



Amherst



5 REALITIES:  
PRIVATE CAPITAL  
IN SINGLE-FAMILY  
HOUSING

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# 5 REALITIES:

## PRIVATE CAPITAL IN SINGLE-FAMILY HOUSING

### **1. Private Capital in Single-Family Housing Serves Families Locked Out of Homeownership**

- The majority of families that utilize single-family rentals cannot qualify for a mortgage under current standards.
- Single-family rentals deliver space, stability, and access to opportunity.

### **2. The Affordability Crisis Was Created by Ineffective Policy**

- 11.2 million borrowers were pushed out of the mortgage market post-GFC.
- Extraordinary stimulus and accommodative rates pulled forward demand, inflated prices, and locked in today's affordability constraints.

### **3. The Supply Deficit Exacerbates Core Credit Access Failure**

- The U.S. faces a 4.7 million-home supply deficit after 15 years of underbuilding, further exacerbating a market split into those with housing access and those without.
- Supply without credit access cannot restore homeownership.

### **4. The Size of Institutional Ownership is Not the Problem**

- Institutions own 1-2% of the overall single-family housing market, and less than 4% of U.S. single-family rental housing.
- The worst affordability exists in cities where institutions are largely absent.

### **5. Private Capital Is Essential to Housing Preservation and Stability**

- Institutional operators invest heavily to preserve and upgrade homes, at an average of \$37,000 per home.
- Private capital broadens access to housing with higher quality, safety, and professional management while supporting pathways to homeownership.



# 1. PRIVATE CAPITAL IN SINGLE-FAMILY HOUSING SERVES FAMILIES LOCKED OUT OF HOMEOWNERSHIP

Single-family renters are raising families and need space, just like homeowners. These hardworking households are also more diverse, likely to have lower FICO scores, and lower household incomes. These factors put homeownership even further out of reach, even as their housing needs grow beyond multifamily options, but are less likely to be qualified for a mortgage under today's lending standards.

Restricting single-family rental housing doesn't create homeowners, it removes a housing option these families need, often enabling working families to live in safe neighborhoods with good schools, parks, and other community amenities, while maintaining access to quality jobs.

## THE PROFILE OF SINGLE-FAMILY RENTERS

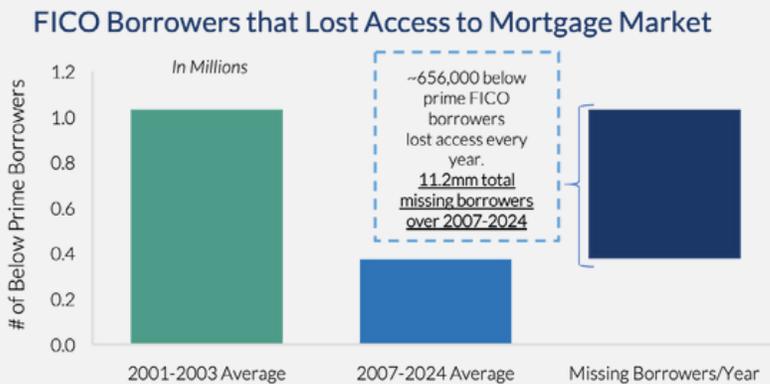
	Single-Family Homeowners	Single-Family Renters (SFR)	Multifamily Renters (MF)
FICO Score	730	650	640
Household Income	\$150,000+	\$88,000+	\$71,000+
Are Married	61%	36%	20%
Are Non-white	30%	43%	49%
Annual Turnover <sup>1</sup>	6.6%	22.1%	29.3%
Children under 18	43%	42%	20%
Bedrooms	3+	3+	1-2
No. of Families / Households	75.1M	12.6M	21.0M
Institutionally owned	—	2%	55%

# 2. THE AFFORDABILITY CRISIS WAS CREATED BY INEFFECTIVE POLICY

Today's housing affordability crisis is driven by tightened credit standards following the Global Financial Crisis (GFC), where an estimated **11.2 million borrowers lost access to mortgage credit**. Additionally, the post-COVID period of excessive fiscal stimulus drove interest rates artificially low and ultimately reset housing costs higher. This drove mortgage rates from ~3% to ~7% in just four years, sharply reducing affordability.

Owning an entry-level home today costs 36-38%<sup>1</sup> more per month than renting, underscoring why renting remains a critical and economically efficient option for households navigating affordability constraints.

Lack of access to the mortgage markets since 2007 resulted in **11.2 million** missing borrowers



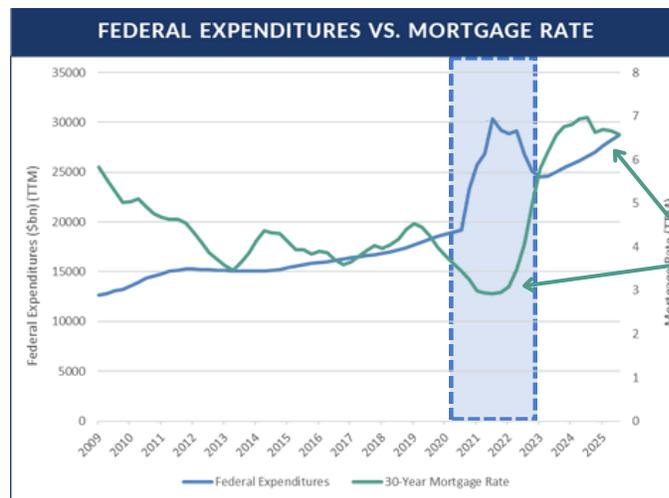
### Vast Majority of Single-Family Renters Today Cannot Qualify For a Mortgage



**2020-2021 COVID policy response:** Excessive federal spending paired with ultra-low interest rates.

**Immediate impact:** Artificially stimulated demand and below-market mortgages inflated housing prices.

**2023-present outcome:** The resulting lock-in effect has kept home prices elevated despite mortgage rates doubling.



From 2021-2025, mortgage rates rose from 3% to 7%—a rapid deterioration of affordability.

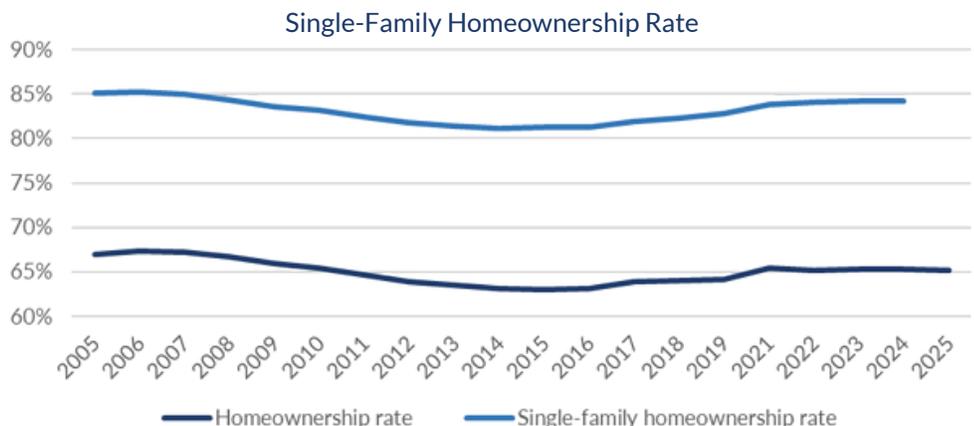
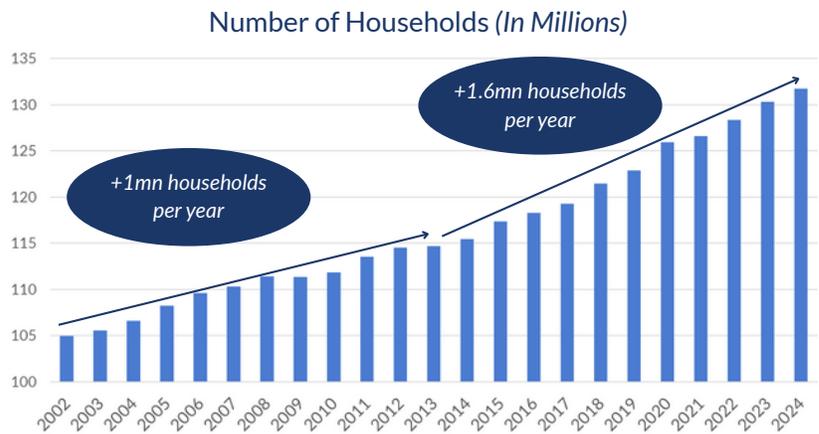
# 3. THE SUPPLY DEFICIT EXACERBATES CORE CREDIT ACCESS FAILURE

The U.S. housing market has faced a persistent supply shortfall since 2009, with chronic underbuilding resulting in an estimated **4.7 million-home deficit**<sup>1</sup> relative to household formation, a key driver of elevated home prices.

The homeownership rate of single-family homes has climbed to **roughly 84% and continues to rise**, reflecting a market increasingly accessible to households with sufficient credit, wealth, and income, while **more than 15 years of missing supply continue to deepen affordability and access constraints** for hardworking families boxed out of the market.

*U.S. household formation has increased in the last two decades while housing supply has been cumulatively underbuilt throughout the same time period.*

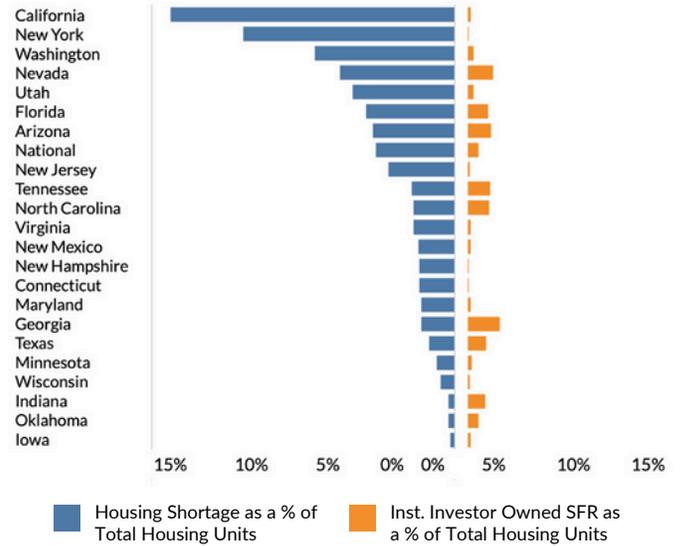
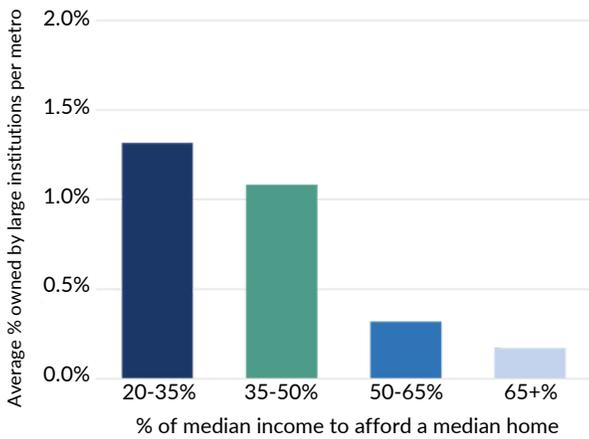
*For more supply to be effective for increasing homeownership, access to mortgage credit will be critical.*



# 4. THE SIZE OF INSTITUTIONAL OWNERSHIP IS NOT THE PROBLEM

Housing affordability pressures are driven by broader **monetary policy, supply constraints, and rising costs**—not **institutional capital concentration**. In fact, institutional operators own **less than 4%** of the overall U.S. housing market, and in markets where affordability challenges are most acute, institutional operators often have even smaller or no presence at all. Focusing on institutional ownership distracts from the true drivers of home price growth: a severe housing supply shortage and years of low interest rates that fueled excess demand.

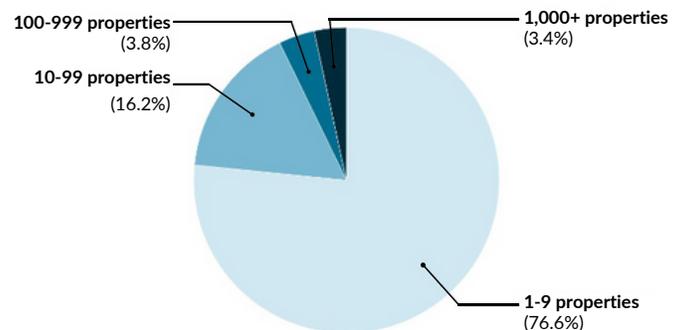
## AFFORDABILITY AND SUPPLY CHALLENGES ARE MORE ACUTE IN MARKETS WITH LITTLE TO NO INSTITUTIONAL PRESENCE



## INSTITUTIONAL OPERATORS ONLY REPRESENT 1-2% OF THE SINGLE-FAMILY HOUSING MARKET

According to JBREC, institutional operators **own 1-2%** of the overall U.S. single-family housing market, typically **less than 2% of all home purchases**, and **3.4%** of the single-family rental stock.

Market Share of U.S. Home Purchases By Institutional Operators with 100+ Properties



# 5. PRIVATE CAPITAL IS ESSENTIAL TO HOUSING PRESERVATION AND STABILITY

Amherst invests an average of \$37,000 in capital improvements per home—more than 15% of the purchase price over this period—bringing properties up to modern, safe, and livable standards in well-located communities. This reinvestment preserves existing housing stock while expanding access to higher-opportunity neighborhoods—supporting economic mobility, job access, and household stability—and serves as a springboard for hardworking Americans on their path toward future homeownership.

Through the benefits of scale and regulated management, institutional investors provide safer, larger homes in more desirable neighborhoods, while supporting the journey to future homeownership.



While regulatory requirements for small operators can vary by size, structure, and state, institutional operators are consistently subject to comprehensive fair housing, consumer protection, and reporting obligations. As a result, we believe **institutional operators** are able to offer a better-quality product with **higher professional standards for renters**.



That responsibility goes beyond maintenance and repairs to a focus on housing stability—treating single-family rental housing as a service and professionalizing a historically underserved segment of the market. Through purpose-built, wraparound services, **private capital in housing offers residents the opportunity to build stability, mobility, and readiness**, whether they choose to rent long-term or transition to owning a home.

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