

As we enter Q4 we are seeing an uptick in new project financing requests, however, lenders and investors are focused on closing out their existing pipeline with an eye to originate new transactions in 2022. On a positive note, pricing has pulled in by 25-75 bps while leverage has increased by 5-10% making it more attractive to be a borrower/sponsor.

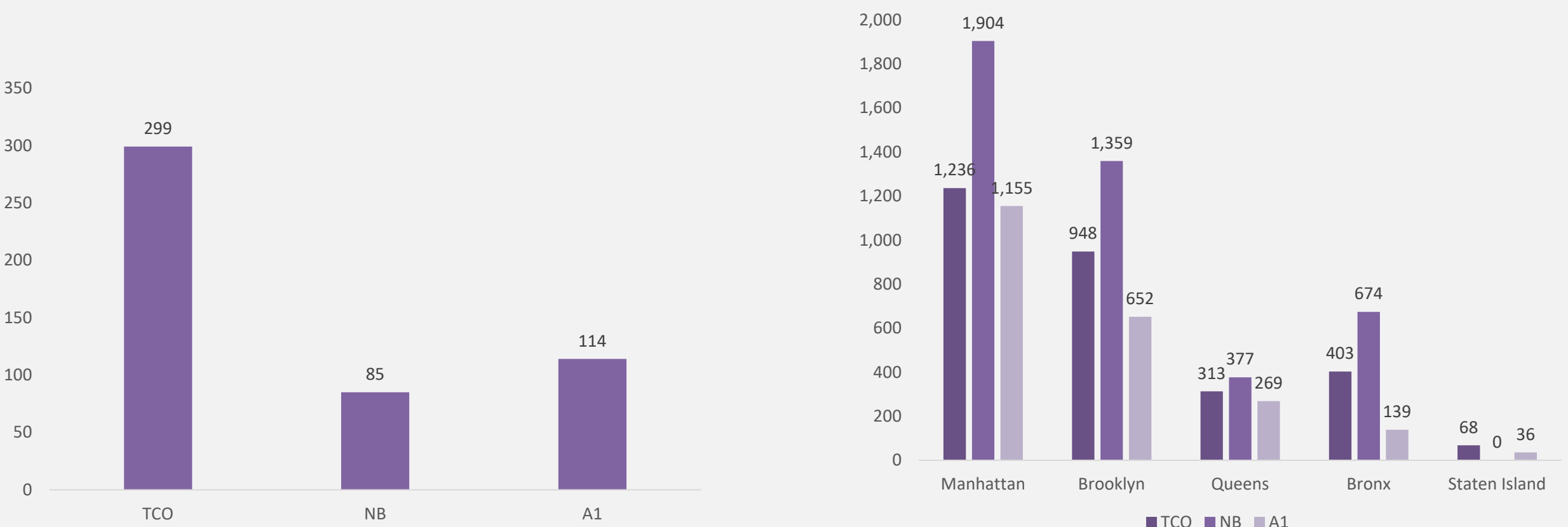
In addition, conventional balance sheet lenders are starting to open up to bridge-to-permanent financing requests, with cash-out components. Pleasant news for borrowers, especially compared to the market conditions of the last 18 months.

- For the month of September, 299 unique TCO applications were filed with NYC’s Department of Buildings (DOB) – compared to 364 for the month of August. There were 85 new building (NB) and 114 alteration type 1 (A1) applications filed for the month of September.
- According to the U.S. Census Bureau, construction spending during July 2021 was estimated at a seasonally adjusted annual rate of \$1,568.8 billion, 0.3 percent (±1.2 percent) above the revised June estimate of \$1,563.4 billion.
- According to the US Bureau of Labor Statistics, total nonfarm payroll employment rose by 235,000 in August, and the unemployment rate declined by 0.2 percent to 5.2 percent. So far this year, monthly job growth has averaged 586,000.
- According to the U.S. Census Bureau, privately-owned housing starts in August were at a seasonally adjusted annual rate of 1,615,000. This is 3.9 percent (±11.3 percent) above the revised July estimate of 1,554,000 and is 17.4 percent (±12.1 percent) above the August 2020 rate of 1,376,000.
- According to the Federal Reserve, industrial production increased 0.4 percent in August after moving up 0.8 percent in July. Late-month shutdowns related to Hurricane Ida held down the gain in industrial production by an estimated 0.3 percentage point.
- According to the Census Bureau, advance estimates of U.S. retail and food services sales for August 2021, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$618.7 billion, an increase of 0.7 percent (±0.5 percent) from the previous month, and 15.1 percent (±0.7 percent) above August 2020.
- The 10y treasury registered at 1.48%, as of 10/01/21, 20 bps higher than the TTM average of 1.28%.

MONTHLY DEPARTMENT OF BUILDINGS ACTIVITY, SEPTEMBER 2021 | NYC

For the month of September, 299 unique TCO applications were filed with NYC’s Department of Buildings (DOB) – compared to 364 for the month of August. There were 85 new building (NB) and 114 alteration type 1 (A1) applications filed for the month of September.

TCO applications represented 2,968 projected dwelling units across all boroughs – not all applications disclosed the proposed unit count. The majority of the units were located in Manhattan (1,236) while Brooklyn (948) came in second, the Bronx third (403), Queens fourth (313), and finally Staten Island with (68).



Source: NYC, Opendata

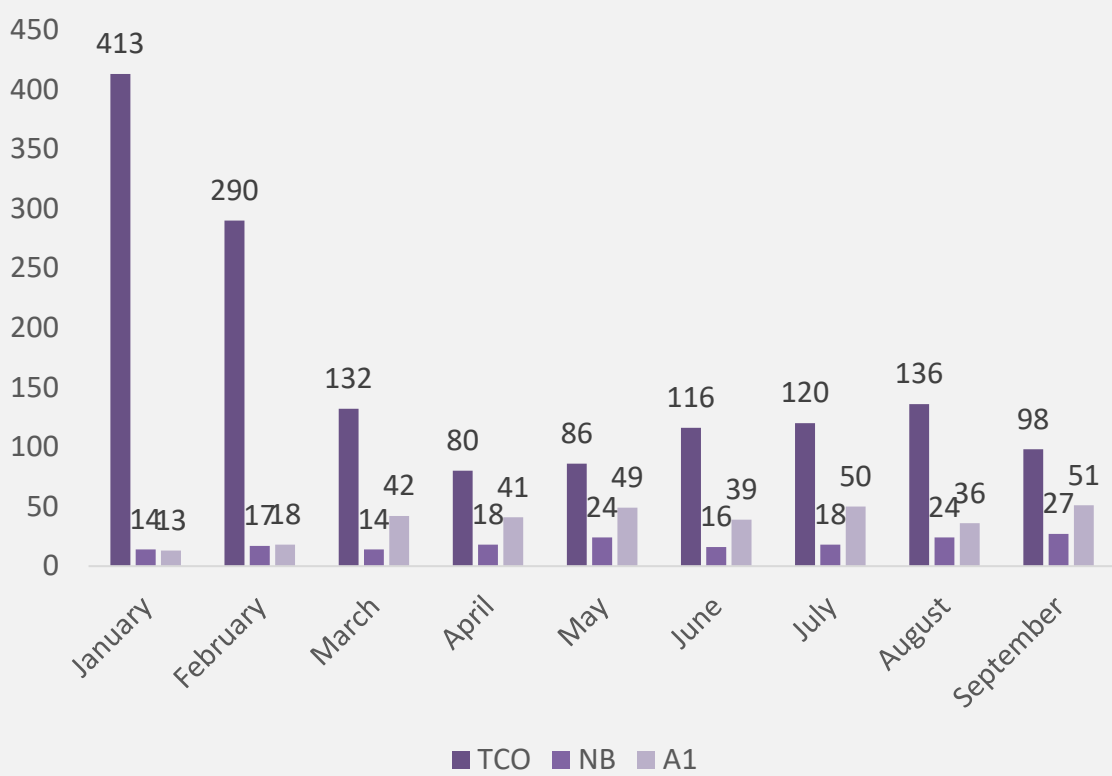
MONTHLY BUILDING APPLICATIONS, YTD 2021

COMMENTS

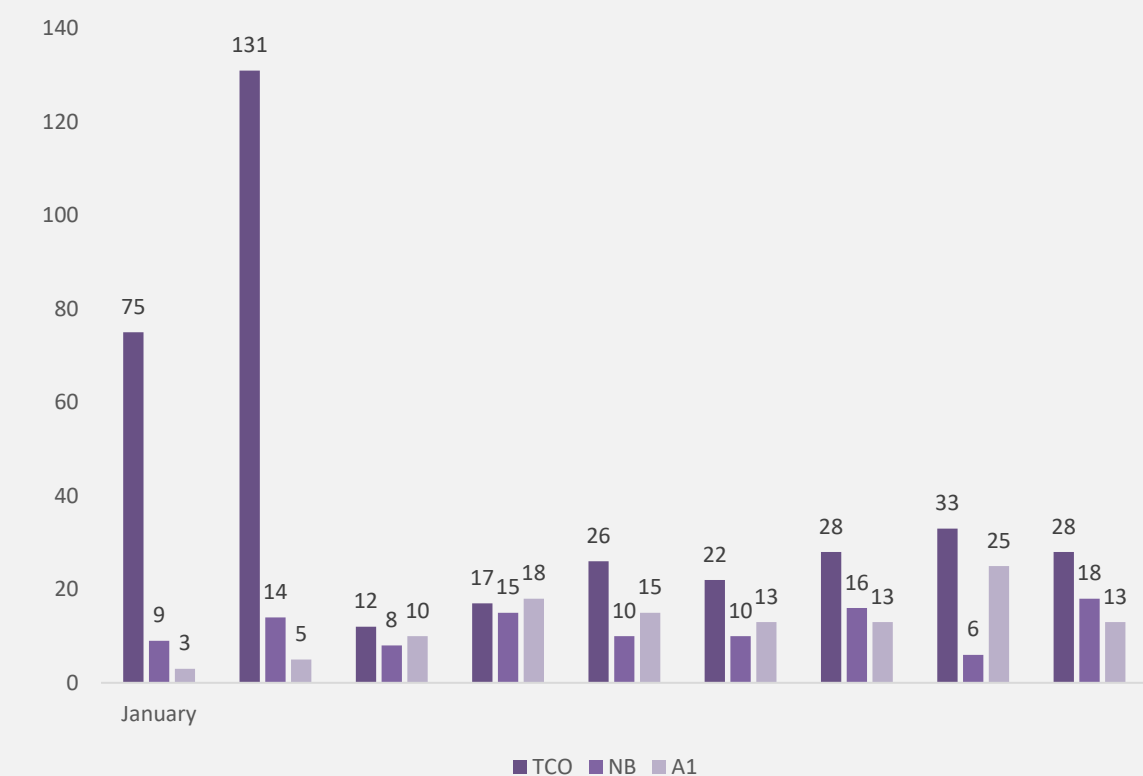
As NYC’s Department of Buildings has recently changed it’s filing requirements for all permit types, we decided to incorporate data from the DOB NOW platform in our monthly newsletter.

The charts on this page represent the year-to-date consolidated information from (i) DOB’s BIS and (ii) DOB NOW. This should give our clients a more precise picture of permit and development activity throughout the 5 boroughs.

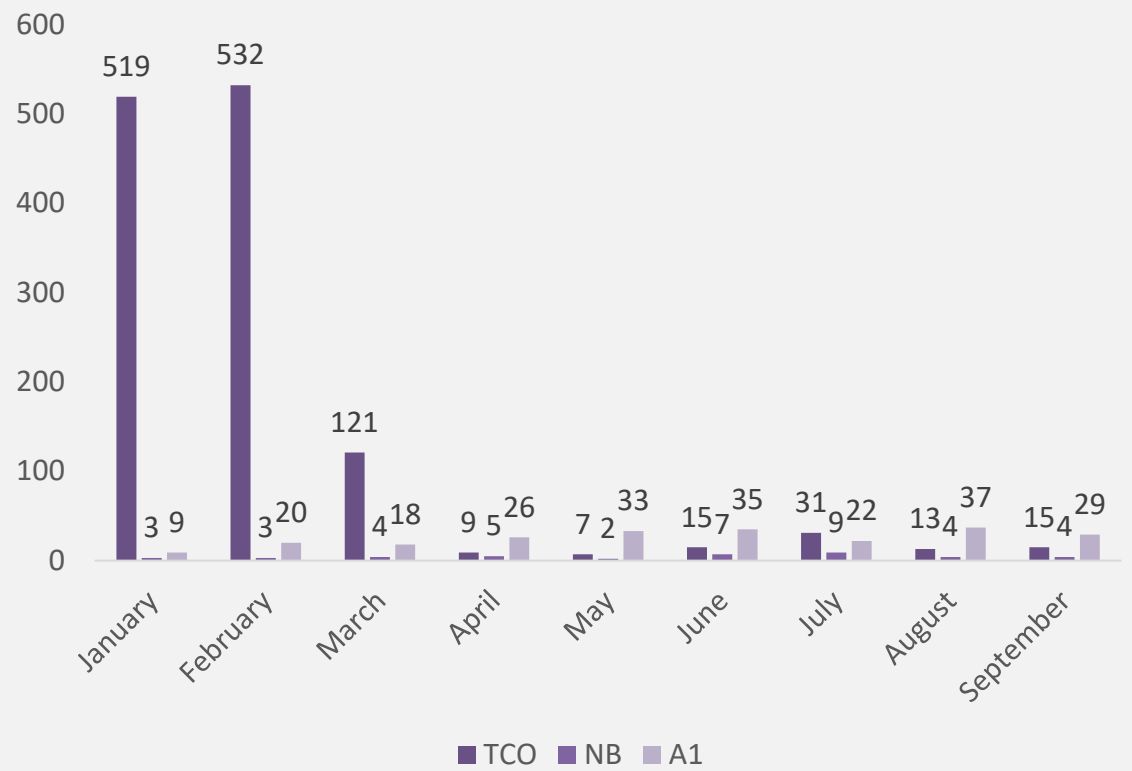
BROOKLYN



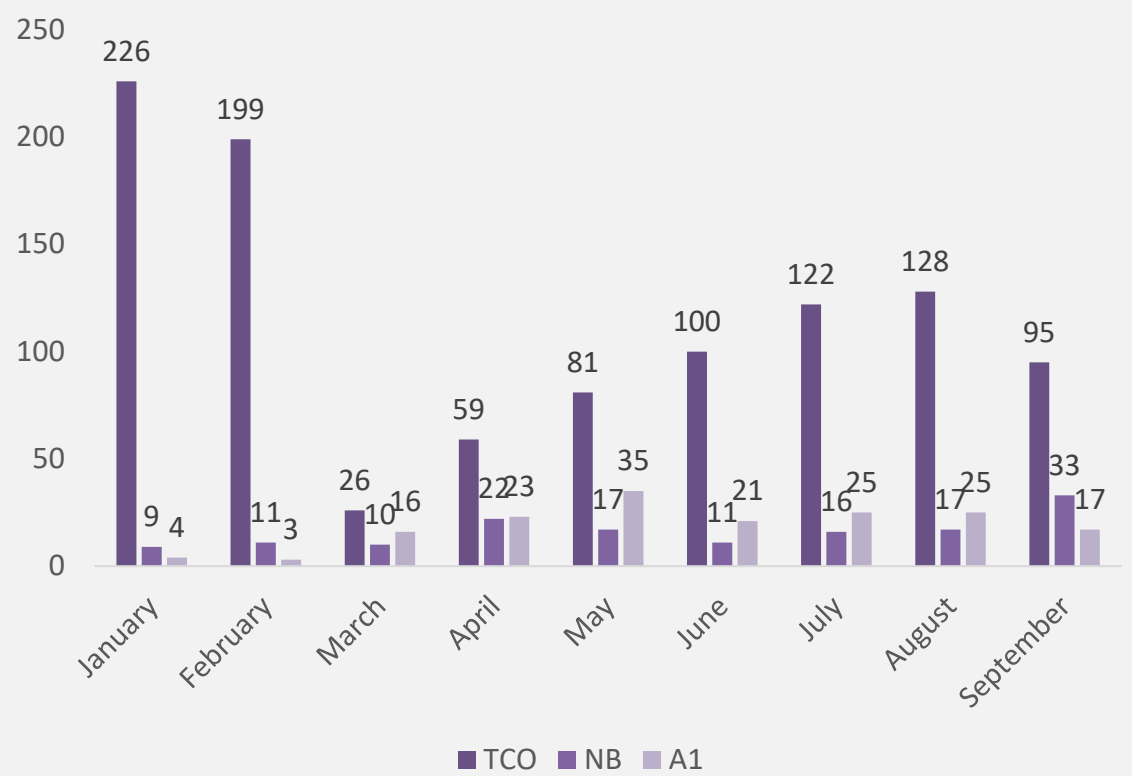
BRONX



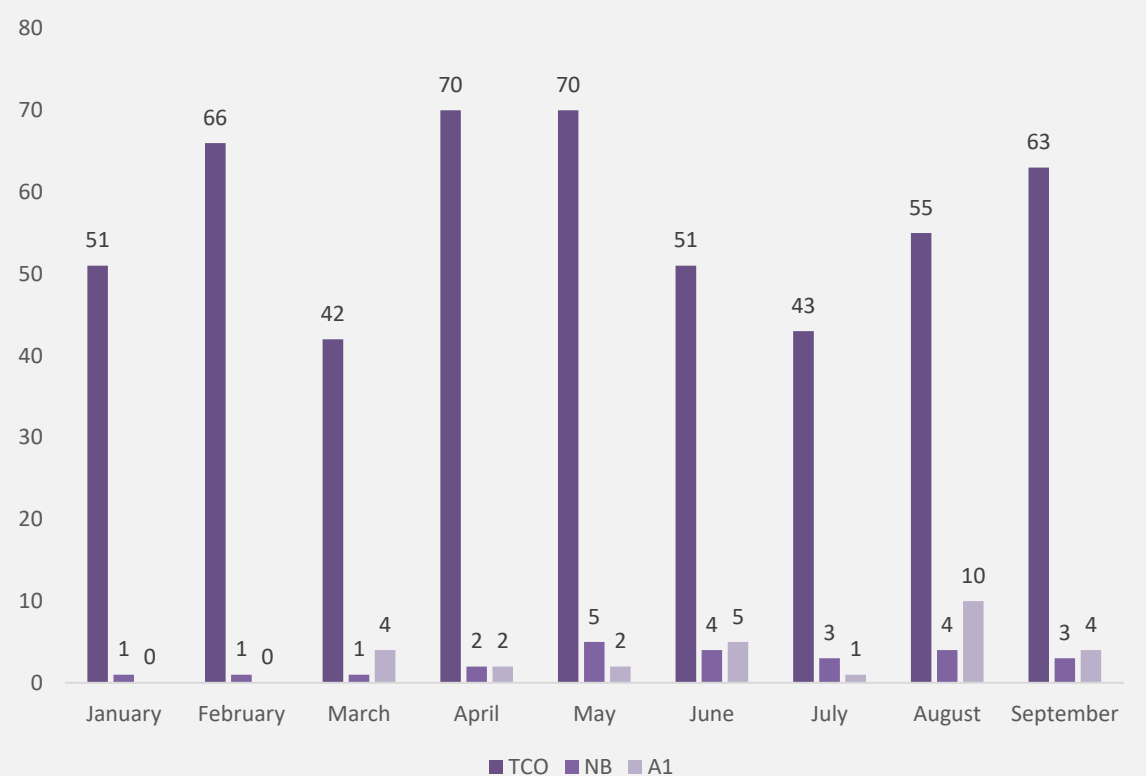
MANHATTAN



QUEENS

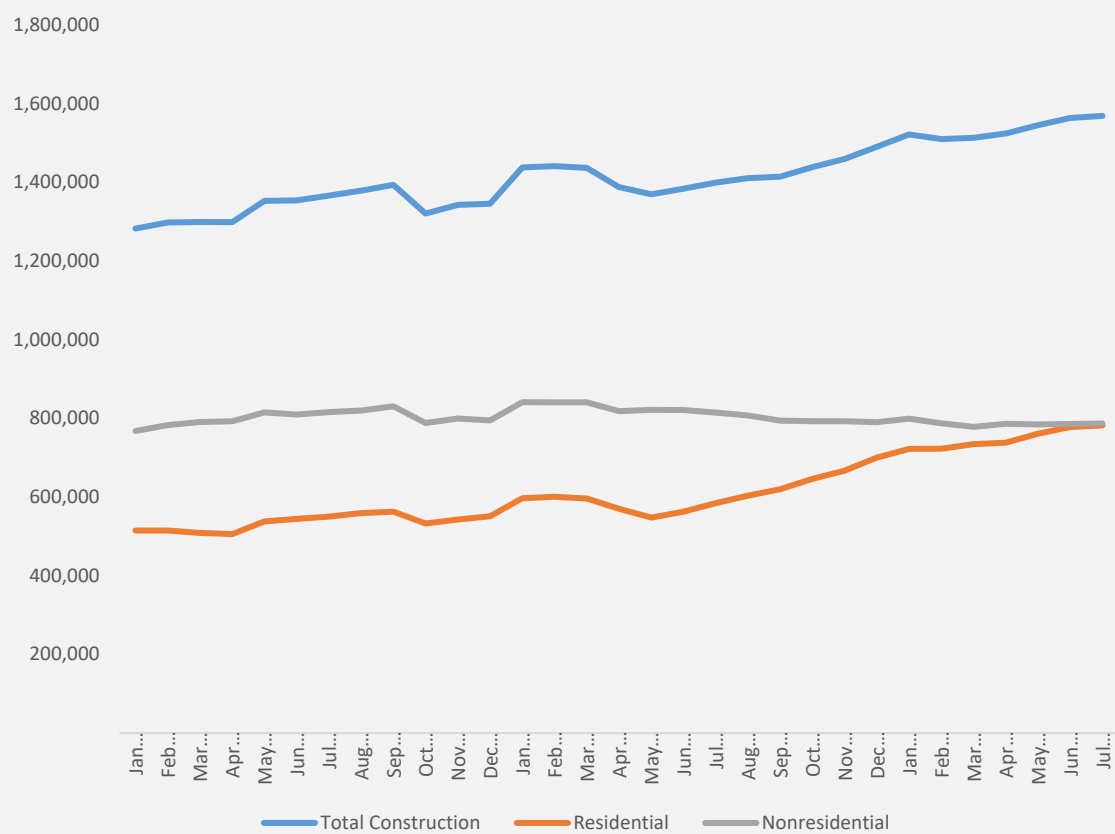


STATEN ISLAND



Source: DOB Now,

MONTHLY CONSTRUCTION SPENDING, JULY 2021 | US

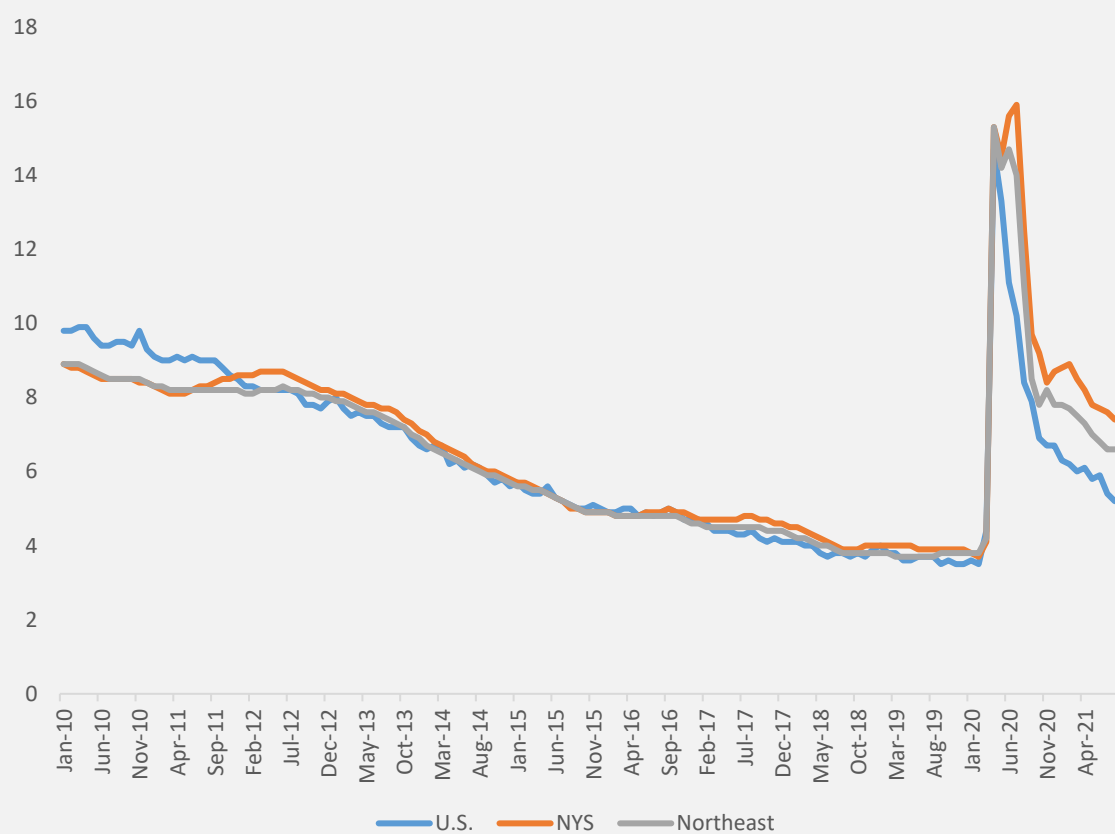


According to the U.S. Census Bureau, construction spending during July 2021 was estimated at a seasonally adjusted annual rate of \$1,568.8 billion, 0.3 percent (± 1.2 percent) above the revised June estimate of \$1,563.4 billion. The July figure is 9.0 percent (± 1.5 percent) above the July 2020 estimate of \$1,439.6 billion. During the first seven months of this year, construction spending amounted to \$883.2 billion, 6.2 percent (± 1.0 percent) above the \$831.5 billion for the same period in 2020.

Spending on residential construction continues to be the main driver behind the increase in spending, with a 33.8% increase y-o-y. While spending on lodging continues to underperform with y-o-y decrease at 30.4%. It's worth mentioning that spending on Public Safety continues to drop, 29.3% y-o-y.

Source: US Census Bureau

UNEMPLOYMENT INSURANCE CLAIMS | US, NYS, NORTHEAST

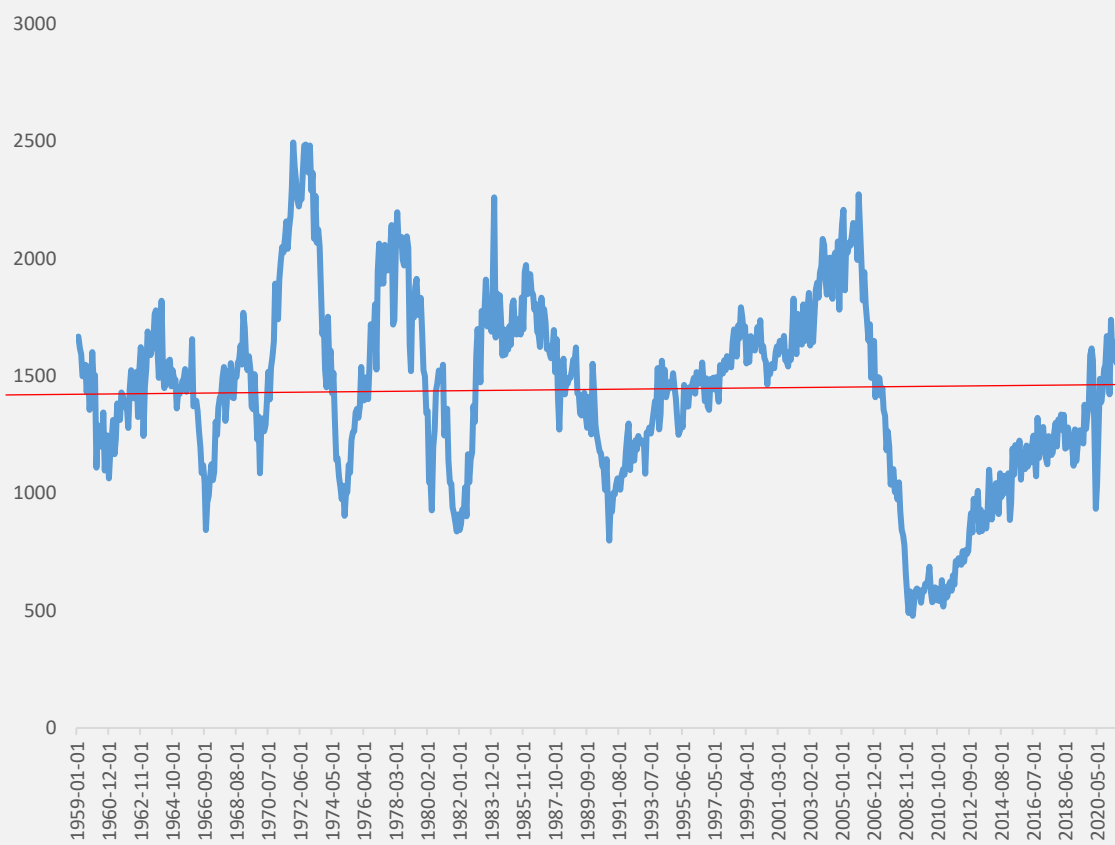


According to the US Bureau of Labor Statistics, total nonfarm payroll employment rose by 235,000 in August, and the unemployment rate declined by 0.2 percent to 5.2 percent. So far this year, monthly job growth has averaged 586,000. In August, notable job gains occurred in professional and business services, transportation and warehousing, private education, manufacturing, and other services. Employment in retail trade declined over the month.

In August, NYS and the Northeast registered 7.4% and 6.6%, respectively.

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

MONTHLY NEW RESIDENTIAL CONSTRUCTION | US

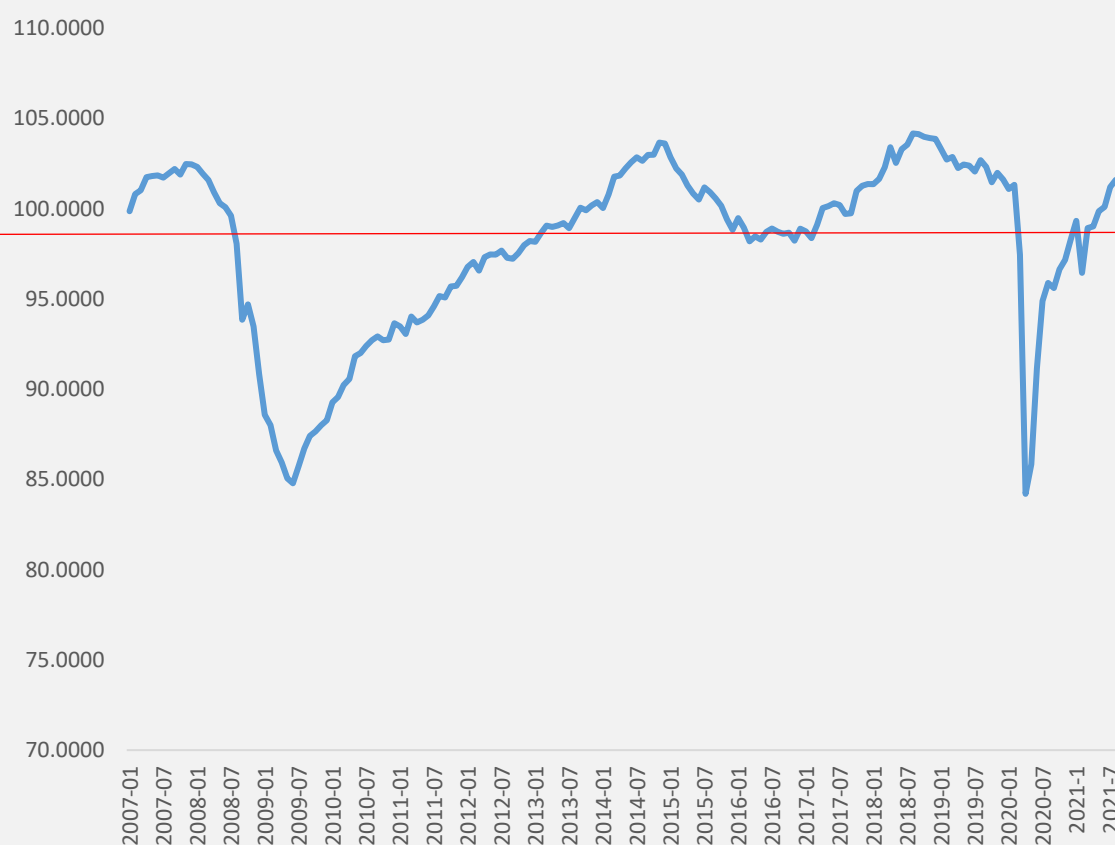


According to the U.S. Census Bureau, privately-owned housing starts in August were at a seasonally adjusted annual rate of 1,615,000. This is 3.9 percent (± 11.3 percent) above the revised July estimate of 1,554,000 and is 17.4 percent (± 12.1 percent) above the August 2020 rate of 1,376,000. Single-family housing starts in August were at a rate of 1,076,000; this is 2.8 percent (± 10.4 percent) below the revised July figure of 1,107,000. The August rate for units in buildings with five units or more was 530,000.

Privately-owned housing completions in August were at a seasonally adjusted annual rate of 1,330,000. This is 4.5 percent (± 11.1 percent) below the revised July estimate of 1,392,000, but is 9.4 percent (± 10.3 percent) above the August 2020 rate of 1,216,000. Single-family housing completions in August were at a rate of 971,000; this is 2.8 percent (± 9.6 percent) above the revised July rate of 945,000. The August rate for units in buildings with five units or more was 356,000.

Source: US Census Bureau

MONTHLY INDUSTRIAL PRODUCTION | US

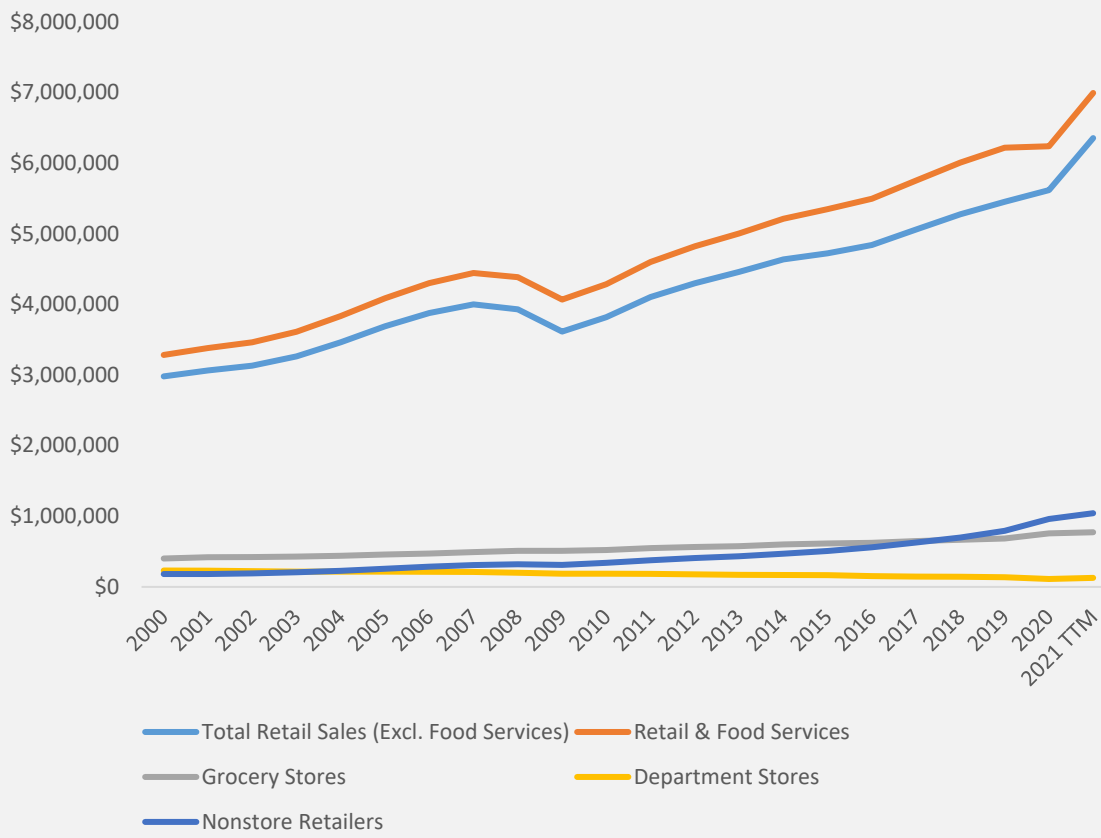


According to the Federal Reserve, industrial production increased 0.4 percent in August after moving up 0.8 percent in July. Late-month shutdowns related to Hurricane Ida held down the gain in industrial production by an estimated 0.3 percentage point. Although the hurricane forced plant closures for petrochemicals, plastic resins, and petroleum refining, overall manufacturing output rose 0.2 percent. Mining production fell 0.6 percent, reflecting hurricane-induced disruptions to oil and gas extraction in the Gulf of Mexico. The output of utilities increased 3.3 percent, as unseasonably warm temperatures boosted demand for air conditioning.

At 101.6 percent of its 2017 average, total industrial production in August was 5.9 percent above its year-earlier level and 0.3 percent above its pre-pandemic (February 2020) level. Capacity utilization for the industrial sector rose 0.2 percentage point in August to 76.4 percent, a rate that is 3.2 percentage points below its long-run (1972–2020) average.

Source: Federal Reserve

MONTHLY RETAIL SALES | US



According to the Census Bureau, advance estimates of U.S. retail and food services sales for August 2021, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$618.7 billion, an increase of 0.7 percent (± 0.5 percent) from the previous month, and 15.1 percent (± 0.7 percent) above August 2020. Total sales for the June 2021 through August 2021 period were up 16.3 percent (± 0.5 percent) from the same period a year ago. The June 2021 to July 2021 percent change was revised from down 1.1 percent (± 0.5 percent) to down 1.8 percent (± 0.2 percent).

Retail trade sales were up 0.8 percent (± 0.5 percent) from July 2021, and up 13.1 percent (± 0.7 percent) above last year. Clothing and clothing accessories stores were up 38.8 percent (± 3.3 percent) from August 2020, while gasoline stations were up 35.7 percent (± 1.6 percent) from last year.

Source: US Census Bureau

10-YEAR TREASURY YIELD (%) | US



The 10y treasury registered at 1.48%, as of 10/01/21, 20 bps higher than the TTM average of 1.28%. Slightly lower compared to the previous month but substantially higher than the beginning of the year. It's also approx. 70 bps higher than the TTM low of 0.70%.

Source: US Census Bureau

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

Sector	Number of Constituents	Investment Performance by Property Sector and Subsector			Dividend Yield (%)	Market Capitalization (\$)¹	
		Total Return (%)				Equity	Implied
		2020	June	2021: YTD			
FTSE Nareit All Equity REITs	154	-5.12	2.08	29.28	2.69	1,513,870,526	1,553,680,222
FTSE Nareit Equity REITs	146	-8.00	1.84	30.17	2.87	1,218,706,142	1,258,461,416
Industrial	13	12.17	3.41	31.60	2.05	175,161,352	179,786,454
Office	20	-18.44	-1.96	16.34	3.47	106,797,331	112,654,799
Retail	29	-25.18	3.21	39.47	3.85	174,586,447	183,165,093
Shopping Centers	17	-27.64	2.62	49.55	3.53	61,875,963	62,976,034
Regional Malls	2	-37.15	6.23	60.16	4.12	47,486,227	53,954,040
Free Standing	10	-10.46	1.63	19.43	3.94	65,224,257	66,235,019
Residential	20	-10.69	0.75	42.52	2.39	235,863,712	244,022,716
Apartments	15	-15.34	0.33	44.67	2.77	160,096,319	164,695,245
Manufactured Homes	3	-1.69	2.26	35.31	1.71	39,112,596	40,148,678
Single Family Homes	2	6.04	1.05	40.76	1.42	36,654,797	39,178,792
Diversified	15	-21.76	-0.05	23.79	4.06	51,614,621	54,593,897
Lodging/Resorts	13	-23.60	2.68	13.28	0.04	38,547,186	38,765,138
Health Care	17	-9.86	-2.67	15.94	4.01	125,890,493	126,764,871
Self Storage	5	12.91	5.27	51.52	2.40	106,854,404	110,898,150
Timber	4	10.33	4.56	10.60	2.20	36,132,456	36,132,456
Infrastructure	4	7.25	2.88	28.25	1.93	259,031,929	259,086,351
Data Centers	4	21.00	4.57	18.90	2.04	137,521,695	140,791,913
Specialty	10	-8.24	3.88	35.03	4.27	65,868,902	67,018,384
FTSE Nareit Mortgage REITs	33	-18.77	2.88	19.67	8.05	75,653,093	76,255,623
Home Financing	20	-22.59	3.48	15.35	9.21	44,443,226	44,473,075
Commercial Financing	13	-10.73	1.98	26.89	6.28	31,209,867	31,782,548

Source: FTSE™, Nareit®.

Notes:

¹ 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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Important Information

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