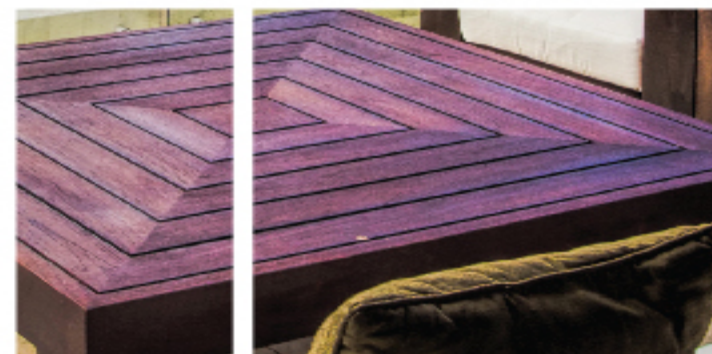


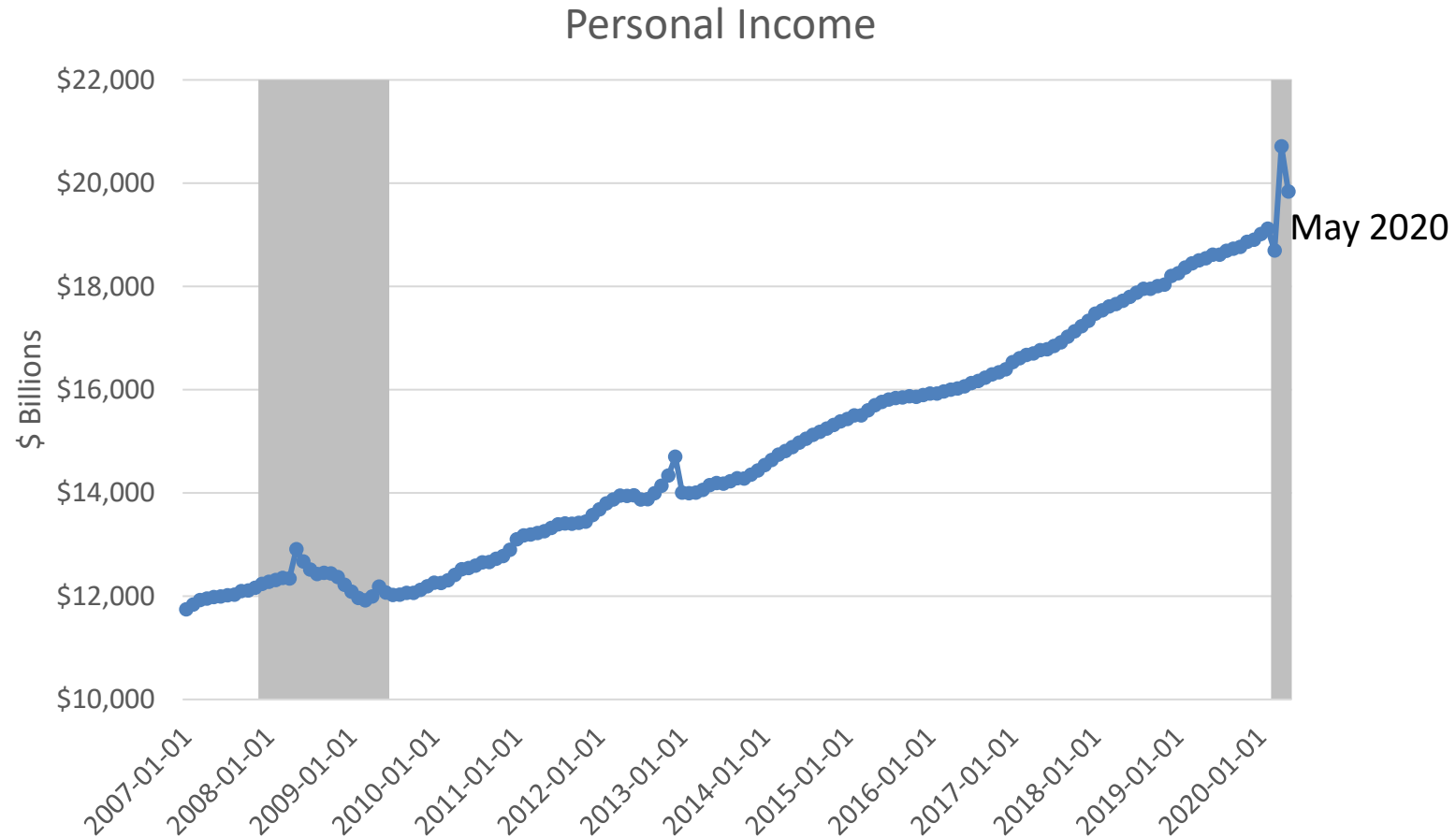


July 1, 2020

Covid-19 Weekly Economic Update



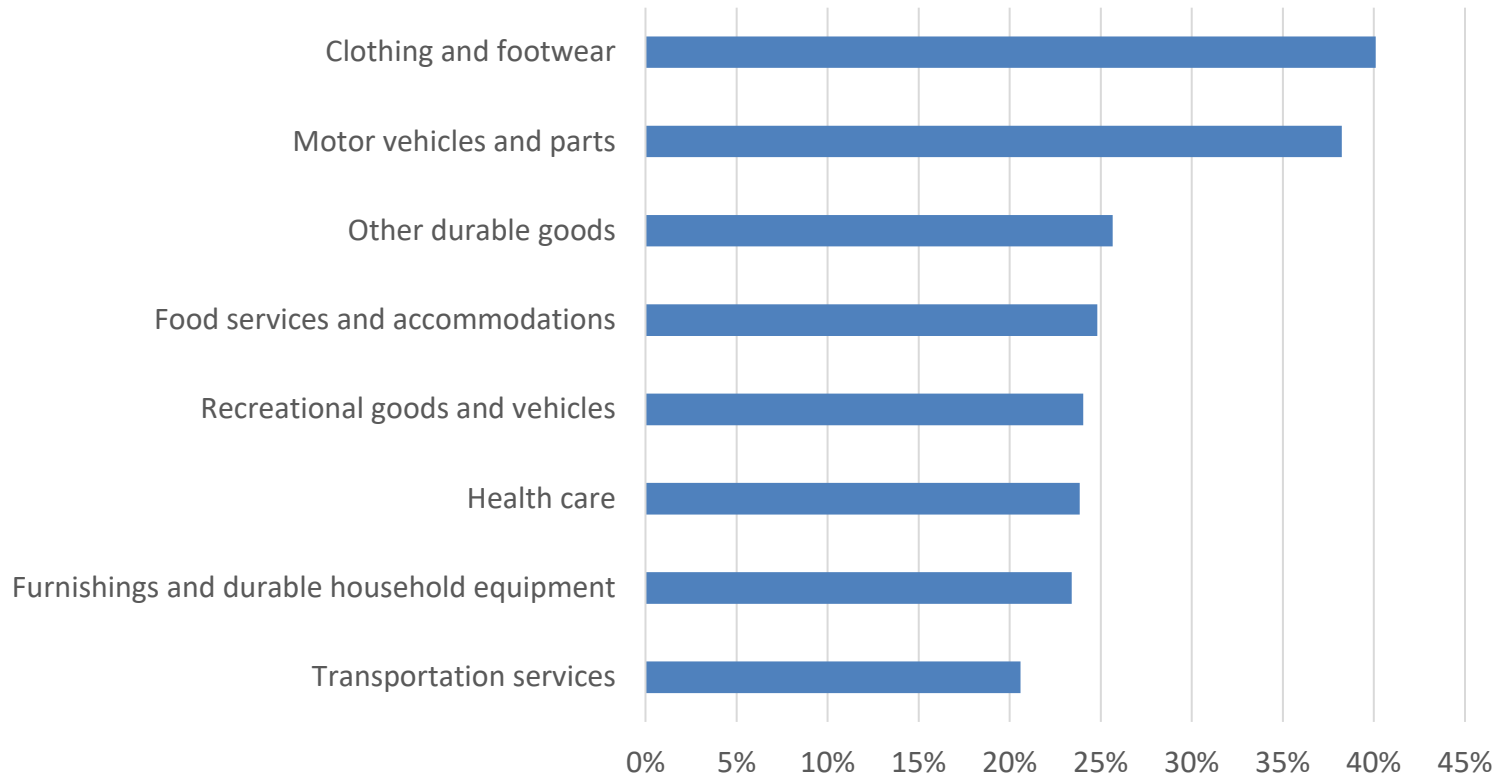
Coronavirus Economic Impacts



- Personal income fell 4.2 percent on a monthly basis in May, following a stimulus check boost of nearly 11 percent in April.
- It is important to note that personal income per capita remains 5.2 percent above pre-pandemic levels, driven mainly by elevated unemployment benefits, some of which are set to expire this month.

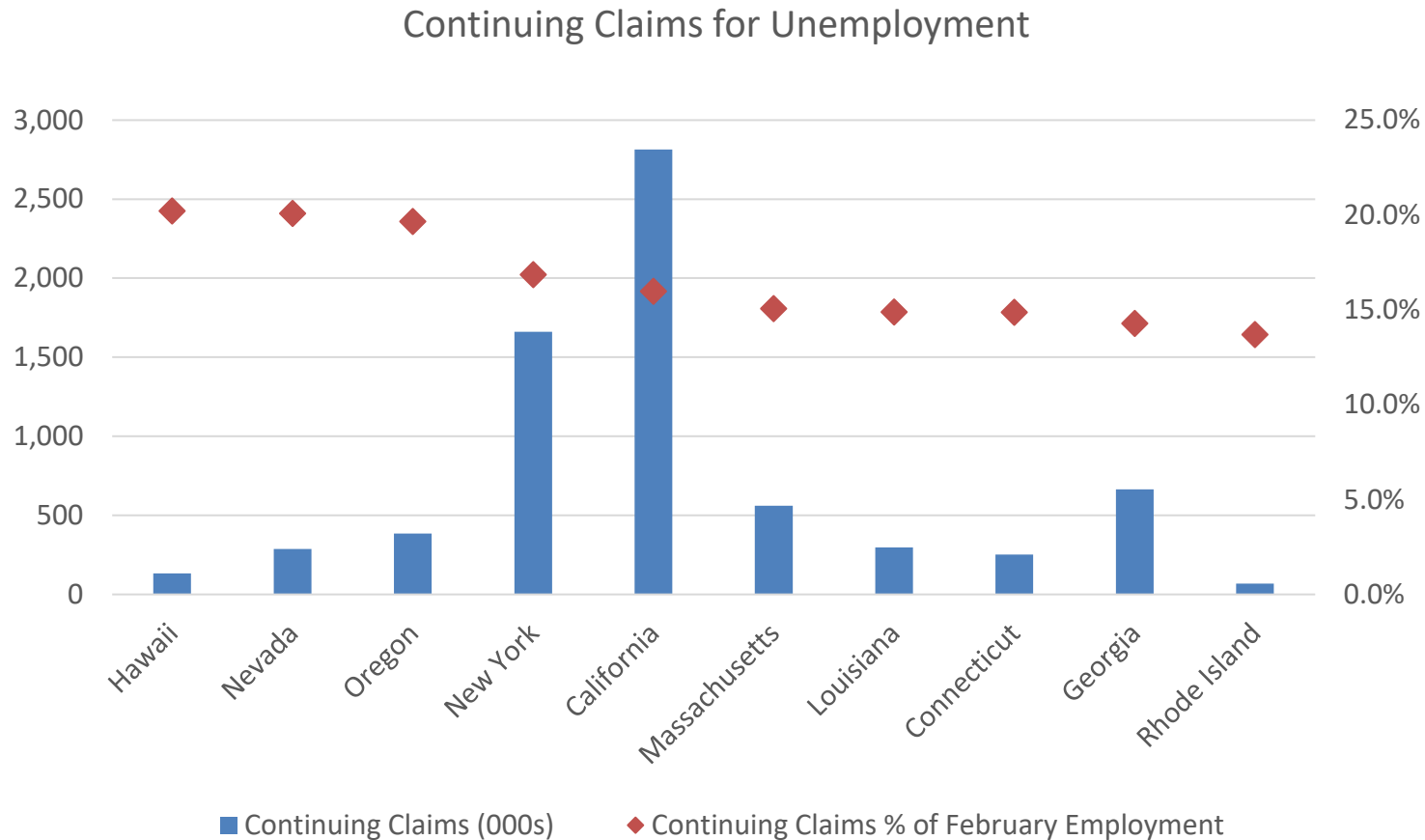
Coronavirus Economic Impacts

Personal Consumption, Top Spending Categories
(Monthly Percent Change)



- Consumer spending turned a corner in May, increasing 8.2% after two months of declines.
- All categories experienced increases with exceptions being housing/utilities and financial services/insurance, which remained essentially flat month-over-month.

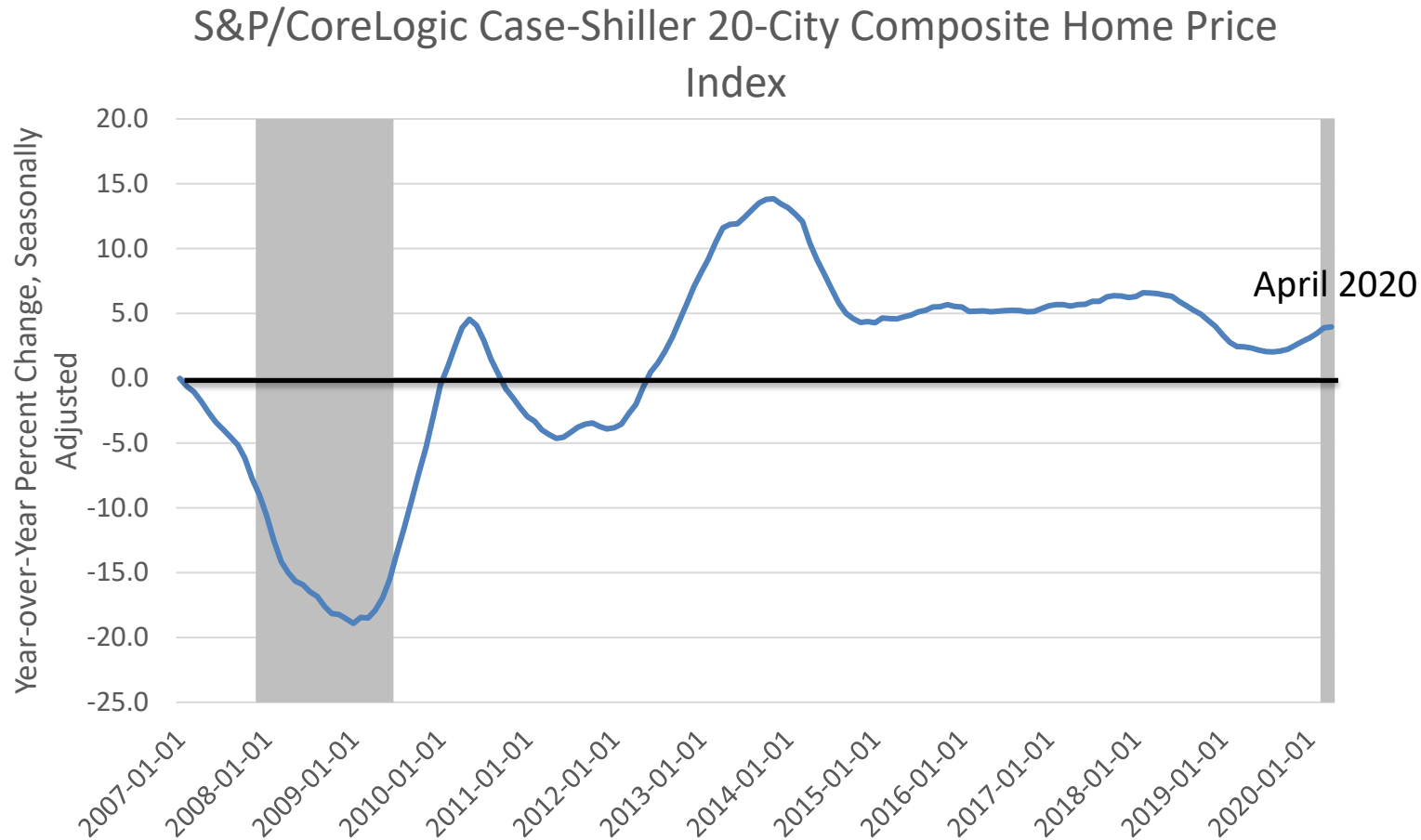
Coronavirus Economic Impacts



- Hawaii, Nevada and Oregon had the greatest share of continuing claims for unemployment compared to pre-pandemic employment.
- Initial claims for unemployment remained at high levels for the week ending June 20, with 1.5 million new filers, more than double the pre-pandemic high.

Sources: U.S. Department of Labor, Bureau of Labor Statistics; state employment figures as of February 2020; excludes Puerto Rico and U.S. Virgin Islands.
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.

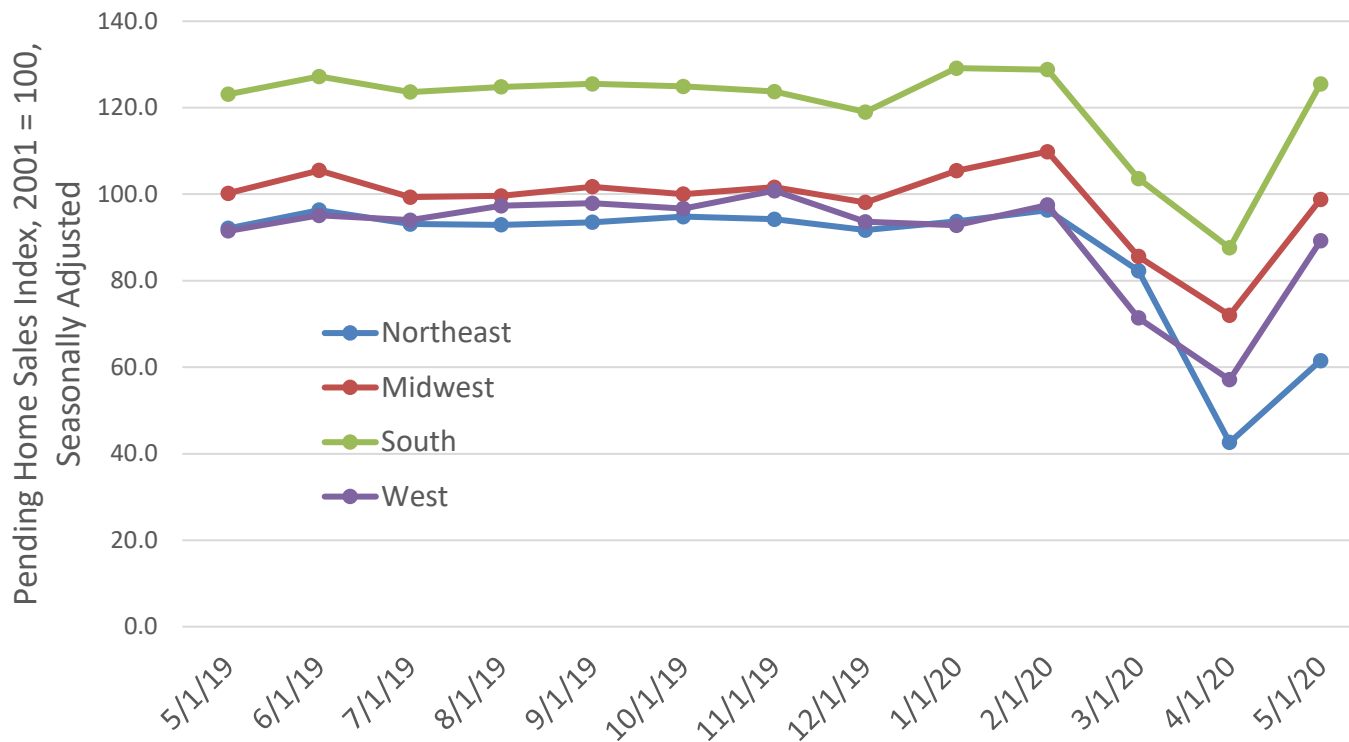
Coronavirus Economic Impacts



- The pandemic has not hampered home prices, which continued to grow at a moderate pace even during lockdowns.
- The S&P/CoreLogic Case-Shiller Home Price Index increased by 4.0 percent in April, its highest year-over-year increase since the end of 2018.
- The strongest price gains occurred in Phoenix, Seattle and Minneapolis.

Coronavirus Economic Impacts

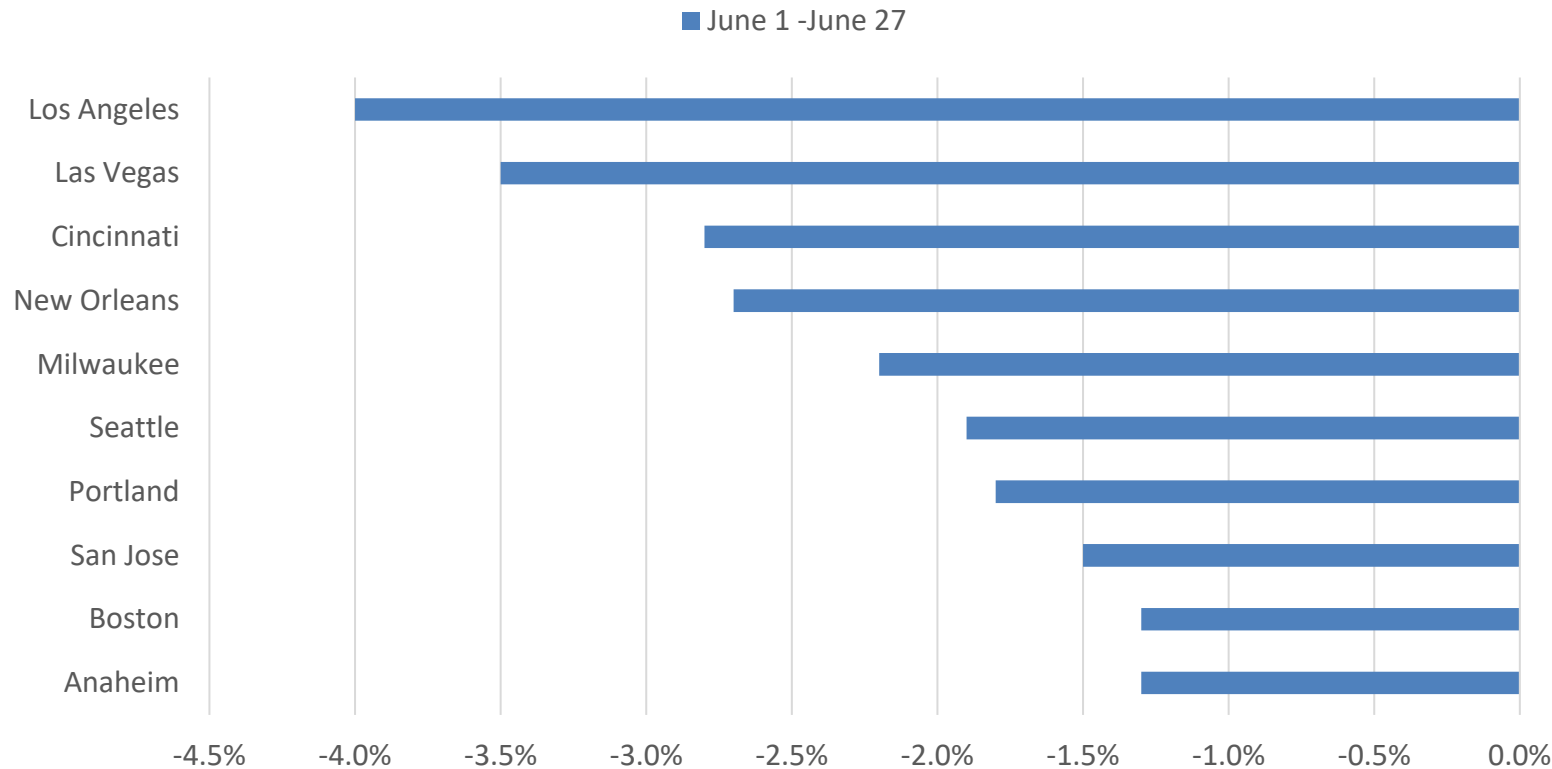
Pending Home Sales



- The pending home sales index, a leading indicator of housing market activity based on signed contracts, soared in May after 2 months of declines.
- All regions experienced an increase with the South nearly back to pre-Covid levels.

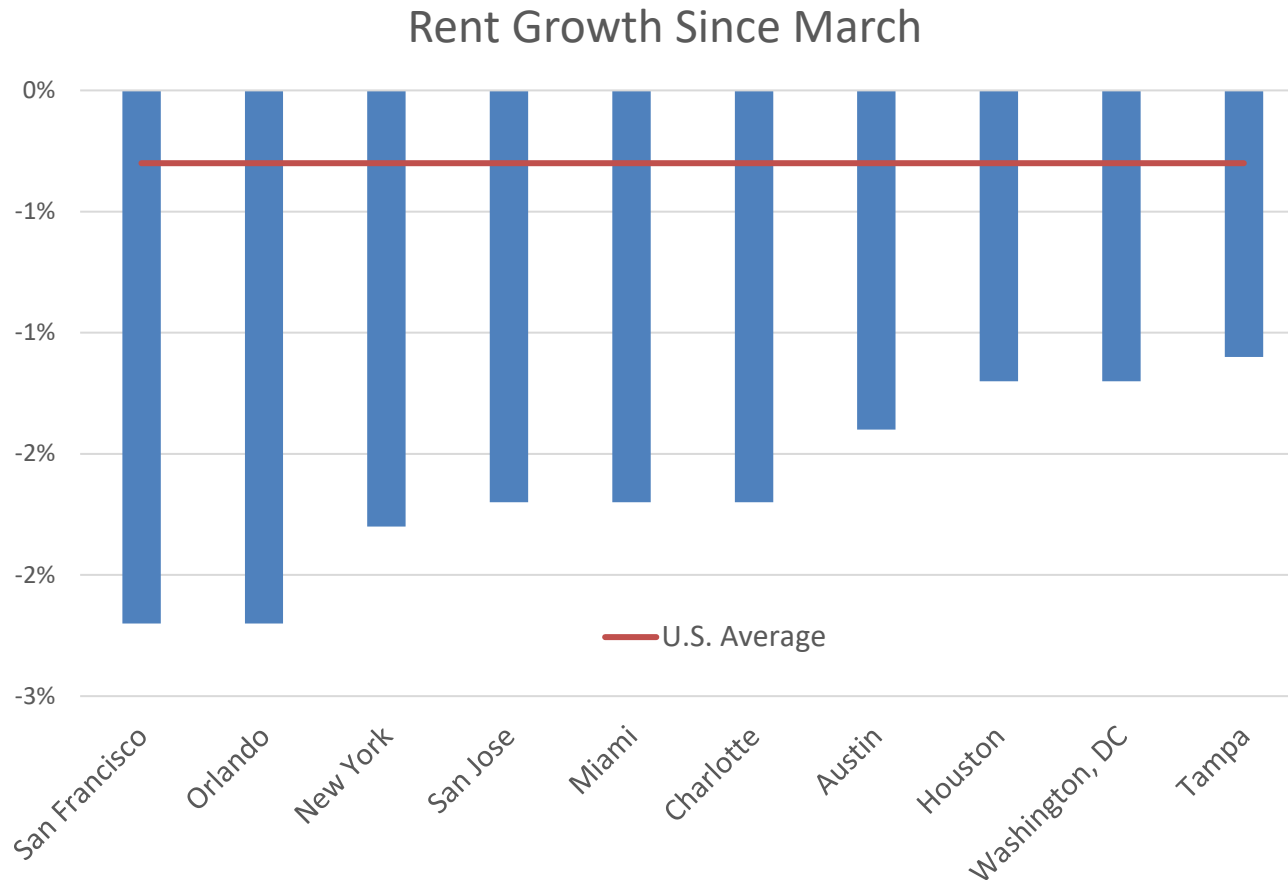
Apartment Industry Impacts

Hardest Hit Metro Areas for Rent Collection
(Change from prior year)



- Los Angeles and Las Vegas remained at the bottom for rent collections, off by 4 percent and 3.5 percent, respectively, from the same period last year.
- June collections were strongest compared to last year in Chicago, Greensboro and St. Louis.

Apartment Industry Impacts



- Apartment List reported average rent declines of 0.3% nationally since March.
- Rent contractions were steeper in the more expensive coastal markets of San Francisco and New York as well as markets impacted by tourism, such as Orlando.

Apartment Industry Impacts

- The RCLCO Current Real Estate Market Sentiment Survey fell to 9.2 at mid-year 2020, its lowest level since RCLCO began recording the data at the end of the Great Recession.
- Survey respondents believe that multifamily has already hit bottom with the exception of seniors housing, still in the midst of a downturn.
- Industry leaders expect rental housing to be in early recovery mode one year from now.
- The plurality of respondents expect the impact to apartments to be moderate (5-9 percent declines in NOI, prices or valuation) while both student and senior housing were viewed as having the potential for severe impacts (10-20% declines.)

Apartment Industry Impacts - Student

- Off-campus student housing occupancies ranged between 40-60% in March and April.
- Demand for off-campus student housing has remained steady since 92% of international students have stayed in the U.S and 80% of American students studying abroad have returned home.
- Rent collections as of June 20th averaged 93.2%, slightly higher than the conventional rent collections rate of 92.2%.
- As of late June, leasing velocity for the fall semester is only 2.3 percentage points down from last year.
- Winter/spring term leases are seeing an uptick due to residents being displaced from their on-campus housing.
- 80% of universities have announced either in-person classes or the hybrid model with some on-campus classes.
- 77 universities have indicated they will move classes online for fall 2020, representing less than 2% of the 1.2 million beds tracked by Axiometrics Advisors.
- Closed student housing transactions in Q1 2020 reached \$1.7 billion, 13.3% higher than Q1 2019.