



STORMFIELD MARKET PULSE

Residential Bridge Lending in a Housing Reset

High interest rates have impaired housing liquidity and conventional execution, while strong homeowner equity and constrained supply support collateral values — conditions that favor disciplined renovation and fix-and-flip lending to experienced real estate investors.

September **2026**

The financing gap is widening

\$2,918

AVERAGE MONTHLY PAYMENT

The average monthly payment on a new 30-year mortgage has surged, pushing conventional homeownership out of reach for many households.

~\$30K

QUALIFYING INCOME GAP

The income required to qualify for the median home exceeds actual median household income by roughly \$30,000.

75%

AFFORDABILITY CEILING

Three-quarters of U.S. households can afford only homes priced below \$300,000 under current financing conditions.

INVESTOR IMPACT Weak affordability slows resale velocity and conventional takeout. For experienced investors, this increases the value of fast, certain acquisition-and-renovation financing built around a defined business plan and conservative exit assumptions.

Collateral enters the reset with meaningful support

73%

HOUSEHOLD EQUITY SHARE

Household equity represents 73% of residential real estate value, near an all-time high — a substantial equity cushion beneath the debt stack.

45%

MARK-TO-MARKET LTV

The mark-to-market loan-to-value ratio for U.S. mortgages has fallen to approximately 45%, down from nearly 70% in 2013.

\$35T

TOTAL REAL ESTATE EQUITY

U.S. households hold approximately \$35 trillion in real estate equity — roughly \$400,000 per owner-occupied home.

40%

FREE AND CLEAR

40% of U.S. homes carry no mortgage, structurally limiting forced selling and distress supply.

COLLATERAL DISTINCTION Transaction volumes are constrained by affordability, but the underlying collateral base is fundamentally sound — low system leverage and tight inventory protect values against broad-based decline.

Investor renovation credit is designed for transition

- **Renovation and fix-and-flip**

Stormfield Capital® finances experienced investors acquiring and improving non-owner-occupied residential properties — the segment driving a growing share of private construction activity.

- **Speed and certainty**

Investors need reliable, asset-backed capital to close acquisitions, fund scoped improvements, and stabilize properties on a defined timeline.

- **Short-duration alignment**

Short contractual duration matches the time required to execute a renovation plan, allowing repayment through a property sale or an investment-property refinance after stabilization.



The opportunity is earned through underwriting

01 Basis discipline

Conservative attachment points relative to stabilized value, ensuring a margin of safety against localized price volatility.

02 First-lien control

Senior secured positioning on the underlying real estate, prioritizing capital preservation and structural control.

03 Capex governance

Active, in-house servicing and draw management so construction budgets translate directly into asset value.

04 Sponsor liquidity

Rigorous evaluation of borrower experience, balance sheet strength, and capacity to execute the business plan.

05 Local exit analysis

Underwriting grounded in granular, neighborhood-level supply and demand dynamics rather than national averages.

06 Multiple repayment paths

Loans structured so the sponsor has viable exits via property sale or an investment-property refinance.

INVESTMENT CONCLUSION

Residential credit can be a durable asset class when originated, underwritten, and actively managed by specialist managers. In business-purpose renovation lending, disciplined basis, first-lien control, short duration, and multiple repayment paths can support resilient performance across housing cycles.