

COVID-19 MID-MARKET DATA SURVEY

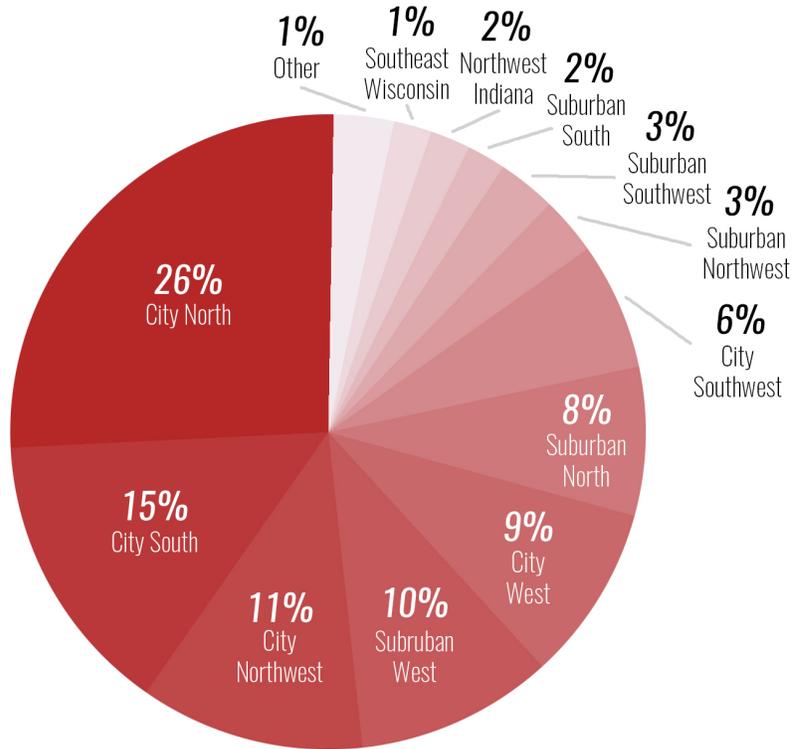


RESULTS OF THE KISER GROUP COVID-19 MARKET SURVEY

Kiser Group recently surveyed clients to learn more about how mid-market multifamily owners throughout Chicagoland are being impacted by COVID-19. Responses were received from a diverse cross-section of multifamily ownership profiles and a geographic spectrum of the entire Chicago MSA including southeast Wisconsin and northwest Indiana. Input was received from more than 14,000 units, resulting in a data set sufficient for analysis of Chicagoland's mid-market multifamily industry.

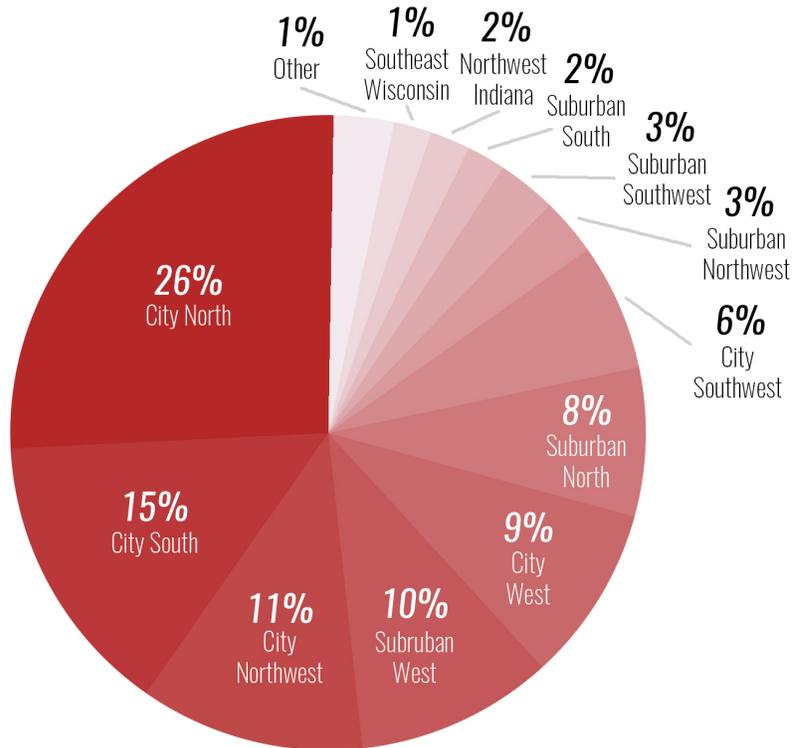


Geographic Representation of Units Managed or Owned



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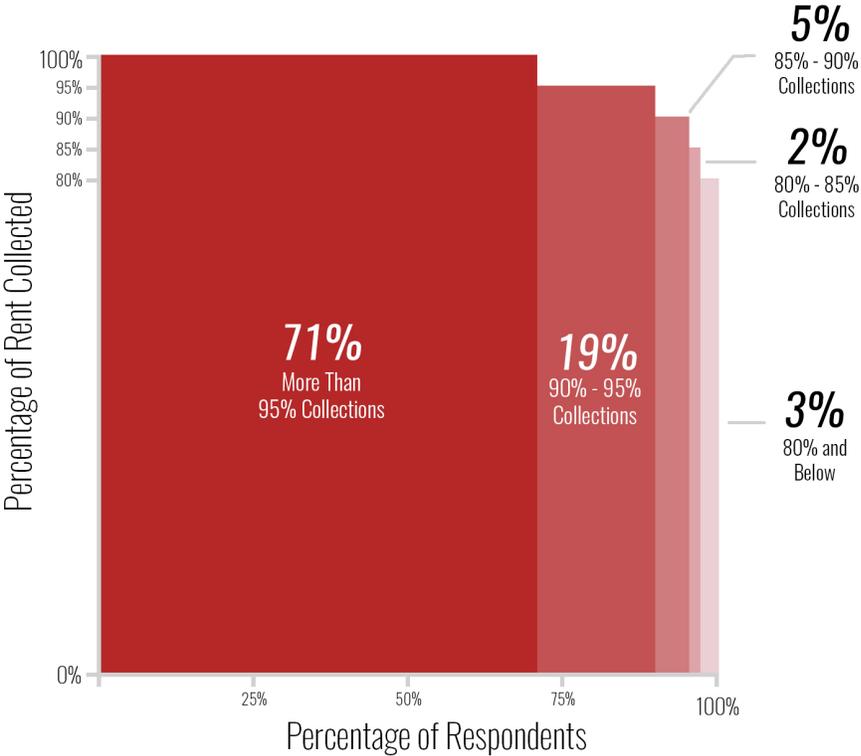
Geographic Representation of Units Managed or Owned



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“The survey results regarding residential rent collection indicate continued strength,” said Principal and Managing Broker Lee Kiser. “Apartment rent collection exceeding 80% was reported by more than 94% of respondents for March and April, and May rent collections above the 80% threshold are actually slightly higher at 95% of respondents. “We saw plenty of headlines and commentary from institutional sources speculating the sky might be falling; however, we have always understood the strength of the mid-market and now have data to substantiate its resiliency.”

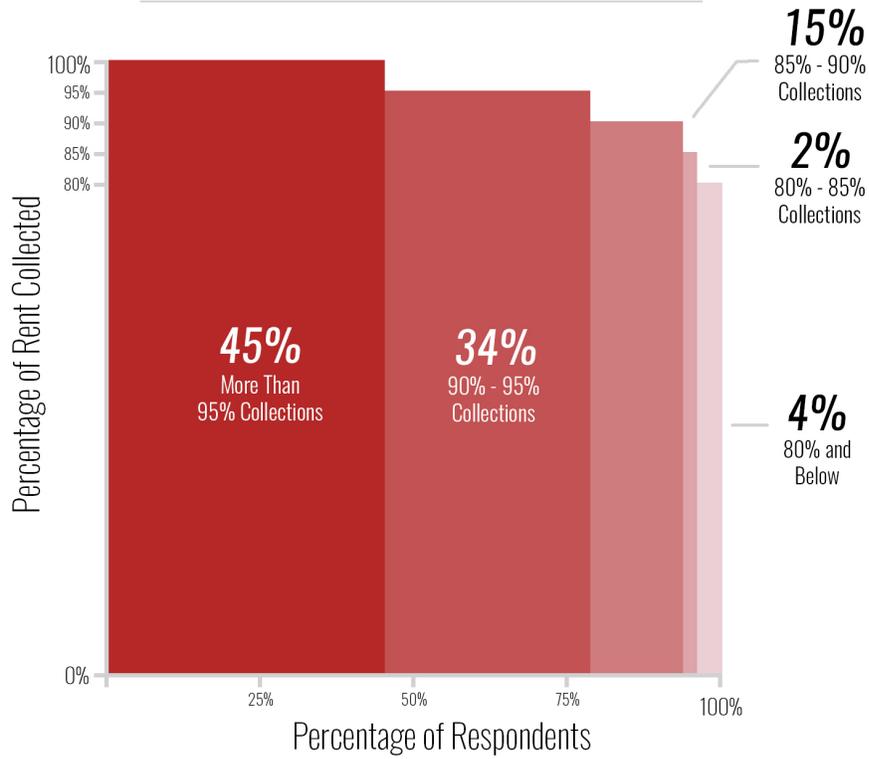
March 2020 Apartment Rent Collections



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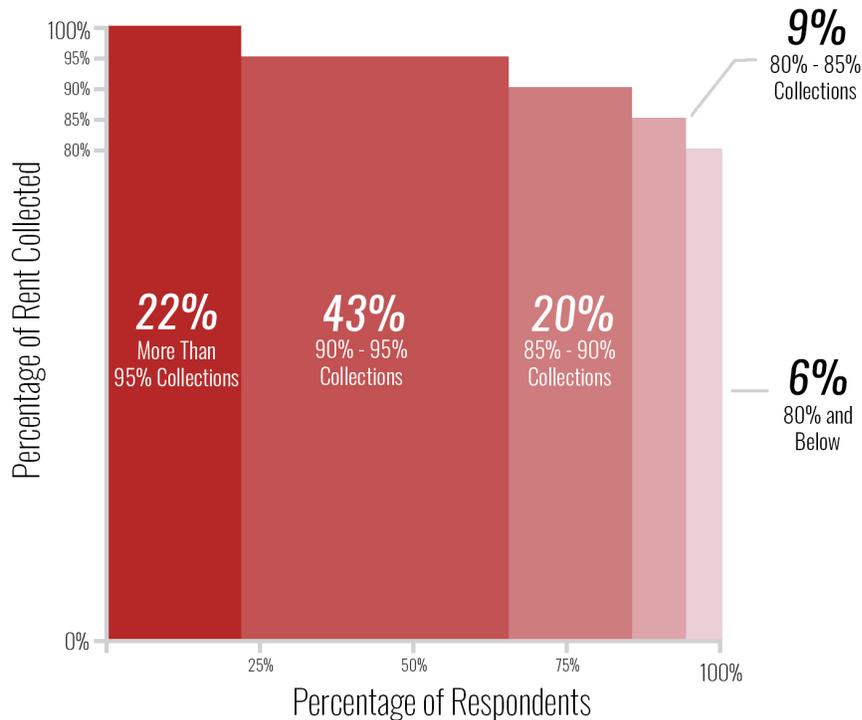


April 2020 Apartment Rent Collections



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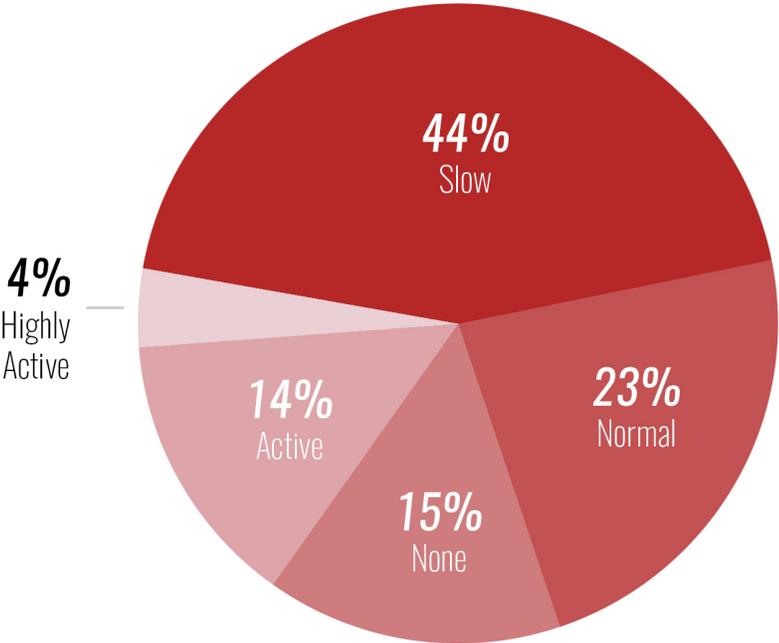
May 2020 Apartment Rent Collections*



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“An interesting takeaway from this survey is what is happening to the distribution among subcategories that are higher than 80% collection,” said Kiser. “In March, the 95-100% category was by far the largest, with more than 71% of tenants falling into that tranche. By May, that number dropped to 22%. The delta is being redistributed in other acute ranges above 80%, especially in the 85-95% range. The important thing is that rent collections and the mid-market industry remain strong.” April and May are traditionally the busiest leasing months for multifamily in Chicago. To wrap up our client survey, we asked respondents to rate their residential leasing activity so far in Q2 from none to highly active.

Sentiment: Q2 2020 Leasing Activity

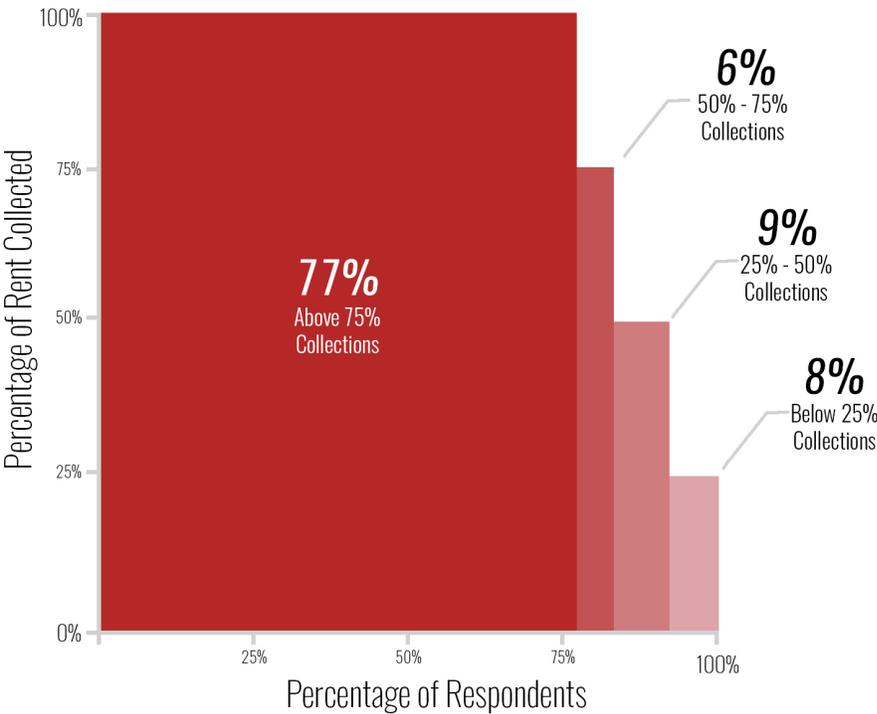


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“Leasing activity during COVID-19 is predictably slower than normal with 44% of respondents citing “slow;” however, the surprise was that 22.9% of respondents report “normal” levels of activity and 18.4% report “active” or “highly active.” In addition to collection data for residential, Kiser Group was able to capture collection data for commercial spaces from multifamily owners. “Many of our multifamily clients own mixed-use buildings or other commercial property, so we bifurcated responses between ‘residential’ and ‘commercial,’” said Kiser. “Collection rates among commercial tenants is very sobering, although not surprising.”

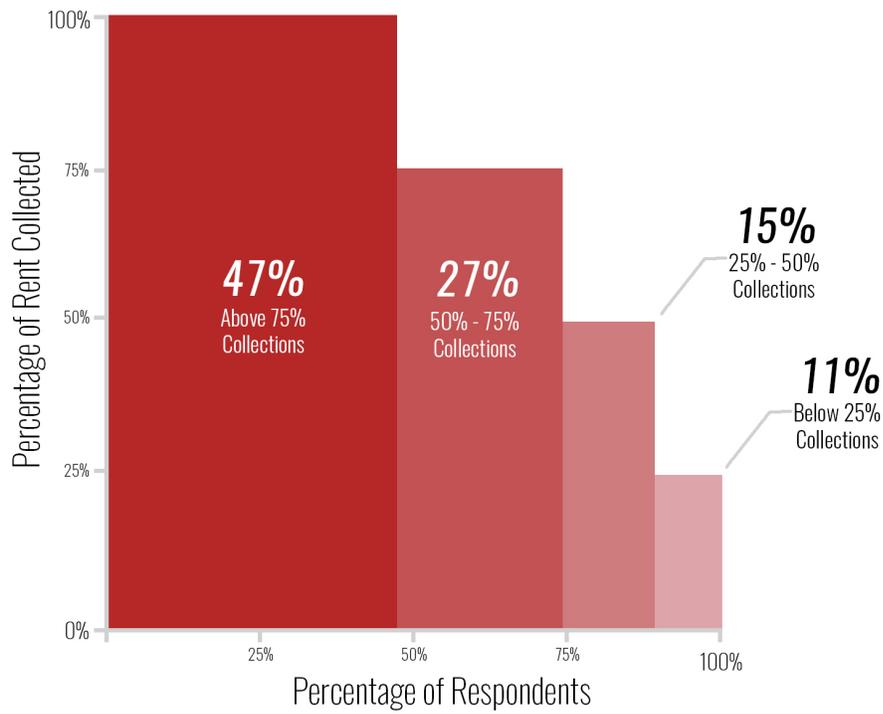
March 2020 Commercial Rent Collections



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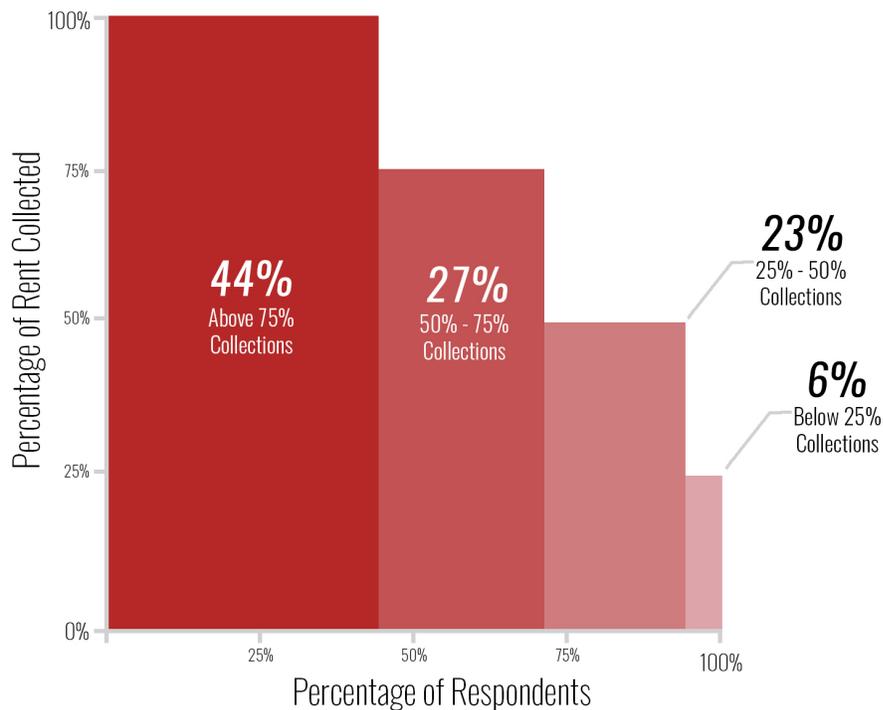


April 2020 Commercial Rent Collections



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May 2020 Commercial Rent Collections*



*As of 5/15/20

“The headlines about commercial rent were right in this case. Commercial spaces are being impacted the hardest by stay at home orders and not being able to conduct business as usual,” said Kiser. “COVID-19 has drastically affected commercial and small business revenue, resulting in property owners’ inability to collect rent. The mid-market owners are bearing the brunt of this,” informed Kiser. “77% of respondents experienced commercial rent collections above 75% in March but it plummeted to 47% in April and 44% in May.”

Thank you to all of our clients that submitted to this survey. Now more than ever, clients should communicate with brokers to understand rapidly changing market-area dynamics.

We are creating additional content regarding how COVID-19 is affecting multifamily owners and investors. Please visit:

<https://kisergroup.com/newsroom/blog/> to see more posts.