Economic Impacts

• The economic downturn is impacting the labor market disproportionately by job type, location and demographics, among other variables.

• The labor force participation rate for both men and women experienced a record drop in April, by 2.4 and 2.6 percentage points, respectively.

• The number of women either working or actively looking for work slipped notably in September.

Source: U.S. Bureau of Labor Statistics
The Small Business Optimism Index improved markedly in September to 104.0, restoring nearly all the pandemic declines.

Nine of the ten Index components posted increases over last month, with the highest gain in expectations for the economy.

Business expectations for future credit conditions was the only negative component.
The Consumer Price Index rose 0.2% in September on a monthly basis and 1.4% on an unadjusted annual basis. Prices for used cars and trucks jumped 6.7% during the month while the greatest declines were fuel oil prices (-5.3%) and car insurance (-3.5%).

Source: U.S. Bureau of Labor Statistics
Economic Impacts

• The Back to Normal Index tracks twelve high frequency data series plus monthly employment figures, using February 2020 as the baseline for “normal.”

• The Index surpassed the 81-point level entering October, indicating the economy is operating at only 19% below normal.

• Twenty-six states improved and Maine kept the top position with a score of 93.3.

Sources: CNN Business, Moody’s Analytics
Apartment Industry Impacts

- Traffic remained 113% ahead of last year’s levels in September while also showing expected seasonal declines month-to-month.
- Application volumes continued to lag 2019 despite favorable traffic trends.
- Concession volume was up 21% with average concession value up 13% as compared to last year, indicating landlords are offering more incentives to gain occupancy before the slower leasing season approaches.
- Move-in volume was only 3% off prior year volume, a substantial improvement.
- New lease pricing was down 3% compared to the same time period last year.
- Occupancy continued to tighten as move-ins again outpaced move-outs, with a new 2020 high posted in September.
- Trends in notice-to-vacate are beginning to increase.
- Move-outs stayed flat year over year, remaining well off prior year levels.
- Renewal volumes remained below 90% of prior year and monthly trends continued to decline in alignment with seasonal expectations.

Apartment Industry Impacts

- Apartment demand rebounded in the third quarter in many U.S. metros, a good sign for the industry after a weak first half of 2020.
- As commerce gradually reopened, multifamily demand picked up in July and August. A total of 50,000 units were absorbed, almost as many as in the first six months of the year.
- Another driver for absorption was pent-up demand from households that might have been reluctant to move during the early part of the pandemic.
- Gateway markets saw more renters moving out than other cities and will likely have more challenging recoveries as a result.
- Renters are moving to cheaper markets that are within an hour or two drive from gateway metros. Metros with the highest rents have had the least rent growth, while less expensive metros have performed better.

Source: Multifamily Absorption Resumes After COVID-19 Slump: How Durable Is Demand? By Yardi Matrix
# Apartment Industry Impacts

## Top Markets for Absorption YTD through August (# of units)

<table>
<thead>
<tr>
<th>City</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas</td>
<td>11,779</td>
</tr>
<tr>
<td>Denver</td>
<td>8,361</td>
</tr>
<tr>
<td>Atlanta</td>
<td>6,497</td>
</tr>
<tr>
<td>Phoenix</td>
<td>5,236</td>
</tr>
<tr>
<td>Washington, DC</td>
<td>4,090</td>
</tr>
</tbody>
</table>

## Bottom Markets for Absorption

<table>
<thead>
<tr>
<th>City</th>
<th>Absorption</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco</td>
<td>-4,667</td>
</tr>
<tr>
<td>Chicago</td>
<td>-3,408</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>-2,870</td>
</tr>
<tr>
<td>San Jose</td>
<td>-473</td>
</tr>
<tr>
<td>Miami</td>
<td>-445</td>
</tr>
</tbody>
</table>

Source: Multifamily Absorption Resumes After COVID-19 Slump: How Durable Is Demand? By Yardi Matrix