Single-Family Rental Research

Performance Summary Covering All Morningstar-Rated Securitizations

January 2017

Authors:
Brian Alan | brian.alan@morningstar.com | +1 646 560-4516
Rohit Jadhav | rohit.jadhav@morningstar.com | +91 22 61217208
Srikar Polasanapalli | srikar.polasanapalli@morningstar.com | +91 22 61217213

Analytical Manager:
Brian Grow | Managing Director | brian.grow@morningstar.com | +1 646 560-4513

Introduction

Strong retention rates and fewer lease expirations helped lower the vacancy rate among single-borrower, single-family rental transactions this month, and Morningstar Credit Ratings, LLC expects the vacancy rate to improve further in the coming months. The average vacancy rate among single-borrower, single-family rental transactions declined to 5.1% in December from a revised 5.3% in November. Among the metropolitan statistical areas most typically seen in single-borrower, single-family rental deals, Memphis, Tennessee had the highest vacancy rate at 8.4% in December. The Florida MSAs of Fort Lauderdale, Jacksonville, and Sarasota-Bradenton-Venice all had a vacancy rate of at least 6.0%. While still higher than average, Houston vacancies, at 7.0%, fell to their lowest level since August. Rents for properties backing single-family rental securitizations rose by 3.4% from their prior contractual rents. This marks the smallest rent increase for 2016 but tracks a similar trend for rent growth seen in 2015, and rent changes may begin to rise next month. The average delinquency rate in single-family rental securitizations ticked up to 0.9% from 0.6% the month prior. As of November, the most recent data available, the average retention rate for full-term leases was 77.1%. Morningstar added the analysis for Amherst, or AMSR, 2016-SFR1, Colony Starwood Homes, or CSH, 2016-2, and Progress Residential, or PRD, 2016-SFR2 to this report, bringing the performance summary to an analysis of 28 single-borrower deals and over 108,000 properties.

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 December. Page 4 includes a summary of the seven multiborrower transactions. For deals seasoned at least one year, we provide Morningstar DealView® Surveillance Analysis reports, available on our website, www.morningstarcreditratings.com.

Table of Contents

MORNINGSTAR®

Single-Borrower Performance

The vacancy rate improved to 5.1% partly because of fewer winter lease expirations and a retention rate that stayed in the high-70s. Additionally, the overall turnover rate declined for the fourth straight month and now stands at 2.7% as of November, the most recent data available. Morningstar expects that these factors may lead to lower vacancies in the coming months. Chart 5 shows the MSA-level vacancy rate in single-borrower transactions. MSAs with vacancy above the 5.1% average are red, while those below are blue. The size of the circle indicates the percentage of lease expirations in the given MSA over the past three months.

In December, overall delinquencies increased to 0.9%, and eight deals now have delinquency rates at or above 1.0%, up from four last month. That list includes AMSR 2016-SFR1 at 2.6%; however, given that this transaction has 10.5% Section 8 tenants by count, it is likely that some of these delinquencies are because of a timing mismatch between receiving the Section 8 portion of the rent and the reporting of delinquencies. This means some amount of the AMSR 2016-SFR1 delinquent rents are likely to be recovered. Any review of delinquency should be viewed within the context of the delinquency definitions in Table 5.

Rents increased 3.4% in December, down from 3.6% the prior month. Based on the historical rent changes shown in Chart 1, the rent gains for securitized properties are likely to increase in the beginning of 2017. The RentRange benchmarks track the year-over-year change on three- and four-bedroom median rents, weighted by MSA to match the geographic concentration of the Morningstar database. Chart 2 shows the rental change of renewals versus vacant-to-occupied properties. For November, the latest month for which data is available, the rent change for vacant-to-occupied properties was 1.6%, while the rent change for renewal properties was higher at 4.4%. That trend matches the relationship that these measures experienced one year ago, and renewal rent changes may continue to outpace vacant-to-occupied rent changes through the first quarter of 2017. Chart 3 shows that the average contractual rents by MSA have been largely in line with or slightly higher than their property-level RentRange estimates. Exceptions are most notable in the Florida MSAs of Miami, Sarasota-Bradenton-Venice, and Fort Lauderdale. Chart 4 shows the MSA-level rent change. MSAs with rent changes above the 3.4% average are blue, while those below are red. The size of the circle indicates the percentage of properties from a given MSA in Morningstar's overall database. Table 1 shows the MSA-level rent change for the past 12 months.

MORNINGSTAR®

Multiborrower Performance

There have been seven multiborrower transactions: B2R 2015-1, B2R 2015-2, B2R 2016-1, FKL 2015-SFR1, CAF 2015-1, CAF 2016-1, and CAF 2016-2. As of the most recent remittance report, B2R 2015-1 had one loan that is 30 days delinquent and three that are at least 90 days delinquent. One of the loans that is 90 or more days delinquent, which is 0.4% of the transaction balance, is also in foreclosure and was transferred to special servicing in January 2016. In June, the borrower of this loan filed for bankruptcy. The other two loans that are at least 90 days delinquent in B2R 2015-1 make up 0.4% of the total transaction balance and have been transferred to special servicing. Both were transferred, one in June and the other in November, because of payment default. Separately, B2R 2015-2 has one loan that is 30 days delinquent and three loans that are 90 or more days behind on payments that combine for 0.5% of the transaction balance. These loans were also transferred to special servicing because of payment default; one of these loans was transferred in May, one was transferred in August, and the third was transferred in September. B2R 2016-1 has four loans that are 30 days delinquent, one that is 60 days delinquent, and one that remains 90 or more days delinquent. This 90 or more days delinquent loan is 0.2% of the total transaction balance and was transferred to special servicing in October for payment default. Additionally, one of the loans in B2R 2016-1 that is 30 days delinquent was transferred to special servicing in December because of delinquency. CAF 2015-1 has three loans that are 30 days delinquent and that includes two loans equal to 4.7% of the transaction balance that were transferred to special servicing in November. CAF 2016-1 has one loan that is 30 days delinquent, while CAF 2016-2 has one loan that is 60 days delinquent. Finally, all borrowers in FKL 2015-SFR1 are current. However, one loan that is approximately 1.7% of the transaction balance was transferred to special servicing in October for imminent default.

MORNINGSTAR®

Single-Borrower Charts and Tables

Chart 1 – Single-Family Rental Rent Change Versus RentRange Year-Over-Year Rent Change
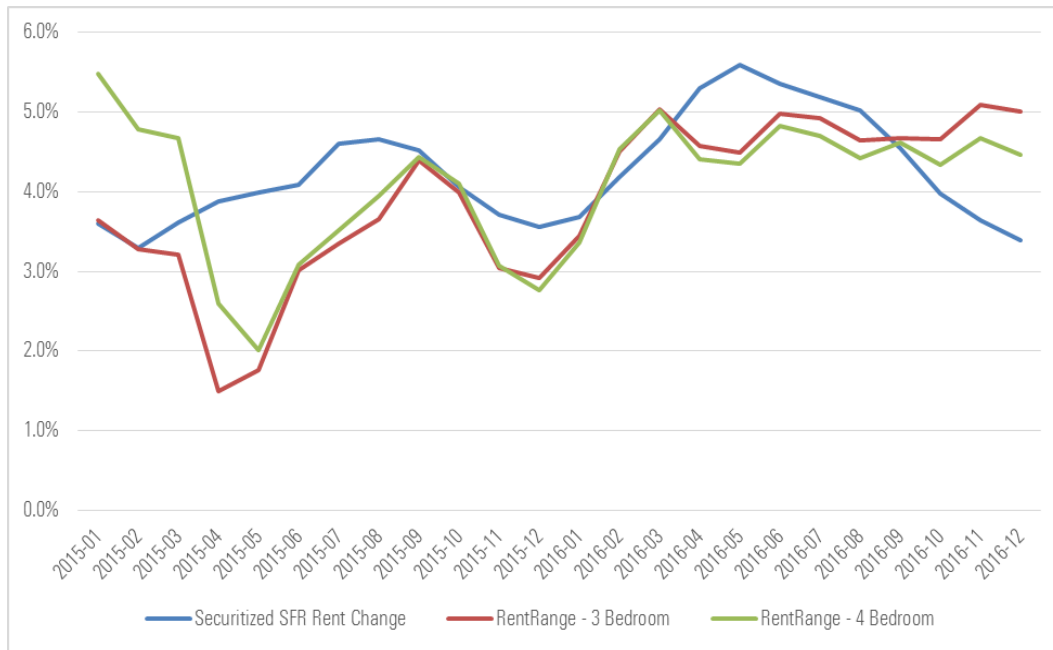
Sources: Morningstar Credit Ratings, LLC; RentRange

Chart 2 – Rental Changes for Renewals Versus Vacant-to-Occupied Properties

Source: Morningstar Credit Ratings, LLC

5

Chart 3 – December Average Contractual Rent Versus Property-Level RentRange Estimate by MSA
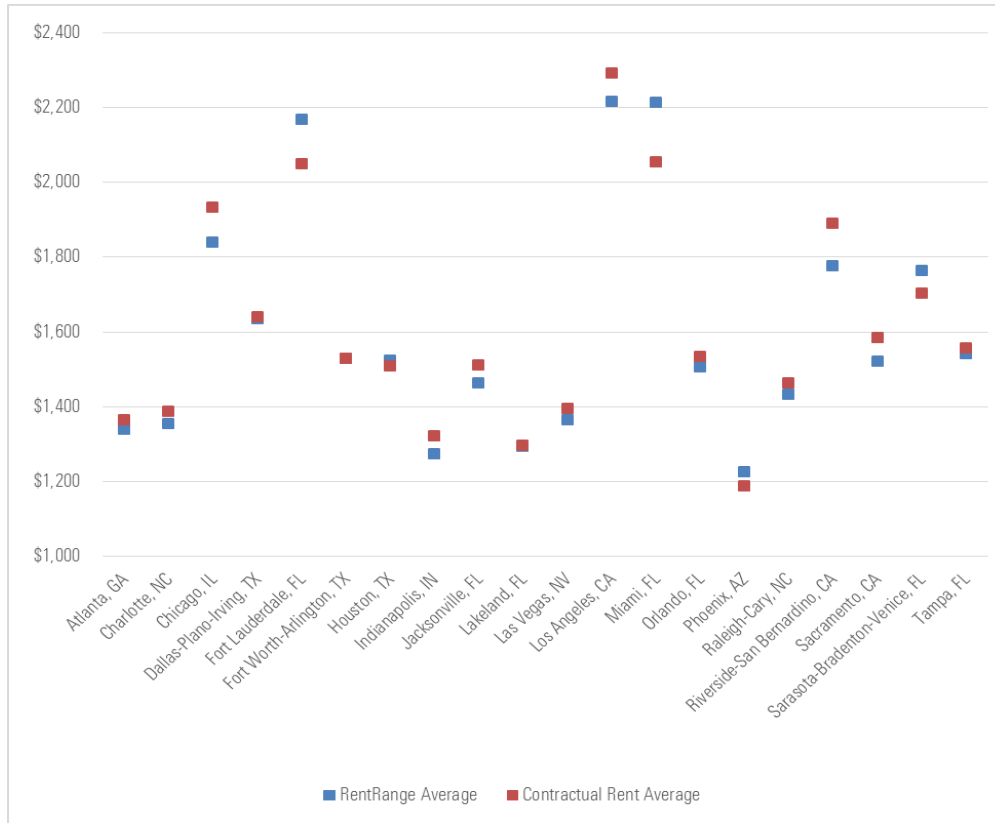
Sources: Morningstar Credit Ratings, LLC; RentRange
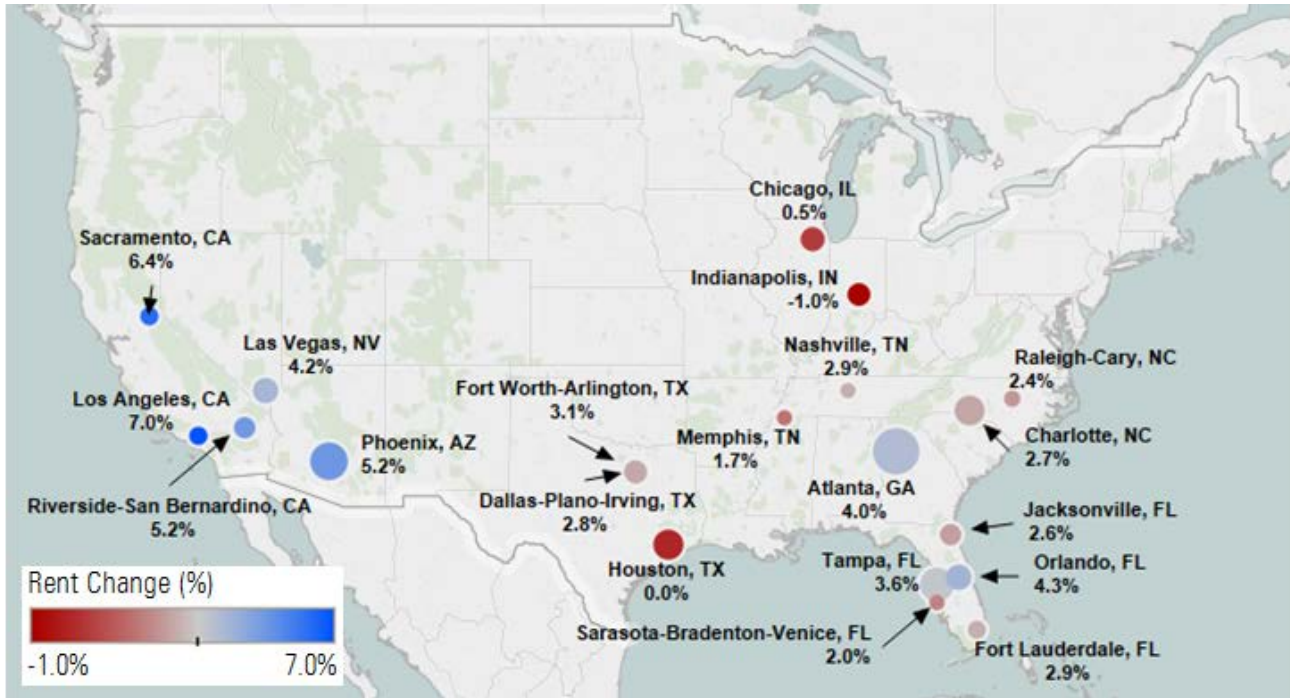
MORNINGSTAR®

Chart 4 – MSA-Level Blended Rent Change*

Sources: Morningstar Credit Ratings, LLC; Tableau Software
*The size of the circles represents the total percentage (by count) of properties in each MSA, ranging from 1.5% to 13.2%. Because of their proximity, the Fort Worth-Arlington, Texas, MSA is hidden behind Dallas-Plano-Irving.

7

Table 1 – Blended Rent Change (by Percentage) - Top MSAs

		Year 2016											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Atlanta, GA		4.0	4.5	5.0	5.3	5.5	5.7	5.3	5.7	4.8	4.4	4.2	4.0
Charlotte, NC		3.2	4.2	4.7	5.8	7.1	5.6	5.1	5.3	5.1	4.0	3.3	2.7
Chicago, IL		1.1	1.7	2.7	3.9	3.7	3.3	2.4	2.6	1.8	1.8	0.4	0.5
Dallas-Plano-Irving, TX		4.3	4.5	5.7	5.8	6.1	5.2	4.7	5.0	4.3	3.8	3.7	2.8
Fort Lauderdale, FL		3.2	3.2	3.7	4.8	4.3	5.2	4.3	4.9	3.4	3.7	3.2	2.9
Fort Worth-Arlington, TX		3.1	3.7	4.9	5.7	6.0	5.6	5.1	4.6	4.0	3.9	3.9	3.1
Houston, TX		1.8	3.3	3.4	3.5	4.1	3.4	2.9	2.2	2.9	0.0	0.7	0.0
Indianapolis, IN		1.4	3.7	1.7	2.3	1.8	1.4	3.1	2.7	2.1	1.8	-0.1	-1.0
Jacksonville, FL		2.8	3.3	3.6	3.9	4.8	4.6	3.8	3.7	3.2	3.1	2.1	2.6
Las Vegas, NV		2.5	3.1	4.2	5.0	5.0	5.0	4.7	4.8	4.6	4.7	4.3	4.2
Los Angeles, CA		7.4	6.7	6.8	6.6	8.0	7.3	8.1	7.9	7.2	6.3	7.0	7.0
Memphis, TN		1.9	2.0	3.1	4.0	3.5	4.3	4.2	2.9	3.5	2.9	2.4	1.7
Nashville, TN		3.3	3.8	4.5	5.1	6.0	4.8	5.2	4.5	3.6	3.8	3.4	2.9
Orlando, FL		3.9	4.0	4.2	4.1	4.6	5.1	5.5	5.4	5.3	4.3	3.6	4.3
Phoenix, AZ		5.7	6.1	6.5	7.6	8.1	7.6	8.0	6.4	6.3	5.7	5.5	5.2
Raleigh-Cary, NC		3.6	3.9	4.2	5.6	5.2	4.7	4.2	3.4	3.6	2.6	3.0	2.4
Riverside-San Bernardino, CA		3.1	4.6	5.1	5.4	6.1	5.9	5.4	5.6	4.8	4.5	4.5	5.2
Sacramento, CA		5.9	5.9	7.1	7.3	7.8	7.7	6.7	8.4	9.5	7.5	6.6	6.4
Sarasota-Bradenton-Venice, FL		2.9	3.5	4.0	3.9	5.0	4.9	4.5	4.0	3.7	3.7	3.7	2.0
Tampa, FL		3.3	3.6	3.5	4.2	4.7	4.6	4.7	4.6	4.0	3.2	3.5	3.6

MORNINGSTAR®

Table 2a – Month-End Vacancy (by Count)

	Year 2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Count
AH4R 2014-SFR1		184	151	135	174	170	145	155	150	161	180	190	183	3,804
AH4R 2014-SFR2		212	153	159	202	225	233	200	193	199	191	201	179	4,484
AH4R 2014-SFR3		215	173	179	191	185	208	221	204	256	259	248	214	4,503
AH4R 2015-SFR1		323	249	184	171	187	197	205	225	274	260	268	264	4,660
AH4R 2015-SFR2		157	176	212	269	286	254	194	150	136	150	167	156	4,124
AMSR 2016-SFR1											335	345	306	4,262
CAH 2014-1		127	114	117	110	109	116	160	178	175	178	193	182	3,350
CAH 2014-2		173	184	187	188	150	168	159	182	187	178	185	171	3,683
CAH 2015-1		175	161	167	145	139	170	224	220	198	210	195	194	3,871
CSH 2016-1									143	148	169	190	180	3,564
CSH 2016-2													177	3,997
HPA 2016-1			37	44	47	40	52	76	89	99	93	79	65	2,101
HPA 2016-2										9	14	17	18	1,397
IH 2013-SFR1		136	129	124	117	101	108	113	105	102	125	131	126	3,186
IH 2014-SFR1		203	228	213	238	282	321	311	368	340	342	320	306	6,328
IH 2014-SFR2		138	140	127	113	137	156	155	183	193	197	184	168	3,673
IH 2014-SFR3		141	125	125	113	151	176	188	188	194	192	197	184	3,998
IH 2015-SFR1		141	146	134	105	112	108	130	155	164	144	146	145	3,021
IH 2015-SFR2		138	151	129	115	116	123	152	179	178	176	213	186	3,520
IH 2015-SFR3		317	314	304	254	246	266	308	344	381	375	399	391	7,182
PRD 2015-SFR2		213	220	224	198	162	134	123	125	137	194	234	274	3,303
PRD 2015-SFR3		83	83	88	112	160	211	239	263	251	259	226	206	3,162
PRD 2016-SFR1										210	254	310	364	397	5,577
PRD 2016-SFR2													195	3,744
SBY 2014-1		116	107	95	99	92	107	130	113	127	115	112	119	2,998
SWAY 2014-1		293	268	239	229	242	238	246	226	208	213	202	175	4,065
TAH 2015-SFR1		236	231	179	190	189	200	212	189	206	189	179	150	3,357
TAH 2016-SFR1												157	184	3,439
Overall SFR		3,721	3,540	3,365	3,380	3,481	3,691	3,901	4,382	4,577	5,048	5,342	5,495	108,353

9

MORNINGSTAR®

Table 2b – Month-End Vacancy (by Percentage)

Year 2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
AH4R 2014-SFR1	4.8	3.9	3.5	4.5	4.4	3.8	4.0	3.9	4.2	4.7	5.0	4.8
AH4R 2014-SFR2	4.7	3.4	3.5	4.5	5.0	5.2	4.5	4.3	4.4	4.3	4.5	4.0
AH4R 2014-SFR3	4.8	3.8	4.0	4.2	4.1	4.6	4.9	4.5	5.7	5.8	5.5	4.8
AH4R 2015-SFR1	6.9	5.3	3.9	3.7	4.0	4.2	4.4	4.8	5.9	5.6	5.8	5.7
AH4R 2015-SFR2	3.8	4.3	5.1	6.5	6.9	6.2	4.7	3.6	3.3	3.6	4.0	3.8
AMSR 2016-SFR1										7.9	8.1	7.2
CAH 2014-1	3.8	3.4	3.5	3.3	3.2	3.4	4.8	5.3	5.2	5.3	5.8	5.4
CAH 2014-2	4.7	5.0	5.0	5.1	4.0	4.5	4.3	4.9	5.1	4.8	5.0	4.6
CAH 2015-1	4.5	4.2	4.3	3.7	3.6	4.4	5.8	5.7	5.1	5.4	5.0	5.0
CSH 2016-1								4.0	4.2	4.7	5.3	5.1
CSH 2016-2												4.4
HPA 2016-1		1.7	2.0	2.1	1.8	2.4	3.5	4.2	4.7	4.4	3.7	3.1
HPA 2016-2									0.6	1.0	1.2	1.3
IH 2013-SFR1	4.2	4.0	3.9	3.7	3.2	3.4	3.5	3.3	3.2	3.9	4.1	4.0
IH 2014-SFR1	3.1	3.5	3.3	3.7	4.4	5.0	4.9	5.8	5.3	5.4	5.0	4.8
IH 2014-SFR2	3.7	3.7	3.4	3.1	3.7	4.2	4.2	5.0	5.2	5.3	5.0	4.6
IH 2014-SFR3	3.5	3.1	3.1	2.8	3.8	4.4	4.7	4.7	4.8	4.8	4.9	4.6
IH 2015-SFR1	4.6	4.8	4.4	3.5	3.7	3.6	4.3	5.1	5.4	4.8	4.8	4.8
IH 2015-SFR2	3.9	4.3	3.7	3.3	3.3	3.5	4.3	5.1	5.1	5.0	6.1	5.3
IH 2015-SFR3	4.4	4.4	4.2	3.5	3.4	3.7	4.3	4.8	5.3	5.2	5.6	5.4
PRD 2015-SFR2	6.4	6.6	6.8	6.0	4.9	4.1	3.7	3.8	4.1	5.9	7.1	8.3
PRD 2015-SFR3	2.6	2.6	2.8	3.5	5.1	6.7	7.6	8.3	7.9	8.2	7.1	6.5
PRD 2016-SFR1								3.8	4.6	5.6	6.5	7.1
PRD 2016-SFR2												5.2
SBY 2014-1	3.9	3.6	3.2	3.3	3.1	3.6	4.3	3.8	4.2	3.8	3.7	4.0
SWAY 2014-1	7.2	6.6	5.9	5.6	5.9	5.8	6.0	5.5	5.1	5.2	5.0	4.3
TAH 2015-SFR1	6.7	6.6	5.1	5.4	5.4	5.7	6.1	5.4	5.9	5.6	5.3	4.5
TAH 2016-SFR1											4.6	5.4
Overall SFR	4.6	4.3	4.1	4.1	4.2	4.5	4.7	4.8	4.9	5.0	5.3	5.1

MORNINGSTAR®

Table 2c – Month-End Vacancy (by Percentage) – Top MSAs

Year 2016		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Atlanta, GA		4.5	4.1	4.1	4.0	4.2	4.1	4.8	4.8	4.5	4.8	4.8	4.8
Charlotte, NC		5.4	5.3	5.0	4.3	4.3	4.4	4.4	4.5	4.9	5.4	5.9	5.6
Chicago, IL		6.8	5.7	5.5	5.7	5.4	5.9	6.9	6.4	6.1	6.4	5.5	5.5
Dallas-Plano-Irving, TX		4.2	4.0	3.3	3.6	4.8	4.2	4.2	4.7	4.7	5.6	5.3	4.4
Fort Lauderdale, FL		4.7	4.8	4.1	4.2	3.9	3.8	5.7	6.1	7.1	6.6	6.3	6.0
Fort Worth-Arlington, TX		4.6	4.6	4.5	4.9	4.5	4.6	4.1	3.6	3.6	4.2	4.8	5.2
Houston, TX		6.2	5.9	5.2	6.1	6.8	6.3	7.4	7.0	7.4	7.7	7.5	7.0
Indianapolis, IN		5.3	4.5	4.2	5.0	5.3	6.1	5.4	6.4	6.4	7.9	7.2	6.3
Jacksonville, FL		5.1	4.8	4.3	4.9	5.2	5.1	5.3	5.3	6.2	6.7	7.1	7.9
Las Vegas, NV		3.7	3.7	3.8	3.6	3.5	4.2	4.4	3.9	3.8	4.2	3.7	4.5
Los Angeles, CA		3.3	2.9	3.3	2.8	3.5	3.9	3.1	3.3	3.9	3.2	3.0	3.0
Memphis, TN		7.9	7.2	6.3	7.8	5.7	6.7	6.5	5.7	6.7	8.4	8.3	8.4
Nashville, TN		3.7	3.3	4.7	4.9	4.2	2.8	3.3	3.5	4.4	4.9	5.5	5.7
Orlando, FL		4.4	4.8	3.9	3.3	3.9	3.8	4.5	4.5	4.8	5.0	5.2	4.8
Phoenix, AZ		3.5	3.2	2.9	2.8	2.9	3.5	3.5	3.9	4.4	4.5	4.6	4.2
Raleigh-Cary, NC		4.3	3.0	4.2	5.3	4.8	4.4	4.5	4.4	5.8	5.5	5.4	5.8
Riverside-San Bernardino, CA		4.4	4.2	4.4	4.3	4.4	5.2	4.1	5.1	4.0	3.8	4.0	3.7
Sacramento, CA		2.1	2.5	2.3	1.7	2.7	3.2	3.3	3.9	2.9	3.0	2.4	2.2
Sarasota-Bradenton-Venice, FL		4.6	5.3	5.8	5.2	5.4	6.0	7.0	7.0	7.1	7.3	7.1	6.8
Tampa, FL		4.7	4.6	4.6	4.3	4.0	4.9	5.0	5.0	4.8	5.3	5.2	5.2
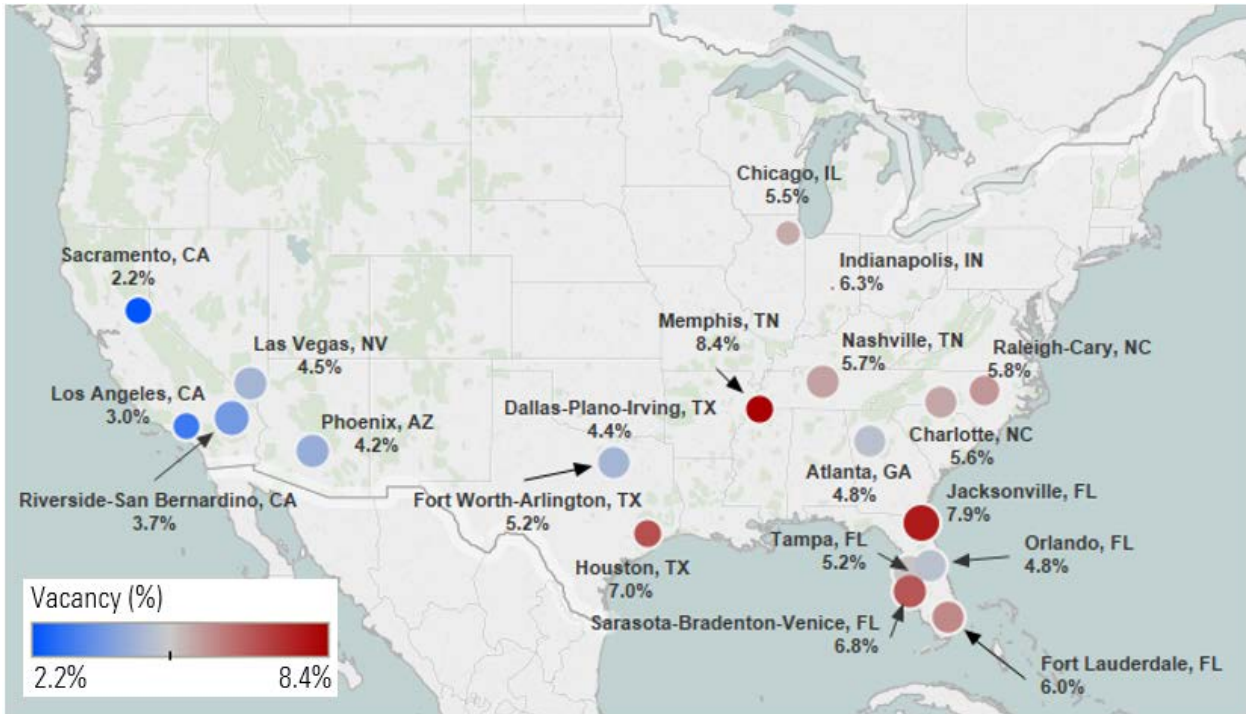
**MORNINGSTAR®**

Chart 5 – MSA-Level Vacancy and Lease Expiration Percentage (by Count)*

Sources: Morningstar Credit Ratings, LLC; Tableau Software
*The size of the circles represents the last three months of lease expirations by count as a percentage of each MSA, ranging from 6.3% to 18.2%.
Because of their proximity, the Fort Worth-Arlington, Texas, MSA is hidden behind Dallas-Plano-Irving.

Table 3a – Lease Expiration (by Count)

		Year 2016 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Count
AH4R 2014-SFR1		226	256	287	284	341	322	326	273	240	220	186	209	3,804
AH4R 2014-SFR2		223	299	434	487	551	388	358	297	221	190	195	150	4,484
AH4R 2014-SFR3		230	237	280	331	461	556	432	396	288	216	146	169	4,503
AH4R 2015-SFR1		128	120	131	190	232	420	540	430	361	341	293	266	4,660
AH4R 2015-SFR2		312	496	592	621	620	421	165	82	99	116	122	124	4,124
AMSR 2016-SFR1											217	174	156	4,262
CAH 2014-1		131	145	178	189	214	260	349	390	322	290	210	154	3,350
CAH 2014-2		278	425	372	336	276	240	234	262	238	245	221	222	3,683
CAH 2015-1		127	153	187	230	321	393	404	421	313	286	241	210	3,871
CSH 2016-1									271	257	230	182	184	3,564
CSH 2016-2													218	3,997
HPA 2016-1			71	137	186	170	263	298	263	262	139	62	48	2,101
HPA 2016-2										4	8	10	5	1,397
IH 2013-SFR1		289	312	279	269	237	178	158	141	129	156	142	167	3,186
IH 2014-SFR1		237	342	505	608	630	601	509	419	345	284	202	184	6,328
IH 2014-SFR2		199	200	247	241	281	301	279	278	194	203	154	153	3,673
IH 2014-SFR3		225	198	226	249	302	366	323	245	209	184	203	171	3,998
IH 2015-SFR1		286	234	215	138	125	142	180	191	183	200	207	196	3,021
IH 2015-SFR2		252	277	235	180	155	188	222	219	218	247	270	219	3,520
IH 2015-SFR3		527	574	478	377	292	353	427	460	449	532	480	445	7,182
PRD 2015-SFR2		137	263	496	280	130	105	113	150	177	304	165	149	3,303
PRD 2015-SFR3		16	31	115	224	501	446	442	412	210	74	27	27	3,162
PRD 2016-SFR1									170	263	420	242	312	5,577
PRD 2016-SFR2													117	3,744
SBY 2014-1		163	169	192	178	207	232	169	187	184	177	156	148	2,998
SWAY 2014-1		142	254	312	311	268	253	204	170	105	71	60	202	4,065
TAH 2015-SFR1		211	229	212	208	215	253	222	173	239	235	144	142	3,357
TAH 2016-SFR1												93	85	3,439
Overall SFR		4,339	5,285	6,110	6,117	6,529	6,681	6,354	6,300	5,510	5,585	4,587	4,832	108,353

13

MORNINGSTAR®

Table 3b – Lease Expiration (by Percentage)

		Year 2016 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
AH4R 2014-SFR1		5.9	6.6	7.5	7.4	8.9	8.4	8.5	7.1	6.3	5.8	4.9	5.5
AH4R 2014-SFR2		5.0	6.7	9.7	10.9	12.3	8.6	8.0	6.6	4.9	4.2	4.3	3.3
AH4R 2014-SFR3		5.1	5.3	6.2	7.4	10.2	12.3	9.6	8.8	6.4	4.8	3.2	3.8
AH4R 2015-SFR1		2.7	2.6	2.8	4.1	5.0	9.0	11.6	9.2	7.7	7.3	6.3	5.7
AH4R 2015-SFR2		7.6	12.0	14.4	15.1	15.0	10.2	4.0	2.0	2.4	2.8	3.0	3.0
AMSR 2016-SFR1										5.1	4.1	3.7	
CAH 2014-1		3.9	4.3	5.3	5.6	6.4	7.7	10.4	11.6	9.6	8.6	6.3	4.6
CAH 2014-2		7.5	11.5	10.0	9.1	7.5	6.5	6.3	7.1	6.4	6.6	6.0	6.0
CAH 2015-1		3.3	3.9	4.8	5.9	8.3	10.1	10.4	10.9	8.1	7.4	6.2	5.4
CSH 2016-1									7.6	7.2	6.5	5.1	5.2
CSH 2016-2													5.5
HPA 2016-1			3.2	6.1	8.4	7.7	12.1	13.8	12.3	12.3	6.6	2.9	2.3
HPA 2016-2										0.3	0.6	0.7	0.4
IH 2013-SFR1		9.0	9.7	8.7	8.4	7.4	5.6	5.0	4.4	4.0	4.9	4.5	5.2
IH 2014-SFR1		3.7	5.3	7.9	9.6	9.9	9.4	8.0	6.6	5.4	4.5	3.2	2.9
IH 2014-SFR2		5.3	5.3	6.7	6.5	7.6	8.2	7.6	7.5	5.3	5.5	4.2	4.2
IH 2014-SFR3		5.6	4.9	5.6	6.2	7.5	9.1	8.1	6.1	5.2	4.6	5.1	4.3
IH 2015-SFR1		9.4	7.7	7.1	4.6	4.1	4.7	5.9	6.3	6.0	6.6	6.9	6.5
IH 2015-SFR2		7.2	7.9	6.7	5.1	4.4	5.3	6.3	6.2	6.2	7.0	7.7	6.2
IH 2015-SFR3		7.3	8.0	6.6	5.2	4.1	4.9	5.9	6.4	6.2	7.4	6.7	6.2
PRD 2015-SFR2		4.1	7.9	15.0	8.5	3.9	3.2	3.4	4.5	5.4	9.2	5.0	4.5
PRD 2015-SFR3		0.5	1.0	3.6	7.1	15.8	14.1	14.0	13.0	6.6	2.3	0.9	0.9
PRD 2016-SFR1										3.0	4.7	7.5	4.3	5.6
PRD 2016-SFR2													3.1
SBY 2014-1		5.4	5.6	6.4	5.9	6.9	7.7	5.6	6.2	6.1	5.9	5.2	4.9
SWAY 2014-1		3.5	6.2	7.6	7.6	6.6	6.2	5.0	4.2	2.6	1.7	1.5	5.0
TAH 2015-SFR1		6.0	6.5	6.0	5.9	6.1	7.2	6.3	4.9	6.8	6.9	4.3	4.2
TAH 2016-SFR1												2.7	2.5
Overall SFR		5.4	6.4	7.4	7.4	7.9	8.1	7.7	6.9	5.9	5.5	4.6	4.5

14

MORNINGSTAR®

Table 3c – Lease Expiration (by Percentage) – Top MSAs

Year 2016		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Atlanta, GA		4.1	5.7	7.4	7.2	8.4	7.1	6.9	5.8	5.7	5.9	4.6	5.2
Charlotte, NC		5.3	5.8	6.7	6.4	6.8	9.3	8.0	8.0	6.8	6.2	5.0	4.2
Chicago, IL		4.5	6.4	7.9	8.6	8.7	8.9	7.9	6.0	5.7	4.9	3.4	3.3
Dallas-Plano-Irving, TX		5.9	5.2	7.4	6.9	8.2	8.7	9.8	7.6	5.3	7.0	3.9	4.7
Fort Lauderdale, FL		8.3	6.4	8.7	7.8	5.5	7.8	6.4	6.0	7.0	5.8	4.8	4.4
Fort Worth-Arlington, TX		6.3	6.4	9.1	8.0	9.3	8.1	7.5	6.9	5.2	5.3	3.7	3.5
Houston, TX		4.7	5.5	6.7	7.9	9.1	8.8	8.1	6.6	5.4	5.0	3.8	4.5
Indianapolis, IN		3.0	3.9	7.6	10.6	12.1	11.2	9.3	7.5	5.5	3.5	1.5	1.3
Jacksonville, FL		4.7	4.9	7.0	7.5	8.1	7.3	7.2	6.9	7.2	6.6	6.4	5.1
Las Vegas, NV		4.9	5.0	7.5	7.2	8.3	8.5	8.7	8.0	6.5	7.6	4.4	4.9
Los Angeles, CA		5.6	5.7	6.6	6.9	5.5	5.9	5.7	6.8	6.5	4.1	4.4	4.2
Memphis, TN		1.8	3.9	8.6	7.9	8.4	8.1	9.9	7.8	6.2	5.6	3.4	4.1
Nashville, TN		5.3	6.6	9.1	8.9	9.2	9.3	6.8	6.2	6.8	6.6	6.1	4.2
Orlando, FL		5.5	5.8	6.2	6.3	9.3	9.0	9.4	7.2	5.6	6.1	4.5	4.7
Phoenix, AZ		6.5	7.7	7.7	6.6	7.6	6.7	7.0	6.9	6.6	6.4	4.8	5.0
Raleigh-Cary, NC		4.8	6.3	8.7	7.8	9.8	9.7	8.3	8.0	5.7	6.3	4.5	3.6
Riverside-San Bernardino, CA		5.9	7.0	7.2	6.9	6.4	6.4	7.1	6.6	5.4	6.3	5.7	5.0
Sacramento, CA		5.7	6.6	8.0	7.9	8.6	7.5	6.3	7.8	5.1	4.5	4.4	3.5
Sarasota-Bradenton-Venice, FL		4.1	5.7	7.4	6.9	7.3	8.5	9.1	9.0	6.8	6.3	5.2	4.6
Tampa, FL		4.3	6.3	6.0	6.1	7.4	8.3	8.7	7.6	5.9	6.1	4.8	5.1

MORNINGSTAR®

Table 4a – Historical Months of Vacancy for December Vacancies (by Count)

		1	2	3	4	5	6	7	8	9	10	11	12+	Total
AH4R 2014-SFR1		31	36	32	25	22	19	6	2	1	0	1	8	183
AH4R 2014-SFR2		39	48	37	27	9	6	7	4	2	0	0	0	179
AH4R 2014-SFR3		32	52	49	31	29	13	5	2	0	0	1	0	214
AH4R 2015-SFR1		69	65	45	44	22	7	3	8	1	0	0	0	264
AH4R 2015-SFR2		67	42	22	8	10	6	1	0	0	0	0	0	156
AMSR 2016-SFR1		73	80	121	32									306
CAH 2014-1		22	35	39	28	23	11	13	3	2	2	3	1	182
CAH 2014-2		38	49	27	27	10	9	5	2	2	0	0	2	171
CAH 2015-1		48	52	39	27	10	12	2	3	0	0	0	1	194
CSH 2016-1		73	54	29	15	8	1							180
CSH 2016-2		174	3											177
HPA 2016-1		26	15	15	5	2	1	0	0	0	0	1	0	65
HPA 2016-2		8	7	1	2	0								18
IH 2013-SFR1		26	30	18	21	9	11	5	3	1	1	0	1	126
IH 2014-SFR1		42	59	66	48	35	27	14	9	1	3	0	2	306
IH 2014-SFR2		30	46	38	19	19	4	5	3	2	0	0	2	168
IH 2014-SFR3		34	54	36	18	20	13	3	1	1	1	1	2	184
IH 2015-SFR1		45	40	25	14	8	7	1	1	0	0	1	3	145
IH 2015-SFR2		53	57	38	19	8	4	5	0	1	1	0	0	186
IH 2015-SFR3		115	95	70	48	22	14	9	3	2	1	1	11	391
PRD 2015-SFR2		69	67	54	32	21	14	9	3	0	2	0	3	274
PRD 2015-SFR3		28	49	40	44	33	8	2	1	0	0	0	1	206
PRD 2016-SFR1		147	103	69	46	29	3							397
PRD 2016-SFR2		153	42											195
SBY 2014-1		33	27	17	20	7	6	4	2	1	1	0	1	119
SWAY 2014-1		41	28	28	24	19	9	5	6	3	5	1	6	175
TAH 2015-SFR1		36	42	19	18	15	6	5	3	1	1	2	2	150
TAH 2016-SFR1		65	98	21										184
Overall SFR		1,617	1,375	995	642	390	211	109	59	21	18	12	46	5,495

16

MORNINGSTAR®

Table 4b – Historical Months of Vacancy for December Vacancies (by Percentage)

		1	2	3	4	5	6	7	8	9	10	11	12+	Total
AH4R 2014-SFR1		16.9	19.7	17.5	13.7	12.0	10.4	3.3	1.1	0.5	0.0	0.5	4.4	100.0
AH4R 2014-SFR2		21.8	26.8	20.7	15.1	5.0	3.4	3.9	2.2	1.1	0.0	0.0	0.0	100.0
AH4R 2014-SFR3		15.0	24.3	22.9	14.5	13.6	6.1	2.3	0.9	0.0	0.0	0.5	0.0	100.0
AH4R 2015-SFR1		26.1	24.6	17.0	16.7	8.3	2.7	1.1	3.0	0.4	0.0	0.0	0.0	100.0
AH4R 2015-SFR2		42.9	26.9	14.1	5.1	6.4	3.8	0.6	0.0	0.0	0.0	0.0	0.0	100.0
AMSR 2016-SFR1		23.9	26.1	39.5	10.5									100.0
CAH 2014-1		12.1	19.2	21.4	15.4	12.6	6.0	7.1	1.6	1.1	1.1	1.6	0.5	100.0
CAH 2014-2		22.2	28.7	15.8	15.8	5.8	5.3	2.9	1.2	1.2	0.0	0.0	1.2	100.0
CAH 2015-1		24.7	26.8	20.1	13.9	5.2	6.2	1.0	1.5	0.0	0.0	0.0	0.5	100.0
CSH 2016-1		40.6	30.0	16.1	8.3	4.4	0.6							100.0
CSH 2016-2		98.3	1.7											100.0
HPA 2016-1		40.0	23.1	23.1	7.7	3.1	1.5	0.0	0.0	0.0	0.0	1.5	0.0	100.0
HPA 2016-2		44.4	38.9	5.6	11.1	0.0								100.0
IH 2013-SFR1		20.6	23.8	14.3	16.7	7.1	8.7	4.0	2.4	0.8	0.8	0.0	0.8	100.0
IH 2014-SFR1		13.7	19.3	21.6	15.7	11.4	8.8	4.6	2.9	0.3	1.0	0.0	0.7	100.0
IH 2014-SFR2		17.9	27.4	22.6	11.3	11.3	2.4	3.0	1.8	1.2	0.0	0.0	1.2	100.0
IH 2014-SFR3		18.5	29.3	19.6	9.8	10.9	7.1	1.6	0.5	0.5	0.5	0.5	1.1	100.0
IH 2015-SFR1		31.0	27.6	17.2	9.7	5.5	4.8	0.7	0.7	0.0	0.0	0.7	2.1	100.0
IH 2015-SFR2		28.5	30.6	20.4	10.2	4.3	2.2	2.7	0.0	0.5	0.5	0.0	0.0	100.0
IH 2015-SFR3		29.4	24.3	17.9	12.3	5.6	3.6	2.3	0.8	0.5	0.3	0.3	2.8	100.0
PRD 2015-SFR2		25.2	24.5	19.7	11.7	7.7	5.1	3.3	1.1	0.0	0.7	0.0	1.1	100.0
PRD 2015-SFR3		13.6	23.8	19.4	21.4	16.0	3.9	1.0	0.5	0.0	0.0	0.0	0.5	100.0
PRD 2016-SFR1		37.0	25.9	17.4	11.6	7.3	0.8							100.0
PRD 2016-SFR2		78.5	21.5											100.0
SBY 2014-1		27.7	22.7	14.3	16.8	5.9	5.0	3.4	1.7	0.8	0.8	0.0	0.8	100.0
SWAY 2014-1		23.4	16.0	16.0	13.7	10.9	5.1	2.9	3.4	1.7	2.9	0.6	3.4	100.0
TAH 2015-SFR1		24.0	28.0	12.7	12.0	10.0	4.0	3.3	2.0	0.7	0.7	1.3	1.3	100.0
TAH 2016-SFR1		35.3	53.3	11.4										100.0
Overall SFR		29.4	25.0	18.1	11.7	7.1	3.8	2.0	1.1	0.4	0.3	0.2	0.8	100.0

MORNINGSTAR®

Table 5 – 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
Amherst	Past due one calendar month or more (not dependent on day count) and owing $500 or more
Colony American Homes/Colony Starwood 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[1]
Silver Bay Realty	Past due 30 days or more (not dependent on calendar month) and owing $500 or more[2]
SWAY Residential	Past due one calendar month or more (not dependent on day count) and owing $200 or more
Tricon American Homes	Past due 30 days or more (not dependent on calendar month) and owing $500 or more[2]

[1]Includes Section 8 rent, pet fees, and MTM fees, but excludes late fees and damage fees.
[2]Based on total receivables.

MORNINGSTAR®

Table 6a – Month-End Delinquency (by Count)

		Year 2016 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Count
AH4R 2014-SFR1		22	9	8	9	12	13	15	16	15	13	13	18	3,804
AH4R 2014-SFR2		31	16	12	14	15	13	16	18	22	12	23	27	4,484
AH4R 2014-SFR3		20	13	5	5	13	13	10	14	17	17	18	10	4,503
AH4R 2015-SFR1		23	17	10	16	18	15	16	15	16	15	24	17	4,660
AH4R 2015-SFR2		30	13	14	9	12	20	19	21	23	20	19	18	4,124
AMSR 2016-SFR1											81	99	109	4,262
CAH 2014-1		29	18	16	14	19	17	22	20	21	24	26	23	3,350
CAH 2014-2		34	27	30	18	21	20	28	29	42	41	32	41	3,683
CAH 2015-1		19	19	16	14	19	23	20	26	35	19	23	28	3,871
CSH 2016-1									29	26	20	22	32	3,564
CSH 2016-2													43	3,997
HPA 2016-1			9	28	17	19	19	27	30	36	22	21	24	2,101
HPA 2016-2										14	13	10	14	1,397
IH 2013-SFR1		9	9	9	8	16	14	10	11	12	19	18	19	3,186
IH 2014-SFR1		45	26	14	14	15	23	33	33	30	33	43	53	6,328
IH 2014-SFR2		22	18	14	15	17	19	14	16	21	26	18	24	3,673
IH 2014-SFR3		23	25	8	5	14	9	26	20	24	18	32	32	3,998
IH 2015-SFR1		22	17	11	10	13	15	22	15	13	15	18	25	3,021
IH 2015-SFR2		21	10	7	8	17	16	21	26	22	42	35	37	3,520
IH 2015-SFR3		70	40	21	25	36	36	57	56	48	60	64	65	7,182
PRD 2015-SFR2		40	32	26	28	23	14	20	18	24	31	26	22	3,303
PRD 2015-SFR3		31	20	21	11	14	19	19	19	20	18	17	10	3,162
PRD 2016-SFR1									47	51	45	38	44	5,577
PRD 2016-SFR2													26	3,744
SBY 2014-1		32	18	18	10	12	13	24	18	25	14	20	27	2,998
SWAY 2014-1		42	53	53	49	46	49	39	42	36	41	54	58	4,065
TAH 2015-SFR1		46	34	41	30	22	22	19	17	17	15	18	16	3,357
TAH 2016-SFR1												20	67	3,439
Overall SFR		604	421	376	337	419	410	487	568	615	593	652	929	108,353

MORNINGSTAR®

Table 6b – Month-End Delinquency (by Percentage)

		Year 2016 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
AH4R 2014-SFR1		0.6	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.5
AH4R 2014-SFR2		0.7	0.4	0.3	0.3	0.3	0.3	0.4	0.4	0.5	0.3	0.5	0.6
AH4R 2014-SFR3		0.4	0.3	0.1	0.1	0.3	0.3	0.2	0.3	0.4	0.4	0.4	0.2
AH4R 2015-SFR1		0.5	0.4	0.2	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.5	0.4
AH4R 2015-SFR2		0.7	0.3	0.3	0.2	0.3	0.5	0.5	0.5	0.6	0.5	0.5	0.4
AMSR 2016-SFR1											1.9	2.3	2.6
CAH 2014-1		0.9	0.5	0.5	0.4	0.6	0.5	0.7	0.6	0.6	0.7	0.8	0.7
CAH 2014-2		0.9	0.7	0.8	0.5	0.6	0.5	0.8	0.8	1.1	1.1	0.9	1.1
CAH 2015-1		0.5	0.5	0.4	0.4	0.5	0.6	0.5	0.7	0.9	0.5	0.6	0.7
CSH 2016-1									0.8	0.7	0.6	0.6	0.9
CSH 2016-2													1.1
HPA 2016-1			0.4	1.3	0.8	0.9	0.9	1.2	1.4	1.7	1.0	1.0	1.1
HPA 2016-2											1.0	0.9	0.7	1.0
IH 2013-SFR1		0.3	0.3	0.3	0.3	0.5	0.4	0.3	0.3	0.4	0.6	0.6	0.6
IH 2014-SFR1		0.7	0.4	0.2	0.2	0.2	0.4	0.5	0.5	0.5	0.5	0.7	0.8
IH 2014-SFR2		0.6	0.5	0.4	0.4	0.5	0.5	0.4	0.4	0.6	0.7	0.5	0.7
IH 2014-SFR3		0.6	0.6	0.2	0.1	0.3	0.2	0.6	0.5	0.6	0.4	0.8	0.8
IH 2015-SFR1		0.7	0.6	0.4	0.3	0.4	0.5	0.7	0.5	0.4	0.5	0.6	0.8
IH 2015-SFR2		0.6	0.3	0.2	0.2	0.5	0.5	0.6	0.7	0.6	1.2	1.0	1.1
IH 2015-SFR3		1.0	0.6	0.3	0.3	0.5	0.5	0.8	0.8	0.7	0.8	0.9	0.9
PRD 2015-SFR2		1.2	1.0	0.8	0.8	0.7	0.4	0.6	0.5	0.7	0.9	0.8	0.7
PRD 2015-SFR3		1.0	0.6	0.7	0.3	0.4	0.6	0.6	0.6	0.6	0.6	0.5	0.3
PRD 2016-SFR1									0.8	0.9	0.8	0.7	0.8
PRD 2016-SFR2													0.7
SBY 2014-1		1.1	0.6	0.6	0.3	0.4	0.4	0.8	0.6	0.8	0.5	0.7	0.9
SWAY 2014-1		1.0	1.3	1.3	1.2	1.1	1.2	1.0	1.0	0.9	1.0	1.3	1.4
TAH 2015-SFR1		1.3	1.0	1.2	0.9	0.6	0.6	0.5	0.5	0.5	0.4	0.5	0.5
TAH 2016-SFR1												0.6	1.9
Overall SFR		0.7	0.5	0.5	0.4	0.5	0.5	0.6	0.6	0.7	0.6	0.6	0.9

MORNINGSTAR®

Table 7 – Monthly Retention Rate of Expiring Leases

		Year 2016											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
AH4R 2014-SFR1		78.8	78.1	73.9	76.1	81.5	77.6	83.1	79.1	72.9	75.5	77.4	TBD
AH4R 2014-SFR2		78.5	79.6	77.0	73.9	77.7	78.9	72.6	75.1	76.9	77.9	80.5	TBD
AH4R 2014-SFR3		77.4	73.0	77.9	73.4	77.0	74.6	77.3	73.2	74.7	79.6	72.6	TBD
AH4R 2015-SFR1		71.9	74.2	77.9	70.0	74.1	73.6	76.1	73.7	77.8	80.4	81.9	TBD
AH4R 2015-SFR2		80.1	76.8	75.0	73.6	72.7	71.0	75.8	70.7	77.8	72.4	69.7	TBD
AMSR 2016-SFR1											72.8	81.6	TBD
CAH 2014-1		80.2	75.9	74.7	78.3	81.8	79.2	76.8	80.0	78.6	77.2	77.6	TBD
CAH 2014-2		77.7	77.4	82.8	74.7	78.6	73.3	72.2	76.7	75.2	78.0	76.9	TBD
CAH 2015-1		70.9	73.2	77.5	80.0	76.3	76.1	76.0	75.1	78.0	79.7	82.2	TBD
CSH 2016-1									76.4	79.4	76.1	73.1	TBD
CSH 2016-2													TBD
HPA 2016-1			83.1	82.5	81.7	77.6	85.9	80.5	86.3	87.0	84.4	80.6	TBD
HPA 2016-2										75.0	75.0	70.0	TBD
IH 2013-SFR1		80.6	77.2	77.8	76.6	77.2	80.9	71.5	73.8	71.3	71.8	78.9	TBD
IH 2014-SFR1		80.6	80.1	80.8	77.0	74.0	77.4	72.7	71.8	74.8	71.8	71.8	TBD
IH 2014-SFR2		76.9	79.0	80.2	75.1	77.6	74.4	72.0	72.3	75.3	75.9	74.0	TBD
IH 2014-SFR3		80.4	80.3	80.5	78.7	77.5	72.4	75.5	75.5	78.0	78.3	78.3	TBD
IH 2015-SFR1		78.3	78.2	77.2	76.8	66.4	71.1	65.6	67.5	78.7	78.5	80.2	TBD
IH 2015-SFR2		81.0	77.6	74.5	75.6	78.7	73.4	70.3	70.8	73.4	73.3	77.4	TBD
IH 2015-SFR3		83.3	78.7	78.7	77.7	74.3	73.9	72.4	75.4	73.9	79.5	74.8	TBD
PRD 2015-SFR2		73.7	77.2	73.4	72.5	70.0	64.8	65.5	75.3	74.0	77.0	77.6	TBD
PRD 2015-SFR3		87.5	77.4	74.8	75.9	73.1	68.6	72.9	74.3	75.7	78.4	70.4	TBD
PRD 2016-SFR1									77.6	77.9	78.3	76.9	TBD
PRD 2016-SFR2													TBD
SBY 2014-1		83.4	77.5	80.2	84.3	82.1	77.6	80.5	84.0	78.3	80.8	75.0	TBD
SWAY 2014-1		76.1	77.6	76.6	74.0	69.0	70.4	66.2	71.8	66.7	59.2	60.0	TBD
TAH 2015-SFR1		85.8	90.8	83.5	85.1	85.6	79.8	83.3	82.1	82.8	83.0	77.1	TBD
TAH 2016-SFR1												86.0	TBD
Overall SFR		79.5	78.3	77.8	76.2	76.2	75.1	74.7	75.6	76.8	77.4	77.1	TBD

TBD – To Be Determined

Table 8 – Monthly Retention Rate of MTM Leases

		Year 2016											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
AH4R 2014-SFR1		94.8	89.6	87.6	88.4	84.1	83.8	85.9	81.5	85.9	83.9	89.4	TBD
AH4R 2014-SFR2		90.7	86.7	87.8	82.9	82.3	79.8	83.0	77.9	86.6	86.4	86.0	TBD
AH4R 2014-SFR3		86.2	86.7	84.9	89.7	82.8	78.9	75.7	74.4	79.6	82.0	84.1	TBD
AH4R 2015-SFR1		88.6	85.3	87.9	83.7	80.8	81.8	85.4	76.0	81.3	80.7	80.6	TBD
AH4R 2015-SFR2		83.8	86.7	82.1	80.1	73.9	79.5	81.9	80.7	82.5	85.2	76.6	TBD
AMSR 2016-SFR1											91.7	95.3	TBD
CAH 2014-1		81.3	83.0	89.8	92.7	81.7	82.8	75.7	81.0	69.0	79.4	81.5	TBD
CAH 2014-2		81.5	88.7	72.6	75.0	74.3	72.7	71.9	54.7	63.6	77.8	79.5	TBD
CAH 2015-1		84.3	77.1	72.9	84.4	74.5	74.6	63.5	74.1	63.6	69.6	82.6	TBD
CSH 2016-1									79.5	61.7	72.2	76.7	TBD
CSH 2016-2													TBD
HPA 2016-1			N/A	N/A	100.0	0.0	N/A	0.0	N/A	N/A	N/A	N/A	TBD
HPA 2016-2										N/A	N/A	N/A	TBD
IH 2013-SFR1		87.7	77.6	87.0	85.9	78.3	76.1	85.7	75.0	84.6	83.8	82.4	TBD
IH 2014-SFR1		84.5	80.4	82.1	80.5	71.2	65.7	69.1	74.6	82.1	83.2	77.3	TBD
IH 2014-SFR2		90.9	90.7	90.2	80.6	78.1	74.6	79.1	67.6	74.1	81.4	83.3	TBD
IH 2014-SFR3		87.1	84.2	83.3	69.8	84.8	81.4	75.0	76.7	76.4	76.9	82.0	TBD
IH 2015-SFR1		87.5	85.7	79.1	89.1	86.3	78.0	87.2	79.6	80.0	88.6	81.3	TBD
IH 2015-SFR2		65.8	77.3	82.2	66.7	75.7	63.8	79.1	86.7	75.5	78.7	87.8	TBD
IH 2015-SFR3		73.7	78.7	82.5	80.8	77.1	78.8	76.8	82.4	81.6	84.0	78.0	TBD
PRD 2015-SFR2		75.0	78.6	80.0	67.7	59.4	78.0	78.9	80.6	75.0	79.5	76.3	TBD
PRD 2015-SFR3		70.0	83.3	85.7	71.4	71.4	64.2	67.6	70.0	70.6	73.0	76.3	TBD
PRD 2016-SFR1									79.0	83.1	80.8	76.4	TBD
PRD 2016-SFR2													TBD
SBY 2014-1		93.7	89.5	86.4	91.6	89.5	87.5	90.9	84.2	94.0	90.9	90.6	TBD
SWAY 2014-1		89.6	89.2	85.4	85.8	77.7	82.7	83.8	81.1	77.1	87.7	87.3	TBD
TAH 2015-SFR1		91.1	95.3	94.9	95.0	92.5	93.7	96.7	92.9	93.8	92.4	93.3	TBD
TAH 2016-SFR1												92.6	TBD
Overall SFR		88.3	87.8	86.7	85.6	81.3	81.3	82.9	80.0	82.2	85.1	86.2	TBD

TBD – To Be Determined

22

MORNINGSTAR®

Table 9a – MTM Tenants (by Count)

		Year 2016 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Count
AH4R 2014-SFR1		248	260	258	248	239	268	254	249	208	186	179	178	3,804
AH4R 2014-SFR2		153	166	176	223	257	257	261	249	209	187	178	170	4,484
AH4R 2014-SFR3		147	172	177	186	225	250	284	284	246	209	185	164	4,503
AH4R 2015-SFR1		275	240	208	203	200	207	242	272	210	215	202	199	4,660
AH4R 2015-SFR2		93	134	204	262	323	320	282	217	173	142	132	114	4,124
AMSR 2016-SFR1											368	383	402	4,262
CAH 2014-1		48	47	50	55	60	64	74	63	71	68	65	65	3,350
CAH 2014-2		54	53	73	76	70	66	64	53	44	36	39	38	3,683
CAH 2015-1		51	48	48	45	47	63	74	58	66	56	46	53	3,871
CSH 2016-1									44	47	36	30	31	3,564
CSH 2016-2													39	3,997
HPA 2016-1			0	0	1	1	0	0	0	0	0	0	0	2,101
HPA 2016-2										0	0	0	0	1,397
IH 2013-SFR1		78	99	88	102	110	80	57	54	58	50	48	50	3,186
IH 2014-SFR1		83	95	94	134	165	168	178	169	139	143	121	95	6,328
IH 2014-SFR2		54	58	69	80	80	88	97	109	71	56	58	58	3,673
IH 2014-SFR3		58	63	56	67	75	86	92	87	73	70	64	67	3,998
IH 2015-SFR1		59	64	63	64	74	61	63	70	59	67	74	61	3,021
IH 2015-SFR2		68	72	53	59	58	62	73	63	68	76	69	72	3,520
IH 2015-SFR3		131	144	139	133	135	131	141	131	140	156	175	159	7,182
PRD 2015-SFR2		28	44	75	94	75	46	54	47	60	65	79	75	3,303
PRD 2015-SFR3		10	9	26	51	106	121	133	127	107	80	61	50	3,162
PRD 2016-SFR1									76	98	113	109	111	5,577
PRD 2016-SFR2													65	3,744
SBY 2014-1		211	213	218	217	223	236	220	227	234	236	237	222	2,998
SWAY 2014-1		134	148	178	169	166	156	154	127	105	81	71	63	4,065
TAH 2015-SFR1		542	522	480	450	445	444	474	439	389	363	329	294	3,357
TAH 2016-SFR1												237	231	3,439
Overall SFR		2,525	2,651	2,733	2,919	3,134	3,174	3,271	3,215	2,875	3,059	3,171	3,126	108,353

23

MORNINGSTAR®

Table 9b – MTM Tenants (by Percentage)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	Year 2016												
AH4R 2014-SFR1		6.4	6.7	6.7	6.4	6.2	7.0	6.6	6.5	5.5	4.9	4.7	4.7
AH4R 2014-SFR2		3.4	3.7	3.9	5.0	5.7	5.7	5.8	5.6	4.7	4.2	4.0	3.8
AH4R 2014-SFR3		3.3	3.8	3.9	4.1	5.0	5.6	6.3	6.3	5.5	4.6	4.1	3.6
AH4R 2015-SFR1		5.9	5.1	4.5	4.4	4.3	4.4	5.2	5.8	4.5	4.6	4.3	4.3
AH4R 2015-SFR2		2.3	3.2	4.9	6.4	7.8	7.8	6.8	5.3	4.2	3.4	3.2	2.8
AMSR 2016-SFR1											8.6	9.0	9.4
CAH 2014-1		1.4	1.4	1.5	1.6	1.8	1.9	2.2	1.9	2.1	2.0	1.9	1.9
CAH 2014-2		1.5	1.4	2.0	2.1	1.9	1.8	1.7	1.4	1.2	1.0	1.1	1.0
CAH 2015-1		1.3	1.2	1.2	1.2	1.2	1.6	1.9	1.5	1.7	1.4	1.2	1.4
CSH 2016-1										1.2	1.3	1.0	0.8	0.9
CSH 2016-2													1.0
HPA 2016-1			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HPA 2016-2											0.0	0.0	0.0	0.0
IH 2013-SFR1		2.4	3.1	2.8	3.2	3.4	2.5	1.8	1.7	1.8	1.6	1.5	1.6
IH 2014-SFR1		1.3	1.5	1.5	2.1	2.6	2.6	2.8	2.7	2.2	2.3	1.9	1.5
IH 2014-SFR2		1.4	1.5	1.9	2.2	2.2	2.4	2.6	3.0	1.9	1.5	1.6	1.6
IH 2014-SFR3		1.4	1.6	1.4	1.7	1.9	2.1	2.3	2.2	1.8	1.7	1.6	1.7
IH 2015-SFR1		1.9	2.1	2.1	2.1	2.4	2.0	2.1	2.3	1.9	2.2	2.4	2.0
IH 2015-SFR2		1.9	2.0	1.5	1.7	1.6	1.8	2.1	1.8	1.9	2.2	2.0	2.0
IH 2015-SFR3		1.8	2.0	1.9	1.8	1.9	1.8	2.0	1.8	1.9	2.2	2.4	2.2
PRD 2015-SFR2		0.8	1.3	2.3	2.8	2.3	1.4	1.6	1.4	1.8	2.0	2.4	2.3
PRD 2015-SFR3		0.3	0.3	0.8	1.6	3.4	3.8	4.2	4.0	3.4	2.5	1.9	1.6
PRD 2016-SFR1									1.4	1.8	2.0	2.0	2.0
PRD 2016-SFR2													1.7
SBY 2014-1		7.0	7.1	7.2	7.2	7.4	7.8	7.3	7.6	7.8	7.9	7.9	7.4
SWAY 2014-1		3.3	3.6	4.4	4.1	4.1	3.8	3.8	3.1	2.6	2.0	1.7	1.5
TAH 2015-SFR1		15.5	14.9	13.7	12.8	12.7	12.7	13.5	12.5	11.1	10.7	9.7	8.8
TAH 2016-SFR1												6.9	6.7
Overall SFR		3.1	3.2	3.3	3.5	3.8	3.8	4.0	3.5	3.1	3.0	3.1	2.9

24

MORNINGSTAR®

Table 10 – Monthly Turnover Rate

		Year 2016 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
AH4R 2014-SFR1		2.4	2.7	3.2	3.2	3.5	4.0	3.8	4.3	3.3	3.4	2.8	TBD
AH4R 2014-SFR2		2.5	2.5	3.1	4.8	4.6	3.6	4.1	4.3	2.8	2.9	2.5	TBD
AH4R 2014-SFR3		2.5	2.6	3.0	3.4	3.7	5.5	5.3	4.8	3.6	2.6	2.6	TBD
AH4R 2015-SFR1		2.9	2.2	2.0	2.8	3.5	4.5	5.1	5.0	3.6	3.4	2.9	TBD
AH4R 2015-SFR2		2.9	4.0	4.9	5.6	6.2	5.6	4.0	3.2	2.1	2.4	2.4	TBD
AMSR 2016-SFR1												2.4	TBD
CAH 2014-1		1.3	1.4	1.8	2.3	2.2	3.2	3.7	4.3	3.7	3.3	3.3	TBD
CAH 2014-2		2.8	3.2	3.2	3.7	3.4	3.3	2.9	3.5	3.5	2.9	2.4	TBD
CAH 2015-1		2.2	1.9	2.3	2.5	3.5	4.0	4.7	4.6	3.6	3.1	2.6	TBD
CSH 2016-1									3.6	3.2	3.2	2.6	TBD
CSH 2016-2													TBD
HPA 2016-1				1.4	1.9	2.6	2.0	4.7	3.2	2.5	2.5	1.6	TBD
HPA 2016-2											1.0	0.7	TBD
IH 2013-SFR1		3.0	3.3	3.4	3.2	2.8	3.1	2.8	2.8	2.1	2.7	2.4	TBD
IH 2014-SFR1		2.1	2.4	2.8	3.4	4.2	4.4	3.8	4.2	2.9	2.8	2.1	TBD
IH 2014-SFR2		2.2	2.3	2.6	2.8	3.3	4.0	3.4	3.7	3.1	2.8	2.6	TBD
IH 2014-SFR3		1.9	1.9	2.8	2.6	3.2	3.9	4.0	3.4	2.7	2.5	2.4	TBD
IH 2015-SFR1		2.9	3.5	2.9	2.3	2.5	3.0	3.8	3.8	2.7	2.2	2.6	TBD
IH 2015-SFR2		2.0	3.2	2.9	2.5	2.7	3.0	3.3	3.7	2.8	3.4	3.5	TBD
IH 2015-SFR3		2.3	3.1	2.9	2.4	2.7	2.8	3.2	3.6	3.0	2.9	3.0	TBD
PRD 2015-SFR2		2.2	2.7	4.7	3.9	2.8	2.6	2.3	2.6	2.7	3.8	2.8	TBD
PRD 2015-SFR3		1.1	1.0	1.7	2.6	5.4	6.2	5.7	5.6	3.7	2.4	1.6	TBD
PRD 2016-SFR1									2.5	2.7	2.8	2.8	TBD
PRD 2016-SFR2													TBD
SBY 2014-1		2.2	2.4	2.2	2.5	2.5	3.4	3.2	2.4	3.2	2.3	2.4	TBD
SWAY 2014-1		2.3	2.5	3.2	3.2	3.7	3.7	3.7	2.9	3.0	2.8	1.7	TBD
TAH 2015-SFR1		2.3	3.5	2.2	2.3	2.6	2.7	4.0	1.8	2.8	3.6	3.1	TBD
TAH 2016-SFR1													TBD
Overall SFR		2.9	3.1	3.3	3.5	3.9	4.2	4.3	4.1	3.3	2.9	2.7	TBD

TBD – To Be Determined

25

Appendix I – Vacancy Versus Lease Expiration

MORNINGSTAR®
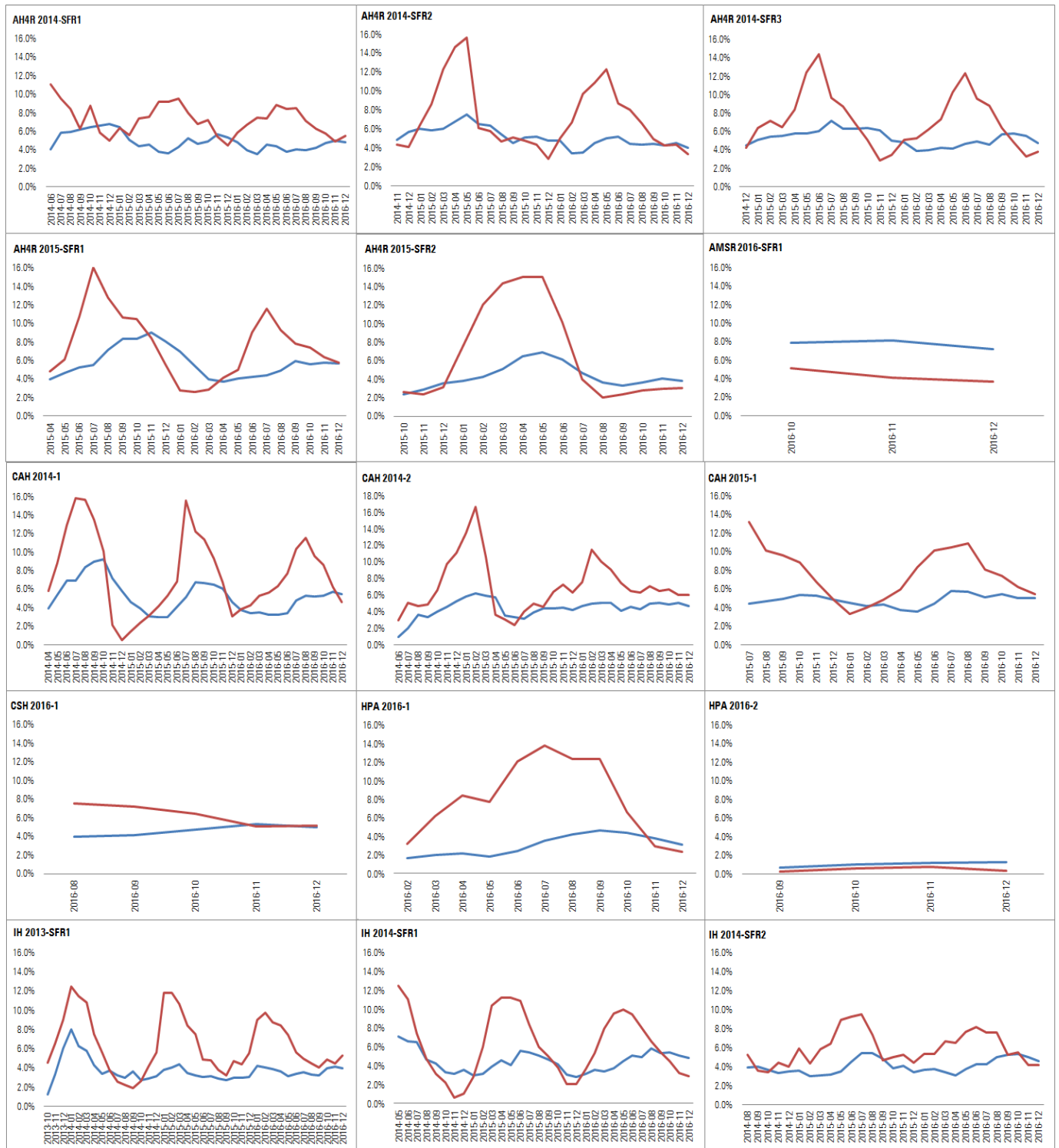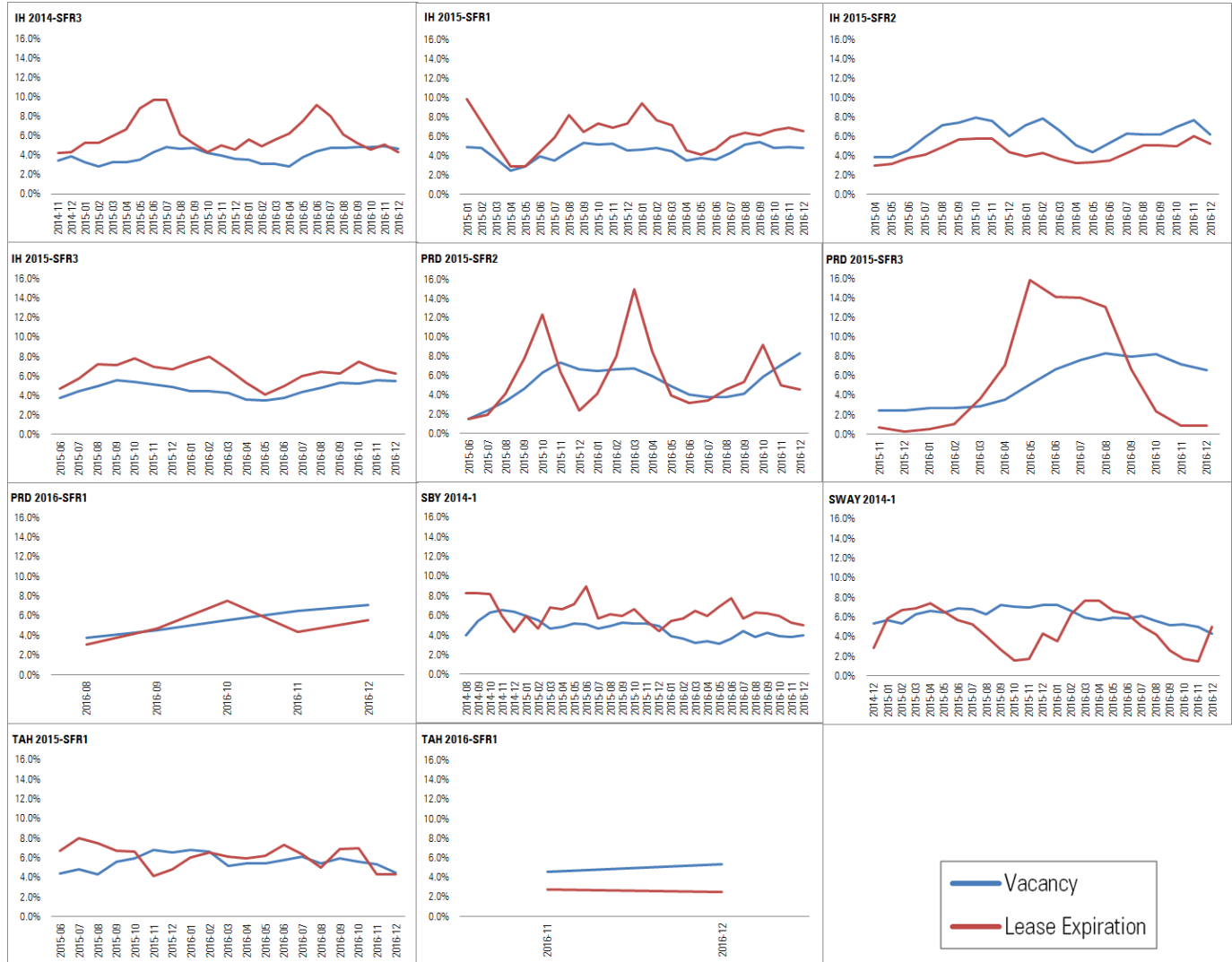
MORNINGSTAR®

Appendix II – Description of Analysis

Morningstar tracks key metrics to gauge the performance of single-borrower, single-family rental transactions. There are several 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 single-borrower issuers' monthly reporting to derive its calculations.

Multiborrower deals are similar to single-borrower transactions in that the underlying collateral is 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 139 loans; B2R 2015-2, 208 loans; B2R 2016-1, 163 loans; FKL 2015-SFR1, 16 loans; CAF 2015-1, 69 loans; CAF 2016-1, 85 loans; and CAF 2016-2, 71 loans. As such, the monthly reporting for multiborrower deals is different from the data reported in the single-borrower sector. For example, delinquency reported in Tables 6a and 6b are tenants that are past due on rental payments at a property level. For multiborrower transactions, delinquency is measured by borrowers that are past due on payments at the loan level.

Chart 1 – Single-Family Rental Rent Change Versus RentRange Year-Over-Year Rent Change

To calculate the rent change across single-borrower, single-family rental transactions, Morningstar isolated the leases starting in a given period and compared the contractual rent in that period with the prior occupied contractual rent. Morningstar then compared this rent change with the year-over-year change in three- and four-bedroom median rents from RentRange. Morningstar weighted the RentRange median rents by geography to match the MSA concentration of the Morningstar single-family rental database.

Chart 2 – Rental Changes for Renewals Versus Vacant-to-Occupied Properties

Morningstar calculated the rent change using the contractual rent for the corresponding period versus the prior occupied contractual rent. To determine the lease expiration sample, Morningstar used the logic outlined below in the section, Tables 3a, 3b, and 3c – Lease Expiration. Morningstar then looked at the property tape to determine the renewed properties and compared that contractual rent with the prior contractual rent. For vacant properties subsequently occupied by new tenants, Morningstar isolated those properties that were vacant in a given month and occupied in the next month and again compared the current contractual rent with the prior contractual rent.

MORNINGSTAR®

Chart 3 – December Average Contractual Rent Versus Property-Level RentRange Estimate by MSA

Chart 3, which shows some of the MSAs most frequently found in single-family rental securitizations, takes a snapshot of the December contractual rents in the Morningstar single-family rental database and compares these rents with their property-specific rent estimates from RentRange.

Chart 4 – MSA-Level Blended Rent Change

Chart 4 shows the rent change of some of the MSAs most frequently found in single-family rental securitizations. The size of each circle represents the percentage of properties in each MSA from Morningstar's database. MSAs in red are below the overall average rent change for the month, while those in blue are above.

Table 1 – Blended Rent Change (by Percentage) – Top MSAs

Table 1 shows the MSA-level rent change for the past 12 months using the same rent change calculation used in Chart 1 and Chart 4.

Tables 2a, 2b, and 2c – Month-End Vacancy

Table 2a displays deal-level vacancy by the month-end count of empty properties. Table 2b shows the deal-level vacancy as a percentage of the total properties in each pool. Table 2c shows the MSA-level vacancy percentage for some of the MSAs most frequently found in single-family rental securitizations. The vacancy rate is heavily influenced by the number of lease expirations in each month. Generally, the more leases expiring in a given month, the higher the vacancy rate will be. Because each transaction or MSA 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 3a, 3b, and 3c and as seen in the charts in Appendix I.

Chart 5 – MSA-Level Vacancy and Lease Expiration Percentage (by Count)

Chart 5 shows the vacancy rate of some of the MSAs most frequently found in single-family rental securitizations. The size of each circle represents the percentage of leases expiring in the last three months. MSAs in red are above the overall average vacancy percentage for the month, while those in blue are below. Typically, the more leases expiring, the higher the vacancy rate.

Tables 3a, 3b, and 3c – Lease Expiration

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 determine December lease expirations, Morningstar looks for all December lease expirations in the September property

MORNINGSTAR®

tape. Morningstar looks three months back to set a lease expiration sample that more accurately captures tenants who 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. 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. Morningstar excludes those vacated properties from its lease expiration sample and its retention rate calculation in Table 7. In the current example, properties that become vacant or that have move out dates in either October or November are removed from the December lease expiration count.

Tables 4a and 4b – Historical Months of Vacancy

Tables 4a and 4b show the number of months of vacancy the December unoccupied properties have experienced. In other words, if a property is unoccupied as of the December 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 4a shows historical months of vacancy by count, and Table 4b is as a percentage of the December vacancies.

Table 5 – Delinquency Definition

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 5 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 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, 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.

MORNINGSTAR®

Tables 6a and 6b – Month-End Delinquency

Table 6a shows the month-end count of delinquencies based on the definition in Table 5, and Table 6b 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 in Table 5.

Table 7 – Monthly Retention Rate of Expiring Leases

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 who signed a full-term lease. Considering the different methods issuers use to designate tenants with either a renewal or an MTM 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, whether on full-term or MTM leases, divided by the total number of leases due to expire in that period, as reported in Table 3a and explained in Appendix II. If there is not enough seasoning in the deal to look three months back to determine the lease expiration sample, Morningstar relies on the cutoff tape lease expiration profile. As a result, the first three months of retention rate reported in Table 7 will use the cutoff tape to find the sample of lease expirations. After isolating the applicable lease expiration sample, Morningstar looks at the most recent property tape to determine the lease status of the properties. In this report, Morningstar uses the December property tape to determine the lease status for November expirations. Morningstar relies on the issuer's labeling of vacant, renewal, new lease, or MTM, to the extent that these notations are available in each tape.

Table 8 – Monthly Retention Rate of MTM Leases

In Table 8, Morningstar reviews the retention rate of those properties in an MTM status. This table looks at previous tenants who went to an MTM status and either renewed or remained in the property on an MTM 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 November 2016 retention rates are the December statuses of November MTM tenants.

Tables 9a and 9b – MTM Tenants

In Tables 9a and 9b, 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.

MORNINGSTAR®

Table 10 – Monthly Turnover Rate

In evaluating how effective an issuer is at retaining tenants, Morningstar also considers the monthly turnover rate. For this metric, Morningstar strives to apply a consistent calculation given the differences in issuers' monthly reporting. Morningstar considers a property turned over if it meets one of three criteria:

- The property is vacant but was occupied in the previous month and the move-out date, if available, is on or after the first day of the current month;

- The move-out date is on or after the first day of the current month, including the last day of the current month; or

- 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.

Disclaimer

MORNINGSTAR®