

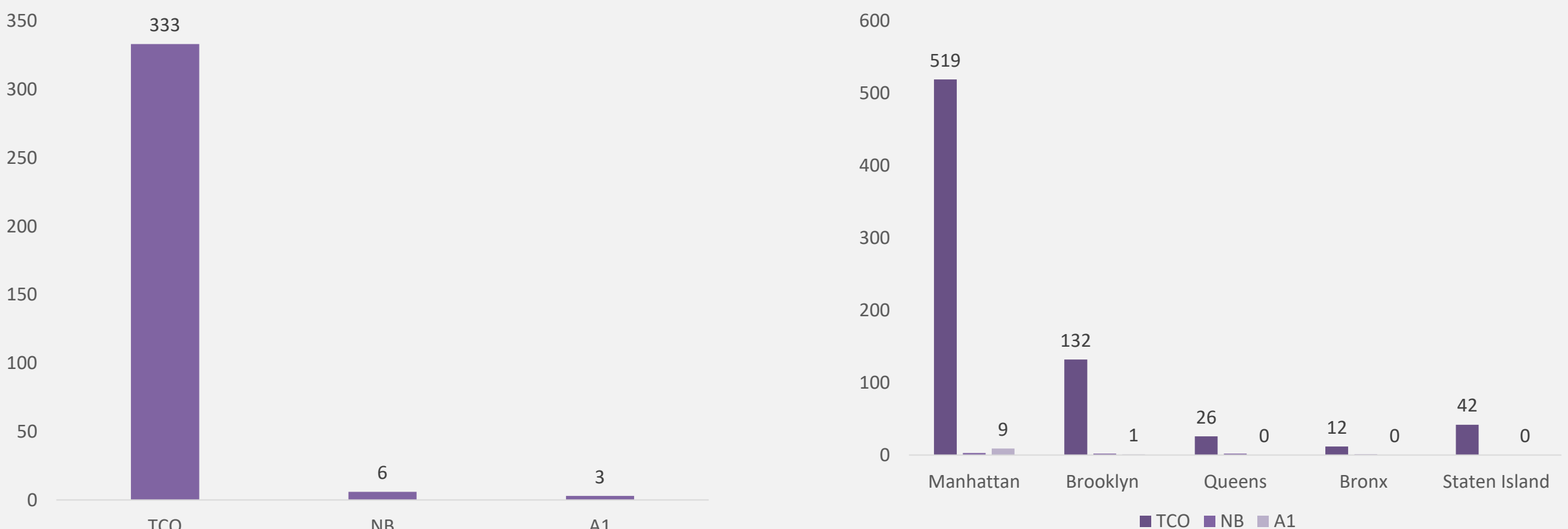
The month of March marked a sharp decrease in Temporary Certificate of Occupancy (TCO), New Building (NB) and Alteration (A1) applications filed with New York’s Department of Buildings (DOB). It remains to be seen if this trend continues especially since we are noticing a thaw in construction financing and a slight stabilization, if not increase in absorption of residential units. Among all economic releases, what stood out the most for us was the 2.0% increase in Y-o-Y rents – as reported through the US Bureau of Labor Statistics. If we pair that with fewer rental concessions, on projects we are working on, we are cautiously optimistic on the near-term future of the residential market in the Northeast.

- For the month of March, 333 unique TCO applications were filed with NYC’s Department of Buildings (DOB) – compared to 1,218, for the month of February - of which 118 were final and 215 were temporary. The new building (NB) and alteration type 1 (A1) were substantially lower compared to February 2021, with 6 and 3 filings, respectively.
- According to the U.S. Census Bureau, construction spending during February 2021 was estimated at a seasonally adjusted annual rate of \$1,516.9 billion, 0.8 percent ( $\pm 0.7$  percent) below the revised January estimate of \$1,529.0 billion.
- Total nonfarm payroll employment rose by 916,000 in March, and the unemployment rate edged down to 6.0 percent, the U.S. Bureau of Labor Statistics reported earlier this month.
- According to the U.S. Census Bureau, privately-owned housing starts in March were at a seasonally adjusted annual rate of 1,739,000. This is 19.4 percent ( $\pm 13.7$  percent) above the revised February estimate of 1,457,000 and is 37.0 percent ( $\pm 15.2$  percent) above the March 2020 rate of 1,269,000.
- According to the Federal Reserve, March total industrial production increased 1.4 percent. The gain in March followed a drop of 2.6 percent in February, which largely resulted from widespread outages related to severe winter weather in the south central region of the country.
- According to the Census, advance estimates of U.S. retail and food services sales for March 2021, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$619.1 billion, an increase of 9.8 percent ( $\pm 0.5$  percent) from the previous month, and 27.7 percent ( $\pm 0.7$  percent) above March 2020.
- The 10y treasury registered at 1.58%, as of 4/20/21, 89 bps higher than the TTM average of 0.93%. A decrease compared to the previous month but still substantially higher than the beginning of the year. It’s also approx. 106 bps higher than the TTM low of 0.52% (8/4/20).

### MONTHLY DEPARTMENT OF BUILDINGS ACTIVITY, NOVEMBER 2020 | NYC

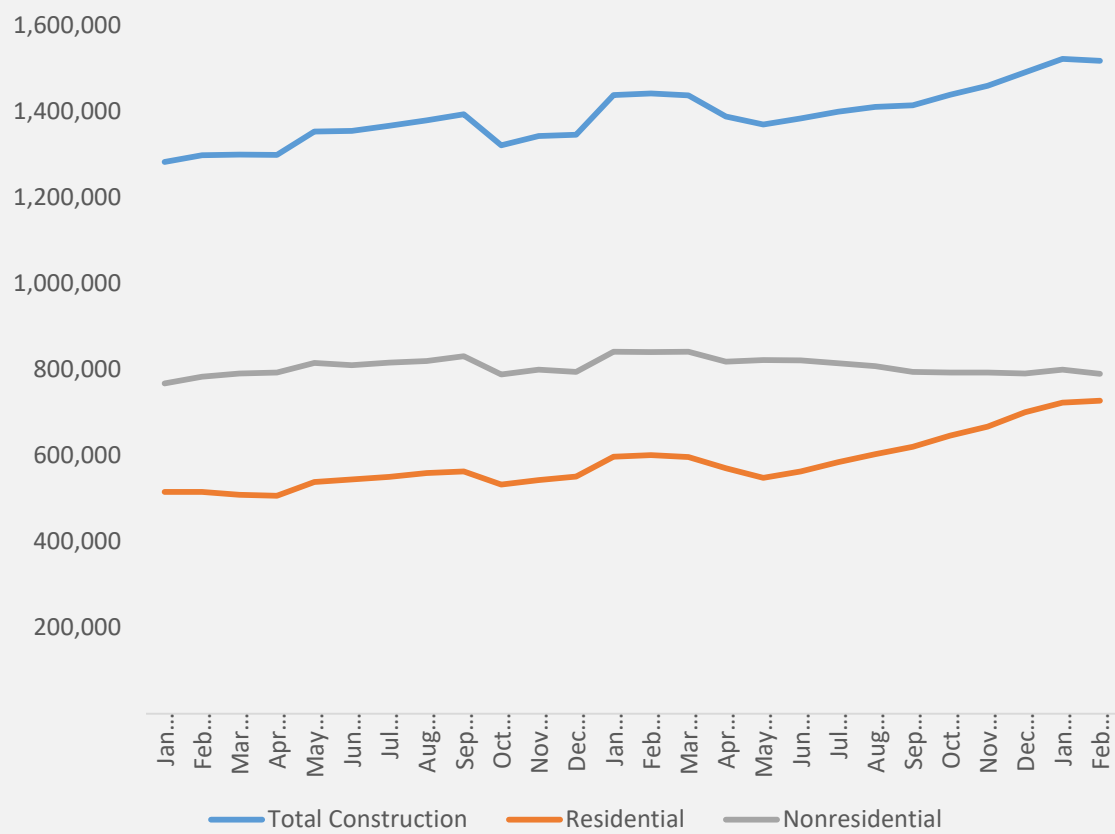
For the month of March, 333 unique TCO applications were filed with NYC’s Department of Buildings (DOB) – compared to 1,218, for the month of February - of which 118 were final and 215 were temporary. The new building (NB) and alteration type 1 (A1) were substantially lower compared to February 2021, with 6 and 3 filings, respectively.

TCO applications represented 15,350 projected dwelling units across all boroughs – not all applications disclosed the proposed unit count. The majority of the units were located in Manhattan (10,027) while Brooklyn came in second (4,118), Bronx third (921), Queens fourth (232), and finally Staten Island (52).



Source: NYC, Opendata

## MONTHLY CONSTRUCTION SPENDING, FEBRUARY 2021 | US

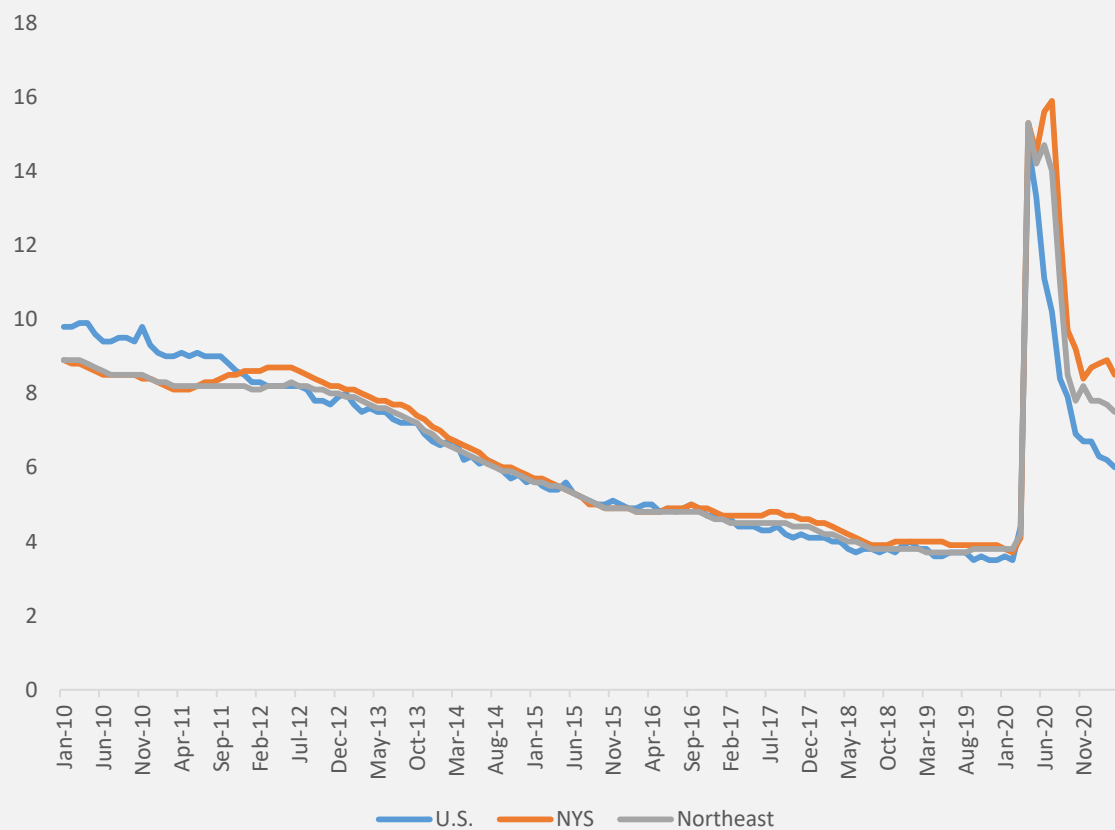


According to the U.S. Census Bureau, construction spending during February 2021 was estimated at a seasonally adjusted annual rate of \$1,516.9 billion, 0.8 percent ( $\pm 0.7$  percent) below the revised January estimate of \$1,529.0 billion. The February figure is 5.3 percent ( $\pm 1.0$  percent) above the February 2020 estimate of \$1,441.1 billion. During the first two months of this year, construction spending amounted to \$213.2 billion, 4.9 percent ( $\pm 1.0$  percent) above the \$203.2 billion for the same period in 2020.

Spending on residential construction continues to be the main driver behind the increase in spending, with a 21.1% increase y-o-y. While, not surprisingly, spending on lodging continues to underperform with y-o-y decrease of 23.2%.

Source: US Census Bureau

## UNEMPLOYMENT INSURANCE CLAIMS | US, NYS, NORTHEAST

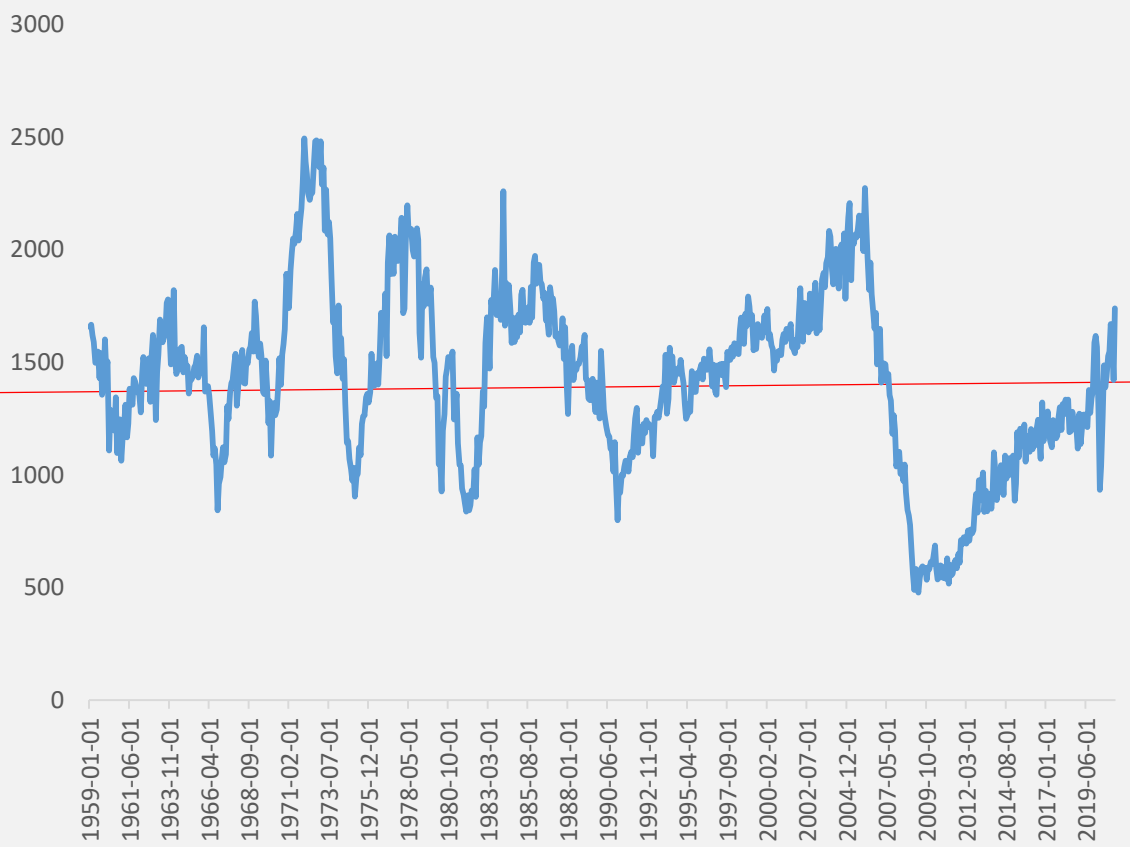


Total nonfarm payroll employment rose by 916,000 in March, and the unemployment rate edged down to 6.0 percent, the U.S. Bureau of Labor Statistics reported earlier this month. According to the BLS, these improvements in the labor market reflect the continued resumption of economic activity that had been curtailed due to the coronavirus (COVID-19) pandemic. Job growth was widespread in March, led by gains in leisure and hospitality, public and private education, and construction.

In December, NYS and the Northeast registered 8.5% and 7.5%, respectively.

Source: US Bureau of Labor Statistics, NYS, Department of Labor Weekly UI Claims Report

## MONTHLY NEW RESIDENTIAL CONSTRUCTION | US

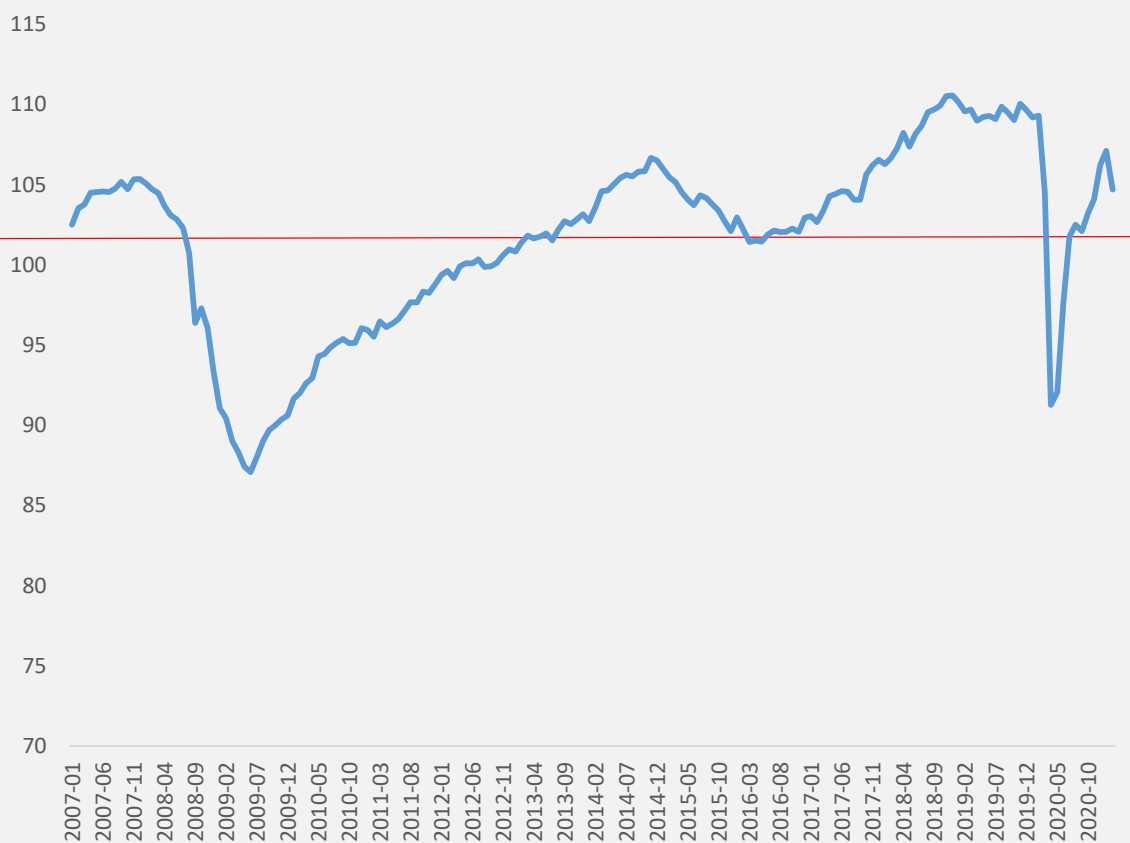


Source: US Census Bureau

According to the U.S. Census Bureau, privately-owned housing starts in March were at a seasonally adjusted annual rate of 1,739,000. This is 19.4 percent ( $\pm 13.7$  percent) above the revised February estimate of 1,457,000 and is 37.0 percent ( $\pm 15.2$  percent) above the March 2020 rate of 1,269,000. Single-family housing starts in March were at a rate of 1,238,000; this is 15.3 percent ( $\pm 17.4$  percent) above the revised February figure of 1,074,000. The March rate for units in buildings with five units or more was 477,000.

Privately-owned housing completions in March were at a seasonally adjusted annual rate of 1,580,000. This is 16.6 percent ( $\pm 14.0$  percent) above the revised February estimate of 1,355,000 and is 23.4 percent ( $\pm 13.7$  percent) above the March 2020 rate of 1,280,000. Single-family housing completions in March were at a rate of 1,099,000; this is 5.3 percent ( $\pm 11.7$  percent)\* above the revised February rate of 1,044,000. The March rate for units in buildings with five units or more was 476,000.

## MONTHLY INDUSTRIAL PRODUCTION | US

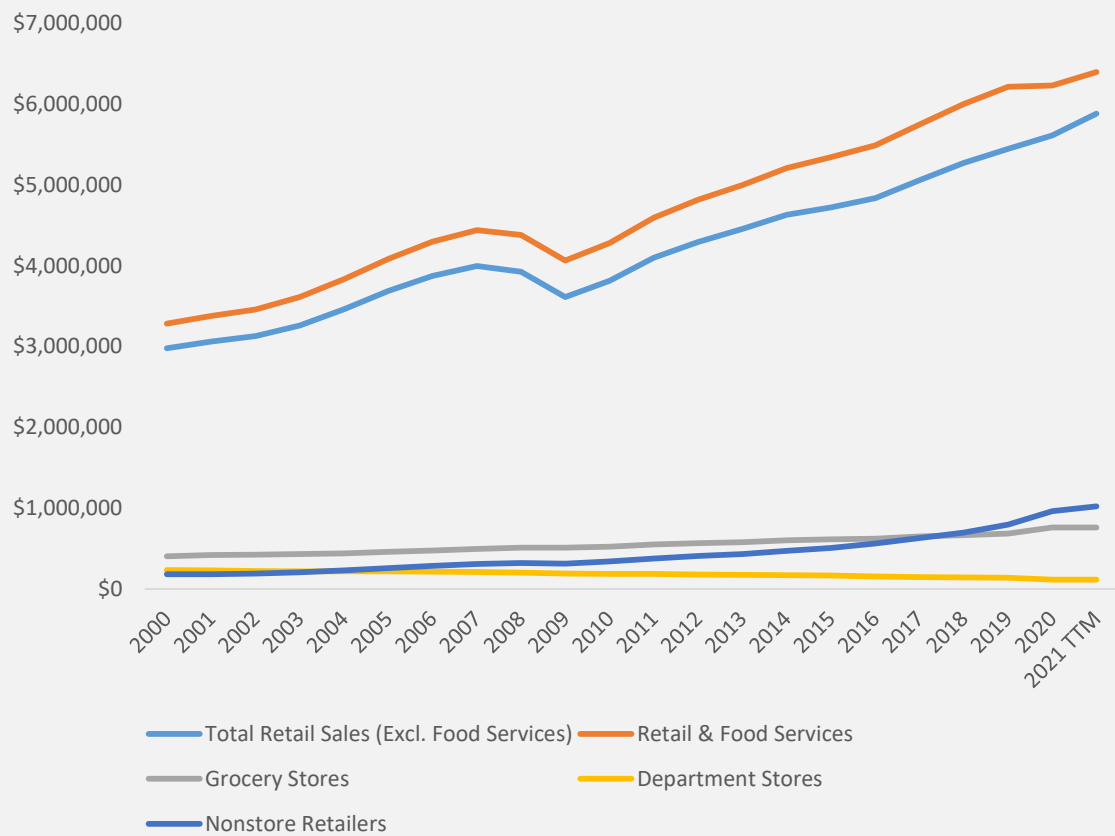


Source: Federal Reserve

According to the Federal Reserve, March total industrial production increased 1.4 percent. The gain in March followed a drop of 2.6 percent in February, which largely resulted from widespread outages related to severe winter weather in the south central region of the country. For the first quarter as a whole, total industrial production rose 2.5 percent at an annual rate. In March, manufacturing production and mining output increased 2.7 percent and 5.7 percent, respectively. The output of utilities dropped 11.4 percent, as the demand for heating fell because of a swing in temperatures from an unseasonably cold February to an unseasonably warm March.

At 105.6 percent of its 2012 average, total industrial production in March was 1.0 percent higher than its year-earlier level, but it was 3.4 percent below its pre-pandemic (February 2020) level. Capacity utilization for the industrial sector increased 1.0 percentage point in March to 74.4 percent, a rate that is 5.2 percentage points below its long-run (1972–2020) average.

## MONTHLY RETAIL SALES | US



According to the Census, advance estimates of U.S. retail and food services sales for March 2021, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$619.1 billion, an increase of 9.8 percent ( $\pm 0.5$  percent) from the previous month, and 27.7 percent ( $\pm 0.7$  percent) above March 2020. Total sales for the January 2021 through March 2021 period were up 14.3 percent ( $\pm 0.5$  percent) from the same period a year ago. The January 2021 to February 2021 percent change was revised from down 3.0 percent ( $\pm 0.5$  percent) to down 2.7 percent ( $\pm 0.2$  percent).

Retail trade sales were up 9.4 percent ( $\pm 0.5$  percent) from February 2021, and up 26.9 percent ( $\pm 0.7$  percent) above last year. Motor vehicle and parts dealers were up 71.1 percent ( $\pm 2.3$  percent) from March 2020, while food services and drinking places were up 36.0 percent ( $\pm 3.0$  percent) from last year.

Source: US Census Bureau

## 10-YEAR TREASURY YIELD (%) | US



The 10y treasury registered at 1.58%, as of 4/20/21, 89 bps higher than the TTM average of 0.93%. A decrease compared to the previous month but still substantially higher than the beginning of the year. It's also approx. 106 bps higher than the TTM low of 0.52% (8/4/20).

Source: US Treasury, US Federal Reserve



## FTSE NAREIT U.S. REAL ESTATE INDEX SERIES | MARCH 31, 2021

Sector	Investment Performance by Property Sector and Subsector						
	Number of Constituents	Total Return (%)			Dividend Yield (%)	Market Capitalization (\$)¹	
		2020	March	2021: YTD		Equity	Implied
FTSE Nareit All Equity REITs	157	-5.12	5.53	8.32	3.31	1,268,662,653	1,302,715,720
FTSE Nareit Equity REITs	149	-8.00	4.57	8.87	3.57	1,019,891,089	1,053,898,230
Industrial	13	12.17	7.30	6.33	2.51	141,887,746	145,765,759
Office	19	-18.44	3.79	5.19	3.73	87,774,962	92,979,597
Retail	32	-25.18	2.23	18.08	4.38	148,472,582	155,863,693
Shopping Centers	18	-27.64	3.00	26.09	3.99	52,501,762	53,505,908
Regional Malls	4	-37.15	0.08	31.57	4.87	39,870,218	45,392,035
Free Standing	10	-10.46	3.02	3.77	4.37	56,100,602	56,965,749
Residential	20	-10.69	6.67	11.88	2.95	185,321,597	191,809,950
Apartments	15	-15.34	7.41	15.22	3.34	128,336,968	132,049,759
Manufactured Homes	3	-1.69	1.36	0.60	2.28	28,530,136	29,303,335
Single Family Homes	2	6.04	8.97	9.44	1.81	28,454,494	30,456,857
Diversified	15	-21.76	2.79	8.48	5.04	50,144,804	53,236,574
Lodging/Resorts	13	-23.60	0.38	17.96	3.98	39,786,318	40,016,892
Health Care	17	-9.86	3.90	6.58	4.31	116,600,313	117,445,350
Self Storage	5	12.91	5.57	10.31	3.25	76,999,668	79,838,613
Timber	4	10.33	4.72	7.22	2.25	35,006,723	35,006,723
Infrastructure	4	7.25	10.47	6.00	2.25	213,764,840	213,810,767
Data Centers	5	21.00	4.59	-2.35	2.47	117,253,291	120,388,878
Specialty	10	-8.24	3.27	14.24	5.61	55,649,808	56,552,923
FTSE Nareit Mortgage REITs	33	-18.77	5.86	11.87	8.27	71,008,501	71,556,959
Home Financing	20	-22.59	6.14	10.66	8.98	43,110,734	43,135,924
Commercial Financing	13	-10.73	5.40	13.91	7.11	27,897,766	28,421,036

Source: FTSE™, Nareit®.

Notes:

<sup>1</sup> Implied market capitalization is calculated as common shares outstanding plus operating partnership units, multiplied by share price. Data presented in thousands of dollars.

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## ABOUT US

**Satori Capital Partners** (“Satori” or “SCP”) is a boutique real estate investment and advisory firm founded in 2018. SCP’s two primary business lines are (i) debt & equity placement for acquisition, development and value-add real estate projects across the United States and (ii) originating, structuring and managing debt and equity investments on commercial real estate assets primarily throughout the Northeast of the United States.

## SERVICES OFFERED

### CAPITAL MARKETS

- **Debt:** We offer clients market-leading access to private debt capital. Such as:
  - First-lien loans, unitranche, mezzanine debt, preferred equity, DIP financing etc.
  - Our priority is to understand a clients investment and create bespoke debt solutions which offer the greatest flexibility
- **Equity:** Similar to our debt advisory business, we strive to identify and structure the most accretive equity solution for your project.
- We leverage our relationships to identify the right equity partner that will facilitate your acquisition, development or recapitalization.

### ADVISORY

- **Financial Analysis:** SCP will provide on a standalone basis financial analysis and transaction modeling to its clients
- **Fairness Opinion:** SCP can provide an unbiased opinion on potential acquisitions or dispositions
- **Capital Structure:** We analyze and evaluate current capital structures and offer advice on strategies for improvement or future risk mitigation

### DATA SERVICES

- **Exploratory Data Analysis (EDA):** SCP can provide a deep statistical and rich visual analysis of public and/or private datasets related to investment opportunities
- **Predictive Analytics through Machine Learning (ML):** SCP can offer predictive analytics for future returns of target investments with the use of the latest machine learning and deep learning algorithms
- **Custom Data Analysis:** Clients can outsource their data analytic needs with security to SCP. We can derive insights from the customer’s datasets with the use of state of the art algorithms in combination with external data sources.

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