



Photo Credit: Walton

June 23, 2021

SCOTTSDALE, Ariz.-

Walton Global Holdings has launched a build-to-rent (BTR) line of business that will leverage its more than 81,000 acres of land assets throughout the U.S. to create near-term opportunities for single-family home rental developments.

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Walton is a global real estate investment and land asset management company with US\$3.4 billion under management making the company one of the largest pure-play residential landowners in North America. The launch of Walton's BTR business provides the company with an immediate competitive advantage during a time when established land parcels are hard to come by for many organizations in this market.

Walton's core products have been pre-development land and land development for more than 42 years. Through its core business, Walton specializes in land acquisition to zoning and entitlements partnering with top national homebuilders throughout the U.S.

Walton has already identified 17 near-term opportunities and is in advanced negotiations with a select group of nationally recognized builders and developers to construct build-to-rent communities with approximately 2,500 units throughout the country. The first wave of development is part of a longer-term vision for the company to grow their BTR portfolio. Walton plans to construct additional projects within their network of more than 180 master planned communities and through new land acquisitions.

"We see this as a tremendous opportunity to utilize our properties to provide additional single-family home inventory to growth markets throughout the country, but more importantly, affordable housing during a time when for-sale home pricing is rising at a dramatic pace," said Bill Doherty, CEO of Walton. "We also recognize land is a high commodity for builders and single-family rental companies to enter this space – we are a natural partner for them."

The build-to-rent industry is showing significant year-over-year growth. The bulk of households living in these communities prefer to rent a home, many are aging millennials transitioning into family formation years. COVID fueled the need for extra space that consumers demanded and accelerated the shift to less dense cities and homes. Sunbelt markets with diversified economies that were outperforming other markets pre-COVID are expected to continue post-pandemic, according to John Burns Consulting research. Most of Walton's land portfolio is in Sunbelt market regions.

"Walton has three essential advantages that we expect to deliver true value to this market and to investors: available land, experience in development of lots and a vast network of homebuilding relationships," said Paul Megler, executive vice president of Walton who is leading the build-to-rent initiative for the company. "I see many organizations entering the build-to-rent space that are making value propositions based on a business plan or a concept and are struggling to deploy capital. Walton has a defined portfolio ready to go with partnerships in place and a diverse land pipeline that we continue to grow – that is a big differentiator to our BTR partners."