REI Capital Group Monthly Real Estate Investor Newsletter

September 2026 | Market intelligence for serious real estate investors

Jerry Patricio de los Reyes

CEO and Certified Fund Manager

Capital is available. Discipline is the advantage.

Investor purchases have slowed, but strong local demand and expanding private-lending capacity continue to create opportunities for prepared buyers.

This month at a glance

45,397	**19%**	**$85B+**	**Near $50B**
INVESTOR PURCHASES	SHARE OF SALES	2025 HARD MONEY RTL	2026 DSCR PACE

The purchase figure and market share cover 39 major U.S. metros in Q1 2026. Hard Money and DSCR figures are loan-volume indicators, not national property counts.

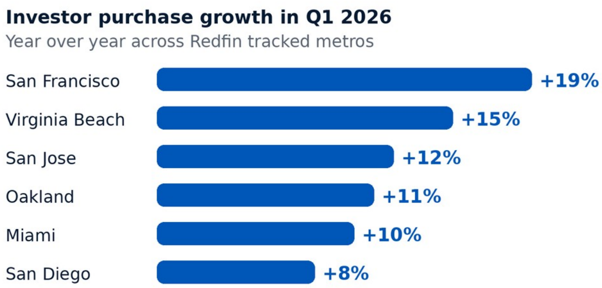
From Jerry

The market is rewarding investors who underwrite the deal they have today - not the appreciation they hope to receive tomorrow. We are seeing the strongest opportunities where acquisition price, realistic rents, renovation scope and exit capital all work together.

Our focus remains simple: help serious investors select the right capital for the business plan, move decisively when the numbers work and protect liquidity when they do not.

Where investors are buying

Investor activity is uneven. Across Redfin tracked metros, purchases declined 6% year over year in Q1 2026, while several coastal and select growth markets moved sharply higher.



Source: Redfin Q1 2026 investor analysis

Markets showing broad transaction momentum

Metro	New listings YTD	Contract signings YTD	Investor view
Kansas City, MO	+12.5%	+20.7%	Strong demand and improving choice
Louisville, KY	+13.6%	+18.9%	Affordable two-sided momentum
Columbus, OH	+8.0%	+7.9%	Balanced growth and depth
Indianapolis, IN	+14.7%	+6.6%	More inventory with active buyers
Cincinnati, OH	+10.8%	+4.7%	Steady Midwest activity

Investor takeaway: growth in listings alone is not enough. Favor markets where contracts are also increasing, then verify neighborhood rents, taxes, insurance and days on market.

The capital picture

Private capital is taking a larger role in investor finance as banks remain selective. The right product depends on the property condition, income stability and planned exit.

$85B+	16.4%	Near $50B
RTL ORIGINATED IN 2025	PRIVATE LENDER SHARE	DSCR 2026 RUN RATE

RTL is the institutional term for bridge and renovation financing often called Hard Money. The 16.4% share covers investor single-family purchases financed by private lenders from July 2025 through June 2026.

Capital tool	Best fit	Underwriting focus	Typical exit
Hard Money or RTL	Acquisition, rehab, ground-up or speed-sensitive purchase	Collateral, scope, experience and exit plan	Sale or refinance
DSCR loan	Stabilized rental property	Property cash flow relative to debt service	Long-term hold
Conventional investor loan	Strong documented income and standardized property	Borrower income, credit and reserves	Long-term hold
Cash plus delayed finance	Competitive purchase requiring immediate certainty	Liquidity first, finance after closing	Replenish capital

How many purchases used Hard Money or DSCR

There is no complete national public count. Recorded deeds show whether a lien exists, but they do not consistently identify a loan as Hard Money, RTL or DSCR. Industry sources report loan dollars, samples or market share instead.

What the available evidence shows: more than $85 billion of RTL was originated in 2025, private lenders financed 16.4% of investor single-family purchases in the latest 12-month period, and DSCR originations were pacing near $50 billion in 2026.

Capital strategy for today

- Use bridge capital only when the construction budget, contingency and exit timing are fully documented.
- Move stabilized rentals into DSCR debt when the property produces dependable income and the refinance preserves acceptable cash flow.
- Underwrite taxes, insurance, HOA fees, maintenance and vacancy at current or stressed levels.
- Keep reserves available; a flexible balance sheet can be more valuable than maximizing leverage.

What investors are preparing to do in 2027

The 2027 base case is moderate rather than explosive. A Reuters survey of housing analysts forecast approximately 2.5% U.S. home-price growth in 2027, with mortgage rates remaining near 6%. Investors should expect opportunity to come from execution and basis, not broad market acceleration.

Priority	Why it matters	Action for investors
Cash flow before appreciation	Price growth is expected to remain modest	Buy only when stabilized income supports the debt and reserves
Single-family and small multifamily	Single-family represented 70% of tracked investor purchases	Target durable renter demand and manageable operations
Selective Midwest markets	Several metros show growth in both listings and contracts	Screen Kansas City, Louisville, Columbus, Indianapolis and Cincinnati
Negotiated Sun Belt entries	Some markets have more buyer leverage after price corrections	Demand insurance quotes, seller credits and conservative rent assumptions
Bridge to DSCR execution	Private credit capacity is strong, but holding costs remain high	Plan the takeout loan before closing the acquisition

Strong growth signals to watch

Home-price growth: Birmingham +12.9%; Syracuse +11.6%; Toledo +10.4%; Rochester and Dayton +10.3%.

Transaction momentum: Kansas City, Louisville, Indianapolis, Columbus and Cincinnati.

Investor-purchase growth: San Francisco, Virginia Beach, San Jose, Oakland, Miami and San Diego.

Build your next capital plan

REI Capital Group helps investors evaluate Hard Money, bridge, DSCR, multifamily, construction and alternative-capital solutions. Bring us the property, budget, rents and exit strategy.

754-249-0378 | **jerry@reicapitalgroup.us** | www.reicapitalgroup.us

Sources and data notes

Redfin, Investor Home Purchases Fall to Lowest Level Since 2020, May 28, 2026 | Realtor.com Research, Spring 2026 Housing Market Progress Report, May 21, 2026 | ATTOM, 2025 Year End U.S. Home Sales Report, Jan. 29, 2026 | Urban Institute, The Evolution of Residential Transition Lending, 2026 | National Private Lenders Association, June 2026 Private Lending Market Report | Reuters housing analyst poll, March 17, 2026