



American Homes 4 Rent (AMH)

Updated August 11th, 2025 by Nathan Parsh

Key Metrics

| | | | | | |
|-----------------------------|------|--|-------------|----------------------------------|-----------------------|
| Current Price: | \$34 | 5 Year CAGR Estimate: | 10.9% | Market Cap: | \$12.8 billion |
| Fair Value Price: | \$38 | 5 Year Growth Estimate: | 5.0% | Ex-Dividend Date: | 09/12/25 ¹ |
| % Fair Value: | 88% | 5 Year Valuation Multiple Estimate: | 2.5% | Dividend Payment Date: | 09/30/25 ² |
| Dividend Yield: | 3.5% | 5 Year Price Target | \$49 | Years Of Dividend Growth: | 5 |
| Dividend Risk Score: | D | Sector: | Real Estate | Rating: | Hold |

Overview & Current Events

Based in Maryland, American Homes 4 Rent is an internally managed real estate investment trust which focuses on acquiring, developing, renovating, operating, and leasing single-family homes as rental properties. The trust holds nearly 59,000 single-family properties in sub-markets of metropolitan statistical areas in more than 20 states. AMH formed in August of 2013, has a market capitalization of almost \$13 billion, and generates annual revenues of \$1.8 billion.

On February 12th, 2025, AMH announced it was increasing its quarterly dividend 15.4% to \$0.30 per share. This follows the trust's 18.2%, 22.2%, 80%, and 100% raises over the last four years.

On July 31st, 2025, AMH announced second quarter results for the period ending June 30th, 2025. For the quarter, revenue increased 8% to \$457.5 million, beating estimates by \$7.7 million. FFO of \$0.47 compared favorably to FFO of \$0.46 in the previous year and was \$0.01 ahead of expectations.

For the quarter, AMH had a same-home average occupied day percentage of 96.3%, which was a 40 basis point improvement from the prior year. New leases signed had rental rate growth of 4.1% while renewal rental rates increased 4.4%, leading to a blended growth rate of 4.3%. Occupied homes of 58,282 compared to 56,516 in the second quarter of 2024. Average monthly rents per property were up 4.0% while property expenses increased 3.6% to \$124.5 million.

AMH reaffirmed prior guidance for 2025 as well. The trust still expects core FFO in a range of \$1.80 to \$1.86 for the year. At the midpoint, this would represent a 3.4% from last year.

Growth on a Per-Share Basis

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| FFO | \$0.72 | \$0.97 | \$1.02 | \$1.06 | \$1.11 | \$1.16 | \$1.36 | \$1.54 | \$1.66 | \$1.77 | \$1.83 | \$2.34 |
| DPS | \$0.20 | \$0.20 | \$0.20 | \$0.20 | \$0.20 | \$0.20 | \$0.40 | \$0.72 | \$0.88 | \$1.04 | \$1.20 | \$1.93 |
| Shares³ | 208 | 243 | 287 | 297 | 301 | 317 | 336 | 354 | 364 | 369 | 370 | 375 |

AMH has a short history as a publicly traded REIT, but funds-from-operation growth was extensive at the beginning of the trust's existence. AMH's funds-from-operation grew at a rate of 10.5% per year for the 2015 to 2024 period, though this has slowed somewhat to 9.5% annually over the last five years. We continue to forecast annual growth of 5% for funds-from-operation through 2030.

AMH's quarterly dividend had amounted to \$0.05 per share for much of the trust's existence. That changed when the trust doubled its dividend for the March 31st, 2021 payment date and has followed that up with sizeable increases ever since. Given the aggressive growth recently and the reasonable payout ratio, we project dividend growth will be 10% per year moving forward.

¹ Estimated ex-dividend date.

² Estimated dividend payment date.

³ Share count in millions.

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Valuation Analysis

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|------------|------|------|------|------|------|------|------|------|------|------|-------------|-------------|
| Avg. P/FFO | 22.9 | 19.3 | 21.8 | 19.6 | 21.9 | 23.5 | 32.1 | 19.6 | 21.7 | 20.3 | 18.6 | 21.0 |
| Avg. Yld. | 1.2% | 1.1% | 0.9% | 1.0% | 0.8% | 0.7% | 0.9% | 2.4% | 2.4% | 2.8% | 3.5% | 3.9% |

Shares of the trust have declined \$4, or 14.3%, since our May 13th, 2025 report. AMH has enjoyed a rich valuation since the beginning of its existence. The stock’s average P/FFO is 22.3 over the last decade and 23.4 over the last five years. With the stock trading at 18.6 times funds-from-operations, AMH’s valuation is below our target price-to-funds-from-operations of 21. Reaching this valuation by 2030 would add 2.5% to annual returns over this period.

Investors often hold shares of REITs for the high yields. AMH is the rare name in the sector that has a lower yield. At 3.5%, the current yield is below that of the typical REIT stock, but this is nearly three times average yield of the S&P 500 index.

Safety, Quality, Competitive Advantage, & Recession Resiliency

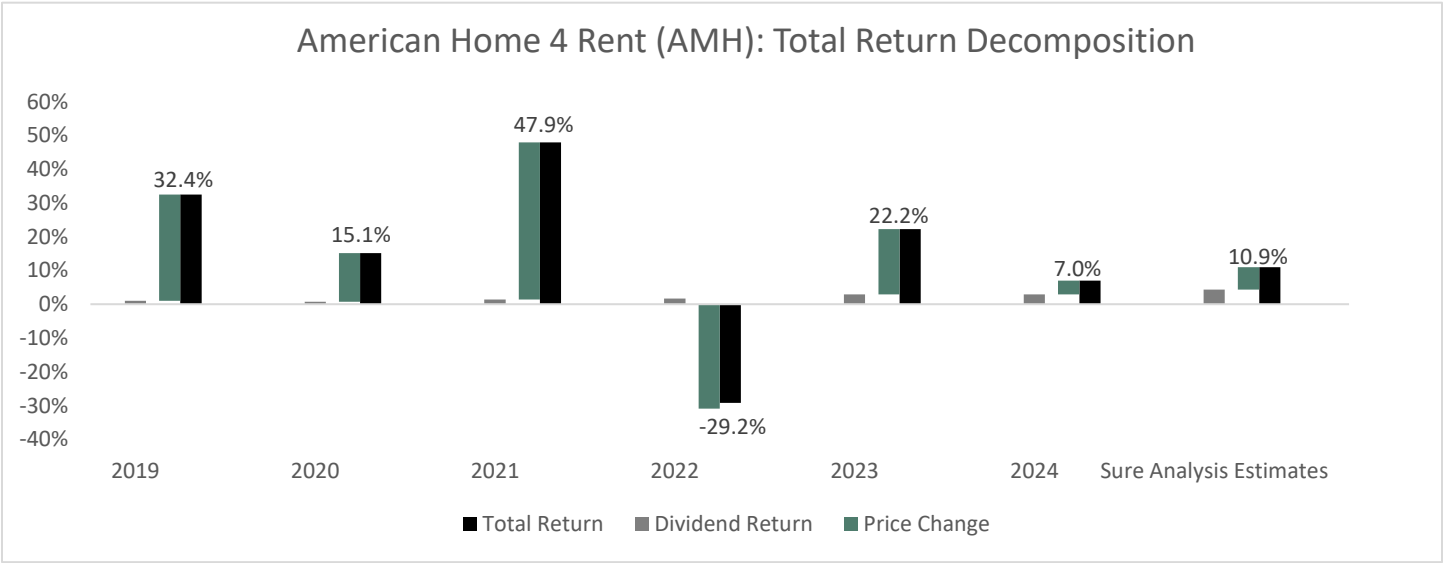
| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|--------|------|------|------|------|------|------|------|------|------|------|------------|------------|
| Payout | 28% | 21% | 20% | 19% | 18% | 17% | 29% | 47% | 53% | 59% | 66% | 83% |

AMH was not publicly traded during the 2007 to 2009 recession so understanding the trust’s ability to withstand an economic downturn is not possible. Even so, we believe that the trust would encounter some difficulty. Consumers would still need places to live, so occupancy rates could well remain high. We fear that rental rates would probably decline. AMH is one of the largest operators of single-family in the U.S., giving it a size and scale that is above most of its peer group.

Final Thoughts & Recommendation

American Homes 4 Rent is expected to see total annual returns of 10.9% through 2030, up from our prior estimate of 8.5%. Our projected return stems from a 5% funds-from-operation growth rate, a starting yield of 3.5%, and a low single-digit contribution from multiple expansion. The trust continues to produce solid growth metrics throughout much of its business. American Homes 4 Rent continues to benefit from a high occupancy rate, an increase in rent and lease agreements, and a larger portfolio of houses. We reaffirm our five-year price target of \$49 due to estimates for the year. We continue to rate shares of American Homes 4 Rent as a hold due to projected returns and a low dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Revenue | 631 | 879 | 960 | 1,073 | 1,132 | 1,173 | 1,304 | 1,491 | 1,624 | 1,729 |
| Gross Profit | 337 | 491 | 536 | 585 | 611 | 632 | 717 | 826 | 901 | 973 |
| Gross Margin | 53.5% | 55.8% | 55.8% | 54.6% | 54.0% | 53.9% | 55.0% | 55.4% | 55.5% | 56.3% |
| SG&A Exp. | 27 | 33 | 35 | 37 | 43 | 49 | 56 | 68 | 75 | 84 |
| Operating Profit | 68 | 159 | 204 | 230 | 239 | 241 | 288 | 331 | 370 | 413 |
| Op. Margin | 10.7% | 18.1% | 21.2% | 21.4% | 21.1% | 20.5% | 22.1% | 22.2% | 22.8% | 23.9% |
| Net Profit | (62) | 7 | 81 | 108 | 141 | 140 | 189 | 273 | 380 | 412 |
| Net Margin | -9.9% | 0.8% | 8.4% | 10.1% | 12.5% | 12.0% | 14.5% | 18.3% | 23.4% | 23.9% |
| Free Cash Flow | 185 | 251 | 348 | 356 | 386 | 369 | 473 | 527 | 605 | 690 |

Balance Sheet Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|
| Total Assets | 6,751 | 8,107 | 8,609 | 9,001 | 9,100 | 9,594 | 10,962 | 12,175 | 12,688 | 13,381 |
| Cash & Equivalents | 58 | 119 | 46 | 30 | 38 | 137 | 48 | 69 | 59 | 199 |
| Acc. Receivable | 14 | 18 | 30 | 29 | 30 | 42 | 42 | 48 | 43 | 48 |
| Goodwill & Int. | 110 | 118 | 115 | 110 | 112 | 125 | 133 | 120 | 120 | 120 |
| Total Liabilities | 2,816 | 3,170 | 2,733 | 3,028 | 3,081 | 3,121 | 4,224 | 5,000 | 5,035 | 5,533 |
| Accounts Payable | 1 | 0 | 2 | 0 | 5 | 0 | 1 | 6 | 36 | 0 |
| Long-Term Debt | 2,594 | 2,923 | 2,476 | 2,804 | 2,833 | 2,817 | 3,880 | 4,516 | 4,462 | 5,011 |
| Total Equity | 3,259 | 4,193 | 5,149 | 5,252 | 5,335 | 5,789 | 6,059 | 6,496 | 6,967 | 7,160 |
| LTD/E Ratio | 0.80 | 0.70 | 0.48 | 0.53 | 0.53 | 0.49 | 0.64 | 0.70 | 0.64 | 0.70 |

Profitability & Per Share Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------|-------|------|------|------|------|------|------|------|------|------|
| Return on Assets | -1.0% | 0.1% | 1.0% | 1.2% | 1.6% | 1.5% | 1.8% | 2.4% | 3.1% | 3.2% |
| Return on Equity | -1.5% | 0.2% | 1.5% | 1.8% | 2.4% | 2.2% | 2.9% | 3.9% | 5.1% | 5.3% |
| ROIC | -1.0% | 0.1% | 1.0% | 1.3% | 1.6% | 1.5% | 1.9% | 2.4% | 3.2% | 3.3% |
| Shares Out. | 208 | 243 | 287 | 297 | 301 | 317 | 336 | 354 | 364 | 369 |
| Revenue/Share | 2.99 | 3.76 | 3.63 | 3.65 | 3.77 | 3.82 | 4.01 | 4.26 | 4.48 | 4.70 |
| FCF/Share | 0.88 | 1.07 | 1.32 | 1.21 | 1.29 | 1.20 | 1.45 | 1.51 | 1.67 | 1.87 |

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

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