RMBS Research: Single-Family Rental

Performance Summary Covering All Morningstar-Rated Securitizations

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Authors:
Brian Alan | brian.alan@morningstar.com | +1 646 560-4516
Brian Sandler | brian.sandler@morningstar.com | +1 646 560-4557
Rohit Jadhav | rohit.jadhav@morningstar.com | +91 22 61217208

Introduction

Vacancy rates have trended lower for the sixth-consecutive month; however, we may see a reversal in this trend in the coming months given the increase in the lease expirations across most deals, as Morningstar notes that higher lease expirations correlate with higher vacancy rates. Delinquency rates in single-family rental securitizations in March remain low with the average rate among all transactions at 0.5%. Of the 24 transactions covered in this report, only three have delinquency rates above 1.0%. As of February, based on the most recent data available, retention rates remained strong with 22 of the 24 transactions reporting a retention rate of at least 73%. Lastly, turnover appears to be on the rise in 2016 after recent declines posted in the last quarter of 2015.

Because historical performance data for single-family rental securitizations is relatively limited, Morningstar publishes its performance summary to provide market participants detailed property-level information on each securitization. The data below summarizes issuer-reported property-level information through March. Page 23 includes a brief summary of the four multiborrower transactions. For deals seasoned at least one year, we provide Morningstar DealView® Surveillance Analysis reports, available on our website, https://ratingagency.morningstar.com.

Table of Contents

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Analysis

Morningstar tracks key metrics to gauge the performance of single-family rental transactions. There are a number of ways to view these metrics. For example, the vacancy rate might be calculated based on property count, by cash flow, or by days of occupancy. To account for different reporting across issuers, Morningstar seeks commonality across the issuers' monthly reporting to derive its calculations. Table 1a displays vacancy by the month-end count of empty properties. Table 1b shows the vacancy as a percentage of the total properties in each pool. The vacancy rate is heavily influenced by the number of lease expirations in a given month. Generally, the more leases expiring in a given month, the higher the vacancy rate will be. Because each transaction has a distinct lease expiration schedule, the vacancy rate should not be viewed at one point in time, but rather in the context of its lease expiration cycle, as reported in Tables 2a and 2b and as seen in the charts in Appendix I. Of the 24 transactions in this report, 17 experienced higher percentages of lease expirations in March than in February, which is slightly lower than the past two months when 21 and 20 transactions saw increases in lease expirations in February and January, respectively. Morningstar believes these increases may lead to higher vacancy and turnover rates in the coming months. For now, though, overall vacancy rates dropped for the sixth-consecutive month, as those higher expirations have not yet translated into unoccupied properties. AH4R 2015-SFR1's vacancy dropped by 56.7% to 3.9% in March from its peak of 9.0% in November. Vacancy for IH 2015-SFR3, PRD 2015-SFR1, and SBY 2014-1, has been declining for at least the past six months and stands at 4.3%, 3.9%, and 3.2%, respectively in March. PRD 2015-SFR2 has the highest vacancy at 6.8% and has ranked among the highest for the past six months.

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Table 1a – Month-End Vacancy (by Count)

		Year 2015							Year 2016					Total Count
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
AH4R 2014-SFR1		176	145	140	165	200	177	187	219	206	184	151	135	3,852
AH4R 2014-SFR2		304	337	294	284	244	203	227	232	212	212	153	159	4,487
AH4R 2014-SFR3		258	258	271	322	283	281	287	273	226	215	173	179	4,503
AH4R 2015-SFR1		185	216	243	255	330	387	388	418	374	323	249	184	4,661
AH4R 2015-SFR2								98	120	146	157	176	212	4,125
ARP 2014-SFR1		231	210	210	206	181	199	208	194	147	148	181	151	2,875
CAH 2014-1		100	102	138	173	230	225	219	205	157	127	114	117	3,370
CAH 2014-2		211	130	123	117	146	162	163	165	154	173	184	187	3,704
CAH 2015-1					170	181	191	206	203	187	175	161	167	3,875
HPA 2016-1												37	44	2,228
IH 2013-SFR1		110	104	98	100	92	87	95	95	97	136	129	125	3,191
IH 2014-SFR1		294	265	358	350	325	298	267	199	183	203	228	213	6,363
IH 2014-SFR2		119	132	168	204	203	180	145	154	127	138	140	130	3,688
IH 2014-SFR3		129	141	173	194	186	190	169	157	145	141	125	126	4,011
IH 2015-SFR1		74	88	119	106	135	162	157	160	138	141	146	135	3,026
IH 2015-SFR2		104	110	134	144	172	201	203	204	153	138	151	130	3,521
IH 2015-SFR3				267	316	354	397	385	365	348	317	314	306	7,192
PRD 2014-SFR1		142	144	189	139	141	151	161	183	171	161	160	173	3,138
PRD 2015-SFR1		101	152	230	270	318	295	273	258	233	203	163	155	3,995
PRD 2015-SFR2				50	77	110	153	209	242	219	213	220	224	3,311
PRD 2015-SFR3									75	77	83	83	88	3,164
SBY 2014-1		147	158	156	142	151	156	154	154	146	116	107	95	3,011
SWAY 2014-1		267	260	279	274	254	293	286	284	294	293	268	239	4,081
TAH 2015-SFR1				153	167	149	195	207	238	229	236	231	179	3,505
Overall SFR		2,952	2,952	3,793	4,175	4,385	4,583	4,694	4,797	4,369	4,233	4,044	3,853	92,877

4

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Table 1b – Month-End Vacancy (by Percentage)

		Year 2015							Year 2016				
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
AH4R 2014-SFR1		4.6	3.8	3.6	4.3	5.2	4.6	4.9	5.7	5.3	4.8	3.9	3.5
AH4R 2014-SFR2		6.8	7.5	6.6	6.3	5.4	4.5	5.1	5.2	4.7	4.7	3.4	3.5
AH4R 2014-SFR3		5.7	5.7	6.0	7.2	6.3	6.2	6.4	6.1	5.0	4.8	3.8	4.0
AH4R 2015-SFR1		4.0	4.6	5.2	5.5	7.1	8.3	8.3	9.0	8.0	6.9	5.3	3.9
AH4R 2015-SFR2								2.4	2.9	3.5	3.8	4.3	5.1
ARP 2014-SFR1		8.0	7.3	7.3	7.2	6.3	6.9	7.2	6.7	5.1	5.1	6.3	5.3
CAH 2014-1		2.9	3.0	4.1	5.1	6.8	6.6	6.5	6.1	4.7	3.8	3.4	3.5
CAH 2014-2		5.7	3.5	3.3	3.2	3.9	4.4	4.4	4.5	4.2	4.7	5.0	5.0
CAH 2015-1					4.4	4.7	4.9	5.3	5.2	4.8	4.5	4.2	4.3
HPA 2016-1												1.7	2.0
IH 2013-SFR1		3.4	3.2	3.1	3.1	2.9	2.7	3.0	3.0	3.0	4.2	4.0	3.9
IH 2014-SFR1		4.5	4.1	5.5	5.4	5.0	4.6	4.1	3.1	2.8	3.1	3.5	3.3
IH 2014-SFR2		3.2	3.5	4.5	5.4	5.4	4.8	3.9	4.1	3.4	3.7	3.7	3.5
IH 2014-SFR3		3.2	3.5	4.3	4.8	4.6	4.7	4.2	3.9	3.6	3.5	3.1	3.1
IH 2015-SFR1		2.4	2.9	3.9	3.5	4.4	5.3	5.1	5.2	4.5	4.6	4.8	4.5
IH 2015-SFR2		3.0	3.1	3.8	4.1	4.9	5.7	5.8	5.8	4.3	3.9	4.3	3.7
IH 2015-SFR3					3.7	4.4	4.9	5.5	5.3	5.1	4.8	4.4	4.4	4.3
PRD 2014-SFR1		4.5	4.6	6.0	4.4	4.5	4.8	5.1	5.8	5.4	5.1	5.1	5.5
PRD 2015-SFR1		2.5	3.8	5.8	6.8	8.0	7.4	6.8	6.5	5.8	5.1	4.1	3.9
PRD 2015-SFR2				1.5	2.3	3.3	4.6	6.3	7.3	6.6	6.4	6.6	6.8
PRD 2015-SFR3									2.4	2.4	2.6	2.6	2.8
SBY 2014-1		4.8	5.1	5.1	4.6	4.9	5.2	5.1	5.1	4.8	3.9	3.6	3.2
SWAY 2014-1		6.5	6.4	6.8	6.7	6.2	7.2	7.0	7.0	7.2	7.2	6.6	5.9
TAH 2015-SFR1					4.4	4.8	4.3	5.6	5.9	6.8	6.5	6.7	6.6	5.1
Overall SFR		4.5	4.5	4.8	5.0	5.2	5.5	5.4	5.3	4.8	4.7	4.3	4.1

5

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Table 2a – Lease Expiration (by Count)

		Year 2015									Year 2016			Total Count
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
AH4R 2014-SFR1		281	344	341	354	296	251	267	205	172	226	256	287	3,852
AH4R 2014-SFR2		641	679	265	249	196	216	207	183	129	223	299	434	4,487
AH4R 2014-SFR3		365	549	631	420	372	295	219	119	155	230	237	280	4,503
AH4R 2015-SFR1		222	272	474	707	564	470	465	375	260	128	120	131	4,661
AH4R 2015-SFR2								108	93	130	312	496	592	4,125
ARP 2014-SFR1		189	221	127	121	101	123	107	164	122	188	248	202	2,875
CAH 2014-1		141	174	225	513	401	371	297	217	105	131	145	178	3,370
CAH 2014-2		131	107	83	143	176	161	229	256	234	278	425	372	3,704
CAH 2015-1					512	387	360	329	252	187	127	153	187	3,875
HPA 2016-1												71	140	2,228
IH 2013-SFR1		263	237	150	149	116	100	152	139	178	289	312	279	3,191
IH 2014-SFR1		697	692	681	518	377	304	247	134	133	237	342	505	6,363
IH 2014-SFR2		234	316	339	343	267	163	187	197	164	199	200	247	3,688
IH 2014-SFR3		260	343	376	374	239	198	174	200	183	225	198	226	4,011
IH 2015-SFR1		85	85	128	172	236	193	224	210	224	286	234	215	3,026
IH 2015-SFR2		136	135	154	196	231	254	280	268	213	252	277	235	3,521
IH 2015-SFR3				334	398	491	488	561	498	482	527	574	478	7,192
PRD 2014-SFR1		374	345	193	71	119	120	153	134	76	136	164	355	3,138
PRD 2015-SFR1		325	520	572	642	464	340	181	77	32	36	61	146	3,995
PRD 2015-SFR2				50	63	133	245	397	201	77	137	263	496	3,311
PRD 2015-SFR3									21	7	16	31	115	3,164
SBY 2014-1		199	214	266	165	184	172	192	158	125	163	169	192	3,011
SWAY 2014-1		285	254	224	199	157	99	57	61	176	142	254	312	4,081
TAH 2015-SFR1				235	270	248	233	232	132	168	211	229	212	3,505
Overall SFR		4,828	5,487	5,848	6,579	5,755	5,156	5,265	4,294	3,732	4,699	5,758	6,816	92,877

6

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Table 2b – Lease Expiration (by Percentage)

		Year 2015									Year 2016		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
AH4R 2014-SFR1		7.3	8.9	8.9	9.2	7.7	6.5	6.9	5.3	4.5	5.9	6.6	7.5
AH4R 2014-SFR2		14.3	15.1	5.9	5.5	4.4	4.8	4.6	4.1	2.9	5.0	6.7	9.7
AH4R 2014-SFR3		8.1	12.2	14.0	9.3	8.3	6.6	4.9	2.6	3.4	5.1	5.3	6.2
AH4R 2015-SFR1		4.8	5.8	10.2	15.2	12.1	10.1	10.0	8.0	5.6	2.7	2.6	2.8
AH4R 2015-SFR2								2.6	2.3	3.2	7.6	12.0	14.4
ARP 2014-SFR1		6.6	7.7	4.4	4.2	3.5	4.3	3.7	5.7	4.2	6.5	8.6	7.0
CAH 2014-1		4.2	5.1	6.6	15.1	11.8	11.0	8.8	6.4	3.1	3.9	4.3	5.3
CAH 2014-2		3.5	2.9	2.2	3.9	4.7	4.3	6.2	6.9	6.3	7.5	11.5	10.0
CAH 2015-1					13.2	10.0	9.3	8.5	6.5	4.8	3.3	3.9	4.8
HPA 2016-1												3.2	6.3
IH 2013-SFR1		8.2	7.4	4.7	4.6	3.6	3.1	4.7	4.3	5.6	9.0	9.7	8.7
IH 2014-SFR1		10.8	10.7	10.5	8.0	5.8	4.7	3.8	2.1	2.1	3.7	5.3	7.9
IH 2014-SFR2		6.2	8.4	9.0	9.1	7.1	4.3	5.0	5.3	4.4	5.3	5.3	6.7
IH 2014-SFR3		6.5	8.5	9.4	9.3	6.0	4.9	4.3	5.0	4.6	5.6	4.9	5.6
IH 2015-SFR1		2.8	2.8	4.2	5.6	7.7	6.3	7.3	6.9	7.3	9.4	7.7	7.1
IH 2015-SFR2		3.9	3.8	4.4	5.6	6.6	7.2	7.9	7.6	6.0	7.2	7.9	6.7
IH 2015-SFR3				4.6	5.5	6.8	6.8	7.8	6.9	6.7	7.3	8.0	6.6
PRD 2014-SFR1		11.9	11.0	6.1	2.3	3.8	3.8	4.9	4.3	2.4	4.3	5.2	11.3
PRD 2015-SFR1		8.1	13.0	14.3	16.1	11.6	8.5	4.5	1.9	0.8	0.9	1.5	3.7
PRD 2015-SFR2				1.5	1.9	4.0	7.4	12.0	6.1	2.3	4.1	7.9	15.0
PRD 2015-SFR3									0.7	0.2	0.5	1.0	3.6
SBY 2014-1		6.5	6.9	8.6	5.4	6.0	5.7	6.4	5.2	4.2	5.4	5.6	6.4
SWAY 2014-1		7.0	6.2	5.5	4.9	3.8	2.4	1.4	1.5	4.3	3.5	6.2	7.6
TAH 2015-SFR1				6.7	7.7	7.1	6.6	6.6	3.8	4.8	6.0	6.5	6.0
Overall SFR		7.3	8.3	7.3	7.9	6.9	6.2	6.0	4.7	4.1	5.2	6.2	7.3

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Tables 3a and 3b show the number of months of vacancy the March unoccupied properties have experienced. In other words, if a property is unoccupied as of the March property tape, these tables summarize the number of total months the property has been vacant since the transaction cutoff date. Depending on the length of performance history, the overall vacancy may be in line with the number of consecutive vacant months, but this might not always be the case for those properties that have gone through multiple leasing cycles. Table 3a shows historical months of vacancy by count, and Table 3b is as a percentage of the March vacancies. Properties do not tend to be vacant for greater than three to four months. Of the vacant properties in PRD 2014-SFR1 and CAH 2014-1, 35.8% and 34.2%, respectively, have been unoccupied for at least five months, the highest concentration in this report. For the deals with seasoning of at least 12 months, IH 2015-SFR2 has the least percentage of vacant properties for more than four months at 9.2% in March, followed by IH 2015-SFR3 and IH 2014-SFR3 which have 11.1% and 11.9% respectively.

Table 3a – Historical Months of Vacancy for March Vacancies (by Count)

		1	2	3	4	5	6	7	8	9	10	11	12+	Total
AH4R 2014-SFR1		34	33	21	16	13	8	5	2	1	1	0	1	135
AH4R 2014-SFR2		65	32	21	21	9	7	0	2	1	1	0	0	159
AH4R 2014-SFR3		72	34	30	22	8	5	6	0	1	1	0	0	179
AH4R 2015-SFR1		62	53	35	15	11	3	3	2	0	0	0	0	184
AH4R 2015-SFR2		140	42	14	8	5	3							212
ARP 2014-SFR1		47	35	16	23	8	15	5	1	1	0	0	0	151
CAH 2014-1		29	19	19	10	15	11	3	4	3	0	2	2	117
CAH 2014-2		84	43	25	14	4	9	5	1	1	1	0	0	187
CAH 2015-1		79	36	24	15	7	3	1	1	1				167
HPA 2016-1		31	13											44
IH 2013-SFR1		50	28	24	14	5	2	1	0	0	0	0	1	125
IH 2014-SFR1		92	48	36	17	9	6	4	0	0	0	0	1	213
IH 2014-SFR2		52	35	21	9	5	4	0	1	0	0	0	3	130
IH 2014-SFR3		58	40	13	6	6	1	1	1	0	0	0	0	126
IH 2015-SFR1		59	37	20	3	11	2	0	0	1	0	0	2	135
IH 2015-SFR2		72	39	7	7	3	1	0	0	1	0	0	0	130
IH 2015-SFR3		161	81	30	20	2	5	0	2	1	1	3		306
PRD 2014-SFR1		57	3	34	17	24	12	10	8	1	4	1	2	173
PRD 2015-SFR1		55	33	17	13	10	5	9	7	2	2	2	0	155
PRD 2015-SFR2		124	45	19	7	11	11	5	2	0	0			224
PRD 2015-SFR3		63	0	13	2	5	5							88
SBY 2014-1		29	20	17	12	6	8	3	0	0	0	0	0	95
SWAY 2014-1		78	54	37	27	10	6	6	5	4	2	2	8	239
TAH 2015-SFR1		66	61	20	10	10	6	5	0	1	0			179
Overall SFR		1,659	864	513	308	197	138	72	39	20	13	10	20	3,853

9

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Table 3b – Historical Months of Vacancy for March Vacancies (by Percentage)

		1	2	3	4	5	6	7	8	9	10	11	12+	Total
AH4R 2014-SFR1		25.2	24.4	15.6	11.9	9.6	5.9	3.7	1.5	0.7	0.7	0.0	0.7	100.0
AH4R 2014-SFR2		40.9	20.1	13.2	13.2	5.7	4.4	0.0	1.3	0.6	0.6	0.0	0.0	100.0
AH4R 2014-SFR3		40.2	19.0	16.8	12.3	4.5	2.8	3.4	0.0	0.6	0.6	0.0	0.0	100.0
AH4R 2015-SFR1		33.7	28.8	19.0	8.2	6.0	1.6	1.6	1.1	0.0	0.0	0.0	0.0	100.0
AH4R 2015-SFR2		66.0	19.8	6.6	3.8	2.4	1.4							100.0
ARP 2014-SFR1		31.1	23.2	10.6	15.2	5.3	9.9	3.3	0.7	0.7	0.0	0.0	0.0	100.0
CAH 2014-1		24.8	16.2	16.2	8.5	12.8	9.4	2.6	3.4	2.6	0.0	1.7	1.7	100.0
CAH 2014-2		44.9	23.0	13.4	7.5	2.1	4.8	2.7	0.5	0.5	0.5	0.0	0.0	100.0
CAH 2015-1		47.3	21.6	14.4	9.0	4.2	1.8	0.6	0.6	0.6				100.0
HPA 2016-1		70.5	29.5											100.0
IH 2013-SFR1		40.0	22.4	19.2	11.2	4.0	1.6	0.8	0.0	0.0	0.0	0.0	0.8	100.0
IH 2014-SFR1		43.2	22.5	16.9	8.0	4.2	2.8	1.9	0.0	0.0	0.0	0.0	0.5	100.0
IH 2014-SFR2		40.0	26.9	16.2	6.9	3.8	3.1	0.0	0.8	0.0	0.0	0.0	2.3	100.0
IH 2014-SFR3		46.0	31.7	10.3	4.8	4.8	0.8	0.8	0.8	0.0	0.0	0.0	0.0	100.0
IH 2015-SFR1		43.7	27.4	14.8	2.2	8.1	1.5	0.0	0.0	0.7	0.0	0.0	1.5	100.0
IH 2015-SFR2		55.4	30.0	5.4	5.4	2.3	0.8	0.0	0.0	0.8	0.0	0.0	0.0	100.0
IH 2015-SFR3		52.6	26.5	9.8	6.5	0.7	1.6	0.0	0.7	0.3	0.3	1.0		100.0
PRD 2014-SFR1		32.9	1.7	19.7	9.8	13.9	6.9	5.8	4.6	0.6	2.3	0.6	1.2	100.0
PRD 2015-SFR1		35.5	21.3	11.0	8.4	6.5	3.2	5.8	4.5	1.3	1.3	1.3	0.0	100.0
PRD 2015-SFR2		55.4	20.1	8.5	3.1	4.9	4.9	2.2	0.9	0.0	0.0			100.0
PRD 2015-SFR3		71.6	0.0	14.8	2.3	5.7	5.7							100.0
SBY 2014-1		30.5	21.1	17.9	12.6	6.3	8.4	3.2	0.0	0.0	0.0	0.0	0.0	100.0
SWAY 2014-1		32.6	22.6	15.5	11.3	4.2	2.5	2.5	2.1	1.7	0.8	0.8	3.3	100.0
TAH 2015-SFR1		36.9	34.1	11.2	5.6	5.6	3.4	2.8	0.0	0.6	0.0			100.0
Overall SFR		43.1	22.4	13.3	8.0	5.1	3.6	1.9	1.0	0.5	0.3	0.3	0.5	100.0

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Morningstar's calculation of delinquency is based on the number of properties flagged as delinquent in the monthly property-level data. Each issuer uses its own criteria for classifying a tenant as delinquent. Table 4 summarizes the delinquency definition for each issuer and contains details on the length of time that must pass from a tenant's due date to be considered delinquent. The length of time is either based on a day count of 30 days, or is based on the calendar month. The slight distinction, for example, either results in a property with payment due on March 1 considered as delinquent after 30 days or as delinquent on April 1. None of the issuers factor a grace period into their delinquency definition, meaning their respective measures of past due begin if payment has not been received by the stated due date. In addition to timing, these conditions can also differ by the total dollar threshold an issuer uses to classify a tenant as delinquent and by the types of overdue payments that the issuer uses to count toward that threshold. For example, most issuers use only base rent to determine the dollar amount of delinquency. However, American Residential Properties, Silver Bay Realty, and Tricon American Homes each count total receivables to determine the past due amount. Progress Residential includes certain fees above base rent but not total receivables. Table 5a shows the month-end count of delinquencies based on these definitions, and Table 5b shows delinquency as a percentage of the total number of properties in each pool. Any review of delinquency should be viewed within the context of the delinquency definitions outlined in Table 4. Overall, delinquency rates have declined for the third-consecutive month. The combined delinquency rate across all 24 transactions dropped to 0.5% from 0.6% in February and 0.8% in January. Only three transactions experienced delinquency rates of more than 1.0%, continuing with a similar trend in February. Delinquency rates dropped for 15 transactions. SWAY 2014-1 and HPA 2016-1 have the highest delinquency rate of 1.3%, whereas ARP 2014-1 saw the greatest decline in the delinquency rate to 0.8% from 2.2% in February, which was the highest level across all transactions in February. The decline in the ARP delinquency rate appears to be due in part to a transition to the AH4R delinquency definition. The ARP definition counted total receivables, which contributed to its previously higher delinquency percentages.

Table 4 – Delinquency Definition

Issuer	Definition
American Homes 4 Rent	Past due one calendar month or more (not dependent on day count) and owing $200 or more
American Residential Properties	Past due 30 days or more (not dependent on calendar month) and owing $500 or more[1 and 4]
Colony American Homes	Past due one calendar month or more (not dependent on day count) and owing $200 or more
Home Partners of America	Past due 30 days or more (not dependent on calendar month) and owing $500 or more
Invitation Homes	Past due 30 days or more (not dependent on calendar month) and owing 25% of one month's rent or more
Progress Residential	Past due 30 days or more (not dependent on calendar month) and owing $200 or more[2]
Silver Bay Realty	Past due 30 days or more (not dependent on calendar month) and owing $500 or more[1]
SWAY Residential	Past due one calendar month or more (not dependent on day count) and owing $200 or more [3]
Tricon American Homes	Past due 30 days or more (not dependent on calendar month) and owing $500 or more[1]

[1]Based on total receivables

[2]Includes Section 8 rent, pet fees, and MTM fees but excludes late fees and damage fees

[3]As of January 2016, SWAY reporting was converted to the Colony American Homes delinquency definition. Before January 2016, SWAY defined delinquencies as past due 30 days or more following a calendar month grace period, and owing $500 or more.

[4]As of March 2016, American Residential Properties reporting was converted to the American Homes 4 Rent delinquency definition. Before March 2016, ARP defined delinquencies as past due 30 days or more (not dependent on calendar month) and owing $500 or more based on total receivables.

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Table 5a – Month-End Delinquency (by Count)

		Year 2015							Year 2016					Total Count
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
AH4R 2014-SFR1		23	46	35	35	30	36	18	21	34	22	9	8	3,852
AH4R 2014-SFR2		37	39	34	44	33	25	26	30	36	31	16	12	4,487
AH4R 2014-SFR3		25	36	28	22	18	17	22	22	30	20	13	5	4,503
AH4R 2015-SFR1		39	61	38	32	33	32	24	26	27	23	17	10	4,661
AH4R 2015-SFR2								18	23	26	30	13	14	4,125
ARP 2014-SFR1		65	73	87	62	62	58	55	49	48	63	62	24	2,875
CAH 2014-1		21	27	27	15	20	20	17	16	17	29	18	16	3,370
CAH 2014-2		27	47	34	28	34	35	20	22	27	34	27	30	3,704
CAH 2015-1					26	28	27	25	27	25	19	19	16	3,875
HPA 2016-1												9	28	2,228
IH 2013-SFR1		26	33	32	32	28	26	30	32	36	9	9	9	3,191
IH 2014-SFR1		25	48	47	40	46	59	46	67	81	45	26	14	6,363
IH 2014-SFR2		29	32	31	36	33	28	24	25	33	22	18	14	3,688
IH 2014-SFR3		29	33	39	27	31	34	28	32	32	23	25	8	4,011
IH 2015-SFR1		27	33	39	33	39	36	30	33	37	22	17	11	3,026
IH 2015-SFR2		24	17	28	24	30	27	31	30	35	21	10	7	3,521
IH 2015-SFR3					90	98	87	100	93	86	113	70	40	21	7,192
PRD 2014-SFR1		16	23	32	30	25	26	38	30	31	42	26	26	3,138
PRD 2015-SFR1		26	31	32	29	30	32	43	47	41	45	27	22	3,995
PRD 2015-SFR2					42	41	38	43	40	52	55	40	32	26	3,311
PRD 2015-SFR3									16	26	31	20	21	3,164
SBY 2014-1		16	19	45	40	35	29	29	31	26	32	18	18	3,011
SWAY 2014-1		7	8	15	20	24	29	29	20	15	42	53	53	4,081
TAH 2015-SFR1					83	76	68	80	74	61	50	46	34	41	3,505
Overall SFR		462	606	838	790	772	799	760	798	881	761	558	454	92,877

*Using American Residential Properties delinquency definition before March 2016 and American Homes 4 Rent delinquency definition beginning in March 2016
**Using SWAY Residential delinquency definition before January 2016 and Colony American Homes delinquency definition beginning in January 2016

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Table 5b – Month-End Delinquency (by Percentage)

		Year 2015							Year 2016				
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
AH4R 2014-SFR1		0.6	1.2	0.9	0.9	0.8	0.9	0.5	0.5	0.9	0.6	0.2	0.2
AH4R 2014-SFR2		0.8	0.9	0.8	1.0	0.7	0.6	0.6	0.7	0.8	0.7	0.4	0.3
AH4R 2014-SFR3		0.6	0.8	0.6	0.5	0.4	0.4	0.5	0.5	0.7	0.4	0.3	0.1
AH4R 2015-SFR1		0.8	1.3	0.8	0.7	0.7	0.7	0.5	0.6	0.6	0.5	0.4	0.2
AH4R 2015-SFR2								0.4	0.6	0.6	0.7	0.3	0.3
ARP 2014-SFR1		2.3	2.5	3.0	2.2	2.2	2.0	1.9	1.7	1.7	2.2	2.2	0.8
CAH 2014-1		0.6	0.8	0.8	0.4	0.6	0.6	0.5	0.5	0.5	0.9	0.5	0.5
CAH 2014-2		0.7	1.3	0.9	0.8	0.9	0.9	0.5	0.6	0.7	0.9	0.7	0.8
CAH 2015-1					0.7	0.7	0.7	0.6	0.7	0.6	0.5	0.5	0.4
HPA 2016-1												0.4	1.3
IH 2013-SFR1		0.8	1.0	1.0	1.0	0.9	0.8	0.9	1.0	1.1	0.3	0.3	0.3
IH 2014-SFR1		0.4	0.7	0.7	0.6	0.7	0.9	0.7	1.0	1.3	0.7	0.4	0.2
IH 2014-SFR2		0.8	0.9	0.8	1.0	0.9	0.7	0.6	0.7	0.9	0.6	0.5	0.4
IH 2014-SFR3		0.7	0.8	1.0	0.7	0.8	0.8	0.7	0.8	0.8	0.6	0.6	0.2
IH 2015-SFR1		0.9	1.1	1.3	1.1	1.3	1.2	1.0	1.1	1.2	0.7	0.6	0.4
IH 2015-SFR2		0.7	0.5	0.8	0.7	0.9	0.8	0.9	0.9	1.0	0.6	0.3	0.2
IH 2015-SFR3				1.2	1.4	1.2	1.4	1.3	1.2	1.6	1.0	0.6	0.3
PRD 2014-SFR1		0.5	0.7	1.0	1.0	0.8	0.8	1.2	1.0	1.0	1.3	0.8	0.8
PRD 2015-SFR1		0.7	0.8	0.8	0.7	0.8	0.8	1.1	1.2	1.0	1.1	0.7	0.6
PRD 2015-SFR2				1.3	1.2	1.1	1.3	1.2	1.6	1.7	1.2	1.0	0.8
PRD 2015-SFR3									0.5	0.8	1.0	0.6	0.7
SBY 2014-1		0.5	0.6	1.5	1.3	1.1	1.0	1.0	1.0	0.9	1.1	0.6	0.6
SWAY 2014-1		0.2	0.2	0.4	0.5	0.6	0.7	0.7	0.5	0.4	1.0	1.3	1.3
TAH 2015-SFR1				2.4	2.2	1.9	2.3	2.1	1.7	1.4	1.3	1.0	1.2
Overall SFR		0.7	0.9	1.0	0.9	0.9	1.0	0.9	0.9	1.0	0.8	0.6	0.5

*Using American Residential Properties delinquency definition before March 2016 and American Homes 4 Rent delinquency definition beginning in March 2016

**Using SWAY Residential delinquency definition before January 2016 and Colony American Homes delinquency definition beginning in January 2016

14

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When evaluating an issuer's ability to keep tenants in a property, Morningstar considers a retention rate. Once again, differences in monthly reporting affect the calculation that Morningstar uses. Typically, a renewal rate would review those tenants that were retained with a full-term lease. Considering the different methods issuers use to designate tenants with either a renewal or a month-to-month status, Morningstar opted to report the retention rate instead of the renewal rate. The retention rate is defined as those properties that retained previous tenants on full-term leases plus those properties that kept the previous tenant on a month-to-month basis divided by the total number of leases due to expire in that period. Because lease expiration profiles change over time as previous tenants renew or new tenants occupy vacant properties, Morningstar seeks to rely on more recently published reporting of lease expirations, rather than solely using the lease expiration schedule from the cutoff date. To compute the February retention rate, Morningstar looks for all February lease expirations in the November property tape. Morningstar looks three months back to more accurately account for tenants that renew their leases in months before their scheduled lease expiration. Certain issuers have indicated that they proactively work to renew tenants a few months before the lease expiration date, and so the current retention rate calculation should capture these renewals. In January, Morningstar revised its method for determining the eligible properties to be included in the retention rate calculation. Because Morningstar is looking three months back to determine its sample, there are instances when tenants vacate properties between the time Morningstar determines its sample and the month in which the tenant must make a decision to stay in the property. Starting in January, Morningstar excludes those vacated properties from its retention rate calculation. In the current example, properties that become vacant or that have move out dates in either December or January will be removed from the retention calculation. This additional condition also affects the lease expirations reported in Tables 2a and 2b because Morningstar also looks three months back to determine the lease expirations it reports in these tables. If there is not enough seasoning in the deal to look three months back, Morningstar relies on the cutoff tape lease expiration profile. As a result, the first three months of retention rate reported in Table 6 will use the cutoff tape to find the sample of lease expirations. After isolating those properties with February lease expirations, Morningstar looks at the most recent property tape to determine the lease status of the properties. In this example, Morningstar uses the March property tape to determine the lease status. Morningstar continues to rely on the issuer's labeling of vacant, renewal, new lease, or MTM, to the extent that these notations are available in each tape. February retention rates continue to be strong and remain in line with the last two months. Twenty-two of the 24 transactions reported a retention rate of at least 73%, with the exception of ARP 2014-SFR1 and PRD 2015-SFR1 which report a retention rate of 64.1% and 68.9%, respectively. PRD 2014-SFR1 reported the highest increase in the retention rate to 95.7% from 75.7% in January even with increasing lease expirations for the last three consecutive months, whereas ARP 2014-SFR1 witnessed the biggest drop to 64.1% from 73.4% in January. ARP 2014-SFR1's retention rate dropped for the third consecutive month.

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Table 6 – Monthly Retention Rate of Expiring Leases

		Year 2015									Year 2016		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
AH4R 2014-SFR1		82.6	79.7	70.7	78.0	75.7	80.9	74.5	76.1	76.7	78.8	78.1	TBD
AH4R 2014-SFR2		75.8	75.1	65.7	73.5	73.5	69.0	72.5	76.5	76.0	78.5	79.6	TBD
AH4R 2014-SFR3		75.9	75.0	76.7	70.7	71.2	71.5	73.1	67.2	73.5	77.4	73.0	TBD
AH4R 2015-SFR1		73.0	69.1	75.1	73.0	72.2	69.1	76.1	75.2	76.5	71.9	74.2	TBD
AH4R 2015-SFR2								79.6	72.0	78.5	80.1	76.8	TBD
ARP 2014-SFR1		79.4	81.4	80.3	78.5	76.2	74.8	78.5	79.3	77.9	73.4	64.1	TBD
CAH 2014-1		82.3	70.1	79.6	72.7	75.1	75.5	75.8	75.6	76.2	80.2	75.9	TBD
CAH 2014-2		82.4	73.8	68.7	76.9	76.7	73.9	83.8	78.9	85.0	77.7	77.4	TBD
CAH 2015-1					75.2	72.6	73.9	76.0	71.8	75.9	70.9	73.2	TBD
HPA 2016-1												83.1	TBD
IH 2013-SFR1		77.9	81.0	78.0	71.8	72.4	79.0	78.9	78.4	80.9	80.6	77.2	TBD
IH 2014-SFR1		80.2	77.2	74.3	76.1	76.7	73.4	79.4	79.1	82.0	80.6	80.1	TBD
IH 2014-SFR2		77.8	77.5	74.9	69.1	77.5	77.3	77.5	78.2	78.0	76.9	79.0	TBD
IH 2014-SFR3		78.5	76.7	77.1	71.7	72.8	73.7	79.9	79.5	79.2	80.4	80.3	TBD
IH 2015-SFR1		77.6	76.5	78.9	80.2	74.6	72.5	76.3	77.1	81.3	78.3	78.2	TBD
IH 2015-SFR2		70.6	71.9	79.2	75.0	68.8	68.9	75.4	81.7	79.3	81.0	77.6	TBD
IH 2015-SFR3					72.2	73.9	77.2	74.0	78.6	79.9	79.0	83.3	78.7	TBD
PRD 2014-SFR1		76.7	76.5	74.1	60.6	73.1	75.0	71.2	81.3	85.5	75.7	95.7	TBD
PRD 2015-SFR1		75.7	75.2	76.9	78.3	76.5	72.1	75.1	71.4	59.4	77.8	68.9	TBD
PRD 2015-SFR2					70.0	79.4	82.0	74.3	76.8	73.1	81.8	73.7	77.2	TBD
PRD 2015-SFR3									66.7	85.7	87.5	77.4	TBD
SBY 2014-1		79.9	79.4	74.4	78.8	81.5	83.1	80.7	80.4	80.0	83.4	77.5	TBD
SWAY 2014-1		78.9	79.1	69.6	76.4	78.3	77.8	73.7	75.4	75.0	76.1	77.6	TBD
TAH 2015-SFR1					82.1	85.9	83.9	84.1	83.6	88.6	83.3	85.8	90.8	TBD
Overall SFR		77.9	76.3	75.1	74.9	75.3	74.2	77.2	77.4	78.9	79.1	78.1	TBD

TBD – To Be Determined

16

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In Table 7, Morningstar reviews the retention rate of those properties in a month-to-month status. This table looks at previous tenants that went to a month-to-month status and either renewed or remained in the property on a month-to-month basis. For the MTM retention rate, Morningstar looks for MTM tenants in the previous month's property tape, and then looks to the current month for their occupancy status. For example, the February 2016 retention rates are the March statuses of February MTM tenants. In Tables 8a and 8b, Morningstar shows the count and percentage of properties with MTM tenants. Securitizations with higher concentrations of MTM tenants typically report higher retention rates of their MTM leases. MTM tenants are usually subject to a monthly fee, which may encourage them to eventually sign full-term leases. Overall, both the percentage of MTM tenants and the retention rate of MTM tenants are in line with recent performance. TAH 2015-SFR1 again has the largest percentage of MTM tenants at 13.7% in March, but there has been a declining trend for the last two months from 15.5% in January and is the lowest level for this deal since issuance. TAH 2015-SFR1 also has the highest retention rate of MTM leases at 95.3% in February. PRD 2015-SFR3 had the highest MTM retention rate increase to 83.3% in February from 70.0% in January. HPA 2016-1 did not contain any properties occupied by MTM tenants in either March or February.

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Table 7 – Monthly Retention Rate of Month-to-Month Leases

		Year 2015									Year 2016		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
AH4R 2014-SFR1		85.1	80.1	86.2	83.1	88.4	84.9	88.3	85.0	91.1	94.8	89.6	TBD
AH4R 2014-SFR2		85.1	77.2	79.6	79.9	81.2	83.6	83.2	90.5	86.4	90.7	86.7	TBD
AH4R 2014-SFR3		76.4	73.0	72.5	76.1	80.4	82.9	80.0	85.5	84.6	86.2	86.7	TBD
AH4R 2015-SFR1		86.2	79.3	78.8	71.4	80.3	82.5	81.8	86.1	86.1	88.6	85.3	TBD
AH4R 2015-SFR2								84.3	82.0	87.5	83.8	86.7	TBD
ARP 2014-SFR1		94.2	88.6	86.1	90.8	88.1	84.2	90.7	88.9	88.6	85.3	86.1	TBD
CAH 2014-1		82.3	76.2	76.6	73.2	73.3	75.0	81.9	70.3	82.0	81.3	83.0	TBD
CAH 2014-2		79.7	76.5	73.3	82.0	72.4	80.4	89.1	65.5	86.3	81.5	88.7	TBD
CAH 2015-1					58.3	76.9	67.2	83.8	80.3	81.0	84.3	77.1	TBD
HPA 2016-1												0.0	TBD
IH 2013-SFR1		76.6	76.9	72.6	78.0	76.7	91.9	88.6	88.1	82.0	87.7	77.6	TBD
IH 2014-SFR1		79.3	65.0	72.0	70.1	78.7	74.6	85.0	86.4	80.4	84.5	80.4	TBD
IH 2014-SFR2		87.5	76.7	77.6	83.0	85.7	73.3	75.6	76.5	87.9	90.9	90.7	TBD
IH 2014-SFR3		76.3	73.2	78.8	67.3	73.2	76.2	79.1	78.0	80.0	87.1	84.2	TBD
IH 2015-SFR1		79.4	80.0	80.0	70.8	87.5	68.6	78.1	76.3	91.9	87.5	85.7	TBD
IH 2015-SFR2		81.8	71.0	85.7	75.9	82.8	79.4	71.9	71.4	82.9	65.8	77.3	TBD
IH 2015-SFR3				82.3	84.2	83.3	83.1	83.1	80.9	83.7	73.7	78.7	TBD
PRD 2014-SFR1		83.7	78.2	83.3	83.8	82.8	85.5	87.0	80.8	86.2	87.5	90.1	TBD
PRD 2015-SFR1		78.2	74.7	65.3	64.4	70.0	67.3	80.2	73.9	85.9	80.4	76.9	TBD
PRD 2015-SFR2				82.4	57.1	75.0	71.4	76.9	57.1	69.0	75.0	78.6	TBD
PRD 2015-SFR3									84.6	75.0	70.0	83.3	TBD
SBY 2014-1		90.2	89.3	87.7	89.8	85.1	87.8	91.3	90.7	92.3	93.7	89.5	TBD
SWAY 2014-1		86.3	84.3	87.0	87.6	77.9	84.8	86.5	88.1	87.8	89.6	89.2	TBD
TAH 2015-SFR1				90.1	93.8	94.0	93.6	93.6	95.5	93.8	91.1	95.3	TBD
Overall SFR		85.3	79.9	82.3	82.4	83.8	83.9	86.5	85.9	88.0	87.9	87.6	TBD

TBD – To Be Determined

18

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Table 8a – Month-to-Month Tenants (by Count)

		Year 2015							Year 2016				Total Count
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
AH4R 2014-SFR1		156	167	164	193	212	231	244	258	248	248	260	258	3,852
AH4R 2014-SFR2		206	250	259	213	190	173	183	169	172	153	166	176	4,487
AH4R 2014-SFR3		119	165	186	214	203	193	191	159	145	147	172	177	4,503
AH4R 2015-SFR1		87	102	126	168	209	224	257	266	287	275	240	208	4,661
AH4R 2015-SFR2								53	64	65	93	134	204	4,125
ARP 2014-SFR1		365	353	317	286	265	235	216	206	193	177	164	204	2,875
CAH 2014-1		62	68	70	119	133	122	79	82	61	48	47	50	3,370
CAH 2014-2		155	126	91	81	78	82	59	66	62	54	53	73	3,704
CAH 2015-1					129	126	128	99	92	78	51	48	48	3,875
HPA 2016-1												0	0	2,228
IH 2013-SFR1		86	88	69	61	52	44	56	51	71	78	99	89	3,191
IH 2014-SFR1		124	155	153	157	125	87	77	71	75	83	95	94	6,363
IH 2014-SFR2		61	60	72	72	65	55	47	52	51	54	58	69	3,688
IH 2014-SFR3		56	70	81	94	79	57	57	62	50	58	63	56	4,011
IH 2015-SFR1		41	38	34	32	39	45	52	55	61	59	64	63	3,026
IH 2015-SFR2		39	44	40	43	39	46	50	56	61	68	72	53	3,521
IH 2015-SFR3				84	101	109	110	118	128	149	131	144	140	7,192
PRD 2014-SFR1		169	154	128	111	88	76	72	75	67	67	83	83	3,138
PRD 2015-SFR1		58	86	111	108	117	115	102	89	65	56	58	52	3,995
PRD 2015-SFR2				17	15	22	34	42	53	36	28	44	75	3,311
PRD 2015-SFR3									13	12	10	9	26	3,164
SBY 2014-1		258	229	248	236	242	212	235	237	223	211	213	218	3,011
SWAY 2014-1		191	140	108	208	217	186	171	154	143	134	148	178	4,081
TAH 2015-SFR1				603	545	557	544	585	538	533	542	522	480	3,505
Overall SFR		2,233	2,295	2,961	3,186	3,167	2,999	3,045	2,996	2,908	2,825	2,956	3,074	92,877

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Table 8b – Month-to-Month Tenants (by Percentage)

		Year 2015 Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 2016 Jan	Feb	Mar
AH4R 2014-SFR1		4.0	4.3	4.3	5.0	5.5	6.0	6.3	6.7	6.4	6.4	6.7	6.7
AH4R 2014-SFR2		4.6	5.6	5.8	4.7	4.2	3.9	4.1	3.8	3.8	3.4	3.7	3.9
AH4R 2014-SFR3		2.6	3.7	4.1	4.8	4.5	4.3	4.2	3.5	3.2	3.3	3.8	3.9
AH4R 2015-SFR1		1.9	2.2	2.7	3.6	4.5	4.8	5.5	5.7	6.2	5.9	5.1	4.5
AH4R 2015-SFR2								1.3	1.6	1.6	2.3	3.2	4.9
ARP 2014-SFR1		12.7	12.3	11.0	9.9	9.2	8.2	7.5	7.2	6.7	6.2	5.7	7.1
CAH 2014-1		1.8	2.0	2.1	3.5	3.9	3.6	2.3	2.4	1.8	1.4	1.4	1.5
CAH 2014-2		4.2	3.4	2.4	2.2	2.1	2.2	1.6	1.8	1.7	1.5	1.4	2.0
CAH 2015-1					3.3	3.2	3.3	2.6	2.4	2.0	1.3	1.2	1.2
HPA 2016-1												0.0	0.0
IH 2013-SFR1		2.7	2.7	2.2	1.9	1.6	1.4	1.7	1.6	2.2	2.4	3.1	2.8
IH 2014-SFR1		1.9	2.4	2.4	2.4	1.9	1.3	1.2	1.1	1.2	1.3	1.5	1.5
IH 2014-SFR2		1.6	1.6	1.9	1.9	1.7	1.5	1.3	1.4	1.4	1.4	1.5	1.9
IH 2014-SFR3		1.4	1.7	2.0	2.3	2.0	1.4	1.4	1.5	1.2	1.4	1.6	1.4
IH 2015-SFR1		1.3	1.2	1.1	1.0	1.3	1.5	1.7	1.8	2.0	1.9	2.1	2.1
IH 2015-SFR2		1.1	1.2	1.1	1.2	1.1	1.3	1.4	1.6	1.7	1.9	2.0	1.5
IH 2015-SFR3				1.2	1.4	1.5	1.5	1.6	1.8	2.1	1.8	2.0	1.9
PRD 2014-SFR1		5.4	4.9	4.1	3.5	2.8	2.4	2.3	2.4	2.1	2.1	2.6	2.6
PRD 2015-SFR1		1.5	2.2	2.8	2.7	2.9	2.9	2.6	2.2	1.6	1.4	1.5	1.3
PRD 2015-SFR2				0.5	0.5	0.7	1.0	1.3	1.6	1.1	0.8	1.3	2.3
PRD 2015-SFR3									0.4	0.4	0.3	0.3	0.8
SBY 2014-1		8.4	7.4	8.1	7.7	7.9	7.0	7.8	7.9	7.4	7.0	7.1	7.2
SWAY 2014-1		4.7	3.4	2.6	5.1	5.3	4.6	4.2	3.8	3.5	3.3	3.6	4.4
TAH 2015-SFR1				17.2	15.5	15.9	15.5	16.7	15.3	15.2	15.5	14.9	13.7
Overall SFR		3.4	3.5	3.7	3.8	3.8	3.6	3.5	3.3	3.2	3.1	3.2	3.3

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In evaluating how effective an issuer is at retaining tenants, Morningstar also considers the monthly turnover rate, as reported in Table 9. For this metric, Morningstar strives to apply a consistent calculation given the differences in issuers' monthly reporting. Morningstar worked to revise its turnover approach this month, where it considers a property turned over if it meets one of three criteria: the property is vacant but was occupied in the previous month and generally the move-out date is not equal to the last day of the current month; the property was occupied in the prior month and a tenant has signed a new lease that starts on or after the second day of the current month; or the move-out date is on or after the last day of the previous month but is before the last day of the current month. Overall, turnover rates continue to increase since January to 2.9% in March from 2.3% in January, reversing a trend of decreasing rates in the last quarter of 2015. This trend may continue in the coming quarters because of higher lease expirations as summer sets in.

Table 9 – Monthly Turnover Rate

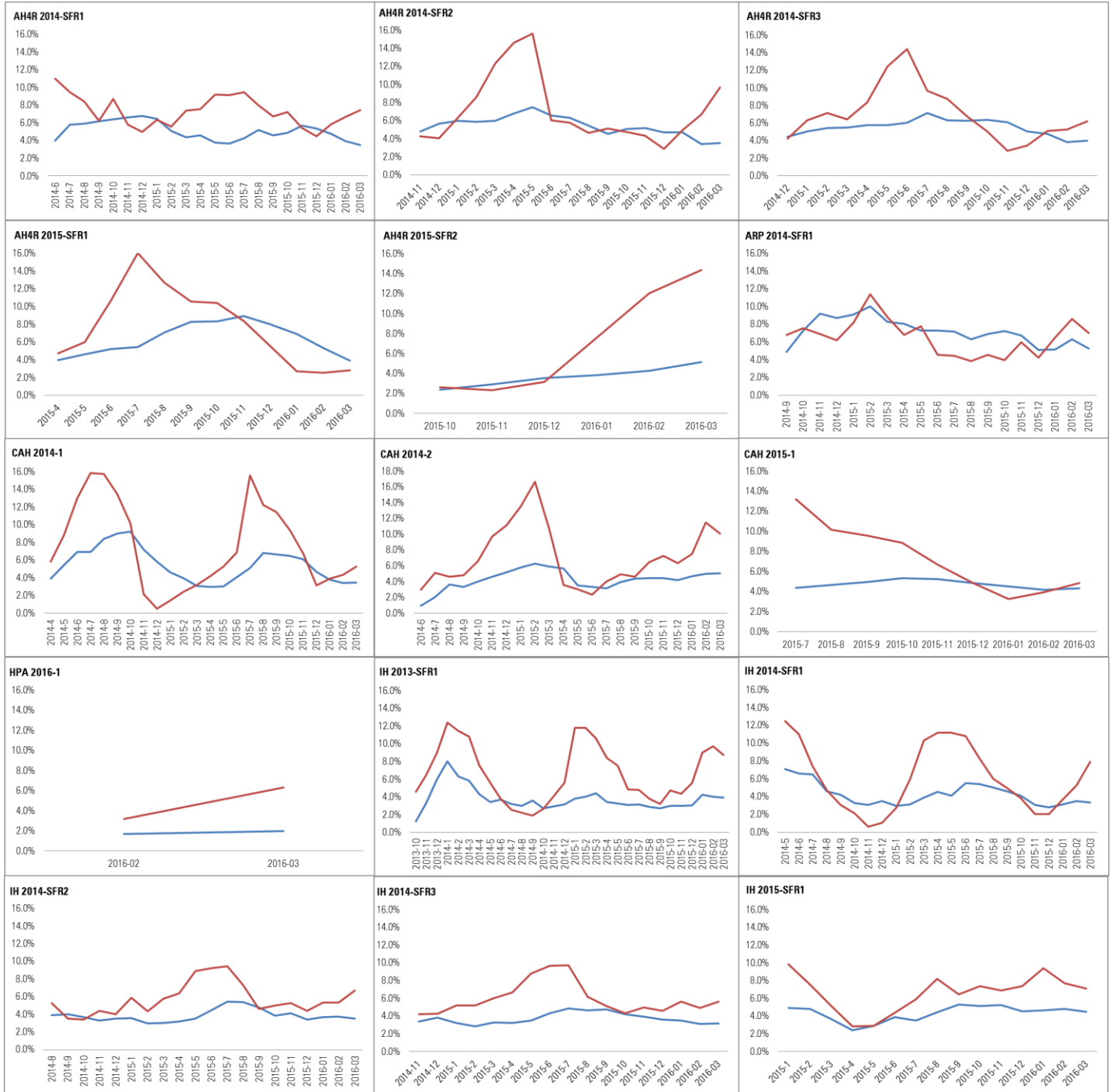|		Year 2015								Year 2016		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
AH4R 2014-SFR1		3.1	2.6	3.5	4.0	4.1	2.6	3.0	3.8	3.5	3.0	3.0	2.8
AH4R 2014-SFR2		3.6	4.8	5.3	4.1	3.5	2.4	3.4	3.3	2.3	2.7	2.6	2.8
AH4R 2014-SFR3		2.9	3.4	4.8	5.3	4.4	3.7	3.3	3.3	2.6	3.0	2.9	3.0
AH4R 2015-SFR1		2.0	2.6	3.8	4.4	5.9	5.3	4.1	4.6	3.8	3.4	3.2	2.0
AH4R 2015-SFR2								2.1	2.2	2.6	2.6	4.3	4.5
ARP 2014-SFR1		2.9	3.0	3.5	3.4	3.0	3.2	3.1	2.2	2.6	2.5	4.5	3.7
CAH 2014-1		2.0	2.2	3.4	4.0	5.9	4.2	4.1	2.8	2.2	1.6	1.8	2.2
CAH 2014-2		4.1	1.9	2.5	2.3	3.2	2.9	2.5	2.5	2.6	2.7	2.8	3.7
CAH 2015-1					4.3	4.1	3.7	3.5	3.3	2.6	2.1	1.7	2.5
HPA 2016-1												0.9	1.9
IH 2013-SFR1		3.1	2.9	2.9	2.7	2.6	2.1	2.4	2.2	1.8	3.0	3.3	3.4
IH 2014-SFR1		3.9	3.2	4.7	3.9	3.3	2.5	2.5	1.5	1.4	2.1	2.4	2.8
IH 2014-SFR2		2.5	3.0	4.0	4.4	3.7	2.8	2.3	2.3	1.7	2.2	2.3	2.6
IH 2014-SFR3		2.5	3.3	3.8	4.4	3.9	2.9	2.7	2.2	1.7	1.9	1.9	2.8
IH 2015-SFR1		1.7	2.2	2.7	2.3	3.1	3.2	3.2	3.0	2.4	2.9	3.4	2.9
IH 2015-SFR2			2.4	3.1	3.0	3.8	3.7	3.1	3.3	1.8	2.0	3.2	2.9
IH 2015-SFR3					3.2	3.3	3.1	3.2	2.7	2.1	2.3	3.1	2.9
PRD 2014-SFR1		3.8	4.1	4.2	2.8	2.2	2.5	2.3	2.4	2.2	1.9	2.3	3.4
PRD 2015-SFR1		2.3	3.8	4.9	5.1	5.1	4.1	3.8	2.2	2.1	1.3	1.2	2.2
PRD 2015-SFR2				1.2	1.8	2.2	3.1	4.1	3.1	2.2	2.1	2.7	4.3
PRD 2015-SFR3									1.0	1.1	1.2	0.9	1.8
SBY 2014-1		2.5	2.9	3.1	3.1	2.9	3.0	2.8	2.4	2.2	2.1	1.5	2.4
SWAY 2014-1		2.8	2.7	3.8	2.9	2.2	2.7	2.4	1.7	2.6	2.3	2.4	3.0
TAH 2015-SFR1				2.4	2.8	3.4	2.3	2.2	2.8	2.0	2.1	1.9	2.2
Overall SFR		2.9	3.3	3.3	3.6	3.7	3.2	3.2	2.8	2.3	2.3	2.5	2.9

22

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Multiborrower Performance

To date there have been four multiborrower transactions brought to market in the single-family rental sector: B2R 2015-1, B2R 2015-2, FKL 2015-SFR1, and CAF 2015-1. The deals are similar to single-borrower transactions in that the underlying collateral are generally single-family rental properties. They differ, though, in that single-borrower deals are backed by one loan, while multiborrower deals have many loans. B2R 2015-1 is secured by 144 loans; B2R 2015-2 is secured by 211 loans; FKL 2015-SFR1 is secured by 16 loans; and CAF 2015-1 is secured by 69 loans. As such, the monthly reporting for multiborrower deals is different from the data reported in the single-borrower space. For example, delinquency reported in Tables 5a and 5b are tenants that are past due on rental payments at a property level. For these multiborrower transactions, delinquency is measured by borrowers that are past due on loan payments at the loan level. As of the most recent remittance report, B2R 2015-1 has one loan that is 60 days delinquent, which was transferred to special servicing in January. The delinquent loan comprises 0.4% of the total transaction balance. The special servicer sent default notices to the borrower and guarantor, triggered the lockbox, and retained legal counsel, which is preparing to file for foreclosure. B2R 2015-2 has one loan 30 days delinquent that is 0.2% of the total transaction balance, and one loan 60 days delinquent that is also 0.2% of the total transaction balance. All of the loans in CAF 2015-1 are current. Finally, all borrowers in FKL 2015-SFR1 are current. However, one loan that is approximately 1.7% of the total transaction balance has been listed on the servicer's watchlist report since November 2015. The latest report notes that the borrower has notified the servicer of its intent to sell the properties and repay the note in full. Morningstar will monitor the performance of these loans.
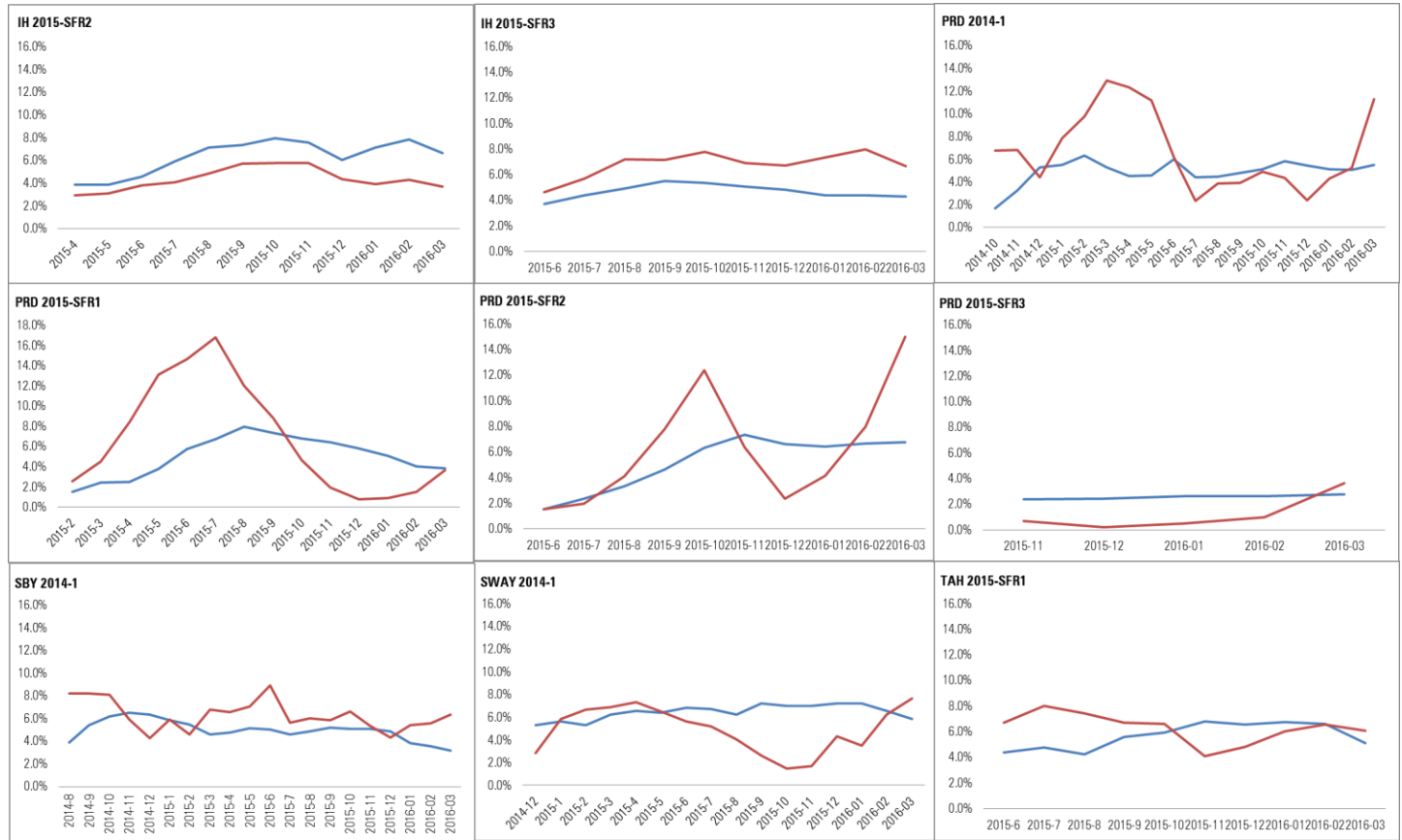
The March property-level data shows continued stable performance of the single-borrower, single-family rental asset class. Vacancy rates and delinquency rates generally remained steady or improved. Retention rates remained high for majority of the deals. Turnover rates increased for the third-consecutive month in line with the increase in lease expirations. Monitoring the monthly performance of key metrics in both the single-borrower and multiborrower areas of the single-family rental asset class is important as more historical data becomes available, particularly as issuers employ different strategies in managing their securitized pools. It is equally important to view each of these metrics in context. For example, month-end vacancy rates should be viewed in the context of a transaction's lease expiration cycle, and delinquency rates depend on each issuer's definition of delinquency. Morningstar emphasizes the importance of standardizing data across different issuers to allow for uniform and insightful comparison across all deals.

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Appendix I – Vacancy versus Lease Expiration

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