

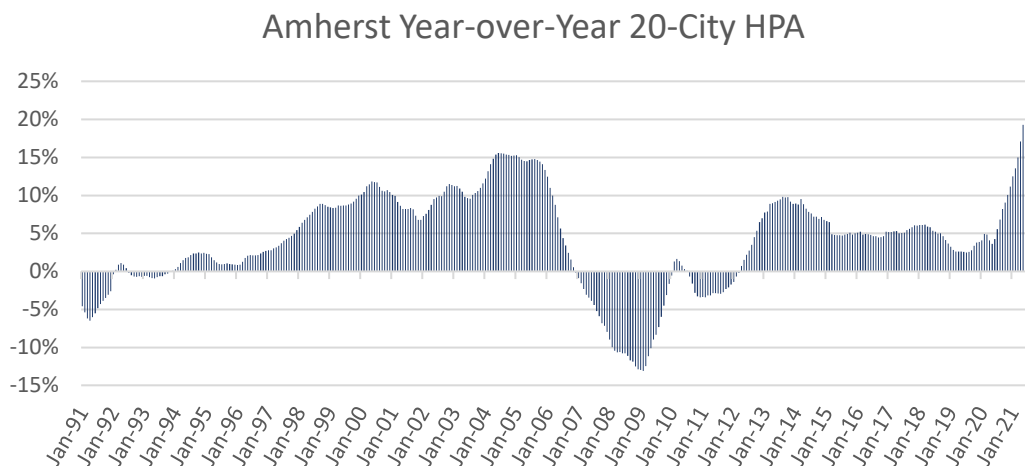


Housing Appreciation Seasonally Decelerates, While Rent Growth Continues to Climb

The school year kicks off with robust housing price appreciation and more record-setting rent growth. Amherst's Home Price Appreciation (HPA) Index shows prices continue to grow year-over-year (YoY) at a near-record, albeit slowing pace. This trend is consistent with the autumn growth patterns of prior years. In the for-lease market, the Amherst Rent Growth Index shows rent growth is steadfast in its upward summer trajectory as it reached yet another YoY record in September.

Like the Changing Leaves, Home Price Appreciation Follows Seasonal Trends

FIGURE 1: 20-CITY AMHERST HOME PRICE INDEX



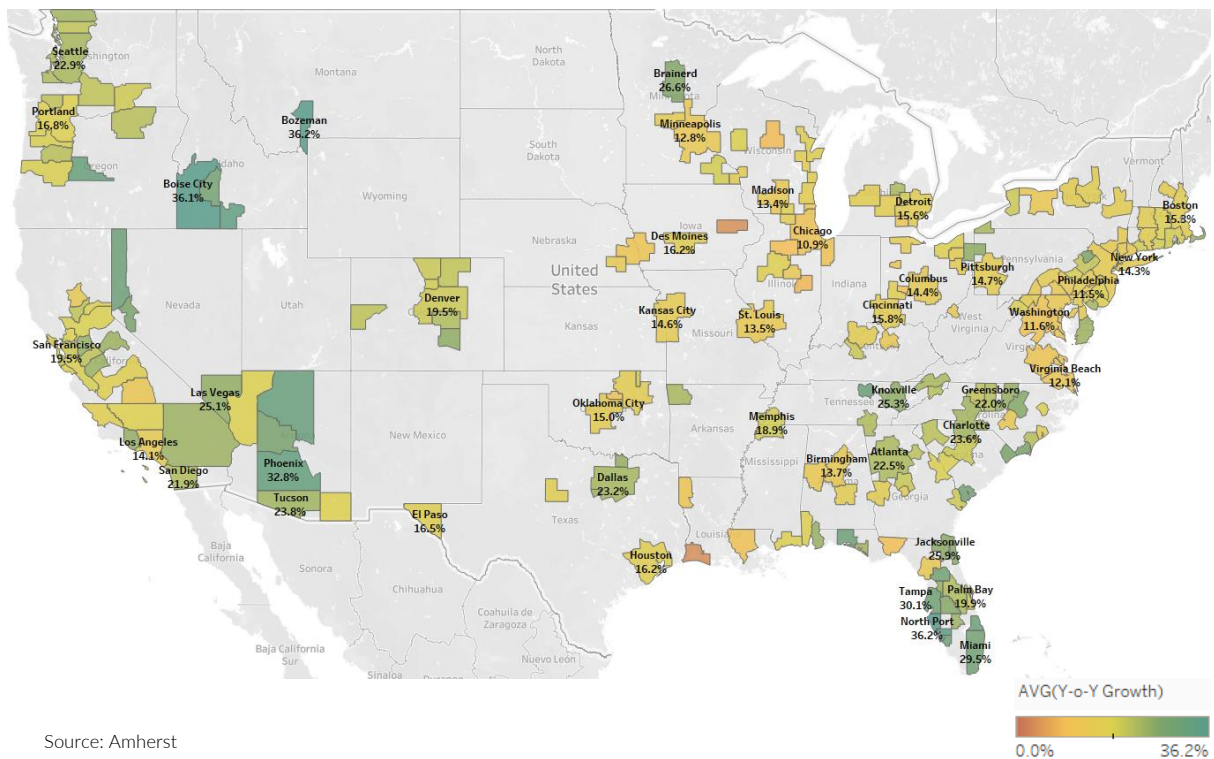
Source: Amherst

The 20-city YoY Amherst HPA Index was 17.6 percent in September 2021, down from its all-time peak of 19.6 percent in June 2021. This slight dip in pace is in line with seasonal expectations as price growth tends to slow down once the busy summer season comes to a close and the school year begins. Beyond the anticipated seasonal trends, the Atlanta Federal Reserve Bank reports that Fannie Mae's Home Purchase Sentiment index declined by 4 percent in July amid affordability concerns. Although the sentiment index is dated to the peak of the market, waning appetite for ownership may be a contributing factor behind slowing price growth.¹

¹ At the time of writing this October 2021 housing market report, the S&P Case Shiller Index has been released up through August 2021

Looking at housing price appreciation across the U.S., HPA remains highest in markets that have consistently seen increased demand throughout the COVID-19 pandemic – the Sun Belt, the South, and Mountain West. Boise's 36.1 percent YoY growth loses its position as the metropolitan area with the highest price growth to the two smaller cities of North Port, FL, and Bozeman, MT, which tie for first with YoY growth of 36.2 percent. The regions with the smallest housing price appreciation include the Midwest and the Northeast though, at 10-16 percent YoY growth, their growth is still historically high.

FIGURE 2: YEAR-OVER-YEAR SEPTEMBER 2021 AMHERST HOUSING PRICE GROWTH BY METROPOLITAN AREA



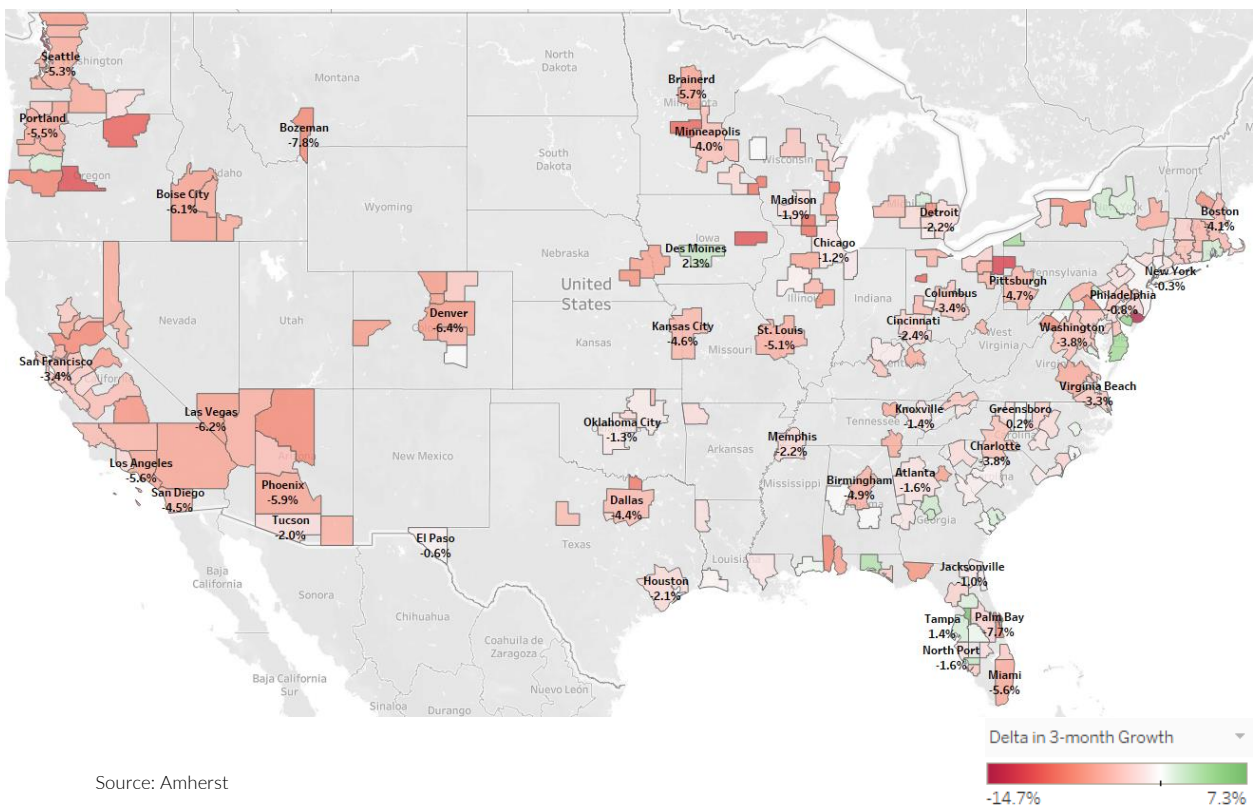
Source: Amherst



The Ubiquity of HPA Growth Deceleration

Comparing three-month growth changes between September and June, deceleration in HPA growth is now the norm in all but a handful of smaller metropolitan areas, such as Des Moines. The three-month slows are noticeably larger and more prevalent on the West Coast than the East and the Mid-West. Exceptions to the decelerating trends are Tampa and adjacent cities as they undergo accelerating HPA growth.

FIGURE 3: DIFFERENCE BETWEEN THE APRIL-JUNE AND JULY-TO-SEPTEMBER 2021 HPA



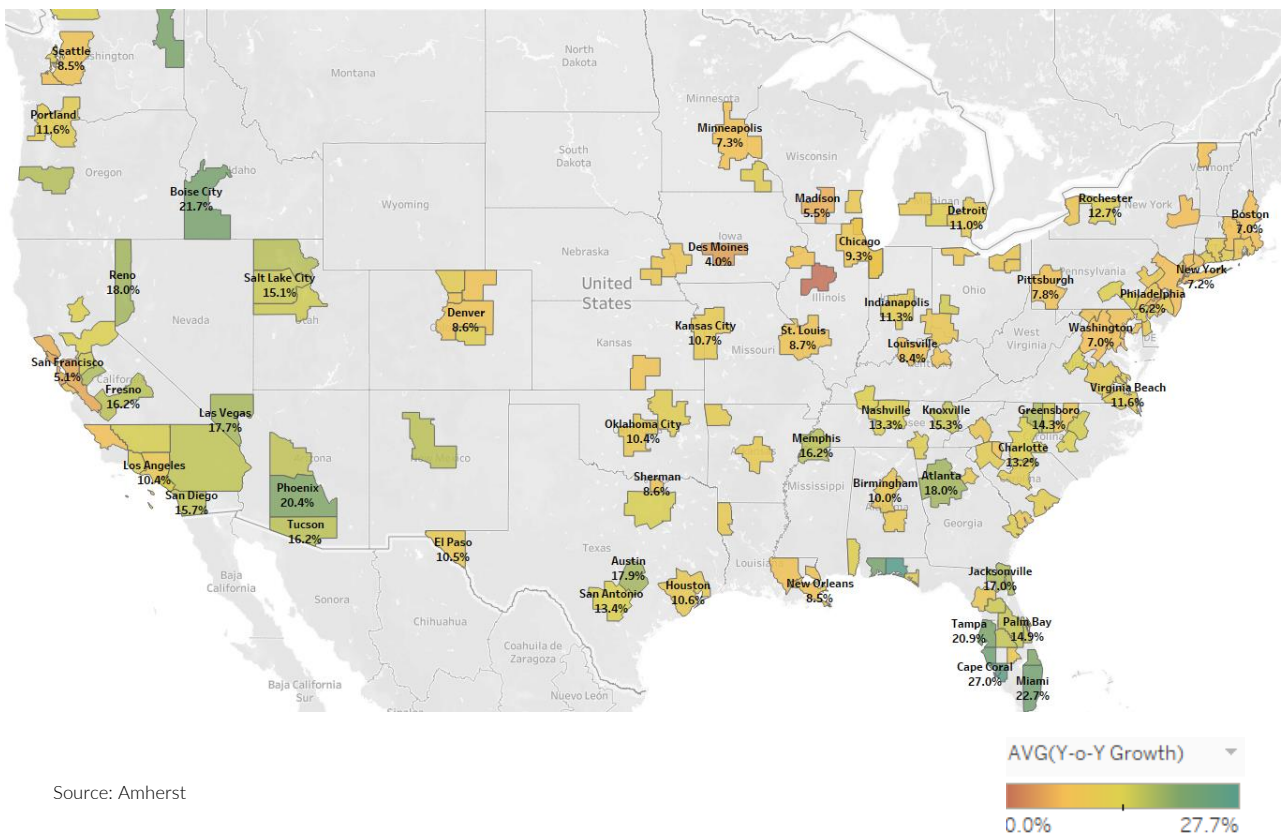
Source: Amherst



Rent Growth Continues to Heat Up Across the U.S.

Unlike housing price appreciation, the Amherst Rent Growth Index continues its upward climb, surpassing its August record of 9.6 percent with a YoY growth of 10.5 percent. Similar to housing prices, rent growth is highest in the Mountain West and the Sun Belt with peaks of 27 percent in Cape Coral, 22.7 percent in Miami, and 21.7 percent in Boise. The traditionally expensive coastal cities of San Francisco and New York are experiencing more moderate growths of 5-7 percent while Los Angeles and San Diego reach 10.4 percent and 16.2 percent, respectively.

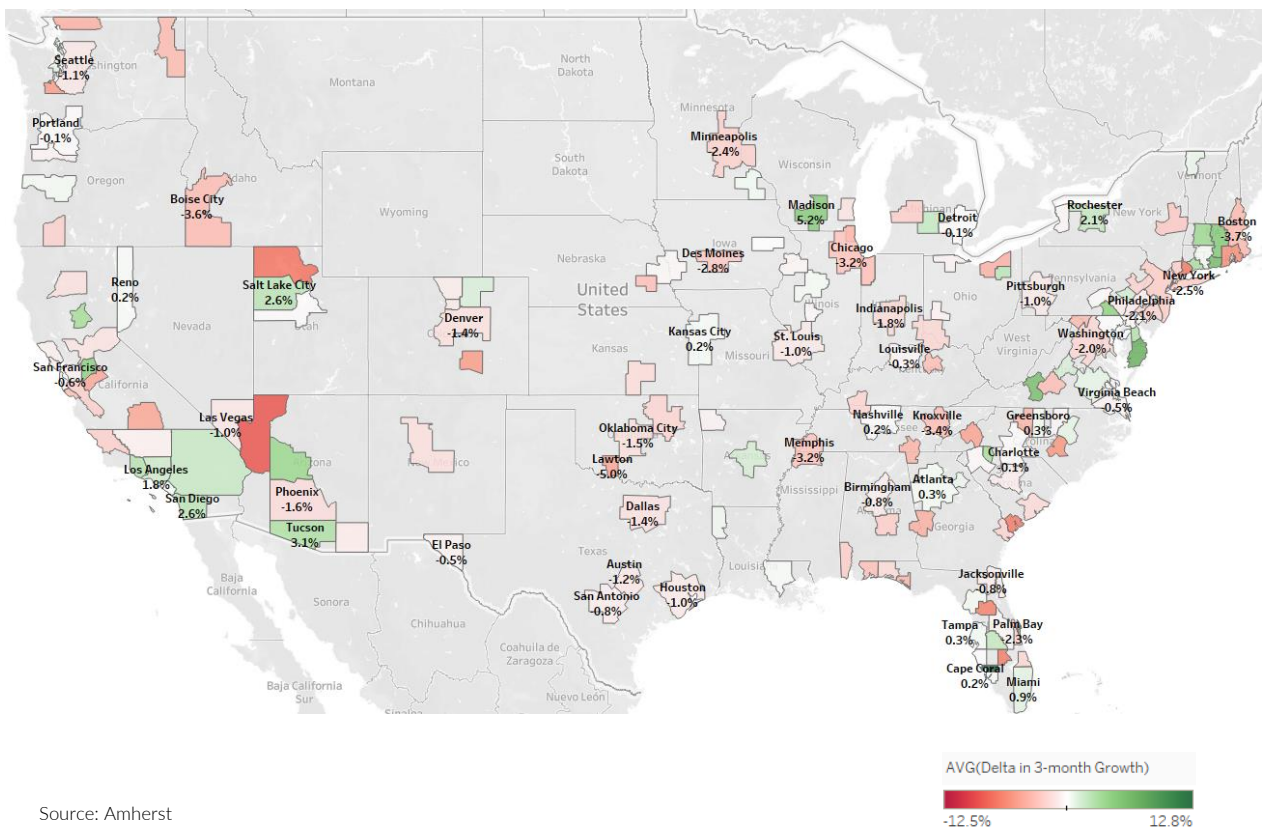
FIGURE 4: YEAR-OVER-YEAR SEPTEMBER 2021 AMHERST RENT GROWTH BY METROPOLITAN AREA





Rent growth acceleration measures suggest that growth in most tracked markets continued the strong trajectory. The metric, as measured by the difference between the April-to-June and July-to-September 2021 Amherst Rent Growth Index, shows that rent growth in most metropolitan areas is either holding steady or is beginning to marginally decelerate, driven predominantly by the weaker seasonality in Q3. Areas with highest rent growth acceleration include Los Angeles, San Diego, Tucson, and Southwest Florida. Cooling ownership markets can imply strengthening demand for rental properties while the geographic distribution of future rent growth will likely depend on which locations are most preferred by remote workers and which locations have the strongest return-to-office mandates.

FIGURE 5: DIFFERENCE BETWEEN THE APRIL-TO-JUNE & JULY-TO-SEPTEMBER 2021 AMHERST RENT GROWTH INDEX



Source: Amherst



Data Details

The Amherst Home Price Appreciation (HPA) Index tracks home price changes in the 20 Metropolitan Statistical Areas (MSAs) that are used to construct the S&P Case Shiller 20-city index as well as over 200 Core-Based Statistical Areas (CBSA) in the United States. The index is published on a monthly basis and is based on the Case Shiller repeat-sales methodology. Unlike the HPI published by S&P Case Shiller Weiss, Corelogic, and the Federal Housing Finance Agency (FHFA), Amherst HPA Index is a distressed-free index which does not include price changes due to foreclosures, short-sales, bank repossession, and REO resale. The use of Multiple Listing Services (MLS) data that are supplemented by Corelogic off-market data allows the Amherst HPA Index to have a timelier look at monthly shifts in the housing market than other leading market indices.²

The Amherst Rent Growth Index tracks rent price changes of Single-Family Detached (SFD) homes in the 20 MSAs that are used to construct the S&P Case Shiller Index as well as over 150 CBSAs in the United States. The index is published every month and uses a repeat-rent methodology similar to the one employed for the Amherst HPI. The index incorporates both MLS and Altos rental data to produce a timely rent index.

² At the time of writing this October 2021 housing market report, the S&P Case Shiller Index has been released up through August 2021



IMPORTANT DISCLOSURES

The comments provided herein are a general market overview and do not constitute investment advice, are not predictive of any future market performance, are not provided as a sales or advertising communication, and do not represent an offer to sell or a solicitation of an offer to buy any security.

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The Amherst Group of companies comprise of leading real estate investment and advisory firms with a mission to transform the way real estate is owned, financed and managed. Amherst leverages its proprietary data, analytics, technology, and decades of experience to seek solutions for a fragmented, slow-to-evolve real estate ecosystem and to materially improve the experience for residents, buyers, sellers, communities, and investors. Today Amherst has over 900 employees and more than \$10.9 billion in assets under management*.

Over the past decade, Amherst has scaled its platform to become one of the largest operators of single-family assets and has acquired, renovated, and leased more than 40,000 homes across 28 markets in the U.S. The firm delivers customized, stabilized cash-flowing portfolios of assets to its investors, wrapped in all the ongoing services required to manage, own, and finance the asset including property management, portfolio management, and a full capital markets team. In addition to its single-family rental platform, Amherst's debt business pursues two distinct credit strategies in mortgage-backed securities and commercial real estate lending. Over its 25-year history, Amherst has developed a deep bench of research and technology talent, and leverages data and analytics at every stage in the asset lifecycle to improve operations and preserve long-term value for our investors and the more than 165,000 residents the firm has served.

*As of June 30, 2021,

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