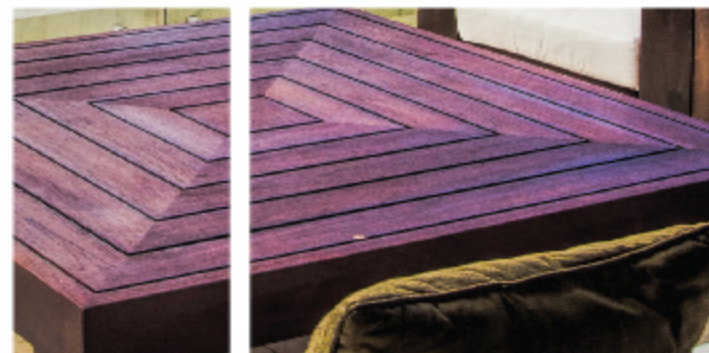


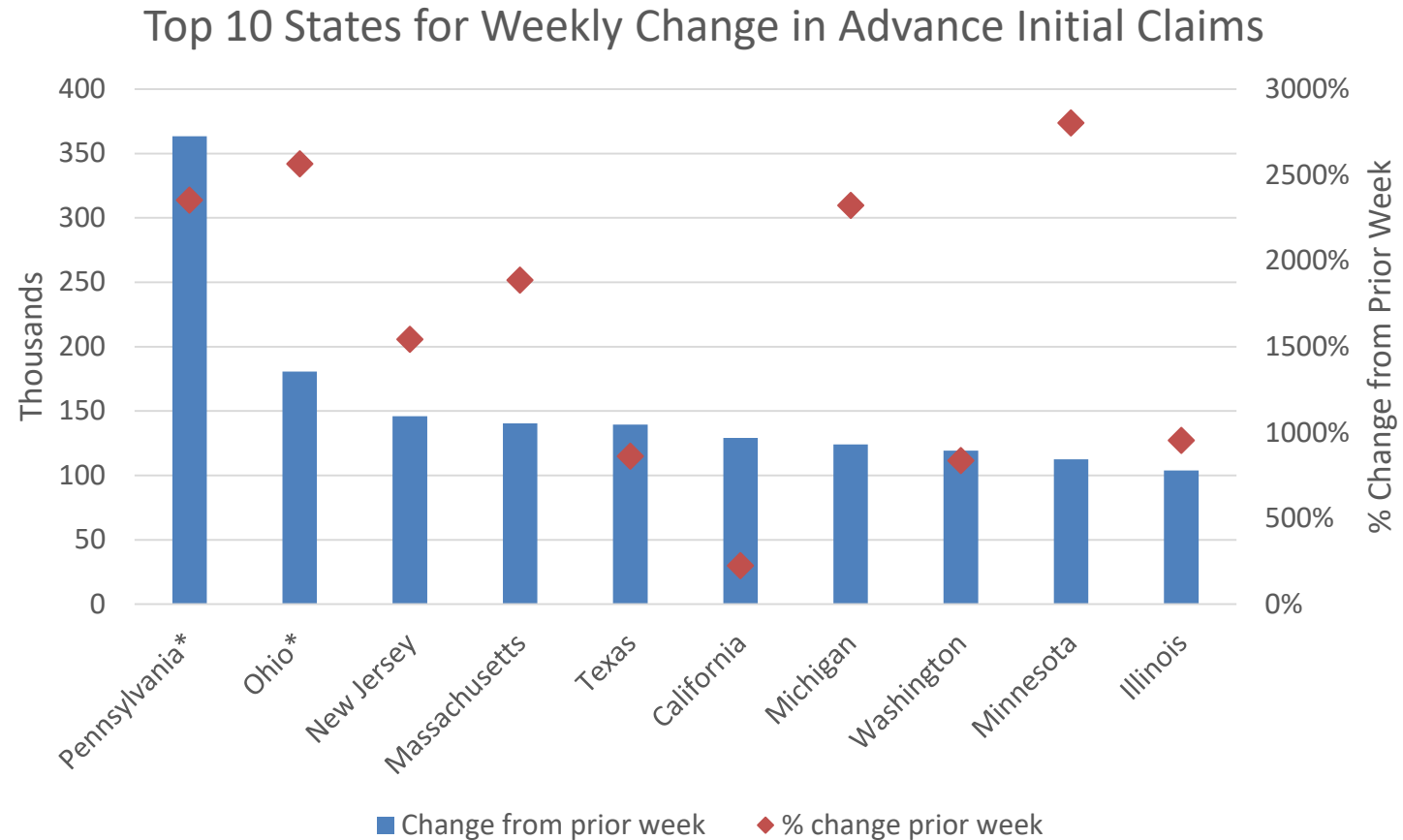


March 26, 2020

# Covid-19 Economic Update



# Coronavirus Economic Impacts

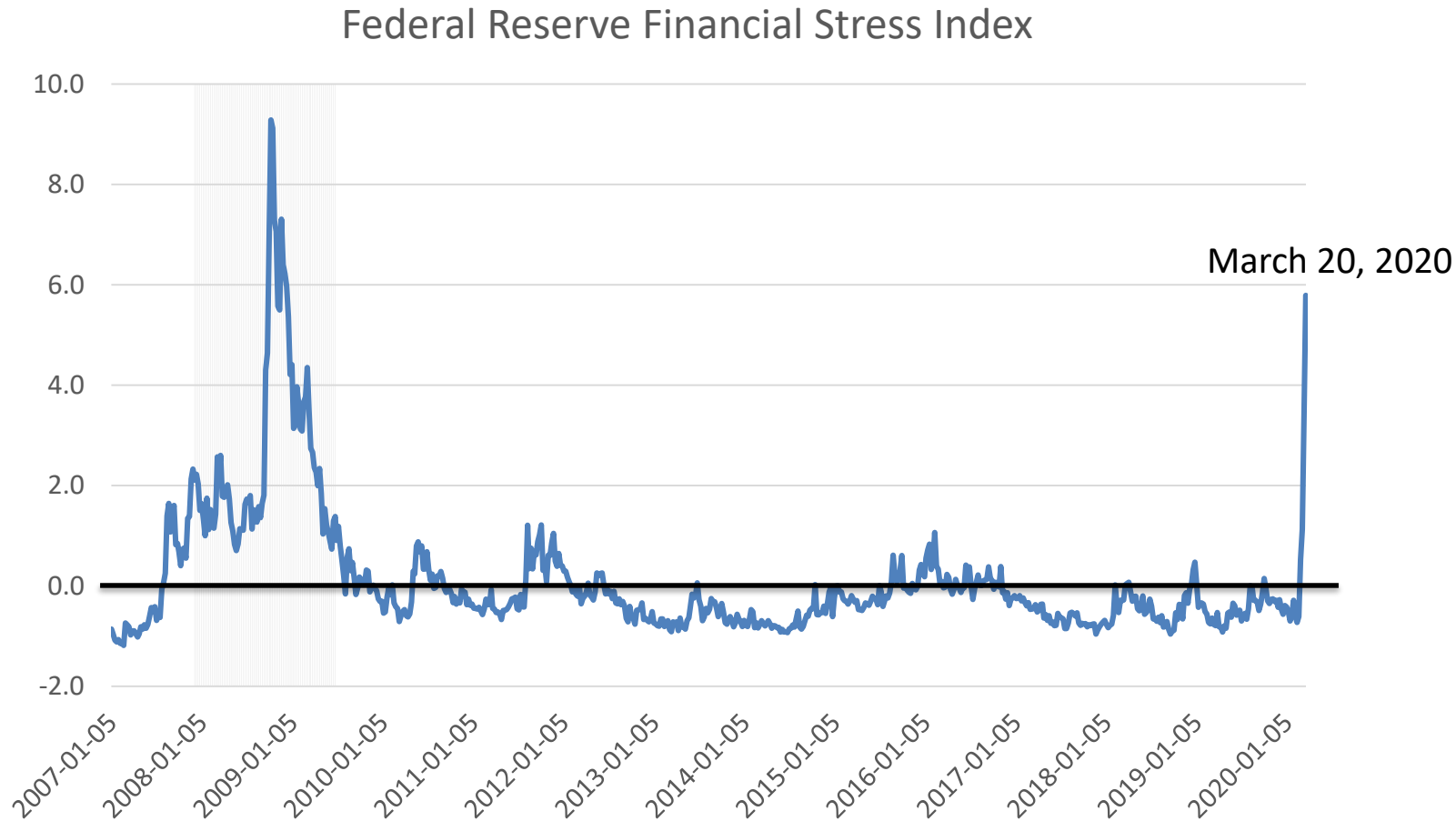


- Initial jobless claims jumped to 3.3 million for the week ending March 21, the highest level ever recorded.

Source: U.S. Department of Labor

Note: \* Denotes State Estimate; Advance claims are not directly comparable to claims reported in prior weeks. Advance claims are reported by the state liable for paying the unemployment compensation, whereas previous weeks reported claims reflect claimants by state of residence.

# Coronavirus Economic Impacts

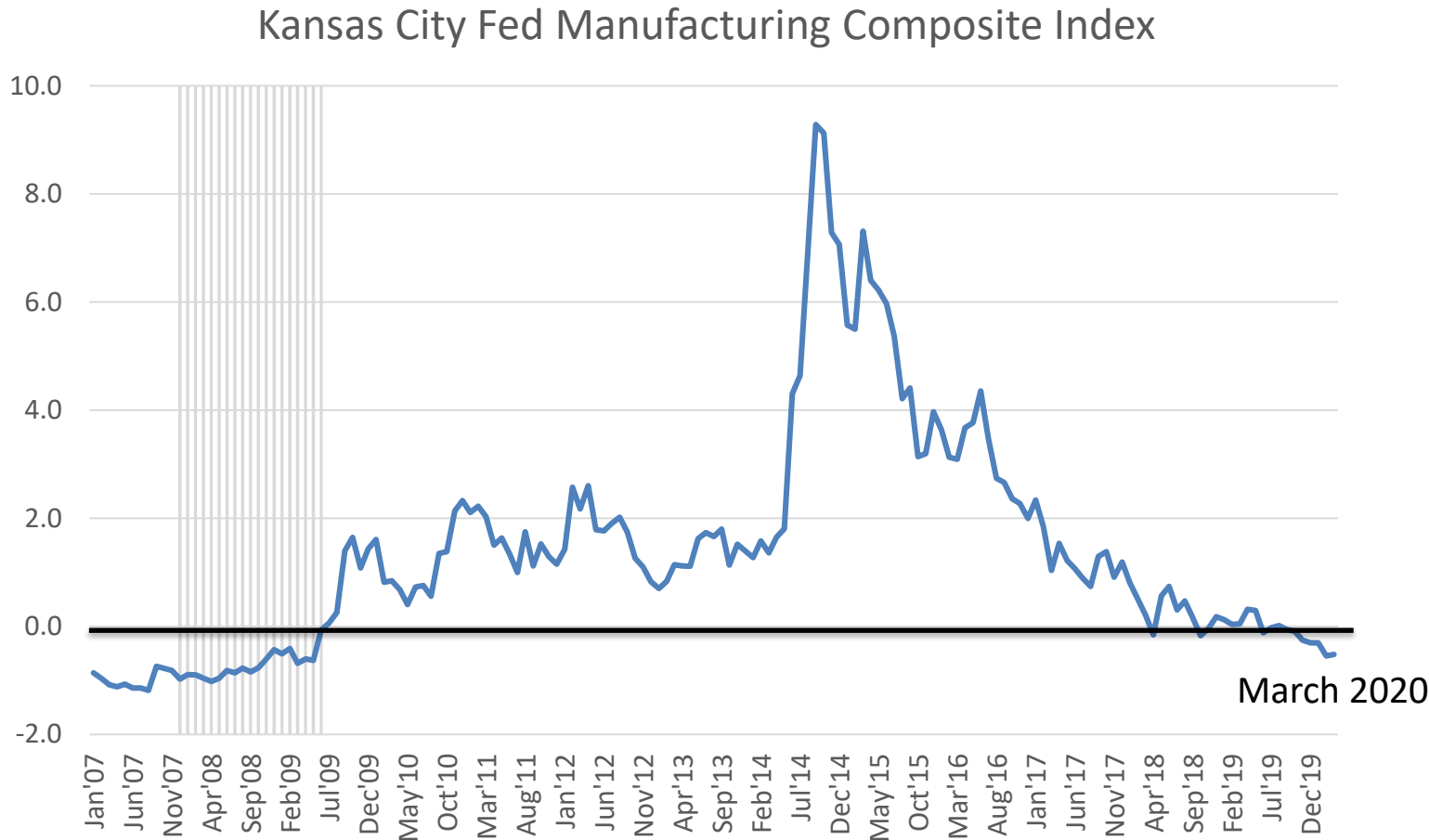


- The Fed's Financial Stress Index jumped to its highest level since December of 2009.
- A reading of zero indicates normal financial conditions. Values below zero suggest below-average financial market stress, while values above zero suggest above-average financial market stress.

Source: Federal Reserve Bank of St. Louis, St. Louis Fed Financial Stress Index [STLFISI2], retrieved from FRED, Federal Reserve Bank of St. Louis, March 26, 2020  
Note: The stress index measures the degree of financial stress in the markets and is constructed from 18 weekly data series: seven interest rate series, six yield spreads and five other indicators. Each of these variables captures some aspect of financial stress.



# Coronavirus Economic Impacts



- This regional monthly indicator covers Kansas, Colorado, Nebraska, Oklahoma, Wyoming, northern New Mexico and western Missouri.
- Sixty percent of manufacturers reported delayed payments from customers and 54% are concerned about availability of cash.
- A reading below zero indicates more declines in index components\* than increases.

Source: Federal Reserve Bank of Kansas City

\* Note: The composite index is an average of production, new orders, employment, supplier delivery time, and raw materials inventory indexes.

# Apartment Industry Impacts

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- On average, \$5 billion of Fannie and Freddie loans are traded in the secondary market. The Fed is now buying \$50 billion a day to maximize liquidity and decrease spreads.
- Banks have been given leeway by the FDIC. Many banks have stepped up with different forms of relief for their borrowers. When appropriate, a financial institution may modify or restructure a borrower's debt obligation due to temporary hardships resulting from COVID-19.
- Overall market conditions have deteriorated. This week nearly 63.0% of transactions asked for repricing. Ultimately less than 10.0% of deals repriced due to liquidity needs of the sellers.
- Residents are more likely to stay in their current apartments. Renewal rental rates will likely decrease while new lease rate growth turns negative as traffic decreases.
- In addition to an increased level of bad debt, fee income such as applications fees will decrease.
- New deliveries are delayed versus previous expectations as construction slows due to labor and material disruptions and inspection delays.