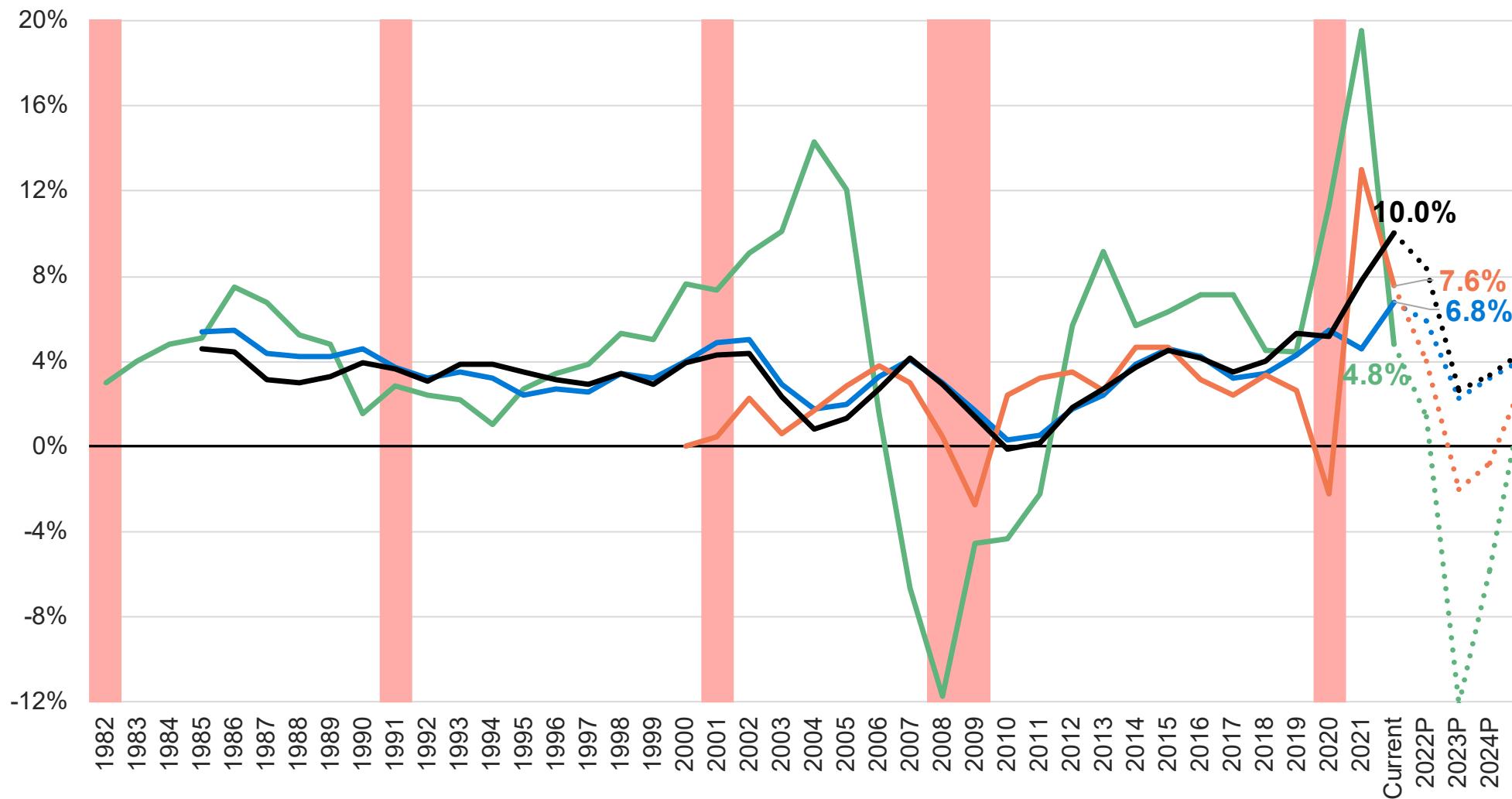
Notes: Burns Single-Family Rent Index is a measure of new lease effective rent. Resale home price appreciation is our Burns Home Value Index™ weighted average roll-up of 148 markets. Single-family rent is our Burns Single-Family Rent Index™ weighted average roll-up of 99 markets.

Sources: FRED; John Burns Real Estate Consulting, LLC (Data: Oct-22/Nov-22, Pub: Dec-22)

Home Price Appreciation vs. Single-Family New Lease Effective Rent Growth vs. Apartment Rent Growth

National YOY % change

— Home price appreciation
— Apartment rent growth
— Single-family rent growth
— Single-family rent growth: top 20 metros



A geographically well diversified SFR portfolio should be less volatile than other real estate asset classes.

National SFR rent growth has historically stayed positive even in recessionary periods (shaded in pink).

Notes: Burns Single-Family Rent Index™ is a measure of new lease effective rent. Single-family rent is our Burns Single-Family Rent Index weighted average roll-up of 99 markets. Data goes to Oct-22.

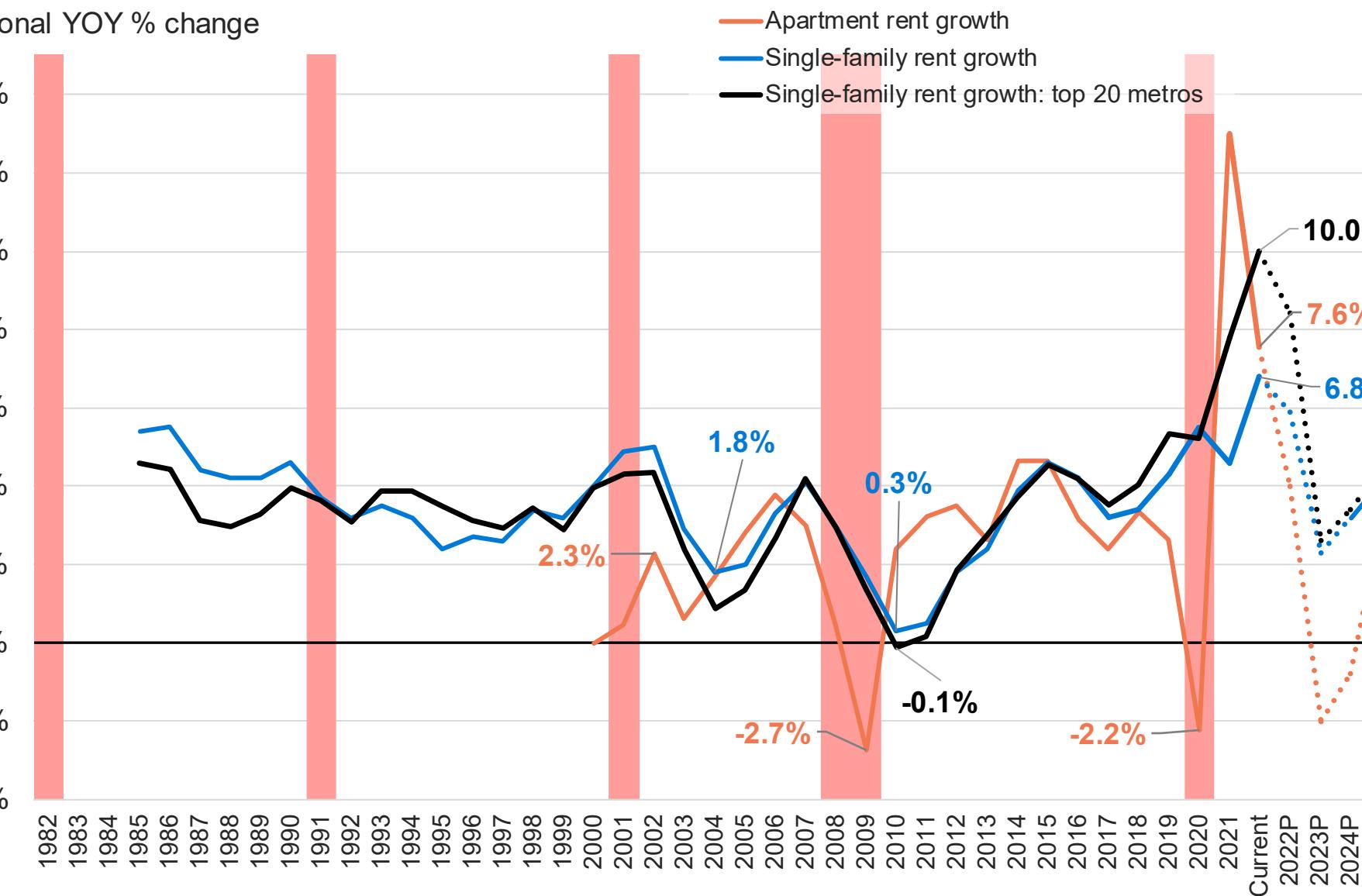
Resale home price appreciation is our Burns Home Value Index weighted average roll-up of 148 markets. Data goes to Nov-22.

Apartment rent is RealPage, Inc. 121-market weighted roll-up. Data goes to Oct-22.

Sources: John Burns Real Estate Consulting, LLC; JBREC projections (Data: Oct-22/Nov-22, Pub: Dec-22)

Single-Family New Lease Effective Rent vs. Apartment Rent

National YOY % change



National single-family rents have stayed positive even in recessionary periods versus declines in apartment rents. Single-family rents in the top 20 metros are currently up 10% YOY.

National SFR rent growth is more insulated and has historically stayed positive even in recessionary periods (**shaded in pink**).

Note: Burns Single-Family Rent Index™ is a measure of new lease effective rent. Single-family rent is our Burns Single-Family Rent Index™ weighted average roll-up of 99 markets. Data goes to Oct-22.

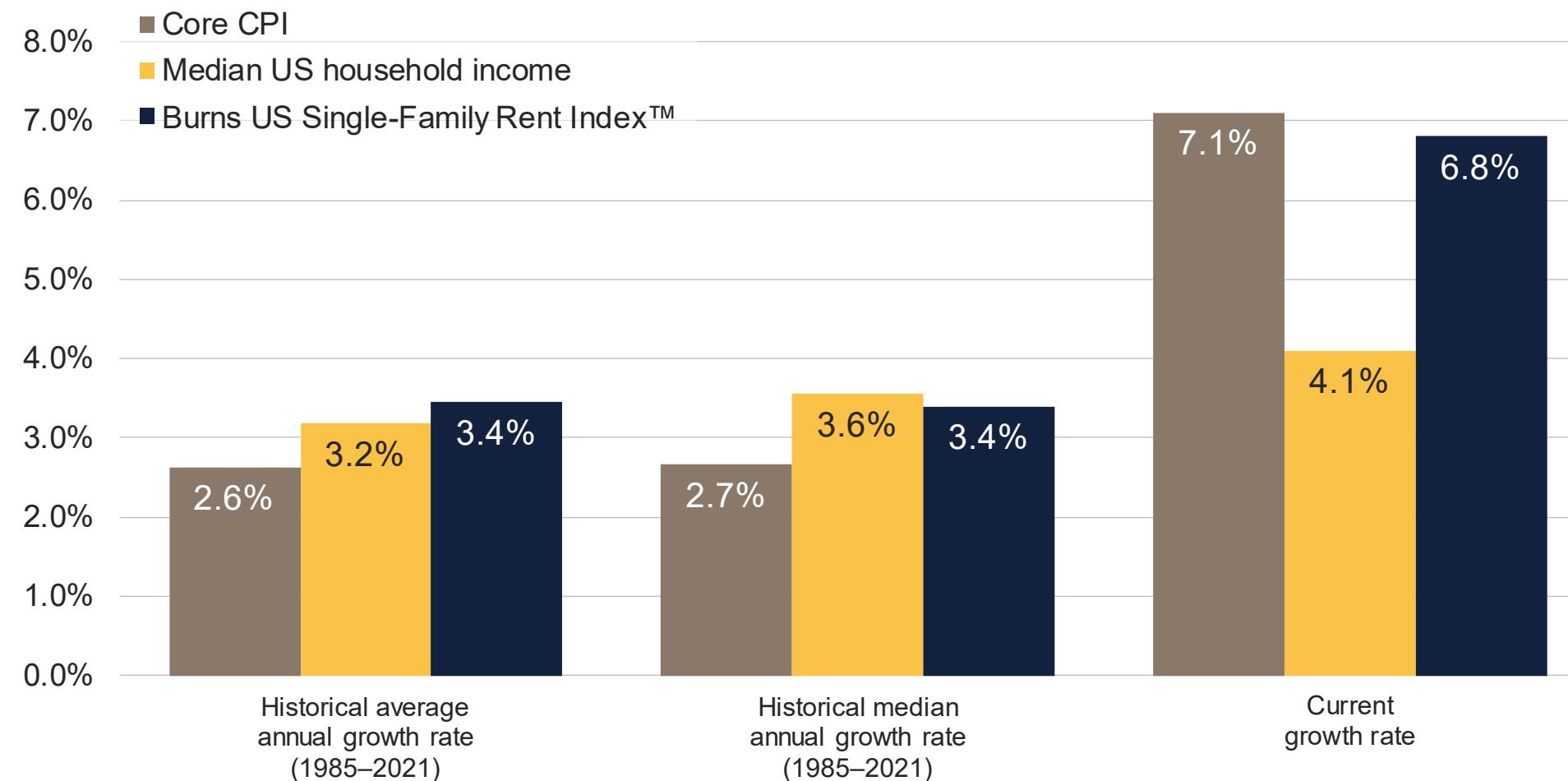
Apartment rent is RealPage, Inc. 121-market weighted roll-up. Data goes to Oct-22.

Sources: John Burns Real Estate Consulting, LLC; JBREC projections (Data: Oct-22, Pub: Dec-22)

Since 1985, SFR new lease effective rents have tracked closely with inflation (core CPI) and income growth.

Single-Family New Lease Effective Rents vs. Core CPI and Household Income Growth

1985–2021 average and median historical annual growth rates vs. current growth rate



Historically, single-family rental growth generally tracks with rate of core inflation (excludes food and energy) and income growth.

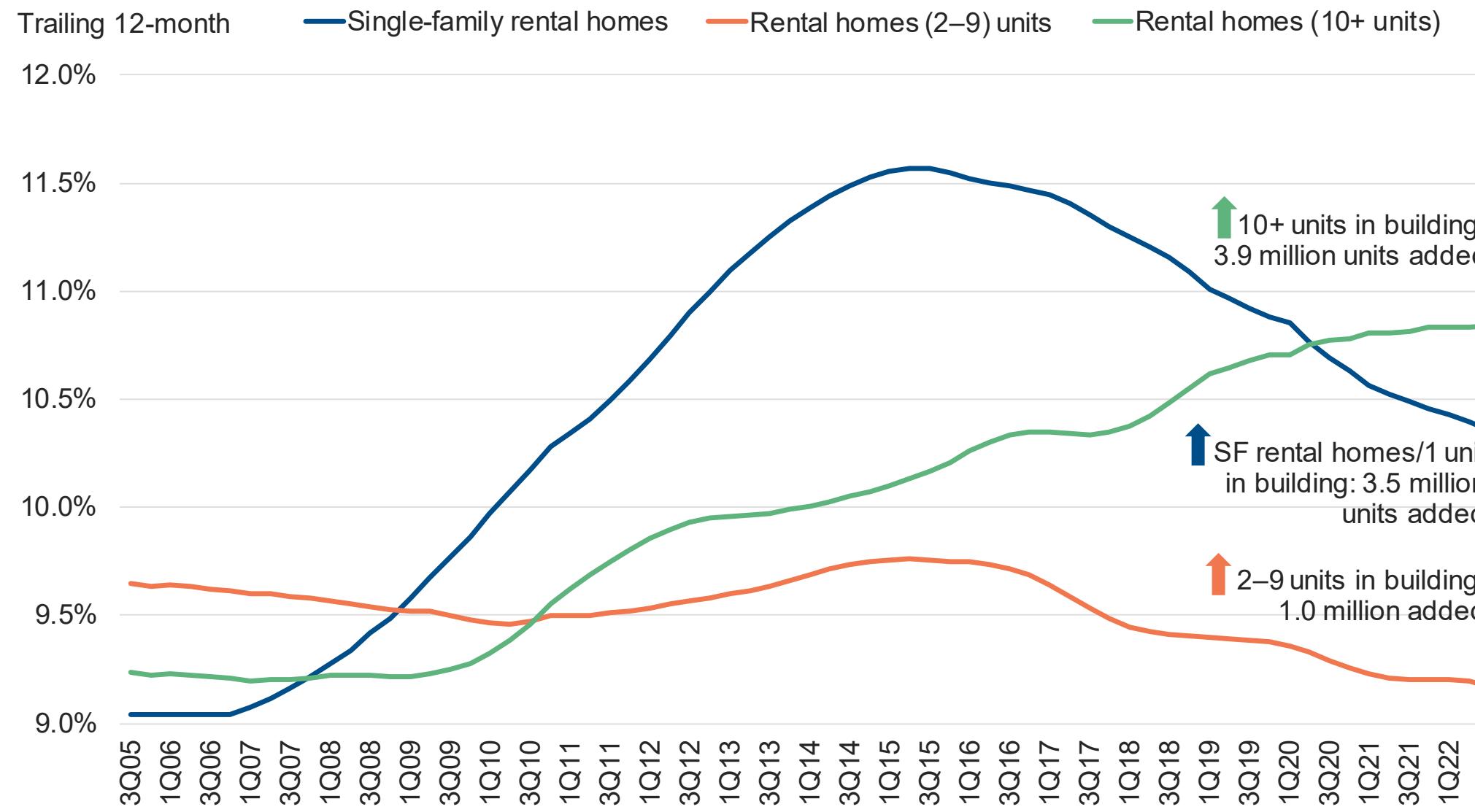
Notes: Burns Single-Family Rent Index™ is a measure of new lease effective rent. Burns Single-Family Rent Index uses a weighted average of 99 markets (1985–2021).

Burns Single-Family Rent Index™ for current data is from Oct-22. Core CPI current data and Median US household current data are from Nov-22.

Source: John Burns Real Estate Consulting, Bureau of Labor Statistics, Moody's Analytics Data (Pub: Dec-22)

Single-family rental units make up 10.4% of total housing stock.

Rental Homes as a % of All Housing Units



↑ 10+ units in building:
3.9 million units added

↑ SF rental homes/1 unit
in building: 3.5 million
units added

↑ 2–9 units in building:
1.0 million added

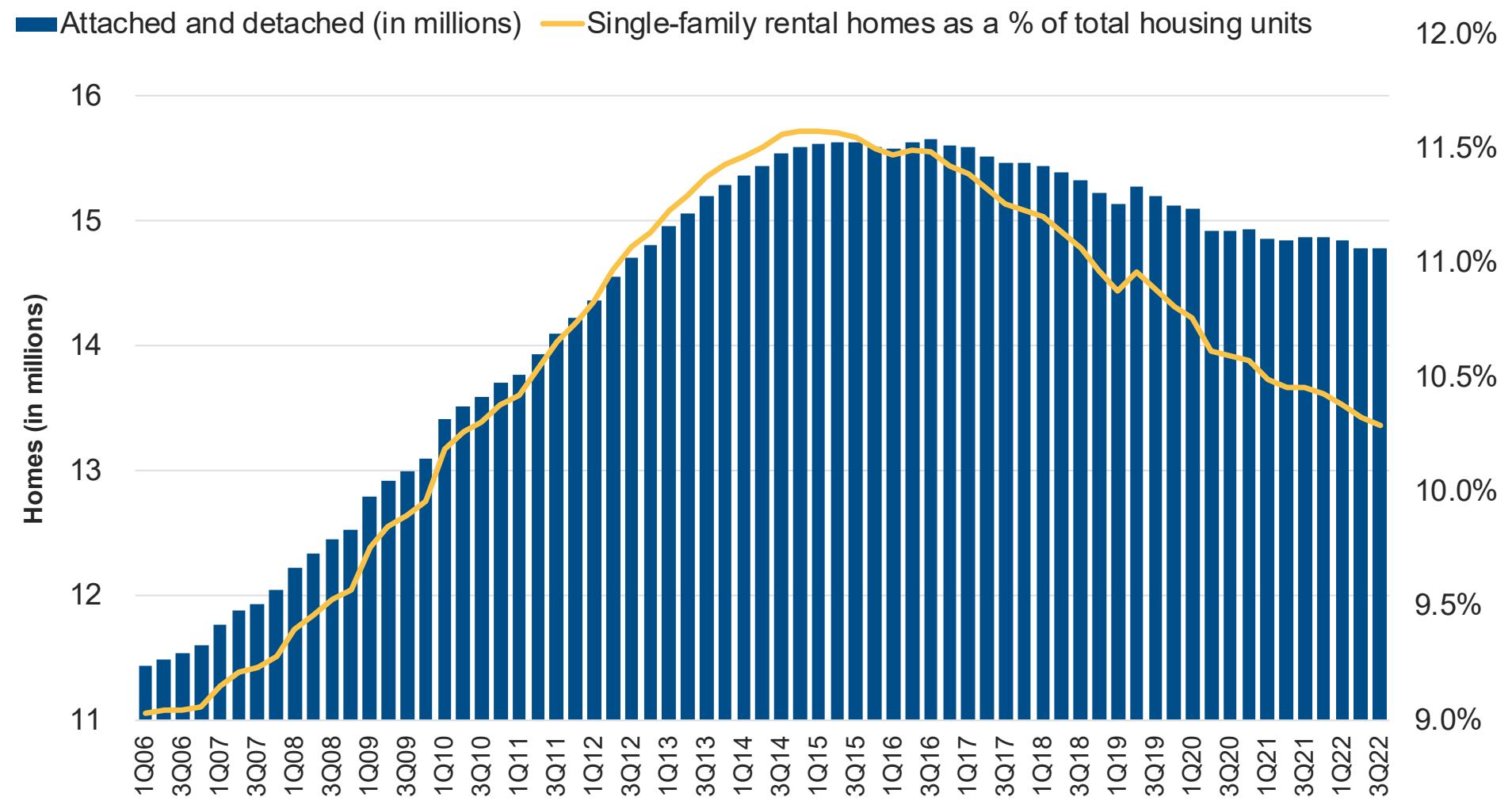
Since 2005, 3.5 million single-family homes have become rental properties, compared to 4.9 million newly created apartment units.

JBREC estimates use 2010 Census figures and trending data from ACS/HVS.

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: 3Q22; Pub: Dec-22, updated quarterly†)

14.8 million single-family rental homes (includes attached units and townhomes) as of 3Q22; 10.4% of all housing units.

Single-Family Rental Homes



Since 2005, single-family rental homes have grown by 3.5 million and have risen 1.4% as a percentage of total housing units.

JBREC estimates use 2010 Census figures and trending data from ACS/HVS.

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: 3Q22; Pub: Dec-22, updated quarterly†)

Capital flowing into the SFR space with major institutional investments in SFR/BTR sector in 2020

| Date | Deal Participants | Deal Type | Deal Value |
|----------|--|-----------------------------|------------|
| Mar 2020 | J.P. Morgan Asset Management / POBA | Capital Investment | \$120M |
| May 2020 | Amherst / KOCH Industries Inc. | Preferred Equity Investment | \$200M |
| May 2020 | American Homes 4 Rent / J.P. Morgan Asset Management | Joint Venture | \$625M |
| Jul 2020 | CONREX Property Management / Brookfield | Controlling Stake | \$300M |
| Aug 2020 | Tricon Residential / Blackstone Real Estate Income Trust | Preferred Equity Investment | \$300M |
| Sep 2020 | Sparrow / Nuveen Real Estate | Capital Investment | \$400M |
| Oct 2020 | RESICAP / Rockpoint Group | Joint Venture | \$250M |
| Oct 2020 | Invitation Homes / Rockpoint Group | Joint Venture | \$375M |
| Oct 2020 | Haven Realty Capital / Walton St Capital | Partnership | \$134M |
| Dec 2020 | TCRS / Pretium | Investment | \$125M |



1. Brookfield has raised \$200 million, including some of its own capital, for a vehicle called Brookfield Single-Family Rental that will acquire and renovate homes.
2. \$375 million committed to joint venture. A total of over \$1 billion, including debt is expected to be deployed by the JV.

Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

Capital flowing into the SFR space with major institutional investments in SFR/BTR sector in 2021

| Date | Deal Participants | Deal Type | Deal Value |
|----------|--|----------------------------|------------|
| Jan 2021 | Ares / Pretium / Front Yard Residential | Acquisition / Take Private | \$2.5B |
| Jan 2021 | Pretium / PSP Investments | Joint Venture | \$700M |
| Jan 2021 | AVANTA / Iron Point Partners | Joint Venture | |
| Feb 2021 | AVANTA / Alliance Bank of Arizona | Construction Lender | |
| Feb 2021 | Haven Realty Capital / CenterSquare Investment Management | Partnership | \$30.6M |
| Mar 2021 | Transcendent Investment Management / Electra America | Joint Venture | |
| Mar 2021 | Lennar / Centerbridge / Allianz | Joint Venture | \$1.25B |
| Mar 2021 | CALSTRS / PCCP | Joint Venture | \$1B |
| Mar 2021 | Great Gulf / Westdale | Equity Investment | \$200M |
| Mar 2021 | State of Wisconsin Investment Board / Hudson Advisors | Investment | \$150M |
| Apr 2021 | Atlas Real Estate / DIVCOWEST | Joint Venture | \$250M |
| Jun 2021 | Blackstone / Home Partners of America | Acquisition | \$6B |
| Jun 2021 | Goldman Sachs / Entera | Series A Funding | \$32M |
| Jun 2021 | SVN | Launch SFR / BFR Platform | |
| Jun 2021 | GTIS Partners / Pretium | Selling 1,000 Properties | \$300M |
| Jun 2021 | New Growth Living / Rockpoint Group / Montgomery Street Partners | Partnership | |
| Jun 2021 | Invesco / Mynd Management | Capital Investment | \$5B |
| Jun 2021 | Goldman Sachs / Fundrise | Credit Facility | \$300M |
| Jun 2021 | Arrived | Equity and Debt Financing | \$37M |
| Jun 2021 | KKR | Forming SFR Company | |
| Jun 2021 | Firstkey Homes | Purchase of SFR Portfolio | \$56M |

Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

| Date | Deal Participants | | Deal Type | Deal Value |
|----------|---|--|-----------------------------------|------------|
| Jul 2021 | Camden Homes / Global Atlantic Financial Group | | Credit Facility Closing | \$375M |
| Jul 2021 | Walton / SVN | | Joint Venture | |
| Jul 2021 | Tricon Residential / TRS / Pacific Life | | Joint Venture | \$5B |
| Aug 2021 | JLL Income Property Trust / Amherst | | Investment in SFR Portfolio | \$1.2B |
| Aug 2021 | Divvy / Tiger Global / Caffeinated Capital | | Equity Raise | \$200M |
| Aug 2021 | Halo / Churchill Real Estate | | Funding Facility | \$450M |
| Sep 2021 | Crescent Communities / Pretium | | Joint Venture | \$1B |
| Oct 2021 | Lynd Living / T.R. Inscore | | Joint Venture | \$500M |
| Oct 2021 | SVN / RP Homes | | Joint Venture | |
| Oct 2021 | PEG Companies | | Launch Capital Fund | \$200M |
| Oct 2021 | Quinn Residences / Conversant / Monarch Alternative Capital | | Equity Investment | \$750M |
| Oct 2021 | Tricon Residential | | Closing of US IPO | \$570M |
| Oct 2021 | Wan Bridge | | Capital Infusion | |
| Oct 2021 | Terralane Communities | | Launch of SFR Company | |
| Oct 2021 | SVN / Coronado West | | Partnership | \$300M |
| Nov 2021 | Avanta / Invesco | | BFR Investment & JV | |
| Nov 2021 | Pretium / Anchor Loans | | Acquisition | \$1.5B |
| Nov 2021 | Resicap / Rockpoint Group | | Expand Joint Venture | \$2.5B |
| Nov 2021 | Pretium / Starwood Capital Group | | Starwood Acquires 2,300 SFR Homes | \$1B |
| Nov 2021 | Fifth Wall / Lessen | | Fundraise | \$170M |
| Dec 2021 | CPP Investments / Greystar | | Joint Venture | \$840M |
| Dec 2021 | Bain Capital Real Estate | | Closed Fund | \$3B |
| Dec 2021 | LendingOne | | Deploy Capital into SFR Loans | \$3B |
| Dec 2021 | Mill Creek | | Launch SFR Brand | |
| Dec 2021 | Stockbridge / More Residential | | Joint Venture | \$4B |
| Dec 2021 | Advenir Oakley Capital, LLC | | Joint Venture | |

Capital flowing into the SFR space with major institutional investments in SFR/BTR sector in 2021

Note: Bain Capital \$3B fund covers US real estate deals. The fund has potential to invest as much as \$9B in a mix of industrial, life science, entertainment, and residential real estate.

Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

| Date | Deal Participants | Deal Type | Deal Value |
|----------|--|--|------------|
| Jan 2022 | Heitman / Sylvan Road | SFR Partnership | \$640M |
| Jan 2022 | Harrison Street / Core Spaces | Joint Venture | \$1.5B |
| Jan 2022 | Transcendent Investment Management / Electra America | Add 3,500 New Homes | \$1.25B |
| Jan 2022 | Home Partners of America / Blackstone | Choice Lease Program to Reduce Rents | \$1B |
| Jan 2022 | Premium / Onyx East | Joint Venture | \$600M |
| Jan 2022 | The Promise Homes Company | Debt Facility | \$200M |
| Jan 2022 | Gorelick Brothers Capital / Bridge Investment Group | Acquisition of Certain Assets | |
| Feb 2022 | Man GPM / Bouwinvest | BFR Partnership | |
| Feb 2022 | TruAmerica | Launch BFR Development Division | |
| Feb 2022 | Kinloch Partners | Plans to build high-end SFR homes | |
| Feb 2022 | Wan Bridge / Land Tejas | BFR Expansion (additional 1K units) | |
| Mar 2022 | Invitation Homes / Rockpoint Group | Joint Venture | \$300M |
| Mar 2022 | Second Avenue / Waterton | SFR Partnership | |
| Mar 2022 | SoftBank Investment Advisors / Roofstock | Equity Financing | \$240M |
| Mar 2022 | Magnolia Capital / Principal Real Estate Investors | Joint Venture | |
| Mar 2022 | Beacon Ridge Capital Management | Partnership w/ Global Institutional Investor | \$700M |
| May 2022 | Taylor Morrison / VP Moondance Holdings LLC | Joint Venture | \$850M |
| May 2022 | Partners Group Holding AG / Fortress | Purchase of SFR Portfolio | \$1B |
| May 2022 | FlipOS / Zeev Ventures | Equity Raise | \$50M |
| May 2022 | PropTech Investment Corporation II / Appreciate | SPAC | |
| May 2022 | NexPoint / HomeSource Operations, LLC | Formation of REIT | |
| May 2022 | SVN SFR Capital Management / Linesight Development | Joint Venture | \$1.5B+ |
| May 2022 | Arrived Homes / Forerunner Ventures, Bezos Expeditions, etc. | Series A Funding | \$25M |
| Jun 2022 | American Homes 4 Rent / Varde Partners | Land Banking Facility | \$500M |
| Jun 2022 | Walton Global / Rockpoint | Joint Venture | \$300M |

Capital flowing into the SFR space with major institutional investments in SFR/BTR sector in 2022 (year to date)

Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

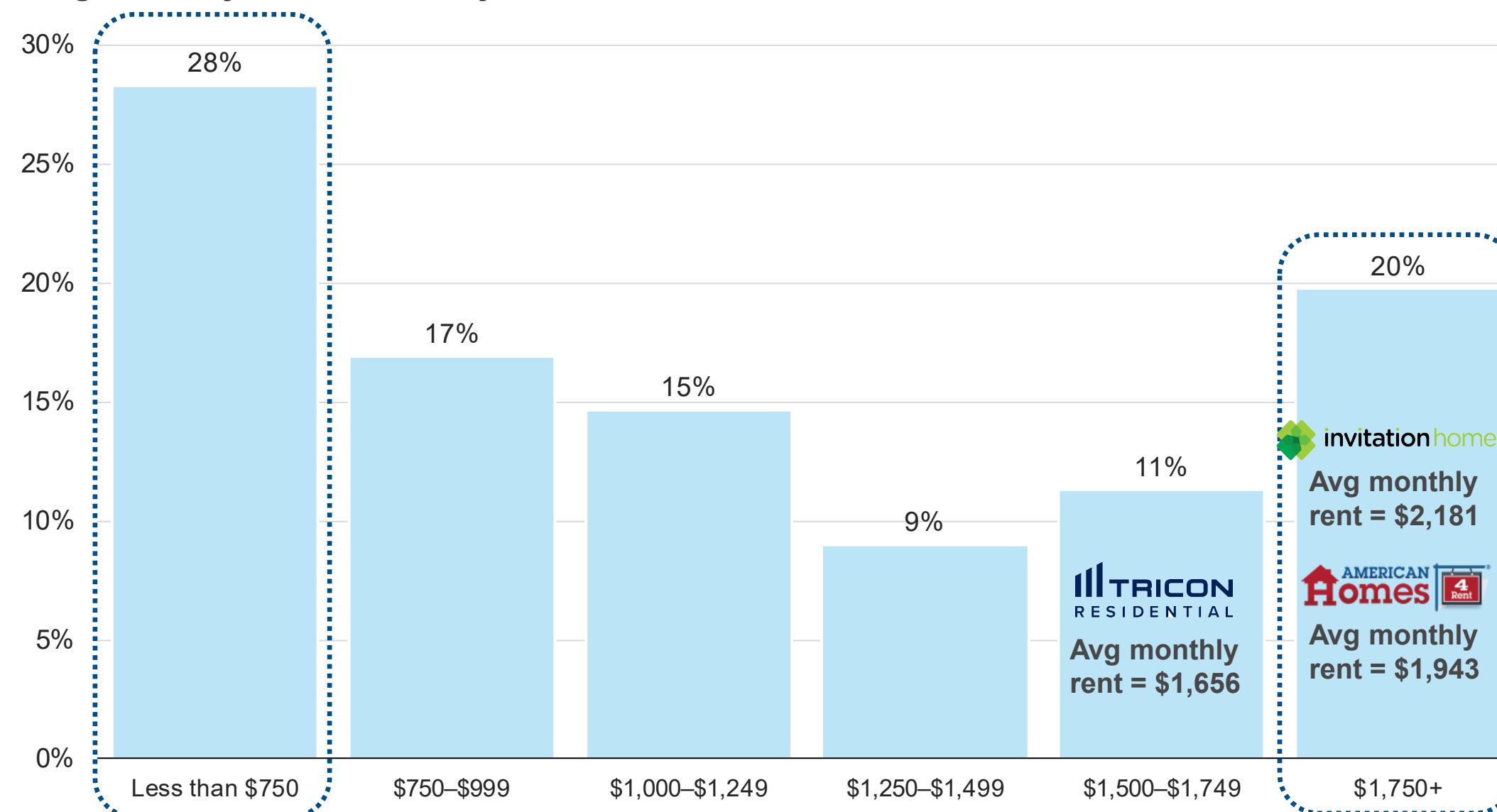
| Date | Deal Participants | Deal Type | Deal Value |
|----------|---|------------------------|------------|
| Sep 2022 | Tricon Residential / Arizona State Retirement System (ASRS) | Joint Venture | \$500M |
| Nov 2022 | JP Morgan / Haven Realty Capital | Joint Venture | \$1B |
| Nov 2022 | JLL Income Property Trust / Amherst | Expanded Joint Venture | \$500M |
| Nov 2022 | PropTech Investment Corporation II / Appreciate / Renters Warehouse | SPAC | \$413M |

Capital flowing into the SFR space with major institutional investments in SFR/BTR sector in 2022 (year to date)

Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)

SFR rents and SFR REITs reflect a higher-income tenant base than apartments.

Single-Family Rental Monthly Contract Rental Rate

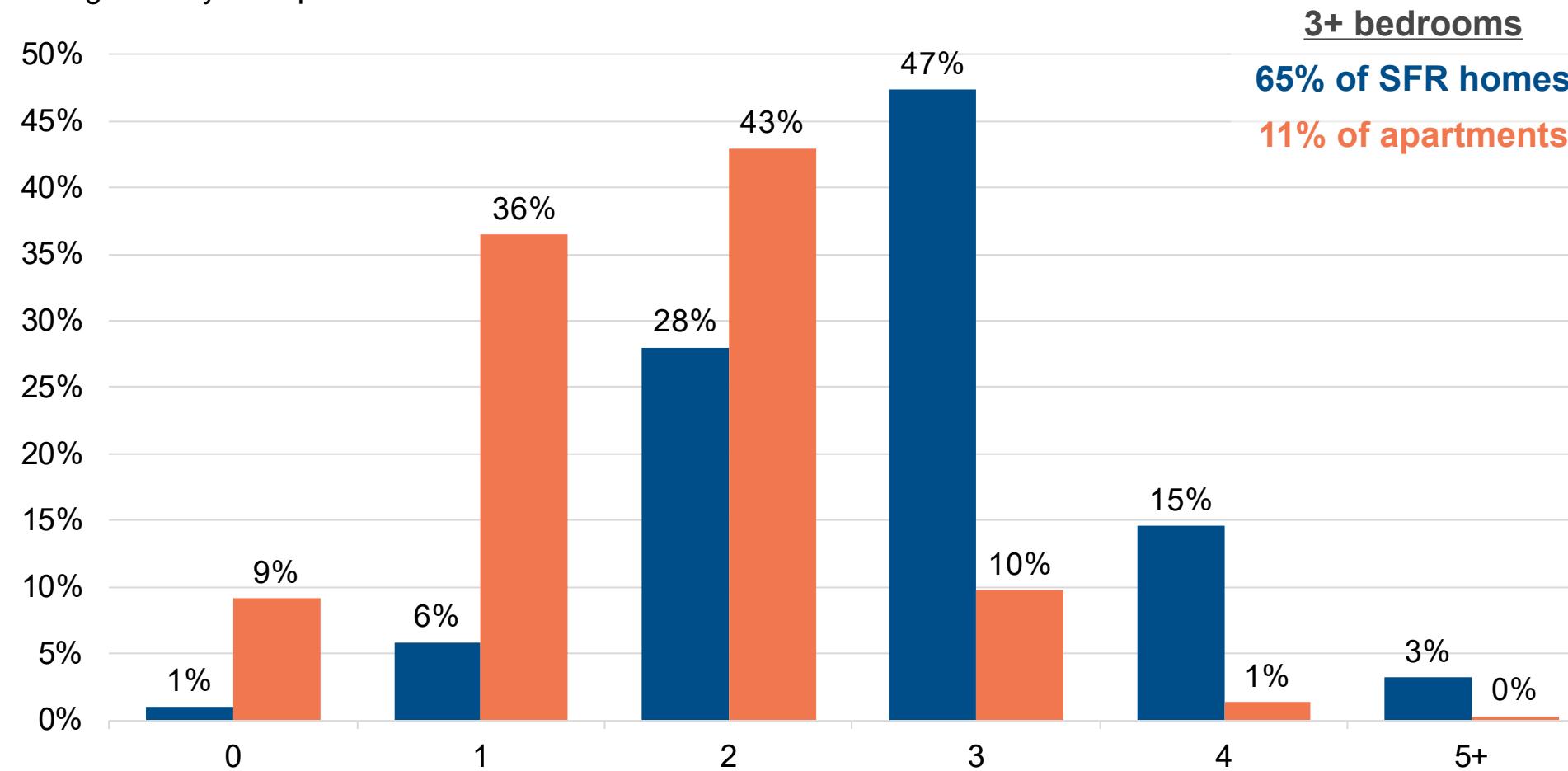


Source: REIT 3Q22 earnings (same-home); John Burns Real Estate Consulting, LLC, tabulations of Census Bureau, American Community Survey 1-year estimates (2021) (Pub: Dec-22)

65% of single-family rental homes contain three or more bedrooms, compared to just 11% of apartments.

Bedroom Count

■ Single-family ■ Apartments



3+ bedrooms

65% of SFR homes

11% of apartments

Young families not in a position to own will overwhelmingly target single-family rental properties over apartments given their life stage and preference for good schools.

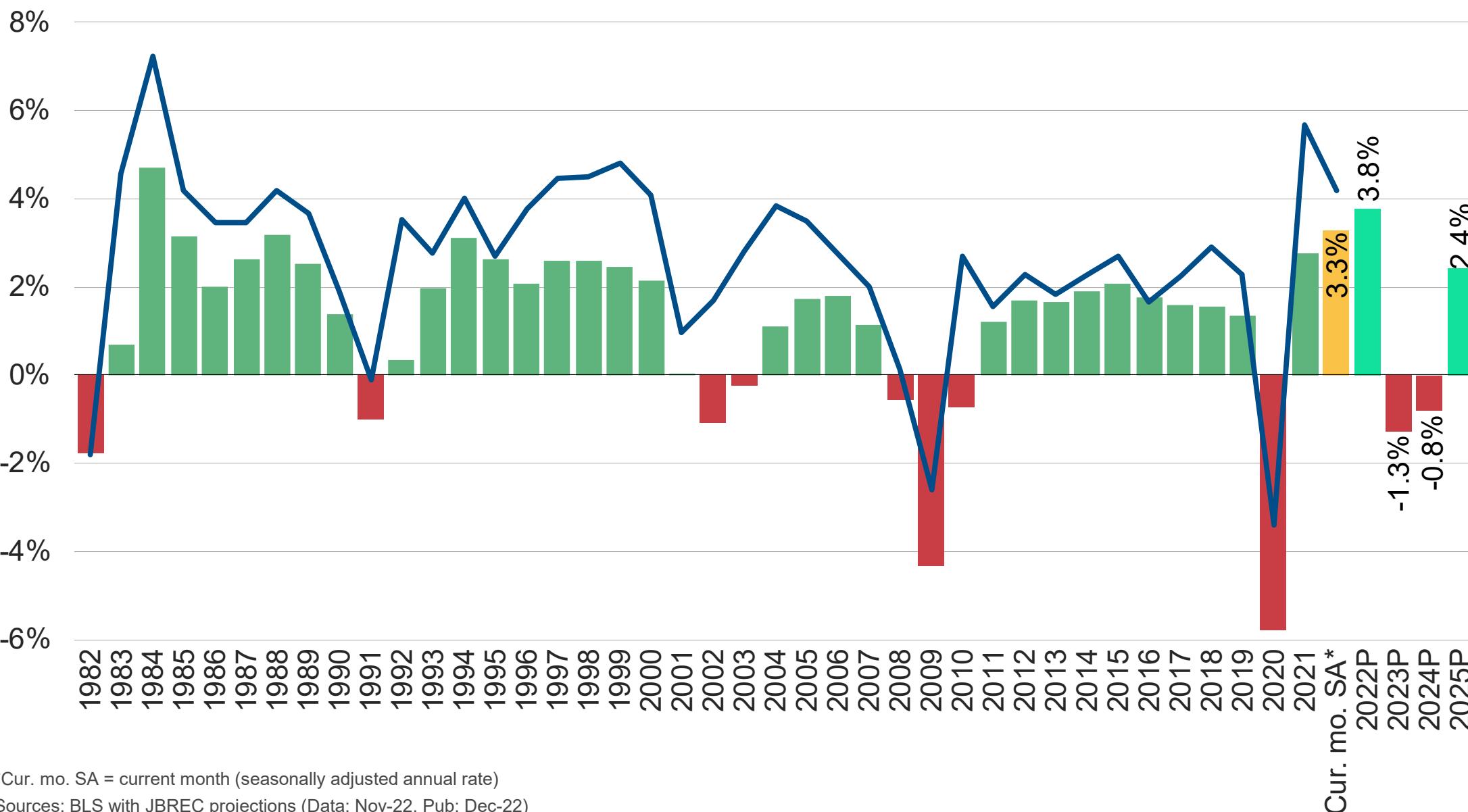
Actual results may vary slightly due to rounding.

Note: Single-family includes attached and detached units.

Sources: JCHS tabulations of US Census Bureau, 2021 American Community Survey 1-Year Estimates; John Burns R.E. Consulting, LLC (Data: 2021, Pub: Dec-22)

US Employment Annual Growth Rates

■ Employment (NSA) — Real GDP growth (2021) = 5.7%



We expect employment to grow 4% through 2022. We expect employment will fall slightly on a YOY basis in 2023 and 2024 as the Fed attempts to tame inflation, likely slowing the economy.

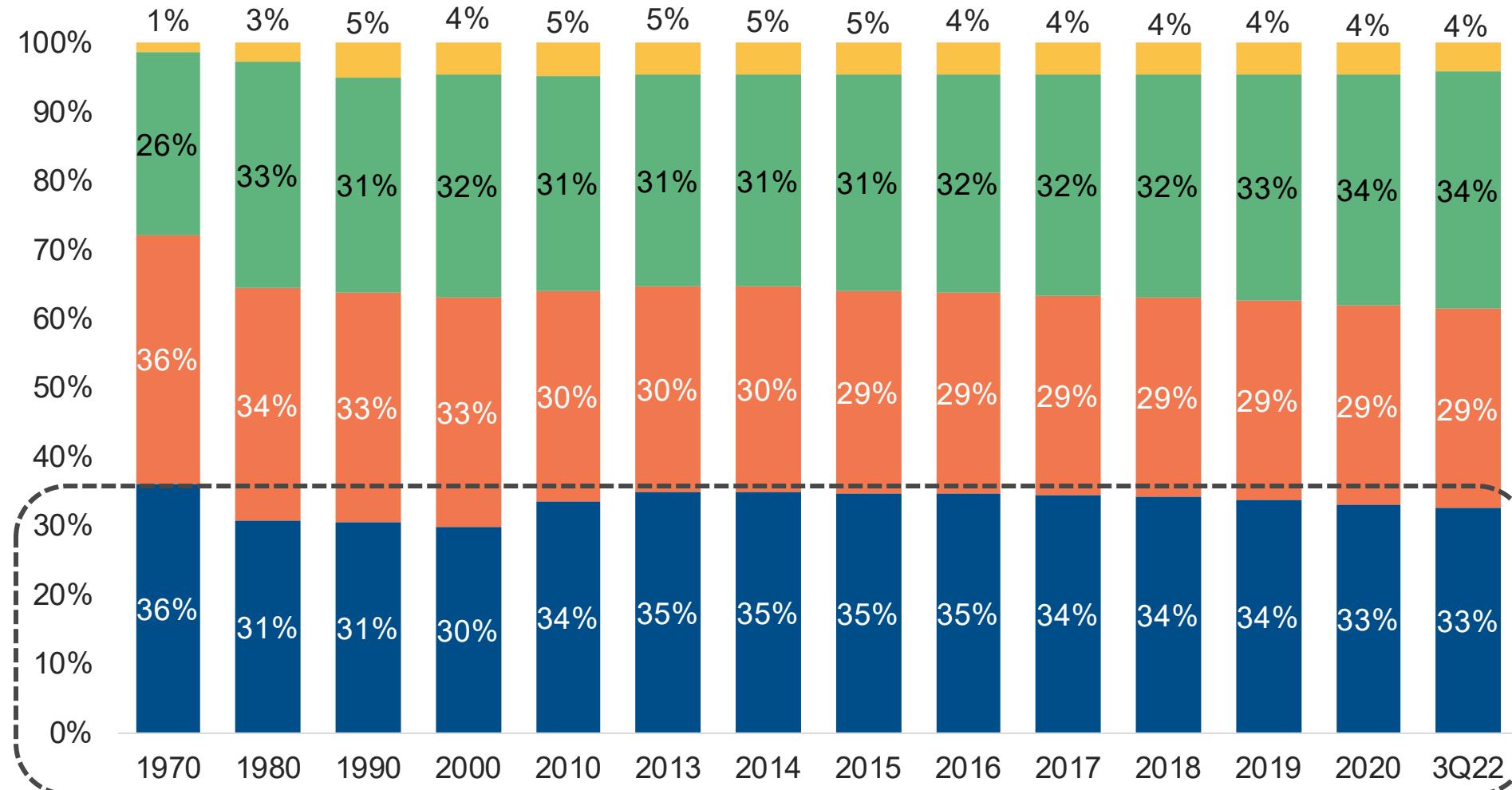
*Cur. mo. SA = current month (seasonally adjusted annual rate)

Sources: BLS with JBREC projections (Data: Nov-22, Pub: Dec-22)

Single-family rental homes have historically comprised 30%–36% of total occupied rental housing stock. They currently account for 33%.

Occupied Rental Units by Structure Type

■ Single-family rental homes ■ Rental homes (2–9 units) ■ Rental homes (10+ units) ■ Other



Note the sizeable jump in 10+ unit rental homes and corresponding decline in single-family rental homes from 1970–1980, which was due to multifamily permits surging to an all-time high in the mid-1970s.

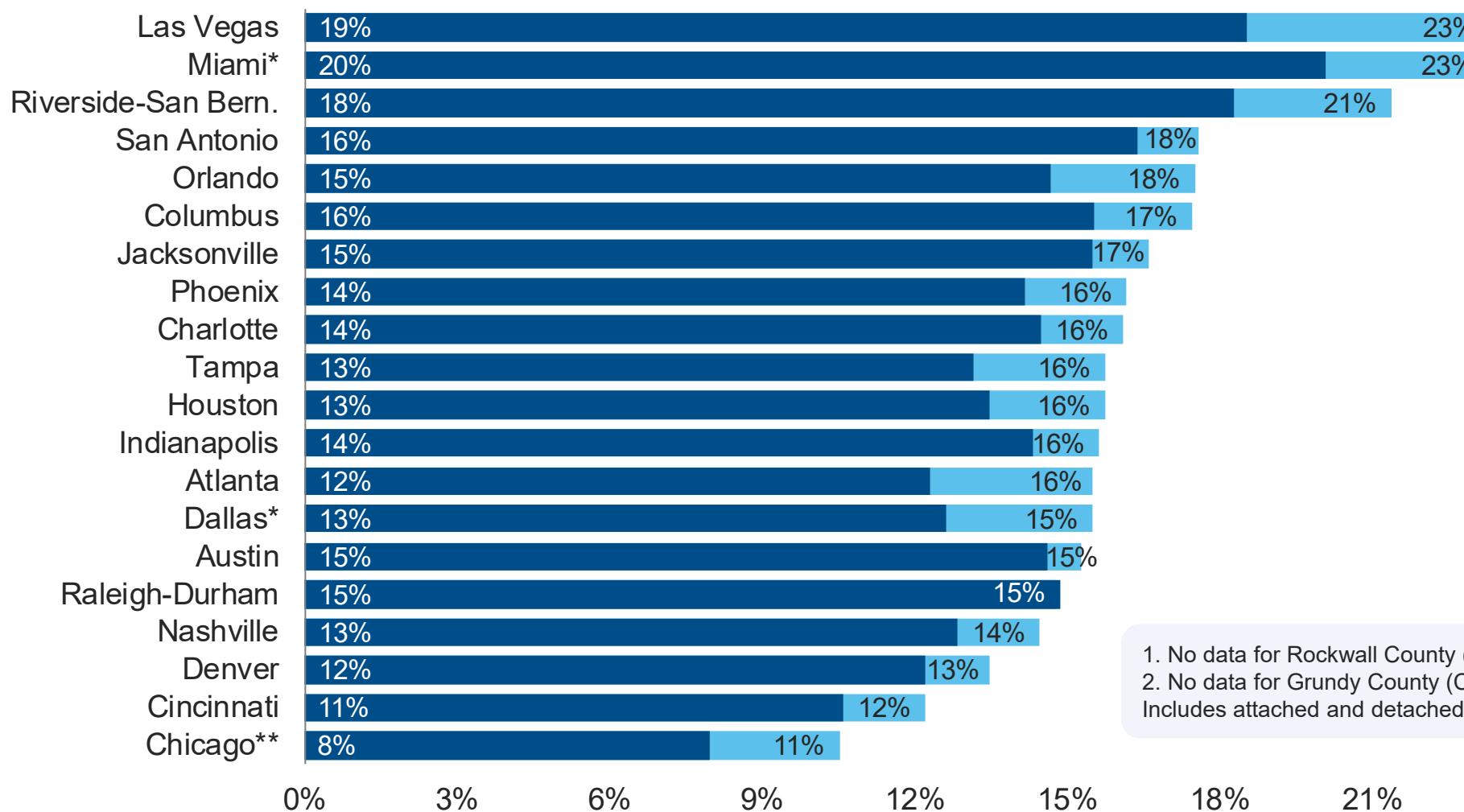
Other includes mobile homes, boats, etc.

Sources: U.S. Census Bureau and IPUMS-USA for historical data; John Burns Real Estate Consulting, LLC, for 2017 through current period (Data: 3Q22; Pub: Dec-22)

Since 2006, single-family rental homes have increased as a percentage of total single-family homes (for rent and own) in all top 20 SFR markets but Raleigh-Durham.

Single-Family Rental Homes as a Percentage of All Occupied Single-Family Homes

■ 2006 ■ 2021



In Las Vegas and Miami, almost one-fourth of all single-family homes are now for rent.

1. No data for Rockwall County (Dallas, TX MSA)
 2. No data for Grundy County (Chicago, IL MSA)
- Includes attached and detached homes

*Metropolitan division **Combination of metropolitan divisions

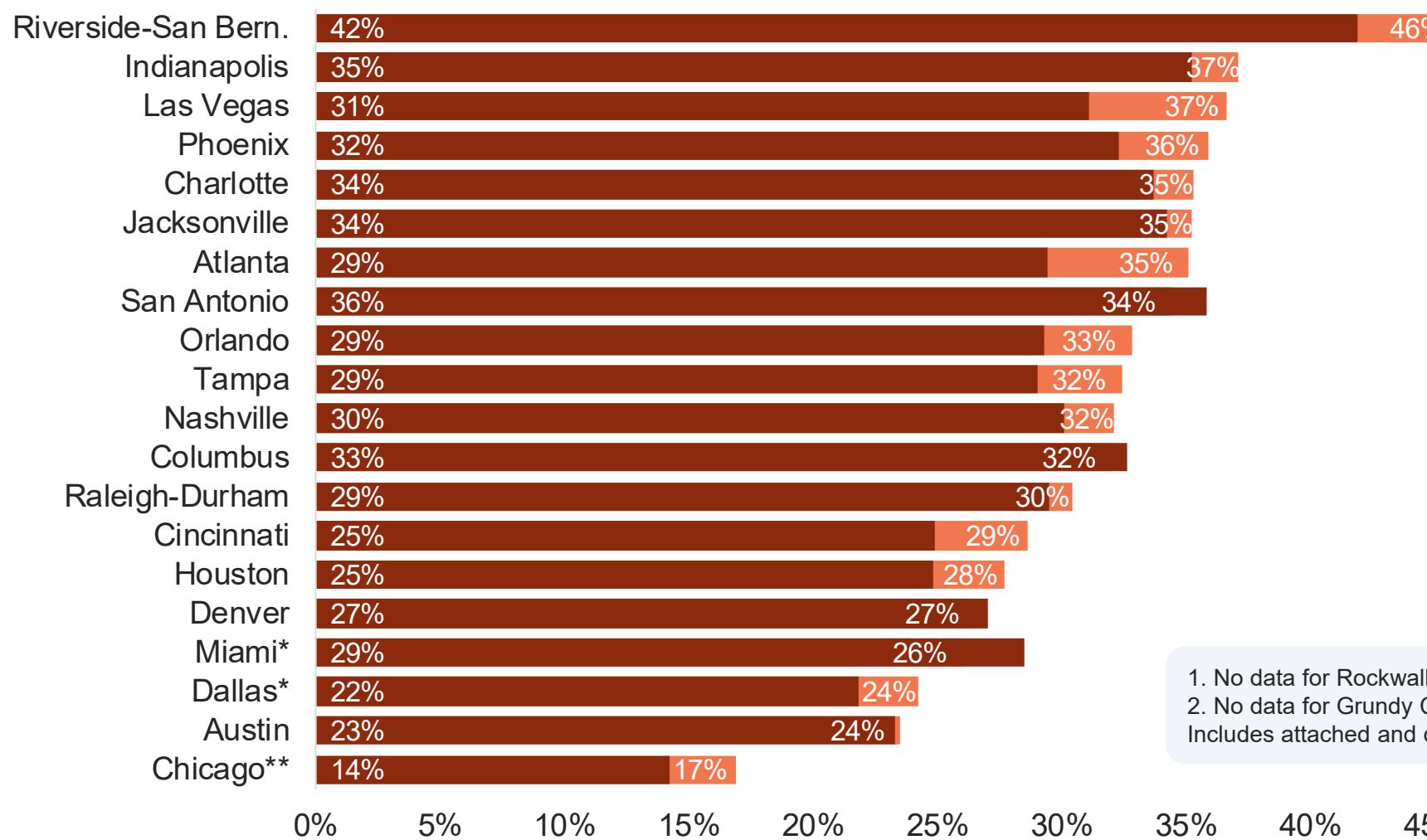
Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: 2021, Pub: Dec-22)

*Metropolitan division **Combination of metropolitan divisions

Single-family rental homes have become a much larger share of the overall rental market since 2006.

Single-Family Rental Homes as a Percentage of All Occupied Rental Homes

■ 2006 ■ 2021



- Single-family rental homes in **Riverside-San Bernardino** now make up 46% of all rental units.
- Since 2006, the market share of single-family rental homes has grown the most in **Las Vegas** and **Atlanta**, gaining an additional 6%+ share of the rental market.

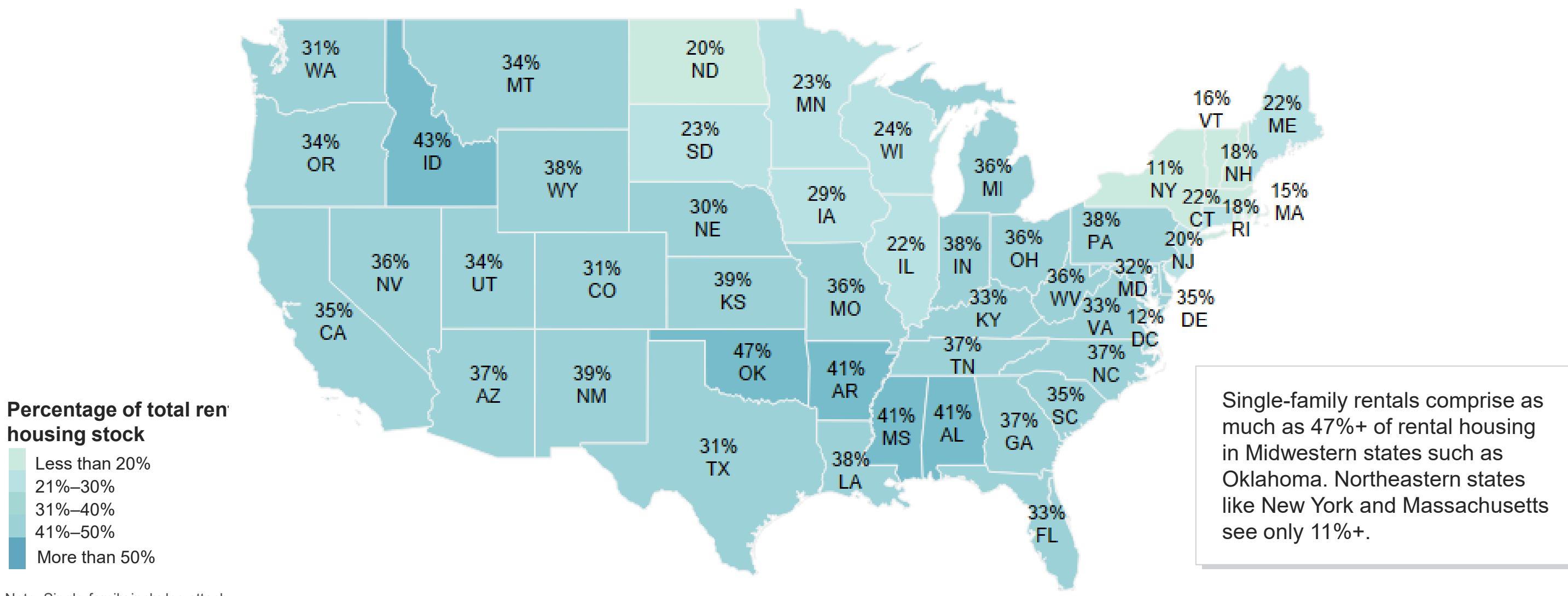
1. No data for Rockwall County (Dallas, TX MSA)
2. No data for Grundy County (Chicago, IL MSA)
Includes attached and detached homes

*Metropolitan division **Combination of metropolitan divisions

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: 2021, Pub: Dec-22)

Single-family rentals as percentage of rental housing stock by state

Single-Family Rentals as % of Total Rental Housing Stock by State

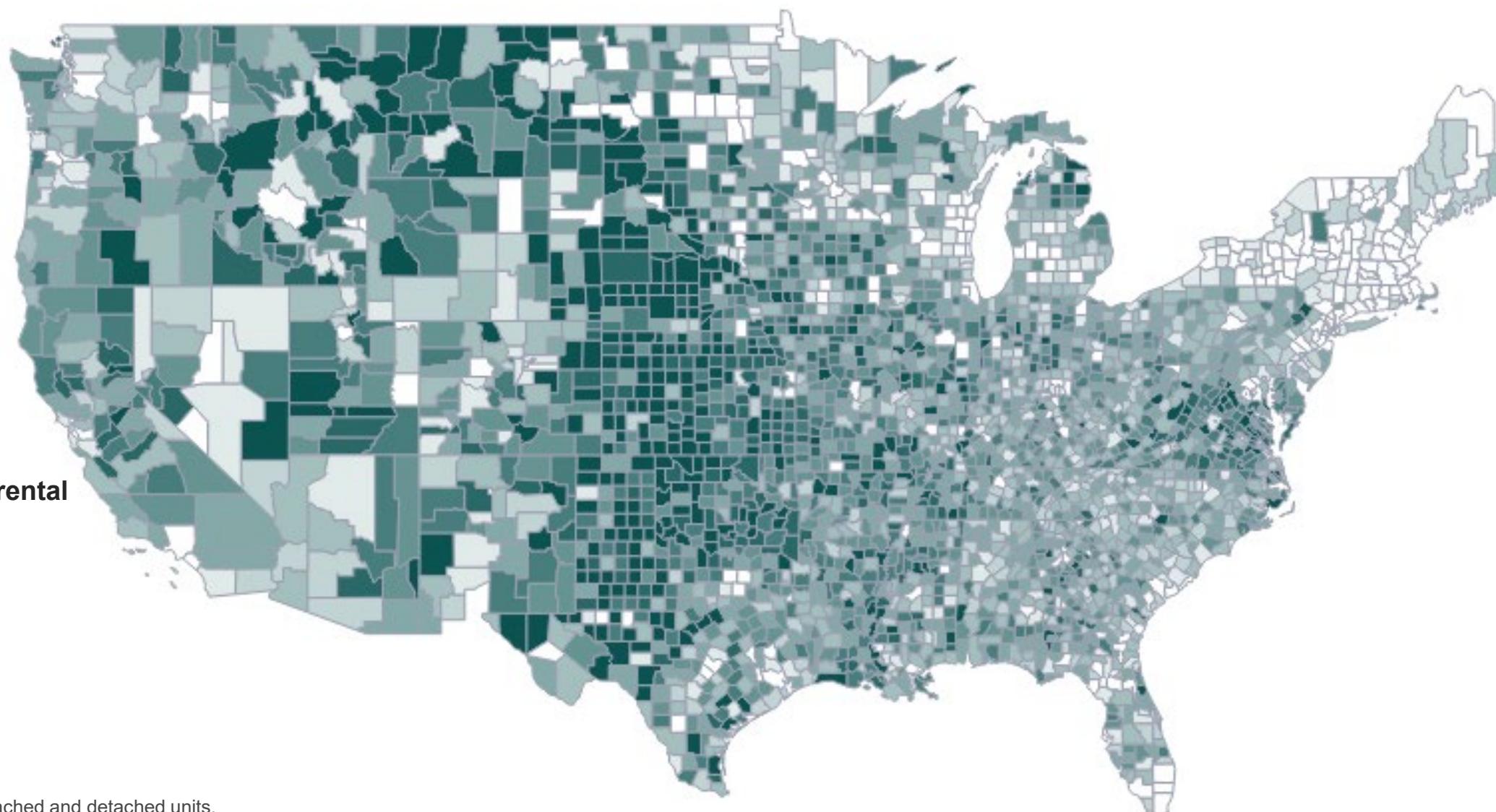


Note: Single-family includes attach

Sources: 2021 American Community Survey 1-Year Estimates; John Burns R.E. Consulting, LLC (Data: 2021, Pub: Dec-22)

Single-family rentals as percentage of rental housing stock by county

Single-Family Rentals as % of Total Rental Housing Stock by County



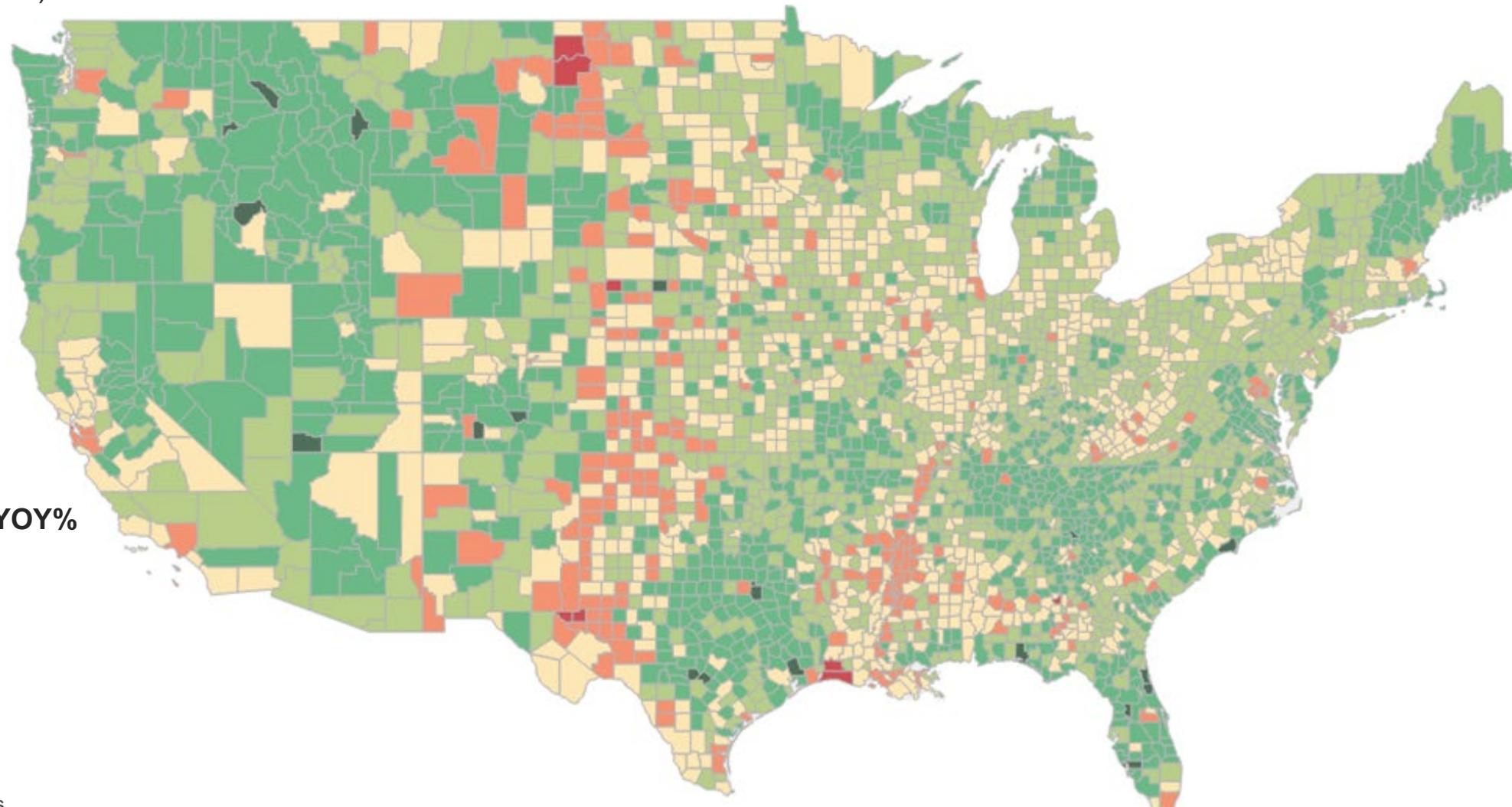
Note: Single-family includes attached and detached units.

Sources: US Census Bureau, American Community Survey 1-Year Estimates; John Burns R.E. Consulting, LLC (Data: 2021, Pub: Dec-22)

The initial wave of pandemic-related migration shows a shift from central counties to more suburban and outlying counties within the metro areas.

Net Domestic Migration Rate by County

YOY (July 2020–July 2021)



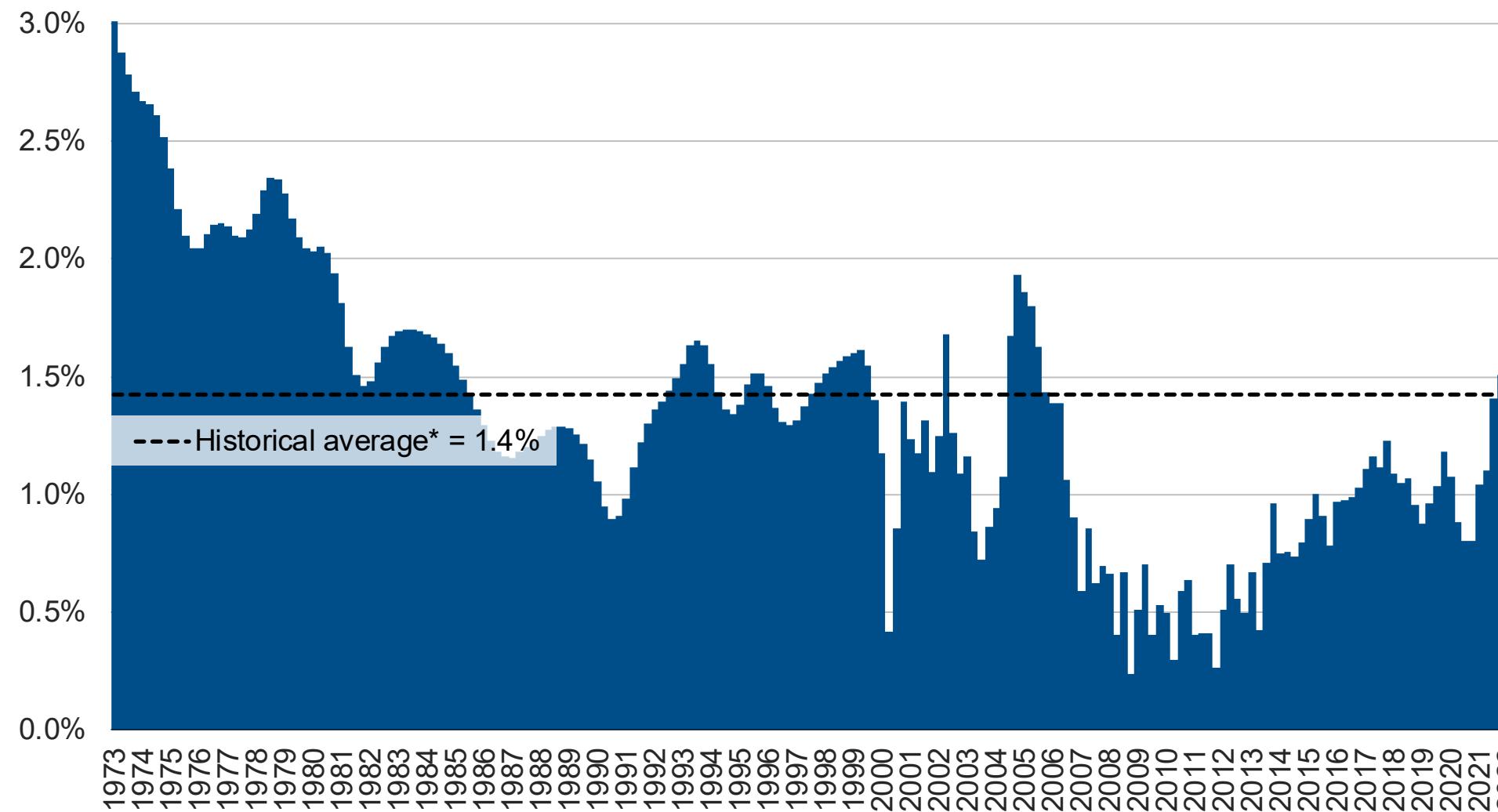
*Does not include births and deaths

Sources: U.S Census; John Burns Real Estate Consulting, LLC (Data: 2021, updated annually†; Pub: Dec-22)

Total household growth

Total Households

YOY change



The Census reports total households expanded at 1% YOY in 3Q22, below the 1.4% historical average*. This quarter-to-quarter Census Bureau data is highly volatile; we include it to show trends. Understand that this data is subject to revisions and volatility.

Note: The pandemic has complicated the Census's most recent collection process. We do not believe the most recent print is accurate. *Historical average: 3Q08 through current.

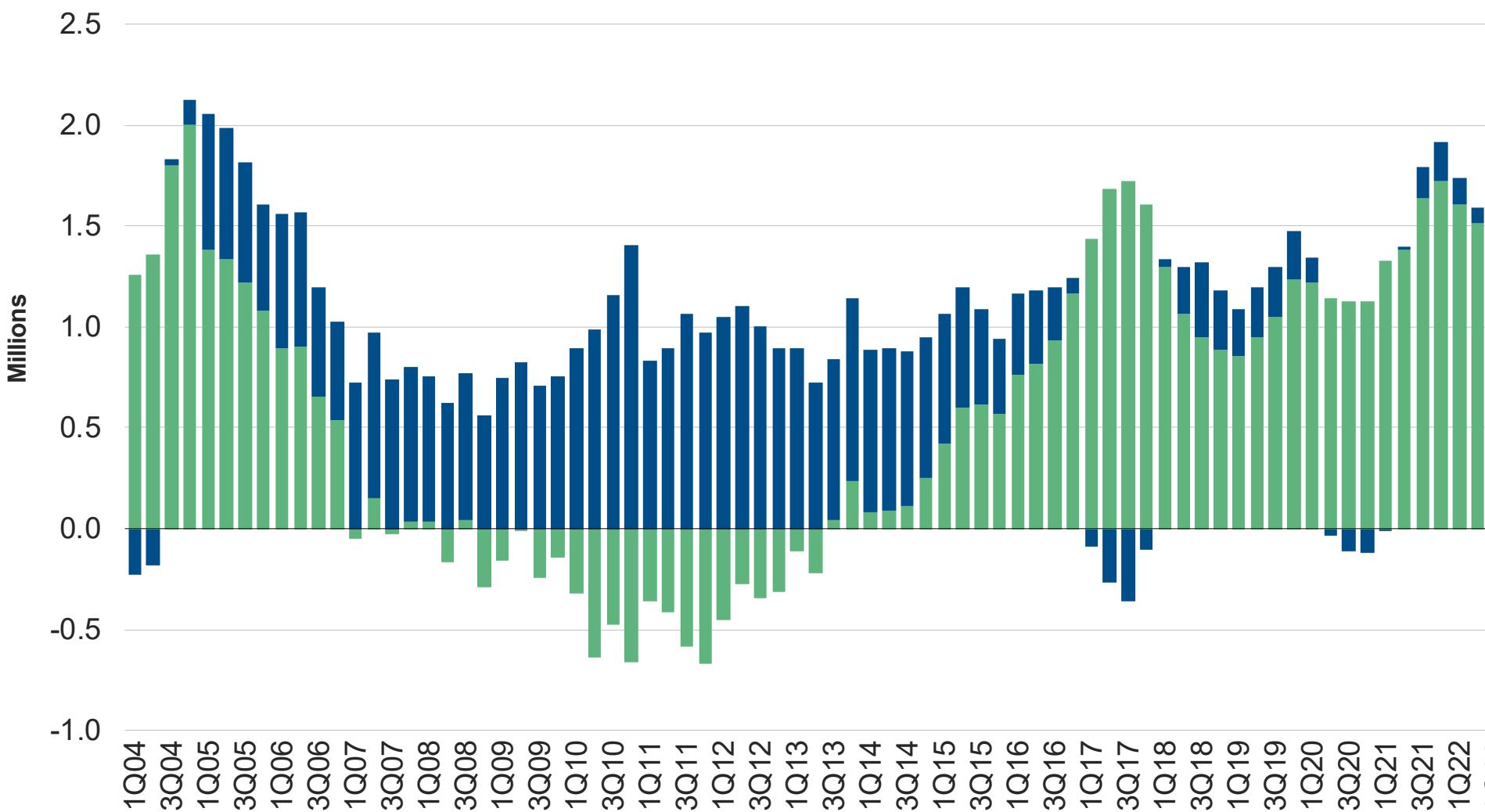
Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: 3Q22; Pub: Dec-22, updated quarterly†)

Total household growth

Total Household Growth

Rolling 4-quarter average, YOY change

- Renter Household Growth = 39,000
- Owner Household Growth = 1,115,000



The Census Bureau reported an increase of ~1.2M households YOY in 3Q22, with an increase of ~1.1M owners and an increase of ~39K renters. This quarter-to-quarter Census Bureau data is highly volatile; we include it to show trends. Be aware that this data is subject to revisions and volatility.

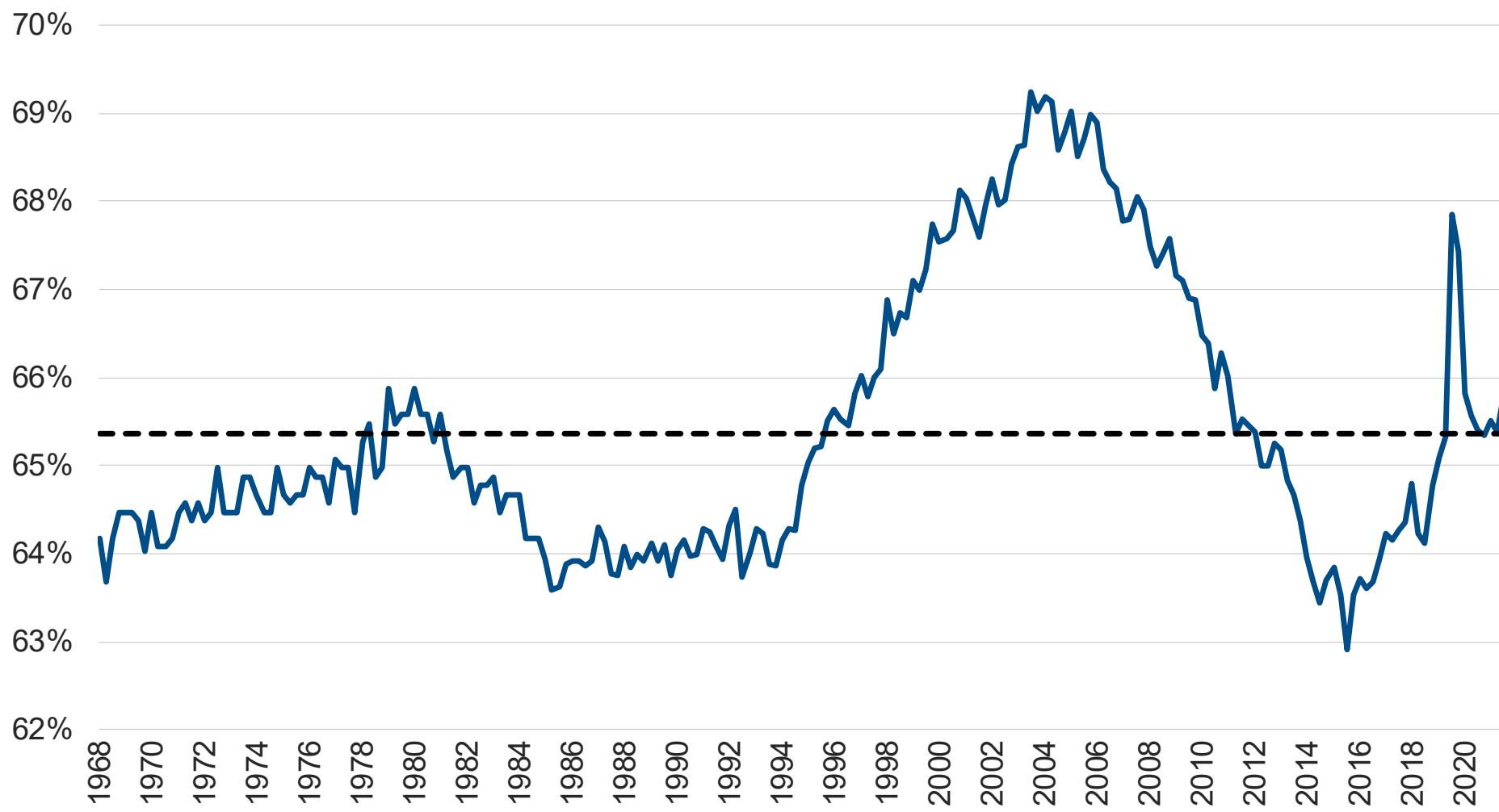
Note: The pandemic has complicated the Census's most recent collection process. We do not believe the most recent print is accurate. *Historical average: 3Q08 through current.

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: 3Q22; Pub: Dec-22, updated quarterly†)

Homeownership

Census Headline Homeownership Rate

— Homeownership rate = 66.0% - - - Historical average* = 65.4%



At 66% in 3Q22, the homeownership rate is slightly above the historical average and has ticked up recently. The homeownership rate peaked at 69.2% in 2004 before declining to 62.9% following the housing boom/bust and financial crisis.

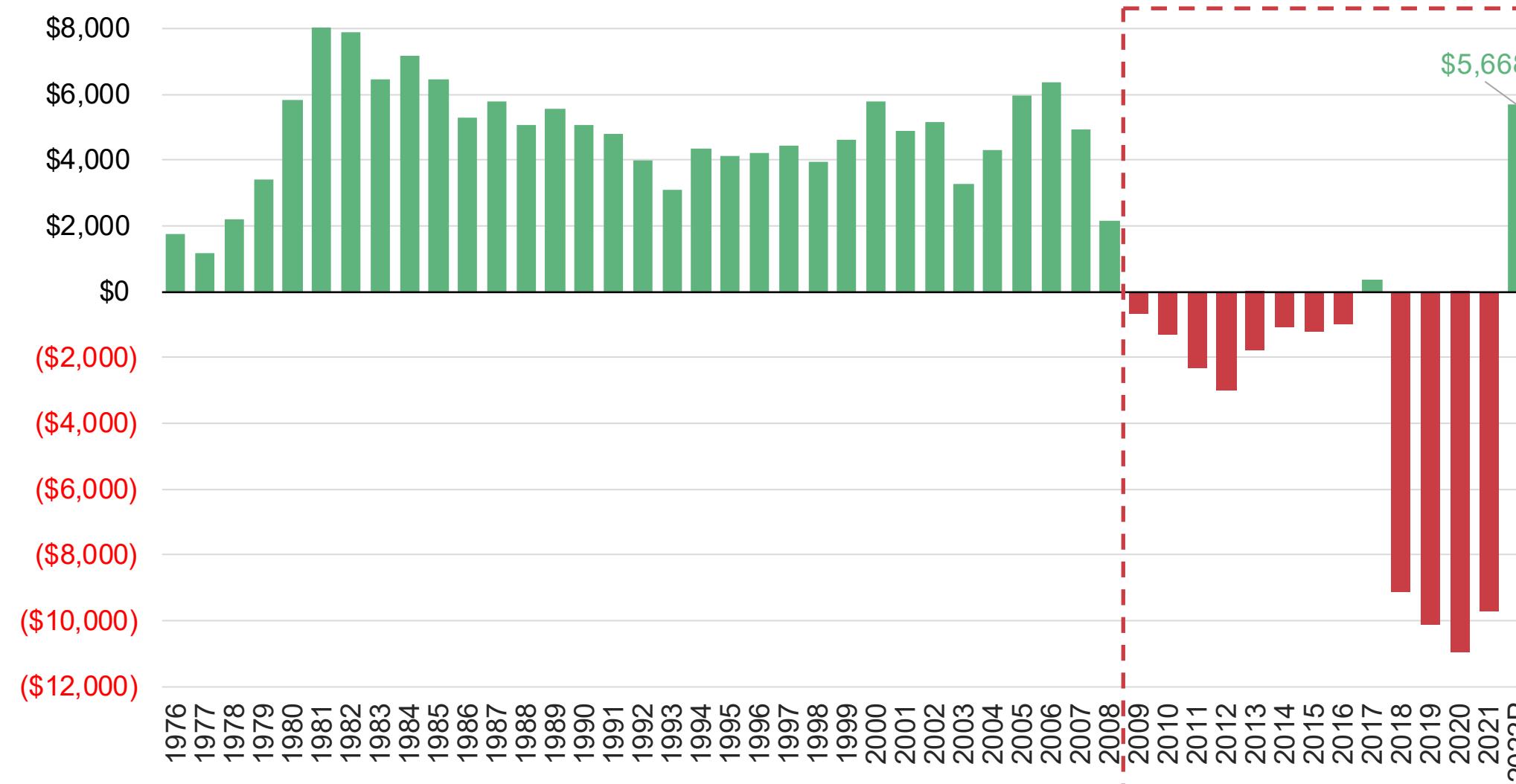
Note: The pandemic has complicated the Census's most recent collection process. We do not believe the most recent print is accurate. *Historical average: 3Q08 through current.

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: 3Q22; Pub: Dec-22, updated quarterly†)

Mortgage tax savings rebounding for entry-level home buyers.

Mortgage Interest and Property Taxes in Excess of Standard Tax Deduction*

US national



In 2022, deductions for mortgage interest and property taxes will exceed the standard deduction by \$5,668.

The driving factor for the massive uptick is caused by rising interest rates.

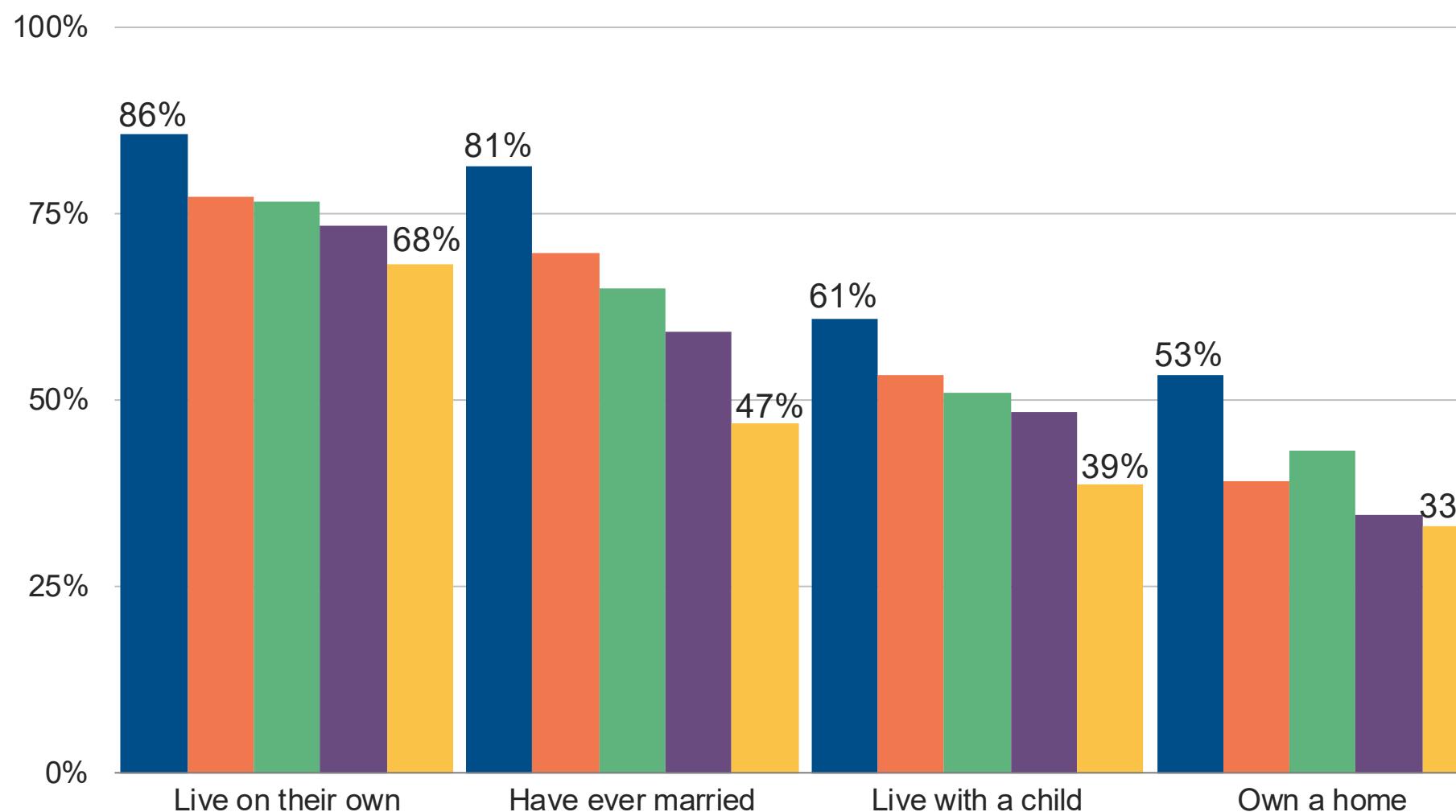
*This calculation assumes a married couple with a mortgage equal to 95% of the median home price and a 1.5% property tax rate. 2022 projected value assumes our home price appreciation and mortgage rate forecasts.

Source: John Burns Real Estate Consulting, LLC (Data: 2022; Pub: Dec-22, updated quarterly†)

Percentage of 30-year-olds hitting life-stage milestones has fallen precipitously compared to past generations.

Percentage of 30-Year-Olds Hitting 'Adult' Milestones

■ 1982 ■ 1992 ■ 2002 ■ 2012 ■ 2022

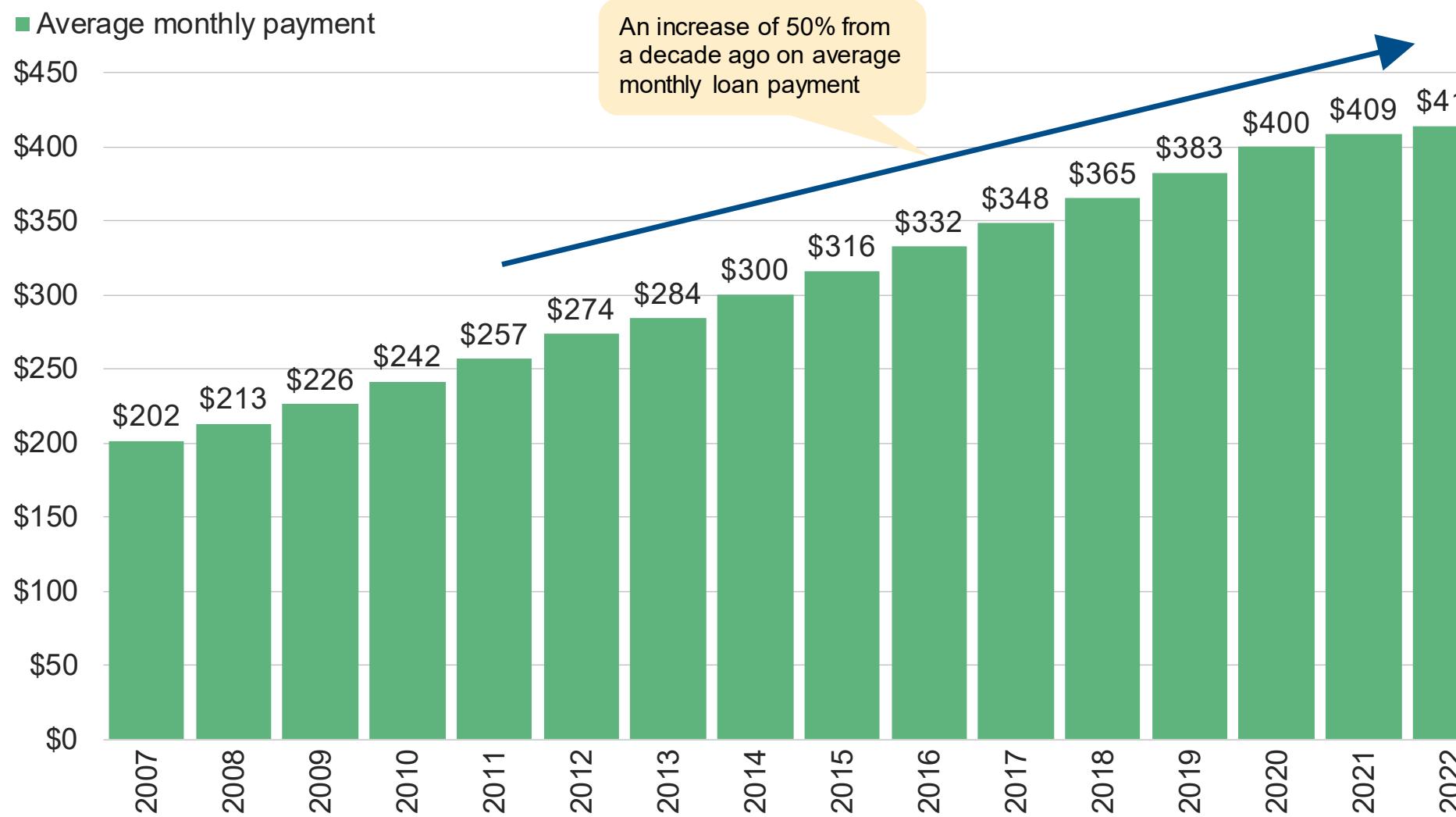


While many of these milestones have been delayed, over time young adults will move out on their own, get married and have children. In the meantime, these younger cohorts represent significant demand in the pipeline for single-family rental operators.

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: 2022†; Pub: Dec-22)

The average student debt payment is up to \$414/month. Saving for a down payment is difficult and is keeping more renters in place.*

Student Loans



Note: Student loan forbearance has been extended through June 2023, and we will monitor the impact when forbearance ends.

The average monthly payment on student loan debt more than doubled from 2007 to 2022. We estimate that student loans are responsible for \$83B of lost revenue for the housing industry in 2014. For more information, log into your **client portal** and download our student debt white paper.

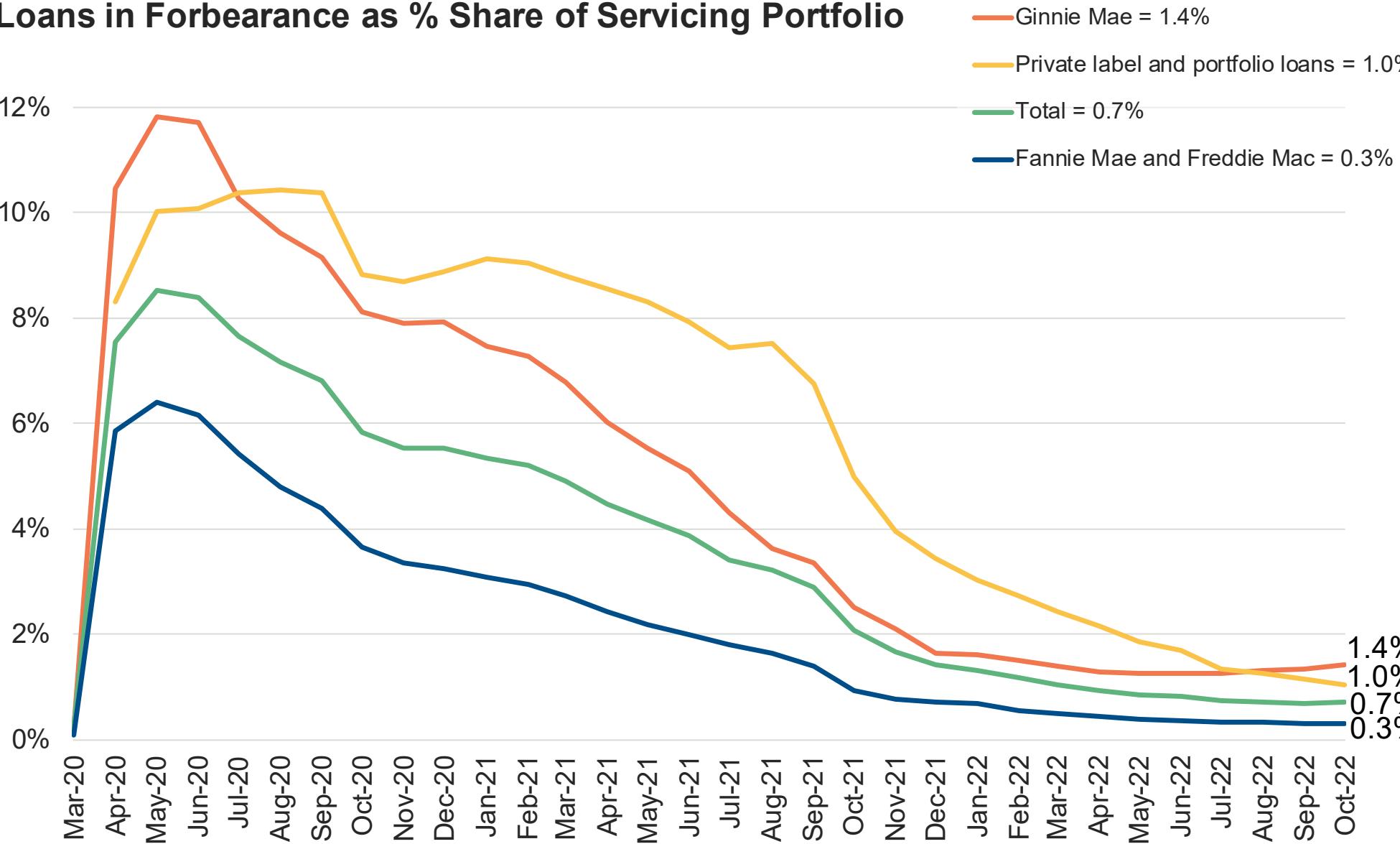
*Note: In March 2020, the U.S. Department of Education (ED) froze federal student loan repayments due to COVID-19. Recently, the Department of Education (ED) has extended the student loan payment pause through August 31, 2022.

Sources: U.S. Department of Education, Federal Student Aid Office; John Burns Real Estate Consulting, LLC (Data: 3Q22; Pub: Dec-22, updated quarterly†)

Distress, investors, and mortgage credit

Share of mortgage loans in forbearance

Loans in Forbearance as % Share of Servicing Portfolio

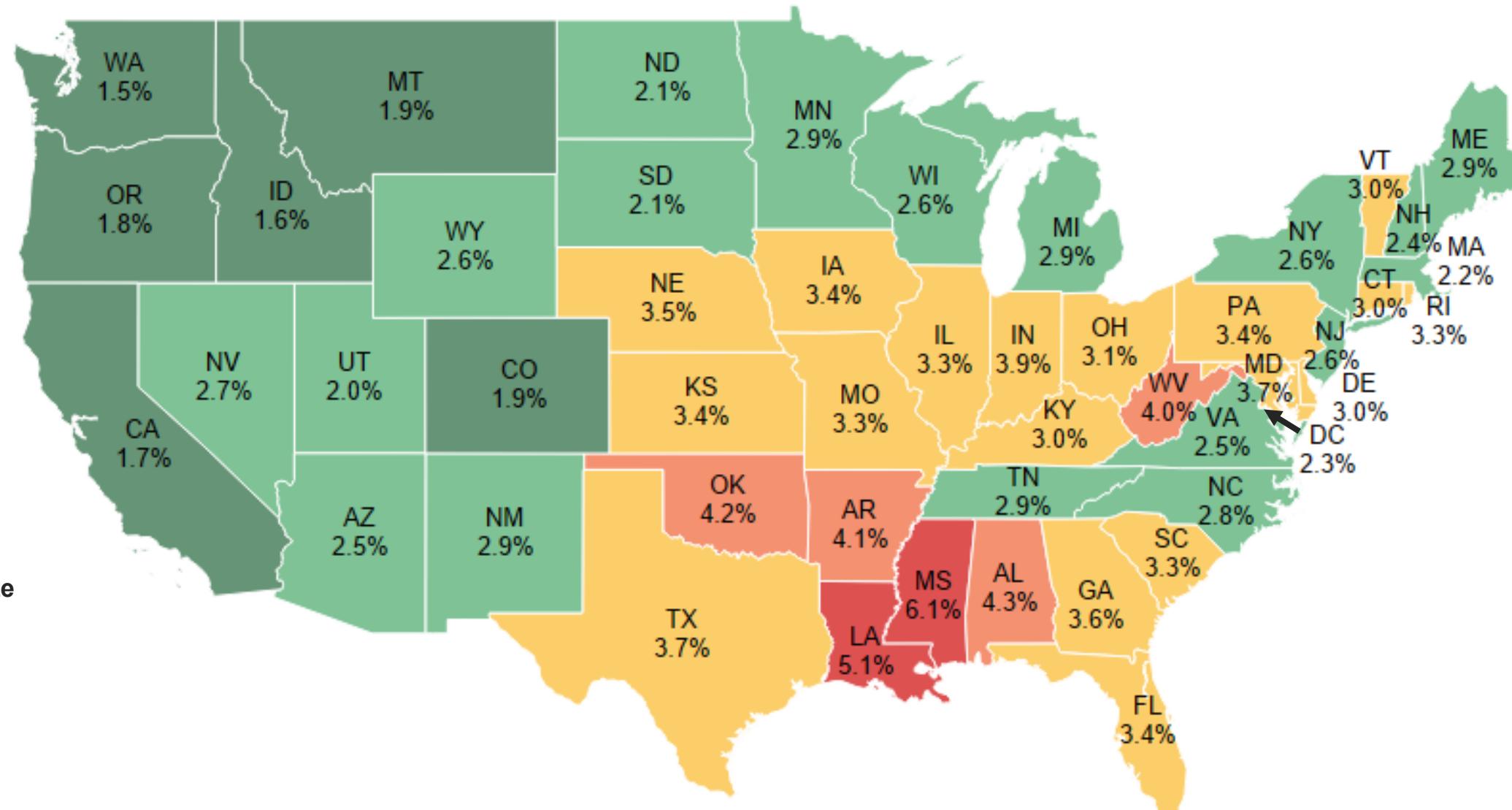


The share of mortgage loans in forbearance has been trending down since highs in April/May 2020.

Source: Mortgage Bankers Association (Data: Oct-22, Pub: Dec-22)

Mortgage delinquency rates vary by state. Louisiana and Mississippi have the highest rates at 5%+.

Delinquency Rate by State

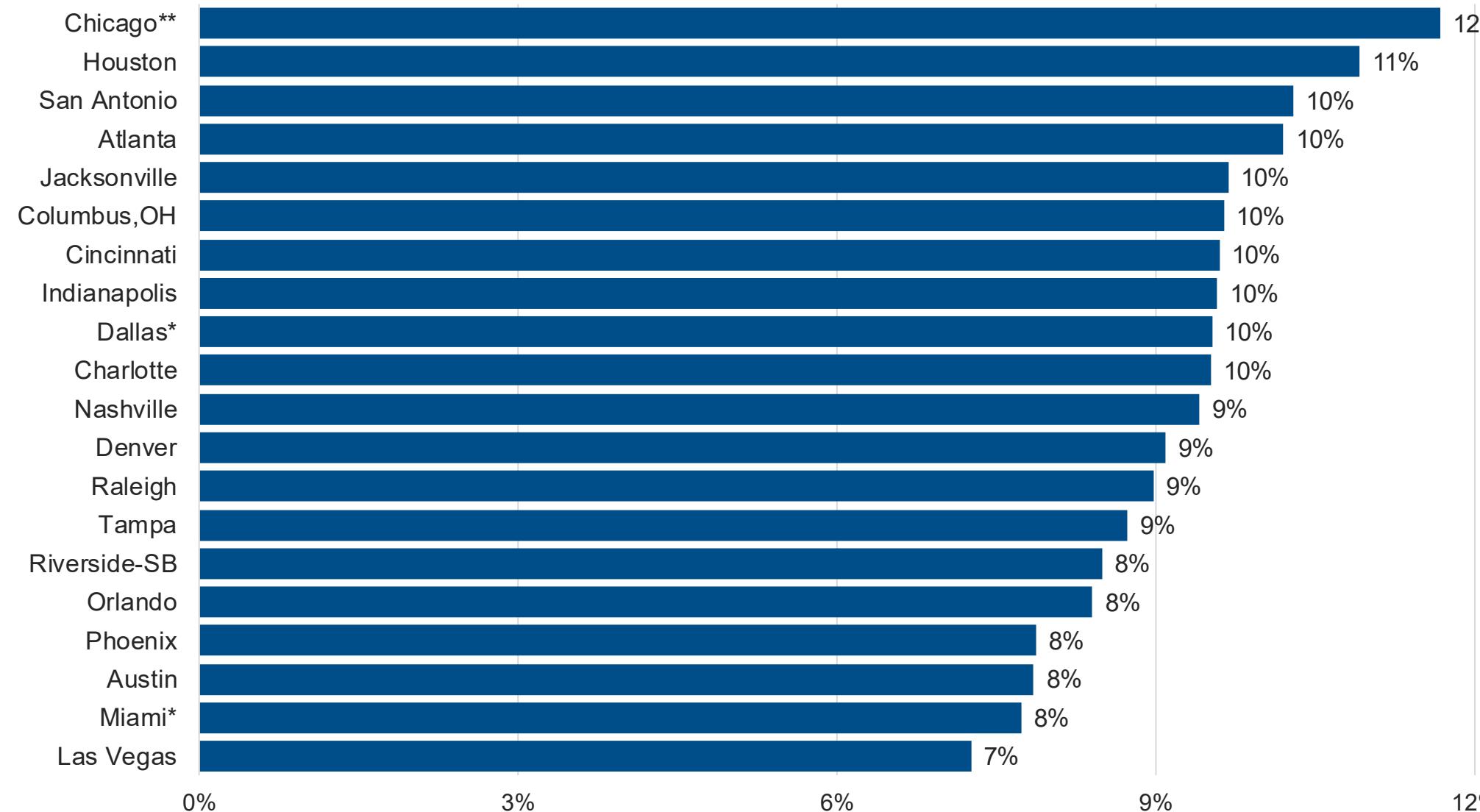


Delinquency calculated using the MBA delinquency method. A current loan becomes 30 days delinquent if the scheduled payment is not made by the close of business on the last day of the month in which the payment was due.

Sources: Black Knight; John Burns Real Estate Consulting, LLC (Data: Oct-22, Pub: Dec-22)

FHA delinquency rates range from 7% to 12% in the top 20 SFR markets.

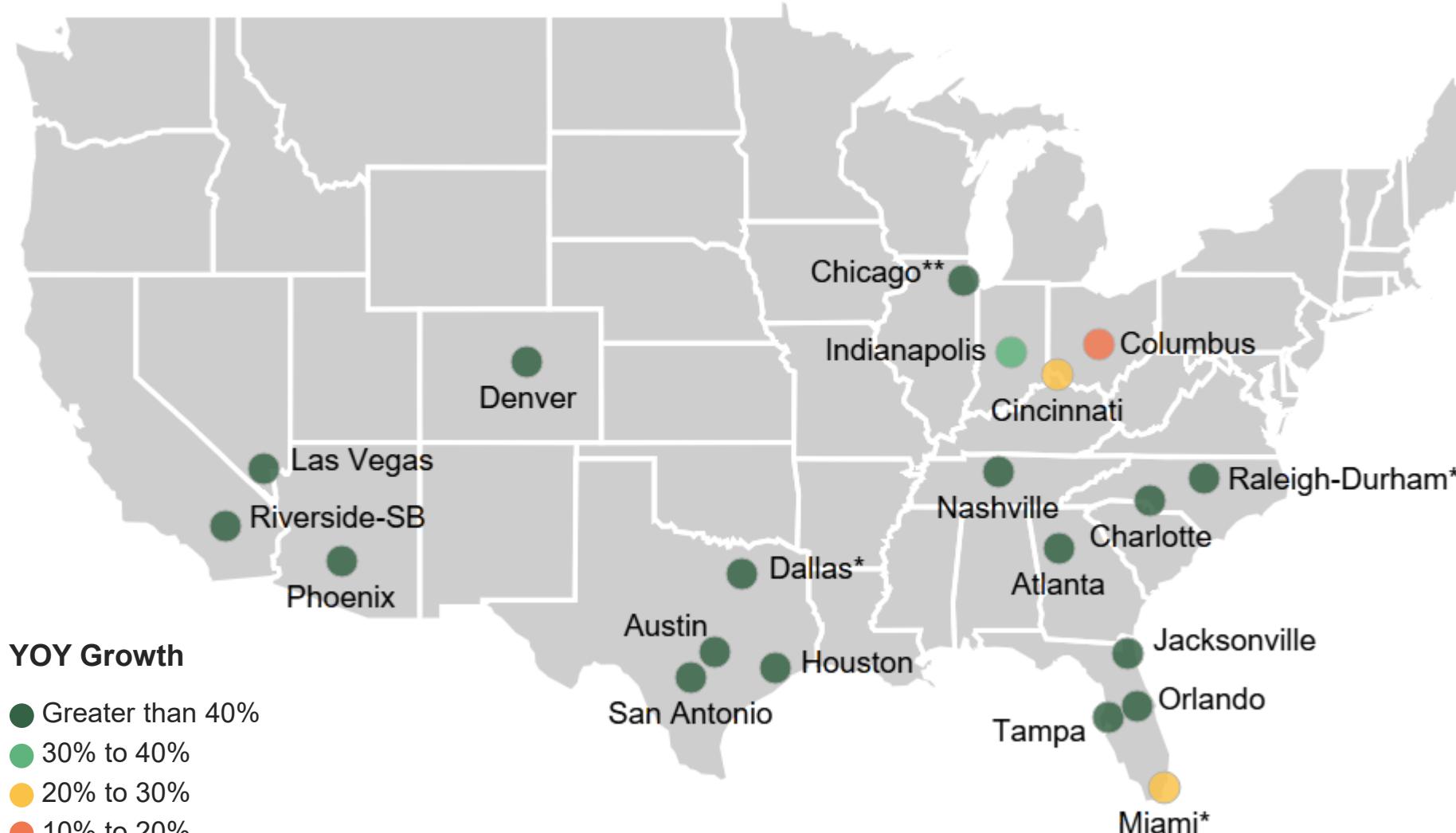
Percentage of Delinquent FHA Loans



Sources: AEI; Neighborhood Watch from Housing and Urban Development; John Burns Real Estate Consulting, LLC (Data: Mar-22, Pub: Dec-22)

Flipping Growth

YOY % growth (1Q22)



Note: Historical data includes existing detached single-family home sales where the second sale was recorded within 12 months of the first sale ("Flipped"). The non-disclosure (such as Texas) state counts seem high and may include non-arms-length transactions parading as flipped homes. Flipping growth source switched to public records data starting in 3Q22.

*Metro division **Combination of metro divisions (except for Raleigh-Durham, which is a combination of metros)

Note: We are working through methodology changes and will have an update next quarter.

Source: CoreLogic; DQNews; John Burns Real Estate Consulting based on public records, LLC (Data: 1Q22, Pub: Dec-22)

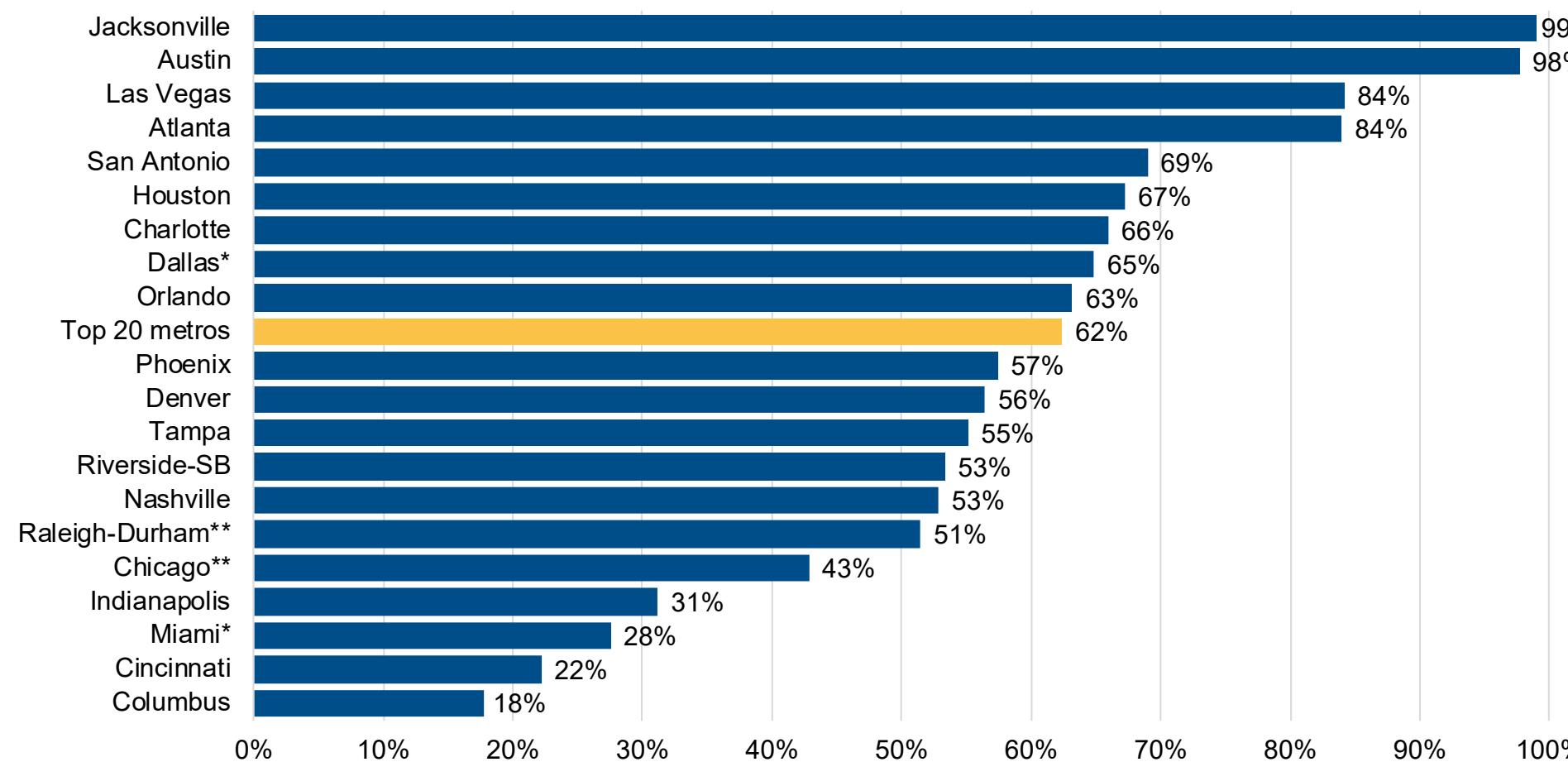
1Q22 home flipping increased most in Jacksonville (+99% YOY) and Austin (+98% YOY). Home flipping is up 18%+ for the top 20 SFR markets.

Flippers make up a large share of speculative demand in the market, chasing bigger profits as home prices rise.

Home flipping increased 62% YOY across the top 20 SFR markets.

Flipped Home Transactions

1Q22, YOY % change



Home flipping increased in all top 20 SFR markets in 1Q22.

Flipped transactions rose 98%+ YOY in **Jacksonville** and **Austin**, where resale price appreciation exceeds the national average.

Note: Includes existing detached single-family home sales where the second sale was recorded within 12 months of the first sale ("Flipped").

The non-disclosure (such as Texas) state counts seem high and may include non-arms-length transactions parading as flipped homes.

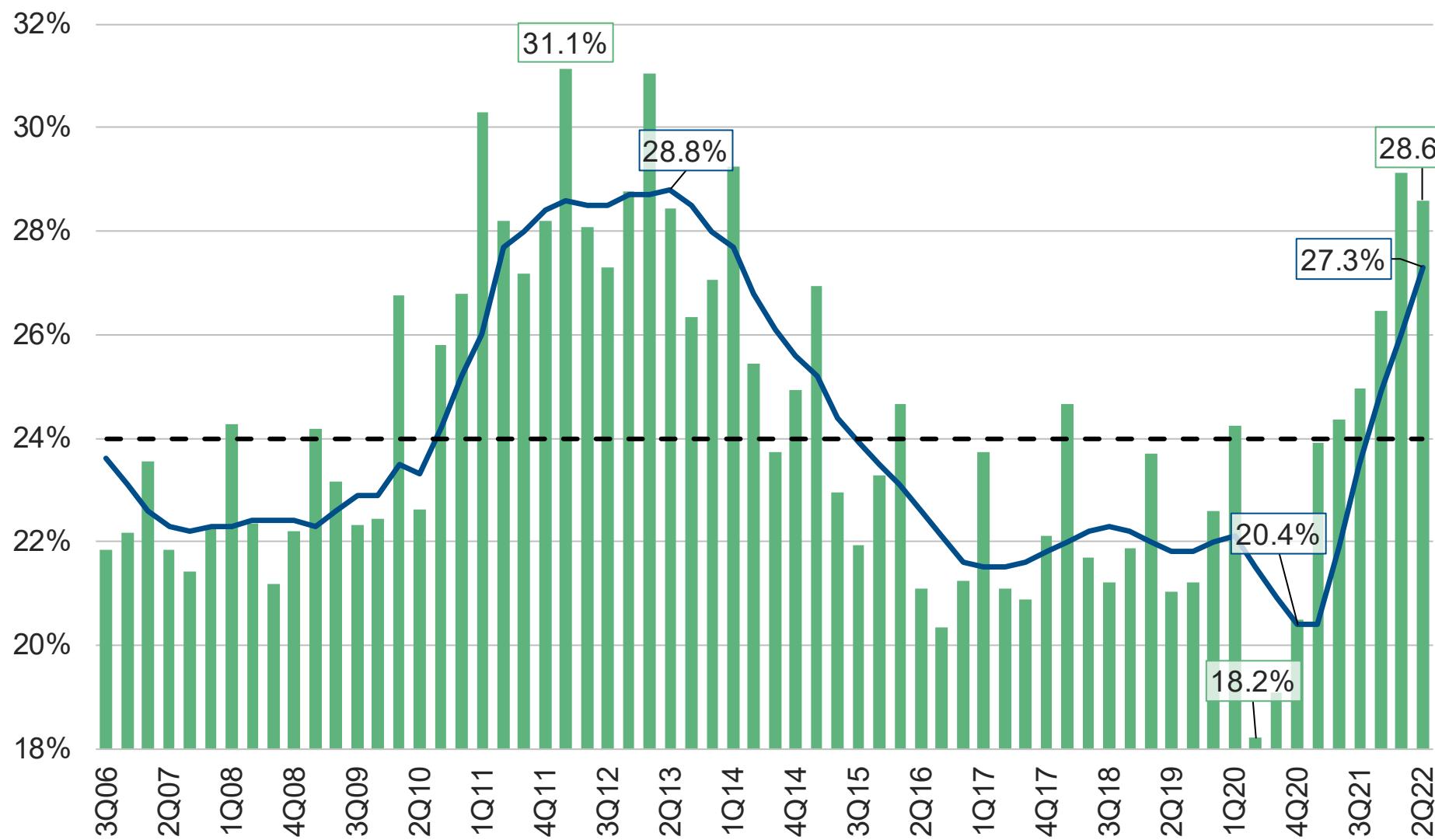
*Metro division **Combination of metro divisions (except for Raleigh-Durham, which is a combination of metros)

Note: We are working through methodology changes and will have an update next quarter.

Source: CoreLogic; DQNews; John Burns Real Estate Consulting, LLC (Data: 1Q22, Pub: Dec-22)

Investor Purchase Percentages of Total Sales

Investor sales (quarterly) — Investor sales (TTM) — Historical average (2006–Present)



Investor home purchases remain below peak levels in 2011–2013, although trending up significantly in the last few quarters.

Investor home purchases peaked in 1Q22 as the housing market slows and cost of capital rises.

2Q22 investor sales (28.6%) above the historical average (24%). Adjusting for seasonality, 2Q22 investor activity rose to 27.3%.

Notes: To estimate the levels of investor activity, CoreLogic calculates the percentage of home sales with different ZIP codes for the property and the owner's mailing address for property tax statements. Data coverage for investor activity for this metro represents a smaller area than what is used for home sales. This smaller data set is displayed here to demonstrate a trend. CoreLogic has revised historic and current data for this metro, making it substantially higher than previously reported. Atlanta, Chicago, and Columbus investor data is unavailable.

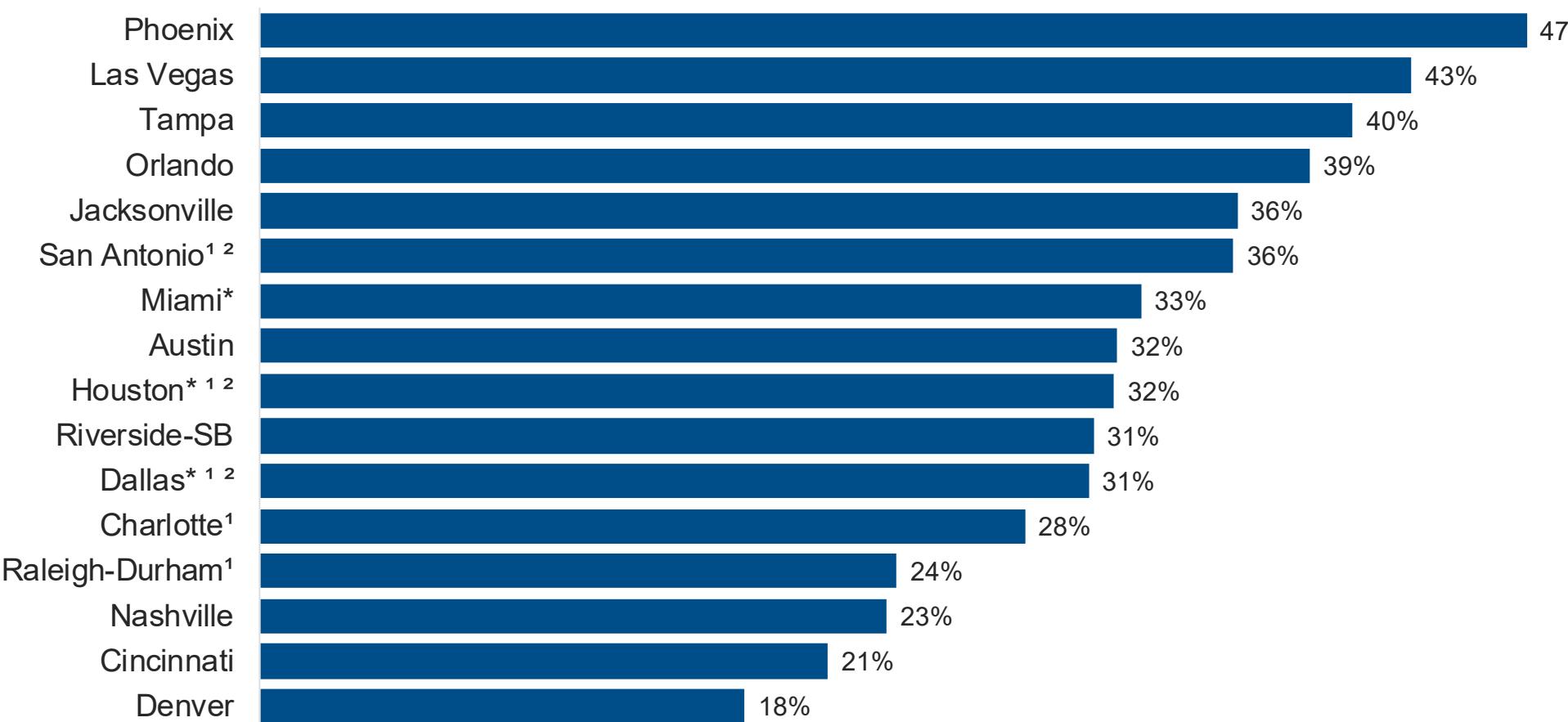
Note: We are working through methodology changes and will have an update next quarter.

Source: CoreLogic; (Data: 2Q22, updated quarterly; Pub: Dec-22)

Investors account for 18% to 47% of all transactions in the top 16 SFR markets, with the greatest percentages in Phoenix (47%) and Las Vegas (43%).

Percent of Investor Sales to Total Sales (New and Resale)

■ 2022-Q2

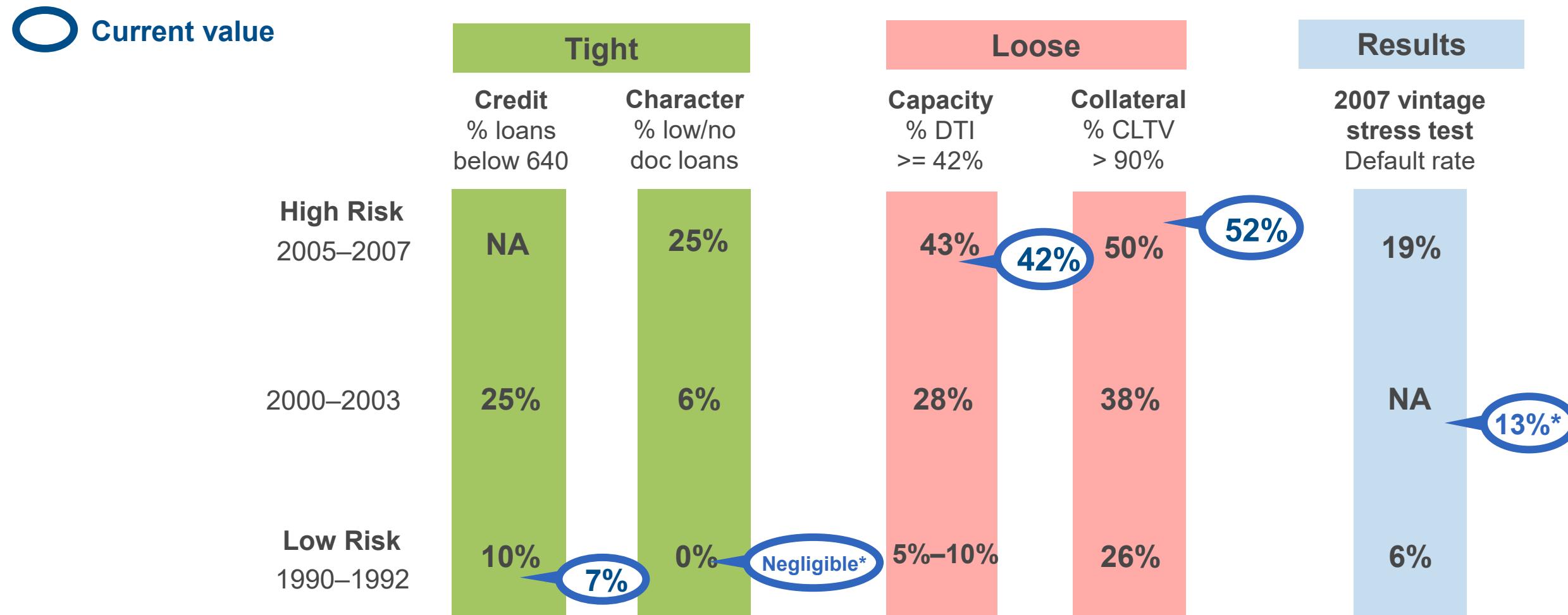


Notes: To estimate the levels of investor activity, CoreLogic calculates the percentage of home sales with different ZIP codes for the property and the owner's mailing address for property tax statements. (1) Data coverage for investor activity for this metro represents a smaller area than what is used for home sales. This smaller data set is displayed here to demonstrate a trend. (2) CoreLogic has revised historic and current data for this metro, making it substantially higher than previously reported. Atlanta, Chicago, and Columbus investor data is unavailable.

Note: We are working through methodology changes and will have an update next quarter.

Source: CoreLogic; (Data: 2Q22, Pub: Dec-22)

Lending standards remain tight on credit scores and documentation, but loose on debt to income and loan to value.



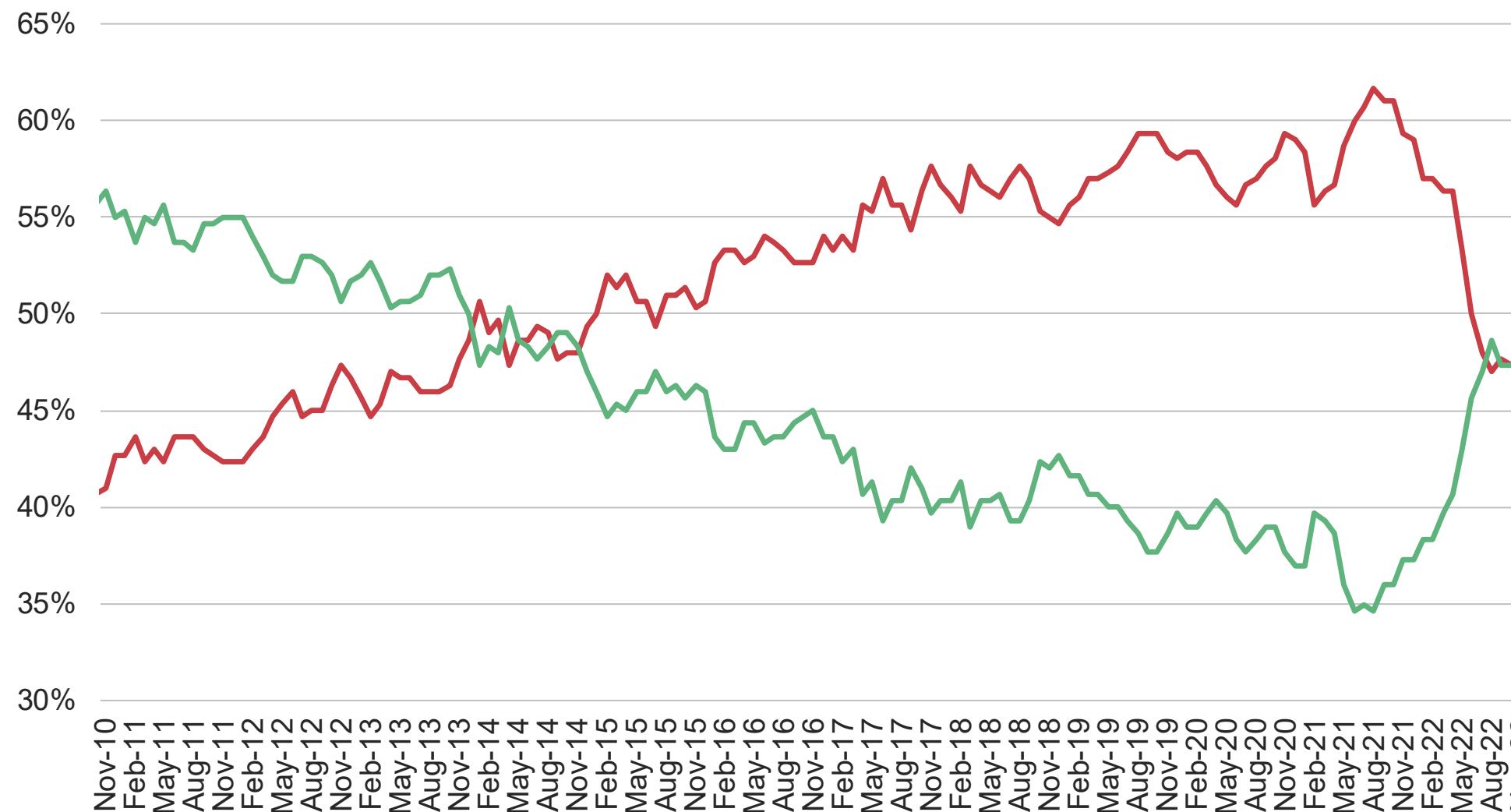
Note: This chart only includes primary purchase loans guaranteed by the five government agencies (Fannie Mae, Freddie Mac, FHA, VA, and RHS). These loans currently account for 85% of all primary purchase loans (by count). Our current percentage of low/no document loans is based on JBREC analysis. The DTI numbers shown above include only back-end DTI percentages. *Data as of Jun-22

Sources: American Enterprise Institute, John Burns Real Estate Consulting, LLC (Data: Jun-22; Pub: Dec-22, updated quarterly)

Consumer sentiment on mortgage availability is worsening as mortgage rates rise.

National Housing Survey: Ability to Get a Mortgage Today

3-month moving average — Easy = 47% — Difficult = 48%



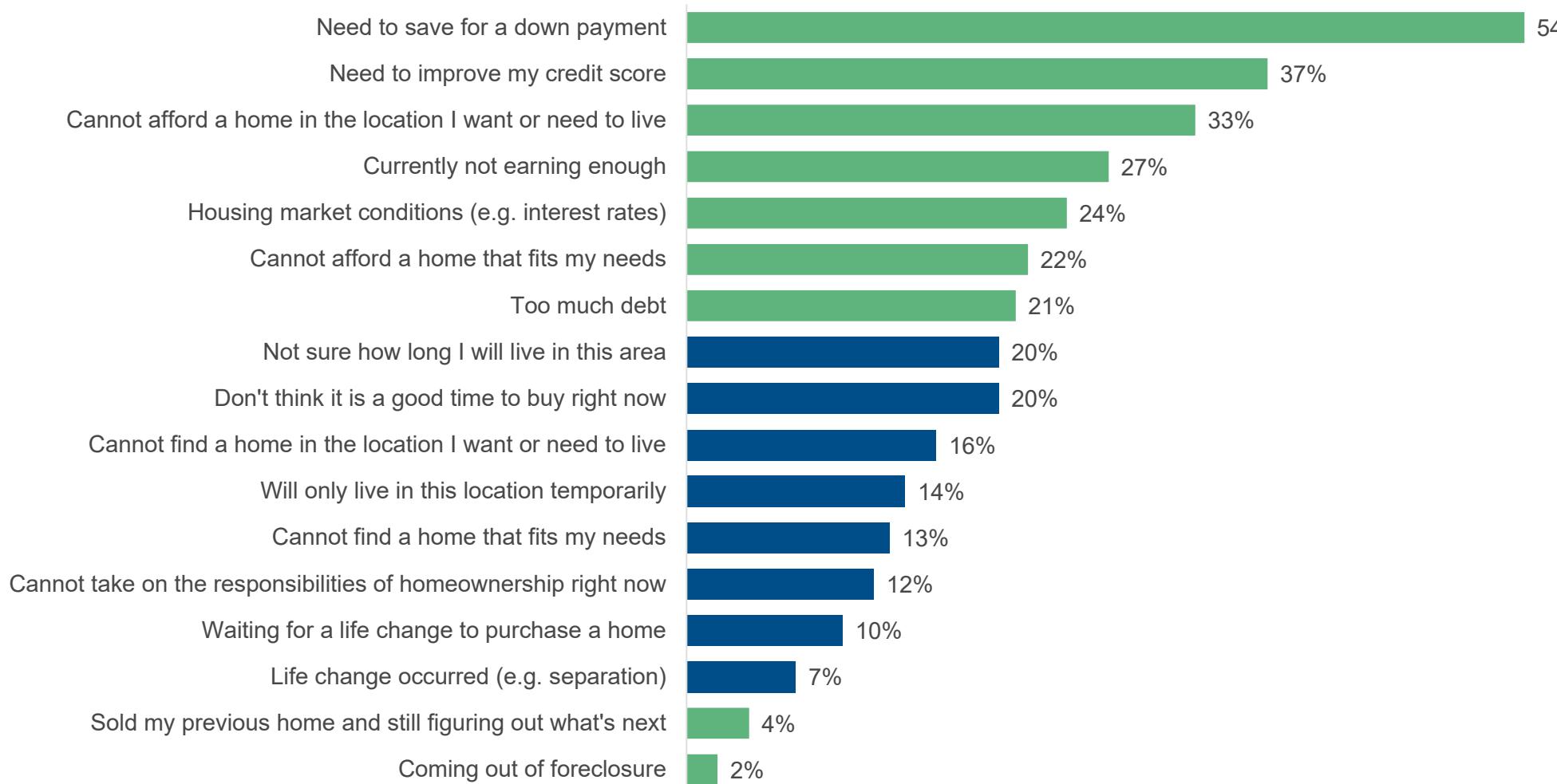
47% of consumers surveyed believe it will be easy to get a mortgage today, compared to 48% of consumers who believe it will be difficult.

Source: Fannie Mae National Housing Survey (Data: Nov-22 Pub: Dec-22, updated quarterly)

Down payments remain an obstacle and the #1 financial hurdle for single-family renters.

Circumstances Causing Single-Family Renters Who Would Prefer to Own to Rent*

█ Financial circumstances █ Non-financial circumstances



Based on our May 2021 *Single-Family Rental Survey Insights* report, 54% of respondents noted the need to save for a down payment the #1 obstacle to owning a home.

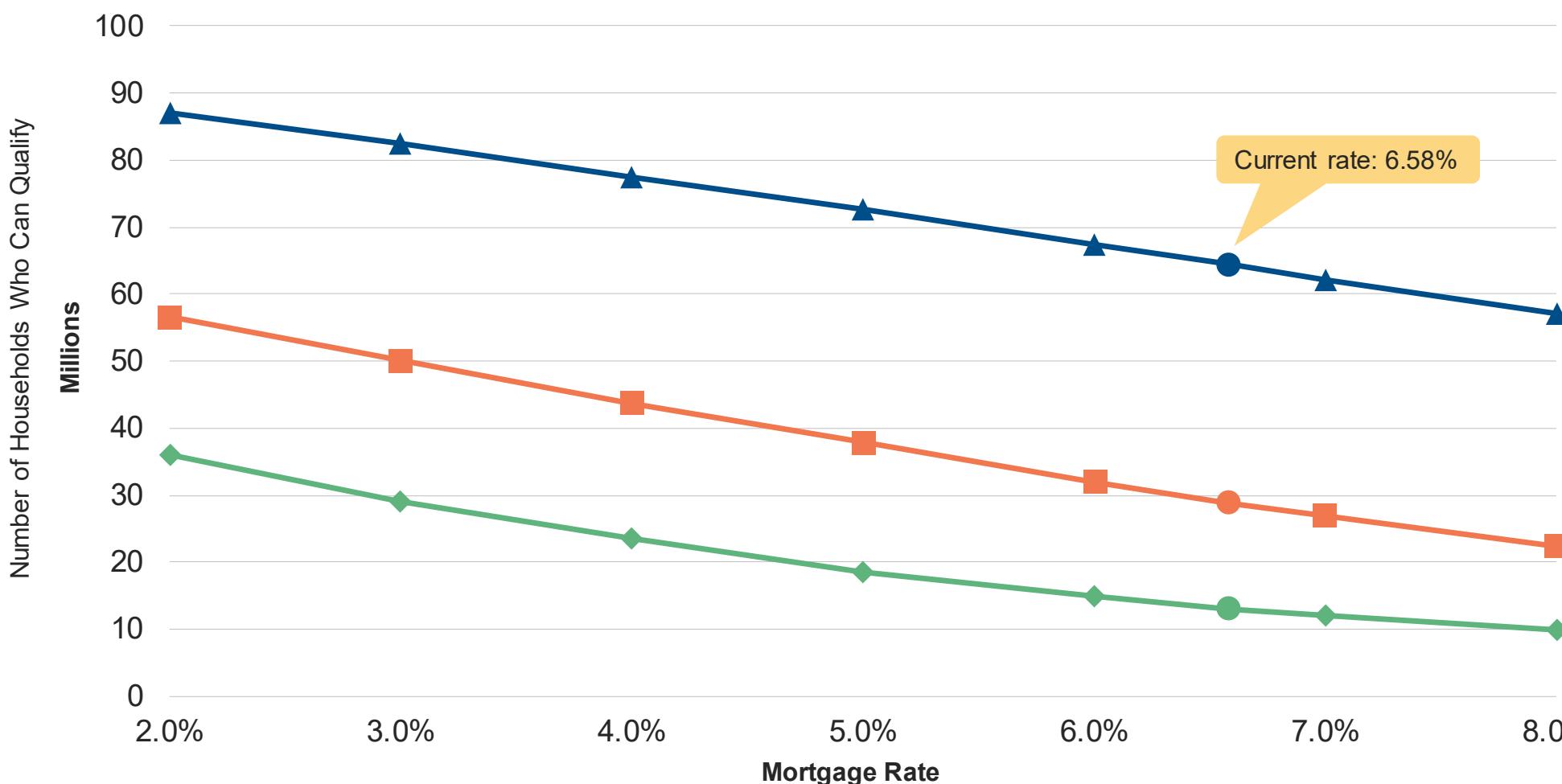
*Respondents selected all that apply to them. Results will not total to 100%.

Source: New Home Trends Institute by John Burns Real Estate Consulting, LLC, April survey of 1,160 single-family renters with a household budget for rent of \$1,000+ Data: 1Q21; Pub: Dec-22

The mortgage rate going from 3% to 6.5% boxes out ~21 million households from qualifying for a \$400K mortgage.

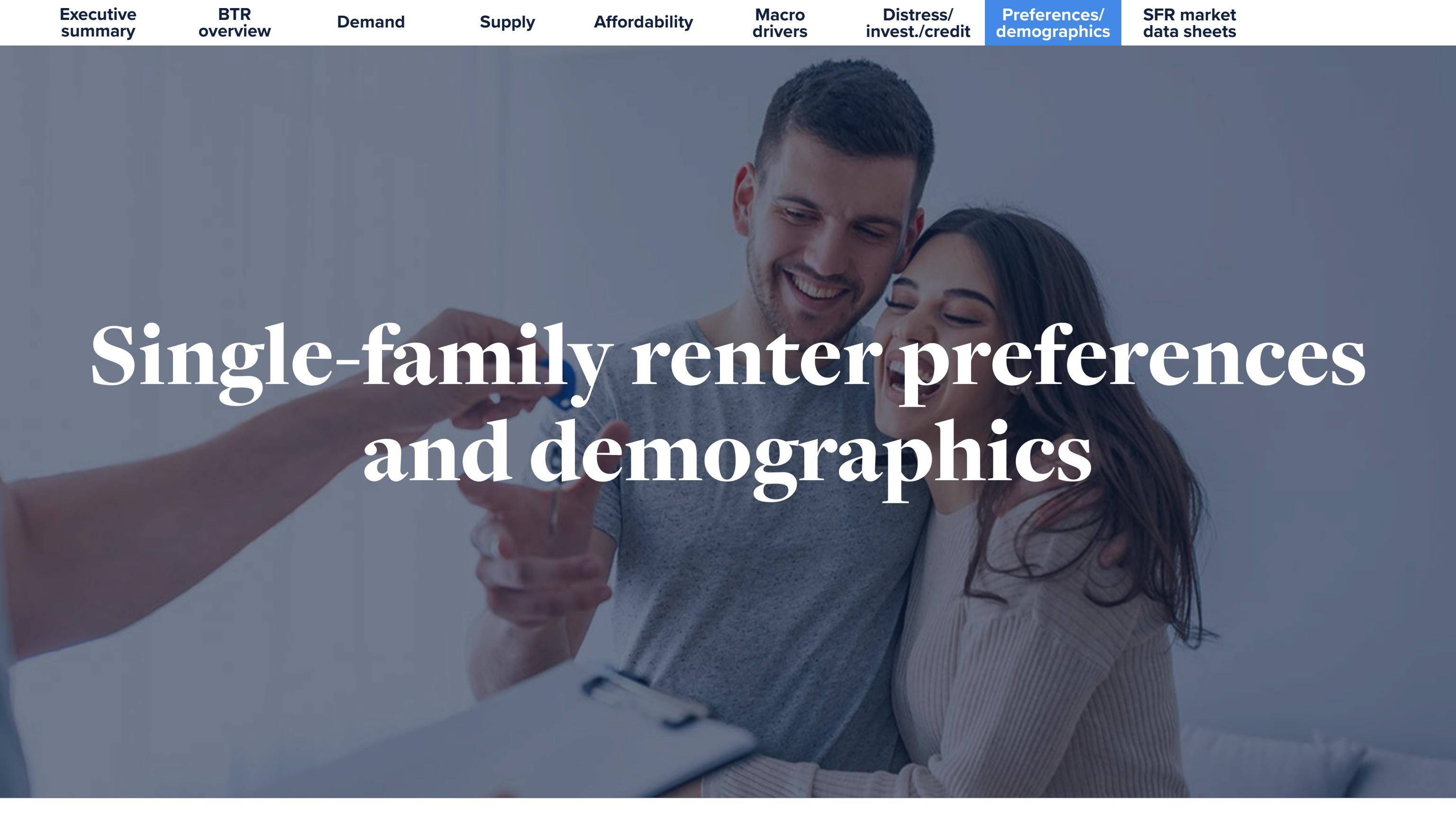
National Mortgage Rate Sensitivity*

▲ 200K mortgage ■ \$400K mortgage ▲ \$600K mortgage



*Assumes a 30-year, fixed-rate mortgage and 33% housing cost to income ratio. Calculation only includes mortgage payment, does not include insurance or taxes.

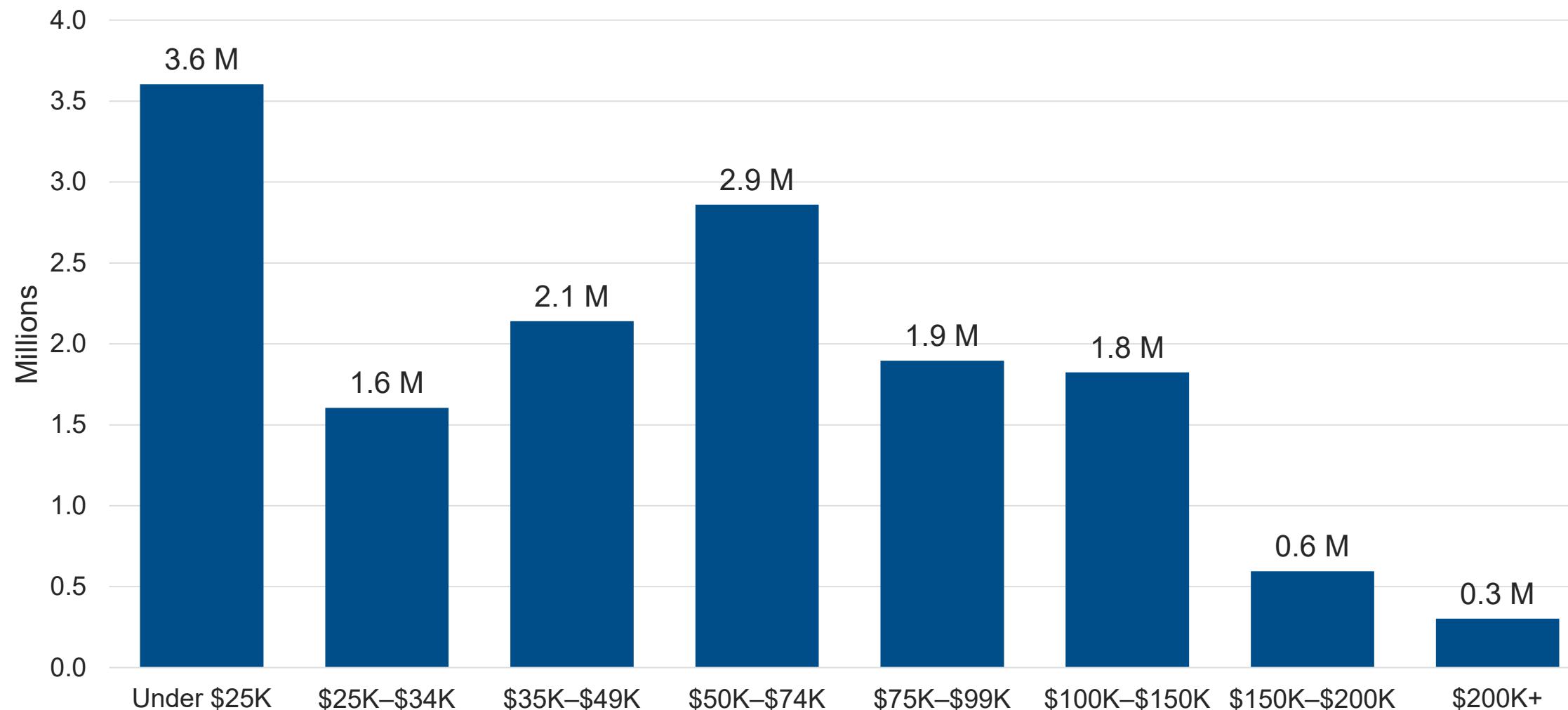
Source: John Burns Real Estate Consulting, LLC; U.S. Census (Data: Nov-22, Pub: Dec-22)



Single-family renter preferences and demographics

Median household income for all single-family renters is ~\$51K. Build to rent captures a much higher-income household profile.

Single-Family Renters by Household Income, 2021



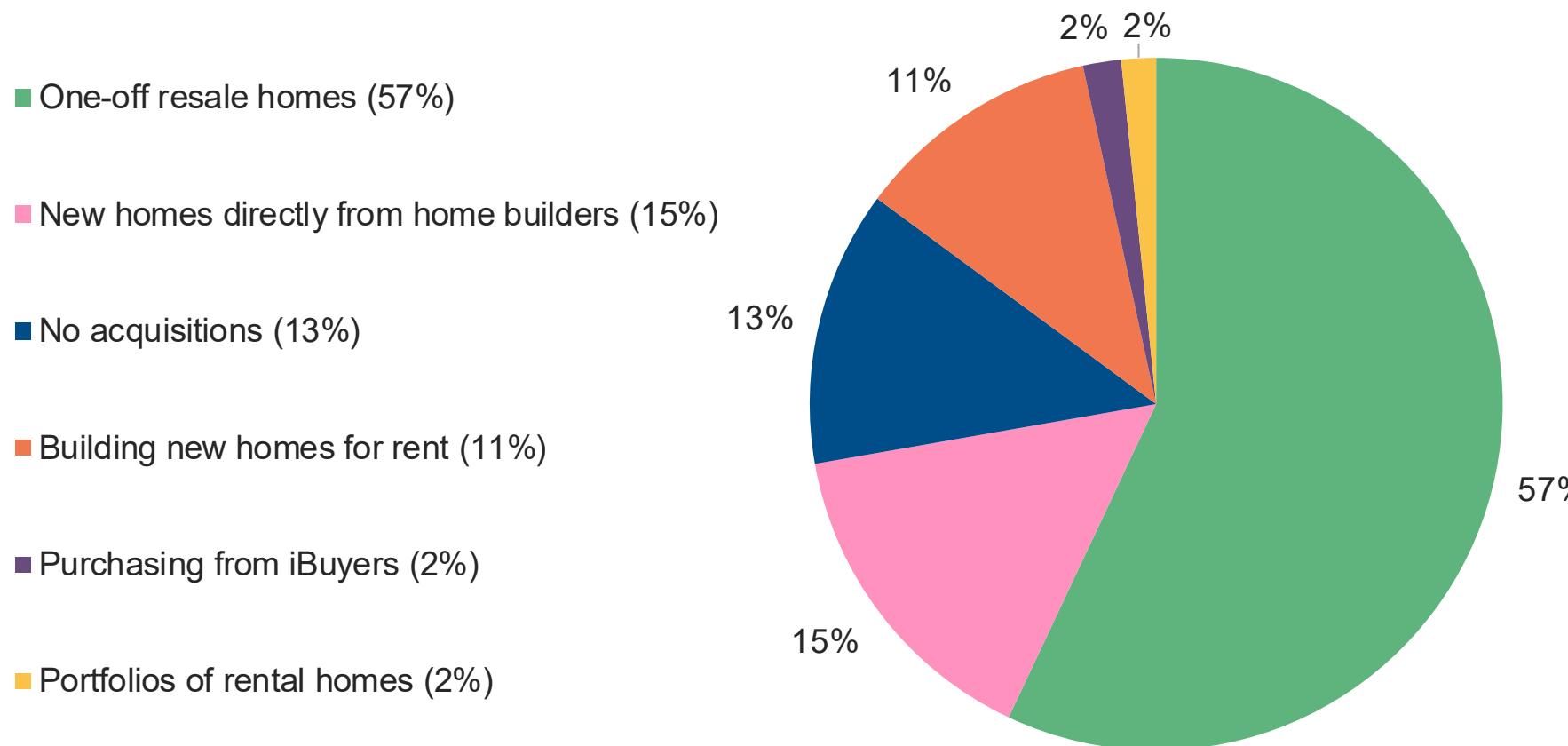
Source: John Burns Real Estate Consulting, LLC estimates, using 2021 American Community Survey 1-year estimates microdata

Single-family rental estimates include 1-unit detached and 1-unit attached occupied housing units, John Burns Real Estate Consulting, LLC (Data: 2021, Pub: Dec-22)

Acquisitions of individual resale homes represent 57% of SFR portfolio growth, according to our 4Q21 survey.

% Distribution of Rental Home Acquisition Method

4Q21, weighted averages



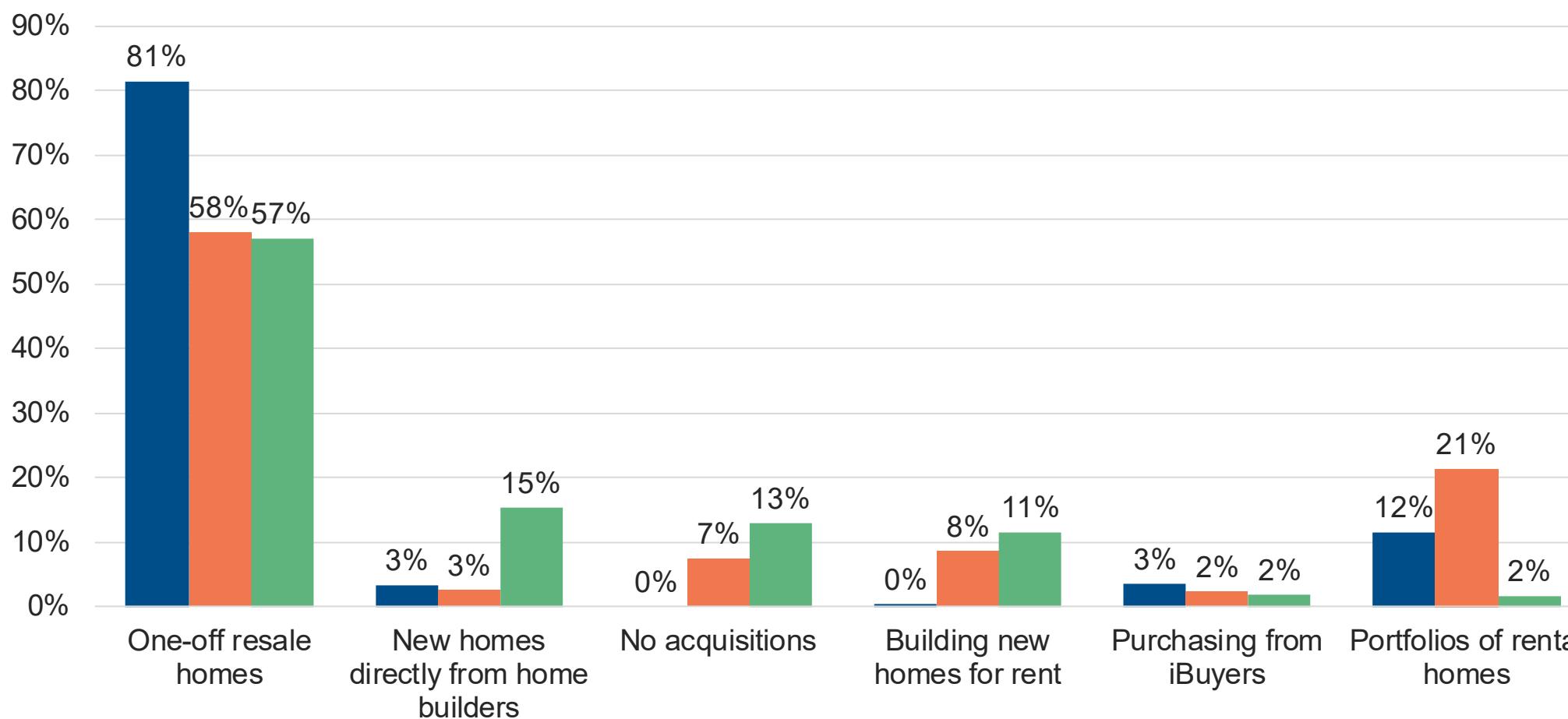
Acquiring new homes from home builders accounted for 15% of SFR acquisitions in 4Q21. 13% of operators report no acquisitions in 4Q21, most likely a function of low supply.

Sources: National Rental Home Council; John Burns Real Estate Consulting, LLC (Data: 4Q21, Pub: Dec-22)

Nationally, 15% of 4Q21 SFR acquisitions are coming directly from home builders and 11% from operators' own BTR projects.

% Distribution of Rental Home Acquisition Method

Weighted averages ■ 3Q19 ■ 4Q20 ■ 4Q21



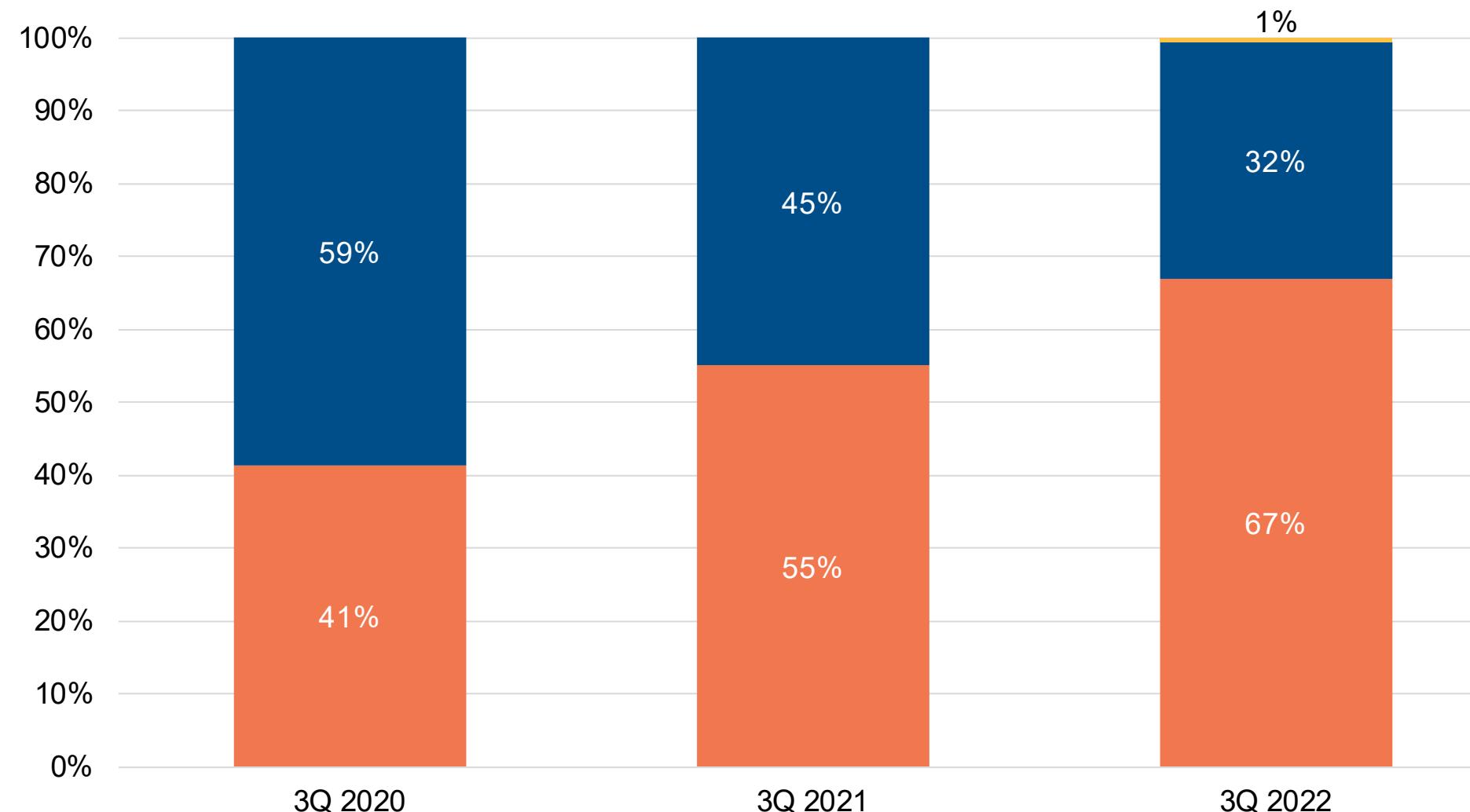
Compared to 81% in 3Q19, acquisitions of individual resale homes represent 57% of SFR portfolio growth.

Source: John Burns Real Estate Consulting, LLC (Data: 4Q21, Pub: Dec-22)

New SFR tenants moved primarily from suburban locations in 3Q22, according to our survey.

Of your new single-family tenants, what percentage came from *suburban vs. urban* locations?

Weighted by number of properties ■ Other ■ Moving from urban locations ■ Moving from suburban locations



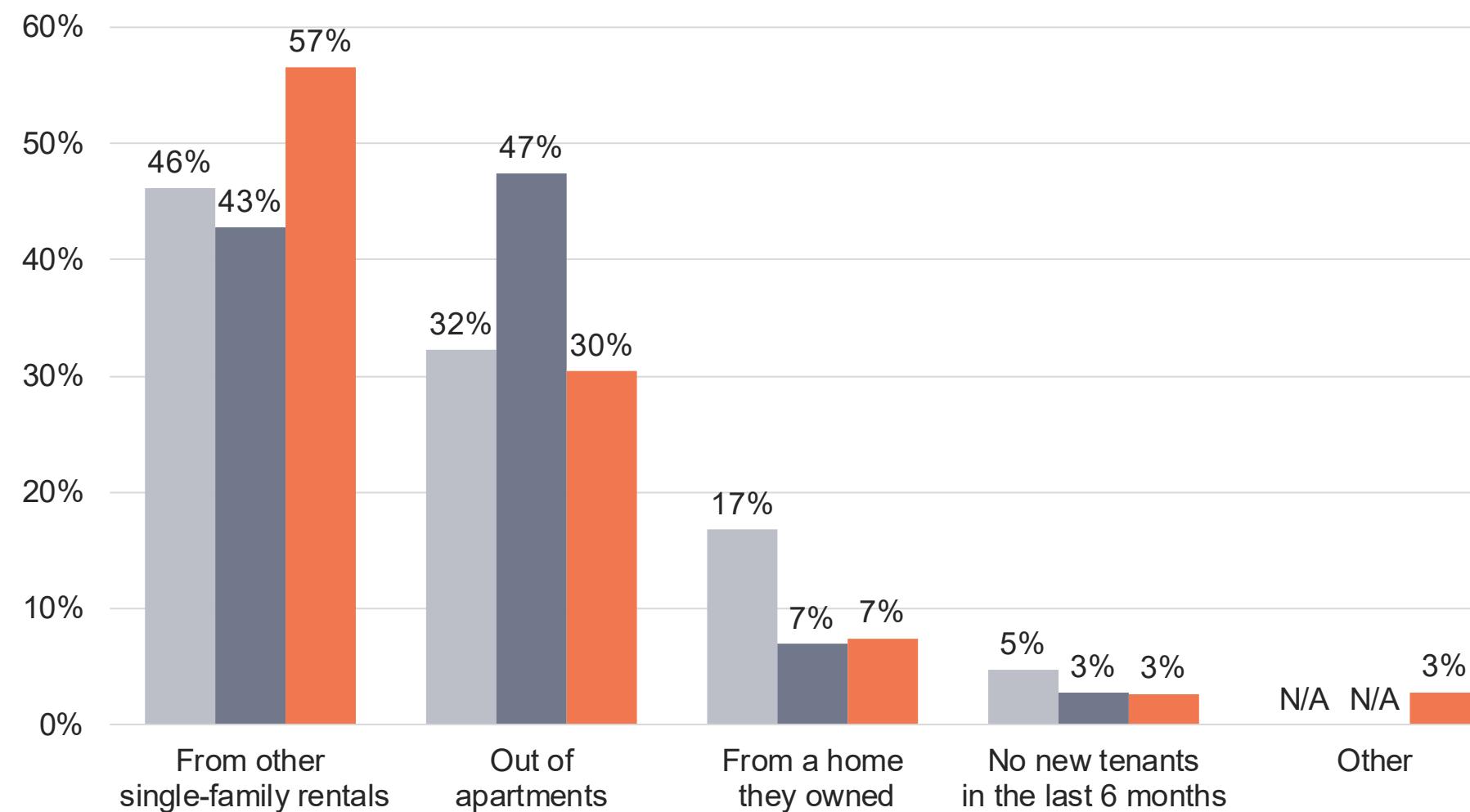
67% of new tenants
relocated from suburban
areas, compared to mostly
Covid-19 fueled urban
relocations in 2020.

Sources: John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Dec-22)

57% of new tenants are relocating from other SFR homes and 30% are moving from apartments.

Where have your new single-family tenants come from in the last 6 months?

Weighted by number of properties ■ 3Q20 ■ 3Q21 ■ 3Q22

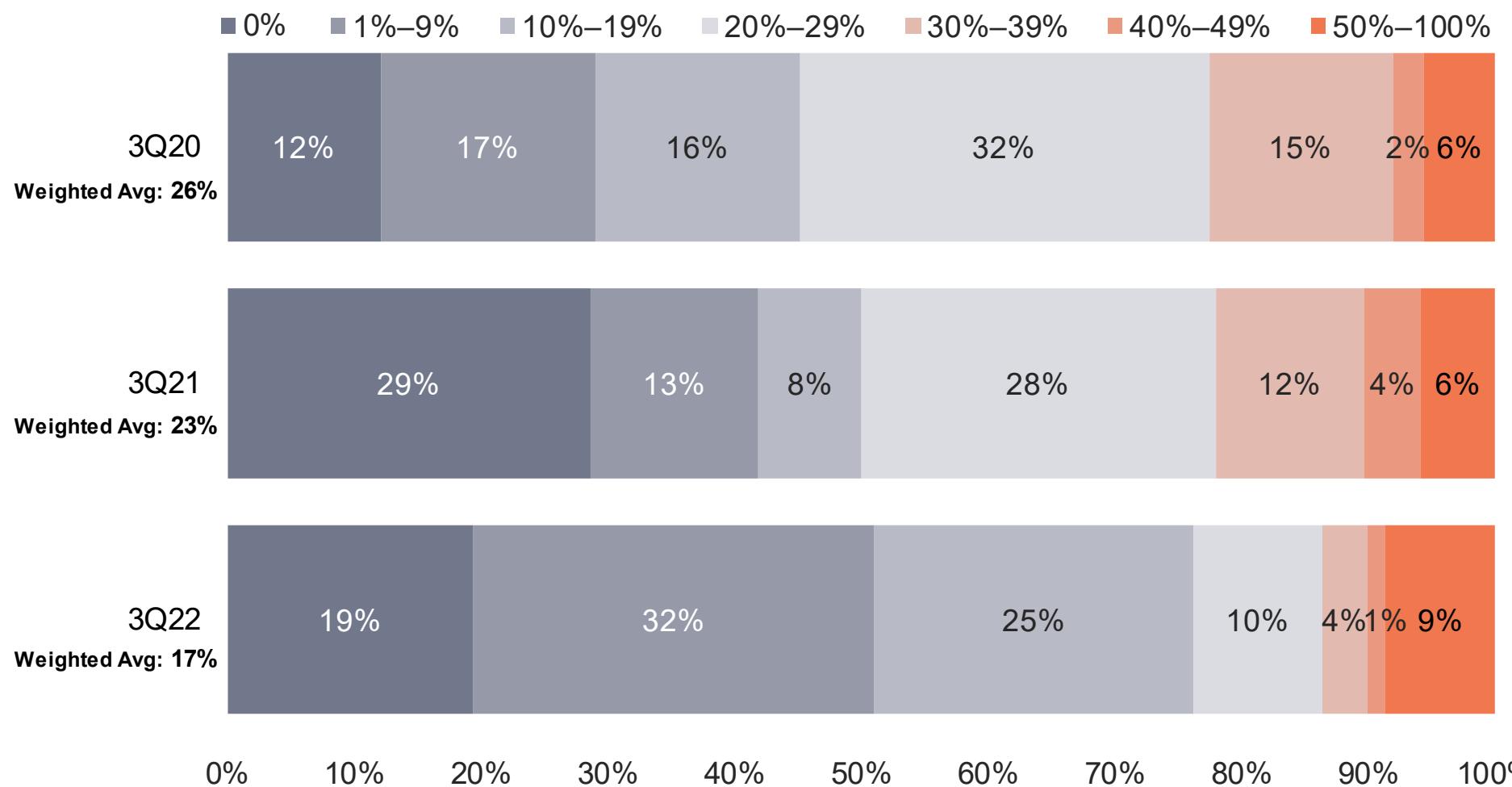


Operators report an uptick in new tenants moving from other SFR homes in 3Q22. Conversely, new tenants moving from an apartment significantly declined YOY.

Sources: John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Dec-22)

On average, 17% of tenants moving out of single-family rentals in the last 6 months purchased a home, down from 23% in 3Q21 and 26% in 3Q20.

What percentage of single-family rental tenants moving out in the last 6 months indicated they purchased a home?



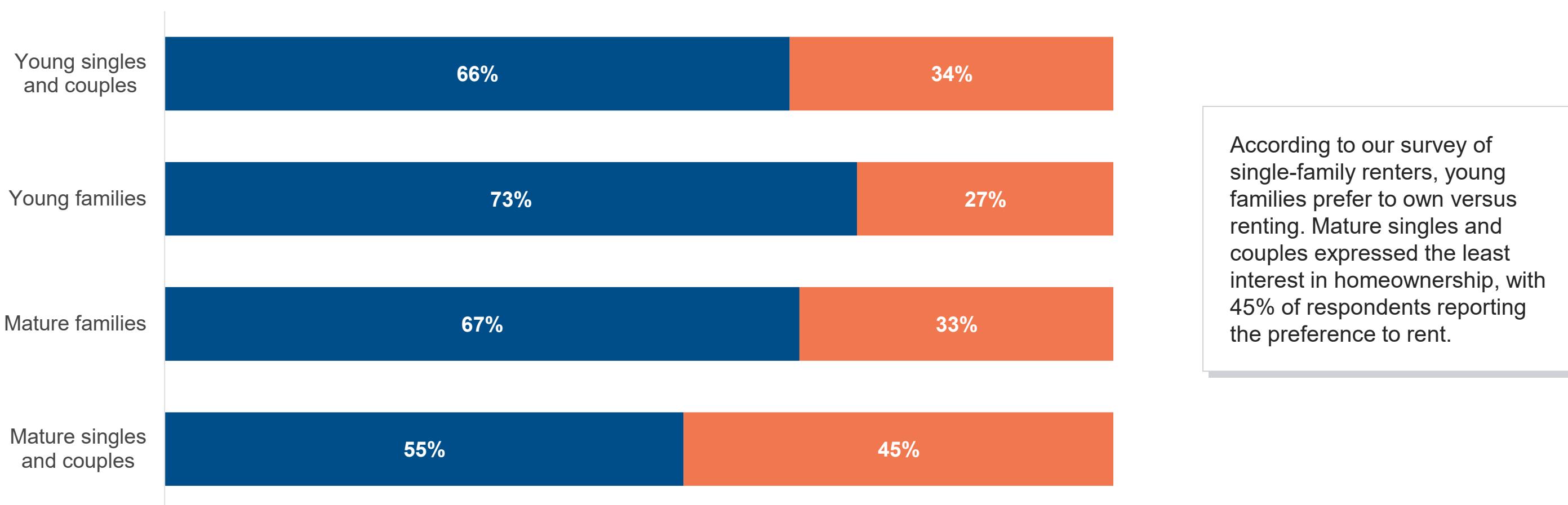
Single-family rental tenants transitioning to homeownership dropped roughly 6-percentage points year over year, highlighting for-sale affordability challenges.

Sources: John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Dec-22)

Preference to own or rent

Single-Family Renters' Preference to Own or Rent by Life Stage

■ Prefer to own ■ Prefer to rent

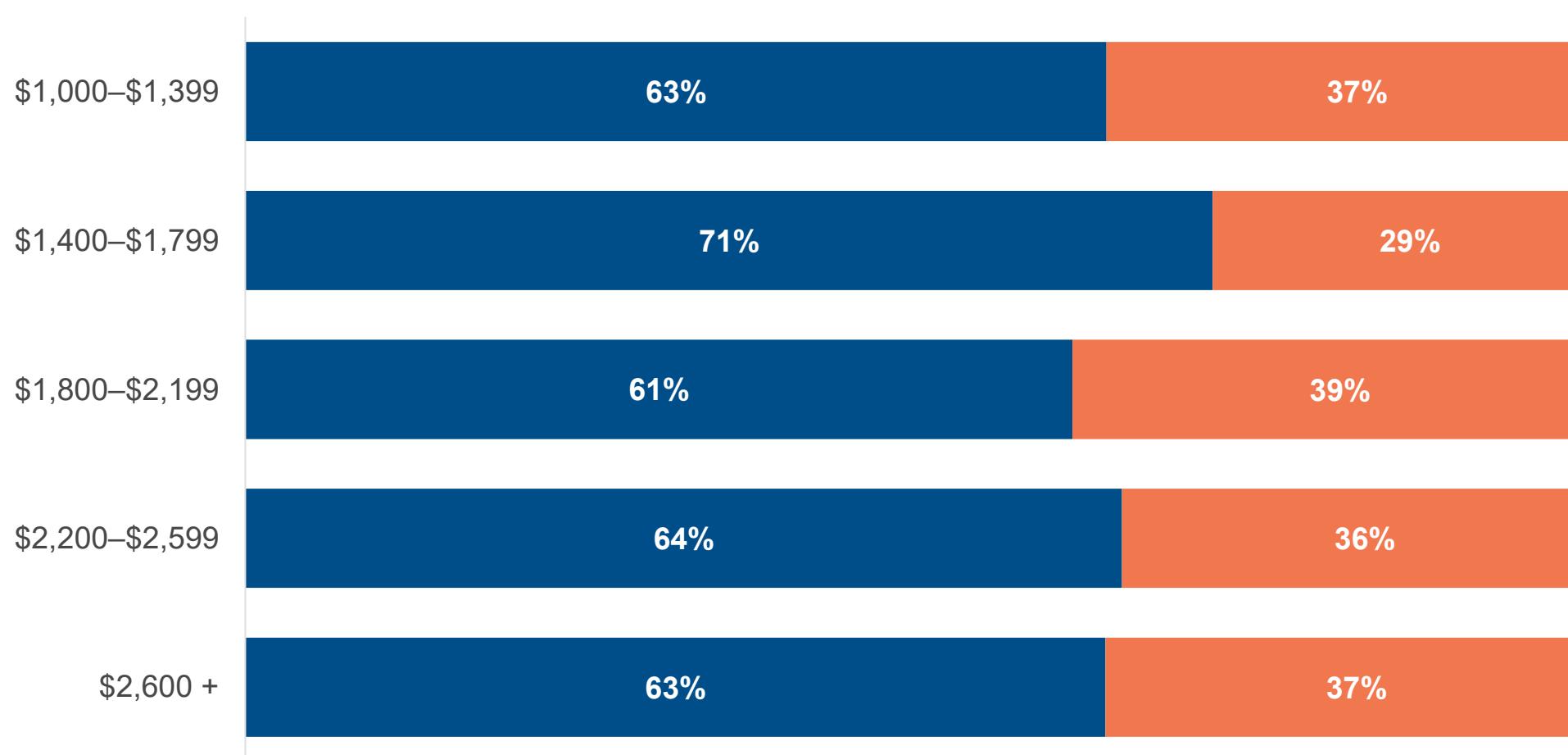


*Source: New Home Trends Institute by John Burns Real Estate Consulting, LLC, April survey of 1,160 single-family renters with a household budget for rent of \$1,000+. Data: 1Q21; Pub: Dec-22

Monthly rent budgets do not significantly influence rent-versus-own decisions for single-family households.

Single-Family Renters' Preference to Own or Rent by Budget

■ Prefer to own ■ Prefer to rent



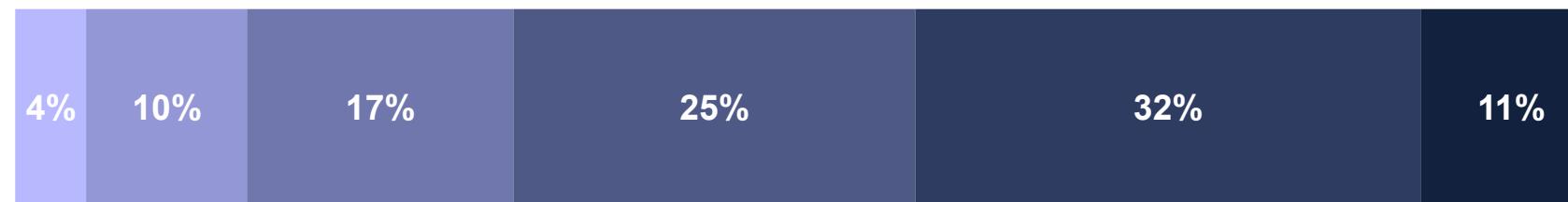
*Source: New Home Trends Institute by John Burns Real Estate Consulting, LLC, April survey of 1,160 single-family renters with a household budget for rent of \$1,000+. Data: 1Q21; Pub: Dec-22

Single-family rental survey: length of resident stay

Total Years Single-Family Renters Plan to Live in Their Current Homes*

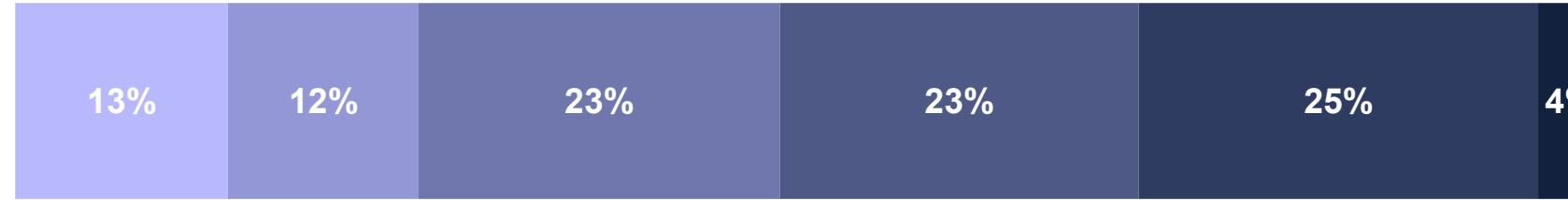
■ Less than a year ■ 1 year ■ 2 years ■ 3-4 years ■ 5+ years, but I plan to move eventually ■ I never plan to move

Single-family
renters who
prefer to rent



43% of single-family renters who prefer to rent plan to stay in their current home at least 5 years. 1 in 10 never plan to move.

Single-family renters
who would
prefer to own

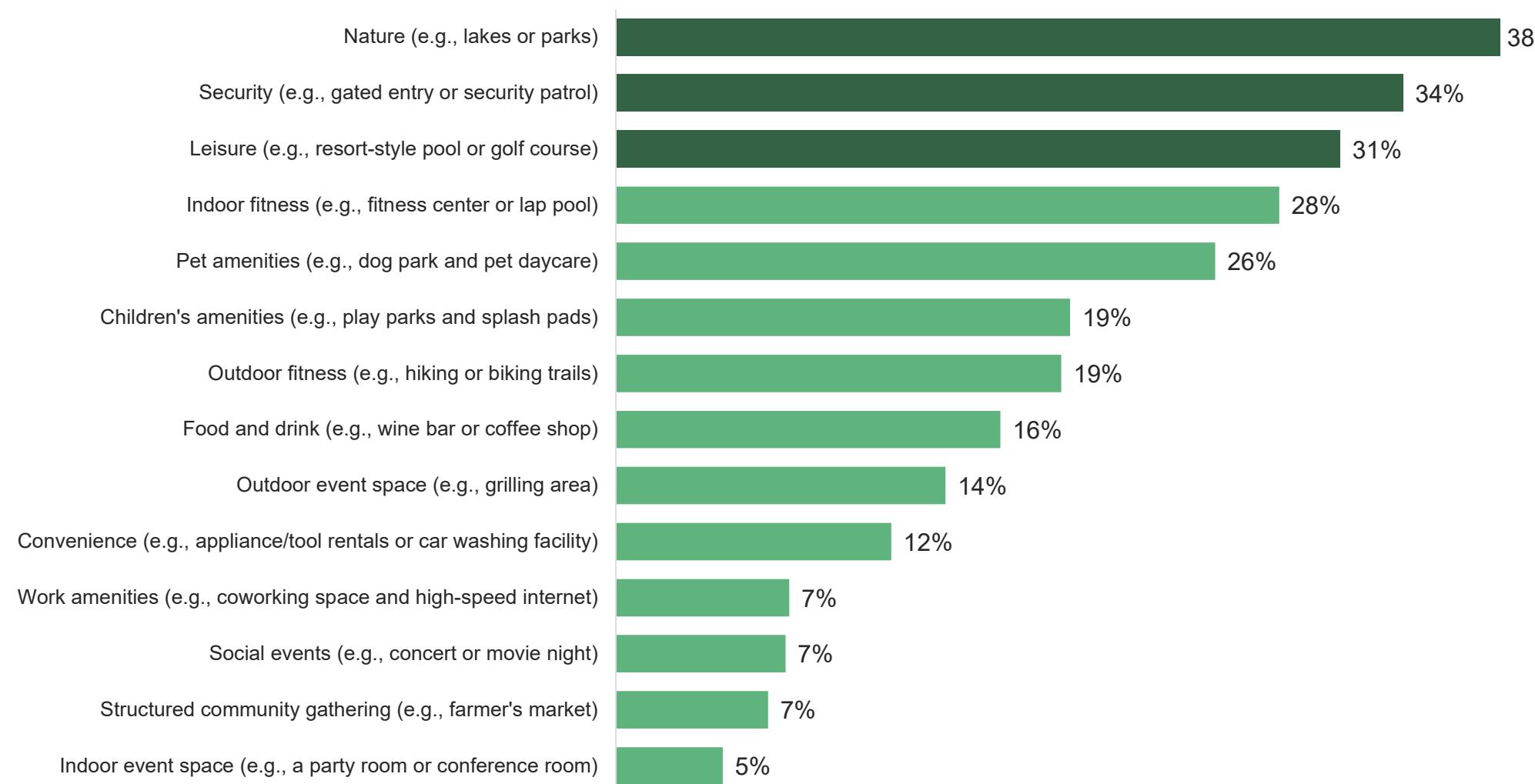


*Excludes those who are unable to estimate.

*Source: New Home Trends Institute by John Burns Real Estate Consulting, LLC, April survey of 1,160 single-family renters with a household budget for rent of \$1,000+. Data: 1Q21; Pub: Dec-22

SFR tenants value many of the same perks as homeowners.

Top Amenities That Would Influence Single-Family Renters to Choose a Community over Others

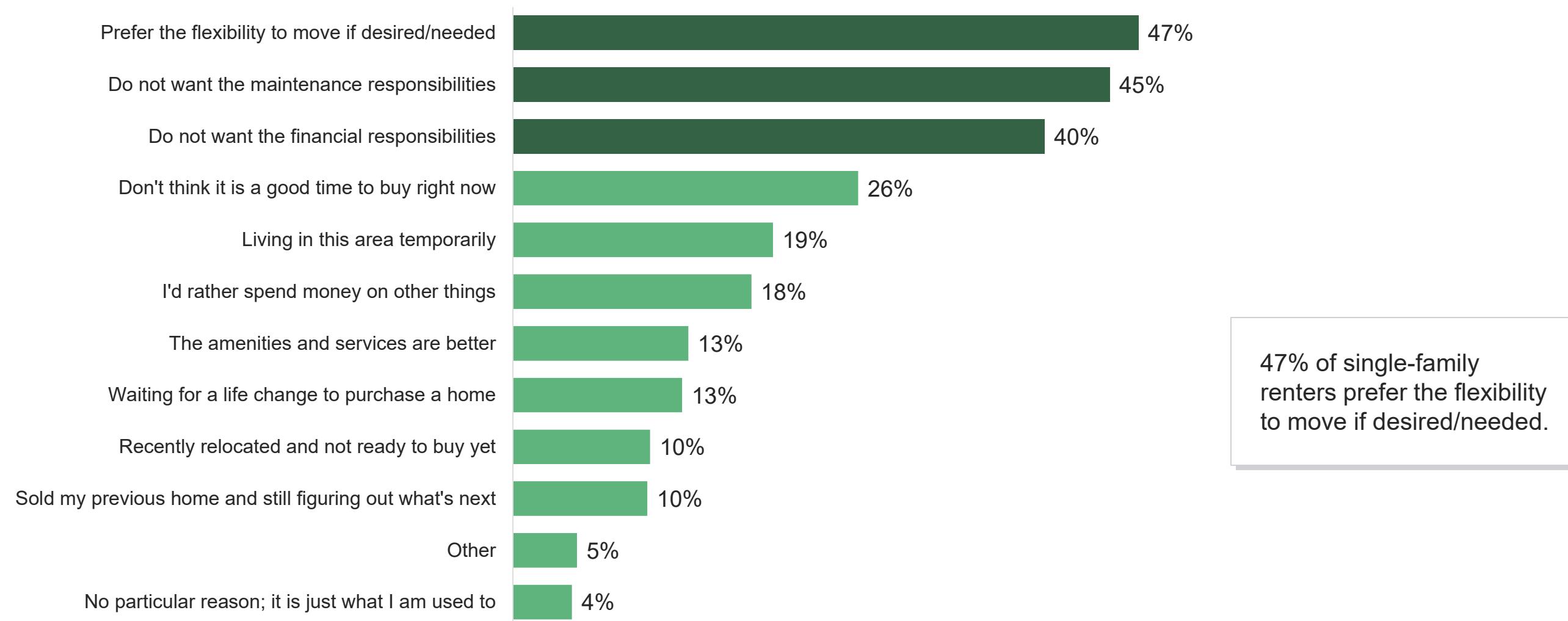


Renters rank nature, security, and leisure as the most important factors influencing their decision to choose a community over others.

*Source: New Home Trends Institute by John Burns Real Estate Consulting, LLC, April survey of 1,160 single-family renters with a household budget for rent of \$1,000+. Data: 1Q21; Pub: Dec-22

Main reasons single-family renters prefer to rent

Share of Single-Family Renters Who Prefer to Rent, by Reason(s) They Prefer to Rent*

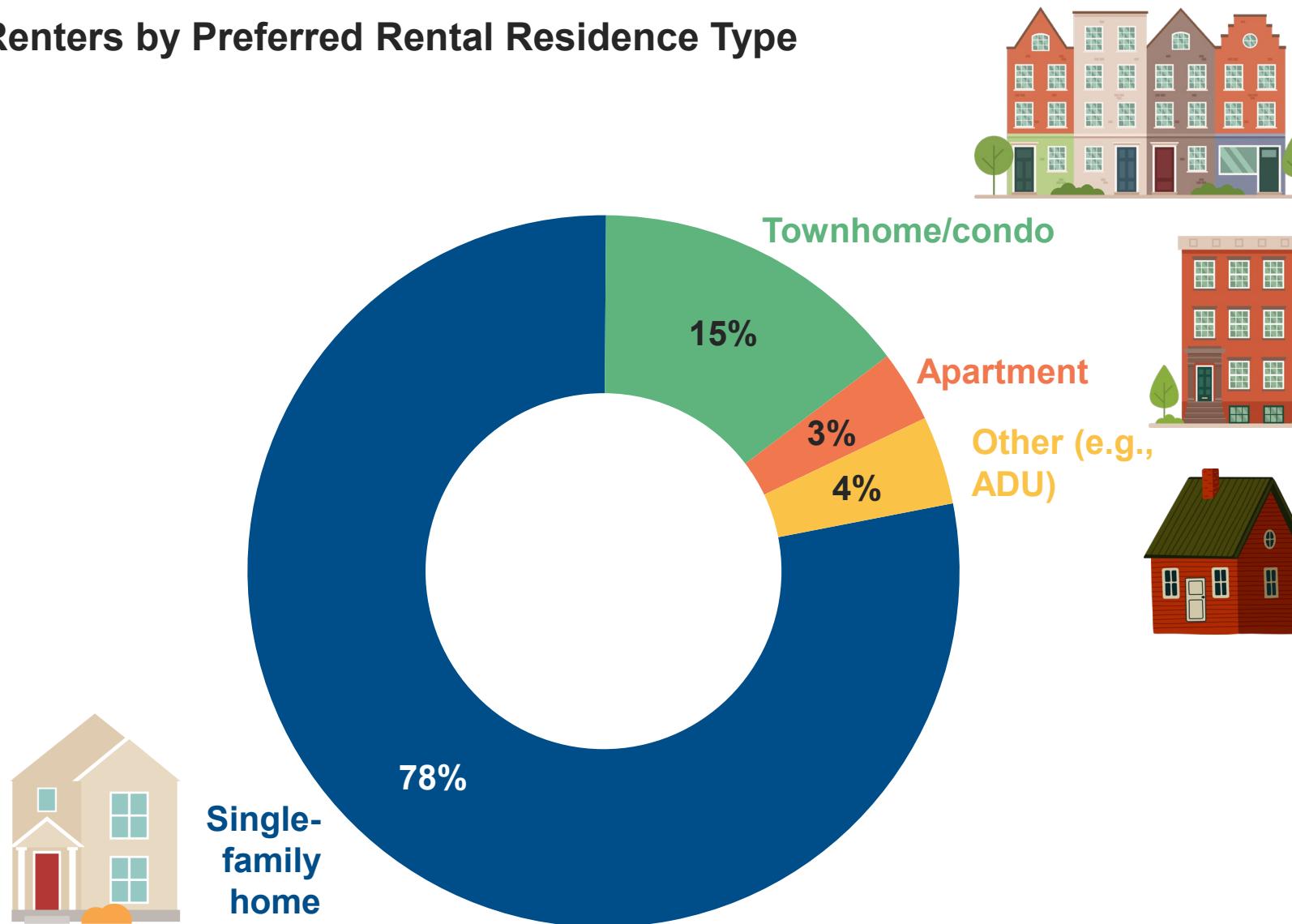


*Respondents selected all that apply to them. Results will not total to 100%.

Source: New Home Trends Institute by John Burns Real Estate Consulting, LLC, April survey of 1,160 single-family renters with a household budget for rent of \$1,000+. Data: 1Q21; Pub: Dec-22

78% of single-family renters prefer detached homes to other rental types.

Single-Family Renters by Preferred Rental Residence Type

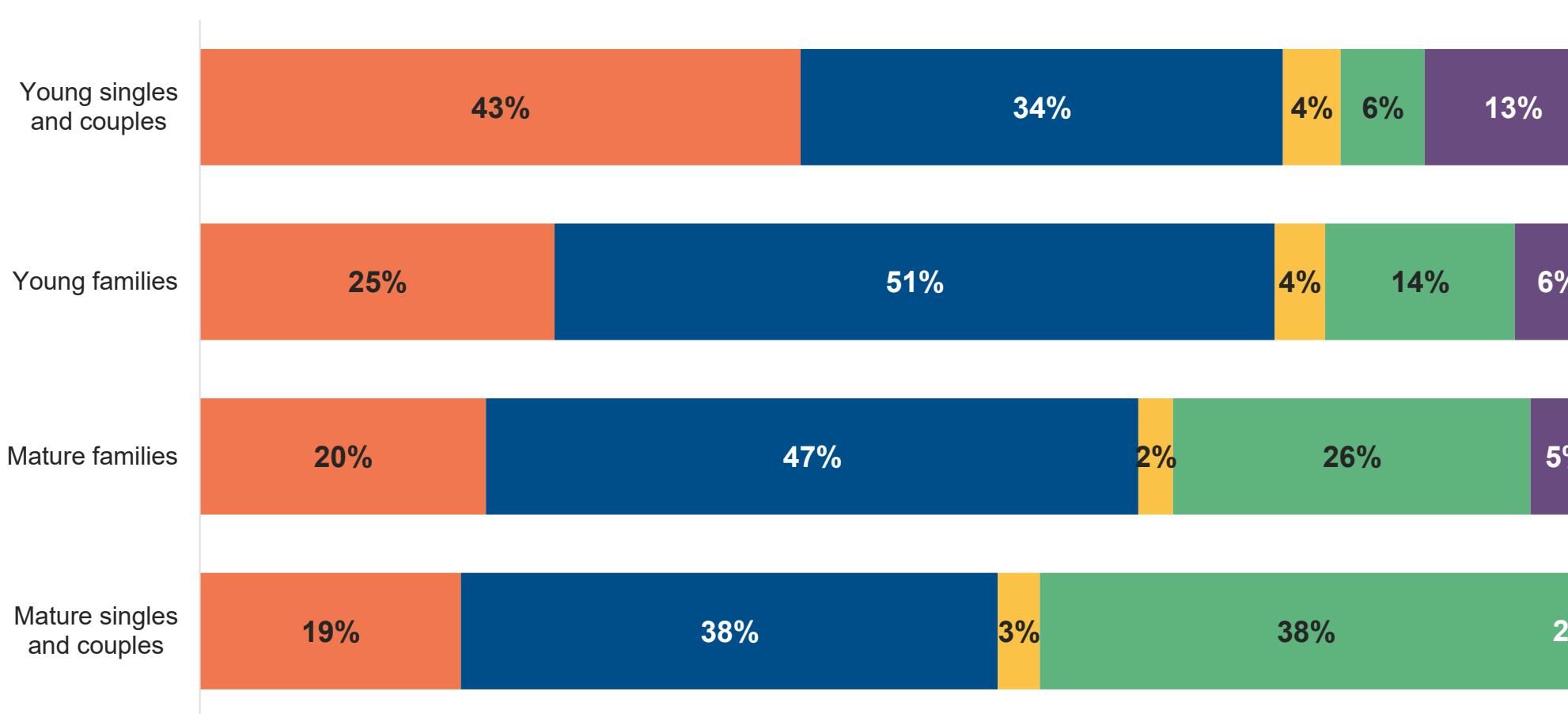


*Source: New Home Trends Institute by John Burns Real Estate Consulting, LLC, April survey of 1,160 single-family renters with a household budget for rent of \$1,000+. Data: 1Q21; Pub: Dec-22

Single-family renters' prior rental residence type by life stage

Single-Family Renters' Prior Rental Residence Type by Life Stage

■ Apartment ■ Single-family rental home or townhome ■ Other rental (e.g. ADU) ■ Owned ■ Other (e.g., lived with others)

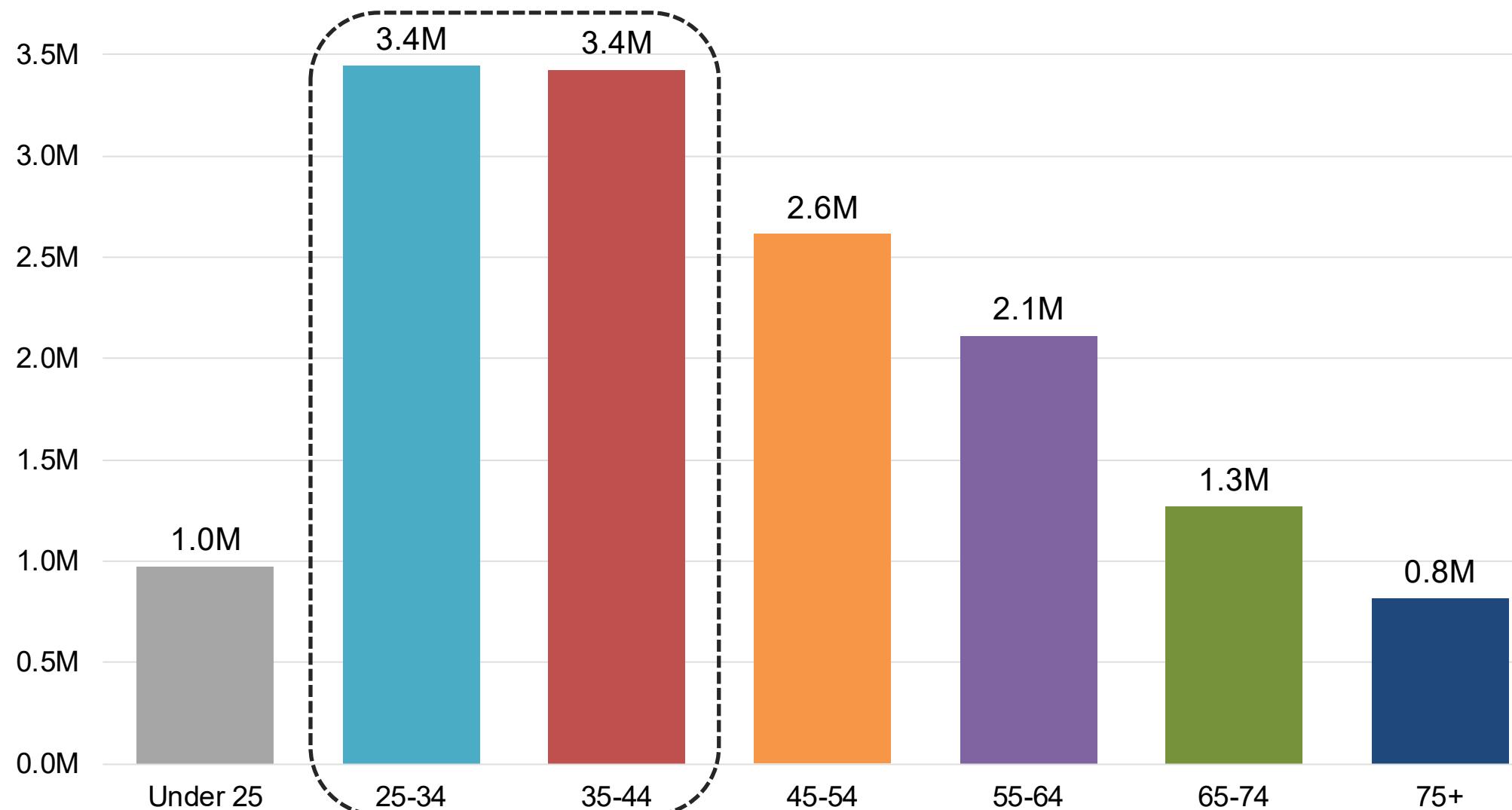


Families most often come from another single-family rental home, while young singles and couples are more likely to have come from an apartment.

*Source: New Home Trends Institute by John Burns Real Estate Consulting, LLC, April survey of 1,160 single-family renters with a household budget for rent of \$1,000+. Data: 1Q21; Pub: Dec-22

The single-family rental demographic foundation is solid. Most of the ~15M SFR households are 25–34 (3.4M) and 35–44 (3.4M).

Single-Family Renter Households by Age Cohort



There are nearly as many SF renter households over age 55 (4.2M) as there are under age 35 (4.4M).

Sources: US Census Bureau, ESRI, John Burns Real Estate Consulting, LLC (Data: 2021, Pub: Dec-22)

Profile comparisons of single-family vs. apartment renters

Single-Family vs. Multifamily Age

■ Under 35 ■ 35–64 ■ 65+



Single-Family vs. Multifamily Marital Status

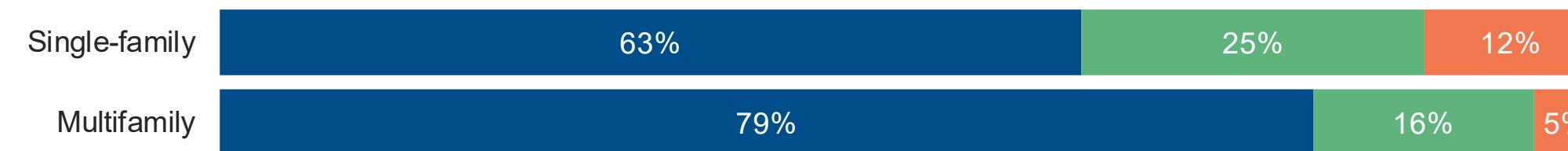
■ Married ■ Unmarried



Compared to apartment renters, single-family renters are older and more likely to be married with kids.

Single-Family vs. Multifamily Kids

■ No kids ■ 1–2 kids ■ 3+ kids



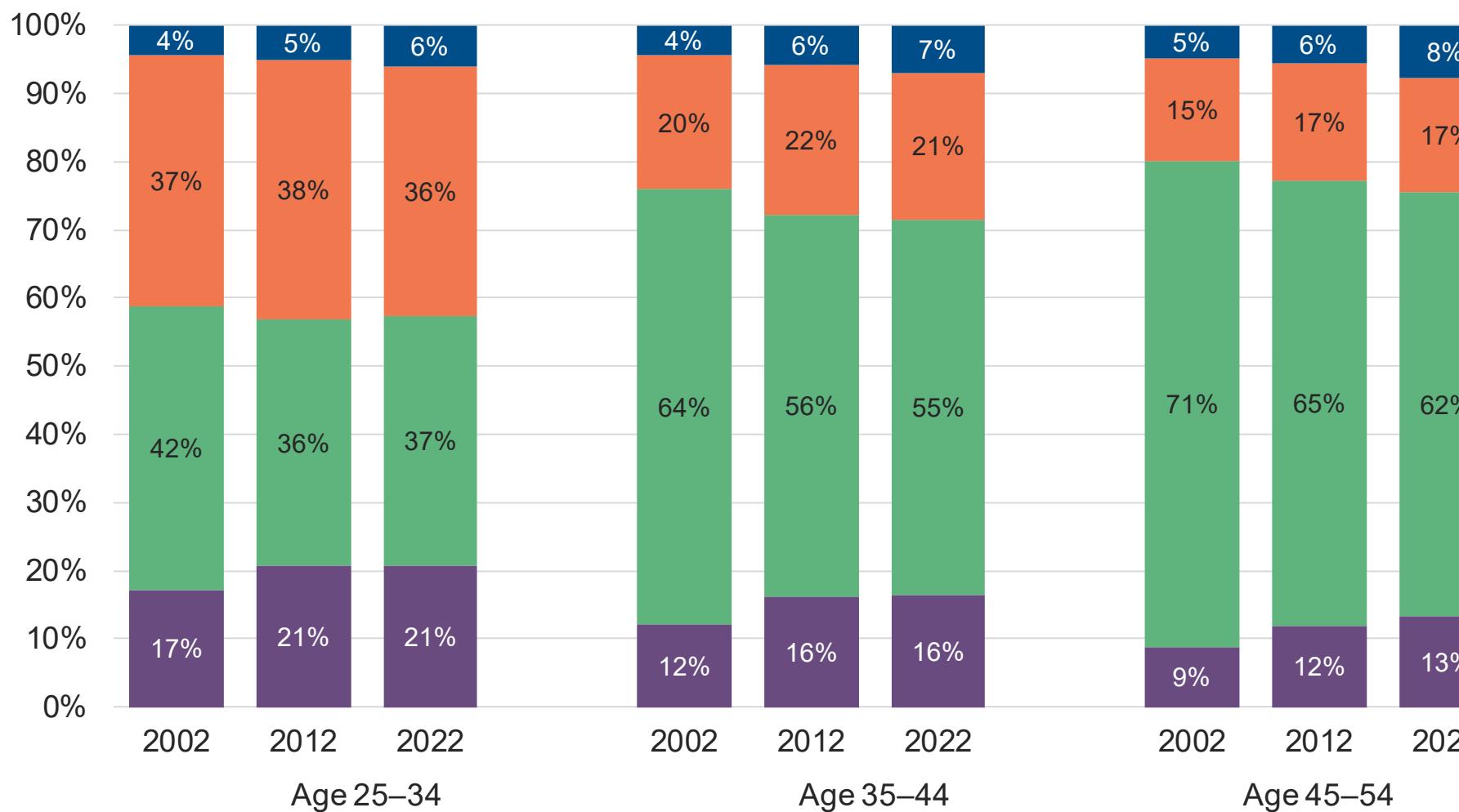
Note: Single-family defined as 1-unit detached and attached (townhome) units. Multifamily defined as 2+ unit structures. Mobile home renters not included.

Sources: US Census Bureau 2021 American Community Survey data via IPUMS-USA (Data: 2021, Pub: Dec-22)

Over the past 20 years, single-family rental homes have gained significant market share among all age groups.

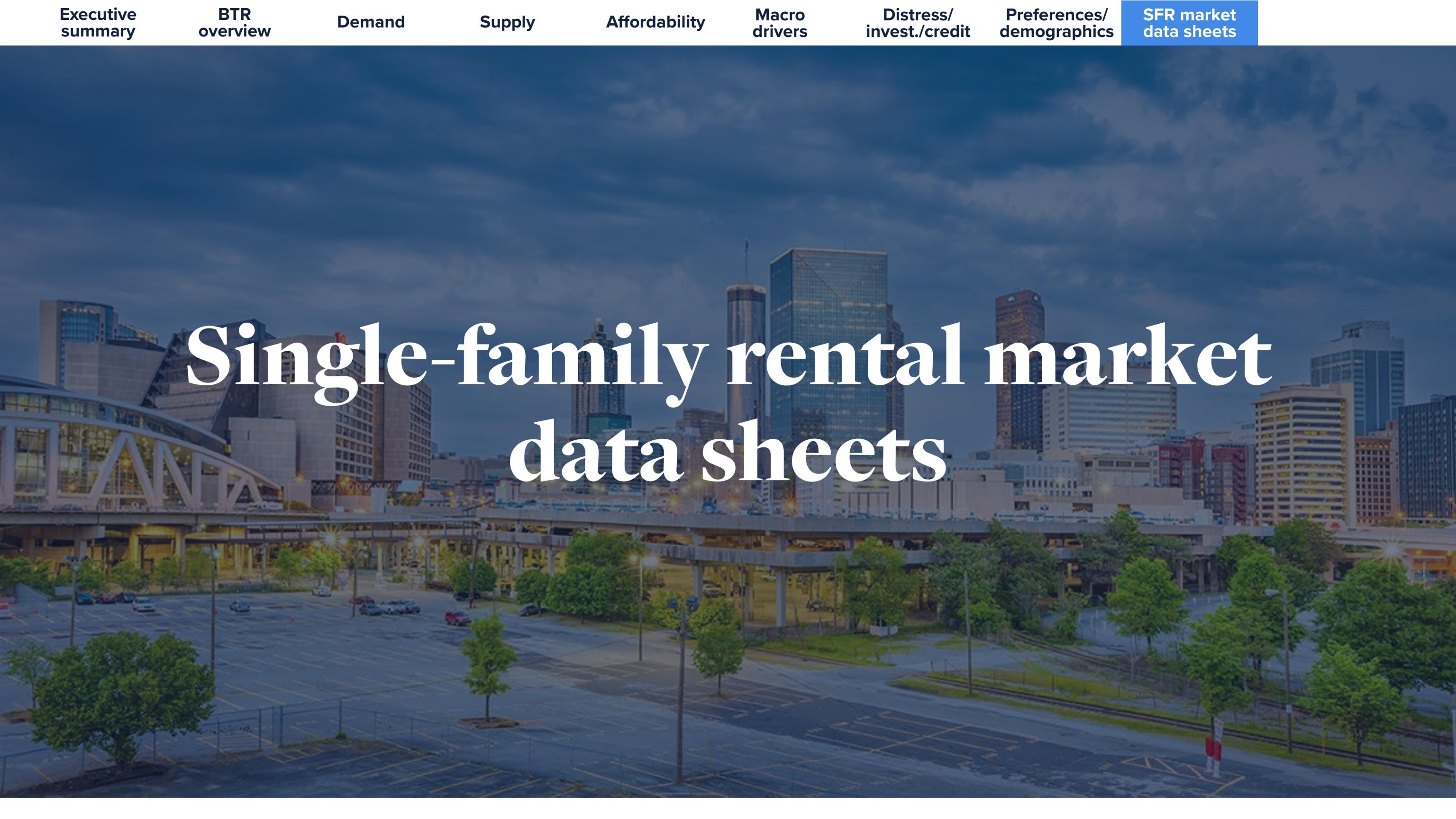
Cohort Structure and Tenant Share of Single-Family and Multifamily Residences

■ SF rent ■ SF own ■ MF rent ■ MF own



Single-family rental homes make up 21% of all residences for 25–34-year-olds and 16% for 35–44-year-olds.

Sources: John Burns R.E. Consulting, LLC, calculations of US Census Bureau, Current Pop. Survey, Annual Social and Economic Supplements via IPUMS-CPS (Data: 2022, Pub: Dec-22)

The background image shows a panoramic view of a city at dusk or night. In the foreground, there's a large, mostly empty parking lot with some scattered trees and a few cars. Above the parking lot, a complex multi-level highway or bridge structure is visible, with lights reflecting off its surfaces. The city skyline in the background features numerous skyscrapers of varying heights, illuminated by their own lights. The sky is a deep blue, suggesting it's either nighttime or the photo was taken during twilight.

Single-family rental market data sheets

JBREC list of 99 single-family rental markets with data sheets available for client download on our website

| | | | |
|-------------------------------|---------------------------------|-------------------------------------|-----------------------------------|
| Akron, OH | El Paso, TX | Minneapolis, MN-WI | San Diego, CA |
| Albuquerque, NM | Fayetteville, AR | Modesto, CA | San Francisco, CA* |
| Atlanta, GA | Fayetteville, NC | Myrtle Beach, SC-NC | San Jose, CA |
| Augusta, GA-SC | Fort Lauderdale, FL (MDivision) | Nashville, TN | Sarasota, FL |
| Austin, TX | Fort Myers, FL | Nassau, NY | Savannah, GA |
| Bakersfield, CA | Fort Worth, TX (MDivision) | New Orleans, LA | Seattle, WA (MDivision) |
| Baltimore, MD | Fresno, CA | New York, NY-NJ (MDivision) | Spokane, WA |
| Birmingham, AL | Grand Rapids, MI | Newark-Union, NJ-PA (MDivision) | Springfield, MO |
| Boise, ID | Greensboro, NC | Ogden, UT | St. Louis, MO-IL |
| Boston, MA-NH | Greenville, SC | Oklahoma City, OK | Stockton, CA |
| Charleston, SC | Houston, TX | Orange County, CA | Tacoma, WA (MDivision) |
| Charlotte, NC-SC | Huntsville, AL | Orlando, FL | Tampa, FL |
| Chattanooga, TN | Indianapolis, IN | Pensacola, FL | Tucson, AZ |
| Chicago, IL* | Jacksonville, FL | Philadelphia, PA-NJ-DE-MD (MSA) | Tulsa, OK |
| Cincinnati, OH-KY-IN | Kansas City, MO-KS | Phoenix, AZ | Vallejo-Fairfield, CA |
| Cleveland, OH | Killeen, TX | Pittsburgh, PA | Ventura, CA |
| Colorado Springs, CO | Knoxville, TN | Port St. Lucie, FL | Virginia Beach, VA-NC |
| Columbia, SC | Lakeland, FL | Portland, OR-WA | Visalia, CA |
| Columbus, OH | Las Vegas, NV | Raleigh-Durham, NC | Warren, MI (MDivision) |
| Dallas, TX (MDivision) | Lexington, KY | Reno, NV | Washington, DC, DC-VA-MD-WV (MSA) |
| Daytona Beach, FL | Los Angeles, CA (MDivision) | Richmond, VA | West Palm Beach, FL (MDivision) |
| Denver, CO | Louisville, KY-IN | Riverside-San Bernardino, CA | Wichita, KS |
| Des Moines, IA | Memphis, TN-MS-AR | Sacramento, CA | Wilmington, NC |
| Detroit, MI (MDivision) | Miami, FL (MDivision) | Salt Lake City, UT | Winston-Salem, NC |
| East Bay Area, CA* | Milwaukee, WI | San Antonio, TX | |

Throughout this report we use the terms *markets*, *national*, or *average*—all of which refer to the 99 metros to the left. We select these 99 top single-family rental housing markets based on total population. **The largest single-family rental markets are in bold.** We consider all other markets non-core for the publicly traded single-family rental operators.

Note: In addition to the data sheets for Charlotte that follow this slide, you can download data sheets for all 99 markets from your client web page.

*Combination of metropolitan divisions

Source: John Burns Real Estate Consulting, LLC (Pub: Dec-22)



Charlotte, NC-SC metro

The Burns Single-Family Rent Index growth rate rose this month to 11.4% YOY. We predict continued growth through December 2023 at 3.0% YOY. Our US market roll-up of single-family rents rose to 6.8% YOY as of October 2022.

11.4%



Existing Home Values (BHVI)

11.6%



Apartment Rent Growth

9.7%



Employment Growth

5.7%



August 2022: See our new Burns Single-Family Rent Under/Overpriced Index on page 5.

The Charlotte market is ranked #19 for total renter-occupied single-family homes. (Per 2019 ACS survey)

Charlotte, NC-SC

Burns Housing Market Fundamentals

December 2022

| | 2018 | 2019 | 2020 | 2021 | Current | 2022P | 2023P | 2024P | 2025P |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| AFFORDABILITY | | | | | | | | | |
| Median SF Rent (Dec.) - Burns SF Rent Index (1) | \$1,297 | \$1,363 | \$1,381 | \$1,543 | \$1,676 | \$1,688 | \$1,738 | \$1,808 | \$1,898 |
| YOY Growth % | 4.3% | 5.1% | 1.3% | 11.7% | 11.4% | 9.4% | 3.0% | 4.0% | 5.0% |
| Apartment Rent | \$1,188 | \$1,235 | \$1,261 | \$1,481 | \$1,608 | \$1,577 | \$1,545 | \$1,530 | \$1,576 |
| YOY Growth % | 4.2% | 4.0% | 2.1% | 17.5% | 9.7% | 6.5% | (2.0%) | (1.0%) | 3.0% |
| Burns Home Value Index™ (Dec.-Dec.) | 6.7% | 6.9% | 12.1% | 26.4% | 11.6% | 6.0% | (14.1%) | (7.6%) | 2.8% |
| Existing Median Home Price (8) | \$235,800 | \$252,829 | \$278,000 | \$329,596 | \$380,500 | n/a | n/a | n/a | n/a |
| Median Household Income | \$62,400 | \$65,300 | \$67,100 | \$68,900 | \$71,000 | \$71,300 | \$73,900 | \$75,600 | \$77,800 |
| S.F. Rent-to-Income Ratio | 24.9% | 25.0% | 24.7% | 26.9% | 28.3% | 28.4% | 28.2% | 28.7% | 29.3% |
| RENTAL HOME – CASE STUDY (80% of Median Price) | | | | | | | | | |
| The following metrics are based on a theoretical home purchase. The purpose is to estimate the home payment, rents, and gross rental yield if you purchased a home equal to 80% of the median home price . These rent and home values will not match the values above which represent the actual market median home prices and the market median rents. | | | | | | | | | |
| Home Value, 80% of Median Home Price (2) | \$171,600 | \$183,500 | \$205,600 | \$259,900 | \$284,400 | \$275,400 | \$236,600 | \$218,600 | \$224,700 |
| Home Payment, 80% of Median Home Price (Pmt + Maintenance) (3) | \$1,328 | \$1,320 | \$1,353 | \$1,737 | \$2,522 | \$2,168 | \$1,946 | \$1,713 | \$1,775 |
| YOY Payment Growth % | 11.7% | (0.6%) | 2.5% | 28.4% | 51.2% | 24.8% | (10.2%) | (12.0%) | 3.6% |
| Single-Family Rent, 80% of Median Home Price (2) | \$1,393 | \$1,464 | \$1,483 | \$1,657 | \$1,800 | \$1,812 | \$1,867 | \$1,941 | \$2,038 |
| Own Payment minus S.F. Rent Gap | (\$65) | (\$144) | (\$130) | \$80 | \$722 | \$356 | \$79 | (\$228) | (\$263) |
| Gross Rental Yield, After Prop. Taxes (4) | 8.6% | 8.4% | 7.5% | 6.5% | 6.4% | 6.7% | 8.3% | 9.5% | 9.7% |

(1) The Burns Single-Family Rent Index models historical and current single-family rent trends. The index tracks the median single-family home listed for rent on the open market and represents new leases, not renewals.

(2) Comparing a market's median home price to the median rent is not an apples-to-apples comparison. To better estimate a market's gross rental yield, we collect sales data for what we believe to be an entry-level home in the market (homes that recently sold for a price equal to 80% of the market's median sales price) and then estimate what those homes would rent for. We set a point-in-time home price and rent for 2020. We based the trend for the entry-level home price and rent on our home and rent indices. We assume the price to be for a *rent-ready* home and do not include renovation or acquisition costs.

(3) Assumes the purchase of a home equal to 80% of the market median sale price, with 5% down payment, 30yr FRM. Payment includes PITI plus mortgage insurance and annual maintenance costs. Annual maintenance costs range from 0.85% to 1.25% of the home price set in 2014 and historically adjusted for inflation.

(4) Gross Rental Yield is the quotient of one year's entry-level home rental amount (minus the property tax) and the entry-level home price.

(8) Charlotte includes 5 of the 10 counties in the MSA for home sale closings and prices. (Source: M.O.R.E.)

Please note that some annual values displayed are Q4, while others may be December.

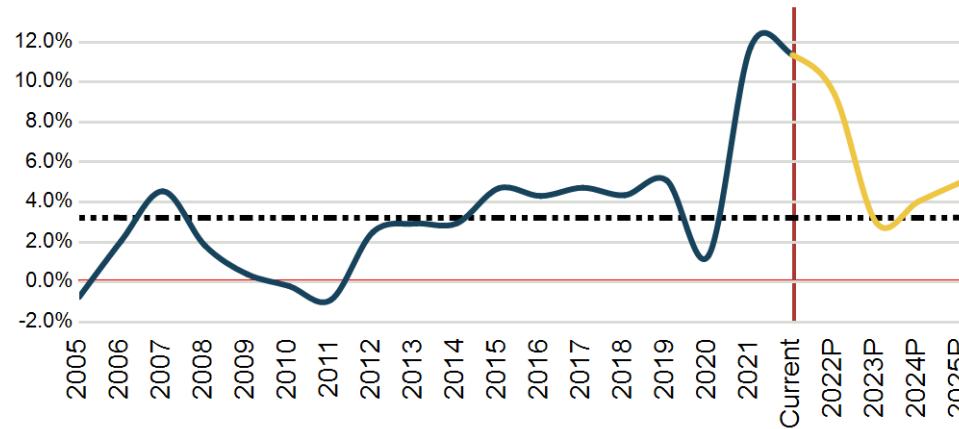
Charlotte, NC-SC

Burns Housing Market Fundamentals

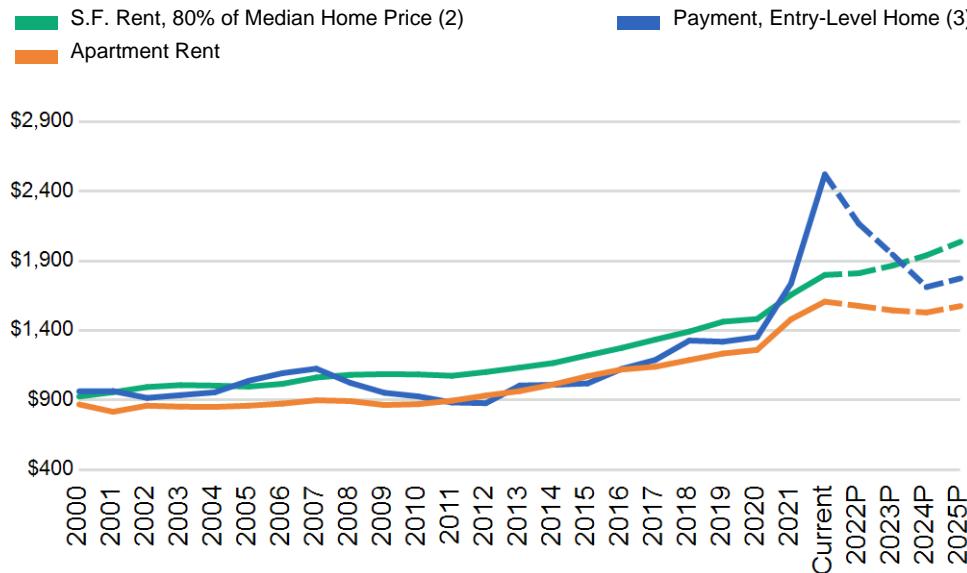
December 2022

Burns Single-Family Rent Index™ (YOY %)

--- Historical Average since 1985 = 3.2%



Owned Housing Cost vs. Rents

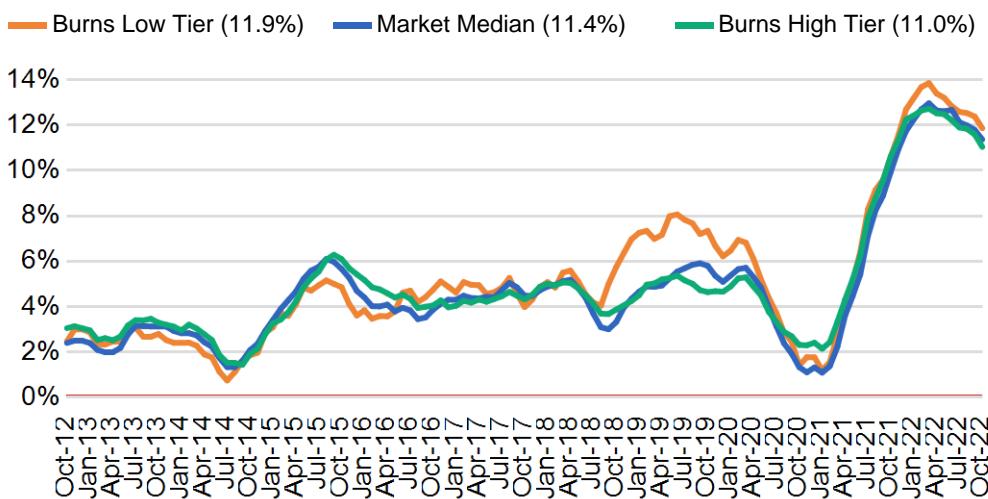


(2,4) See footnotes on page 1.

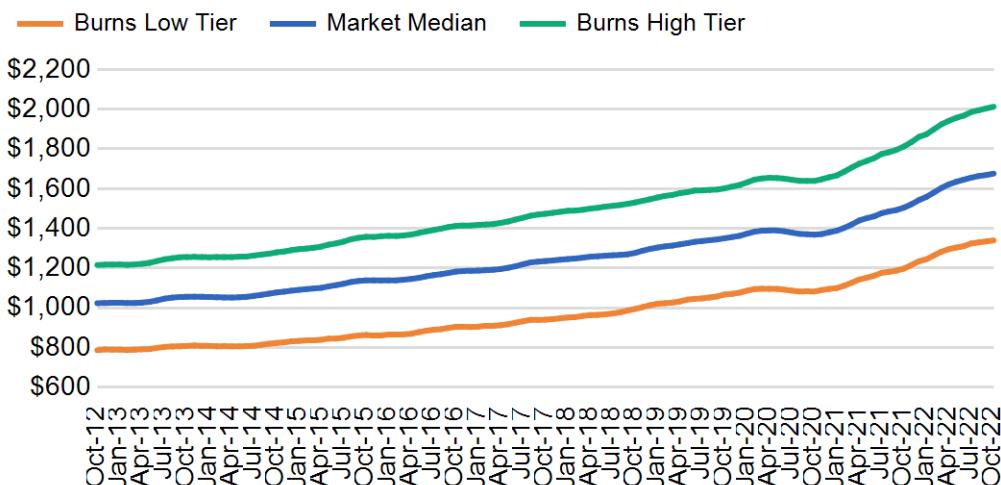
Burns Single-Family Rent Tiered Index

Analyzing rents by price tier gives a more in-depth look at the trends in three different price points. Currently, the median rent of \$1,676, is up 11.4% YOY, whereas the low tier is up 11.9% YOY and the high tier is up 11.0% YOY. See methodology notes below for additional details about the index.

Burns Single-Family Rent Tiered Index (YOY)



Burns Single-Family Rent Tiered Index



| | Year End Values | | | Year End YOY | | |
|---------|-----------------|---------|-----------|--------------|--------|-----------|
| | Low Tier | Median | High Tier | Low Tier | Median | High Tier |
| Dec-17 | \$948 | \$1,243 | \$1,484 | 4.9% | 4.7% | 4.9% |
| Dec-18 | \$1,014 | \$1,297 | \$1,547 | 7.0% | 4.3% | 4.2% |
| Dec-19 | \$1,077 | \$1,363 | \$1,619 | 6.2% | 5.1% | 4.7% |
| Dec-20 | \$1,096 | \$1,381 | \$1,658 | 1.8% | 1.3% | 2.4% |
| Dec-21 | \$1,235 | \$1,543 | \$1,861 | 12.7% | 11.7% | 12.2% |
| Current | \$1,340 | \$1,676 | \$2,013 | 11.9% | 11.4% | 11.0% |
| | Monthly Values | | | Monthly YOY | | |
| | Low Tier | Median | High Tier | Low Tier | Median | High Tier |
| Oct-21 | \$1,198 | \$1,505 | \$1,813 | 10.6% | 9.9% | 10.6% |
| Nov-21 | \$1,216 | \$1,522 | \$1,835 | 11.6% | 10.9% | 11.3% |
| Dec-21 | \$1,235 | \$1,543 | \$1,861 | 12.7% | 11.7% | 12.2% |
| Jan-22 | \$1,245 | \$1,559 | \$1,874 | 13.2% | 12.2% | 12.4% |
| Feb-22 | \$1,264 | \$1,581 | \$1,899 | 13.7% | 12.7% | 12.6% |
| Mar-22 | \$1,283 | \$1,604 | \$1,924 | 13.8% | 13.0% | 12.7% |
| Apr-22 | \$1,296 | \$1,622 | \$1,942 | 13.4% | 12.6% | 12.5% |
| May-22 | \$1,304 | \$1,635 | \$1,957 | 13.2% | 12.6% | 12.5% |
| Jun-22 | \$1,311 | \$1,646 | \$1,968 | 12.8% | 12.7% | 12.2% |
| Jul-22 | \$1,325 | \$1,656 | \$1,986 | 12.6% | 12.1% | 11.9% |
| Aug-22 | \$1,330 | \$1,664 | \$1,995 | 12.5% | 12.0% | 11.8% |
| Sep-22 | \$1,335 | \$1,669 | \$2,004 | 12.4% | 11.8% | 11.6% |
| Oct-22 | \$1,340 | \$1,676 | \$2,013 | 11.9% | 11.4% | 11.0% |

Methodology: Burns Single-Family Rent Tiered Index represents the 3 bedroom single family rental market. It is seasonally adjusted and smoothed to remove extreme volatility. Market Median is equal to our market median Burns Single-Family Rent Index. Burns Low and High Tiers represent the median of the bottom third of the market and the top third respectively, after trimming outliers. Some markets' history is truncated due to unreliable data, so markets may start somewhere between Jan-11 to Jan-15.

Burns Single-Family Rent Under/Overpriced Index

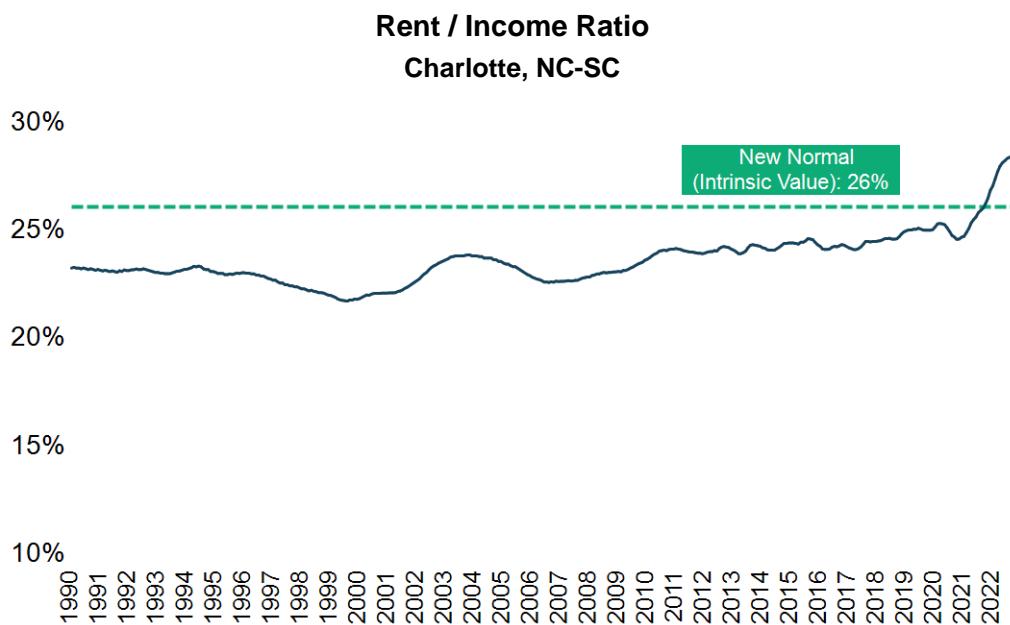
UPDATE (Aug-22): Our newly released Burns Single-Family Rent Under/Overpriced Index was created to better analyze how much single-family rents in a market are underpriced or overpriced compared to long term fundamentals.

By analyzing the spread between the current and the intrinsic rent to income ratio*, we calculate that rents in Charlotte are currently **8.6% overpriced** according to our Burns Single-Family Rent Under/Overpriced Index**.

Current Rent to Income Ratio of 28% for Charlotte is:

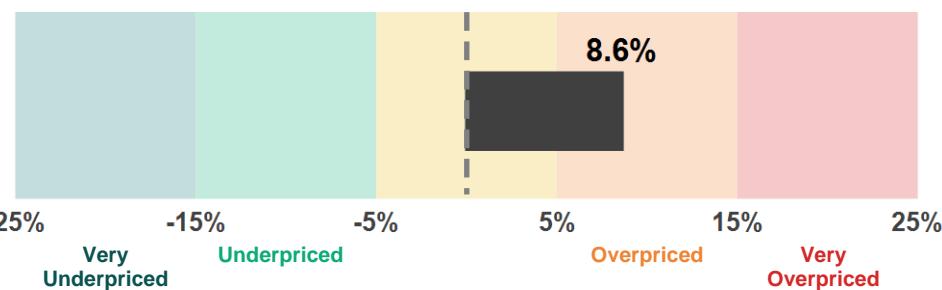


8.6% Overpriced



Burns Single-Family Rent Under/Overpriced Index

% Underpriced / Overpriced



| | Burns Single-Family Rent Under/ Overpriced Index | Rent to Income Ratio | Burns Single-Family Rent Index YOY% | Burns Home Value Index YOY % | Income Growth YOY % |
|---------|--|----------------------|-------------------------------------|------------------------------|---------------------|
| Dec-17 | -6.1% underpriced | 24.5% | 4.7% | 8.5% | 3.7% |
| Dec-18 | -4.3% underpriced | 24.9% | 4.3% | 6.7% | 2.5% |
| Dec-19 | -3.9% underpriced | 25.0% | 5.1% | 6.9% | 4.6% |
| Dec-20 | -5.3% underpriced | 24.7% | 1.3% | 12.1% | 2.8% |
| Dec-21 | 3.1% overpriced | 26.9% | 11.7% | 26.4% | 2.7% |
| Current | 8.6% overpriced | 28.3% | 11.4% | 11.6% | 3.0% |

*We calculate the rent to income ratio (R/I ratio) by dividing the market's annualized Burns Single-Family Rent Index monthly rent by the median household income. To determine the intrinsic R/I ratio, we look at the long-term trend of the markets R/I ratio, with an emphasis on recent history and our forecasts. We then moderate the trended slope on a market-by-market basis, based on fundamental shifts in markets we feel are now permanently more/less expensive due to increased/decreased demand or supply.

**The current R/I ratio of 28.32%, is 8.63% higher than the intrinsic R/I ratio of 26.07%, calculated as $28.32\% / 26.07\% - 1 = 8.63\%$. As a result, this means that single-family rents in Charlotte are currently 8.63% overpriced.

Charlotte, NC-SC

Burns Housing Market Fundamentals

December 2022

| | 2017 | 2018 | 2019 | 2020 | 2021 | Current | 2022P | 2023P | 2024P | 2025P |
|--|--------|--------|--------|--------|--------|---------|---------|---------|--------|--------|
| DEMAND | | | | | | | | | | |
| Employment Growth | 2.6% | 2.4% | 2.5% | (3.2%) | 3.8% | 5.7% | 4.2% | (0.8%) | (0.5%) | 3.4% |
| Household Growth | 2.2% | 2.5% | 2.7% | 2.3% | 2.5% | 1.7% | 2.2% | 2.2% | 1.9% | 1.8% |
| Existing Home Sale Closings Volume (8) | 34,419 | 35,546 | 37,183 | 38,918 | 45,199 | 39,388 | 38,800 | 35,600 | 37,900 | 38,900 |
| YOY Growth % | 8.4% | 3.3% | 4.6% | 4.7% | 16.1% | (12.2%) | (14.2%) | (8.2%) | 6.5% | 2.6% |
| % of Investor Sales (55) | 17.7% | 18.8% | 19.5% | 16.6% | 26.7% | 23.0% | n/a | n/a | n/a | n/a |
| SUPPLY | | | | | | | | | | |
| Single-Family Permits (12 mos.) | 15,247 | 16,407 | 16,206 | 19,635 | 20,766 | 21,073 | 19,800 | 14,600 | 14,600 | 16,100 |
| YOY Growth % | 8.6% | 7.6% | (1.2%) | 21.2% | 5.8% | 0.7% | (4.7%) | (26.3%) | 0.0% | 10.3% |
| Multifamily Permits (12 mos.) | 7,622 | 9,802 | 8,384 | 6,858 | 9,296 | 7,472 | 8,200 | 7,100 | 4,700 | 5,000 |
| Resale Listings (Dec.) | 7,032 | 7,836 | 6,797 | 4,284 | 2,067 | 5,272 | n/a | n/a | n/a | n/a |
| Est. Months of Resale Supply (Dec.) | 2.5 | 2.6 | 2.2 | 1.3 | 0.5 | 1.6 | n/a | n/a | n/a | n/a |
| VACANCY RATE | | | | | | | | | | |
| Home Occupancy Rate (Dec.) (9) | 93.3% | 93.5% | 93.4% | 93.6% | 93.7% | 93.5% | n/a | n/a | n/a | n/a |
| Apartment Occupancy Rate (7) | 94.4% | 94.6% | 95.1% | 95.4% | 97.1% | 94.3% | n/a | n/a | n/a | n/a |

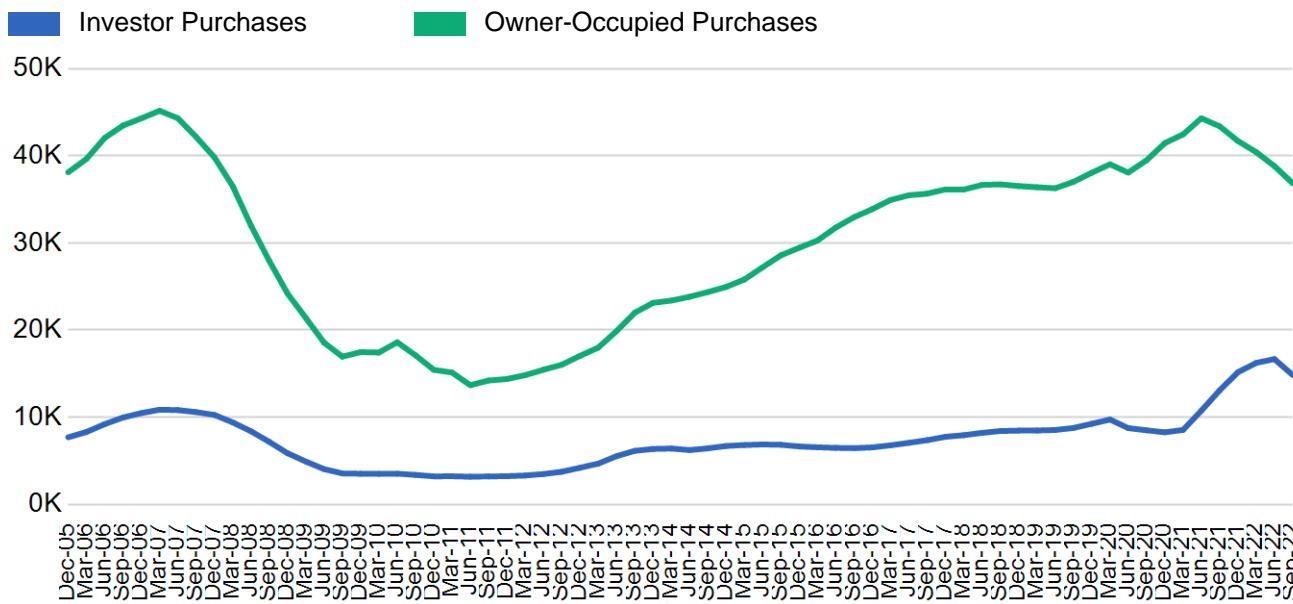
(55) Data coverage for investor activity for this metro represents a smaller area than what is used for home sale closings. This smaller data set is displayed here to demonstrate a trend. Purchase trends are estimates.

(8) Charlotte includes 5 of the 10 counties in the MSA for home sale closings and prices. (Source: M.O.R.E.)

(7) Apartment Rent and Occupancy Source: Burns Apartment Rent Index (BARI), John Burns Real Estate Consulting based on aggregated data from RealPage, Inc., JBREC forecasts

(9) Historical home occupancy data provided by: 

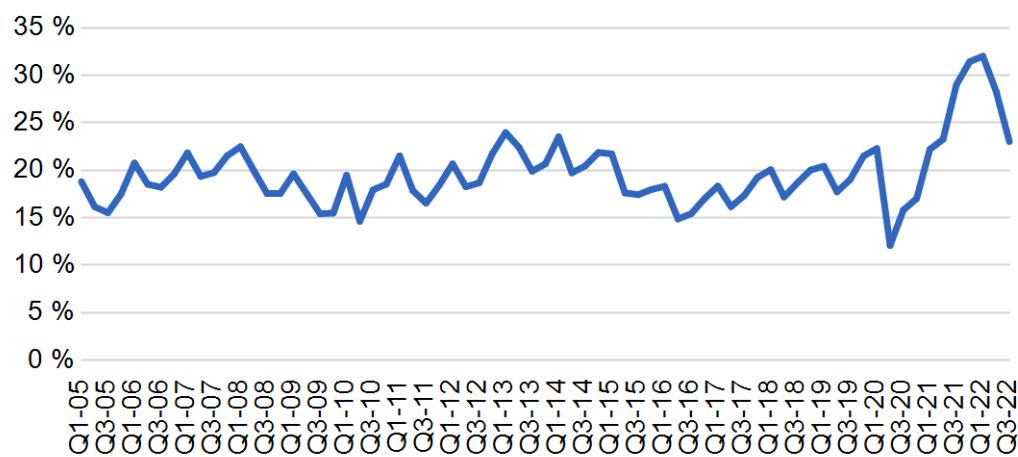
INVESTOR vs OWNER-OCCUPIED PURCHASES (TTM)



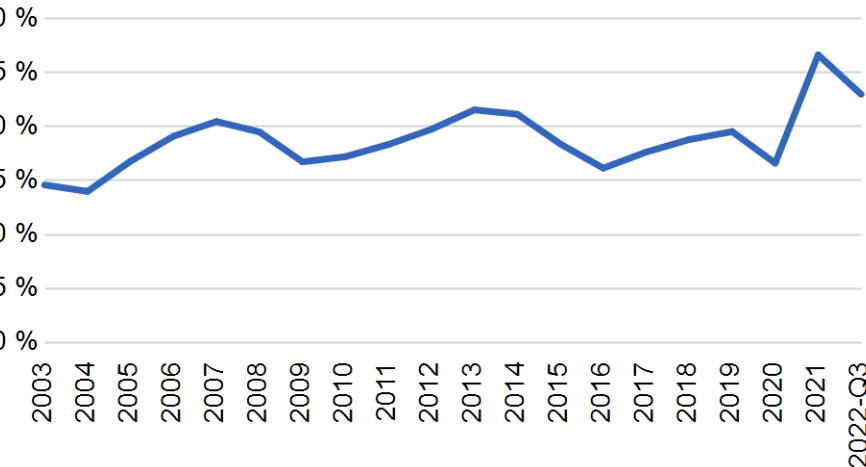
% OF INVESTOR PURCHASES

| Date | Quarterly Data | | Annual Data | |
|-------|----------------|--|-------------|------|
| | Value | Date | Value | Date |
| Q3-19 | 19.0% | 2014 | 21.2% | |
| Q4-19 | 21.5% | 2015 | 18.4% | |
| Q1-20 | 22.3% | 2016 | 16.2% | |
| Q2-20 | 12.1% | 2017 | 17.7% | |
| Q3-20 | 15.8% | 2018 | 18.8% | |
| Q4-20 | 17.0% | 2019 | 19.5% | |
| Q1-21 | 22.2% | 2020 | 16.6% | |
| Q2-21 | 23.3% | 2021 | 26.7% | |
| Q3-21 | 29.0% | 2022-Q3 | 23.0% | |
| Q4-21 | 31.4% | (55) Data coverage for investor activity for this metro represents a smaller area than what is used for home sale closings. This smaller data set is displayed here to demonstrate a trend. Purchase trends are estimates. | | |
| Q1-22 | 32.0% | | | |
| Q2-22 | 28.3% | | | |
| Q3-22 | 23.0% | | | |

QUARTERLY % OF INVESTOR PURCHASES TO TOTAL PURCHASES



ANNUAL % OF INVESTOR PURCHASES TO TOTAL PURCHASES



*A calculation of home sale closings with different zip codes for the property and the owner's mailing address for tax statements. Includes only sales where both the site and mail zip code are known. Actual activity is probably higher because some owners do not change the property tax address, especially if property taxes are impounded by the lender. Includes new and existing homes.

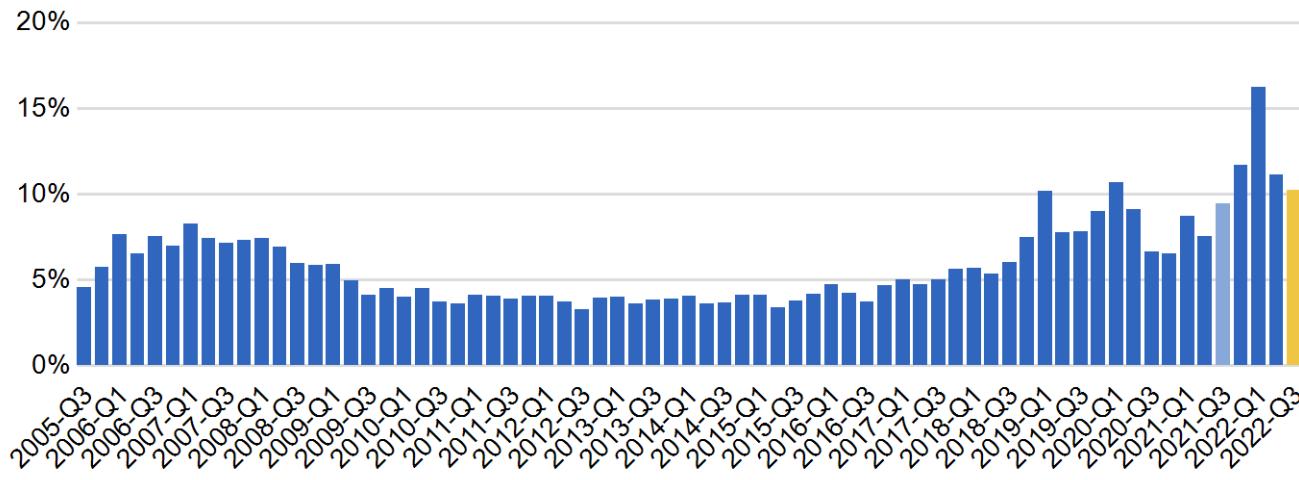
Source: CoreLogic; Provided by DQNews

Charlotte, NC-SC

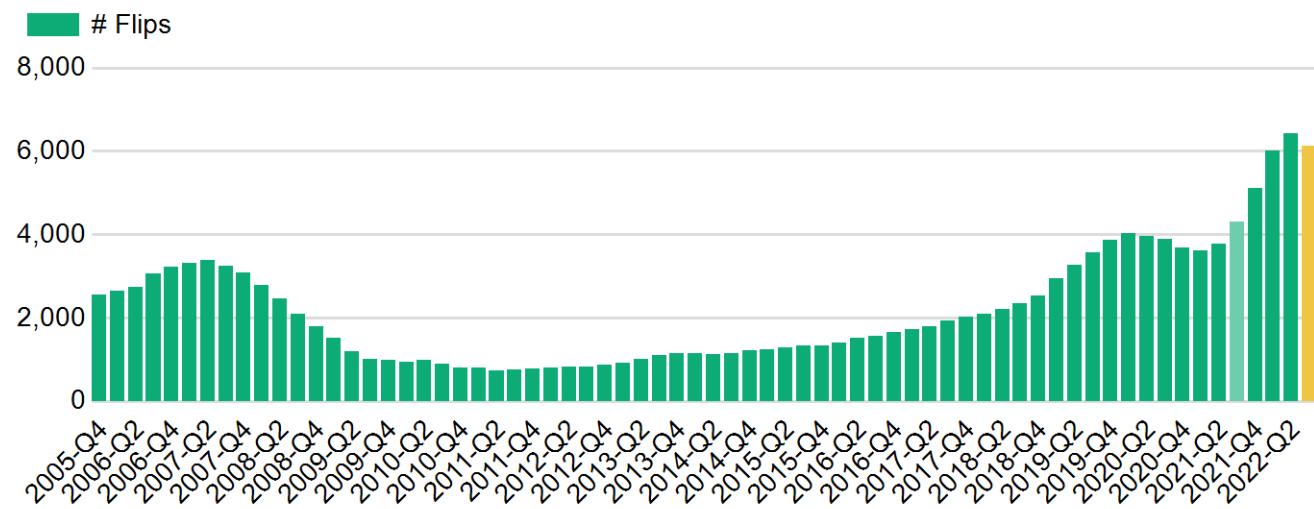
Burns Housing Market Fundamentals

December 2022

% of Home Flips to Total Sale Closings (Quarterly)



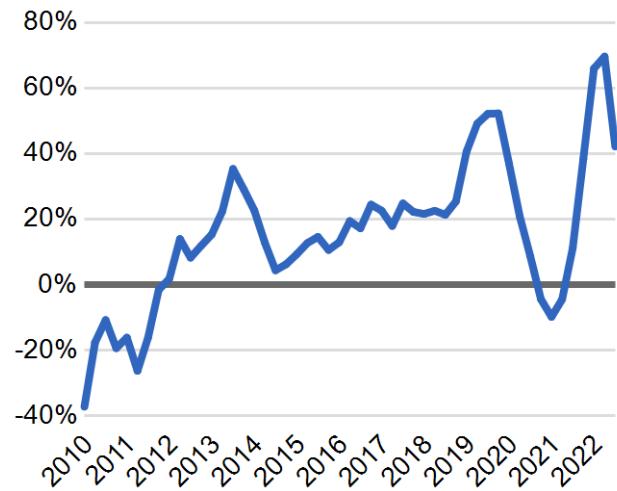
Flipped Home Transactions (Twelve Month Trailing Totals)



Flipped Transactions (12-Month Trailing)

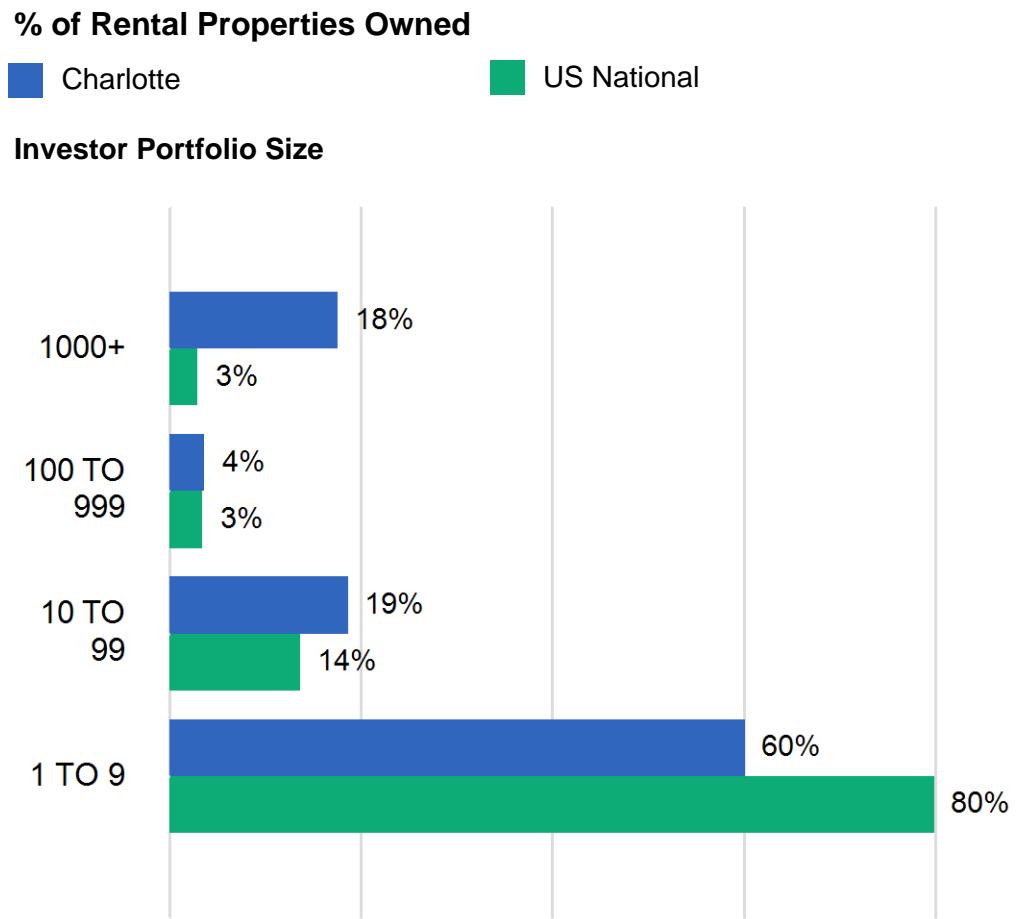
| Date | Flips | % of Sale Closings | YOY % |
|---------|-------|--------------------|-------|
| 2020-Q2 | 3,962 | 9.0% | 20.9% |
| 2020-Q3 | 3,878 | 8.6% | 8.6% |
| 2020-Q4 | 3,691 | 8.0% | -4.5% |
| 2021-Q1 | 3,621 | 7.6% | -9.9% |
| 2021-Q2 | 3,782 | 7.3% | -4.5% |
| 2021-Q3 | 4,309 | 8.1% | 11.1% |
| 2021-Q4 | 5,110 | 9.3% | 38.4% |
| 2022-Q1 | 6,009 | 10.9% | 65.9% |
| 2022-Q2 | 6,415 | 11.9% | 69.6% |
| 2022-Q3 | 6,124 | 12.2% | 42.1% |

YOY Growth (Twelve Month Trailing)



*Includes existing detached single family home sale closings where the second sale was recorded within 12 months of the first sale ("Flipped"). Source: CoreLogic; Provided by DQNews.
Note: The non-disclosure (such as Texas) state counts seem high and may include non-arm's length transactions parading as flipped homes.

Single-Family Rental Market by Distribution Portfolio Size of Investor Owned Homes



| Portfolio Size | Market Properties | US Properties | Market % of Total | US % of Total |
|--|-------------------|-------------------|-------------------|---------------|
| 1 TO 9 | 98,787 | 13,647,563 | 60% | 80% |
| 10 TO 99 | 30,631 | 2,340,354 | 19% | 14% |
| 100 TO 999 | 5,861 | 583,628 | 4% | 3% |
| 1000+ | 28,919 | 505,293 | 18% | 3% |
| Total SF Rental Properties | 164,198 | 17,076,838 | | |
| Market % of US | | 1% | | |
| Top 5 Owners/Managers by # of Properties in this Market | | | | |
| ◆ Progress Residential | 5,218 | | | |
| ◆ Invitation Homes | 4,573 | | | |
| ◆ American Homes 4 Rent | 4,211 | | | |
| ◆ Tricon Residential | 3,702 | | | |
| ◆ Cerberus/FirstKey | 3,152 | | | |

Data: Oct 2022

We aggregate data from public records to create the above graphics. The data comes from a new provider and does not match up with the source we have used for the prior two years. Therefore, a comparison should not be made between the two data sets. This is a preliminary view of this information, and we will continue to fine tune the data and rankings in the coming months. We will not have a historical view for this new data set, but we do plan on updating this page monthly instead of annually. If you have concerns about any of the data, please send an email to info@jbrec.com. The feedback and insight our clients provide help us become smarter and more accurate.

Our analysis includes single-family detached residential only, per our non-owner-occupied methodology. Values may include second homes that are not rented and non-owner-occupied homes that are not used as rentals. We estimate the total US properties based on market areas where the data is available. National counts are aggregates of any property that people/firms own, regardless of whether they are within an MSA. We programmatically identify non-owner-occupied homes (rental) and owner groupings by reviewing the owner name, zip code, and/or mailing address.

Source: John Burns Real Estate Consulting based on public records. Subject to limitations and disclaimers.

Housing Stock Composition: 2021 American Community Survey (ACS) by the U.S. Census Bureau

Charlotte, NC-SC is the #19 ranked market for total housing stock, and ranked #19 for total renter-occupied single-family homes.

| | Total Housing Stock (HS) | Owner-occupied | Renter-occupied | Vacant |
|------------------------|--------------------------|----------------|-----------------|--------|
| # Units | 1,139,108 | 698,980 | 349,472 | 90,656 |
| % of Total HS | | 61% | 31% | 8% |
| US Rank | 19 | 21 | 28 | 24 |
| Owner/Renter-ship Rate | | 67% | 33% | |

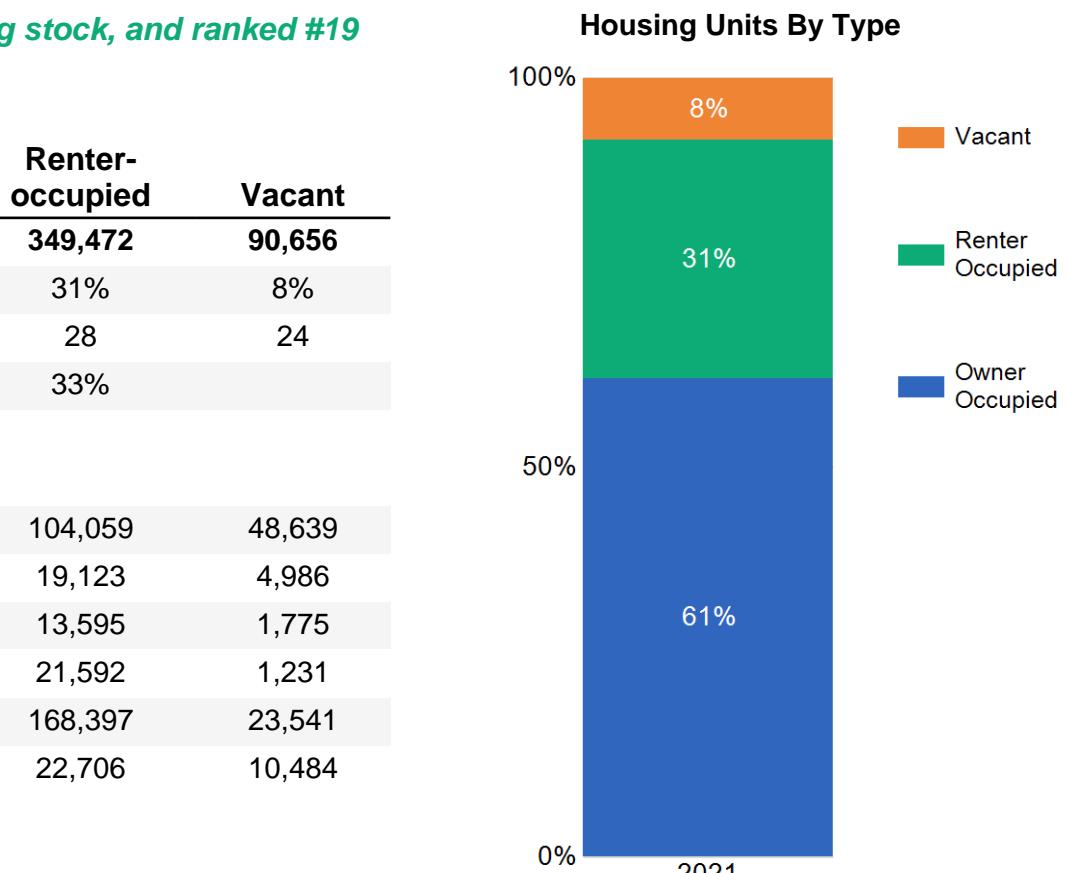
Details

| | | | | |
|------------------|---------|---------|---------|--------|
| 1-unit, detached | 753,256 | 600,558 | 104,059 | 48,639 |
| 1-unit, attached | 67,307 | 43,198 | 19,123 | 4,986 |
| 2-units | 15,882 | 512 | 13,595 | 1,775 |
| 3 or 4 units | 24,541 | 1,718 | 21,592 | 1,231 |
| 5 or more units | 203,776 | 11,838 | 168,397 | 23,541 |
| Other* | 74,346 | 41,156 | 22,706 | 10,484 |

Owner-Occupied Homes

Mortgage Status

| | |
|-----------|-----|
| % with | 69% |
| % without | 31% |



Mortgage Status: Estimate, owner occupied housing units with a mortgage, contract to purchase, or similar debt.

2 or more units: These are units in structures containing 2 or more housing units, further categorized as units in structures with "2 apartments," etc.

*Other Units: Mobile home, boat, RV, van, etc.

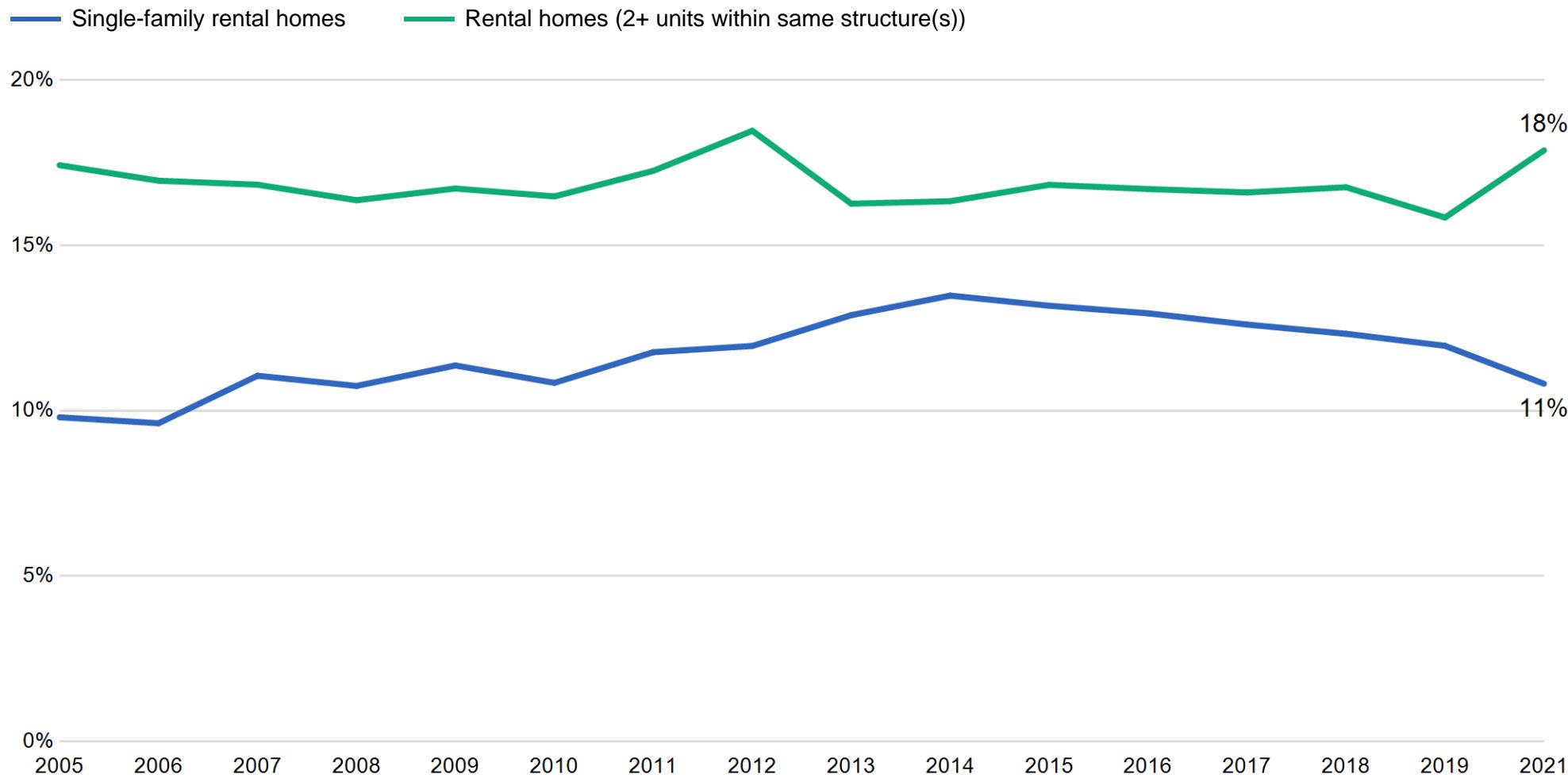
US Rank based on a total of 504 JBREC markets created from the ACS dataset.

See ACS methodology:

<https://www.census.gov/programs-surveys/acs/technical-documentation/code-lists.html> and
https://www2.census.gov/programs-surveys/acs/tech_docs/subject_definitions/2021_ACSSubjectDefinitions.pdf

Housing Stock Composition - Rental: Per the ACS Survey, since 2005, 59,100 single-family homes have become rental properties. The current total of 123,200 accounts for 11% of total housing stock.

Rental Units as a % of All Housing Units



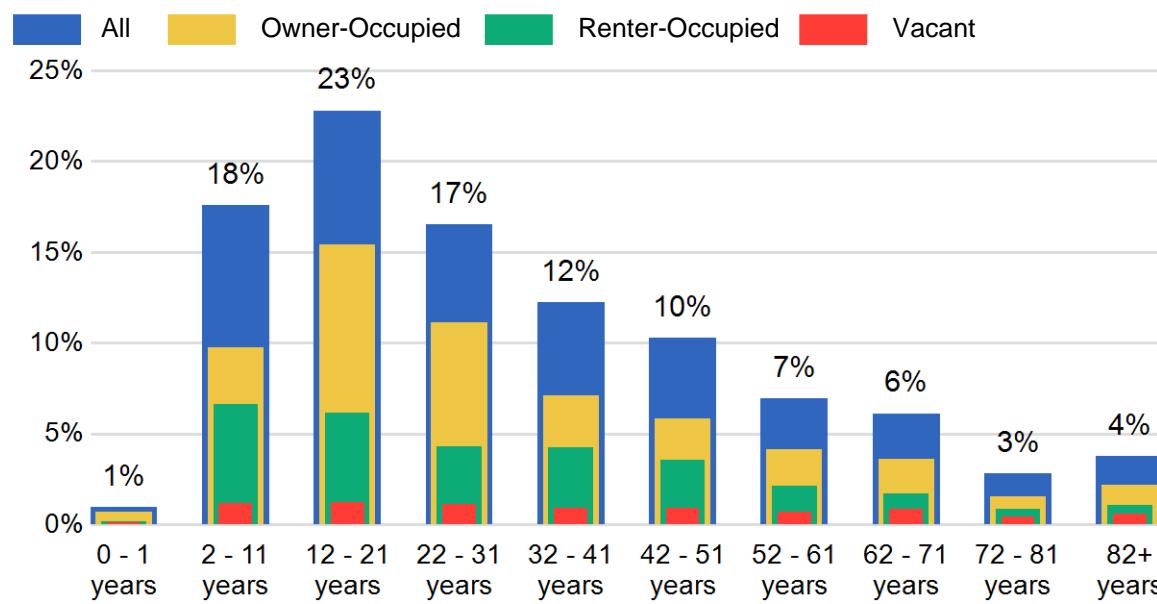
Sources: U.S. Census Bureau ACS; John Burns Real Estate Consulting, LLC

HOUSING STOCK PROFILE BY YEAR STRUCTURE BUILT

| Age of Structure | % of Total | Total Structures | Owner-Occupied | Renter-Occupied | Vacant | Owner 1-unit (Attached or Detached) | Renter 1-unit (Attached or Detached) | Year Structure Built |
|------------------|------------|------------------|----------------|-----------------|---------------|-------------------------------------|--------------------------------------|----------------------|
| 0 - 1 years | 1% | 10,597 | 7,622 | 1,574 | 1,401 | 7,354 | 0 | 2020 or later |
| 2 - 11 years | 18% | 200,120 | 111,350 | 75,589 | 13,181 | | | 2010 to 2019 |
| 12 - 21 years | 23% | 259,733 | 175,822 | 69,880 | 14,031 | 271,752 | 37,098 | 2000 to 2009 |
| 22 - 31 years | 17% | 188,319 | 126,786 | 48,936 | 12,597 | | | 1990 to 1999 |
| 32 - 41 years | 12% | 139,542 | 80,988 | 48,502 | 10,052 | 175,968 | 29,750 | 1980 to 1989 |
| 42 - 51 years | 10% | 117,172 | 66,653 | 40,248 | 10,271 | | | 1970 to 1979 |
| 52 - 61 years | 7% | 79,003 | 47,055 | 23,960 | 7,988 | 107,163 | 26,974 | 1960 to 1969 |
| 62 - 71 years | 6% | 69,604 | 40,833 | 19,164 | 9,607 | | | 1950 to 1959 |
| 72 - 81 years | 3% | 32,128 | 17,312 | 9,697 | 5,119 | 57,418 | 21,417 | 1940 to 1949 |
| 82+ years | 4% | 42,890 | 24,559 | 11,922 | 6,409 | 24,101 | 7,943 | 1939 or earlier |
| Totals | | 1,139,108 | 698,980 | 349,472 | 90,656 | 643,756 | 123,182 | |

See ACS methodology:
<https://www.census.gov/programs-surveys/acs/technical-documentation/code-lists.html>
and
https://www2.census.gov/programs-surveys/acs/tech_docs/subject_definitions/2021_ACSSubjectDefinitions.pdf

PERCENTAGE OF HOUSING UNITS BY AGE



| Years | % of Total | Owner-Occupied % | Renter - Occupied % | Vacant % |
|---------------|------------|------------------|---------------------|----------|
| 0 - 1 years | 1% | 1% | 0% | 0% |
| 2 - 11 years | 18% | 10% | 7% | 1% |
| 12 - 21 years | 23% | 15% | 6% | 1% |
| 22 - 31 years | 17% | 11% | 4% | 1% |
| 32 - 41 years | 12% | 7% | 4% | 1% |
| 42 - 51 years | 10% | 6% | 4% | 1% |
| 52 - 61 years | 7% | 4% | 2% | 1% |
| 62 - 71 years | 6% | 4% | 2% | 1% |
| 72 - 81 years | 3% | 2% | 1% | 0% |
| 82+ years | 4% | 2% | 1% | 1% |

Source: U.S. Census Bureau ACS (2021)

Contact the John Burns team

Report Analysis

Rick Palacios, Jr.
rpalciros@jbrec.com
(949) 246-2695

Danielle Nguyen
dnguyen@jbrec.com
(949) 870-1247

Data Questions and Downloads

Steve Dutra
sdutra@jbrec.com
(949) 870-1227

Geographic Color / Builder and Land Surveys

Jody Kahn
jkahn@jbrec.com
(603) 235-5760

Chief Demographer

Chris Porter
cporter@jbrec.com
(949) 870-1218

Business Development

Kristen Angle
kangle@jbrec.com
(949) 870-1252

Market Outlook and Forecasts

A collaborative effort by all of JBREC
John Burns
jburns@jbrec.com
(949) 870-1210

Single-Family Rental and Build to Rent

Don Walker
donwalker@jbrec.com
(858) 281-7212

Property and Portfolio Consulting

Lesley Deutch
ldeutch@jbrec.com
(561) 998-5814

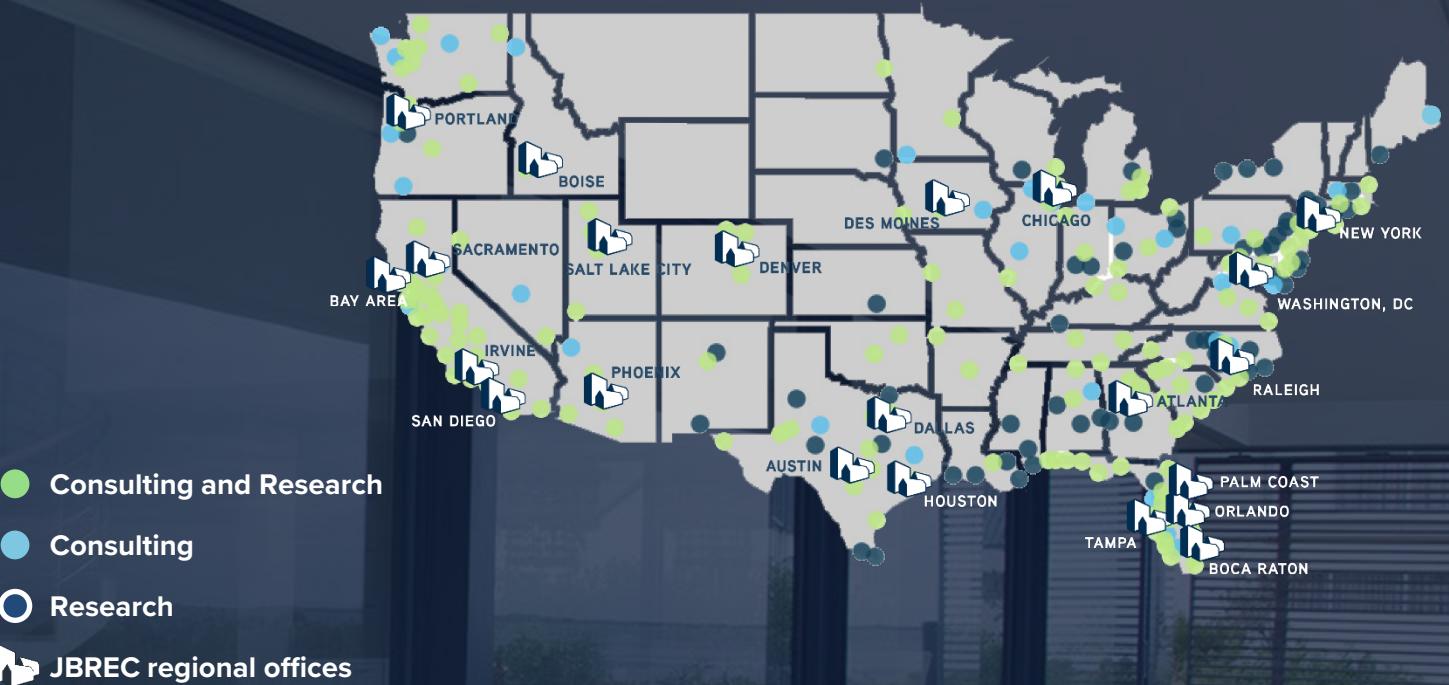
David Jarvis
djarvis@jbrec.com
(713) 906-3829

Jeff Kottmeier
jkottmeier@jbrec.com
(202) 815-3080

Bryan Lawrence
blawrence@jbrec.com
(214) 808-4831

Ken Perlman
kperlman@jbrec.com
(858) 281-7214

Dean Wehrli
dwehrli@jbrec.com
(916) 647-3263



Offices

Atlanta ■ Austin ■ Bay Area ■ Boca Raton ■ Boise ■ Chicago ■ Dallas ■ Denver
Des Moines ■ Houston ■ Irvine ■ New York ■ Orlando ■ Palm Coast ■ Phoenix ■ Portland
Raleigh ■ Sacramento ■ Salt Lake City ■ San Diego ■ Tampa ■ Washington, DC

Limiting conditions

The information contained in this report involved the assembly of many data elements and is subject to human error. Readers of this report take full responsibility for their own actions, including investment decisions, without any liability to John Burns Real Estate Consulting, LLC. There will usually be differences between projected and actual results, and the differences may be material. We have no liability with respect to the achievement of any projections or forecasts.