New home sales rose again in August after upward revisions in both June and July.

- The number of new homes sold topped one million on a seasonally adjusted annual basis, driven mainly by purchases in the South.
- Sales will likely be more subdued in the coming months due to a record-low supply of new homes, just 3.3 months’ worth as of August.

Source: U.S. Census Bureau and U.S. Department of Housing and Urban Development, New Residential Sales, September 24, 2020
Economic Impacts

- The S&P/CoreLogic Case-Shiller 20-City Composite Home Price Index increased 3.9 percent year-over-year, the 98th consecutive month of price appreciation.
- Phoenix, Seattle and Charlotte posted the largest gains at 9.2, 7.0 and 6.0 percent, respectively.

Source: S&P Dow Jones Indices LLC, S&P/Case-Shiller 20-City Composite Home Price Index
Economic Impacts

• Unemployment rates in and of themselves often do not tell the whole story.
• The number of temporarily unemployed workers has dropped 66 percent from its peak in April.
• However, those permanently laid off increased by 450,000 in August alone.
• As of early September, more than 26 million Americans were receiving some form of unemployment benefits.

Temporary vs. Permanent Job Losses

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 hit its highest levels since the trough, averaging 80 over the past week.
- Business confidence and rail traffic made the most positive contributions to the Index.

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

Metro Areas with Greatest Deterioration in Rent Payments
(% Not Paying Through August and September 27, 2020)

- While rent collections in markets such as Salt Lake City and Tampa were very strong in September, they bear watching given the month-to-month deterioration in payments.
- Nearly 13 percent of renter households in New Orleans made no payments through the last week of the month.

Sources: RealPage, Inc. Rent Payments August 1-27, September 1-27, 2020
Apartment Industry Impacts

- Since the pandemic began, rents are down in 41 of the 100 largest cities tracked by Apartment List.
- The largest and most expensive markets experienced the fastest and steepest declines.
- Smaller, more affordable cities offering more space for renters who may no longer have commutes experienced the highest increases in rents.

Source: Apartment List, National Rent Report, September 29, 2020
Apartment Industry Impacts

- Global investment in U.S. apartments declined 49.2 percent year-over-year through the first half of 2020.
- Investment dollars flowed primarily from Canada, accounting for 52 percent of the volume. Denmark, Israel, Switzerland and the U.K. placed in the top five.
- New York City was the only market to experience an increase in foreign investment due to two large deals totaling $827 million.
- In fact, nearly half of all transactions involved assets priced at over $200 million.
- Global investors preferred mid- and high-rise assets, which comprised 79 percent of volume versus 21 percent for garden-style properties.

Source: CBRE, U.S. Inbound Multifamily Investment Trends H1 2020