

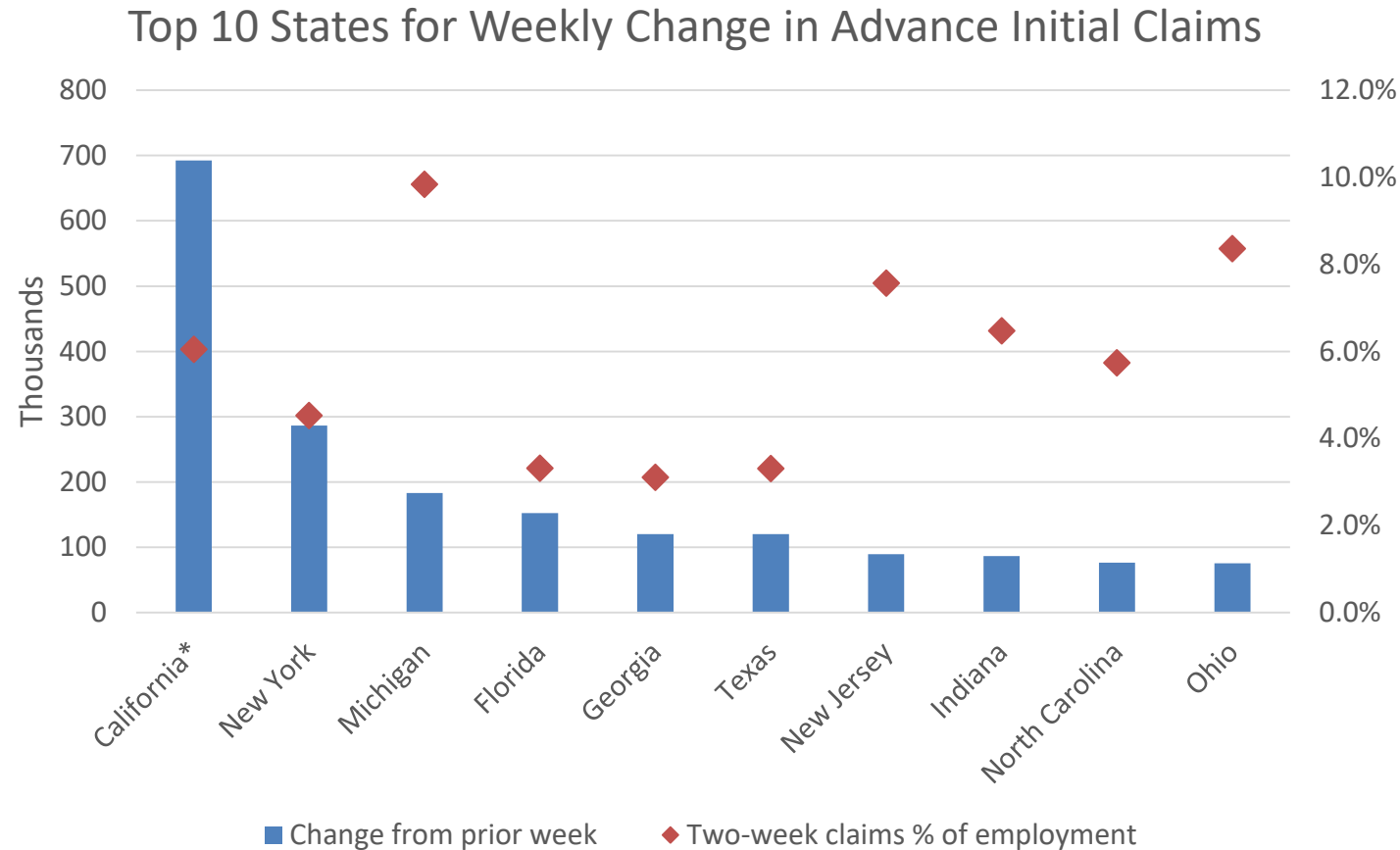


April 2, 2020

# Covid-19 Economic Update



# Coronavirus Economic Impacts



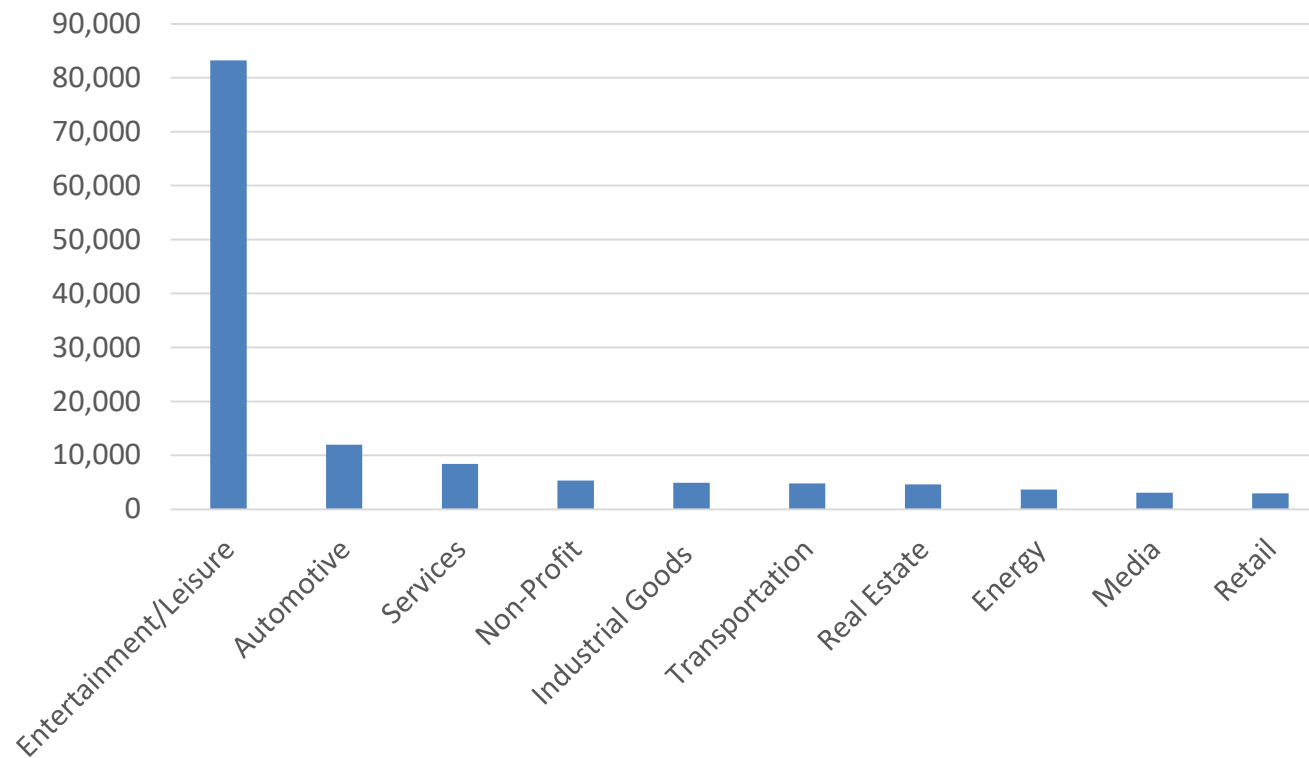
- Initial jobless claims totaled 6.6 million for the week ending March 28, far surpassing expectations.
- This week's claims report was nearly ten times greater than the previous high recorded in October 1982.
- Over the past two weeks, Pennsylvania, Rhode Island and Nevada had over 10% of their workforces file for unemployment with Michigan not far behind.

Sources: U.S. Department of Labor, Bureau of Labor Statistics; state employment figures as of February 2020

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

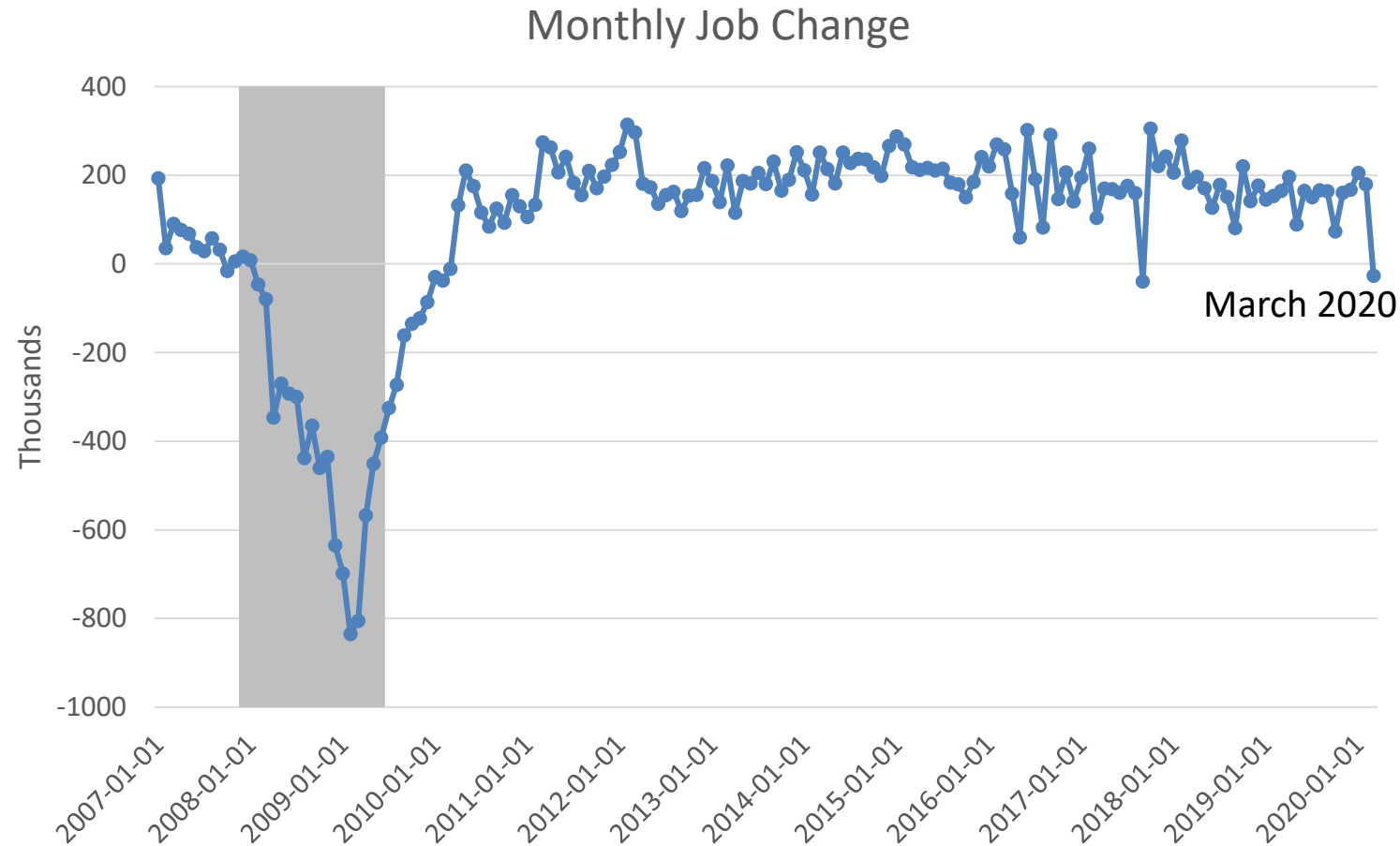
Layoffs by Industry, March 2020



- U.S. firms laid off over 222,000 workers in March, the highest monthly total since January 2009.
- The cuts were made by specific companies tracked by Challenger, Gray and Christmas and do not include thousands of furloughed workers.
- The entertainment/leisure sector was responsible for 37% of the layoffs.



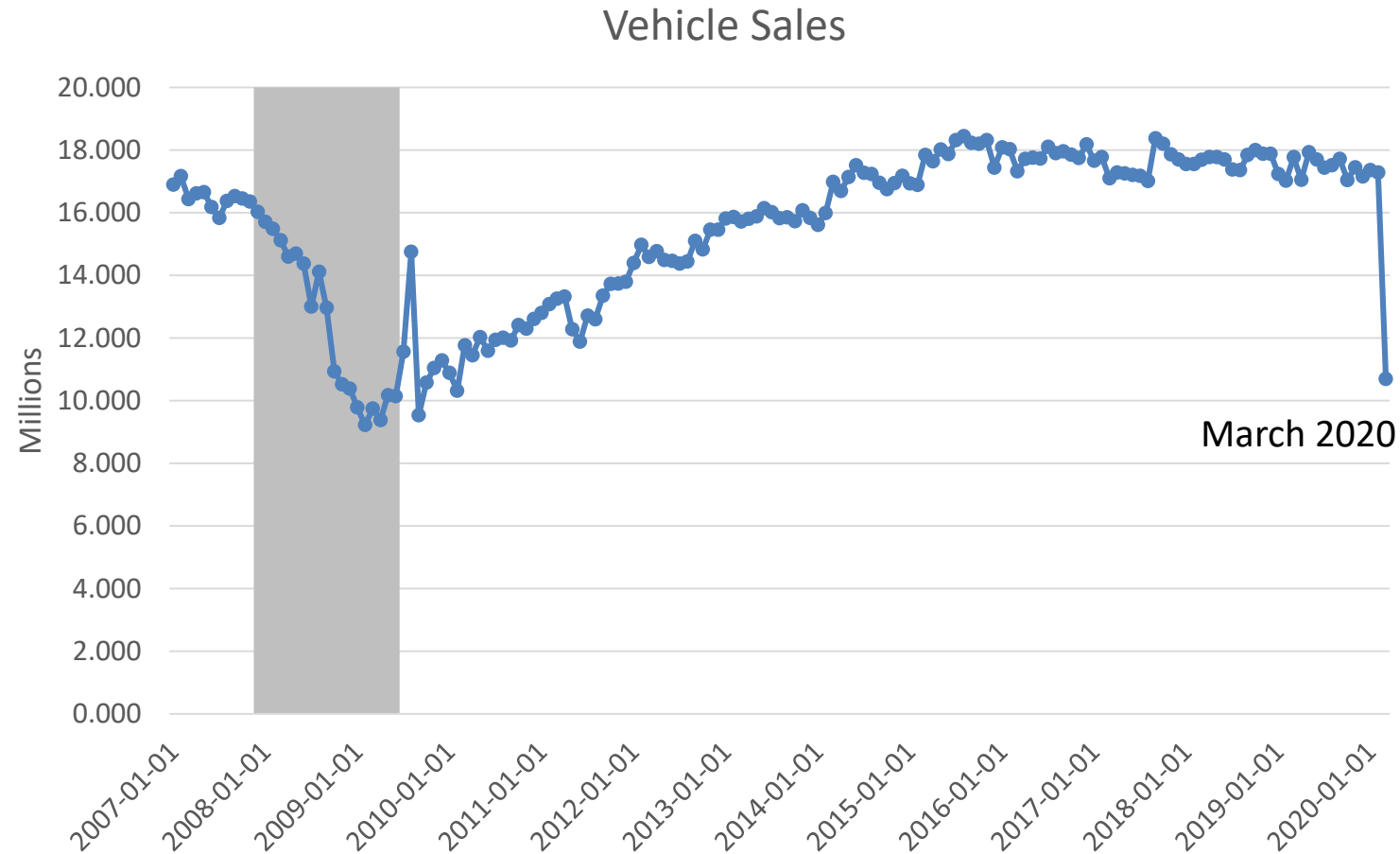
# Coronavirus Economic Impacts



Source: Automated Data Processing (ADP)

- ADP presents an early read on employment prior to the official release of the BLS jobs data.
- A contraction of 27,000 jobs was measured in March.
- Both reports will be muted since data was collected the week of March 9<sup>th</sup>.

# Coronavirus Economic Impacts



- Another closely-watched indicator, vehicles sales, plunged in March.
- New vehicle sales, in particular, experienced the worst monthly percentage decline in history.

# Apartment Industry Impacts

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- Least Impacted Markets (based on prospects, availability, approvals, and notices):
  - Indianapolis
  - Nashville
  - Baltimore
  - Cincinnati
  - Jacksonville
- Most Impacted Markets:
  - New York
  - San Jose
  - Los Angeles
  - Seattle
  - San Francisco

Market rent growth forecast based on the impact of COVID-19

- Top 5 Markets for YOY Rent Growth in 2020
  - Houston: 0.7%
  - Dallas: 0.3%
  - Austin: -0.6%
  - San Antonio: -1.1%
  - San Jose: -1.4%
- Bottom 5 Markets for YOY Rent Growth in 2020
  - Las Vegas: -8.4%
  - Sacramento: -8.4%
  - Phoenix: -8.2%
  - Orange County: -7.0%
  - Los Angeles: -6.9%

Source: COVID-19's Impact on Multifamily Real Estate by Yardi, April 1, 2020