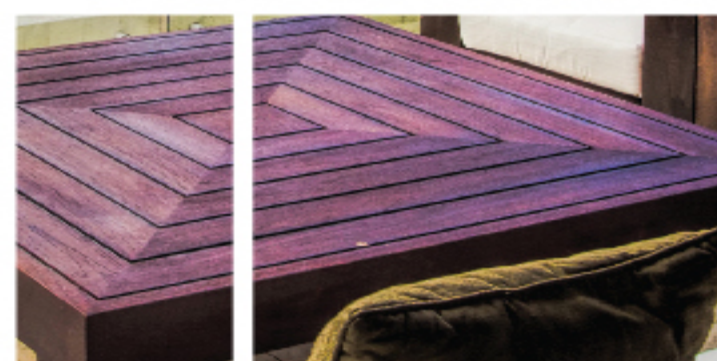


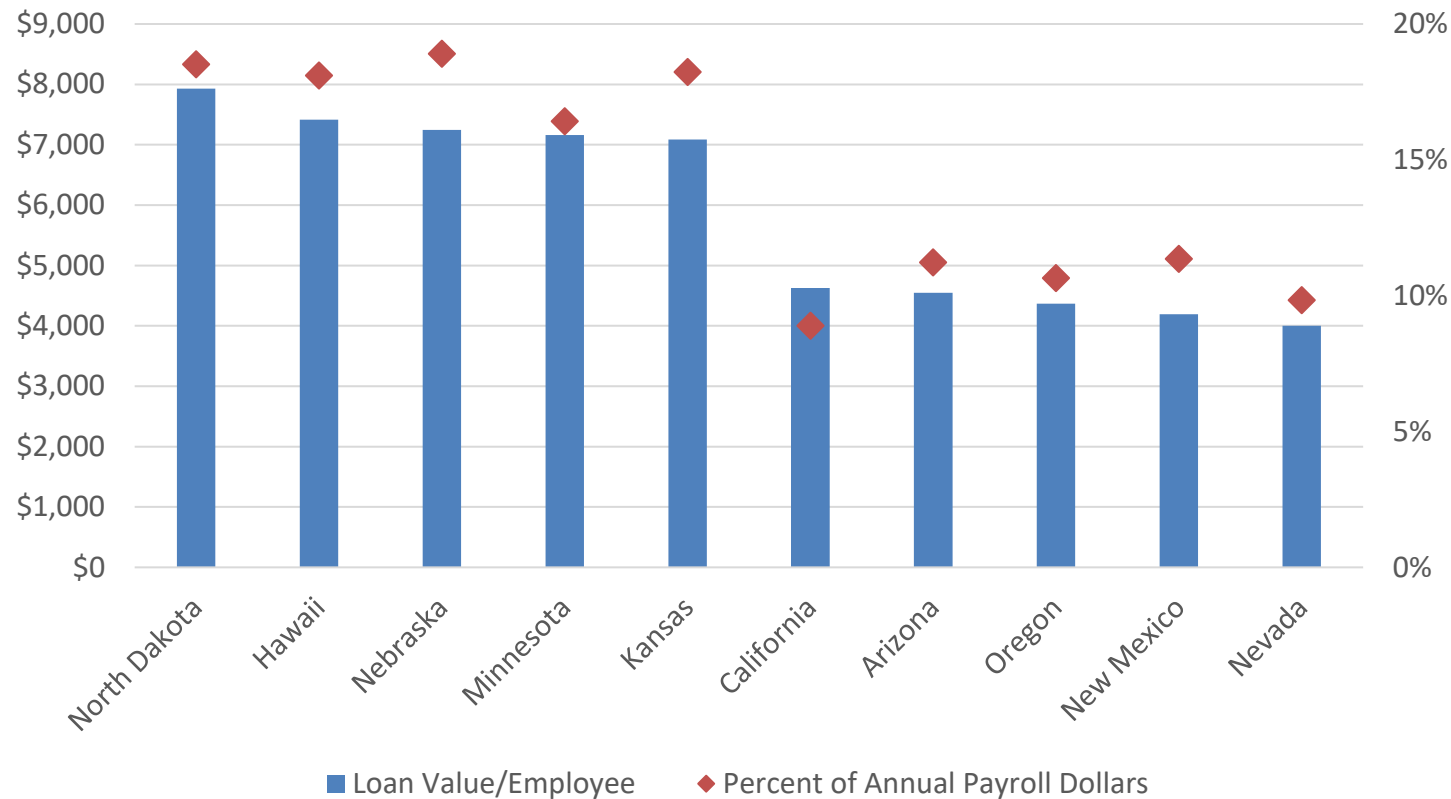
April 27, 2020

# Covid-19 Economic Update



# Coronavirus Economic Impacts

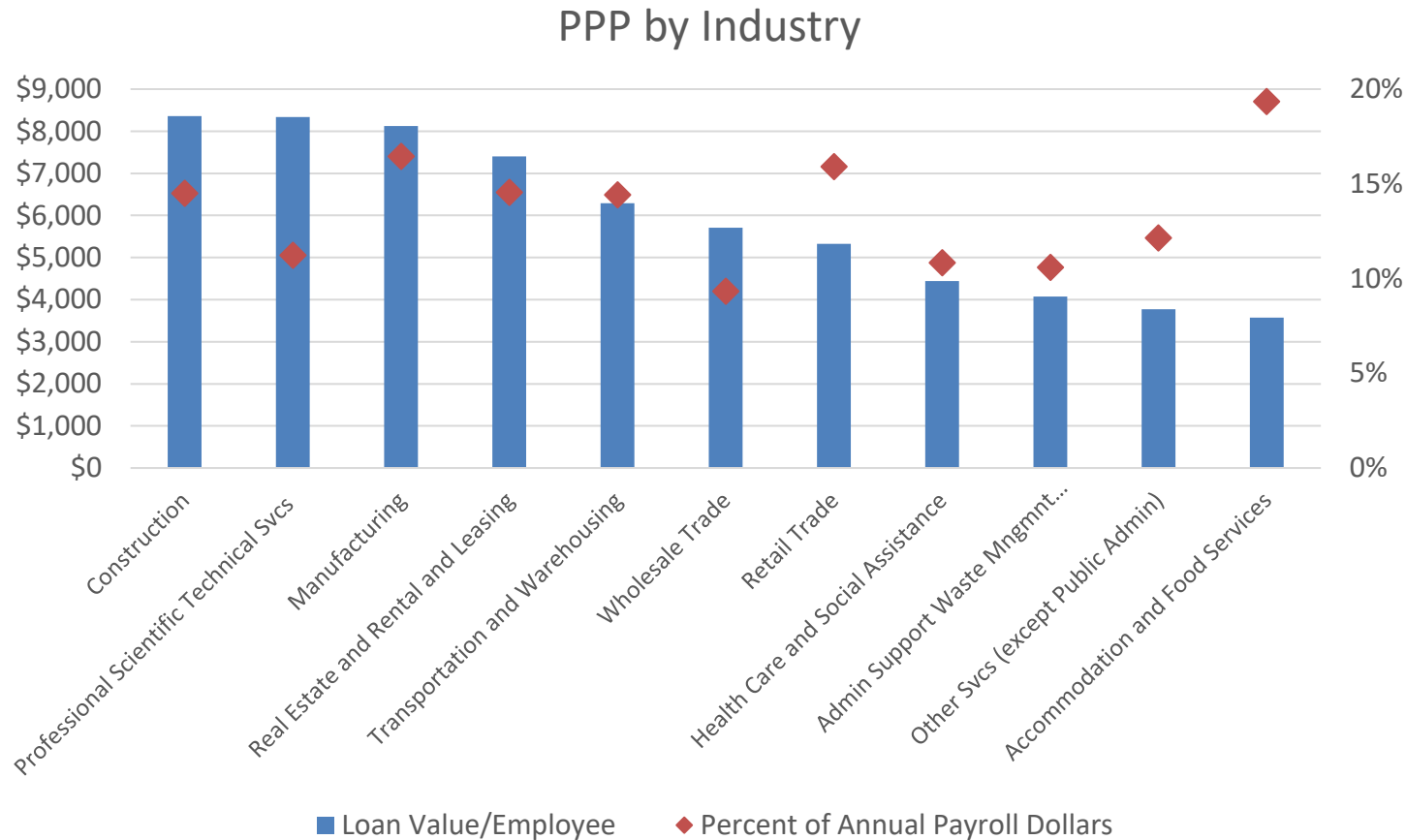
Top 5 and Bottom 5 States for PPP per Employee



- Benefits from The Paycheck Protection Program vary widely by state.
- Businesses with fewer than 500 employees in North Dakota received loans averaging upwards of \$8,000 per employee while Nevada was nearly half that figure.

Sources: Small Business Administration PPP Approvals Through April 16, 2020; U.S. Census Bureau 2017 Statistics of U.S. Businesses

# Coronavirus Economic Impacts



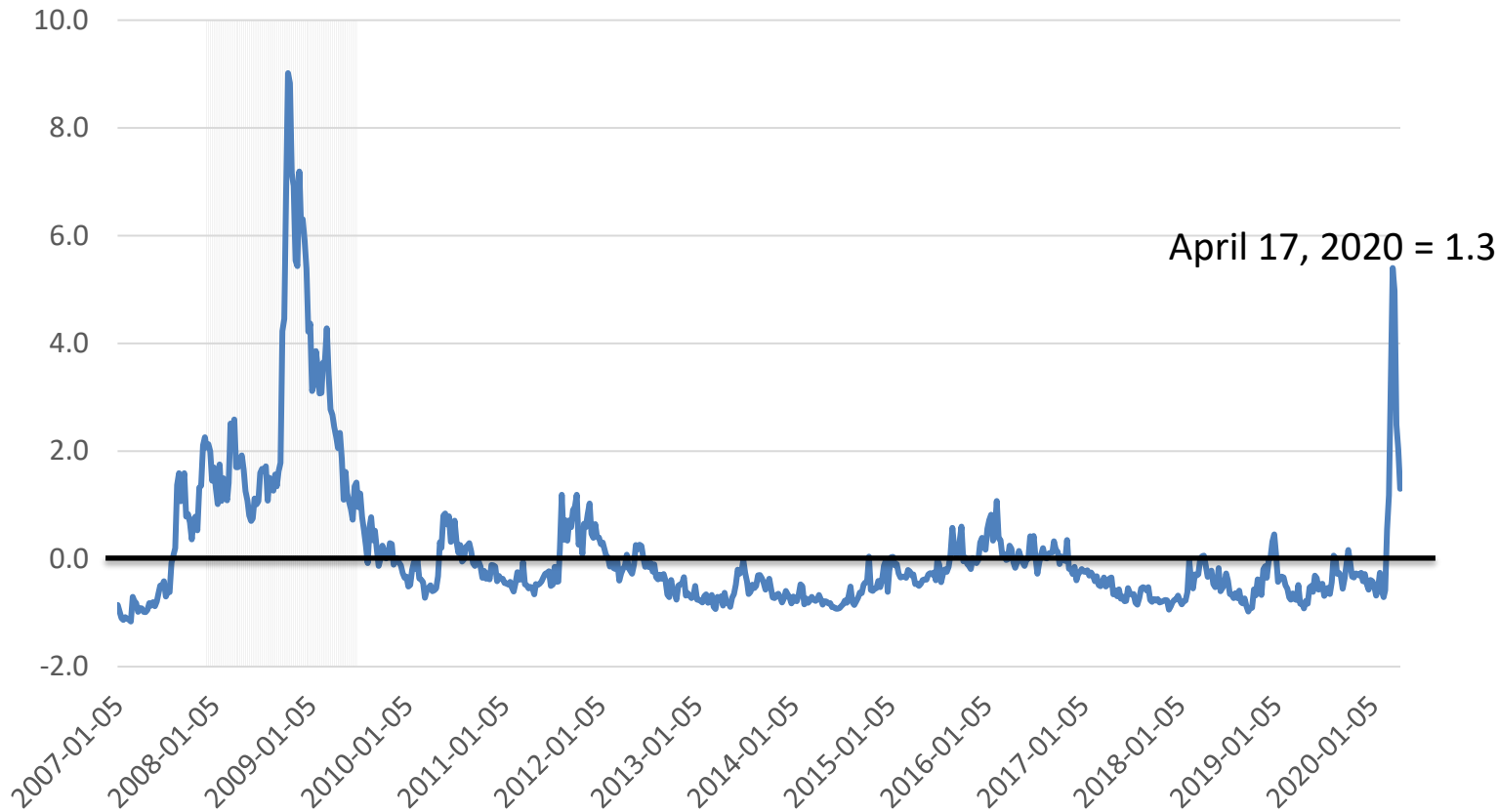
- Of the industries with Paycheck Protection Program loans in excess of \$10B, the severely-impacted Accommodation and Food Services sector received the highest percentage of its payrolls.
- The Real Estate and Rental and Leasing sector, which includes the rental housing industry along with many others, saw an average loan amount of \$7,400 per employee or 15% of total salaries.

Sources: Small Business Administration PPP Approvals Through April 16, 2020; U.S. Census Bureau 2017 Statistics of U.S. Businesses



# Coronavirus Economic Impacts

Federal Reserve Financial Stress Index



- After soaring to its highest level since December 2009, the Fed's Financial Stress Index fell for four consecutive weeks, a testament to the impacts of monetary and fiscal stimulus, as well as strong performance in the stock market.
- 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.

Sources: Federal Reserve Bank of St. Louis, St. Louis Fed Financial Stress Index [STLFSI2], retrieved from FRED, Federal Reserve Bank of St. Louis, April 27, 2020; Moody's Analytics

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.

# Apartment Industry Impacts – Conventional

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- Occupancy rates averaged 93%, a decline from March but in line with the past 12 months.
- Renewals dropped to 48%, the lowest rate over the last 12 months and likely a result of many properties allowing month-to-month leases and short-term extensions.
- On average, 93% of residents paid rent as of April 20, 2020, slightly down from 94.2% in March.
- North Dakota, Idaho, and New Hampshire led the U.S in highest percentage of units making a payment, with 98% or more of residents paying rent. In contrast, Maryland, New Jersey, and Massachusetts ranked highest in percentage of units with uncollected rent.
- Repayment agreements surged 135% since April 7, 2020 as owners and operators continue to work with residents to make payment plans.
- Leasing activity through April has slowed as new leads, applications and leases are down compared to March 2020 and April 2019.

# Apartment Industry Impacts – Student

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- As expected, occupancy rates declined month-to-month to 90%, but remained in line with the previous 12 months.
- Lease renewals surprisingly increased on a month-over-month and year-over-year basis to 69%.
- 91% of student housing residents paid rent as of April 20, 2020, down two percentage points since March.
- Wyoming, North Dakota, and Colorado had the highest percentage of units paying rent. Similar to conventional properties, Maryland, New Jersey, and Massachusetts placed highest in percentage of units with uncollected rent.
- Due to campus closures caused by COVID-19, most leasing metrics have dampened. However, new applications saw a slight bump of 10% since April 7, 2020.
- Pre-leasing averaged 55%, significantly down from the normal range of 70-80% at this time of year.