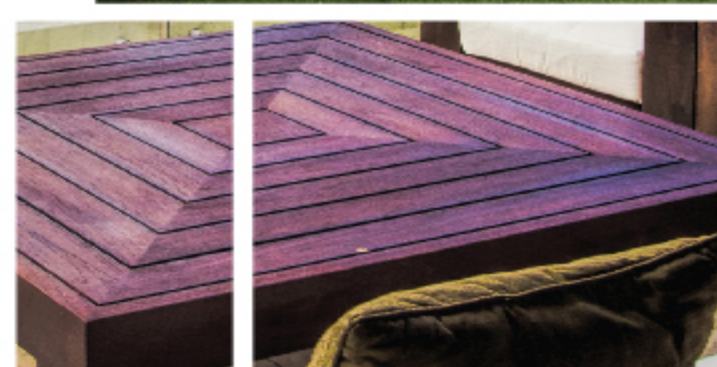


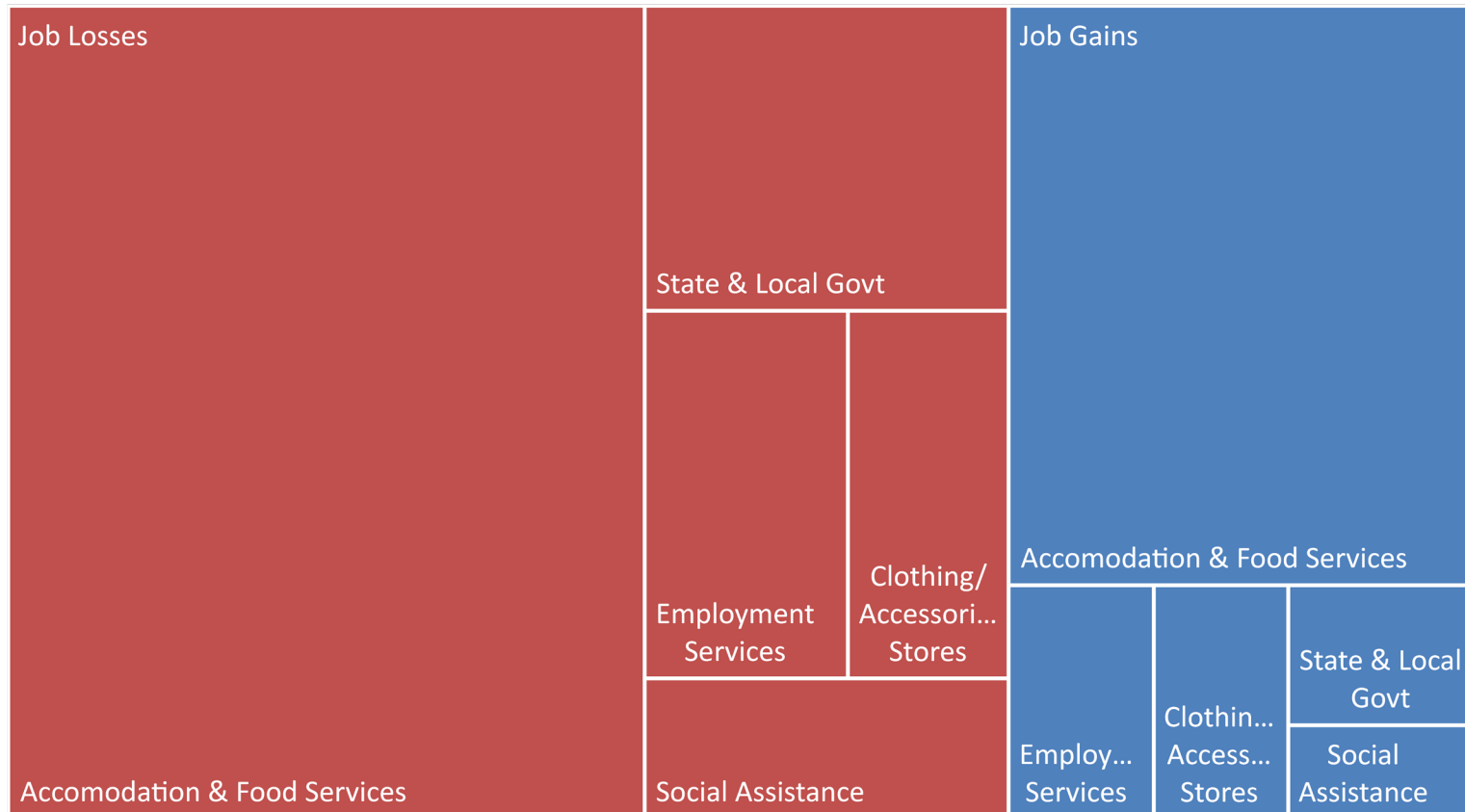
September 16, 2020

Covid-19 Weekly Economic & Industry Update



Economic Impacts

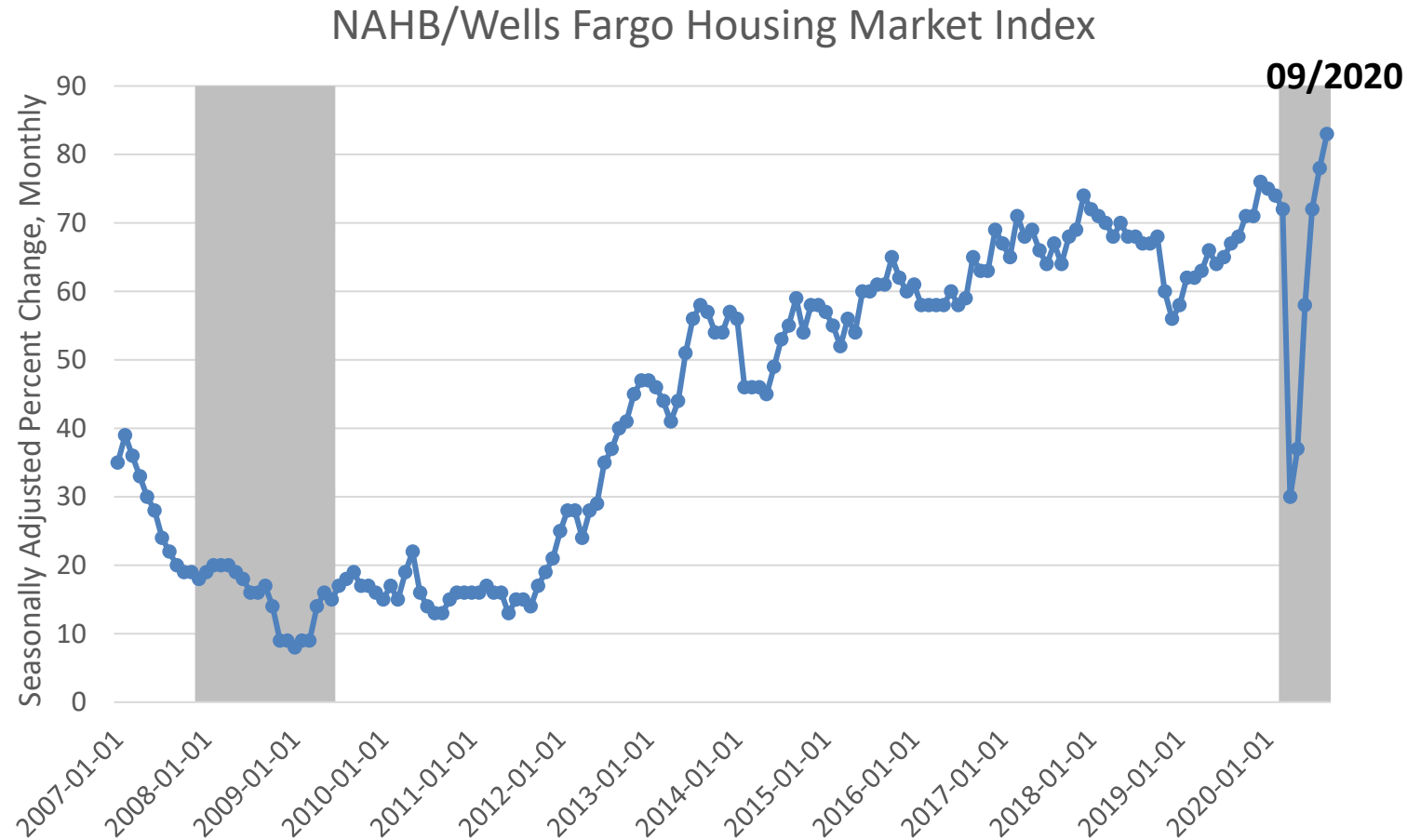
Covid-19 Job Losses vs. Job Gains
(In Major Sectors with 1.5M or More Job Losses)



- Nearly 1.4 million jobs were added in August, with the retail trade and government sectors posting the most gains, the latter of which were temporary Census workers.
- To date, fewer than 48% of the jobs lost in March and April have been added back to payrolls.
- Industry sectors including financial activities, state and local government and information have recovered fewer than 1 in 3 jobs lost.

Source: U.S. Bureau of Labor Statistics

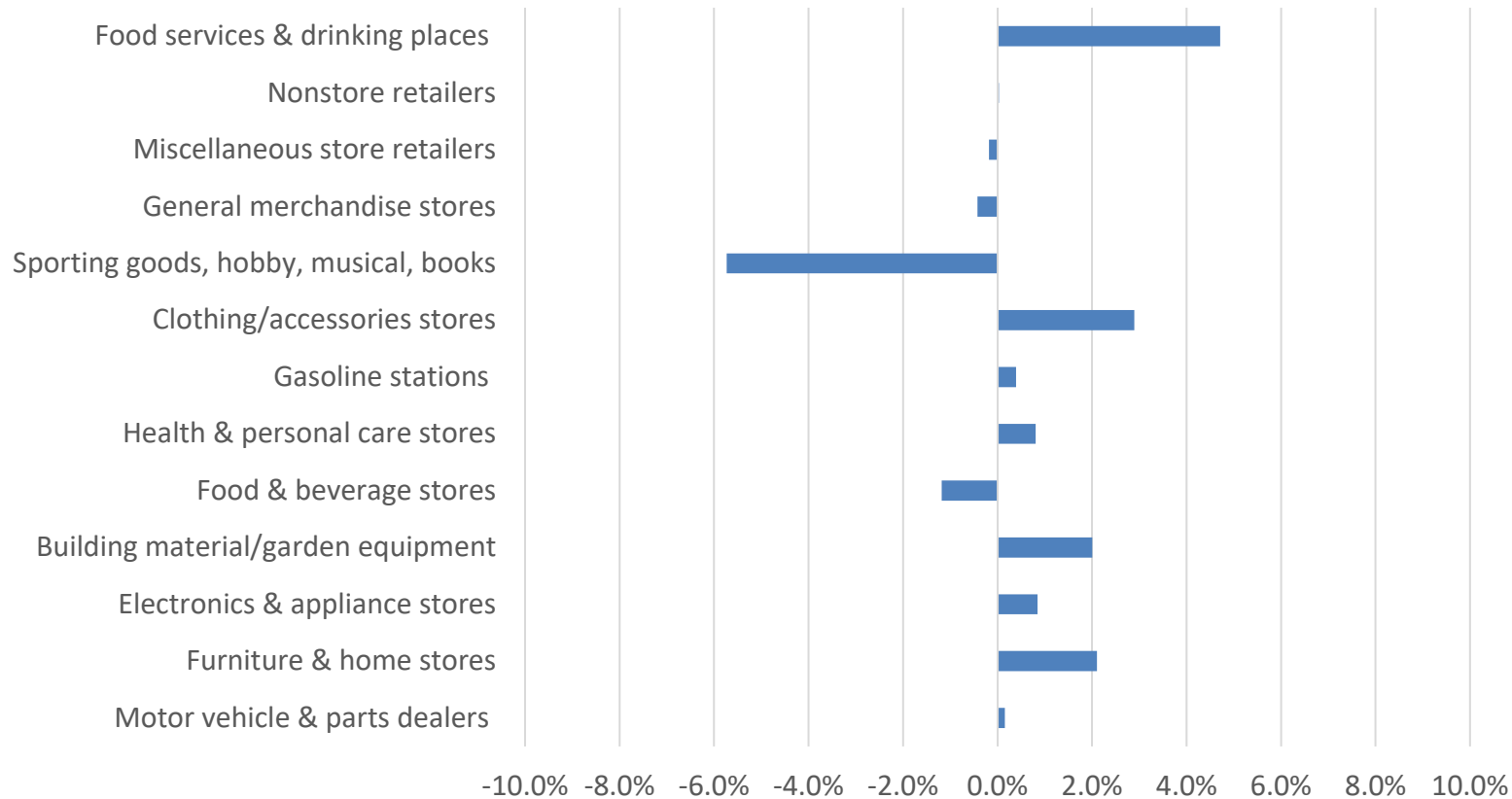
Economic Impacts



- Homebuilder confidence rose to 83 in September, an all-time high in its 35-year history.
- The component measuring buyer traffic was responsible for much of the increase.
- Soaring prices and delays for lumber remain causes for concern for homebuilders.

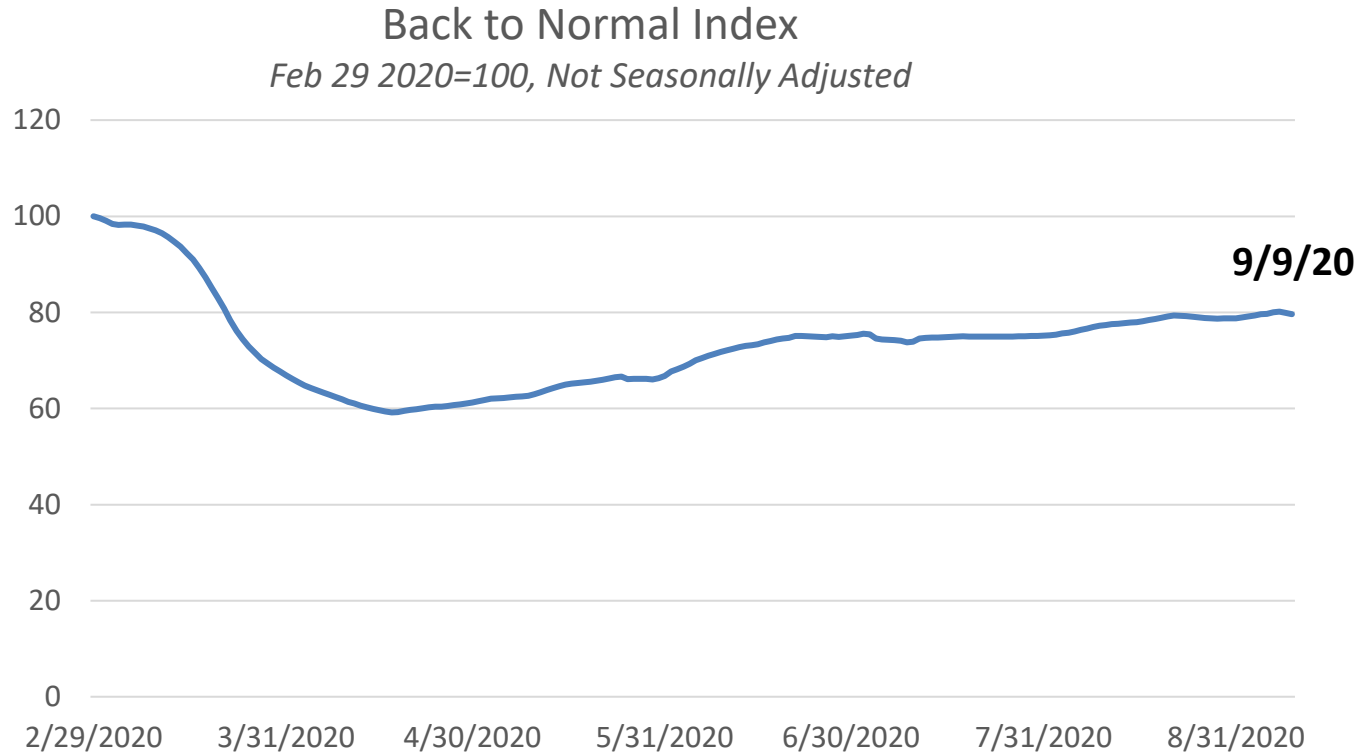
Economic Impacts

Retail Sales Month-Over-Month Percent Change



- Retail sales growth slowed in September to 0.6 percent from August.
- Year-over-year growth, up 2.6 percent, varied widely among categories.
- Non-store retailers, building materials, sporting goods and food & beverage stores all posted double-digit gains over the year while clothing stores, gasoline stations and food & drinking places saw double-digit declines in sales.

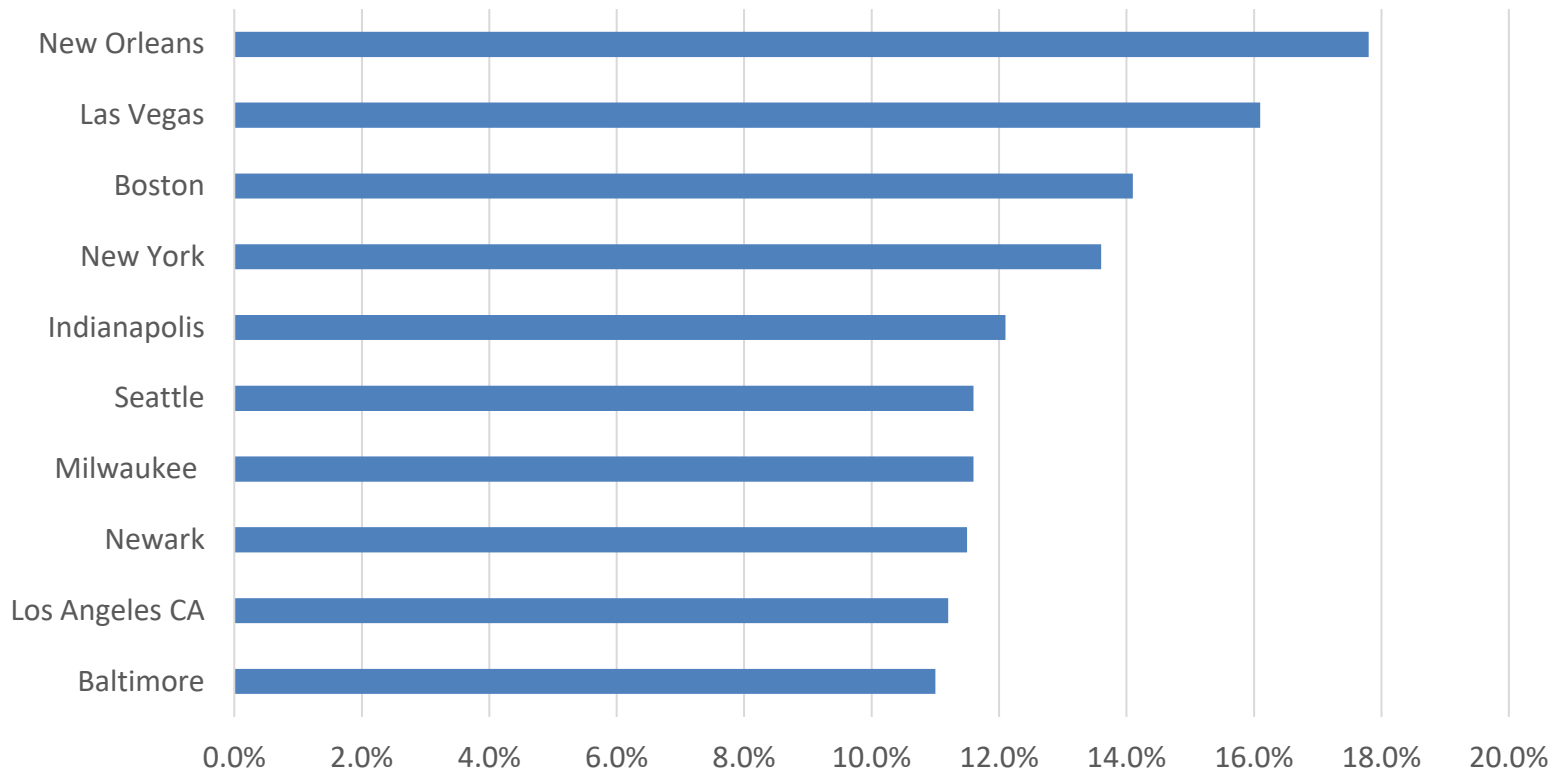
Economic Impacts



- The Back to Normal Index tracks twelve high frequency data series plus monthly employment figures, using February 2020 as the baseline for “normal.”
- The U.S. economy is currently operating at 80 percent of pre-pandemic levels, with very little improvement over the past several weeks.

Apartment Industry Impacts

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

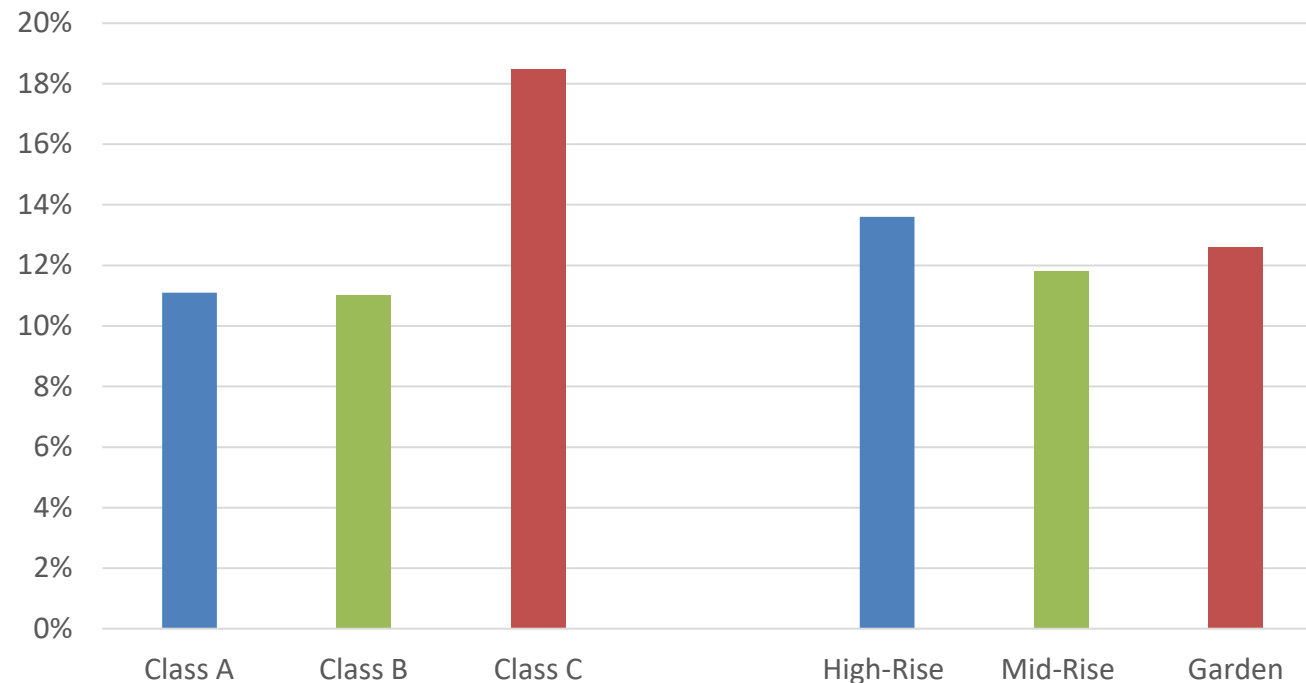


- Los Angeles, New York, Las Vegas and Boston have the highest unemployment rates in the country and have been consistently at the bottom for rent collections over the past several months, along with New Orleans.
- Nationally, collections were off 2.5 percentage points from the same period last year.

Source: RealPage, Inc. Rent Payments September 1 – 13, 2020.

Apartment Industry Impacts

Rent Collections by Class & Property Type
(Percent of Households Making No Payment Through September 13)

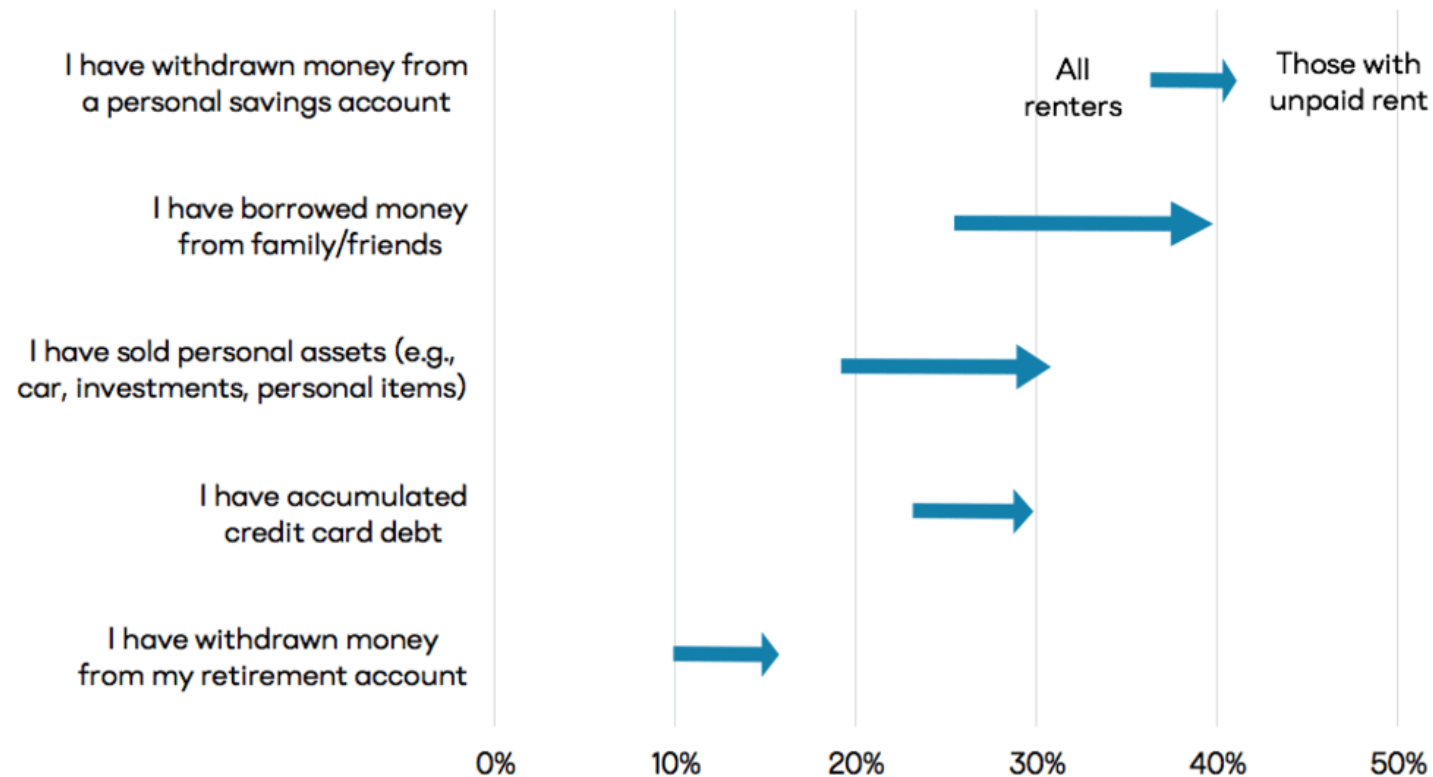


- Nearly one in five households in Class C properties made no rent payments through the middle of September.
- There were no wide variations by property types, but collections in garden-style apartments were down by 3.0 percentage points from 2019.

Apartment Industry Impacts

Many are making financial sacrifices to keep up with rent payments

Since the start of the COVID-19 pandemic, which of the following are true?



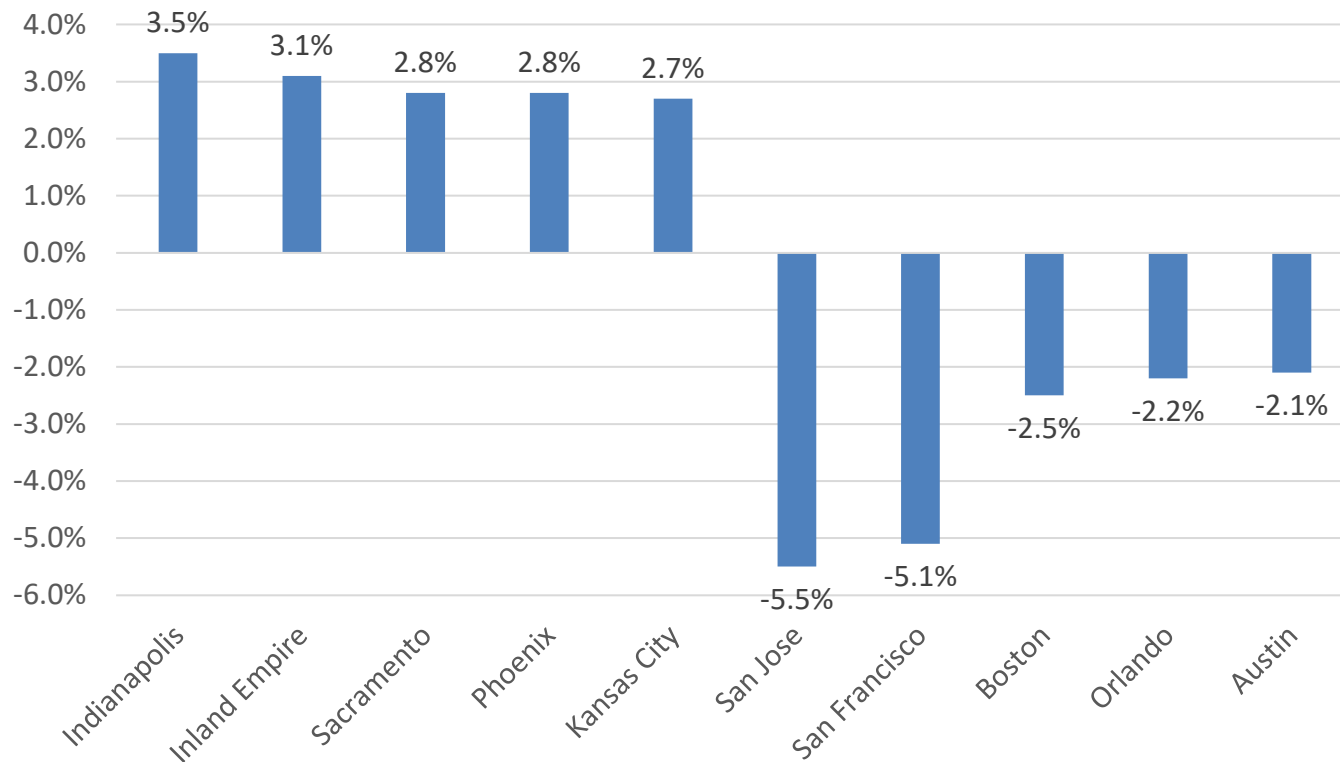
Source: Apartment List Survey Data

Apartment  List

- 36 percent of renters surveyed reported using savings for rent payments.
- One in 3 renters started September owing back rent.
- One-in-four have borrowed from friends or family; about the same number have started to accumulate credit card debt.

Apartment Industry Impacts

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



- 108 of the 132 markets that Yardi Matrix tracks performed better than the national average.
- The Lifestyle asset class continued to struggle with 22 of the top 30 markets experiencing negative rent growth.
- The Renter-by-Necessity asset class held strong, with only eight of the top 30 markets experiencing rent declines.

Apartment Industry Impacts

- New lease pricing remained down 5% from 2019, continuing the trend from July.
- Concessions jumped to a new high, with the average concession value increasing 17%.
- Traffic remained 13% ahead of the prior year, but declined from June's high rate.
- Application volumes continued to lag 2019, also trending downward from July 2020.
- Move-in volumes dropped 3% from July's post-pandemic high of 86% of prior year.
- Move-outs remained flat since 2019 and dropped in August compared to July, remaining well off prior year levels.
- Card payments represented 33% of electronic payments, a 92% increase since January.