Economic Backdrop
Economy in 2020 Q1 down 5% ... 2020 Q2 to be down much sharper

<table>
<thead>
<tr>
<th>2020 Q1 or April</th>
<th>% change annualized rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Consumer Spending</td>
<td>-7%</td>
</tr>
<tr>
<td>Business Spending</td>
<td>-6%</td>
</tr>
<tr>
<td>Personal Income Gains in April and May</td>
<td>+12% and +7%</td>
</tr>
<tr>
<td>Savings Rates in April and May</td>
<td>Very High</td>
</tr>
</tbody>
</table>
Total Payroll Jobs in the U.S.

In thousands
Payroll Jobs in Charleston, SC

In thousands
Payroll Jobs in Detroit

In thousands
New First-time Cases ... Unemployment Check Filings ... Cumulative 49 million
Total Ongoing Cases of Receiving Unemployment Checks ... 18 million
Generous Unemployment Benefits due to $600 enhancement
Rent Strike? Weekly Census Survey of Households

Percent of Renters Who Did Not Pay or Deferred Rent

- Apr 23-May 5: 9.9%
- May 7 - May 12: 19.7%
- May 14-May 19: 19.4%
- May 21- May 26: 17.6%
- May 28-June 2: 18.2%
- June 4- June 9: 18.8%
- June 11- June 16: 17.5%
- June 18- June 23: 18.9%
- June 25-June 30: 18.3%
- Jul2-July 7: 16.6%
Multifamily (Apartment) Construction Up or Down?

States with Increase in MF Building Permits in Past 12 Months vs. Prior 12 Months
Federal Reserve
... maximum Liquidity, including buying corporate bonds
Record Lows on 10-year Treasury and 30-year Mortgage Rates
Stock Market Price-to-Earnings Ratio
REIT Stock Market Returns by Sectors

Year-to-date Returns on the FTSE Nareit U.S. Real Estate Index Series as of July 10, 2020

- Data Centers: 22.4%
- Infrastructure: 19.3%
- Industrial: 3.4%
- Self-storage: -7.7%
- All Equity REITS: -13.6%
- Residential: -19%
- Office: -26.4%
- Health care: -27.5%
- Retail: -40.1%
- Lodging/Resorts: -51%

Source: Nareit
Commercial Real Estate Property Price Index
Blowout Federal Budget Deficit

![Bar chart showing federal budget deficit from 2000 to 2020.](chart.png)
10% of Small Businesses Who Will Not Return

Washington DC: 12.9% will not return to normal operations, based on May 16 survey.
Remote Work will Outlast the Virus
Gartner Survey of Businesses

What percentage of your workforce will remain permanently remote post-COVID who were not remote before COVID?

- 26% of Companies remain 0% will remain remote
- 27% of Companies remain 5% will remain remote
- 25% of Companies remain 10% will remain remote
- 17% of Companies remain 20% will remain remote
- 4% of Companies remain 50% will remain remote
- 2% of Companies remain More than 50%
Follow the People … Location Change for Home Purchase

**Which best describes the locations of the homes in which these clients are now interested in purchasing? (Check all that apply)**

- Suburb/Subdivision: 47%
- Rural area: 39%
- Small town: 25%
- Urban area/ Central city: 14%
- Resort community/ Recreation area: 13%
## Forecast with Many Uncertainties

<table>
<thead>
<tr>
<th>Metric</th>
<th>2019</th>
<th>2020 Forecast</th>
<th>2021 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Growth</td>
<td>2.3%</td>
<td>-4.5%</td>
<td>+3%</td>
</tr>
<tr>
<td>Job Gains</td>
<td>+2.2 million</td>
<td>- 4 million</td>
<td>+ 2 million</td>
</tr>
<tr>
<td>10-Year Treasury</td>
<td>2.1%</td>
<td>0.9%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Commercial Real Estate Price Index</td>
<td>7.4%</td>
<td>-10%</td>
<td>-3%</td>
</tr>
</tbody>
</table>
Thank You
MULTIFAMILY
MULTIFAMILY SALES VOLUME: -81% Y/Y IN MAY 2020 (-79% ALL CRE SALES)

Volume of Acquisitions $2.5M+

Source: RCA
Sales volume declined in primary cities, but increased in secondary/tertiary cities.

<table>
<thead>
<tr>
<th>City</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbus</td>
<td>120%</td>
</tr>
<tr>
<td>Stamford</td>
<td>117%</td>
</tr>
<tr>
<td>Indianapolis</td>
<td>116%</td>
</tr>
<tr>
<td>Sacramento</td>
<td>93%</td>
</tr>
<tr>
<td>East Bay</td>
<td>87%</td>
</tr>
<tr>
<td>Nashville</td>
<td>76%</td>
</tr>
<tr>
<td>St Louis</td>
<td>74%</td>
</tr>
<tr>
<td>Memphis</td>
<td>48%</td>
</tr>
<tr>
<td>Portland</td>
<td>45%</td>
</tr>
<tr>
<td>Dallas</td>
<td>40%</td>
</tr>
<tr>
<td>Orlando</td>
<td>40%</td>
</tr>
<tr>
<td>Cleveland</td>
<td>32%</td>
</tr>
<tr>
<td>Salt Lake City</td>
<td>31%</td>
</tr>
<tr>
<td>Detroit</td>
<td>28%</td>
</tr>
<tr>
<td>Kansas City</td>
<td>25%</td>
</tr>
<tr>
<td>Raleigh/Durham</td>
<td>18%</td>
</tr>
<tr>
<td>Hartford</td>
<td>-75%</td>
</tr>
<tr>
<td>Seattle</td>
<td>-67%</td>
</tr>
<tr>
<td>Chicago</td>
<td>-63%</td>
</tr>
<tr>
<td>Inland Empire</td>
<td>-62%</td>
</tr>
<tr>
<td>Palm Beach Co</td>
<td>-58%</td>
</tr>
<tr>
<td>San Diego</td>
<td>-57%</td>
</tr>
<tr>
<td>Orange Co</td>
<td>-52%</td>
</tr>
<tr>
<td>DC, MD, VA burbs</td>
<td>-52%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>-51%</td>
</tr>
<tr>
<td>Phoenix</td>
<td>-48%</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>-44%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>-43%</td>
</tr>
<tr>
<td>Boston</td>
<td>-38%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>-20%</td>
</tr>
<tr>
<td>Manhattan</td>
<td>-7%</td>
</tr>
</tbody>
</table>

Source: RCA
LEASING VOLUME (ABSORPTION) IN 2020 Q2: -81% Y/Y DECLINE

Source: RealPage
LEASING DOWN IN GATEWAY CITIES, BUT UP IN SUN-BELT METROS

About three in 10 of the country’s 150 biggest markets suffered net move-outs from their apartment stocks in 2nd quarter.

Source: RealPage
RENT COLLECTION RISKS WEIGHING DOWN APARTMENT SECTOR

Rent Payment Tracker: Full Month Results

**Data collected from between 11.1 - 11.5 million apartment units in April, May, and June

<table>
<thead>
<tr>
<th>Month</th>
<th>6th*</th>
<th>13th</th>
<th>20th</th>
<th>27th</th>
<th>End of Month</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>97.7%</td>
</tr>
<tr>
<td>May 2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>96.6%</td>
</tr>
<tr>
<td>June</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>96.0%</td>
</tr>
<tr>
<td>April 2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>94.6%</td>
</tr>
<tr>
<td>May 2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>95.1%</td>
</tr>
<tr>
<td>June</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>95.9%</td>
</tr>
</tbody>
</table>

Source: NMHC; https://www.nmhc.org/research-insight/nmhc-rent-payment-tracker/
CMBS 30-DAY DELINQUENCY RATE STILL TRENDING UP

Source: Trepp
LOW VACANCY RATES WILL SUSTAIN RENT GROWTH

Rental Vacancy Rate in 2020 Q1

© 2020 Mapbox © OpenStreetMap
Source: US Census Bureau
INCREASE IN MULTIFAMILY CONSTRUCTION IN MAY 2020 TO EASE RENT PRESSURE

Source: U.S. Census Bureau
OFFICE
OFFICE SALES VOLUME: -82% Y/Y IN MAY 2020 (-79% ALL CRE SALES)

Volume of Acquisitions $2.5M+

- All commercial
- Office
OFFICE OCCUPANCY LOSS IN 2020 Q2: - 14M sf (~200 football fields); GROSS LEASING ACTIVITY: -53% IN 2020 Q2

More than 14 m.s.f. of occupancy losses in Q2 brought YTD absorption to -8.4 m.s.f.

Q2 2020 U.S. Office highlights
- After a 20.9% drop in Q1, leasing collapsed by a further 53.4% during the second quarter

Source: JLL Research

Net absorption (s.f.)
- 2010: 13,554,262
- 2011: 34,991,163
- 2012: 28,204,190
- 2013: 40,011,650
- 2014: 53,509,190
- 2015: 54,557,113
- 2016: 41,774,843
- 2017: 35,669,186
- 2019: 86,107,185
- 2020 (YTD): -3,440,125

Source: JLL Research
NET DECREASE IN PRIMARY MARKETS IN 2020 Q2
NET INCREASE IN LEASED SPACE IN SECONDARY/TERTIARY MARKETS

Top 5: Net increase in leased space (s.f.)
- Atlanta: 1,066,429
- Chicago: 727,763.00
- Phoenix: 685,906.00
- Seattle-Bellevue: 558,460.00
- Salt Lake City: 555,980.00

Top 5: Net decrease in leased space (s.f.)
- New York City: -5,206,475
- San Francisco: -2,002,112
- New Jersey: -1,317,937
- Dallas: -822,833
- Boston: -710,634

Source: JLL
DECLINE IN DEMAND FOR CO-WORKING SPACES

Largest increase in sublease space in markets that are highly exposed to tech, finance, and tourism jobs:

- East Bay (+94.4%)
- Orlando (+90.3%)
- San Francisco (+71.4%)
- Charlotte (+62.7%)
- Denver (+53.1%)
- Raleigh (+44.9%)
- Pittsburgh (+41.0%)

ASKING RENTS FELL SLIGHTLY IN 2020 Q2

Asking rents fell by 0.2% in Q2 as landlords began to adjust pricing and lower-priced blocks hit the market.

Pressures for rent to fall due to tenant requests for:

- Rent abatement
- Tenant improvement allowances
DECLINING SHARE OF OFFICE-CBD SALES SINCE 2012 IN PART DUE TO HIGH CBD PRICES

Volume of Office Acquisitions of $2.5M or over

- CBD
- Suburban
- Share of CBD sales to total

Source: Real Capital Analytics
SUBURBAN OFFICE SPACE DEMAND FACTORS: LOWER PRICE + WORK FROM HOME

<table>
<thead>
<tr>
<th>City</th>
<th>CBD</th>
<th>Suburb</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco</td>
<td>$978</td>
<td>$1,746</td>
</tr>
<tr>
<td>Manhattan</td>
<td>$703</td>
<td>$570</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>$671</td>
<td>$419</td>
</tr>
<tr>
<td>Nashville</td>
<td>$642</td>
<td>$233</td>
</tr>
<tr>
<td>Boston</td>
<td>$617</td>
<td>$354</td>
</tr>
<tr>
<td>Austin</td>
<td>$587</td>
<td>$178</td>
</tr>
<tr>
<td>San Jose</td>
<td>$586</td>
<td>$487</td>
</tr>
<tr>
<td>DC</td>
<td>$494</td>
<td>$251</td>
</tr>
<tr>
<td>East Bay</td>
<td>$467</td>
<td>$212</td>
</tr>
<tr>
<td>No NJ</td>
<td>$400</td>
<td>$138</td>
</tr>
<tr>
<td>San Diego</td>
<td>$376</td>
<td>$293</td>
</tr>
<tr>
<td>Sacramento</td>
<td>$337</td>
<td>$185</td>
</tr>
<tr>
<td>Denver</td>
<td>$326</td>
<td>$213</td>
</tr>
<tr>
<td>Chicago</td>
<td>$277</td>
<td>$190</td>
</tr>
<tr>
<td>Charlotte</td>
<td>$259</td>
<td>$228</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>$186</td>
<td>$239</td>
</tr>
<tr>
<td>Raleigh/Durham</td>
<td>$177</td>
<td>$248</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>$97</td>
<td>$182</td>
</tr>
<tr>
<td>Detroit</td>
<td>$79</td>
<td>$172</td>
</tr>
<tr>
<td>Total US</td>
<td>$426</td>
<td>$240</td>
</tr>
</tbody>
</table>

Source: Real Capital Analytics, Jan-May 2020 transactions
Note: Suburb office space associated with Manhattan is NYC Burroughs
Suburb office space associated with DC is DC-VA suburb
~500k NET NEW OFFICE-USING JOBS IN MAY-JUNE 2020

466,000 Net Office-Using Payroll Job Gains in May and June 2020

- Employment Services: 211.6
- Services To Buildings & Dwellings: 117.7
- Accounting & Bookkeeping Services: 51
- Other Professional & Technical Services: 42.2
- Management & Technical Consulting Services: 18.1
- Architectural & Engineering Services: 16.4
- Legal Services: 14.5
- Business Support Services: 11.5
- Other Support Services: 10.7
- Scientific Research & Development Services: 7
- Specialized Design Services: 5.6
- Investigation & Security Services: 4.9
- Facilities Support Services: 2.2
- Advertising & Related Services: 1.9
- Business Support Services: 1.8
- Employment Services: -2
- Services To Buildings & Dwellings: -7.2
- Accounting & Bookkeeping Services: -14.4
- Other Professional & Technical Services: -27.5

Source: BLS Establishment Survey
THANK YOU.
Brandon Hardin

Research Economist

NATIONAL ASSOCIATION OF REALTORS®
Retail Market
Retail Trade Employment Improves
Total Monthly Sales for Retail and Food Services Trends Upward

2020 Total Monthly Sales for Retail and Food Services

January: 531,643
February: 527,273
March: 483,476
April: 412,766
May: 487,708
June: 524,306
Total Monthly Sales for Non-Store Retail Slightly Decreases

Nonstore Retailers, SA Millions

- Nonstore Retailers
- Elect. Shopping & M/O Houses

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan-20</th>
<th>Feb-20</th>
<th>Mar-20</th>
<th>Apr-20</th>
<th>May-20</th>
<th>Jun-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>60</td>
<td>57</td>
<td>62</td>
<td>68</td>
<td>79</td>
<td>83</td>
</tr>
</tbody>
</table>
Total Monthly Sales for Food Services & Drinking Places Continue Upward Momentum

![Bar graph showing monthly sales for Food Services & Drinking Places in 2020. Sales start at 66,210 in January, decrease to 45,915 in April, and recover to 47,425 in June.]
• Share of market:

- **DoorDash**: 45%
- **Grubhub**: 22%
- **Postmates**: 8%
- **Uber Eats**: 24%

* Sales are indexed to food delivery January 2018 (sales=100)
Source: Second Measure
Retail Sales Transactions Fell 83%
Retail Rent Payment Increases

Percent of Retail Rent Paid March - June 2020

March: 91%
April: 54%
May: 59%
June: 61%

Source: Datex Property Solutions
Note: *as of mid-June
Industrial Market
Warehouse and Storage Employment Increases

Warehousing and Storage Employees YTD, SA Thousands
Industrial Average Per Square Foot Increased By $2

Industrial Properties and Avg. Per Square Foot

Source: Real Capital Analytics
Industrial Sales Transactions Fell 70%

Source: Real Capital Analytics
Industrial Only Sector to Decrease Delinquency Rates

CMBS Delinquency Rate by Property Type

Source: Trepp
THANK YOU.