



American Homes 4 Rent (AMH)

Updated November 4th, 2025 by Nathan Parsh

Key Metrics

Current Price:	\$32	5 Year Annual Expected Total Return:	12.7%	Market Cap:	\$13.5 billion
Fair Value Price:	\$39	5 Year Growth Estimate:	5.0%	Ex-Dividend Date:	12/12/25 ¹
% Fair Value:	81%	5 Year Valuation Multiple Estimate:	4.2%	Dividend Payment Date:	12/31/25 ²
Dividend Yield:	3.8%	5 Year Price Target	\$50	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 more than \$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 October 29th, 2025, AMH reported third quarter results for the period ending September 30th, 2025. For the quarter, revenue grew 7.5% to \$478.5 million, which topped estimates by \$2.3 million. FFO of \$0.47 compared favorably to FFO of \$0.44 in the previous year and was \$0.01 better than expected.

For the quarter, AMH had a same-home average occupied day percentage of 95.9%, which matched last year's result. New leases signed had rental rate growth of 2.5% while renewal rental rates increased 4.0%, leading to a blended growth rate of 3.6%. Occupied homes of 57,689 compared to 56,198 in the third quarter of 2024. Average monthly rents per property were up 3.9% while property expenses increased 5.6% to \$181.6 million.

AMH provided updated guidance for 2025 as well. The trust now expects core FFO in a range of \$1.86 to \$1.88 for the year, up from \$1.80 to \$1.86 previously. At the midpoint, this would represent a 5.6% 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	\$1.87	\$2.39
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	371	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 10.0% 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	17.1	21.0
Avg. Yld.	1.2%	1.1%	0.9%	1.0%	0.8%	0.7%	0.9%	2.4%	2.4%	2.8%	3.8%	3.9%

Shares of the trust have decreased \$2, or 5.9%, since our August 11th, 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 just over 17 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 4.2% 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 3.8%, 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

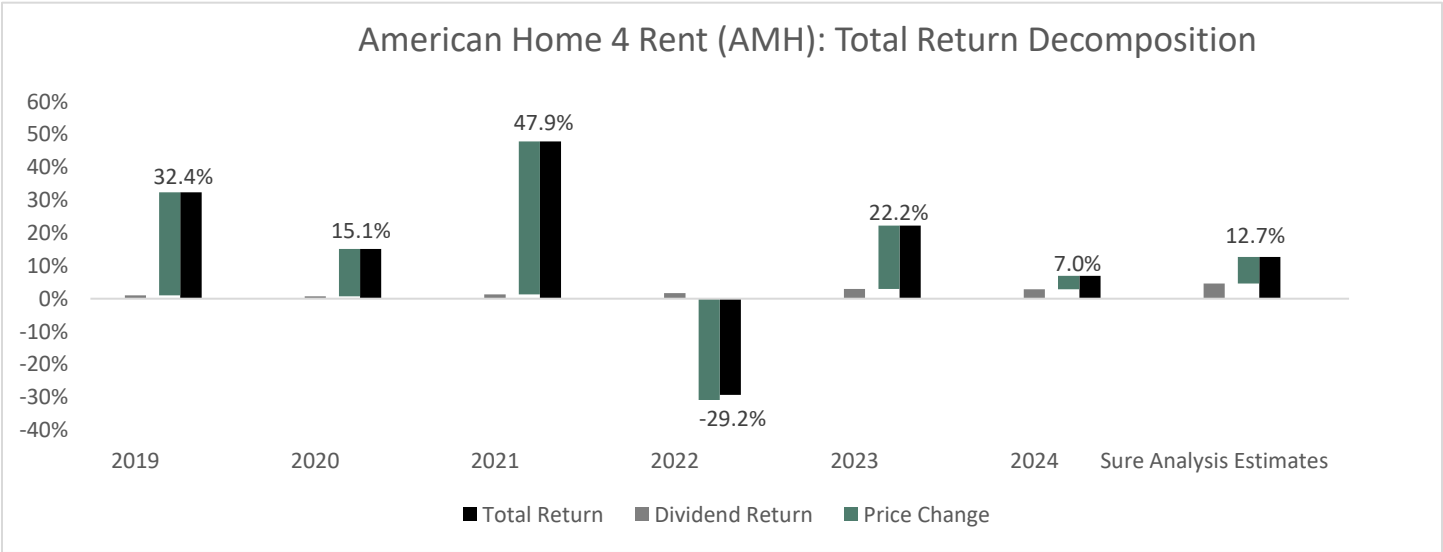
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	28%	21%	20%	19%	18%	17%	29%	47%	53%	59%	64%	81%

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 12.7% through 2030, up from our prior estimate of 10.9%. Our projected return stems from a 5% funds-from-operation growth rate, a starting yield of 3.8%, and a mid-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 have raised our five-year price target \$1 to \$50 due to estimates for the year. However, we reaffirm our hold rating on shares of American Homes 4 Rent due to a weak 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.

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