Economic Impacts

- Homebuilder confidence hit another record high in October, rising to 85.
- The component measuring sales expectations over the next six months was responsible for much of the increase, although all components either maintained or exceeded their record highs from last month.

Source: NAHB/Wells Fargo Housing Market Index, October 19, 2020
Economic Impacts

Retail Sales Year-Over-Year Percent Change

- Food services & drinking places
- Nonstore retailers
- Miscellaneous store retailers
- General merchandise stores
- Sporting goods, hobby, musical, books
- Clothing/accessories stores
- Gasoline stations
- Health & personal care stores
- Food & beverage stores
- Building material/garden equipment
- Electronics & appliance stores
- Furniture & home stores
- Motor vehicle & parts dealers

-25.0% -20.0% -15.0% -10.0% -5.0% 0.0% 5.0% 10.0% 15.0% 20.0% 25.0%

- Retail sales posted strong gains in September on both a monthly and annual basis.
- Non-store retailers saw sales growth approaching 25 percent year-over-year as internet shopping continued to surge.
- Sales in restaurants and bars, gas stations and clothing stores remained depressed compared to last year but have steadily improved on a month-to-month basis.

Source: U.S. Census Bureau, Advance Monthly Retail Trade Survey, October 16, 2020
• Multifamily permitting activity was on par with the prior month at 390,000 annualized units, but off significantly (-22%) from 2019 when permits topped 500,000 on average during the second half of the year.
• Single-family permits were at their highest level since March 2007 at 1.1 million units.

Multifamily housing starts were disappointing in September, falling to 295,000 annualized units, the second lowest level (after April) in three years.

Single-family starts increased 22% over the year with demand showing no signs of slowing.

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.”
- TSA checkpoint data was the strongest positive contributor to the Index, while hours worked and seated diners dragged it down, particularly in states with rising COVID-19 cases.

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

Hardest Hit Metro Areas for Rent Collection
(Percent of Households Making No Payment Through October 13)

- Nearly 1 in 4 apartment households in the New York Metro Area did not make any monthly rent payment through mid-October.
- Collections were down from the same period last year in 48 of the 51 metro areas tracked by RealPage.

Rent Collections by Class
(Percent of Households Making No Payment Through October 1-13, 2019 vs. 2020)

- Collections are down nearly 3 percent on average from the same period last year.
- Over 18 percent of Class C apartment households made no payment through the middle of October.

Apartment Industry Impacts

- As of September 27th, new lease signings were 10.8% above one year ago.
- Resident retention reached another record level of 54.8% during the third quarter.
- Apartment demand resurged in Q3 2020, reaching 158,000 units.
- Sun Belt markets including Atlanta, Houston, Dallas, Phoenix and Denver led the U.S. in apartment demand.
- Occupancy was down 60 basis points from the earlier multi-decade high, falling to 95.7%.
- Rental rates for executed new-resident leases were back to 2019 levels on average.
- Although investment volume has declined, sale prices remained solid.
- Cap rates continued to trend downward, decreasing to 5.2%.
- Apartment deliveries in Q3 2020 totaled 99,274 units, bringing year-to-date completions to 250,656 units.

Source: U.S. Fall Apartment Market Update Webcast by RealPage, October 20, 2020