

# TWO CHARTS: THE ANNUAL \$400B HOMEBUILDER FINANCE GAP

The recent pullback of traditional bank lending to the U.S. homebuilding sector creates an opportunity for private credit investors. Following the 2023 regional bank crisis, U.S. banks tightened credit standards and reduced exposure to construction and development and other commercial lending. This shift positions non-bank lenders to provide critical capital for new residential development while pursuing risk-adjusted returns.

Housing demand in the U.S. remains structurally strong, due to sustained demographic growth and years of underbuilding since the global financial crisis. Limited access to financing continues to constrain midsize homebuilders, and private

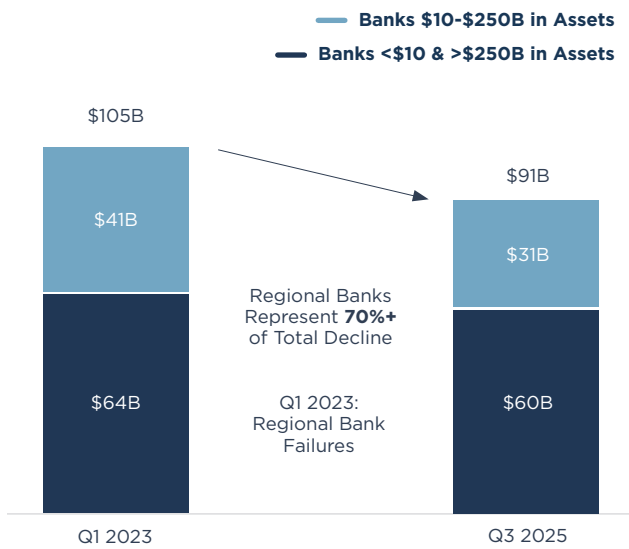
credit providers can bridge this gap with tailored construction financing that focuses on premium returns relative to public credit markets.

Homebuilder loans are secured by land and residential properties, offering tangible collateral to mitigate loss risk. Modern construction loans typically feature prudent loan-to-cost ratios, ensuring borrowers maintain meaningful equity.

**The bottom line:** This combination of strong collateral and disciplined underwriting has produced resilient loan performance, making residential construction lending a compelling opportunity for investors.

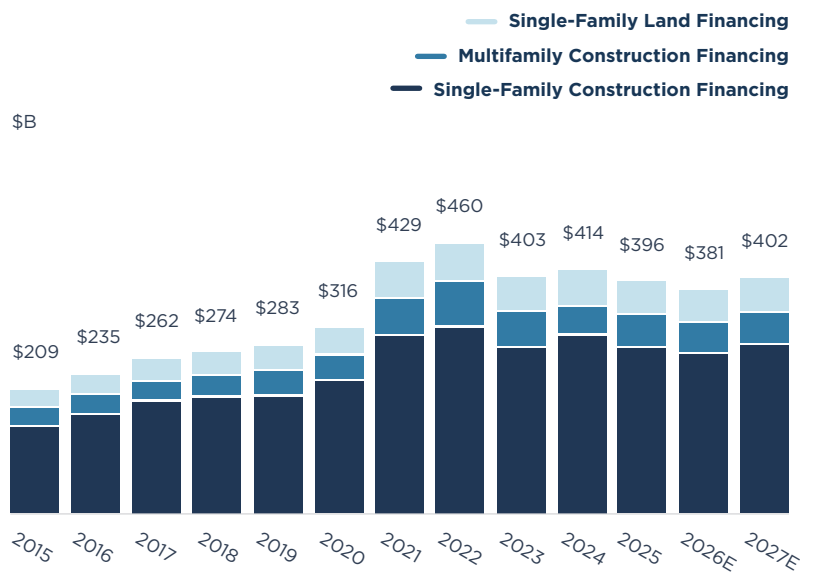
## BANK LENDING TO U.S. HOMEBUILDERS HAS CONTRACTED SINCE 2023

Total outstanding volume of U.S. bank loans to homebuilders<sup>1</sup>



## ~\$400B IN LENDING REQUIRED ANNUALLY OVER THE COMING YEARS TO FINANCE U.S. HOMEBUILDERS

Estimated annual volume of construction and land development lending required to finance U.S. homebuilders<sup>2</sup>



1. Source: FDIC, Pretium, data through September 30, 2025. 2. Source: Fannie Mae, John Burns, MBA, Zelman, Pretium, data through February 12, 2026. Annual financing volume is estimated assuming annual U.S. single-family housing starts are equal to the median of the Fannie Mae, John Burns, MBA and Zelman forecasts, home prices appreciate based on the same forecasters' projections of future price growth, land development cost is 20% of total homebuilding cost, and loan-to-cost ratios for homebuilding and land development lending are set at 65%.