

Q4
2021

5 FAST FACTS

U.S. SINGLE-FAMILY RENTAL MARKET



SINGLE-FAMILY RENTAL FOOTPRINT IS SPREADING

With **77%** of SFR inventory in Arizona, Texas, Florida and Georgia, growing townhome product has created emerging BTR markets in Michigan, Ohio and Kansas.

POPULAR SFR AMENITIES

While conventional multifamily assets have engaged in an “amenities arms race,” single-family rentals offer a pared down but highly targeted set of in-unit and community features. **Private yards for pets, direct access garages, parking and pools** are the most filtered online search amenities for SFR renters.



SFR OFFER OPERATING ADVANTAGES

Shared, experienced staffing is just one of the benefits of managing SFR in the same or neighboring communities. Compared to traditional multifamily assets, staffing costs can be as much as **25% less expensive**. Evolving technologies will also continue to increase efficiencies for centralized leasing and maintenance.

SFR COMMUNITIES BECOME LARGER AS RESIDENT AND INVESTOR DEMAND INCREASES

Over the past three years, the average size of a SFR community has **grown 25%**—from 72 to 90 homes. As more capital flows into the sector, community sizes will continue to grow and provide investors the opportunity to scale.

BTR APPROACHING CAP RATE PARITY WITH CONVENTIONAL MULTIFAMILY

Investor demand and growing liquidity in the SFR space has fueled cap rate compression over a two-year period. With average cap rates in the **4.5% to 5.0% range**, Cushman & Wakefield transactions show additional compression of **25 to 50 basis points** in 2021 for new construction product in the most attractive markets.