

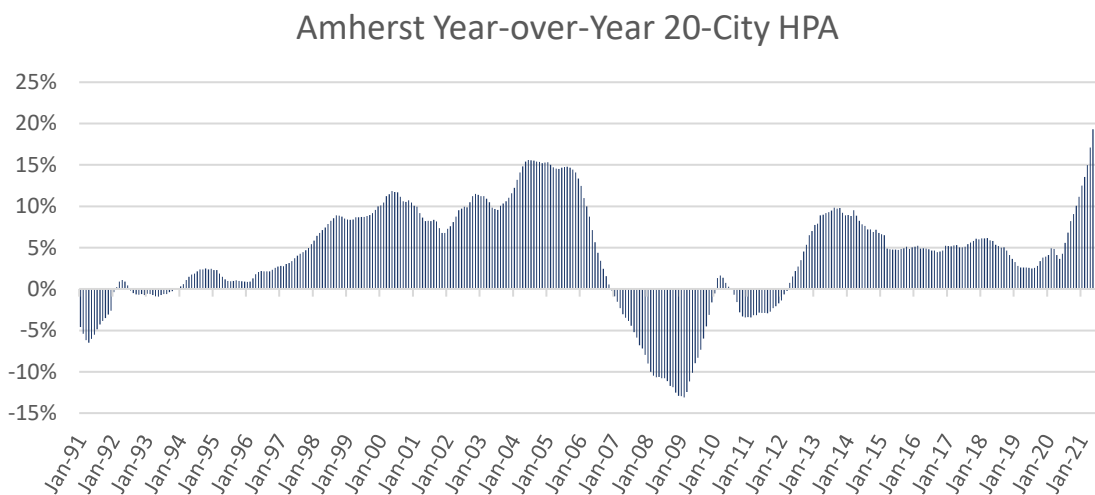


The Trends Persist. November Home Appreciation Contracts, While Rent Growth Persists

Persistently high demand amid tight supply led home prices to grow in November by 17.3% year-over-year (YoY), according to the Amherst Home Price Appreciation (HPA) index. Although the HPA has been declining since its all-time peak of 20.3% in June 2021, the rate of decline has been evening out over the past two months, with November only 60 bps lower than October. Single-family rent growth continued to inch upward in November. Strong consumer demand for a relatively stagnant supply of single-family rentals led November rents to grow YoY by 10.0%, according to the Amherst Rent Growth index.

Amherst Home Price Appreciation Index

FIGURE 1: 20-CITY AMHERST HOME PRICE APPRECIATION INDEX

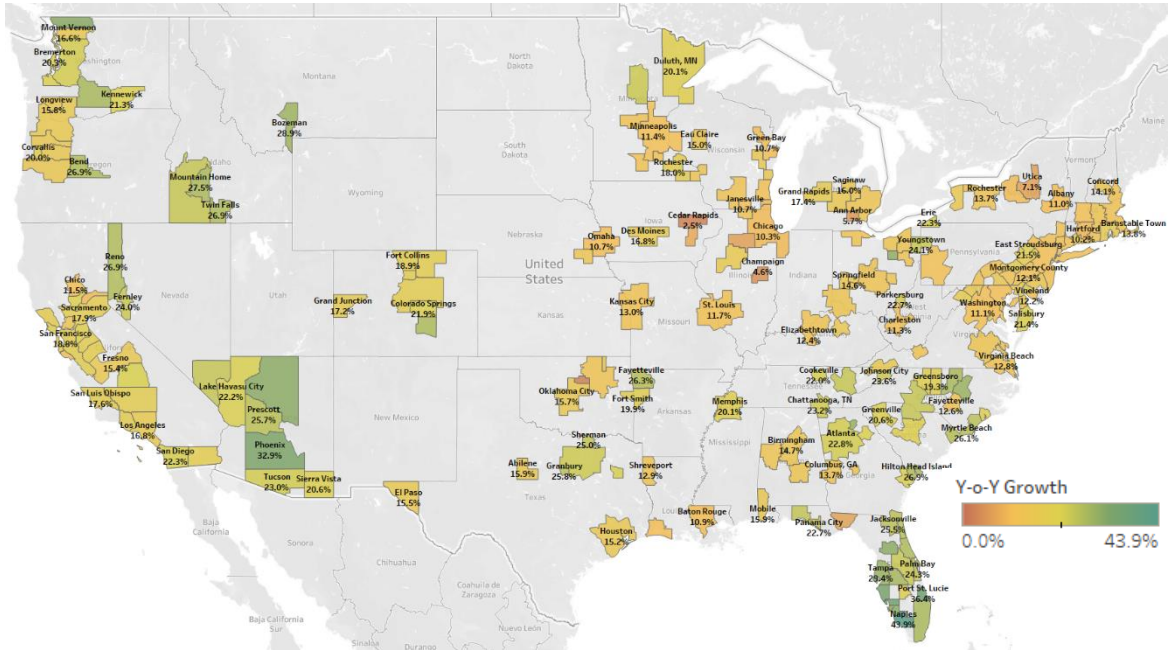


Source: Amherst

Strong home price appreciation was widespread across the U.S. in November — only a handful of the markets we track experiencing YoY growth of less than 10%. Per our market-level price appreciation indexes, Florida contains the four fastest-growing markets, each with November YoY price appreciation greater than 34%. Phoenix, AZ, rounds out the top five fastest growing markets with YoY growth of 32.9%. Lower home price appreciation appears to be concentrated in the northern parts of the U.S., suggesting seasonality factors are at play. Price growth will likely continue well into 2022 due to pandemic-induced bottlenecks and continued high demand.

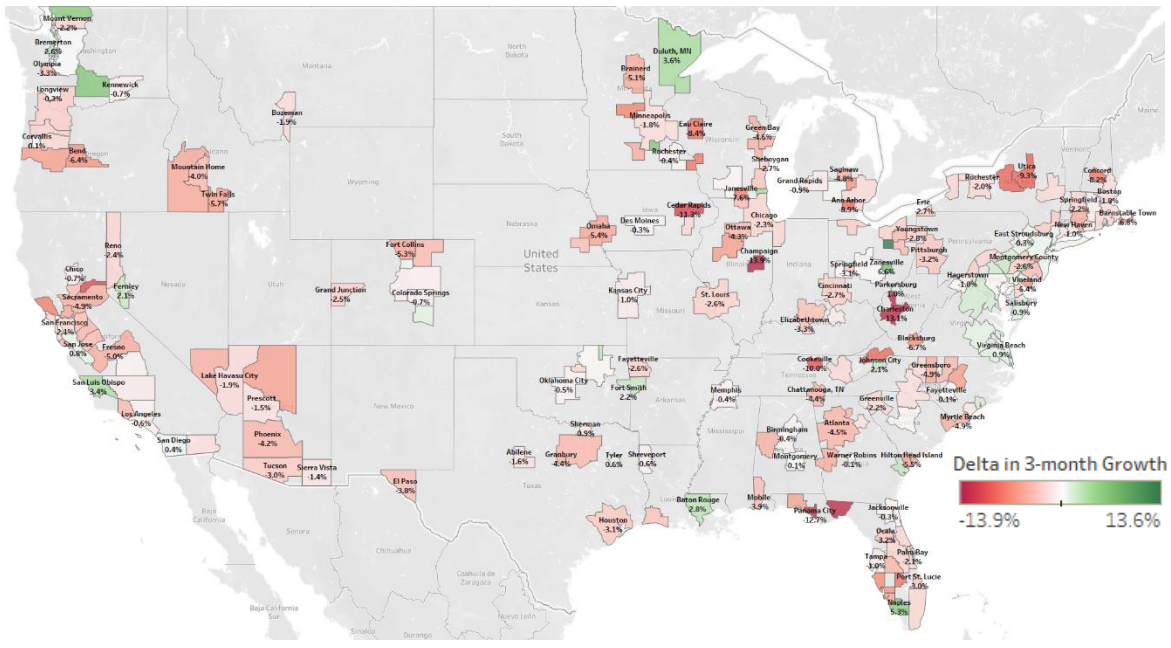


FIGURE 2: YOY NOVEMBER 2021 AMHERST HOUSING PRICE GROWTH BY METROPOLITAN AREA



Source: Amherst

FIGURE 3: VELOCITY SHOWS DIFFERENCE BETWEEN JUN-TO-AUG AND SEP-TO-NOV 2021 HPA

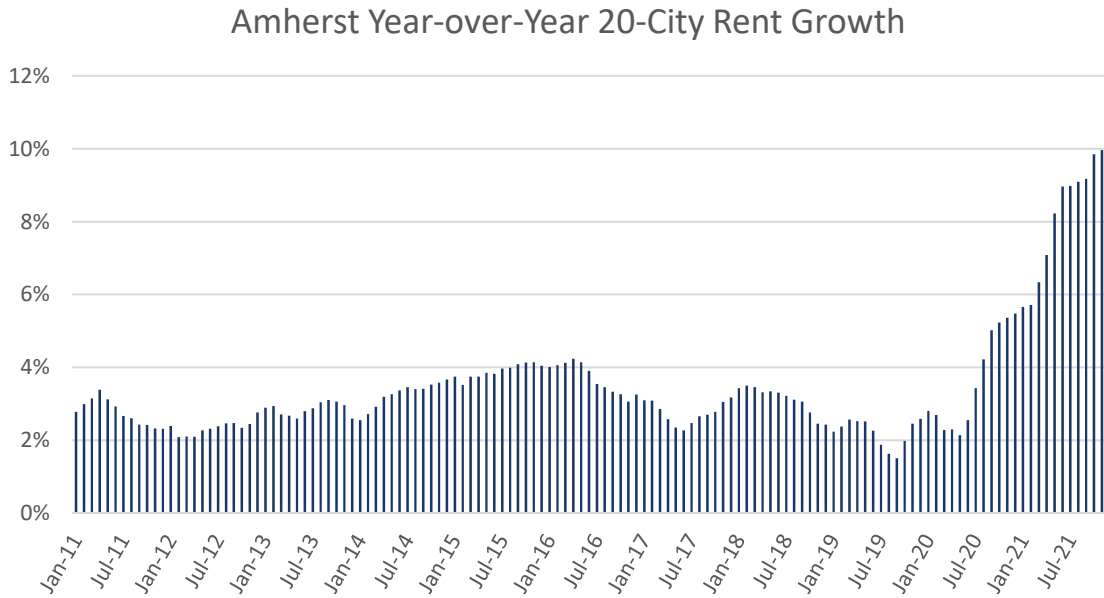


Source: Amherst



Amherst Rent Growth Index

FIGURE 4: YOY NOVEMBER 20-CITY RENT GROWTH INDEX

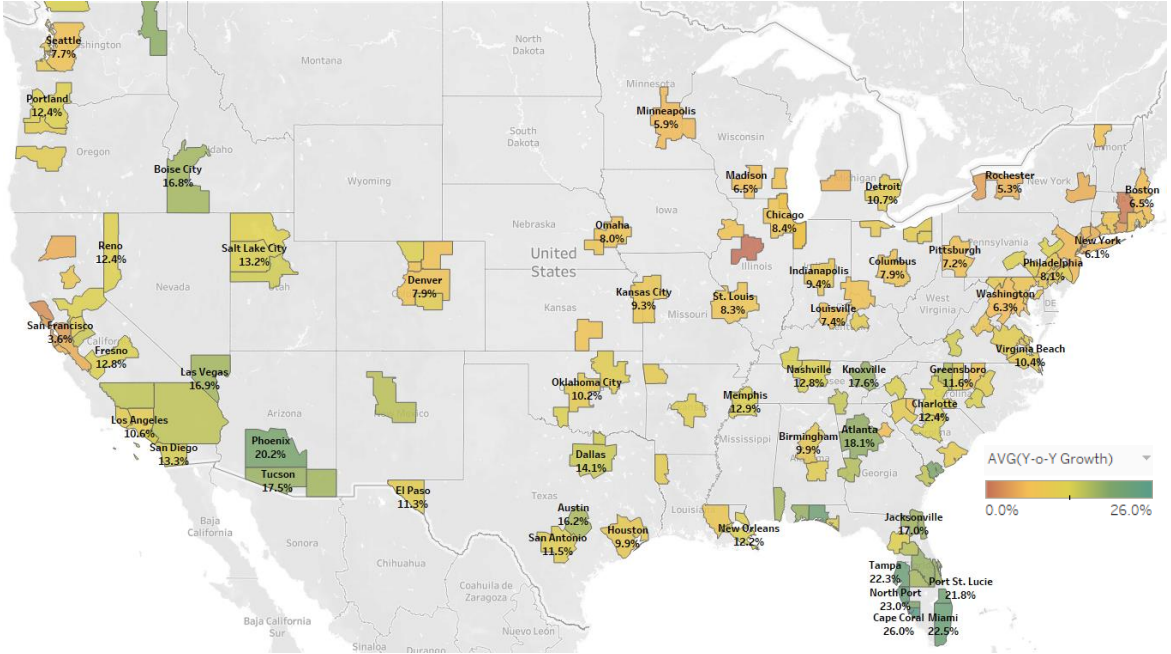


Source: Amherst

Strong consumer demand for single-family rentals led to record high growth of 10.0% in November.* This is only 20bps higher than October, suggesting the rate of growth is slowing. Market-level indexes suggest rent growth was highest in southern and coastal cities and slower in northern cities. The five fastest-growing markets are all in Florida, ranging from 22.3% in Tampa to 26% in Ft. Myers. Robust rent growth is likely to continue through early 2022 as families seek homes outside of dense, urban markets.

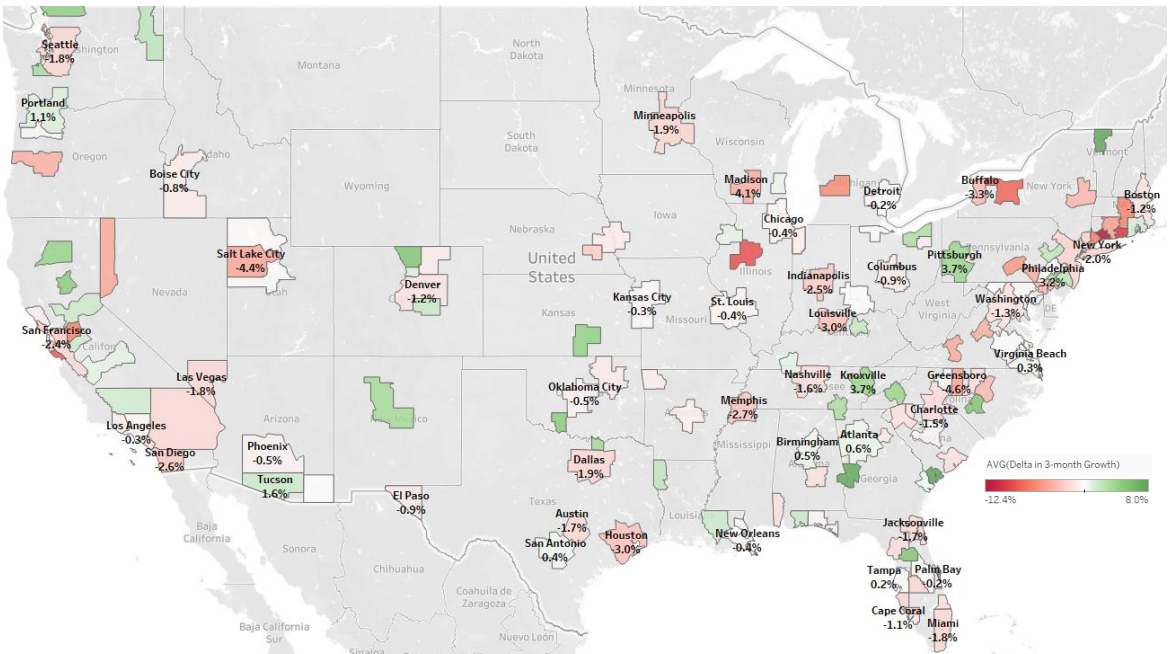


FIGURE 5: YEAR-ON-YEAR NOVEMBER 2021 AMHERST RENT GROWTH BY METROPOLITAN AREA



Source: Amherst

FIGURE 6: VELOCITY DIFFERENCE BETWEEN JUN-TO-AUG AND SEP-TO-NOV 2021



Source: Amherst



Data Details

The Amherst Home Price Index (HPA) 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 HPA published by S&P Case Shiller Weiss, Corelogic, and the Federal Housing Finance Agency (FHFA), Amherst HPA 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 allow the HPA to have a timelier look at monthly shifts in the housing market than other leading market indices¹.

The Amherst Rent Growth Index tracks rent price changes of Single Family Detached (SFD) homes in the 20 Metropolitan Statistical Areas (MSAs) that are used to construct the S&P Case Shiller Index, as well as more than 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.

*Due to the early nature of our estimates, our indexes for prior months can and do change. October rent growth was originally projected at 10.1% and adjusted retroactively to 9.8%.

¹ At the time of writing this November 2021 housing market report, the S&P Case Shiller Index has been released up through September 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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These views are current as of the date of this communication and are subject to rapid change as economic and market conditions dictate. Though these views may be informed by information from sources that we believe to be accurate and reliable, we can make no representation as to the accuracy of such sources nor the completeness of such information. Past performance is no indication of future performance. Investments in mortgage related assets are speculative and involve special risks, and there can be no assurance that investment objectives will be realized or that suitable investments may be identified. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. An investor could lose all or a substantial portion of his or her investment. No investment process is free of risk and there is no guarantee that the investment process described herein will be profitable. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

ABOUT AMHERST

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,

For more information, please visit www.amherst.com

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