



MONTHLY COVID ROUND-UP WITH RCLCO

August 20, 2020

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RCLCO
REAL ESTATE ADVISORS

TODAY'S PANELISTS



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SECTOR IMPACTS AND OPPORTUNITIES

*Demand Outlook -- Favorable Enduring
Mid- to Long-Term Consumer Behavior*



More Stable Near-Term Property Fundamentals:

- *Slightly Reduced to Flat NOI*
- *Strong Investor Interest*
- *Limited Repricing*

Deteriorating Near-Term Property Fundamentals:

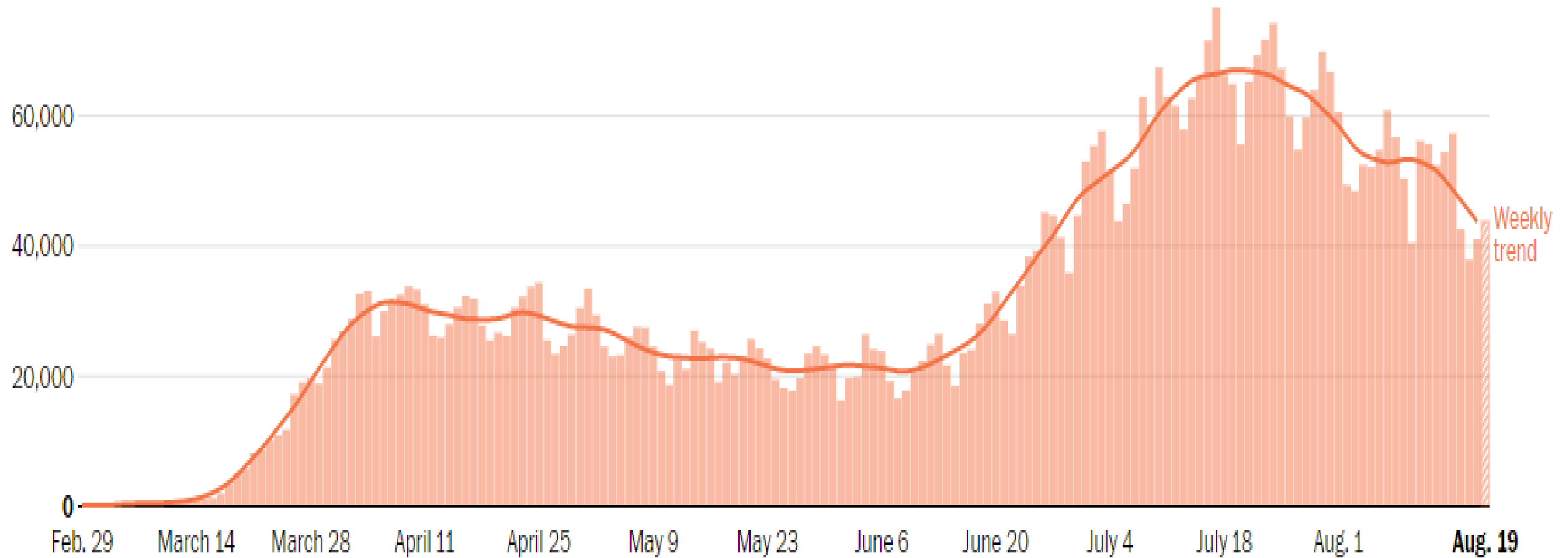
- *Meaningfully Reduced NOI*
- *Limited Investor Interest*
- *Moderate/Significant Repricing*

*Demand Outlook -- Sustained, Negative
Trajectory in Consumer Behavior*

COVID-19 & THE CURVE

Updated: August 19, 2020

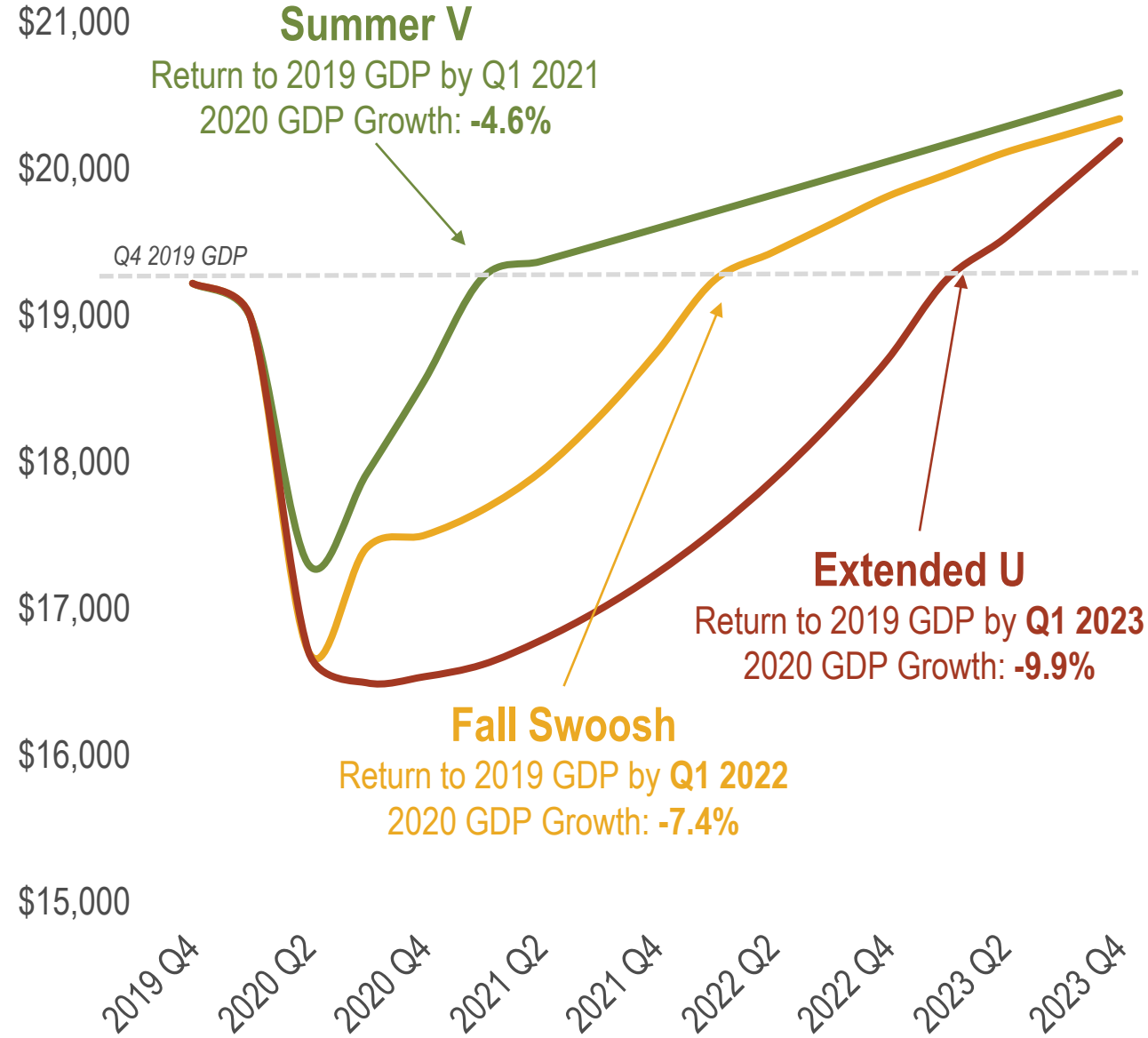
New Cases – U.S.



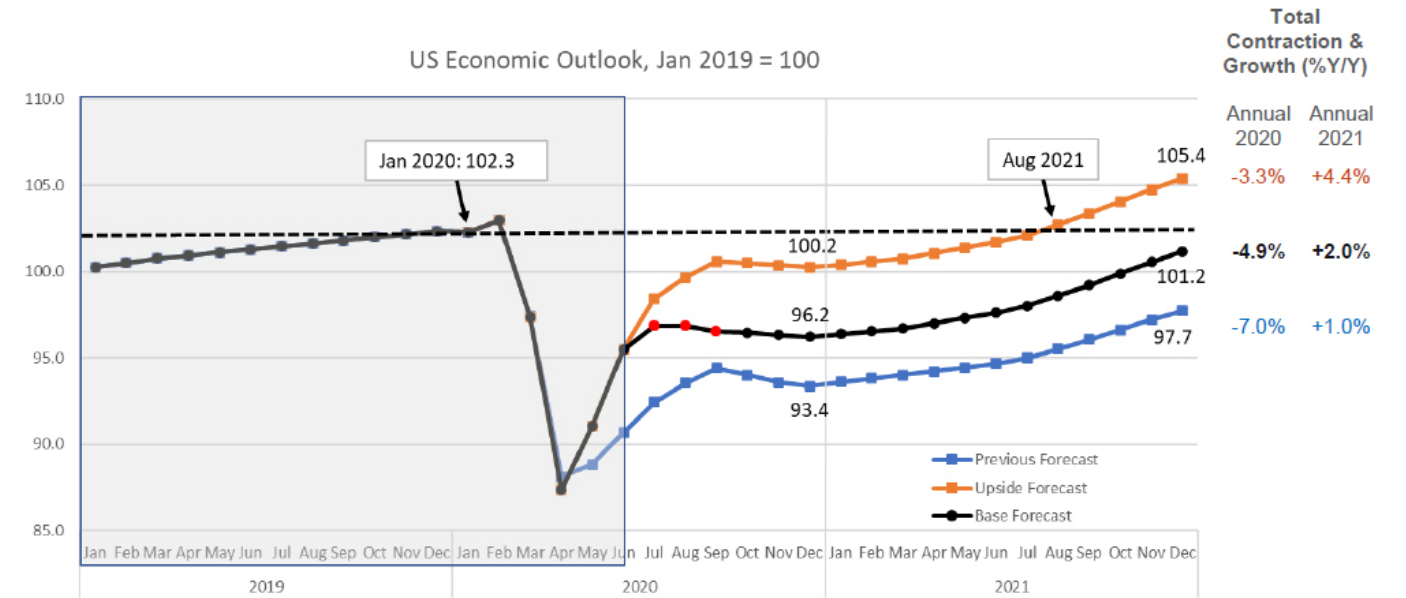
Note: The spike in deaths on June 25 is due to New Jersey authorities [adding more than 1,800 probable deaths](https://www.washingtonpost.com/graphics/2020/national/coronavirus-us-cases-deaths/?itid=sn_coronavirus_2/) to the state's totals.

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COVID-19 & POSSIBLE RECOVERY SCENARIOS



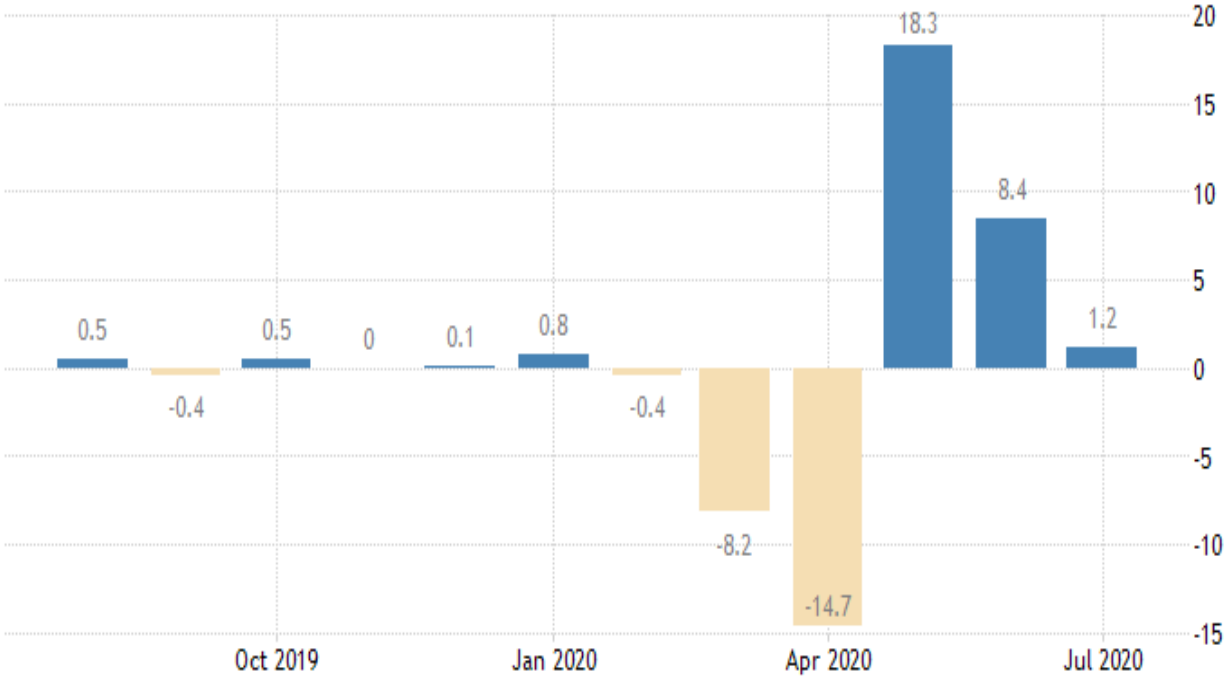
The U.S. Economic Forecast



Source: The Conference Board

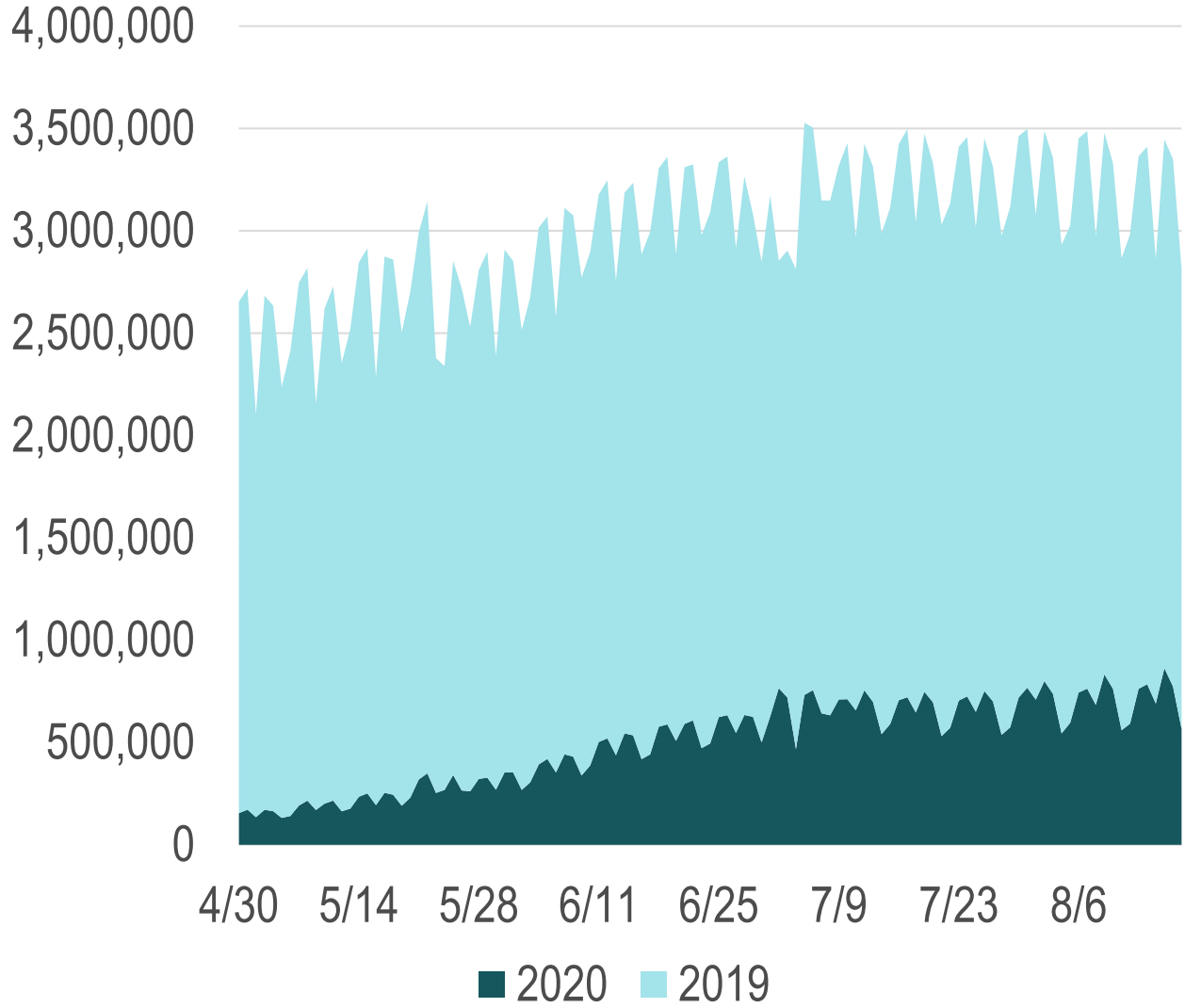
TWO EXTREMES IN MARKET RECOVERY

Quarterly Change in Retail Sales – U.S.



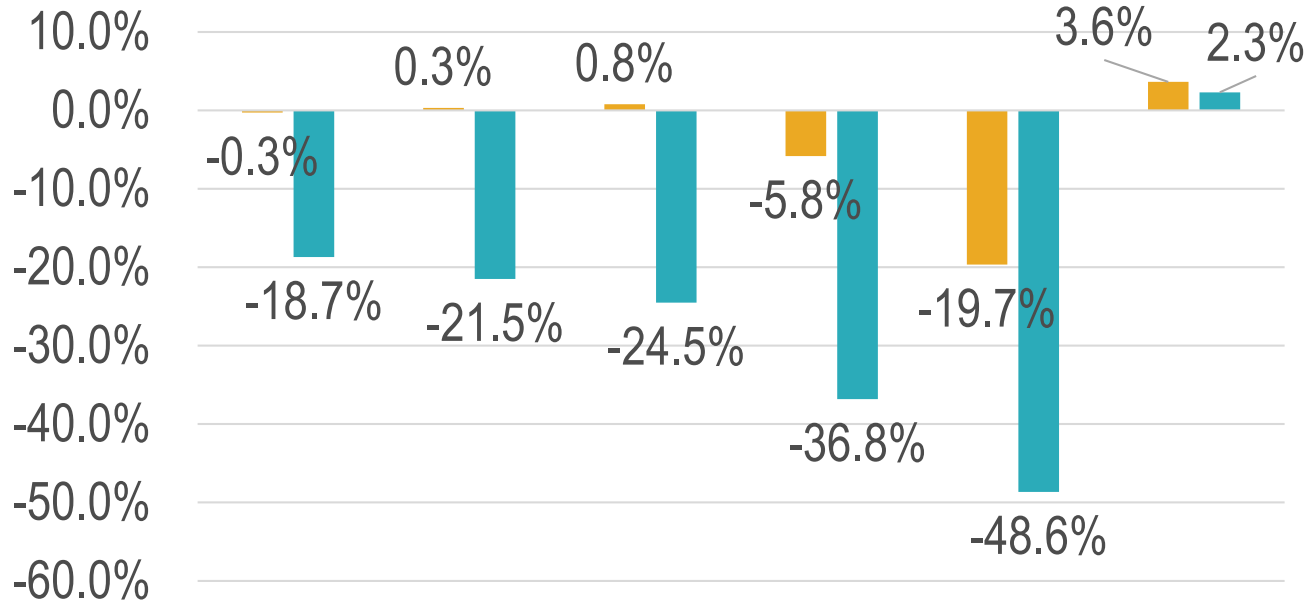
SOURCE: TRADINGECONOMICS.COM | U.S. CENSUS BUREAU

TSA Checkpoint Travel Numbers for 2020 & 2019



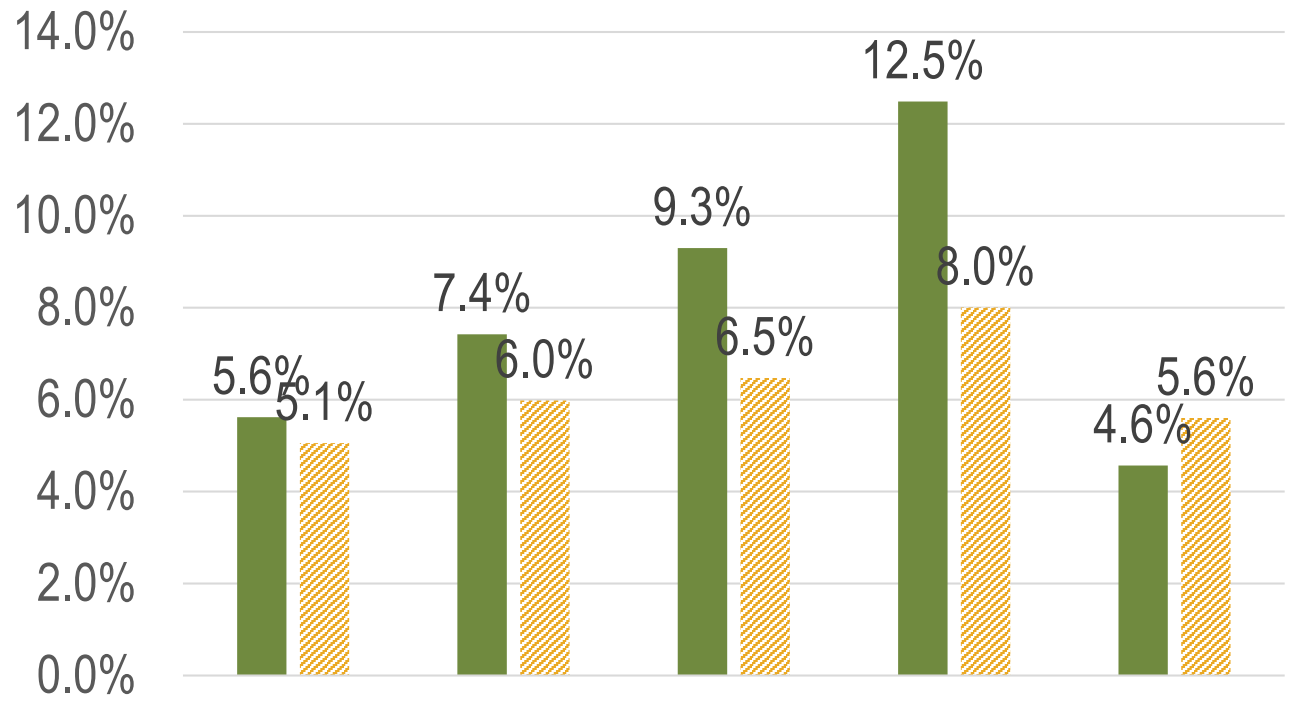
IMPLICATIONS FROM REITS

NCREIF Property Index vs. FTSE Nareit Equity REITs Index – 1H 2020



■ NCREIF Property Index (NPI)
■ FTSE Nareit Equity REITs Index (FNRE)

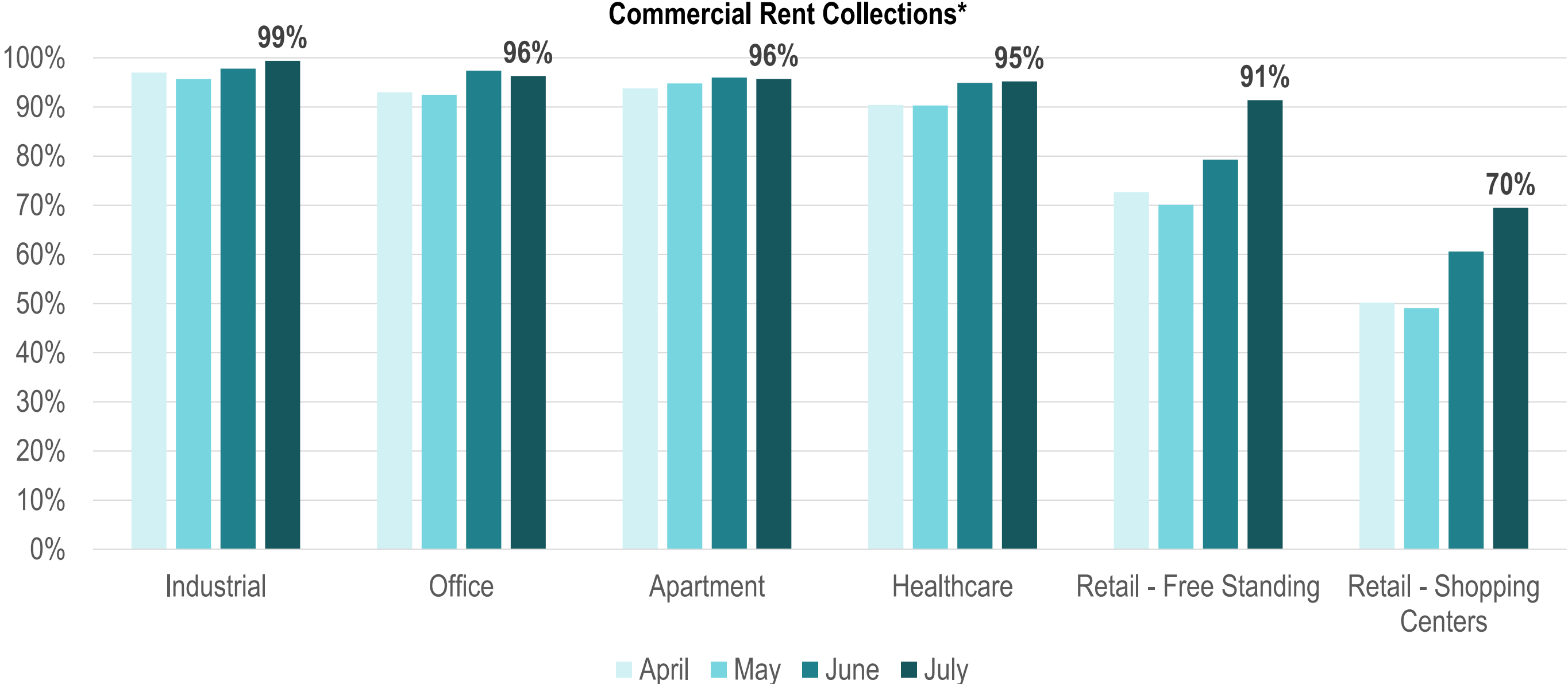
REIT Implied Cap Rates vs. Private Market Cap Rate



■ Implied Cap Rates (8/6/20)
▨ Private Mkt Cap Rates (Q1 2020)



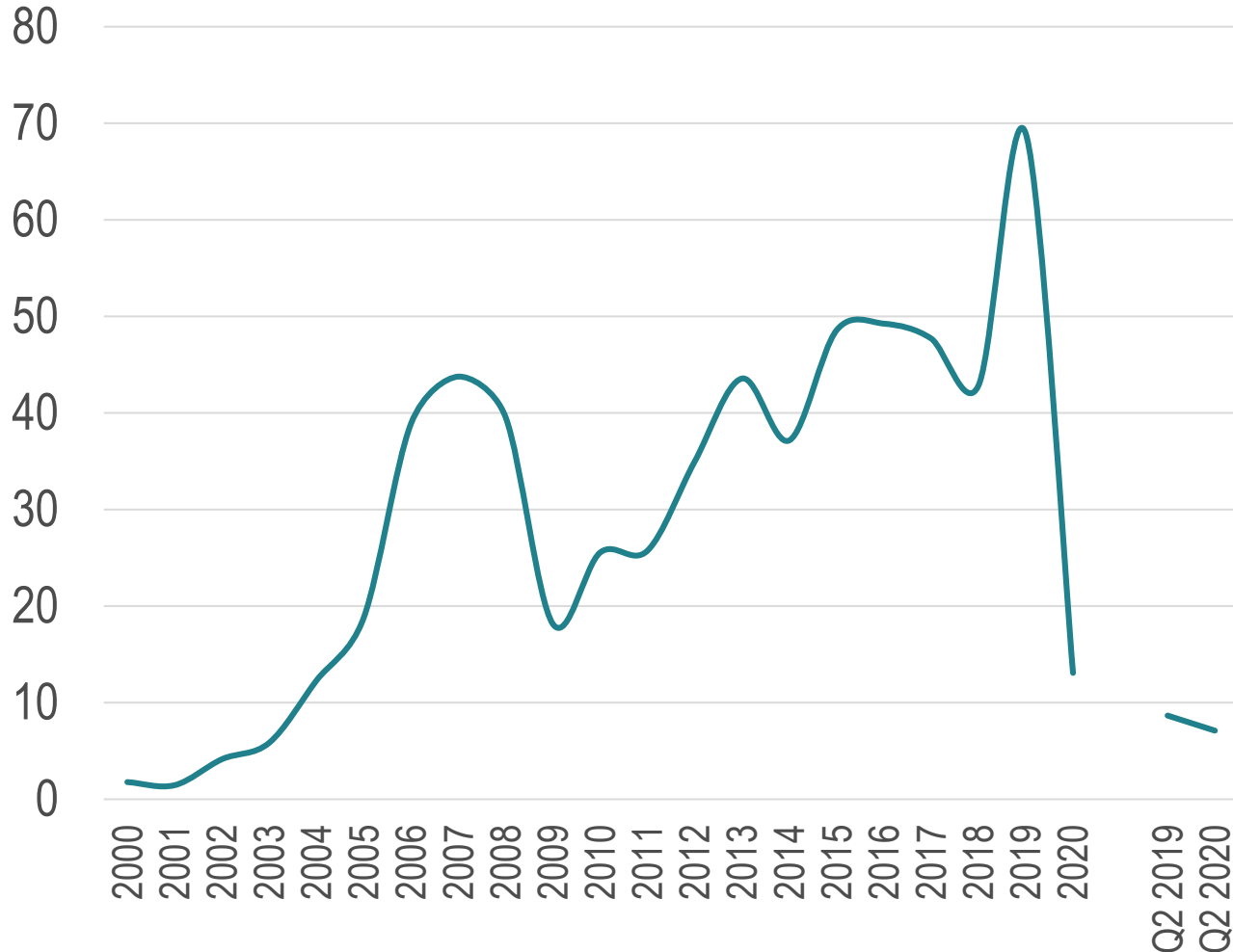
COMMERCIAL RENT COLLECTIONS



**Data is percentage of typical rent received. July data is as of July 20th.
Source: NCREIF*

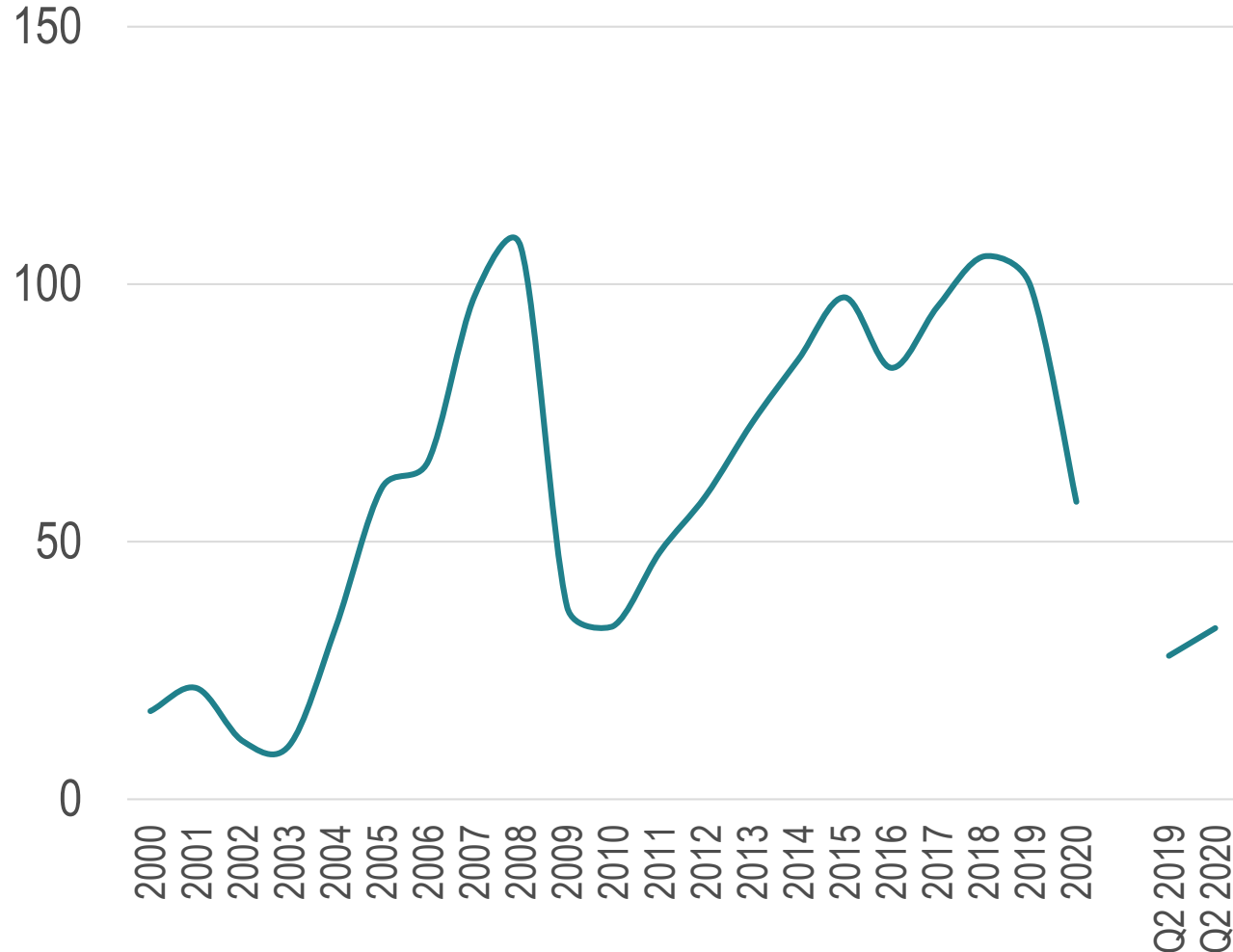
DRY POWDER FOR REAL ESTATE

International (Non-U.S.) RE Fundraising



— Capital Raised (\$bn)

United States RE Fundraising

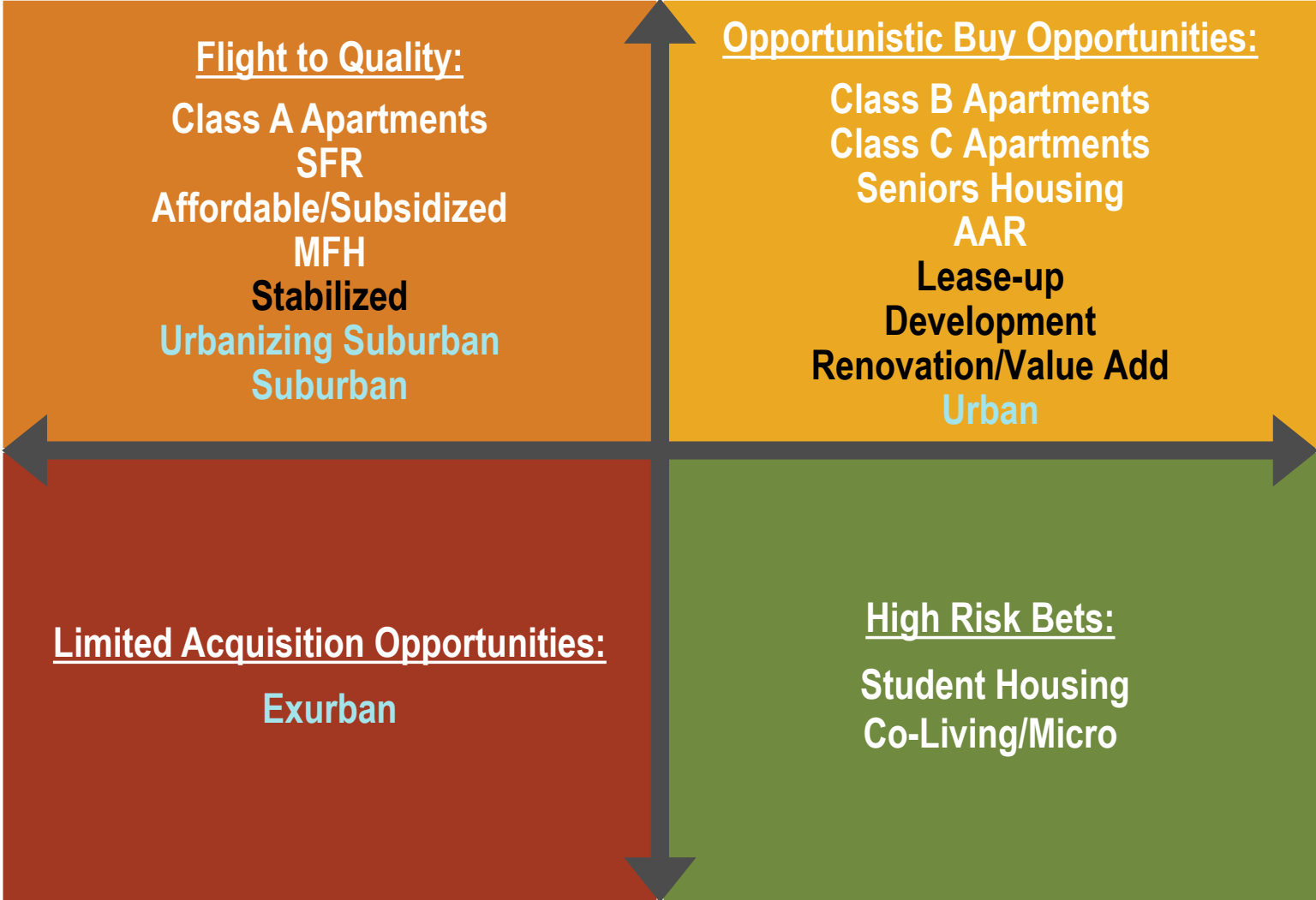


— Capital Raised (\$bn)



MULTIFAMILY IMPACTS AND OPPORTUNITIES

*Demand Outlook -- Favorable Enduring
Mid- to Long-Term Consumer Behavior*



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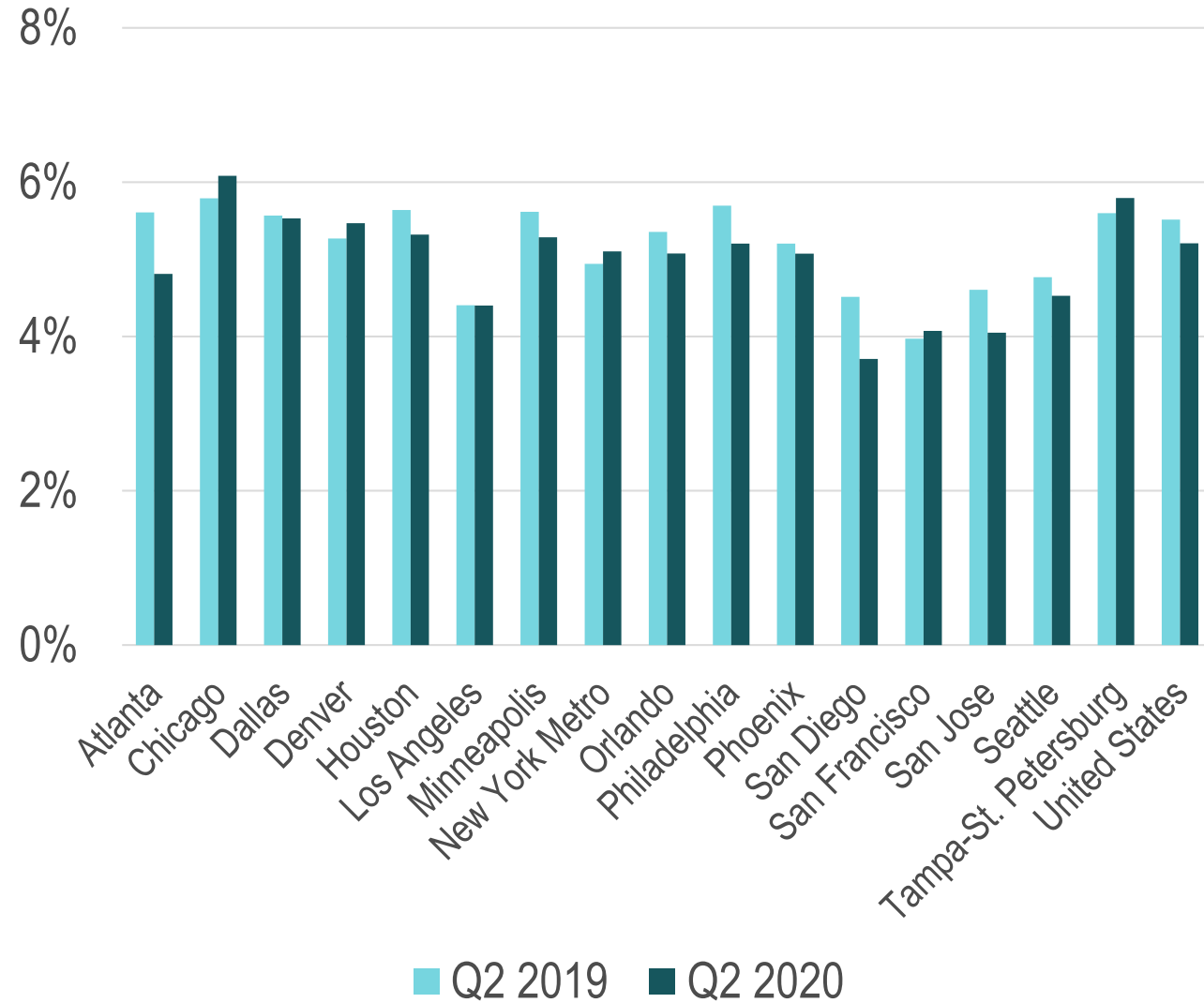
Deteriorating Near-Term Property Fundamentals:

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- Limited Investor Interest
- Moderate/Significant Repricing

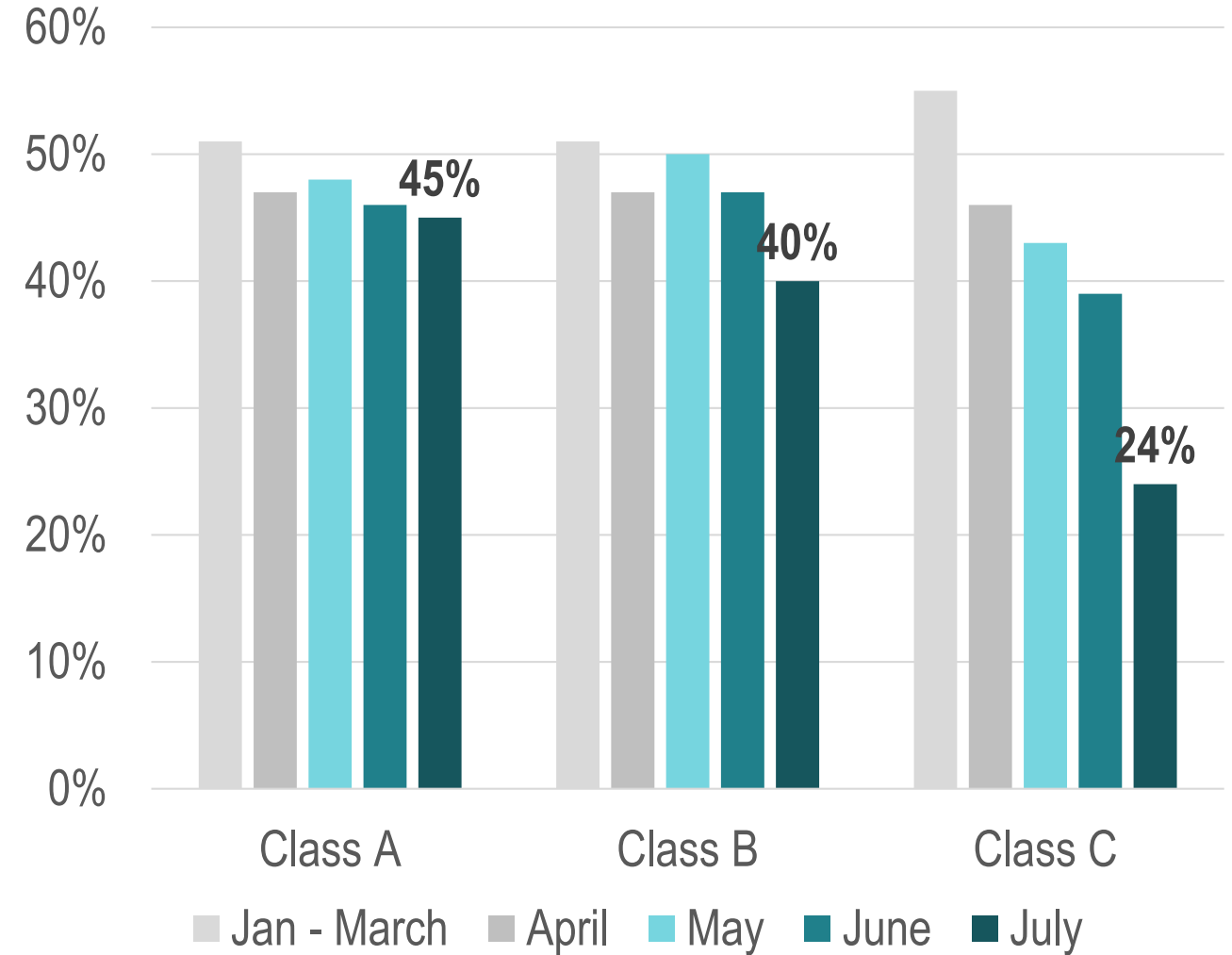
*Demand Outlook -- Sustained, Negative
Trajectory in Consumer Behavior*

APARTMENT RENT COLLECTIONS

Average Multifamily Cap Rates

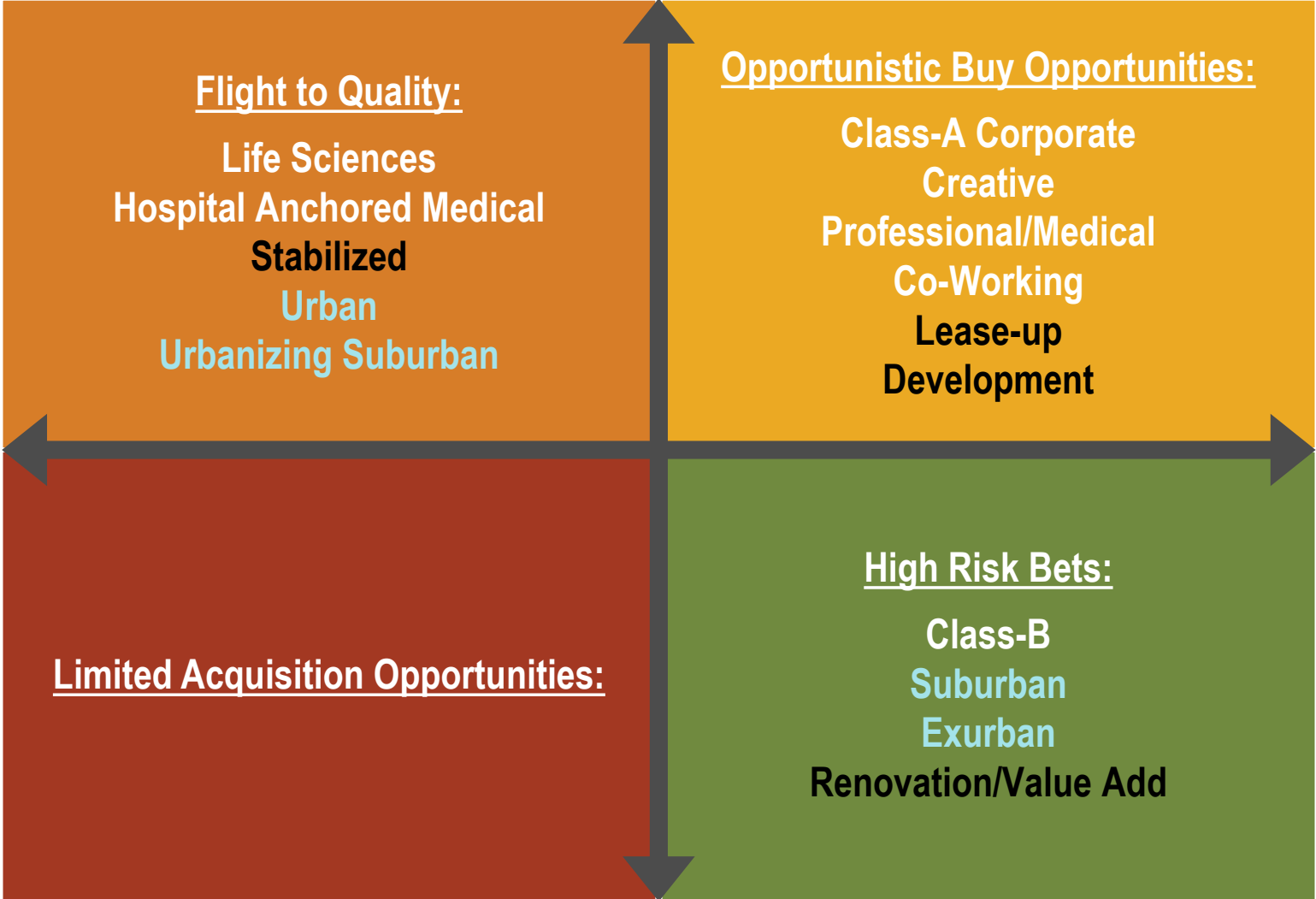


Percentage of Renters by Class Who Paid Full Rent in the First Fifteen Days of the Month



OFFICE IMPACTS AND OPPORTUNITIES

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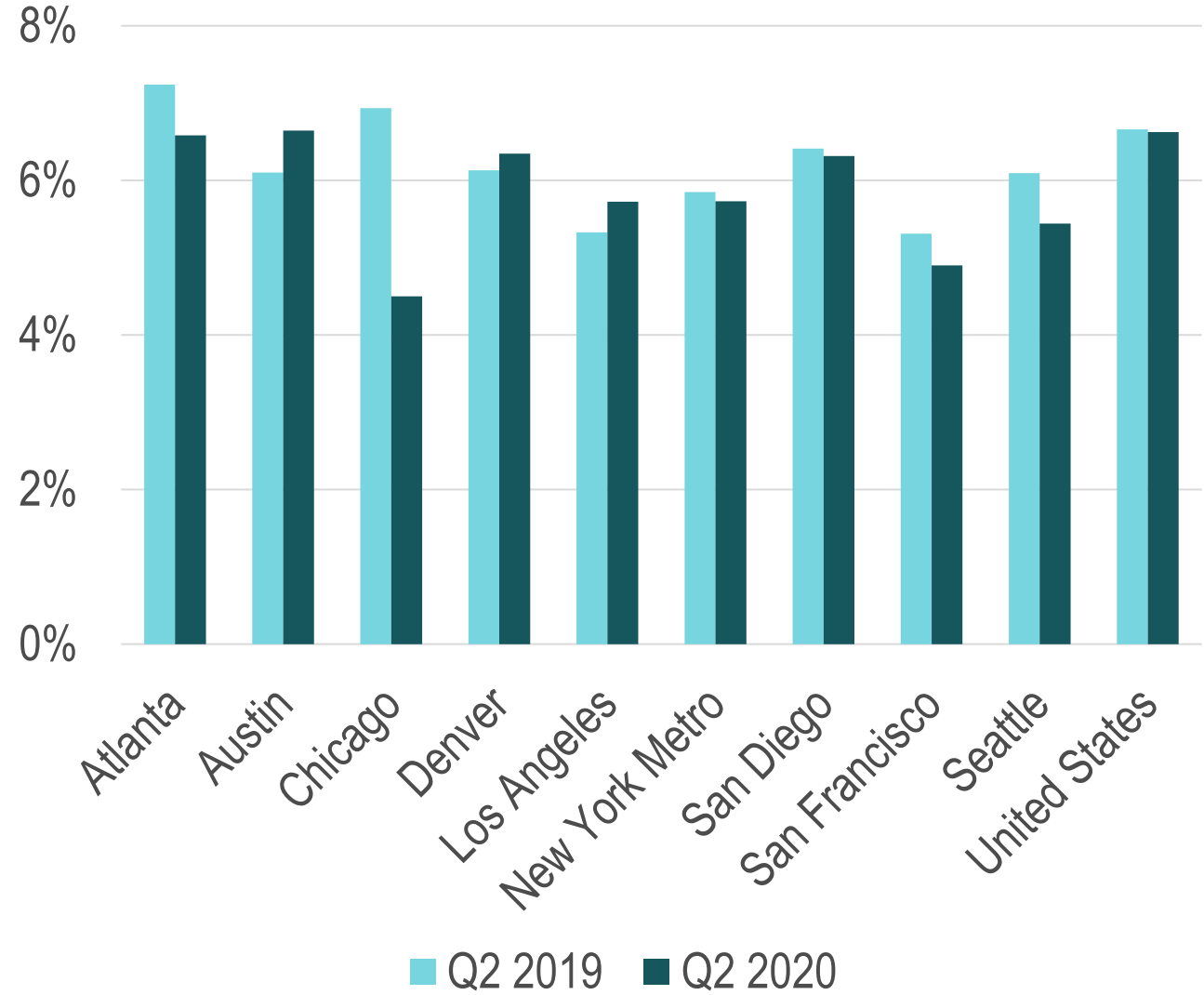
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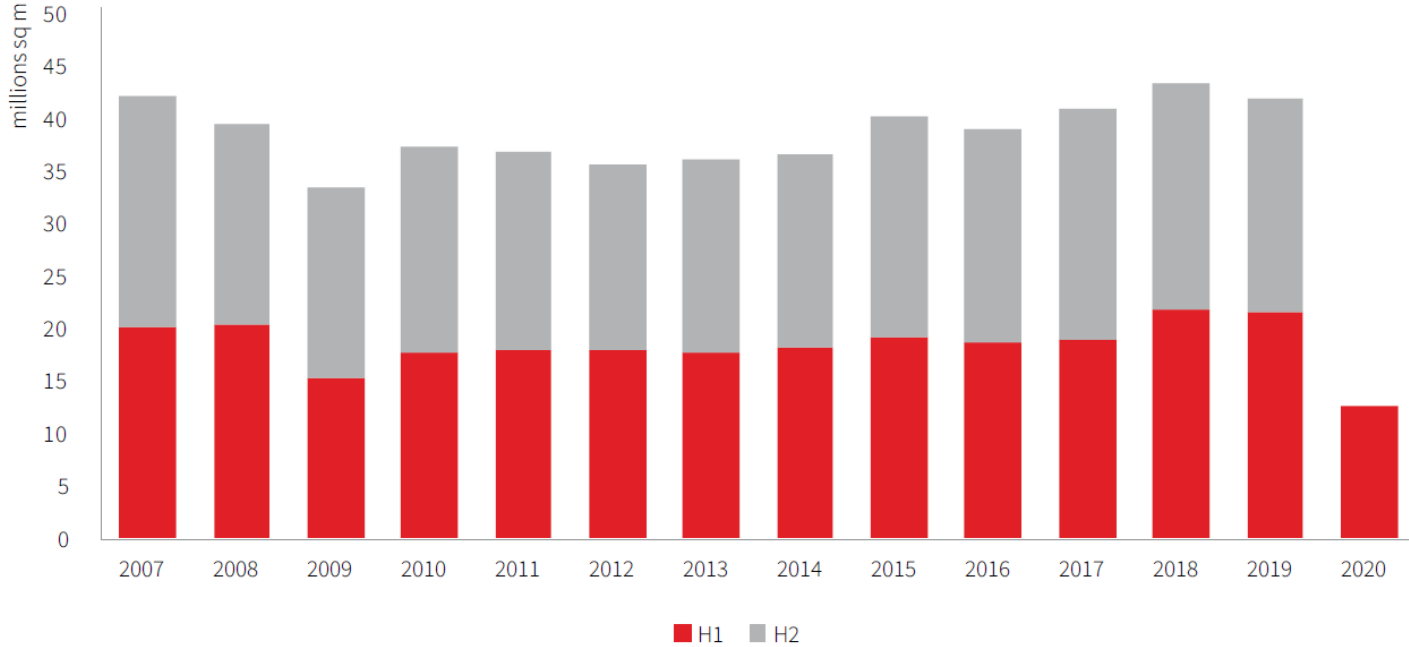
OFFICE RENT COLLECTIONS

Average Office Cap Rates

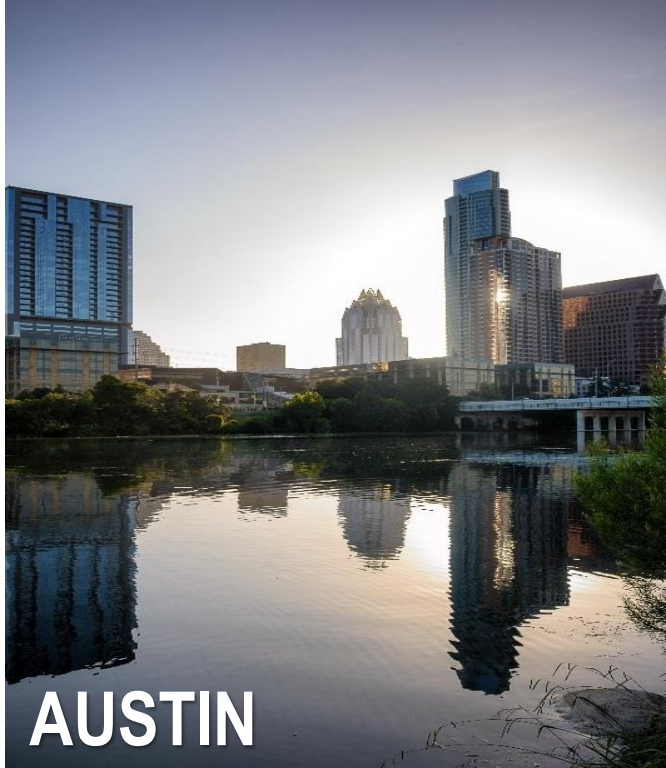


Global Office Gross Leasing Volumes, 2007 – 2020

24 markets in Europe; 50 markets in the U.S.; 22 markets in Asia Pacific



Source (Left): RCA
Source (Right): JLL, July 2020



AUSTIN

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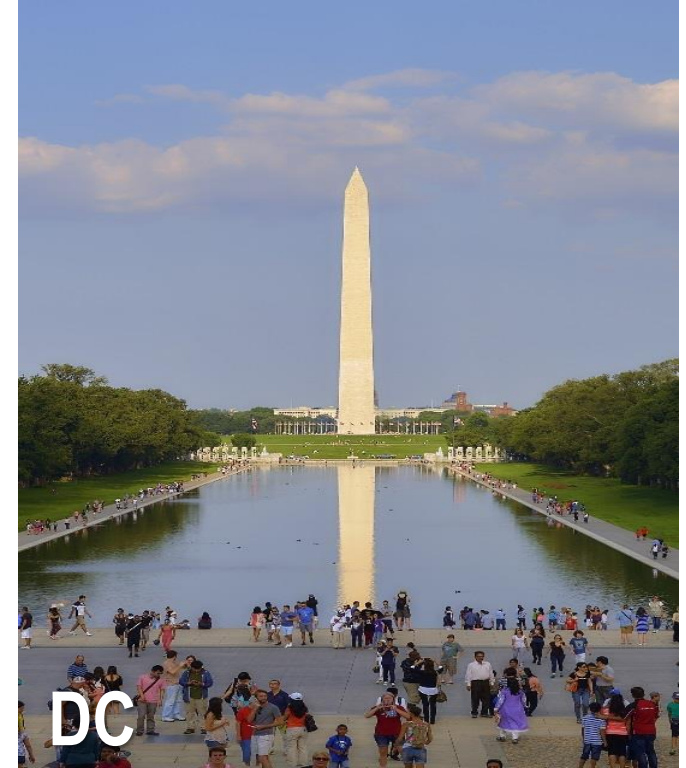
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