

Investments Growing In Build-To-Rent Single-Family Homes

By [John Triplett](#) - July 21, 2021



Many investment groups are getting into the growing single-family rental market with build-to-rent communities, a segment rejuvenated due to COVID-19, [Yardi Matrix](#) reports in a special bulletin.

"Increasingly, the way institutions are growing their presence is to build their own communities. Some 12 percent of new single-family construction in 2021 is being done for rentals," according to John Burns Real Estate Consulting.

"With so much capital looking to invest in the sector and the demand for rentals rising, we would expect build-to-rents to increase rapidly for at least the next several years," the report says.

Why is Build-to-Rent Investment Growing?

The trend of build-to-rent investment by large institutional investors started after the housing bubble and crash in the early 2000s. The pandemic has revived this niche segment, as homebuilders are now working to develop the single-family homes-to-rent market.

The pandemic created this growing investment niche, the report says, because, "Families wanted more space and the privacy of a detached home, but without the inherent limitations of a mortgage and homeownership."

Yardi Matrix says this desire by families for more space and privacy without a mortgage "has prompted many institutional players to jump into the niche, with more than \$10 billion allocated to the sector by institutions over the last few years, according to corporate announcements and news reports."

While there are challenges to build-to-rent, such as finding enough available land to put together a large group of homes, there are also advantages, such as:

- Ease of managing properties close together
- Renters preferring a new home and willing to pay more for it
- Control of the construction and quality of homes

Yardi Matrix says this niche of build-to-rent "does offer a more stable environment in which to grow. Although much can still go wrong and space to build remains limited, there are advantages.

"It enables investors to control the product from start to finish, to create a 'brand' as opposed to a random pool of assets, to concentrate a larger number of holdings in fewer locations, and possibly to improve liquidity by adding to the potential number of market participants.

"As such, build-to-rent is likely to flourish in the next economic cycle," write Paul Fiorilla, director of research, and Casey Cobb, senior analyst, with Yardi Matrix.

New Build-To-Rent Community Coming to Phoenix South Mountain

A build-to-rent developer is now pre-leasing 72 single-family homes designed as rentals near South Mountain in Phoenix with attached two-car garages and fenced back yards.

The new community built by Curve Development, called [Cyrene at South Mountain](#), is located just west of 16th Street and north of Baseline Road. The development is part of 3,500 rental homes the company has in the developmental pipeline, spread across 26 communities in multiple states, according to a release.



Inside a gated community, each home has an attached two-car garage and a fully fenced private back yards.

The community is estimated to be complete by the first quarter of 2022.

Cyrene at South Mountain will offer three- or four-bedroom design plans featuring multiple modern farmhouse-style elevations. Inside a gated community, each home has an attached two-car garage and a fully fenced private back yards. The three-bedroom homes start at \$2,400 a month rent, the four-bedrooms start at \$2,665 a month rent. Two plans have one unit still available; the other three plans are waitlisted.

Community amenities include a private dog park, a ramada with barbecue, a multi-purpose event lawn, outdoor seating with fireplace and more.

The homes feature SMART home technology and covered patios with views of South Mountain. Each single-family detached home is pet-friendly with a dog door.

For more information about Cyrene at South Mountain, visit <https://cyreneatsouthmountain.com/>.

About Curve Development

Curve Development is a national developer/builder based in Arizona developing single-family rental projects coast to coast. Funded by JEN Partners, LLC, a New York-based private equity fund.

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