

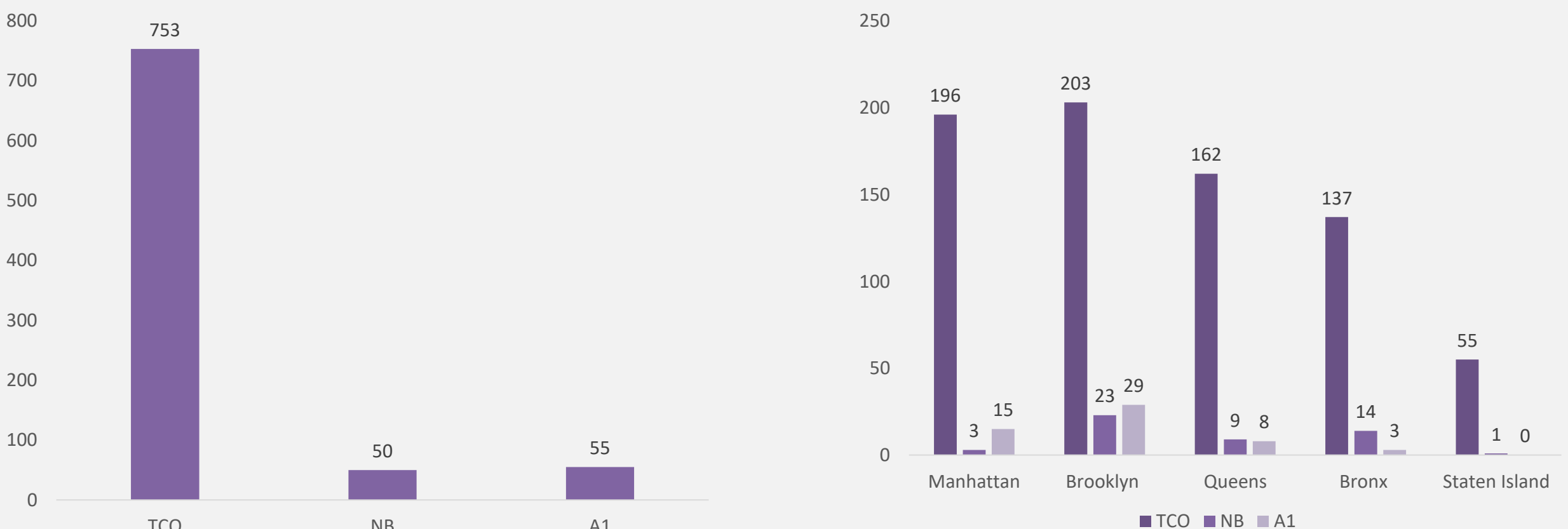
2021 is finally here and although everyone is ready to move on to a post-COVID world, headwinds abound. The vaccine rollout has been slower than most would like and unemployment figures still don't paint the prettiest of pictures, even though there has been a substantial improvement compared to the beginning of the pandemic. However, expectations of more government support and stimulus is giving people reason to be cautiously optimistic – the World Bank projects that U.S. GDP will expand by 3.5% in 2021 - with the incoming administrations proposed \$1.9Tr stimulus package taking center stage. From our conversations with market participants (lenders, LP's, Sponsors etc.) sentiment and strategies have not changed. Lenders will continue to be conservative, especially with development projects, and investors are either trying to maintain some stability in their portfolio or looking to capitalize on some of the distress in the market.

- For the month of December, 753 unique TCO applications were filed with NYC's Department of Buildings (DOB) of which 274 were final and 479 were temporary. The new building (NB) and alteration type 1 (A1) were slightly higher than previous months, with 50 and 55 filings, respectively.
- According to the U.S. Census Bureau, total construction spending during November 2020 was estimated at a seasonally adjusted annual rate of \$1,459.4 billion, 0.9 percent ( $\pm 0.8$  percent) above the revised October estimate of \$1,446.9 billion.
- Total nonfarm payroll employment declined by 140,000 in December, and the unemployment rate remained unchanged at 6.7 percent, the U.S. Bureau of Labor Statistics reported.
- Privately-owned housing starts in November were at a seasonally adjusted annual rate of 1,547,000. This is 1.2 percent ( $\pm 8.6$  percent)\* above the revised October estimate of 1,528,000 and is 12.8 percent ( $\pm 11.3$  percent) above the November 2019 rate of 1,371,000.
- According to the Federal Reserve, industrial production advanced 1.6 percent in December, with gains of 0.9 percent for manufacturing, 1.6 percent for mining, and 6.2 percent for utilities.
- According to the Census, advance estimates of U.S. retail and food services sales for December 2020, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$540.9 billion, a decrease of 0.7 percent ( $\pm 0.5$  percent) from the previous month, but 2.9 percent ( $\pm 0.7$  percent) above December 2019.
- The 10y treasury registered at 1.11%, as of 1/15/21, 25 bps higher than the TTM average of 0.86%.

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

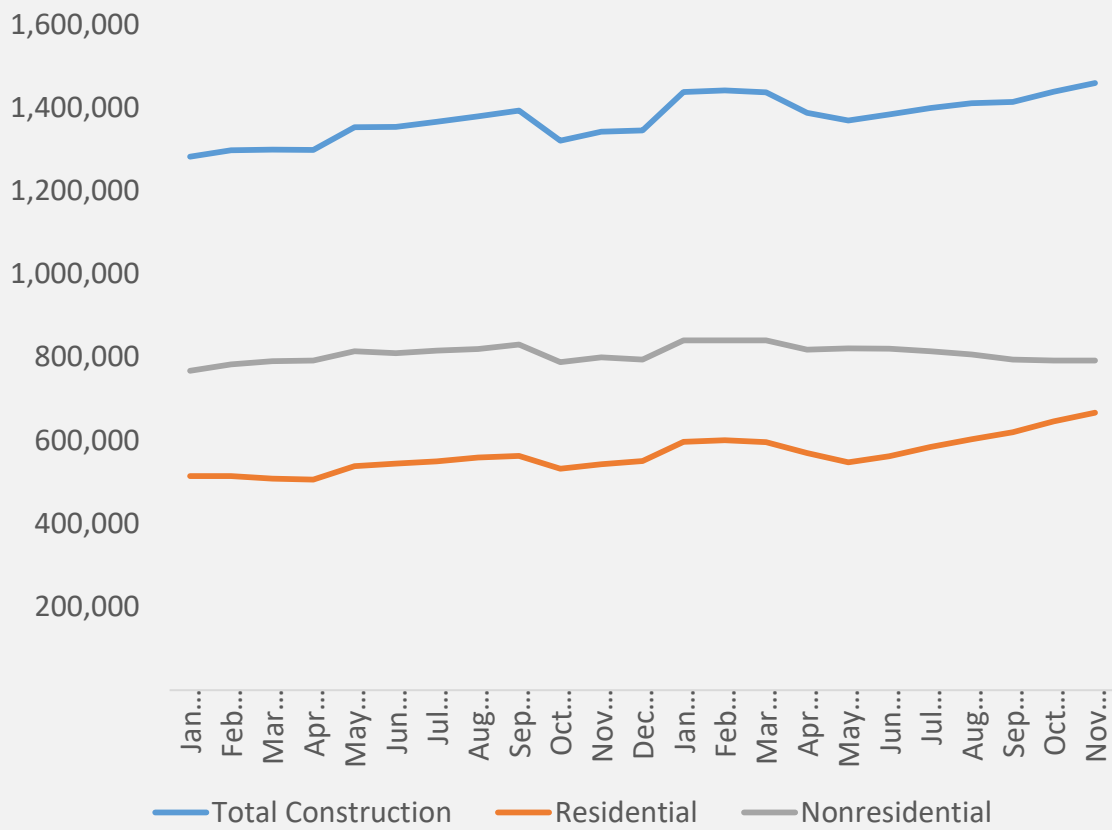
For the month of December, 753 unique TCO applications were filed with NYC's Department of Buildings (DOB) of which 274 were final and 479 were temporary. The new building (NB) and alteration type 1 (A1) were slightly higher than previous months, with 50 and 55 filings, respectively.

TCO applications represented 38,235 projected dwelling units across all boroughs – not all applications disclosed the proposed unit count. The majority of the units were located in Manhattan (17,356) while Brooklyn came in second (8,182), Queens third (6,581), Bronx fourth (6,050), and finally Staten Island (66).



Source: NYC, Opendata

## MONTHLY CONSTRUCTION SPENDING, OCTOBER 2020 | US

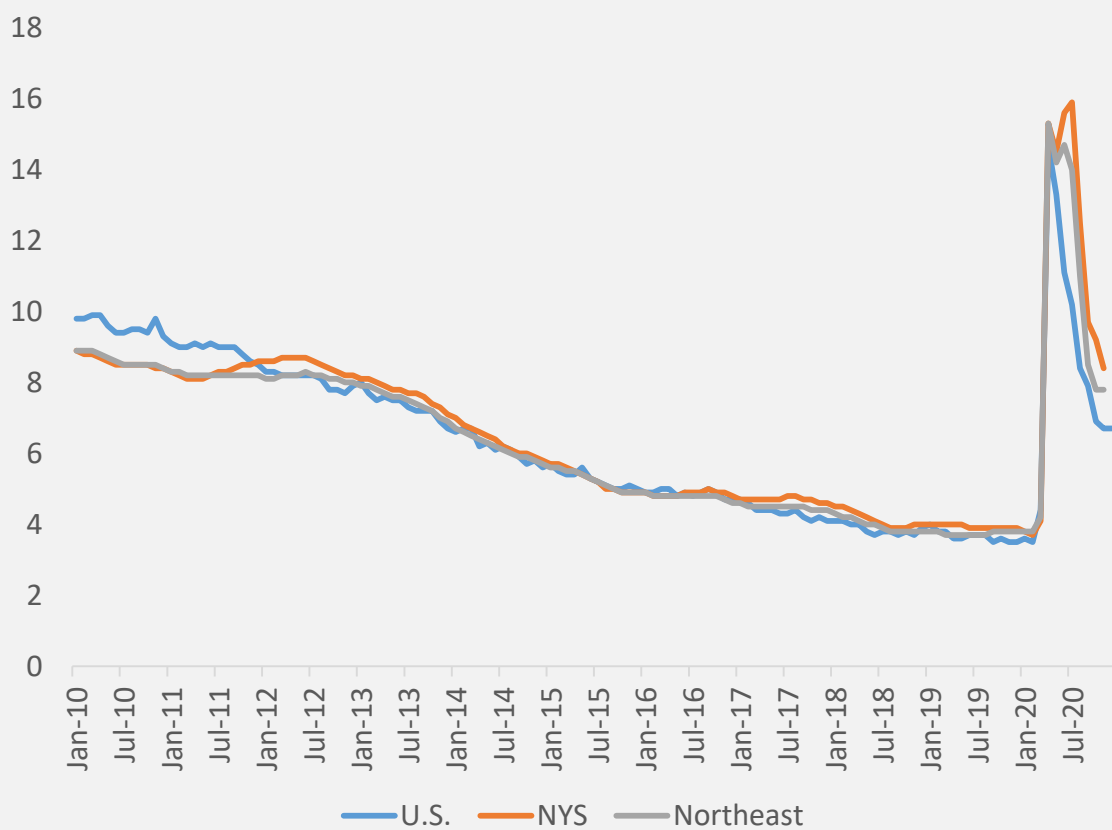


According to the U.S. Census Bureau, total construction spending during November 2020 was estimated at a seasonally adjusted annual rate of \$1,459.4 billion, 0.9 percent ( $\pm 0.8$  percent) above the revised October estimate of \$1,446.9 billion. The November figure is 3.8 percent ( $\pm 1.3$  percent) above the November 2019 estimate of \$1,405.5 billion. During the first eleven months of this year, construction spending amounted to \$1,314.1 billion, 4.4 percent ( $\pm 1.0$  percent) above the \$1,258.8 billion for the same period in 2019.

It's worth noting that private spending on new multifamily was up 53.5% y-o-y at \$90,024 billion while spending on lodging was, not surprisingly, down -25.8% y-o-y.

Source: US Census Bureau

## UNEMPLOYMENT INSURANCE CLAIMS | US, NYS, NORTHEAST

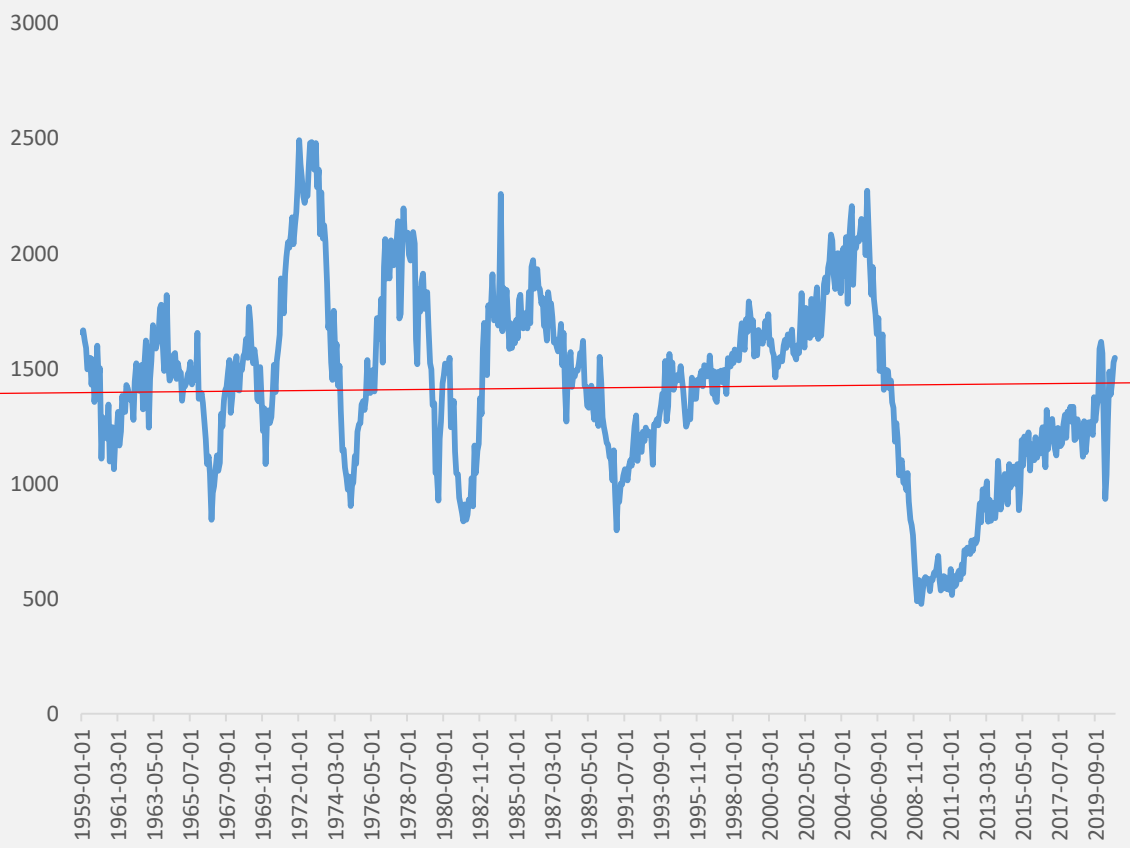


Total nonfarm payroll employment declined by 140,000 in December, and the unemployment rate remained unchanged at 6.7 percent, the U.S. Bureau of Labor Statistics reported. The decline in payroll employment reflects the recent increase in coronavirus cases and efforts to contain the pandemic. In December, job losses in leisure and hospitality and in private education were partially offset by gains in professional business services, retail trade, and construction.

In November, NYS and the Northeast registered 8.4% and 7.8%, respectively.

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

## MONTHLY NEW RESIDENTIAL CONSTRUCTION | US

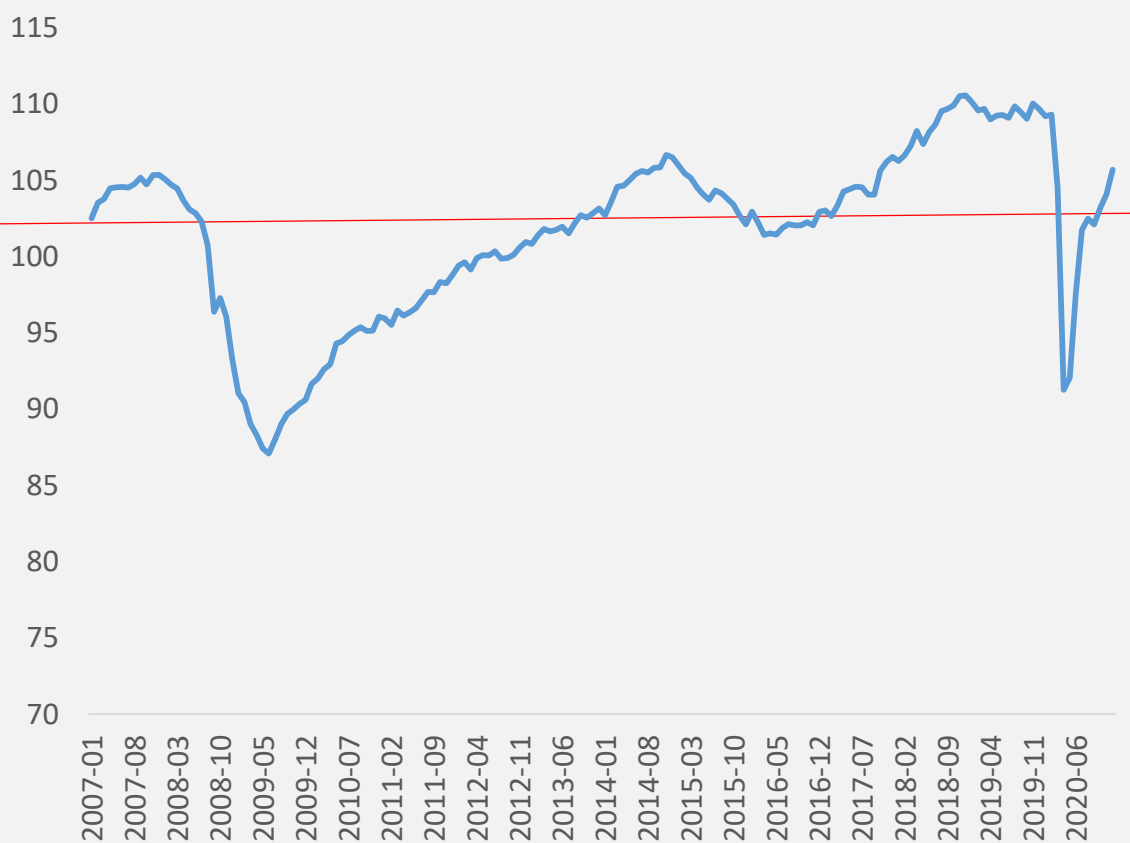


Source: US Census Bureau

Privately-owned housing starts in November were at a seasonally adjusted annual rate of 1,547,000. This is 1.2 percent ( $\pm 8.6$  percent)\* above the revised October estimate of 1,528,000 and is 12.8 percent ( $\pm 11.3$  percent) above the November 2019 rate of 1,371,000. Single-family housing starts in November were at a rate of 1,186,000; this is 0.4 percent ( $\pm 7.9$  percent)\* above the revised October figure of 1,181,000. The November rate for units in buildings with five units or more was 352,000.

Privately-owned housing completions in November were at a seasonally adjusted annual rate of 1,163,000. This is 12.1 percent ( $\pm 5.6$  percent) below the revised October estimate of 1,323,000 and is 4.8 percent ( $\pm 10.6$  percent)\* below the November 2019 rate of 1,222,000. Single-family housing completions in November were at a rate of 874,000; this is 0.6 percent ( $\pm 7.5$  percent)\* below the revised October rate of 879,000. The November rate for units in buildings with five units or more was 280,000.

## MONTHLY INDUSTRIAL PRODUCTION | US

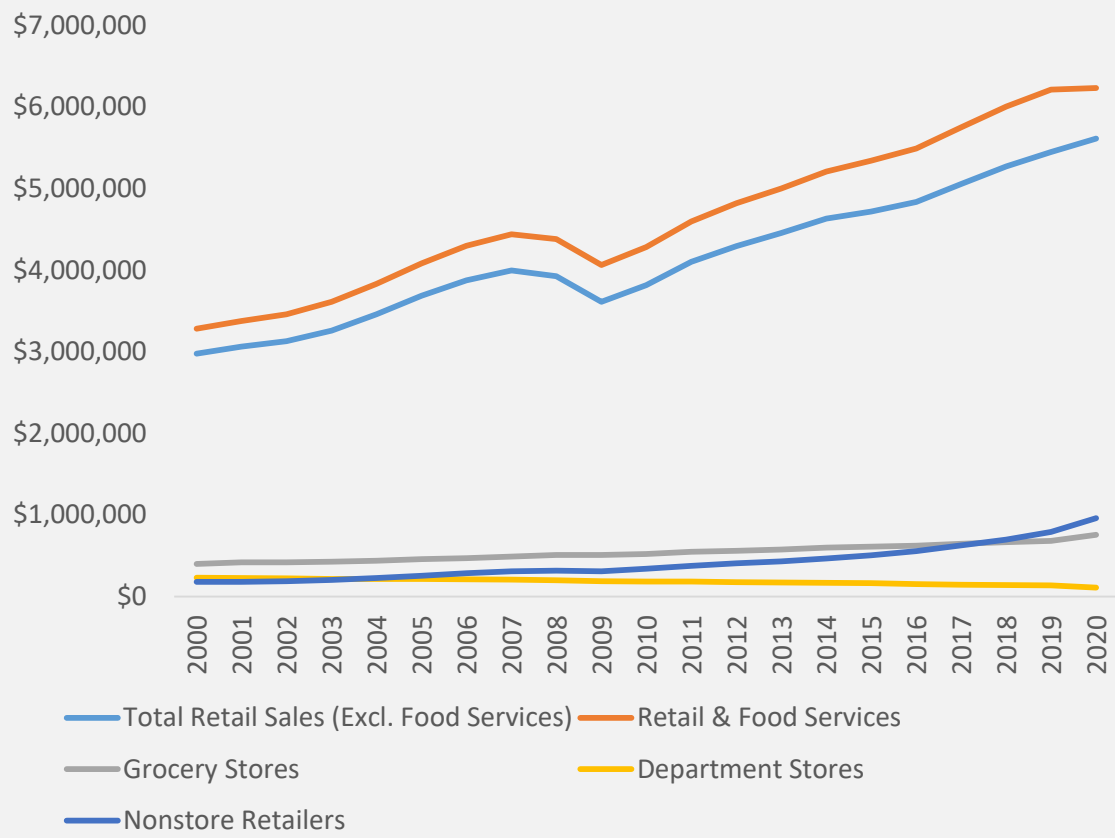


Source: Federal Reserve

According to the Federal Reserve, industrial production advanced 1.6 percent in December, with gains of 0.9 percent for manufacturing, 1.6 percent for mining, and 6.2 percent for utilities. The increase for utilities resulted from a rebound in demand for heating after unseasonably warm weather in November.

For the fourth quarter as a whole, total industrial production rose at an annual rate of 8.4 percent. At 105.7 percent of its 2012 average, total industrial production in December was 3.6 percent lower than it was a year earlier and 3.3 percent below its pre-pandemic February reading. Capacity utilization for the industrial sector rose 1.1 percentage points in December to 74.5 percent, a rate that is 5.3 percentage points below its long-run (1972–2019) average.

## MONTHLY RETAIL SALES | US

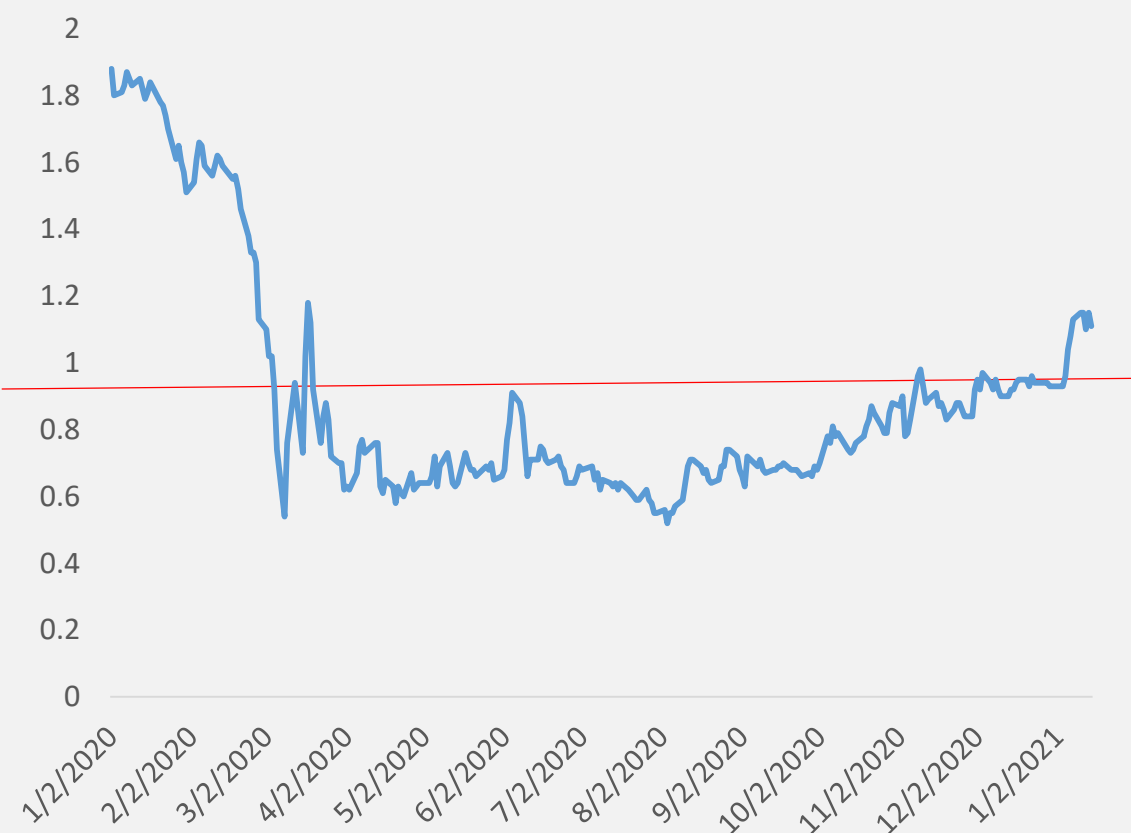


Source: US Census Bureau

According to the Census, advance estimates of U.S. retail and food services sales for December 2020, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$540.9 billion, a decrease of 0.7 percent ( $\pm 0.5$  percent) from the previous month, but 2.9 percent ( $\pm 0.7$  percent) above December 2019. Total sales for the 12 months of 2020 were up 0.6 percent ( $\pm 0.4$  percent) from 2019. Total sales for the October 2020 through December 2020 period were up 4.0 percent ( $\pm 0.5$  percent) from the same period a year ago. The October 2020 to November 2020 percent change was revised from down 1.1 percent ( $\pm 0.5$  percent) to down 1.4 percent ( $\pm 0.2$  percent). Retail trade sales were down 0.3 percent ( $\pm 0.5$  percent)\* from November 2020, but 6.3 percent ( $\pm 0.7$  percent) above last year.

Non-store retailers were up 19.2 percent ( $\pm 1.6$  percent) from December 2019, while food services and drinking places were down 21.2 percent ( $\pm 3.7$  percent) from last year.

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



Source: US Treasury, US Federal Reserve

The 10y treasury registered at 1.11%, as of 1/15/21, 25 bps higher than the TTM average of 0.86%. Also, significantly lower compared to the TTM maximum of 1.84%, but approx. 34 bps higher than the TTM low of 0.52% (8/4/20).



## FTSE NAREIT U.S. REAL ESTATE INDEX SERIES | DECEMBER 31, 2020

Sector	Investment Performance by Property Sector and Subsector						
	Number of Constituents	Total Return (%)			Dividend Yield (%)	Market Capitalization (\$)¹	
		2019	November	2020: YTD		Equity	Implied
FTSE Nareit All Equity REITs	162	28.66	2.45	-5.12	3.56	1,174,996,969	1,205,700,725
FTSE Nareit Equity REITs	153	26.00	3.29	-8.00	3.86	939,681,562	970,336,477
Industrial	13	48.71	2.14	12.17	2.52	131,703,376	135,260,300
Office	20	31.42	1.85	-18.44	3.87	84,003,103	88,718,898
Retail	32	10.65	4.38	-25.18	5.31	124,563,947	130,442,462
Shopping Centers	18	25.03	3.29	-27.64	5.39	41,938,807	42,730,233
Regional Malls	4	-9.13	4.20	-37.15	6.41	30,019,315	34,346,325
Free Standing	10	24.76	5.29	-10.46	4.60	52,605,825	53,365,904
Residential	22	30.89	2.81	-10.69	3.15	167,966,383	173,995,580
Apartments	16	26.32	1.13	-15.34	3.75	112,395,279	115,840,925
Manufactured Homes	3	49.09	9.27	-1.69	2.17	28,502,727	29,279,512
Single Family Homes	3	6.04	3.97	6.04	1.64	27,068,378	28,875,143
Diversified	15	24.10	2.47	-21.76	5.21	46,658,559	49,457,673
Lodging/Resorts	13	15.65	4.91	-23.60	5.80	33,732,844	33,924,800
Health Care	17	21.20	4.67	-9.86	4.64	109,516,029	110,336,805
Self Storage	5	13.70	4.36	12.91	3.47	70,107,899	72,658,784
Timber	4	42.00	13.62	10.33	2.40	32,836,160	32,836,160
Infrastructure	5	41.95	-2.71	7.25	2.35	202,479,247	202,528,089
Data Centers	5	44.21	3.26	21.00	2.30	120,837,262	124,022,041
Specialty	11	27.39	2.98	-8.24	6.47	50,592,160	51,519,135
FTSE Nareit Mortgage REITs	34	21.33	7.17	-18.77	8.99	64,372,548	64,856,398
Home Financing	21	17.20	5.96	-22.59	9.66	39,484,585	39,508,168
Commercial Financing	13	32.10	9.30	-10.73	7.86	24,887,963	25,348,231

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.

Disclaimer: The FTSE Nareit US Real Estate Index Series (Indexes) is calculated by FTSE International Limited (FTSE®), which is part of the London Stock Exchange Group plc (LSE Group). FTSE Russell® is a trading name of FTSE®, FTSE® and related trademarks and service marks owned or licensed to the LSE Group. Nareit® is the exclusive registered trademark of the National Association of Real Estate Investment Trusts®. All rights in the Indexes vest in FTSE® and Nareit®. All information is provided for information purposes only. Every effort is made to ensure that all information given in this publication is accurate, but no responsibility or liability can be accepted by any member of the LSE Group nor by Nareit® nor by their respective directors, officers, employees, partners or licensors for any errors or for any loss (including in negligence) from use of this publication or any of the information or data contained herein. Past performance is no guarantee of future results. Charts and graphs are provided for illustrative purposes only. Index returns shown may not represent the results of the actual trading of investable assets.

## 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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