



The SFR Market in Q1 2026:

Tight Fundamentals, Disciplined Capital

A Q1 2026 Briefing for Investors, Operators, and Capital Partners



KEY MARKET METRICS — Q1 2026

Metric	Current	Context
SFR Cap Rate	7.3%	Up ~200 bps since 2021
National Rent Growth (YoY)	+2.6%	Normalizing from 2022 peak
SFR Occupancy Rate	94.0%	Inline with pre-pandemic avg.
Avg. Single-Family Home Value	\$358,771	+0.3% YoY (Jan. 2026)
SFR Debt Yield	11.3%	Up 290 bps from 2022 low
Risk Premium vs. 10-Yr Treasury	317 bps	Widening; 160 bps over MF
CMBS Issuance (2025 Full Year)	\$6.4B	Stable; 2026 tracking consistently
REIT Net Acquisitions (Q3 2025)	\$600M	Strongest quarterly since 2022
SFR Delinquency Rate	1.6%	Down from 6.1% peak (Dec. 2022)
BTR Starts (Rolling 12-Mo.)	~69,000	7.2% of all SF construction



WHAT THIS MEANS FOR YOUR DEAL

The SFR market has repriced, not retreated. Cap rates at 7.3% represent a full asset class reset from the compressed pricing of 2021. With rents still growing and occupancy holding near historical averages, cash flow is doing real work again. That matters to lenders. The era of narrative underwriting is over.

Debt yields at 11.3% mean lenders are underwriting tighter loan-to-NOI ratios. Borrowers who come in with stabilized assets, clear income documentation, and realistic exit assumptions are still getting done. Others are waiting longer than they planned.

Demand is structural, not cyclical. With homeownership requiring 42% of median household income, rental demand is not softening. SFR renter households reached a seven-year high in 2025. That floor supports both occupancy and rent trajectory.

FOUR THINGS WORTH ADJUSTING NOW

1	Leverage is underwritten, not assumed. If in-place or near-term cash flow doesn't support it, the structure needs to change.
2	Appreciation is not a backstop. Underwrite to stability. Upside is a bonus, not a thesis.
3	Capital partners are thinking in spreads. At 317 bps over Treasuries, SFR is attractive. But risk-adjusted return has to clear the threshold.
4	Execution matters more than timing. Waiting doesn't solve a structure problem. Clarity does.

WORKING WITH SHŌKUNIN

Shōkunin advises investors and operators on capital and strategy across the capital stack. If a transaction has moved slower than expected, or if you're trying to evaluate what a current deal actually supports, that's the conversation we have.

We don't operate a referral desk. When we engage, we're working the problem.

Marcelo Bermúdez | 213.453.9418 | mb@marcelobermudezinc.com |
www.marcelobermudezinc.com

CA BRE License #01723436 | Data sourced from Arbor Realty Trust Q1 2026 SFR Investment Trends Report