



REAL
TIME

MULTIFAMILY



LOCAL
MARKETS



WE'RE IN THIS TOGETHER

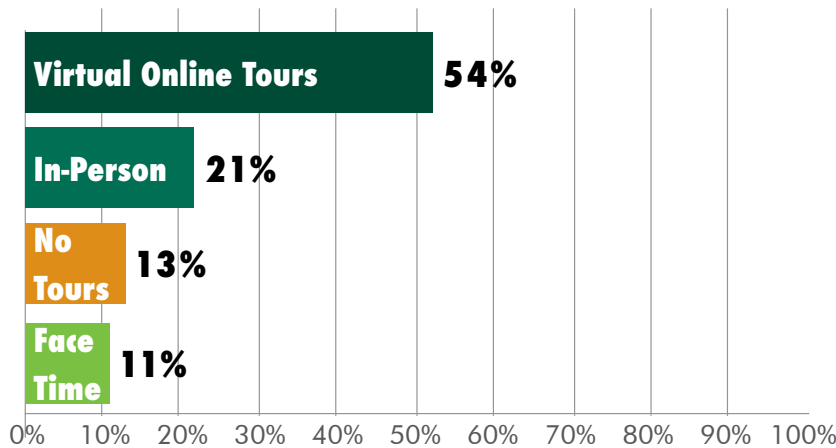
To gauge the impact of Covid-19 on the rental and investment markets, CBRE Cincinnati Columbus Multifamily is conducting monthly surveys of local and regional owners across the Midwest. Results below reflect direct responses from owners and managers, including 150,000 units within the Cincinnati and Dayton, OH, and Lexington, KY markets.



**CLICK TO PARTICIPATE IN
NEXT MONTH'S SURVEY**

1 Conducting Leasing Tours

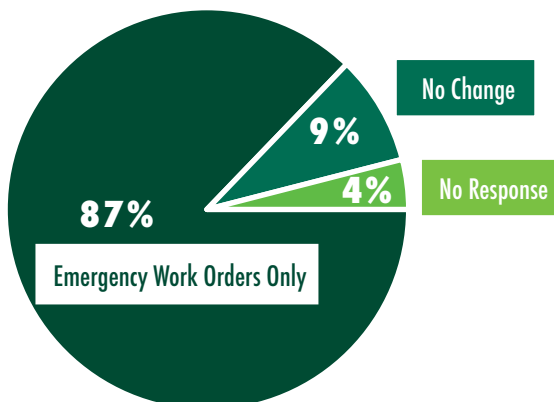
How are you conducting leasing tours?



- ✓ Virtual tours have become the predominant method for prospective renters.
- ✓ For in-person tours, keys are given to prospects allowing them to tour on their own.

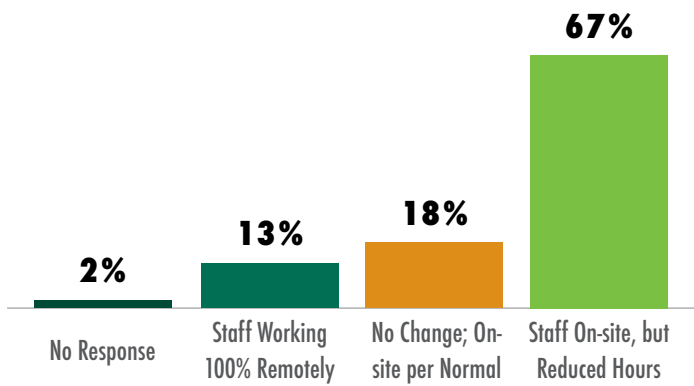
2 Maintenance Practices

How have you amended maintenance practices?



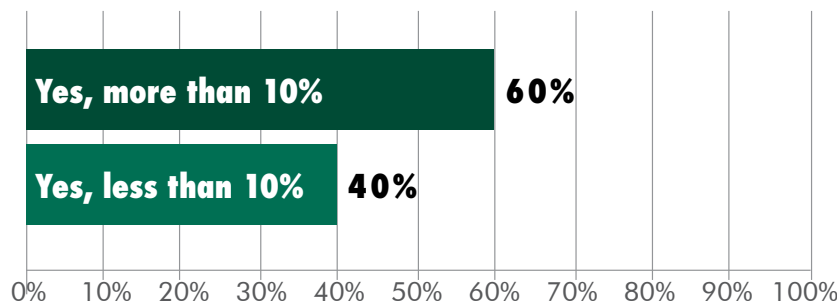
- ✓ Some owners are providing DIY videos to help tenants address small, common issues.
- ✓ Cleaning and sanitizing have become an additional daily routine for maintenance staff.
- ✓ With emergency work orders only, the backlog of non-emergency items could create long-term issues.

3 On-site Staff Hours How have you adjusted office hours for on-site staff?



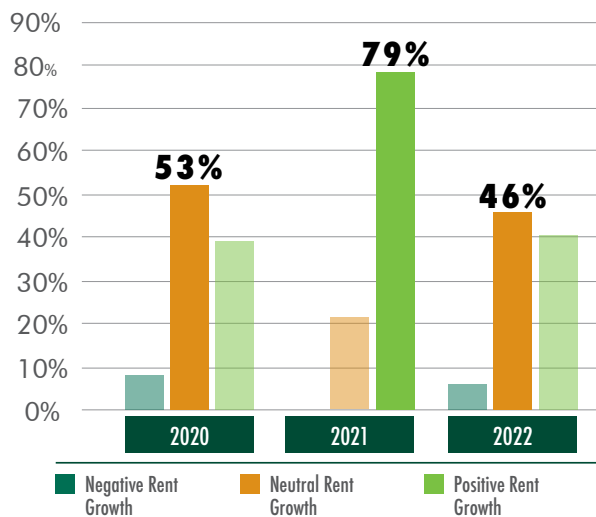
- ✓ Offices are mostly closed. With the appropriate technology available, some owners are allowing employees to work from home.
- ✓ Staff still reporting on-site are staggering shifts to limit how many people are in the office.
- ✓ There is some thought that Covid-19's remote practices could become the new norm post pandemic.

4 Projected Delinquency Do you anticipate above-average delinquency next month?



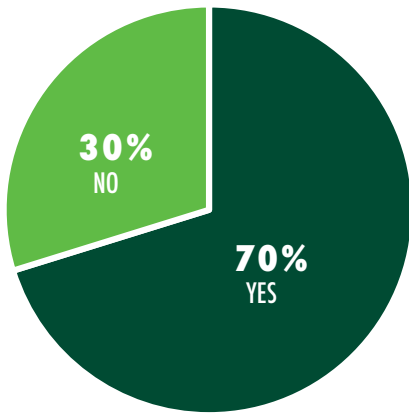
- ✓ Delinquency continues to be the biggest concern among owners.
- ✓ From our direct conversations with owners, April collections have not yet been materially impacted.
- ✓ May collections are of bigger concern.

5 Projected Rent Growth How do you forecast your percentage change in rents?



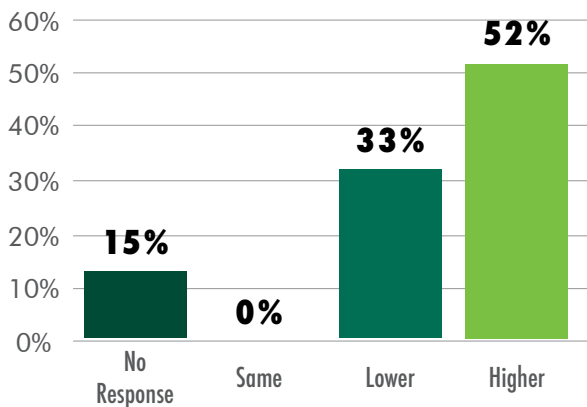
- ✓ Overall average rent growth estimated by respondents:
 2020: 0.58%
 2021: 1.97%
 2022: 2.24%

6 Lease Extension & Concessions Are you offering short term lease extensions or new concessions for expiring leases?



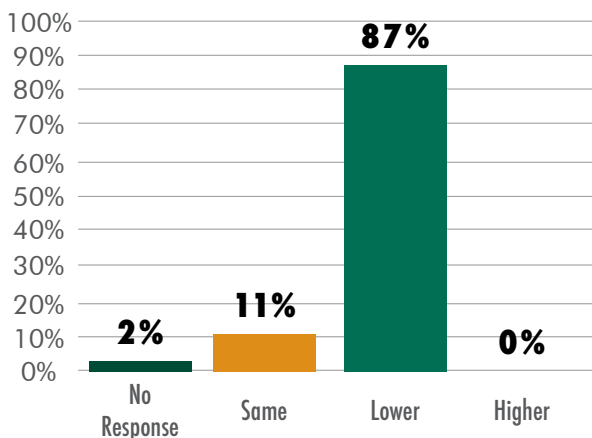
- ✓ Many owners are offering payment plans for residents who can prove they were directly impacted by Covid-19.
- ✓ Most owners are not increasing rent upon renewals for residents.
- ✓ Most owners are allowing for short term extensions, but are not reducing rent.

7 Return Requirements Have your overall return requirements changed in the last 60 days?



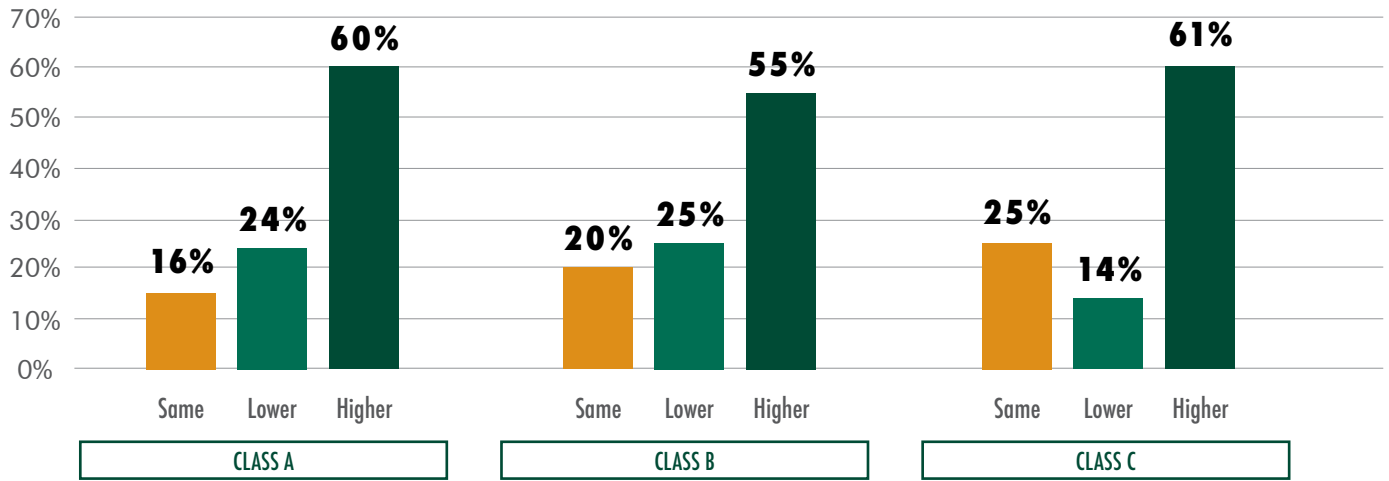
- ✓ Many owners are taking a 'wait and see' approach, putting a halt on buying for the time being.
- ✓ Some investors are still willing to buy at similar return levels, but do feel communities will be impacted operationally, thus lowering NOI's and overall values.
- ✓ Majority anticipate 50-100 bps increase in return expectations.

8 Offer Pricing If you were to offer to purchase the same multifamily property today, compared to offering in January 2020, would you expect your price to be: same, higher, or lower?

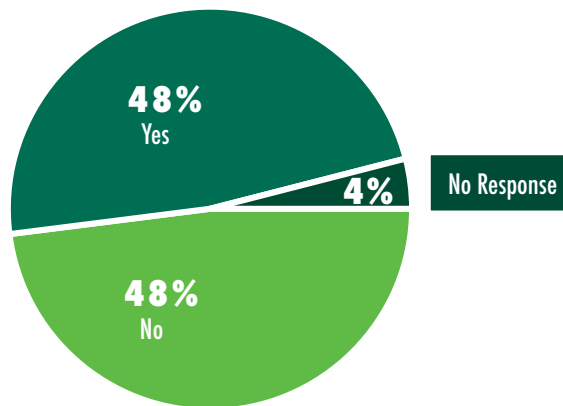


- ✓ Majority expect 5% to 15% discount.

9 Cap Rates By asset class A, B, and C: compared to January 2020, do you expect Cap Rates in September 2020 to be: same, higher, or lower?

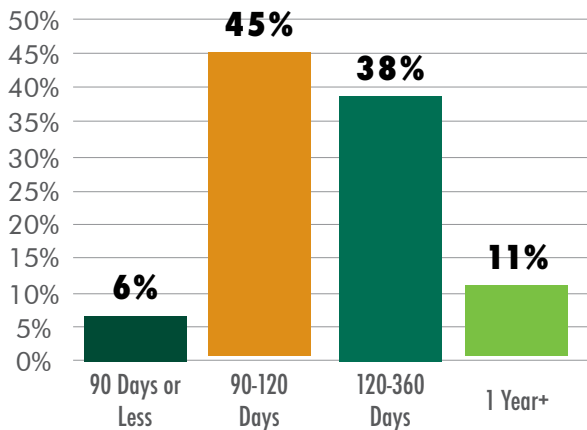


10 Debt Quotes Have you experienced a material change to a debt quote in the last 30 days?



- ✓ Debt has, and continues to be, a moving target. Spreads have increased.
- ✓ Fannie and Freddie have drastically changed their reserve requirements.
- ✓ Third party reports continue to be a challenge, but most are finding ways to accommodate.

11 Market Disruption How long do you anticipate significant market disruption?



- ✓ "Uncertainty" is the buzz word.
- ✓ Some feel until a vaccine is approved, market disruption will continue.
- ✓ A quick V-shaped recovery seems unlikely.

12 / Open Comments

What is the primary issue you are working to address in either your operations or investment strategy?

- ✓ Of top concern to all owners is the safety and wellbeing of their staff and residents.
- ✓ Owners are seeking to help residents as much as they can while navigating through rent collections.
- ✓ Many feel underwriting and values have to change, although the bid/ask spread between buyer/seller expectations is unlikely to align without a motivating factor involved.
- ✓ Many groups have communicated they have cash available to take advantage of potential distressed buying opportunities.
- ✓ **Broker's Opinion:** There will still be competition from strong, well-capitalized operators. The biggest challenge will be obtaining debt.

We are Here to Help

We encourage you to visit CBRE's COVID-19 website listed below for additional information.

Further, our team values being a resource as we all navigate through this challenging time. We will check in periodically, but please do not hesitate to reach out directly.

Stay healthy and safe.



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