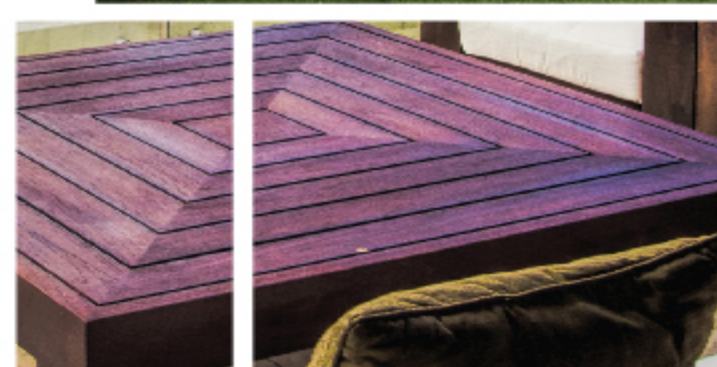


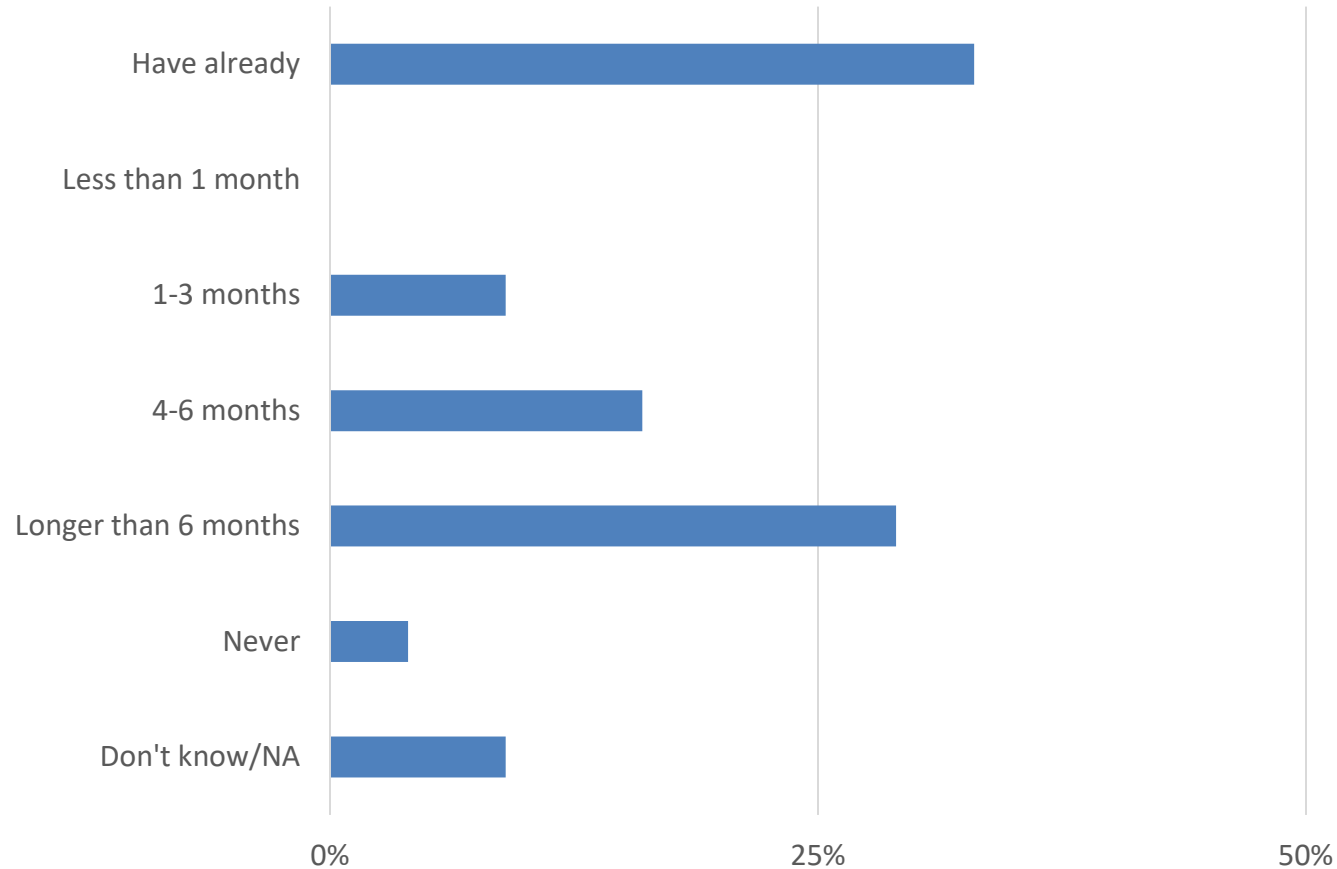
July 29, 2020

Covid-19 Weekly Economic & Industry Update



Economic Impacts

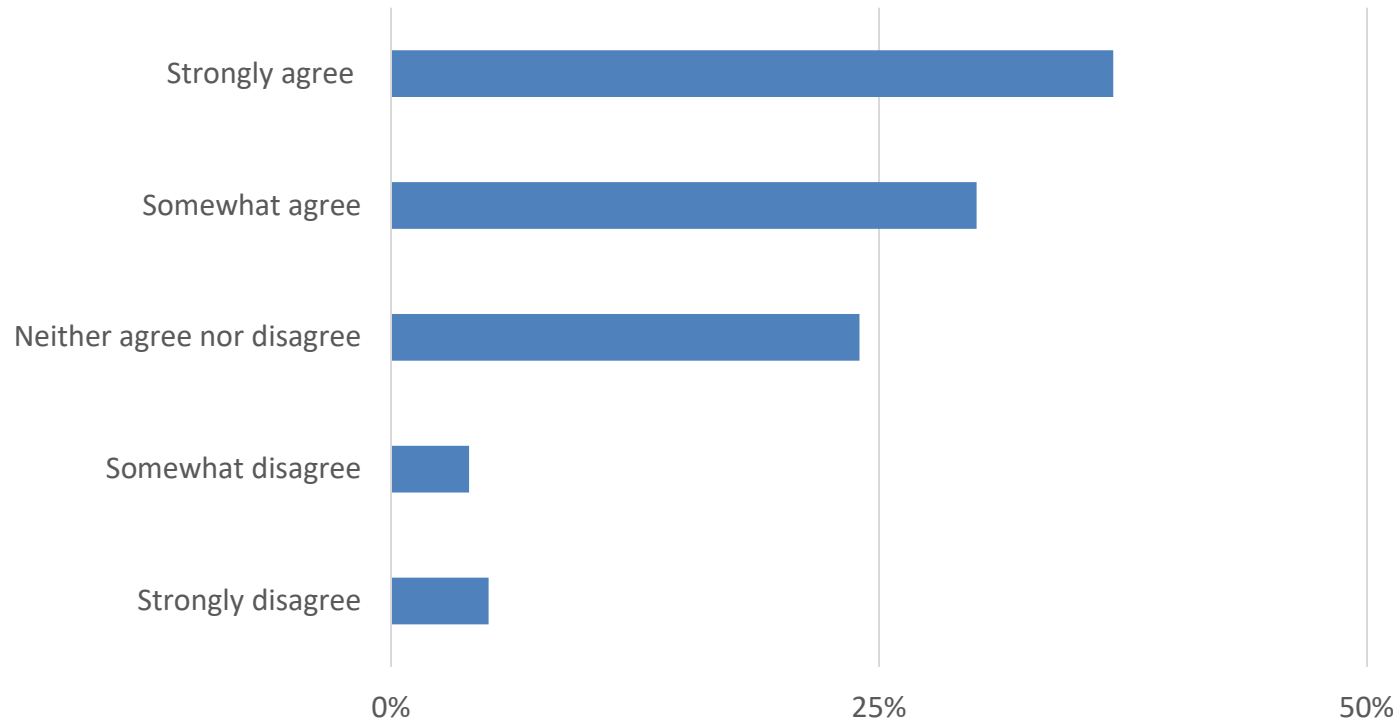
When do you expect to resume normal operations?



- The National Association for Business Economics (NABE) Business Conditions Survey was open from July 2-14 and surveyed 104 private sector business leaders and trade association executives.
- One-third of respondents reported being back to normal operations while 29% expect it to take more than 6 months.

Economic Impacts – the Future of Work

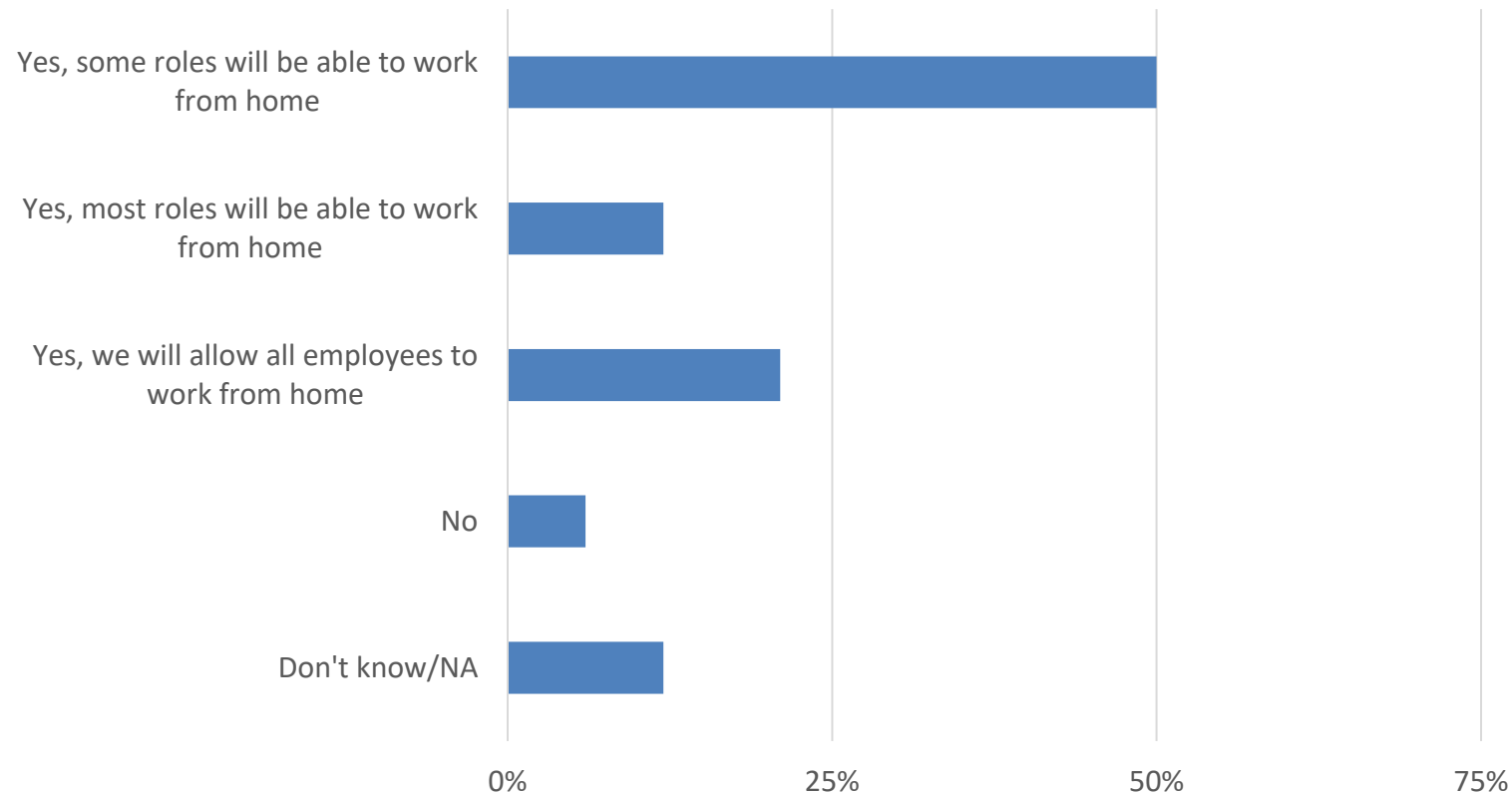
My company's experience with COVID-19 will lead us to have more geographically flexible hiring and working arrangements (e.g., more office locations, high-rise to lower-density, office to home office, etc.).



- More than two-thirds of respondents somewhat or strongly agreed that the Covid-19 crisis will result in their firms becoming more flexible geographically as well as in hiring and working arrangements.

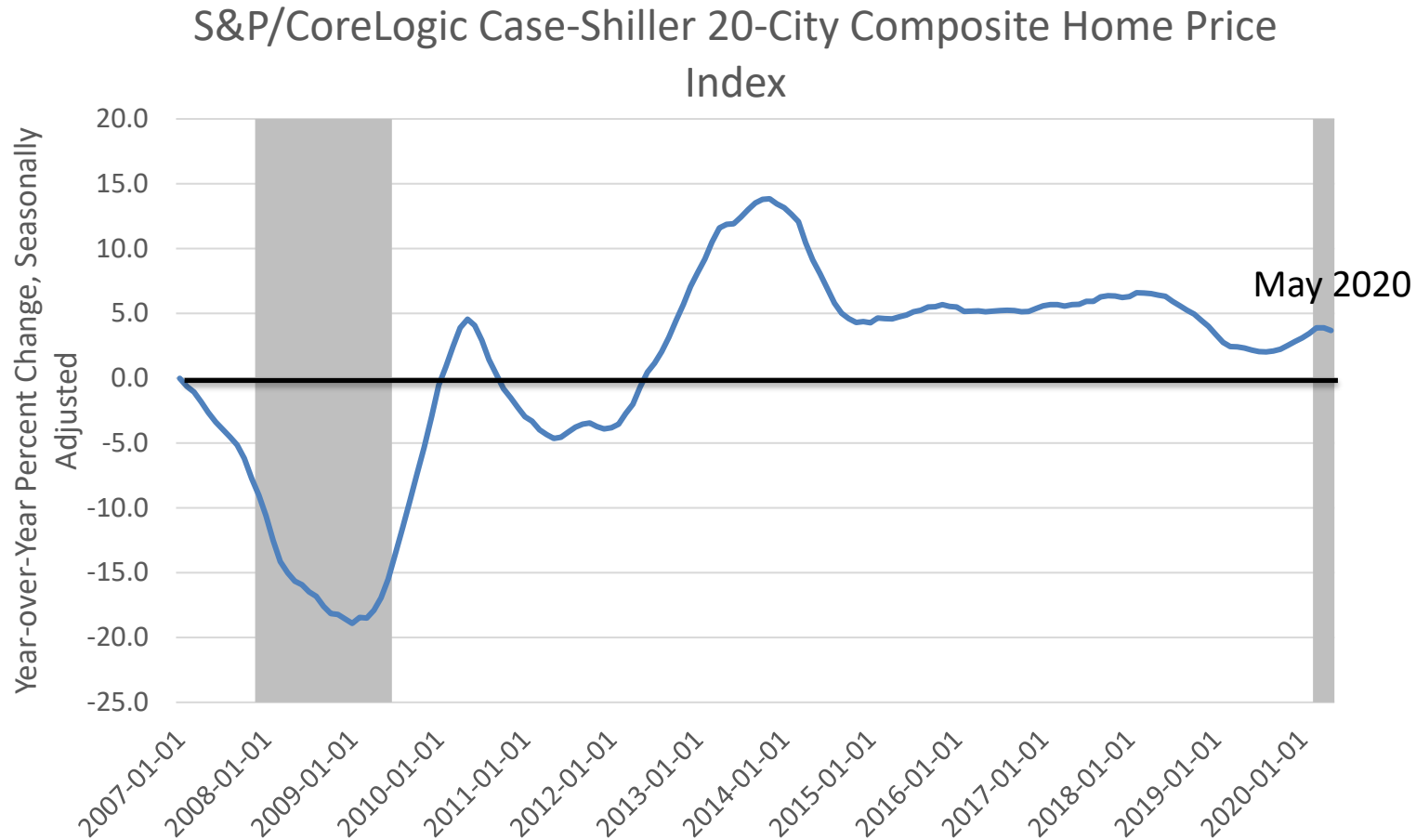
Economic Impacts – the Future of Work

Do you plan to allow employees to work from home post-crisis?



- Half of the respondents reported that some of their employees will continue to work from home post-crisis.
- More than 1 in 5 expect to allow their entire workforces to work from home.
- Only 6% said work from home will definitely not be an option post-crisis.

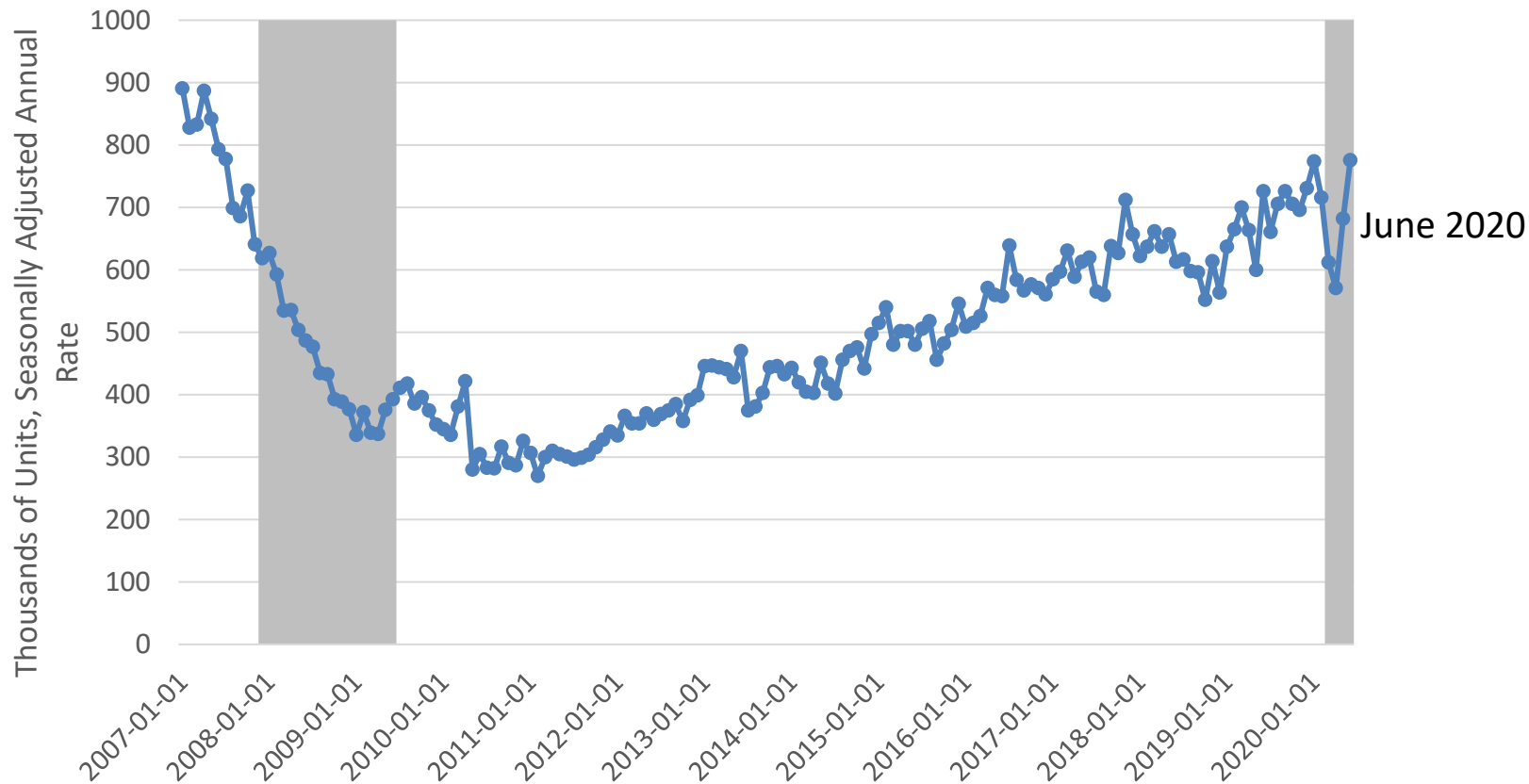
Economic Impacts



- The S&P/CoreLogic Case-Shiller Home Price Index continued to make moderate gains, increasing 3.7% year-over-year in May.
- Phoenix, Seattle and Tampa experienced the greatest increases in home prices.
- Over the last several months, prices were strongest in the Southeast and West and weaker in the Northeast.

Economic Impacts

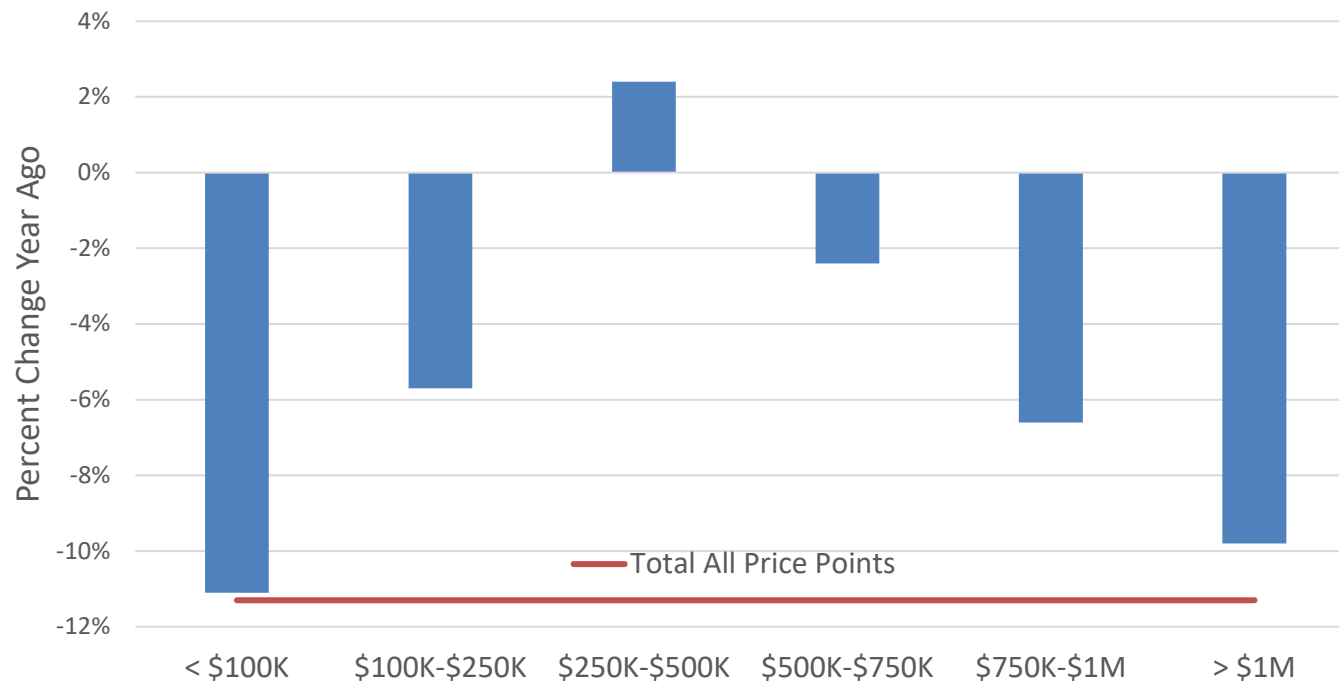
New Home Sales



- New home sales continued to rebound in June, returning to pre-pandemic levels.
- Low mortgage rates coupled with more reopenings resulted in a 13.8% increase from May and 6.9% from June 2019.
- Sales in the Northeast, which experienced longer shutdowns and slower reopenings, nearly doubled month over month.

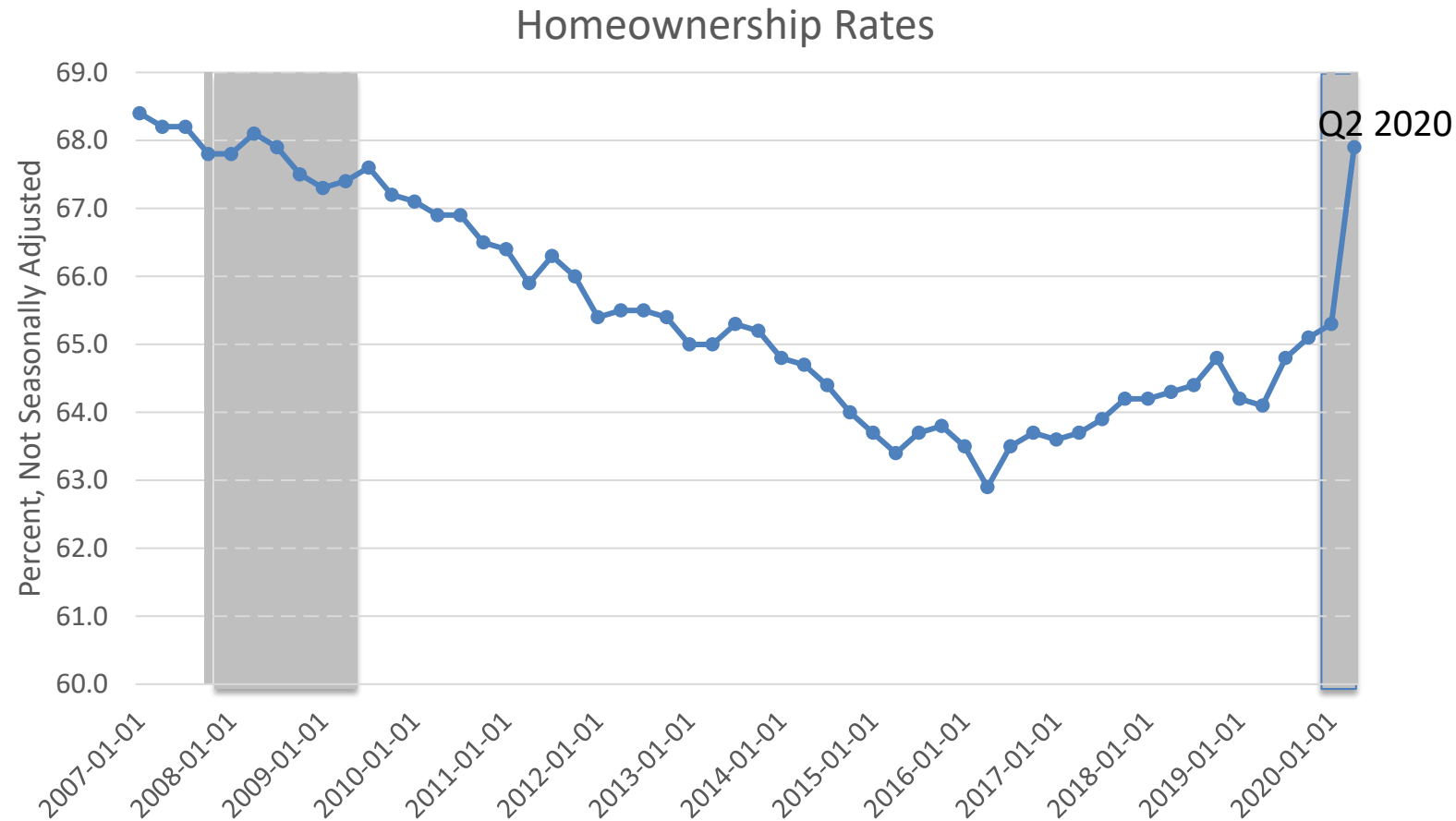
Economic Impacts

Existing Single-family Home Sales by Price



- June sales of existing homes set a record for monthly increases (20.7%) but declined 11.3% on a year-over-year basis.
- The number of closed transactions in the \$250K-\$500K range actually increased.
- The median price rose 3.5% in June and marked the 100th consecutive month of year-over-year increases.

Economic Impacts

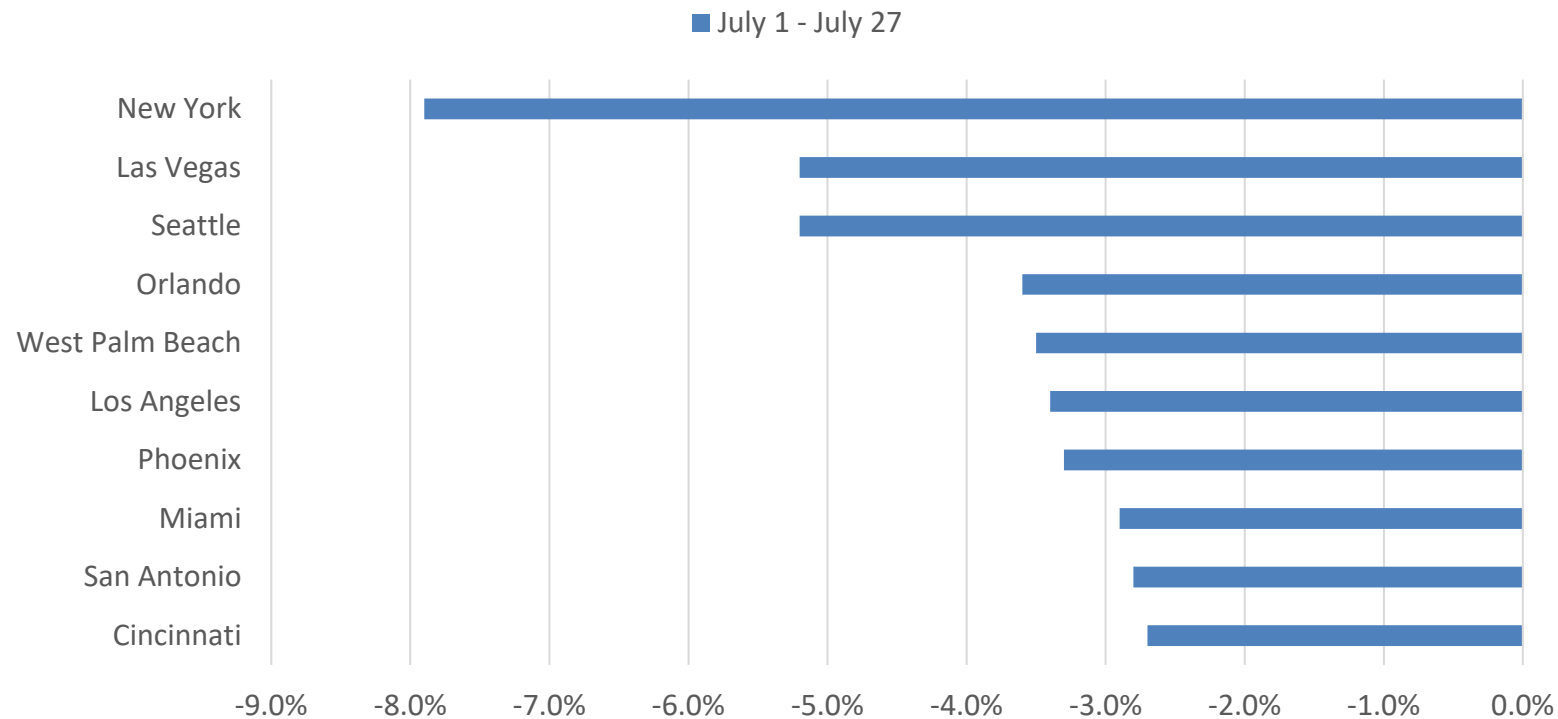


- The homeownership rate soared to 67.9 % in Q2 2020, the highest level since Q3 2008.
- Already on an upward trend, pent-up demand after lockdowns were lifted plus low interest rates spurred new homebuyers to make a purchase.
- The rental housing market remained strong, however, with the vacancy rate declining to 5.7%, the lowest level since 1984.

Apartment Industry Impacts

Hardest Hit Metro Areas for Rent Collection

(Change from prior year in percent of households paying partial or full rent)



- Compared to last week's RealPage report (July 1- July 20), new entrants to the bottom 10 cities for rent collections were either located in Texas or Florida, both of which remain hot spots for Covid-19.
- High-rise properties experienced lower rent collections than mid-rise or garden properties, decreasing 2.5% since last year.

Apartment Industry Impacts - Student

- 85% of universities tracked by RealPage have elected to instruct in-person or hybrid classes for Fall 2020.
- Fall enrollment growth is expected to remain modest and to slightly accelerate beyond 2020, but at a pace lower than peak years.
- Properties are now averaging 76% pre-leased, down 3% from Fall 2019.
- Properties less than 0.5 mile from campus continue to be the preferred choice for students.
- Effective rent growth stood at 1.3% in June, at the low end of the typical range.
- 25% of properties offered concessions, usually offering an equivalent of one-month free rent.

Top Universities for Rent Growth Through June	Bottom Universities for Rent Growth Through June
North Carolina A&T State University	Coastal Carolina University
Mississippi State University	Florida International University
Virginia Tech	University of California-Santa Barbara
Virginia Commonwealth University	Wichita State University
Utah State University	University of Nevada-Las Vegas