

Single-Family Rental Research:

Performance Summary Covering All Morningstar-Rated Securitizations

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Introduction

Delinquency rates across single-family rental securitizations remained low in July and Morningstar Credit Ratings, LLC reports that this rate improved for the majority of deals. Most notably, ARP 2014-SFR1's delinquency rate dropped to 2.2% for July from 3.0%. The retention rate of month-to-month leases also improved for most deals after dropping for almost every deal last month. The retention rates of scheduled lease expirations for the most part remain in the mid-70s, which is within Morningstar's expectations. Vacancy rates remain low, though they may migrate higher as more leases expire.

This month's report includes the recently closed CAH 2015-1 transaction. Cash flows remain sufficient to cover bond obligations, and in general the asset class performance is in line with its recent history. We have included a brief summary of the B2R 2015-1 and FKL 2015-SFR1 multiborrower transactions on page 17. Given that the single-family rental asset class is newer and that historical performance data remains relatively limited, Morningstar has developed its monthly performance summary as a means to give market participants detailed property-level information prior to initiating formal surveillance on each securitization. The data below summarizes issuer-reported property-level information through July.

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, vacancy rate might be calculated based on property count, by cash flow, or by days of occupancy. Morningstar recognizes the value of each method. However, 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 vacant 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 unique 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. Overall, vacancy rates across all transactions are still low. ARP 2014-SFR1's vacancy rate remains the highest at 7.2%, but has remained stable over the past three months since recording its peak of 10.0% in February. The vacancy rate for AH4R 2014-SFR3 increased to 7.1% from 6.0% in June; however, 36.5% of properties in the deal have had leases expire in the past three months. A similar story is playing out with PRD 2015-SFR1, which has had 44.7% of leases expire over the past three months while its vacancy rate increased to 6.8% in July.

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



		Year 2014					Year 2015							Total Count
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
AH4R 2014-SFR1		227	238	246	255	261	249	196	169	176	145	140	157	3,852
AH4R 2014-SFR2					215	254	268	264	268	304	337	294	280	4,487
AH4R 2014-SFR3						200	227	245	246	258	258	271	319	4,503
AH4R 2015-SFR1										185	216	243	253	4,661
ARP 2014-SFR1			142	210	266	250	262	288	238	231	210	210	206	2,876
CAH 2014-1		285	306	312	244	198	156	133	105	101	103	139	174	3,391
CAH 2014-2		133	124	150	172	193	215	232	220	212	131	124	118	3,713
CAH 2015-1													170	3,879
IH 2013-SFR1		97	114	88	94	101	122	129	141	110	104	98	101	3,207
IH 2014-SFR1		296	275	212	199	227	191	202	251	294	266	358	355	6,473
IH 2014-SFR2		146	150	138	124	132	134	111	114	119	132	168	206	3,749
IH 2014-SFR3					137	154	130	113	132	129	141	173	200	4,015
IH 2015-SFR1							149	146	112	74	88	119	109	3,050
IH 2015-SFR2										104	110	134	146	3,523
IH 2015-SFR3												267	324	7,207
PRD 2014-SFR1				52	105	167	173	199	166	142	144	189	139	3,140
PRD 2015-SFR1								61	97	101	152	230	270	3,995
PRD 2015-SFR2												50	77	3,312
SBY 2014-1		120	168	190	201	196	181	169	141	147	158	156	142	3,080
SWAY 2014-1						217	230	215	253	267	260	279	274	4,081
TAH 2015-SFR1												153	167	3,505



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

		Year 2014					Year 2015						
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
AH4R 2014-SFR1		5.9	6.2	6.4	6.6	6.8	6.5	5.1	4.4	4.6	3.8	3.6	4.1
AH4R 2014-SFR2					4.8	5.7	6.0	5.9	6.0	6.8	7.5	6.6	6.2
AH4R 2014-SFR3						4.4	5.0	5.4	5.5	5.7	5.7	6.0	7.1
AH4R 2015-SFR1										4.0	4.6	5.2	5.4
ARP 2014-SFR1			4.9	7.3	9.2	8.7	9.1	10.0	8.3	8.0	7.3	7.3	7.2
CAH 2014-1		8.4	9.0	9.2	7.2	5.8	4.6	3.9	3.1	3.0	3.0	4.1	5.1
CAH 2014-2		3.6	3.3	4.0	4.6	5.2	5.8	6.2	5.9	5.7	3.5	3.3	3.2
CAH 2015-1													4.4
IH 2013-SFR1		3.0	3.6	2.7	2.9	3.1	3.8	4.0	4.4	3.4	3.2	3.1	3.1
IH 2014-SFR1		4.6	4.2	3.3	3.1	3.5	3.0	3.1	3.9	4.5	4.1	5.5	5.5
IH 2014-SFR2		3.9	4.0	3.7	3.3	3.5	3.6	3.0	3.0	3.2	3.5	4.5	5.5
IH 2014-SFR3					3.4	3.8	3.2	2.8	3.3	3.2	3.5	4.3	5.0
IH 2015-SFR1							4.9	4.8	3.7	2.4	2.9	3.9	3.6
IH 2015-SFR2										3.0	3.1	3.8	4.1
IH 2015-SFR3												3.7	4.5
PRD 2014-SFR1				1.7	3.3	5.3	5.5	6.3	5.3	4.5	4.6	6.0	4.4
PRD 2015-SFR1								1.5	2.4	2.5	3.8	5.8	6.8
PRD 2015-SFR2												1.5	2.3
SBY 2014-1		3.9	5.5	6.2	6.5	6.4	5.9	5.5	4.6	4.8	5.1	5.1	4.6
SWAY 2014-1						5.3	5.6	5.3	6.2	6.5	6.4	6.8	6.7
TAH 2015-SFR1												4.4	4.8

Table 2a – Lease Expiration (by Count)



		Year 2014					Year 2015							Count
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
AH4R 2014-SFR 1		324	240	335	223	191	245	214	285	291	354	352	370	3,852
AH4R 2014-SFR2					194	183	284	386	553	656	700	272	257	4,487
AH4R 2014-SFR3						189	285	322	289	377	559	649	435	4,503
AH4R 2015-SFR 1									222	281	500	747	4,661	
ARP 2014-SFR 1			196	217	199	178	234	328	253	196	224	131	127	2,876
CAH 2014-1		533	458	343	73	16	48	82	108	142	179	233	528	3,391
CAH 2014-2		172	179	244	362	414	503	618	394	133	113	87	149	3,713
CAH 2015-1													512	3,879
IH 2013-SFR1		71	61	84	131	180	378	377	340	269	241	155	154	3,207
IH 2014-SFR1		304	200	140	40	68	178	387	669	724	726	701	538	6,473
IH 2014-SFR2		197	133	128	165	151	221	162	217	239	333	346	355	3,749
IH 2014-SFR3					168	171	209	209	240	267	352	387	391	4,015
IH 2015-SFR1							299	229	157	87	88	133	178	3,050
IH 2015-SFR2										136	137	161	209	3,523
IH 2015-SFR3											223	334	408	7,207
PRD 2014-SFR1				212	215	139	246	307	406	387	352	196	73	3,140
PRD 2015-SFR 1								102	182	335	526	587	671	3,995
PRD 2015-SFR2												50	64	3,312
SBY 2014-1		253	254	250	183	132	183	142	209	202	218	275	177	3,080
SWAY 2014-1						115	238	272	280	299	264	230	211	4,081
TAH 2015-SFR1												235	280	3,505

Table 2b – Lease Expiration (by Percentage)



		Year 2014					Year 2015						
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
AH4R 2014-SFR1		8.4	6.2	8.7	5.8	5.0	6.4	5.6	7.4	7.6	9.2	9.1	9.6
AH4R 2014-SFR2					4.3	4.1	6.3	8.6	12.3	14.6	15.6	6.1	5.7
AH4R 2014-SFR3						4.2	6.3	7.2	6.4	8.4	12.4	14.4	9.7
AH4R 2015-SFR1									4.8	6.0	10.7	16.0	
ARP 2014-SFR1			6.8	7.5	6.9	6.2	8.1	11.4	8.8	6.8	7.8	4.6	4.4
CAH 2014-1		15.7	13.5	10.1	2.2	0.5	1.4	2.4	3.2	4.2	5.3	6.9	15.6
CAH 2014-2		4.6	4.8	6.6	9.7	11.2	13.5	16.6	10.6	3.6	3.0	2.3	4.0
CAH 2015-1													13.2
IH 2013-SFR1		2.2	1.9	2.6	4.1	5.6	11.8	11.8	10.6	8.4	7.5	4.8	4.8
IH 2014-SFR1		4.7	3.1	2.2	0.6	1.1	2.7	6.0	10.3	11.2	11.2	10.8	8.3
IH 2014-SFR2		5.3	3.5	3.4	4.4	4.0	5.9	4.3	5.8	6.4	8.9	9.2	9.5
IH 2014-SFR3					4.2	4.3	5.2	5.2	6.0	6.7	8.8	9.6	9.7
IH 2015-SFR1							9.8	7.5	5.1	2.9	2.9	4.4	5.8
IH 2015-SFR2										3.9	3.9	4.6	5.9
IH 2015-SFR3											3.1	4.6	5.7
PRD 2014-SFR1				6.8	6.8	4.4	7.8	9.8	12.9	12.3	11.2	6.2	2.3
PRD 2015-SFR1								2.6	4.6	8.4	13.2	14.7	16.8
PRD 2015-SFR2												1.5	1.9
SBY 2014-1		8.2	8.2	8.1	5.9	4.3	5.9	4.6	6.8	6.6	7.1	8.9	5.7
SWAY 2014-1						2.8	5.8	6.7	6.9	7.3	6.5	5.6	5.2
TAH 2015-SFR1												6.7	8.0

Tables 3a and 3b show the number of overall months of vacancy the July vacant properties have experienced. In other words, if a property is unoccupied as of the July 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 July vacancies. As reported in previous versions of this summary, properties do not tend to be vacant for greater than three to four months. However, of the 206 vacant properties in ARP 2014-SFR1, 15.5% have been unoccupied for at least five months. This is an improvement, as the metric stood at 20.0% in June. CAH 2014-1 has 174 vacant properties as of July and 11.5% have been empty for five months or longer, which is an improvement from 12.9% in June and 15.4% in May. Currently, 4.0% have been empty for at least 12 months. Colony American Homes has started to sell and remove some of these homes from the pool of properties, as evidenced by a drop in this metric from 5.0% for June.

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



		1	2	3	4	5	6	7	8	9	10	11	12+	Total
AH4R 2014-SFR1		96	37	8	11	4	0	0	0	1	0	0	0	157
AH4R 2014-SFR2		133	88	41	11	6	0	1	0	0				280
AH4R 2014-SFR3		186	78	36	10	6	3	0	0					319
AH4R 2015-SFR1		146	64	26	17									253
ARP 2014-SFR1		81	56	22	15	7	11	4	1	6	1	2		206
CAH 2014-1		82	32	25	15	6	2	1	2	1	0	1	7	174
CAH 2014-2		59	36	8	8	3	0	1	2	0	0	0	1	118
CAH 2015-1		170												170
IH 2013-SFR1		43	23	17	9	5	2	0	0	1	0	0	1	101
IH 2014-SFR1		158	101	60	23	4	0	0	1	2	1	0	5	355
IH 2014-SFR2		112	59	18	7	4	1	0	1	2	0	0	2	206
IH 2014-SFR3		138	44	12	3	2	1	0	0	0				200
IH 2015-SFR1		54	33	9	7	2	2	0	2					109
IH 2015-SFR2		85	45	10	6									146
IH 2015-SFR3		198	104	22										324
PRD 2014-SFR1		69	48	11	6	4	1	0	0	0	0			139
PRD 2015-SFR1		176	75	14	5	0	0							270
PRD 2015-SFR2		54	23											77
SBY 2014-1		75	43	14	5	1	4	0	0	0	0	0	0	142
SWAY 2014-1		117	93	25	12	7	6	3	9	2				274
TAH 2015-SFR1		101	63	3										167

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



		1	2	3	4	5	6	7	8	9	10	11	12+	Total
AH4R 2014-SFR1		61.1	23.6	5.1	7.0	2.5	0.0	0.0	0.0	0.6	0.0	0.0	0.0	100.0
AH4R 2014-SFR2		47.5	31.4	14.6	3.9	2.1	0.0	0.4	0.0	0.0				100.0
AH4R 2014-SFR3		58.3	24.5	11.3	3.1	1.9	0.9	0.0	0.0					100.0
AH4R 2015-SFR1		57.7	25.3	10.3	6.7									100.0
ARP 2014-SFR1		39.3	27.2	10.7	7.3	3.4	5.3	1.9	0.5	2.9	0.5	1.0		100.0
CAH 2014-1		47.1	18.4	14.4	8.6	3.4	1.1	0.6	1.1	0.6	0.0	0.6	4.0	100.0
CAH 2014-2		50.0	30.5	6.8	6.8	2.5	0.0	0.8	1.7	0.0	0.0	0.0	0.8	100.0
CAH 2015-1		100.0												100.0
IH 2013-SFR1		42.6	22.8	16.8	8.9	5.0	2.0	0.0	0.0	1.0	0.0	0.0	1.0	100.0
IH 2014-SFR1		44.5	28.5	16.9	6.5	1.1	0.0	0.0	0.3	0.6	0.3	0.0	1.4	100.0
IH 2014-SFR2		54.4	28.6	8.7	3.4	1.9	0.5	0.0	0.5	1.0	0.0	0.0	1.0	100.0
IH 2014-SFR3		69.0	22.0	6.0	1.5	1.0	0.5	0.0	0.0	0.0				100.0
IH 2015-SFR1		49.5	30.3	8.3	6.4	1.8	1.8	0.0	1.8					100.0
IH 2015-SFR2		58.2	30.8	6.8	4.1									100.0
IH 2015-SFR3		61.1	32.1	6.8										100.0
PRD 2014-SFR1		49.6	34.5	7.9	4.3	2.9	0.7	0.0	0.0	0.0	0.0			100.0
PRD 2015-SFR1		65.2	27.8	5.2	1.9	0.0	0.0							100.0
PRD 2015-SFR2		70.1	29.9											100.0
SBY 2014-1		52.8	30.3	9.9	3.5	0.7	2.8	0.0	0.0	0.0	0.0	0.0	0.0	100.0
SWAY 2014-1		42.7	33.9	9.1	4.4	2.6	2.2	1.1	3.3	0.7				100.0
TAH 2015-SFR1		60.5	37.7	1.8										100.0

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. These conditions can differ by the total dollar threshold an issuer uses to classify a tenant as delinquent, as well as 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 4 summarizes the delinquency definition for each issuer. 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. Not surprisingly, ARP 2014-SFR1, SBY 2014-1, and TAH 2015-SFR1 have some of the higher reported delinquency percentages because they each count total receivables toward past due payments. Each of the three has shown a slight improvement from last month. As seen in Table 5b, 10 deals now have delinquency rates of 1.0% or higher, whereas in April only the ARP transaction surpassed this level. However, delinquency rates dropped for 13 deals and only increased for four deals in July. This metric dropped for ARP 2014-SFR1 to 2.2% from 3.0% in June.

Table 4 – Delinquency Definition



Issuer	Definition
American Homes 4 Rent	Past due 30 days or more and owing \$200 or more
American Residential Properties	Past due 30 days or more and owing \$500 or more ¹
Colony American Homes	Past due 30 days or more
Invitation Homes	Past due 30 days or more and owing 25% of one month's rent or more
Progress Residential	Past due 30 days or more and owing \$200 or more ²
Silver Bay Realty	Past due 30 days or more and owing \$500 or more ¹
SWAY Residential	Past due 30 days or more and owing \$500 or more
Tricon American Homes	Past due 30 days or more and owing \$500 or more ¹

¹Based on total receivables

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



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

		Year 2014					Year 2015							Count
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
AH4R 2014-SFR1		25	32	50	104	93	45	55	40	23	46	35	35	3,852
AH4R 2014-SFR2					77	96	70	71	49	37	39	34	44	4,487
AH4R 2014-SFR3						62	30	37	24	25	36	28	22	4,503
AH4R 2015-SFR1										39	61	38	32	4,661
ARP 2014-SFR1			20	50	45	45	71	48	54	65	73	87	62	2,876
CAH 2014-1		37	69	45	50	67	56	22	20	21	27	27	15	3,391
CAH 2014-2		54	85	55	70	70	61	45	32	27	47	34	28	3,713
CAH 2015-1													26	3,879
IH 2013-SFR1		20	22	22	27	28	27	20	16	26	33	32	32	3,207
IH 2014-SFR1		55	51	55	65	66	66	55	48	25	48	47	40	6,473
IH 2014-SFR2		35	38	41	42	41	49	39	30	29	32	31	36	3,749
IH 2014-SFR3					40	32	33	32	22	29	33	39	27	4,015
IH 2015-SFR1							54	47	29	27	33	39	33	3,050
IH 2015-SFR2										24	17	28	24	3,523
IH 2015-SFR3												90	98	7,207
PRD 2014-SFR1				23	36	16	30	24	26	16	23	32	30	3,140
PRD 2015-SFR1								21	23	26	31	32	29	3,995
PRD 2015-SFR2												42	41	3,312
SBY 2014-1		32	23	24	33	34	33	33	25	16	19	45	40	3,080
SWAY 2014-1						228	18	26	5	7	8	15	20	4,081
TAH 2015-SFR1												83	76	3,505

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



		Year 2014					Year 2015						
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
AH4R 2014-SFR1		0.6	0.8	1.3	2.7	2.4	1.2	1.4	1.0	0.6	1.2	0.9	0.9
AH4R 2014-SFR2					1.7	2.1	1.6	1.6	1.1	0.8	0.9	0.8	1.0
AH4R 2014-SFR3						1.4	0.7	0.8	0.5	0.6	0.8	0.6	0.5
AH4R 2015-SFR1									0.8	1.3	0.8	0.7	
ARP 2014-SFR1			0.7	1.7	1.6	1.6	2.5	1.7	1.9	2.3	2.5	3.0	2.2
CAH 2014-1		1.1	2.0	1.3	1.5	2.0	1.7	0.6	0.6	0.6	0.8	0.8	0.4
CAH 2014-2		1.5	2.3	1.5	1.9	1.9	1.6	1.2	0.9	0.7	1.3	0.9	0.8
CAH 2015-1													0.7
IH 2013-SFR1		0.6	0.7	0.7	0.8	0.9	0.8	0.6	0.5	0.8	1.0	1.0	1.0
IH 2014-SFR1		0.8	0.8	0.8	1.0	1.0	1.0	0.8	0.7	0.4	0.7	0.7	0.6
IH 2014-SFR2		0.9	1.0	1.1	1.1	1.1	1.3	1.0	0.8	0.8	0.9	0.8	1.0
IH 2014-SFR3					1.0	0.8	0.8	0.8	0.5	0.7	0.8	1.0	0.7
IH 2015-SFR1							1.8	1.5	1.0	0.9	1.1	1.3	1.1
IH 2015-SFR2										0.7	0.5	0.8	0.7
IH 2015-SFR3												1.2	1.4
PRD 2014-SFR1				0.7	1.1	0.5	1.0	0.8	0.8	0.5	0.7	1.0	1.0
PRD 2015-SFR1								0.5	0.6	0.7	0.8	0.8	0.7
PRD 2015-SFR2												1.3	1.2
SBY 2014-1		1.0	0.7	0.8	1.1	1.1	1.1	1.1	0.8	0.5	0.6	1.5	1.3
SWAY 2014-1						5.6	0.4	0.6	0.1	0.2	0.2	0.4	0.5
TAH 2015-SFR1												2.4	2.2

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 previously 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 June retention rate, Morningstar looks for all June lease expirations in the March property tape. Morningstar looks three months back in order to more accurately account for tenants that renew their leases in months prior to their scheduled lease expiration. Certain issuers have indicated that they proactively work to renew tenants with upcoming lease expirations a few months before the actual lease expiration date, and so the current retention rate calculation should capture these renewals. 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 June 2015 lease expirations, Morningstar still looks at the most recent property tape to determine the lease status of the properties. In this example, Morningstar uses the July 2015 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. Overall, retention rates of expiring leases declined slightly, continuing last month's trend. Retention rates for June mostly remain in the mid-70s. The retention rate for CAH 2014-1 improved to 76.8% in June from 68.2% and the rate for IH 2015-SFR2 increased to 80.1% from 72.3%. This figure dropped for SWAY 2014-1 to 68.7% from 77.7% and for AH4R 2014-SFR2 to 64.0% from 73.0%. The rate for AH4R 2014-SFR2 is the lowest among all deals.



Table 6 – Monthly Retention Rate of Expiring Leases

		Year 2014					Year 2015						
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
AH4R 2014-SFR1		75.3	68.3	76.1	73.1	72.3	75.9	77.6	75.8	79.7	77.4	69.3	TBD
AH4R 2014-SFR2					70.1	69.9	76.1	75.9	72.3	74.1	73.0	64.0	TBD
AH4R 2014-SFR3						74.6	75.1	73.6	73.4	73.5	73.7	74.9	TBD
AH4R 2015-SFR1										73.0	66.9	71.6	TBD
ARP 2014-SFR1			76.5	70.5	79.4	71.3	81.6	80.5	83.0	78.6	80.8	79.4	TBD
CAH 2014-1		76.5	76.9	78.1	83.6	68.8	81.3	74.4	73.1	81.7	68.2	76.8	TBD
CAH 2014-2		84.3	74.9	80.7	78.5	81.2	76.5	76.4	73.4	81.2	69.9	65.5	TBD
CAH 2015-1													TBD
IH 2013-SFR1		74.6	62.3	86.9	75.6	83.3	81.7	78.8	76.5	77.7	80.9	78.7	TBD
IH 2014-SFR1		76.6	79.5	76.4	77.5	75.0	82.6	77.3	78.3	80.1	77.1	74.5	TBD
IH 2014-SFR2		79.2	75.9	80.5	80.0	85.4	85.1	75.9	82.5	77.4	78.1	74.6	TBD
IH 2014-SFR3					73.2	81.9	85.2	78.5	78.8	77.9	77.0	77.0	TBD
IH 2015-SFR1							79.9	77.3	79.6	78.2	77.3	77.4	TBD
IH 2015-SFR2										70.6	72.3	80.1	TBD
IH 2015-SFR3											73.1	72.2	TBD
PRD 2014-SFR1				83.5	72.6	77.0	74.4	72.3	75.9	76.7	76.7	73.5	TBD
PRD 2015-SFR1								68.6	72.0	75.8	75.1	76.3	TBD
PRD 2015-SFR2												70.0	TBD
SBY 2014-1		77.5	79.9	77.2	80.9	76.5	72.1	78.2	76.6	79.7	79.4	74.5	TBD
SWAY 2014-1						87.8	76.1	78.3	76.1	77.3	77.7	68.7	TBD
TAH 2015-SFR1												82.1	TBD

TBD – To Be Determined

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 June 2015 retention rates are the July 2015 statuses of June MTM tenants. The MTM retention rates generally improved in this report after having declined in May for 15 of the 17 deals for which there was enough seasoning to calculate this metric. This rate increased for IH 2015-SFR2 to 85.7% from 71.9% while it dropped for PRD 2015-SFR1 to 65.3% from 74.7%.

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



		Year 2014					Year 2015						
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
AH4R 2014-SFR1		80.2	74.8	80.6	79.4	87.0	89.0	89.6	84.8	85.1	80.1	86.8	TBD
AH4R 2014-SFR2					81.9	88.6	88.1	84.0	82.6	85.1	77.2	80.0	TBD
AH4R 2014-SFR3						79.5	85.1	82.5	78.4	76.4	73.0	73.1	TBD
AH4R 2015-SFR1										86.2	79.3	78.8	TBD
ARP 2014-SFR1			83.0	81.3	94.9	95.0	90.4	95.1	92.0	94.2	88.6	86.1	TBD
CAH 2014-1			83.5	88.1	90.8	85.2	76.6	83.3	83.8	82.3	76.2	76.6	TBD
CAH 2014-2		90.8	86.4	90.7	88.7	88.1	84.8	82.9	76.2	79.7	76.5	73.3	TBD
CAH 2015-1													TBD
IH 2013-SFR1		78.6	88.5	87.5	76.0	88.9	74.3	87.5	75.0	76.6	76.9	71.7	TBD
IH 2014-SFR1		72.4	81.9	76.1	75.9	86.4	84.2	81.6	82.4	79.3	65.0	73.1	TBD
IH 2014-SFR2		71.1	76.7	84.2	75.0	65.7	75.8	72.7	76.5	87.5	76.7	77.6	TBD
IH 2014-SFR3					70.3	79.3	75.8	81.8	87.9	76.3	73.2	78.8	TBD
IH 2015-SFR1							82.4	62.2	87.8	79.4	80.0	80.8	TBD
IH 2015-SFR2										82.4	71.9	85.7	TBD
IH 2015-SFR3												82.3	TBD
PRD 2014-SFR1				84.8	88.3	86.6	85.0	84.3	92.3	83.7	78.2	83.3	TBD
PRD 2015-SFR1								85.7	81.8	78.2	74.7	65.3	TBD
PRD 2015-SFR2												82.4	TBD
SBY 2014-1		87.8	86.9	91.7	91.9	96.2	90.1	96.2	92.9	90.2	89.3	87.7	TBD
SWAY 2014-1						92.5	90.5	85.8	83.3	86.3	84.3	87.0	TBD
TAH 2015-SFR1												90.1	TBD

TBD – To Be Determined

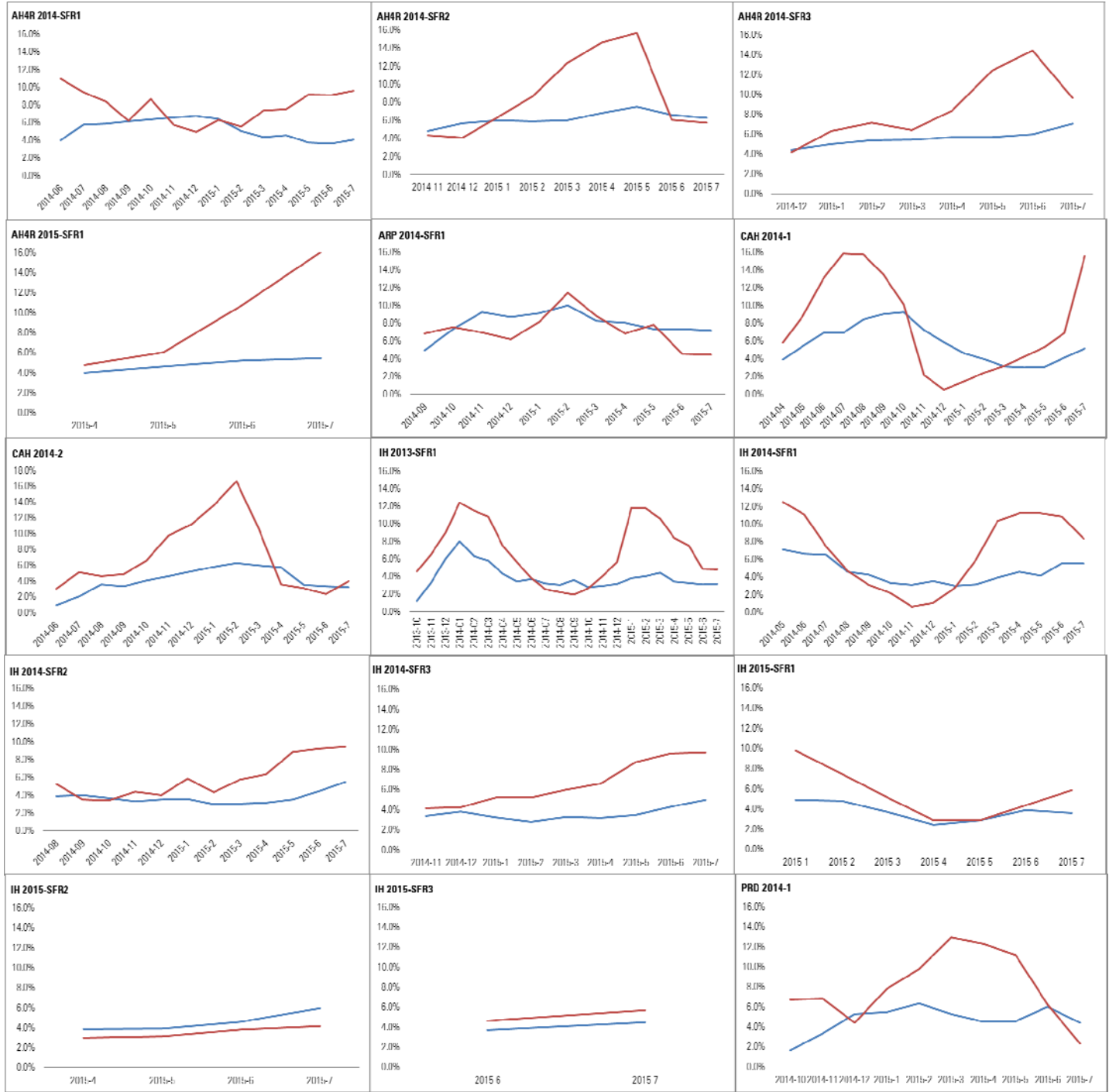
Multiborrower Performance

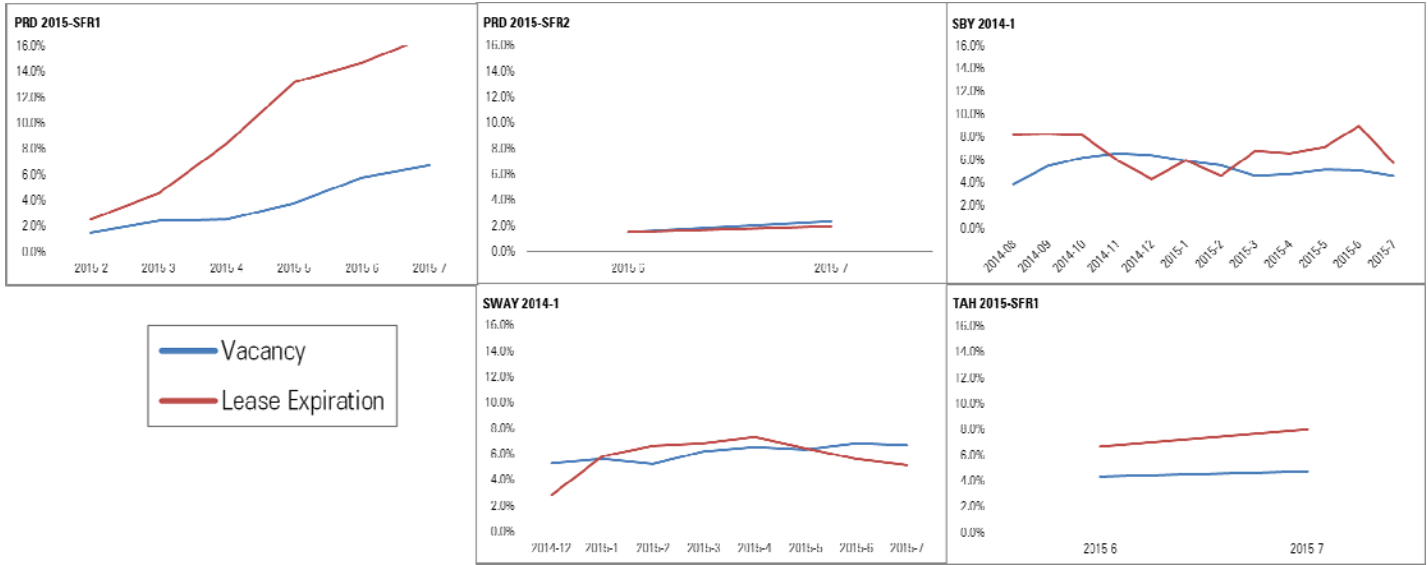
To date there have been two multiborrower transactions brought to market in the single-family rental sector: B2R 2015-1 and FKL 2015-SFR1. The deals are similar to single-borrower transactions in that the underlying collateral are generally single-family rental properties. They differ, though, in that single-borrower deals are backed by one loan while multiborrower deals have many loans. For example, B2R 2015-1 is secured by 144 loans, and FKL 2015-SFR1 is secured by 16 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 B2R 2015-1 and FKL-SFR1, delinquency is measured by borrowers that are past due on loan payments at the loan level. As of the August remittance report, all borrowers were current or less than one month delinquent in both of the multiborrower transactions.

Conclusion

The July property-level data for the single-borrower, single-family rental asset class shows performance in line with Morningstar's expectations. Delinquency rates are generally lower compared with those for June, and MTM retention rates are higher for most deals. Vacancy rates also remain in line with recent performance. Monitoring the monthly performance of key metrics in both the single-borrower and multiborrower areas of the single-family rental asset class continues to be important as more historical data becomes available. It is equally important to view each of these metrics in an appropriate context. For example, month-end vacancy rates should be viewed in the context of a transaction's lease expiration cycle, and delinquency rates are dependent upon each issuer's definition of delinquency.

Appendix I – Vacancy versus Lease Expiration





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