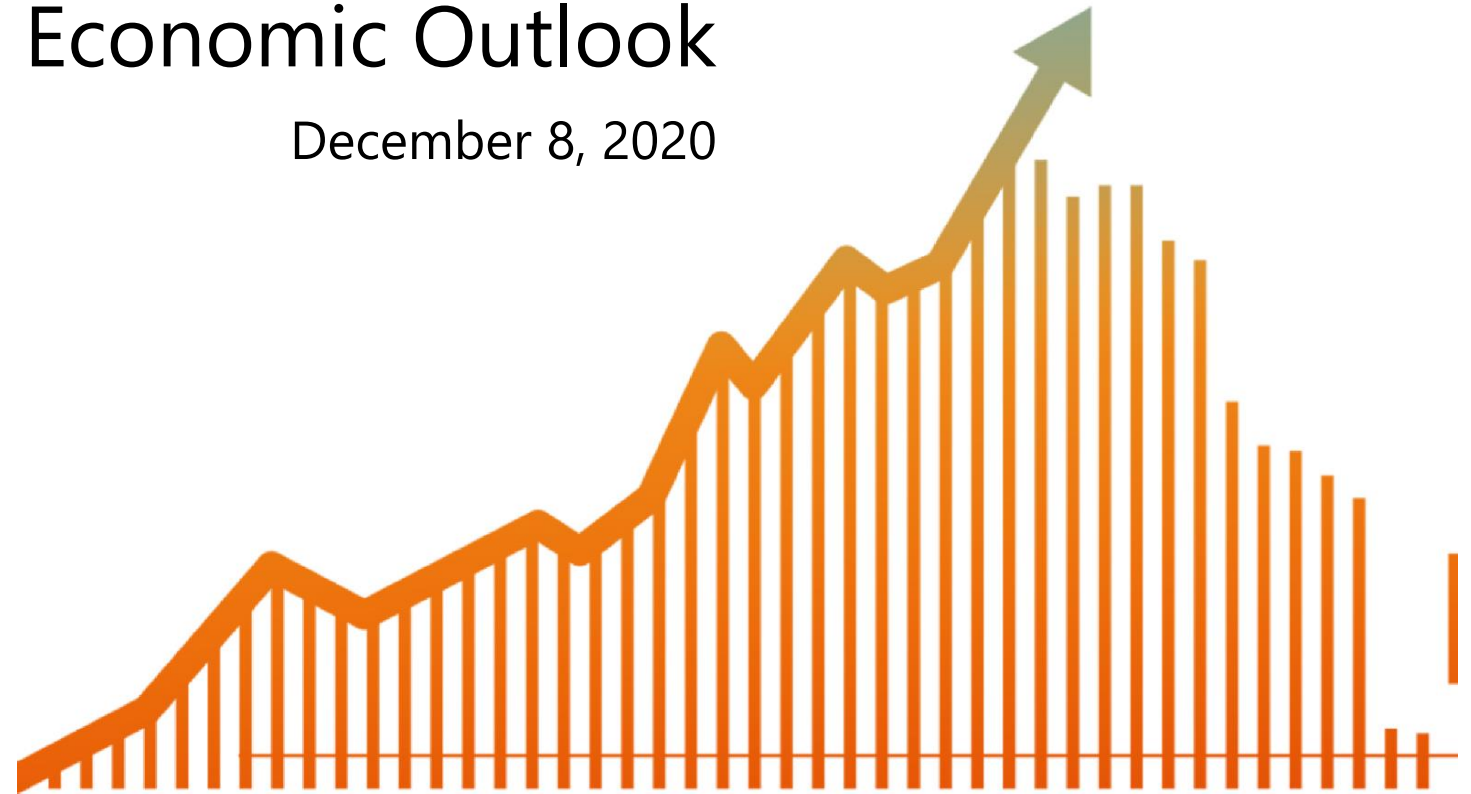




Where Will Rent Grow In 2021?

Housing Market & Economic Outlook

December 8, 2020



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Key Trends & Outlook

Factors Affecting the Housing Market



“K-shaped” recovery is benefitting some over others



Lower-income households, renters facing greater financial challenges



Rising home prices have increasingly put homeownership out of reach for low- and moderate-income households

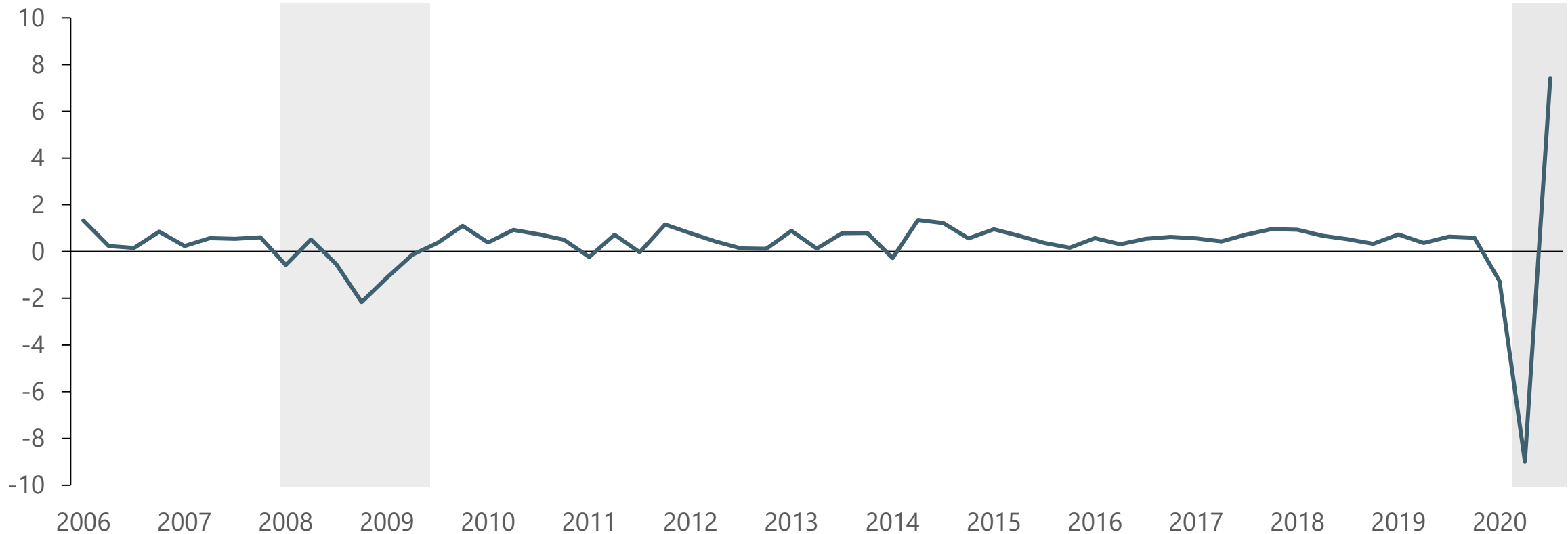


Rents softening in some higher-cost, urban markets

U.S. Real GDP Growth

Between July and September, GDP grew by 7.4%

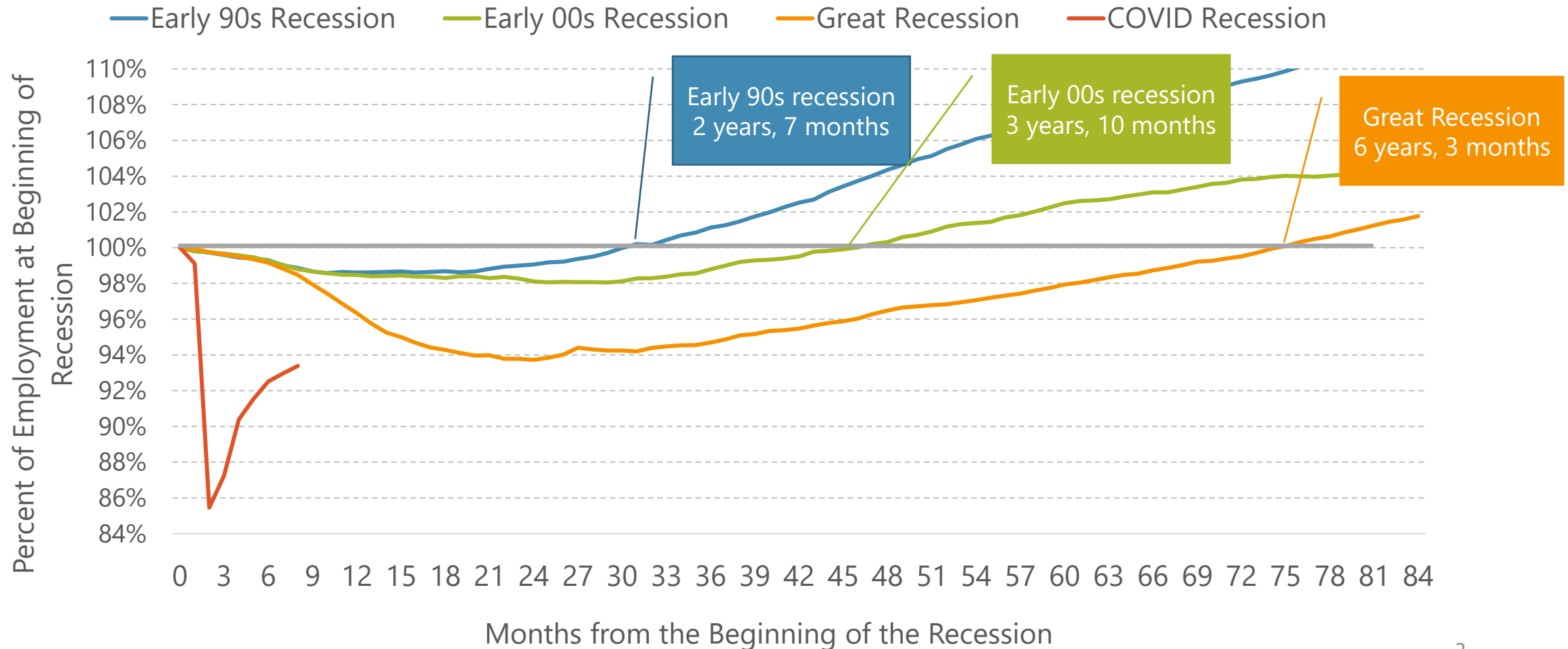
Quarterly Change (%)

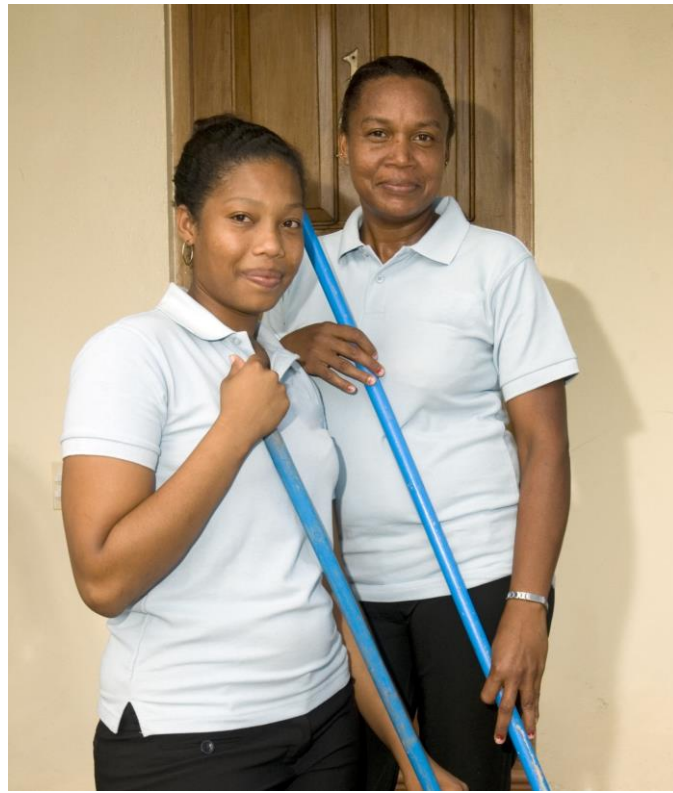


Nationally, we are at 93% of pre-recession job totals

Full recovery could take years

U.S. Employment





Leisure & Hospitality, Retail workers have been hardest hit by downturn.

More likely to be lower-income, renters

Professional Services, Manufacturing workers have fared better.

More likely to be higher-income, homeowners



Personal Savings Rate Spiked in Q2

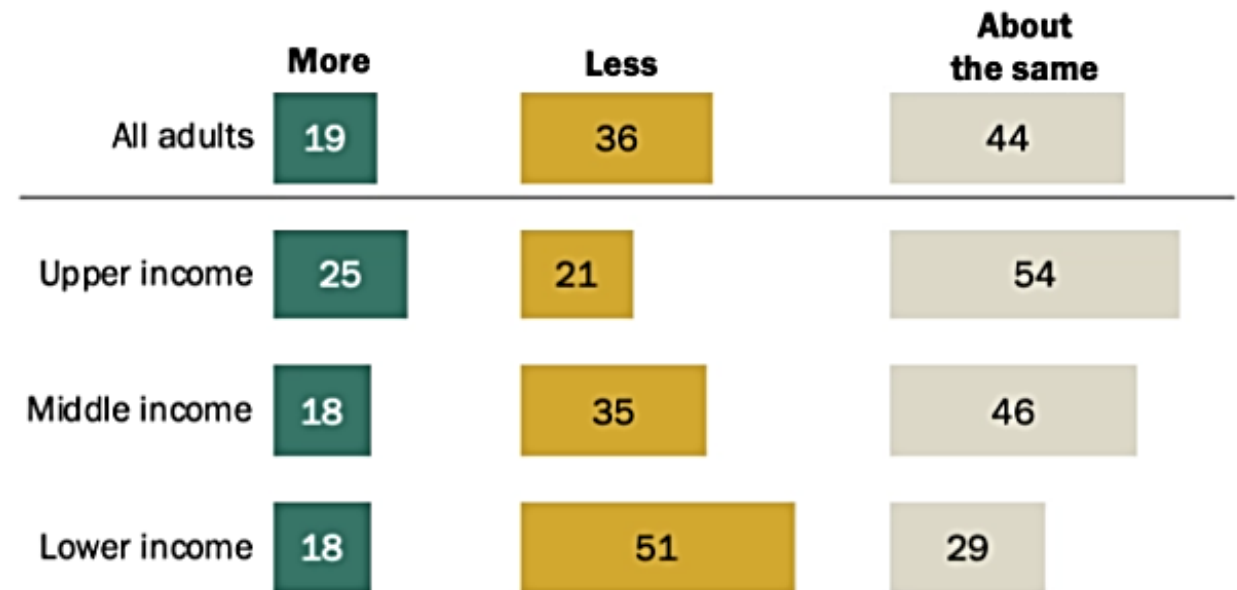
Lower-income households drawing down savings more during COVID

Personal Savings as a % of Disposable Income, All U.S. Households



Source: U.S. Bureau of Economic Analysis, Seasonally Adjusted

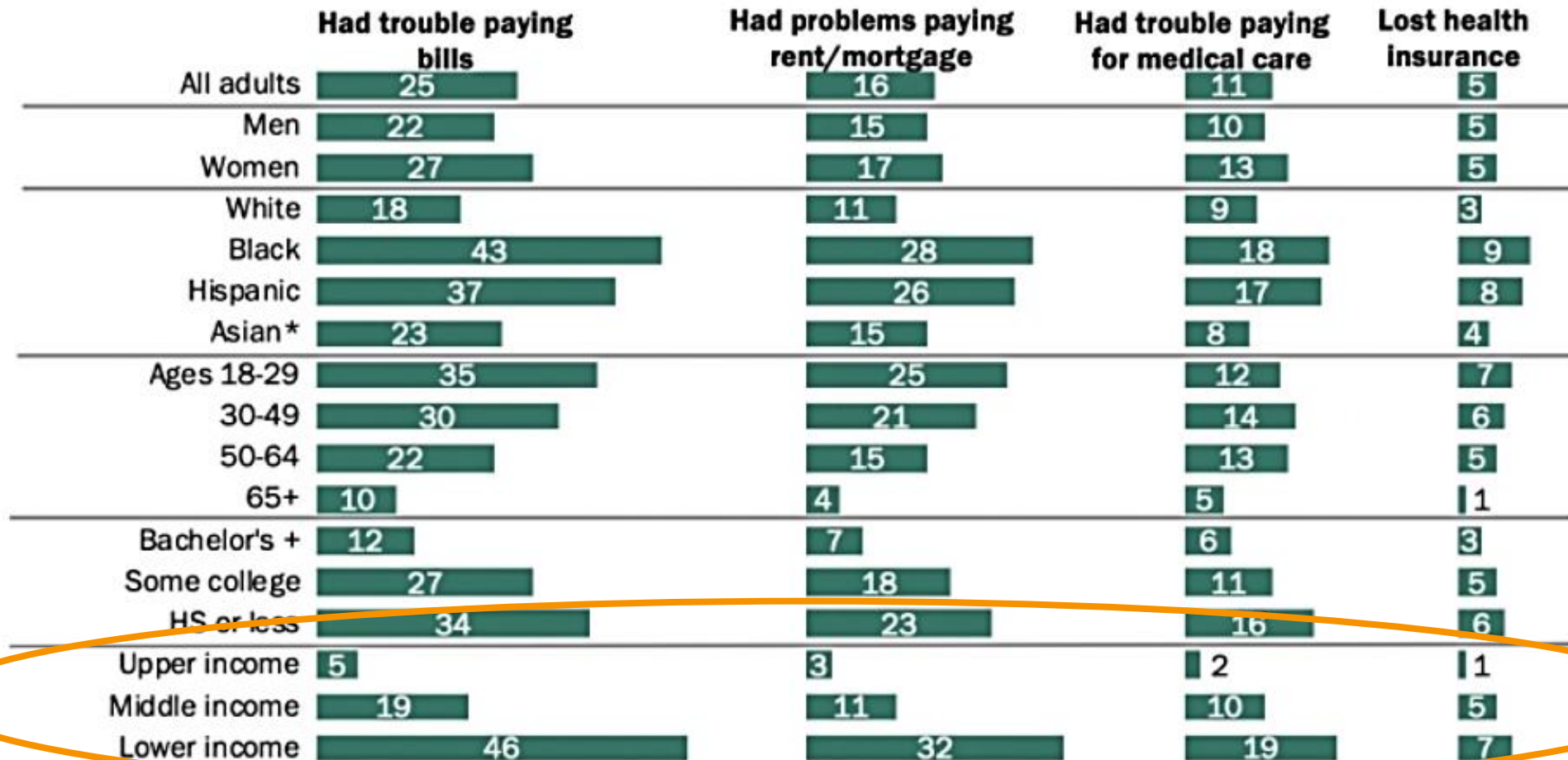
% Saving More, Less, or About the Same Since February



Source: Pew Research Center, Aug 3-16, 2020 5

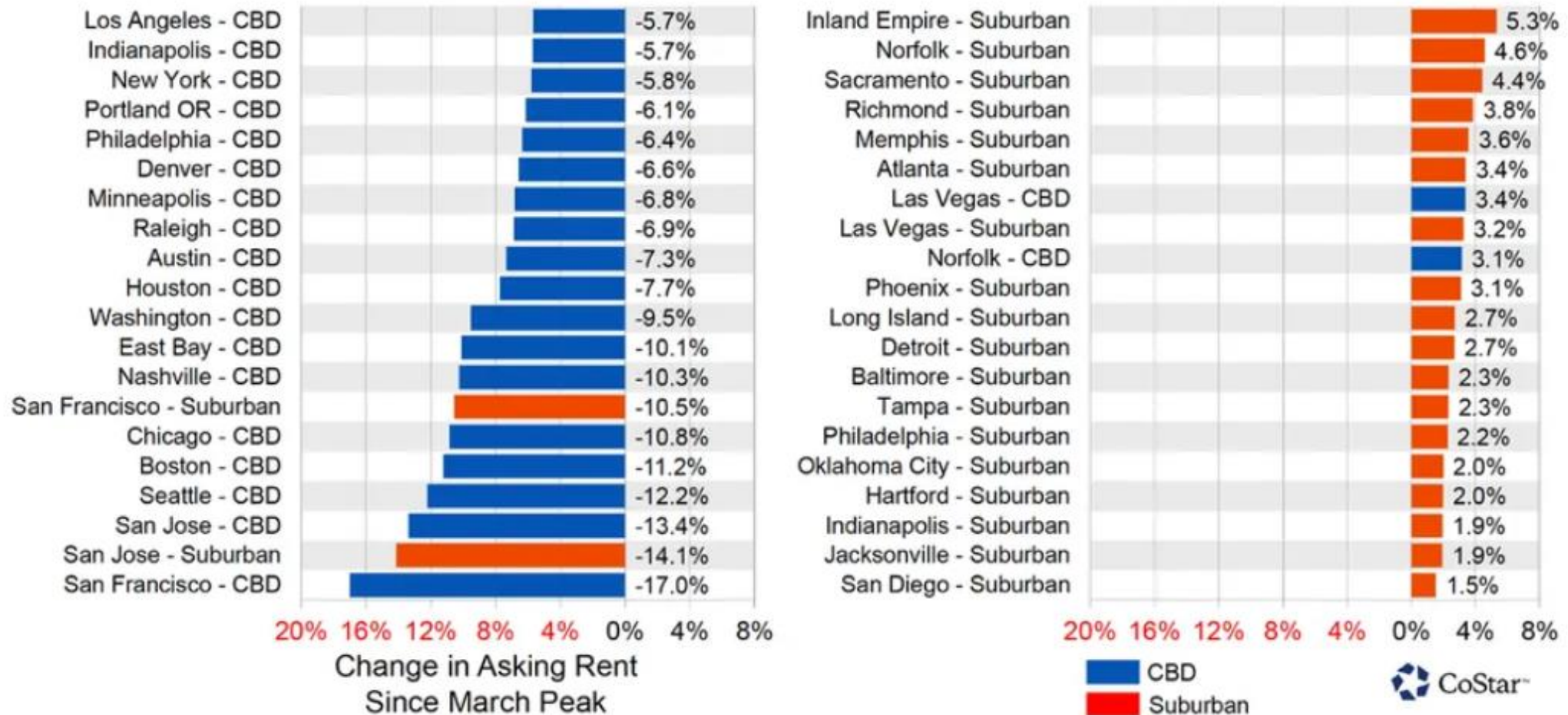
Lower-Income Households Are Having Bigger Financial Challenges

% of adults in each group who say they have ____ since the coronavirus outbreak began in February



Higher-Demand for Housing in Lower-Density Areas

Change in Rent, March Peak to November 2



What's ahead for 2020 and 2021?

Economy

- Slower economic recovery in Q4
- Economic uncertainties remain
 - Federal stimulus?
 - Renewed job losses
 - Resurgence in COVID cases
- Low mortgage rates into 2021

Housing Market

- Strong home sales activity
- Housing affordability and low inventory will remain challenges
- More demand for smaller markets and single-family homes
- Rents falling in higher-cost, oversupplied markets