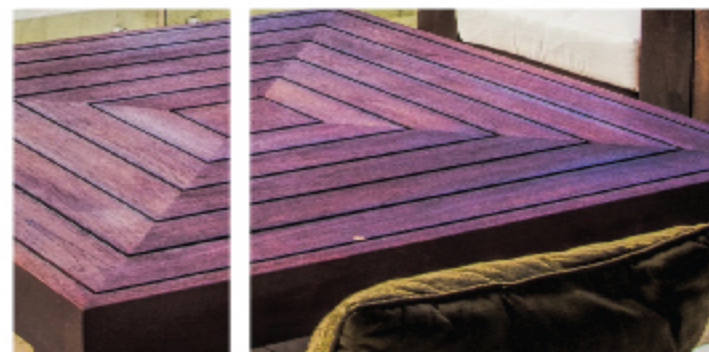


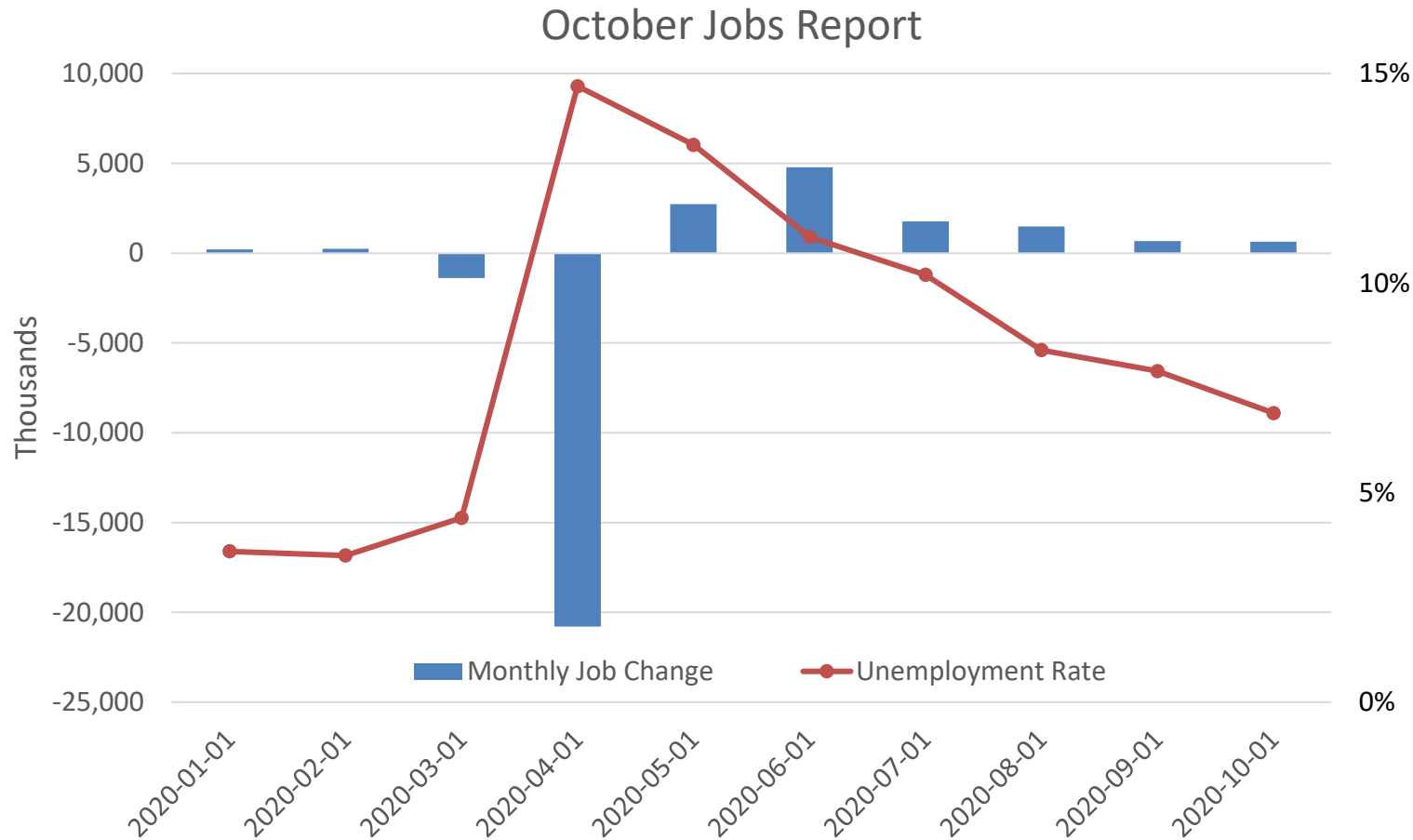


November 11, 2020

Covid-19 Economic & Industry Update



Economic Impacts



- The October employment report was better than consensus expectations with 638,000 jobs added and the unemployment rate decreasing to 6.9 percent.
- Excluding government losses, some of which were temporary Census workers, the private sector added over 900,000 jobs.
- Thus far, the U.S. has gained back 12 of the 22 million jobs lost in March and April.

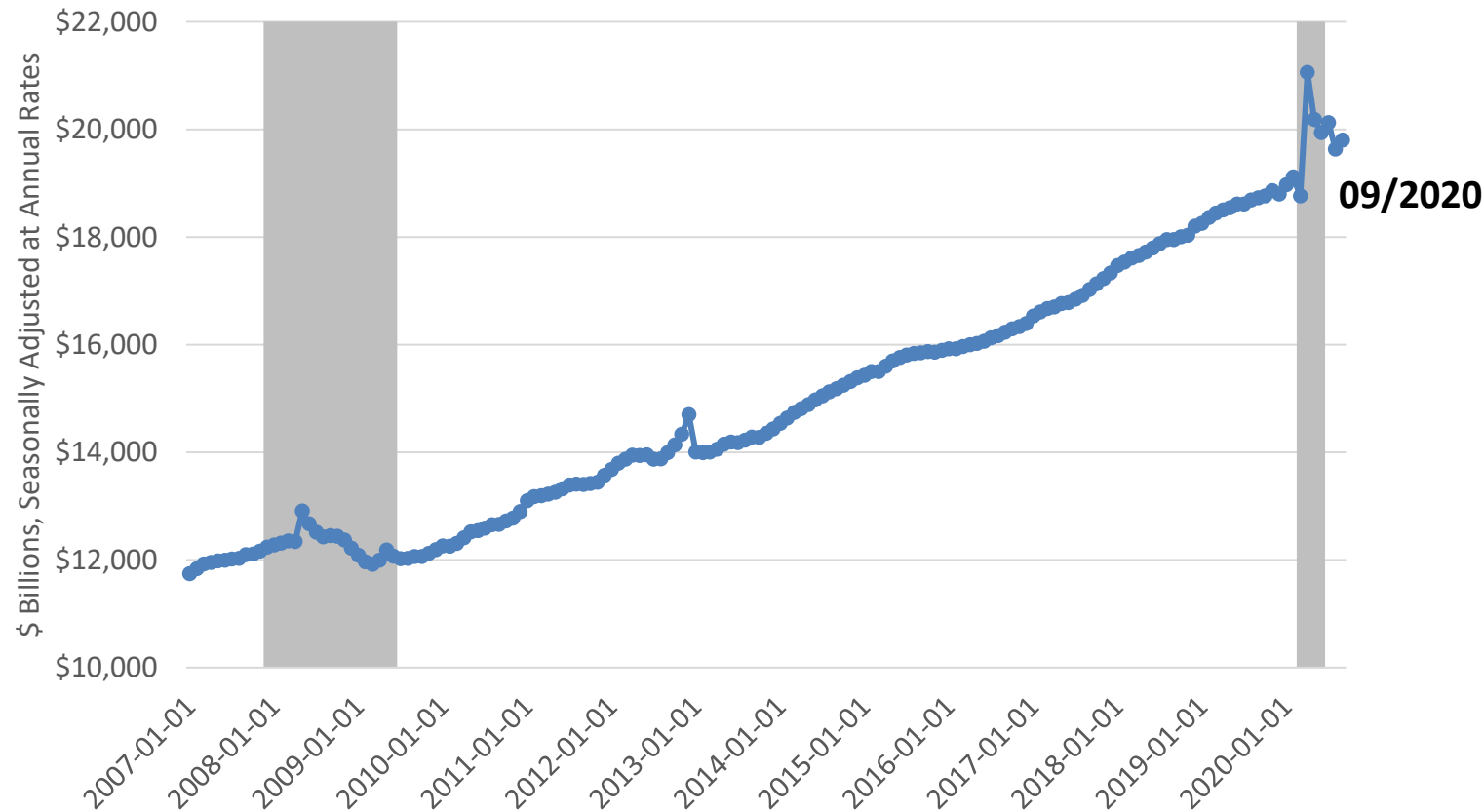
Economic Impacts

Holiday Job Hiring Announcements	
Target	130,000
Amazon	100,000
UPS	100,000
Shipt	100,000
FedEx	70,000
Macy's	25,000
Dollar Tree	25,000
Radial	25,000

- At just under 700,000, holiday job hiring announcements were off from 2018 and 2019 levels but higher than the prior six years.
- Job cut announcements in October were at the lowest level since February at 80,666 positions.

Economic Impacts

Personal Income



- Personal income increased by 0.9 percent, driven mainly by wages and salaries.
- Income per capita remained six percent above pre-pandemic levels.
- Unemployment insurance payments continued to decrease due to both expired benefits and reentrants into the workforce.

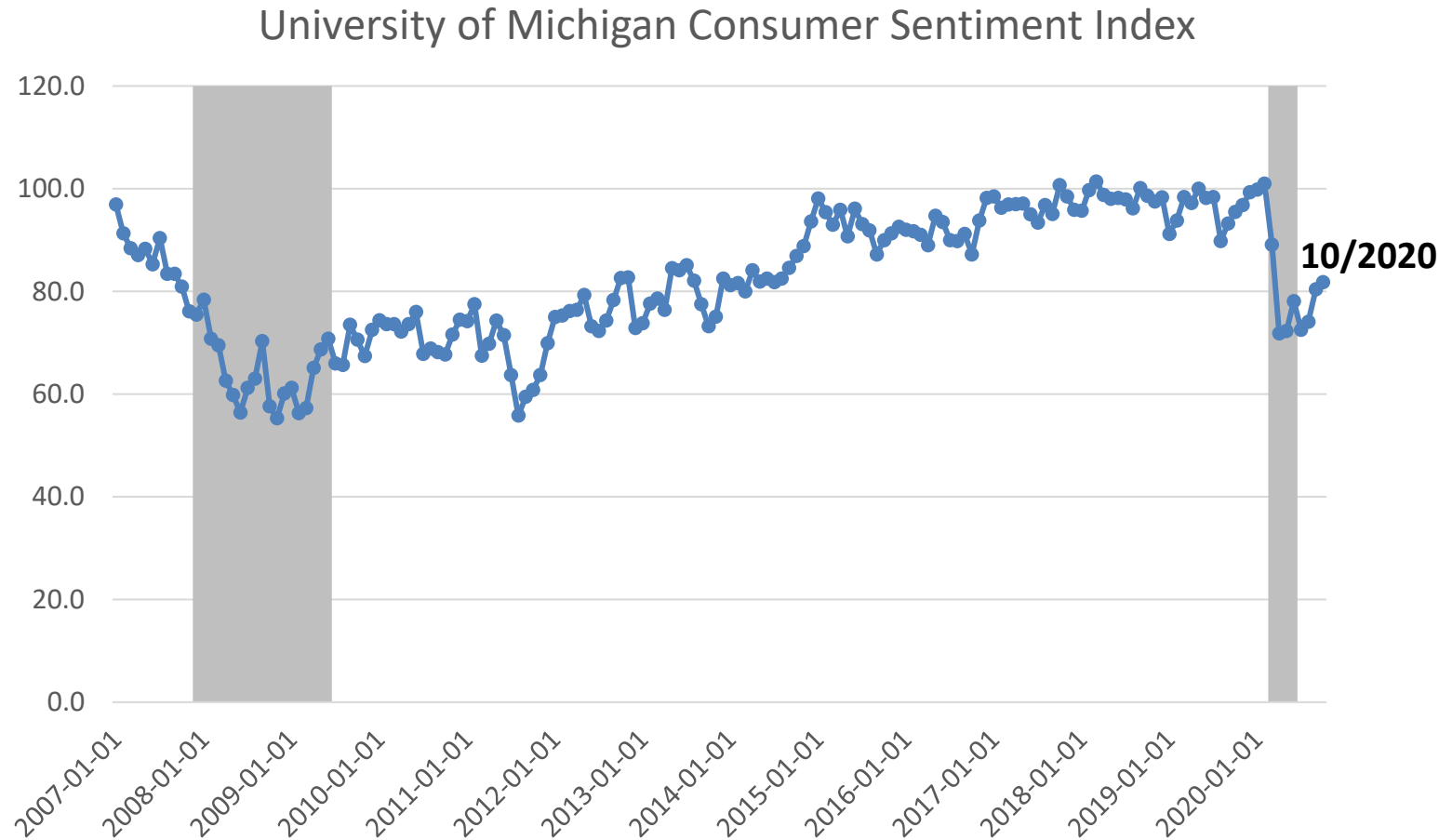
Economic Impacts

Personal Savings Rate



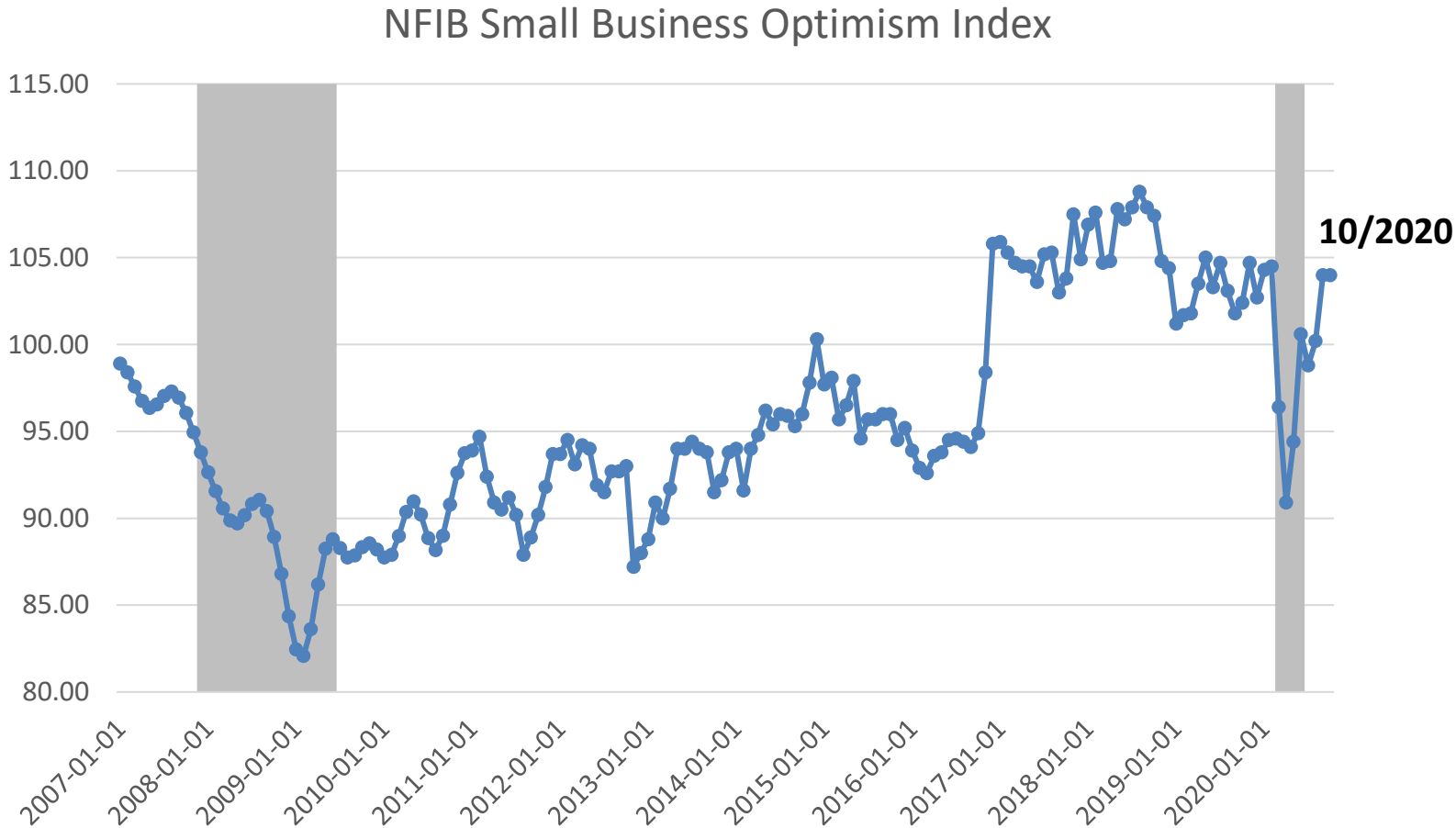
- The personal savings rate, while still elevated, continued to tick down in September to 14.3 percent.
- Savings have been an important source of all types of household payments for consumers, according to the Census Household Pulse Survey.

Economic Impacts



- Final estimates of consumer sentiment in October showed modest gains from the prior month.
- The expectations component of the Index hit a post-pandemic high of 79.2 as consumers became somewhat more optimistic.

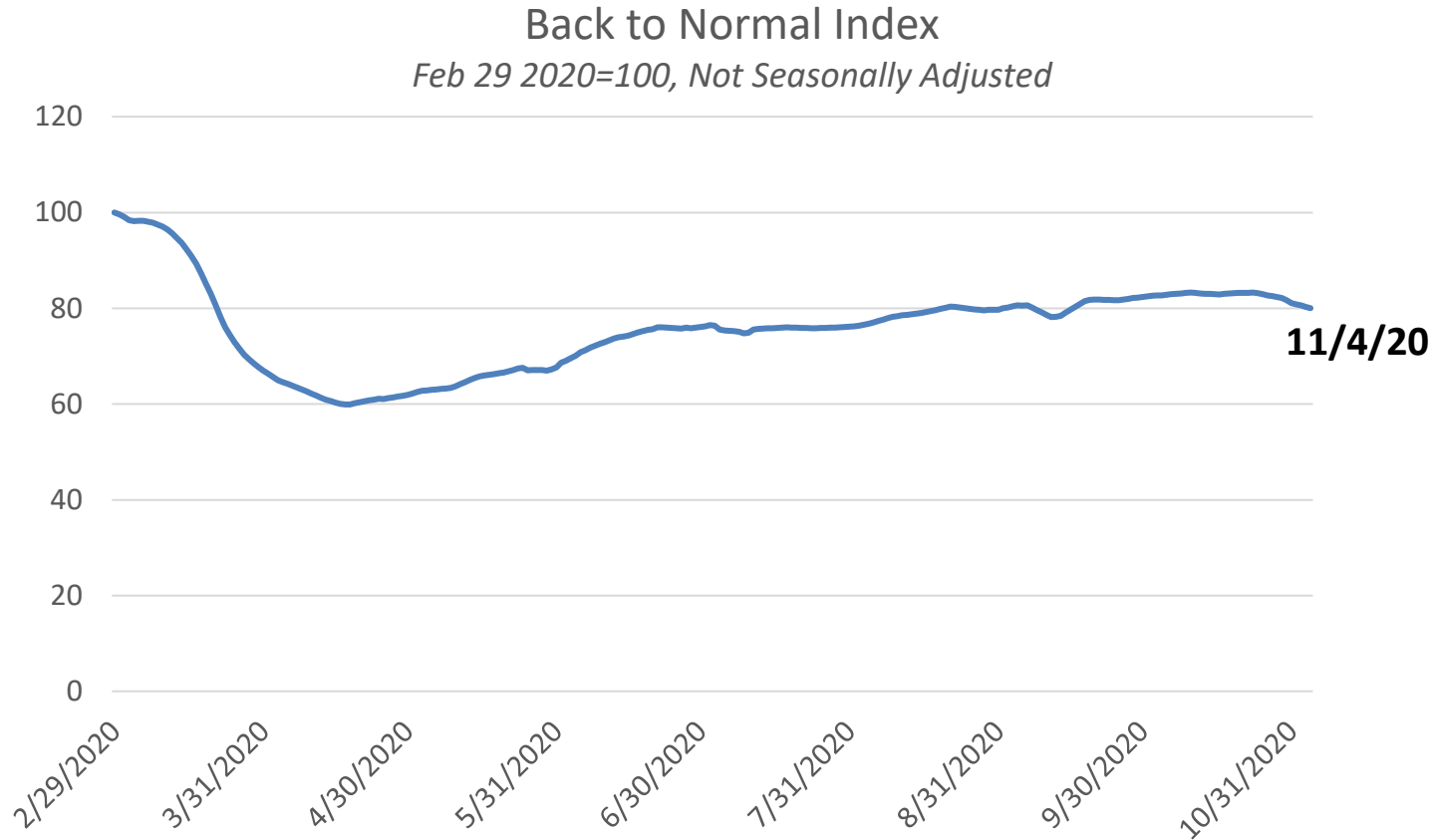
Economic Impacts



- The Small Business Optimism Index remained unchanged in October at 104.
- The Uncertainty Index increased by 6 points to its highest level since November 2016 due to concerns over the elections and the ongoing pandemic.
- Earnings trends returned to pre-pandemic levels while small businesses reported high levels of hiring.

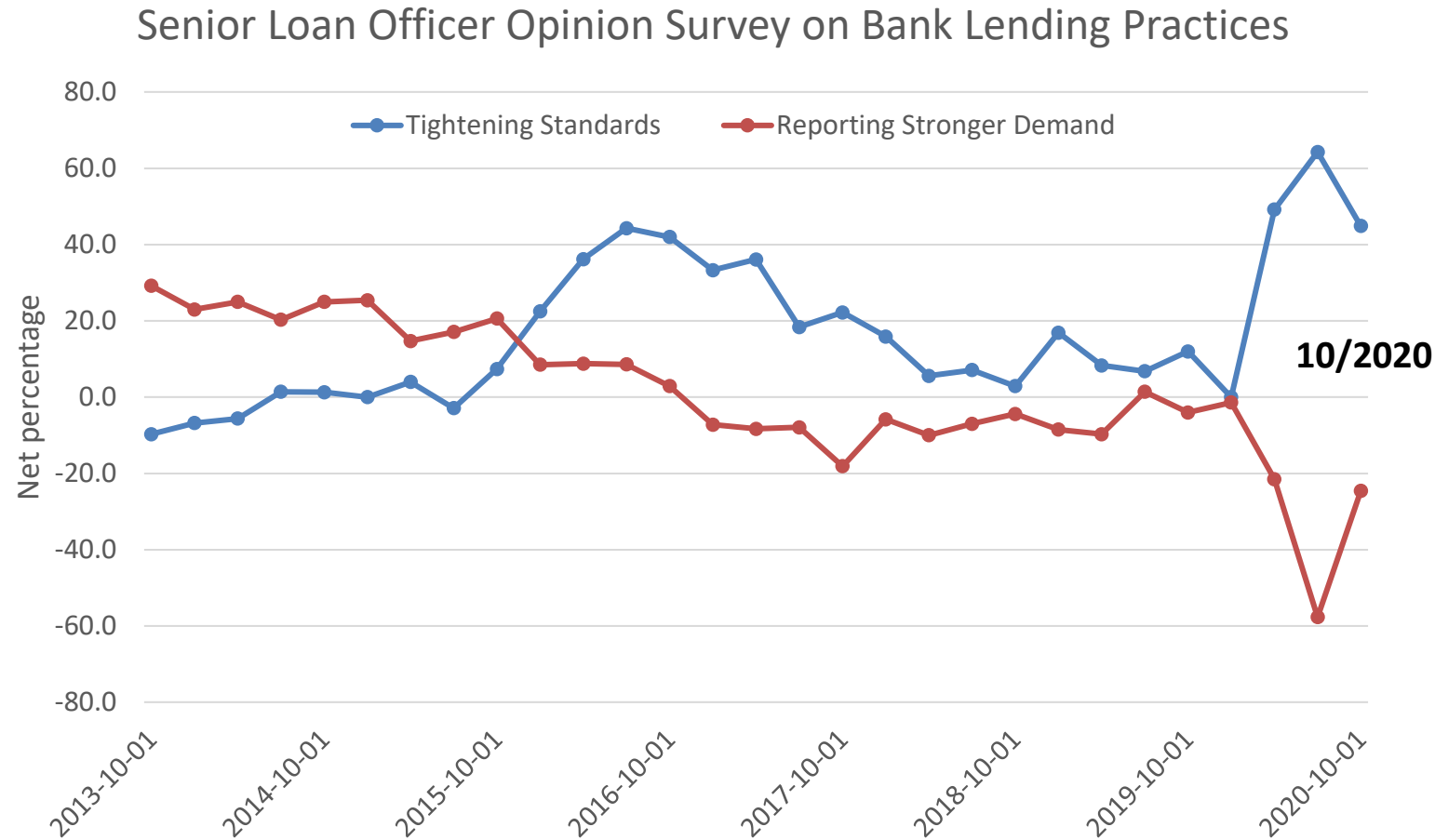
Source: National Federation of Independent Businesses; Moody's Analytics

Economic Impacts



- The Back to Normal Index tracks twelve high frequency data series plus monthly employment figures, using February 29, 2020 as the baseline for “normal.”
- The Index fell 2.4 points week to week and was back to mid-September levels.
- Even the stronger-than-expected October jobs report could not offset declines in activity as COVID-19 cases surged and cooler weather began to limit outdoor activities.

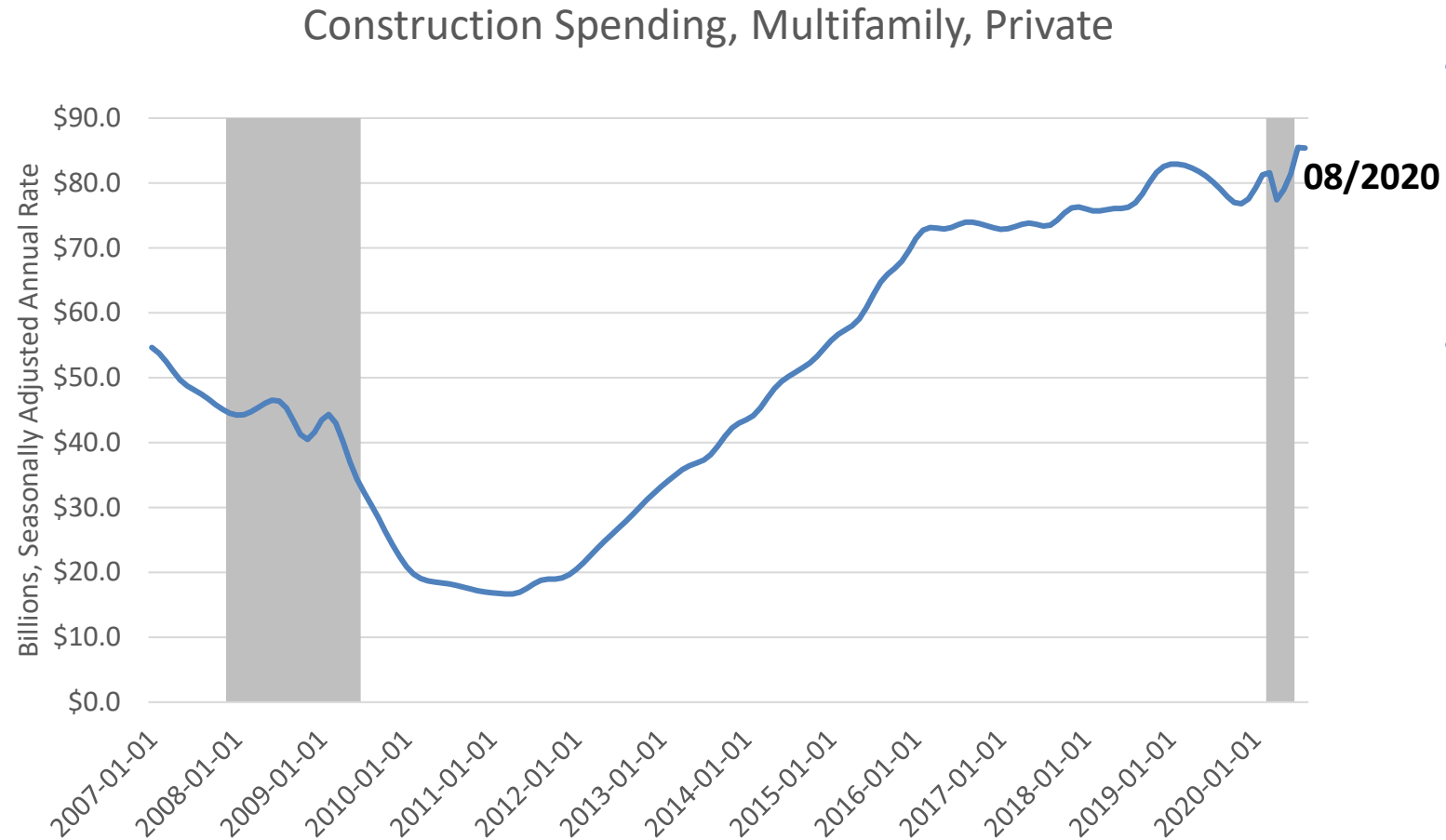
Economic Impacts



- The Federal Reserve Bank's Senior Loan Officer Survey moderated somewhat in October after hitting record levels in July for both questions related to the multifamily finance industry.
- The net percentage of loan officers reporting tightening standards for multifamily loans fell to 44.9 while the net percentage reporting stronger demand for multifamily loans increased to -24.6.

Source: Board of Governors of the Federal Reserve System

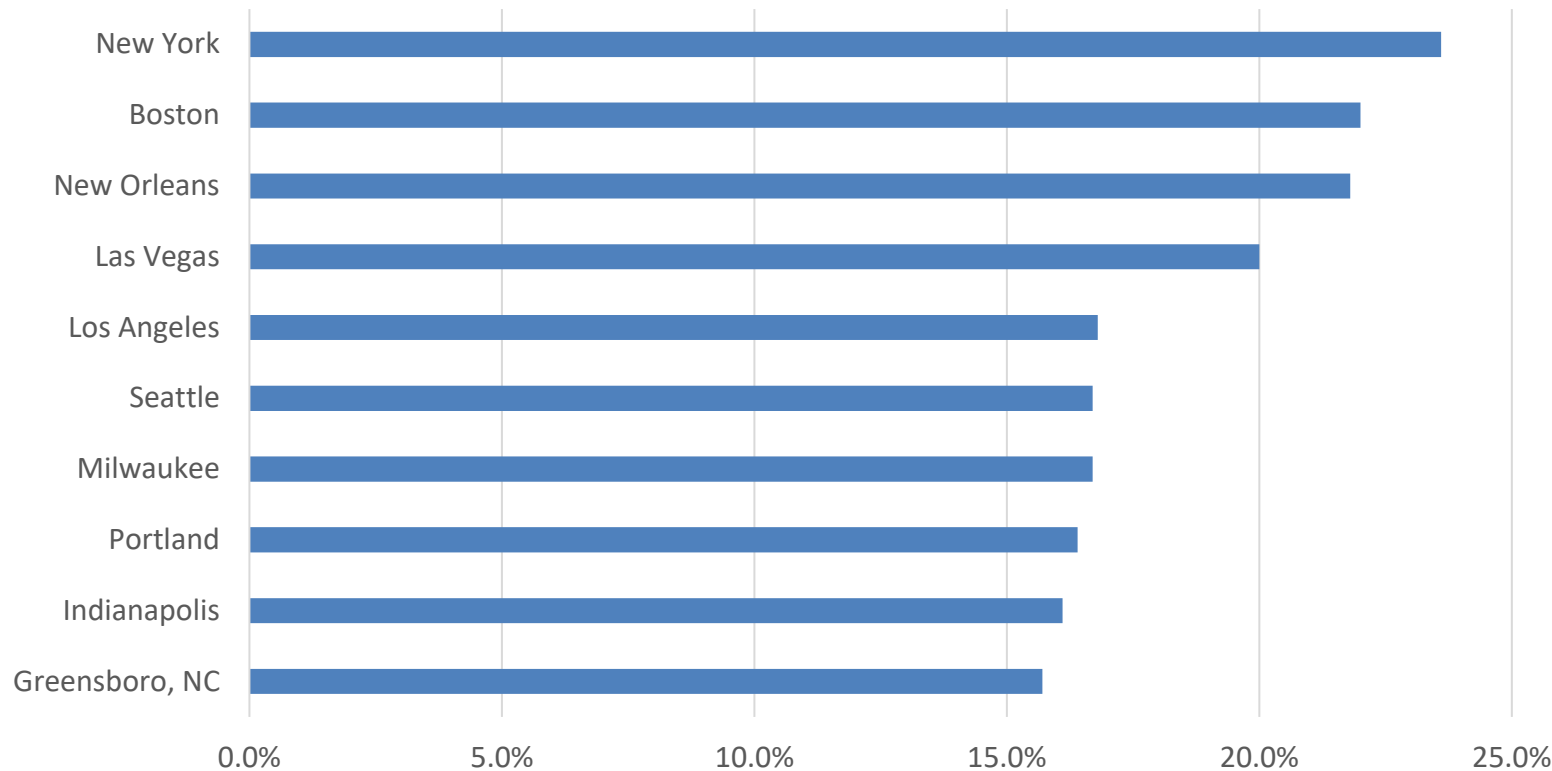
Economic Impacts



- In August, multifamily construction spending was on par with the prior month but up nearly 9 percent year-over-year.
- Construction spending includes the cost of labor and materials, architectural and engineering work, overhead, interest and taxes paid during construction, as well as contractors' profits.

Apartment Industry Impacts

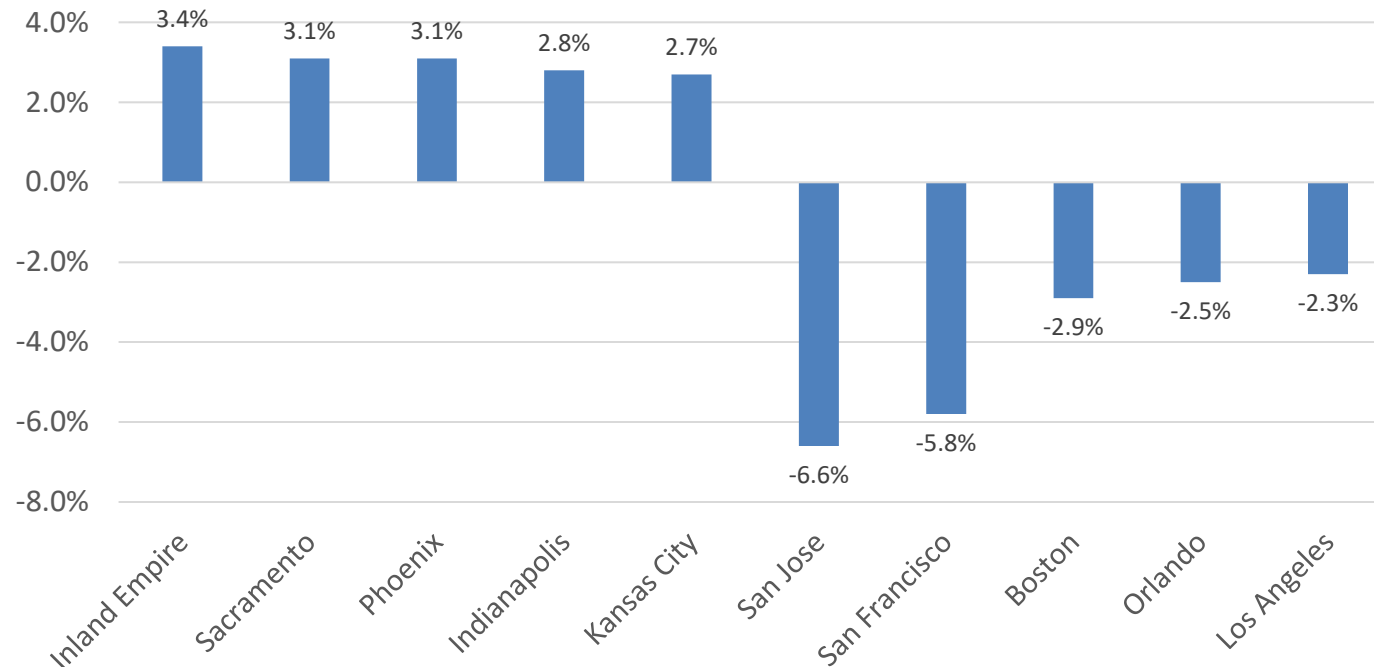
Hardest Hit Metro Areas for Rent Collection
(Percent of Households Making No Payment Through November 6)



- As in prior months, rent collections were off to a slow start in November.
- Between 20 and 25 percent of renters in four metro areas made no payments through November 6.
- Collections in Portland, Los Angeles, Seattle and San Jose were down more than 5 percentage points compared to the same period last year.

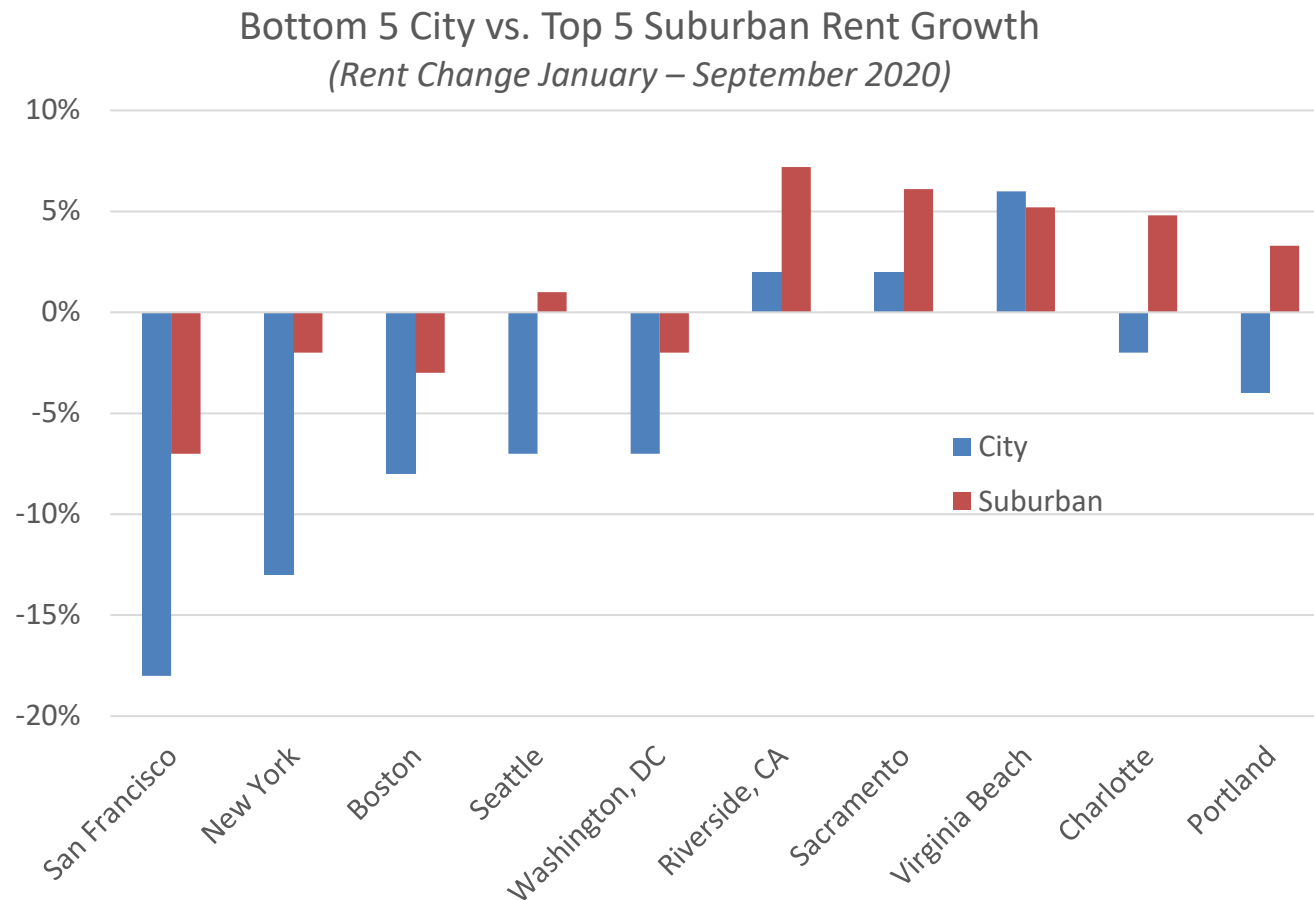
Apartment Industry Impacts

September 2020 Top/Bottom Markets
(Year-Over-Year Rent Growth)



- Rents decreased 0.3% to \$1,463 in September on a year-over-year basis, a 10-basis-point decline from a revised 0.2% decline in August.
- Metros with the highest rents have suffered the most, while less expensive metros have fared better than expected.
- The lifestyle asset class continued to deteriorate, with 22 of the top 30 metros tracked by Yardi experiencing negative annual rent growth.

Apartment Industry Impacts



- Year-to-date through September, rents have declined 5% on average in principal cities while increasing 0.5% in suburban areas, according to data from Apartment List.
- The loss or limitations of the amenity base in cities coupled with work from home trends have severely impacted the rental housing market in some of the largest cities across the U.S.