

To say that the times we're living through are challenging is an understatement. Capital markets are feeling the pinch from rising inflation, the ongoing conflict between Russia and Ukraine and the looming increase in interest rates - which have aided the 10 year Treasury to break 2.00%, a level not seen since mid-2019.

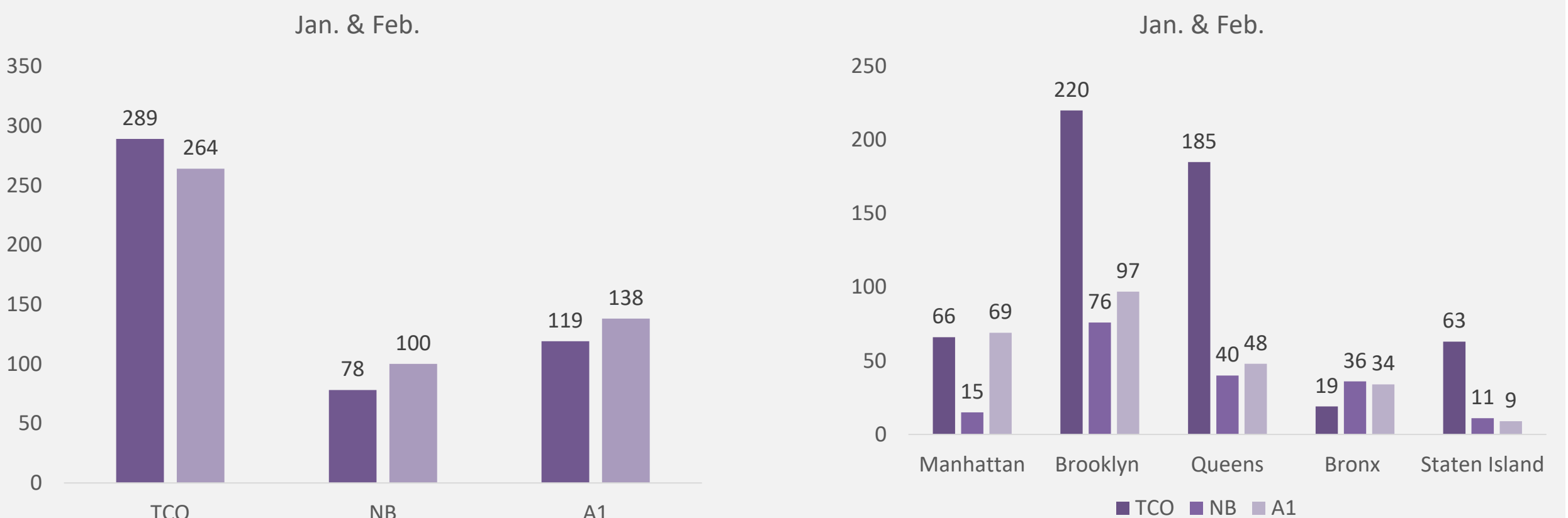
This has had a direct impact on all types of financings as lenders of all stripes have been forced to increase spreads and include an uncertainty premium to all bids. Borrowers on the other hand are being forced to reconsider their financing strategy, if not scrap it all together and sit on the sidelines to wait out the storm; if they are fortunate enough to have that option.

- For the months of January and February, 553 unique TCO applications were filed with NYC's Department of Buildings (DOB). There were 178 new building (NB) and 257 major alteration type 1 (A1) applications filed for the same period.
- According to the U.S. Census Bureau, construction spending during January 2022 was estimated at a seasonally adjusted annual rate of \$1,677.2 billion, 1.3 percent (±0.8 percent) above the revised December estimate of \$1,655.8 billion.
- According to the US Bureau of Labor Statistics, total nonfarm payroll employment rose by 678,000 in February, and the unemployment rate edged down to 3.8 percent.
- According to the U.S. Census Bureau, privately-owned housing starts in January were at a seasonally adjusted annual rate of 1,638,000.
- According to the Federal Reserve, in January, total industrial production increased 1.4 percent. Manufacturing output and mining production rose 0.2 percent and 1.0 percent, respectively.
- According to the Census Bureau, national vacancy rates in the fourth quarter 2021 were 5.6 percent for rental housing and 0.9 percent for homeowner housing.
- According to the Census Bureau, the homeownership rate of 65.5 percent
- According to the Census Bureau, advance estimates of U.S. retail and food services sales for January 2022, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$649.8 billion.
- The 10y treasury registered at 2.14%, as of 2/14/22, 58 bps higher than the TTM average of 1.56%. It's also approx. 95 bps higher than the TTM low of 1.19%.

MONTHLY DEPARTMENT OF BUILDINGS ACTIVITY, JAN. & FEB. 2022 | NYC

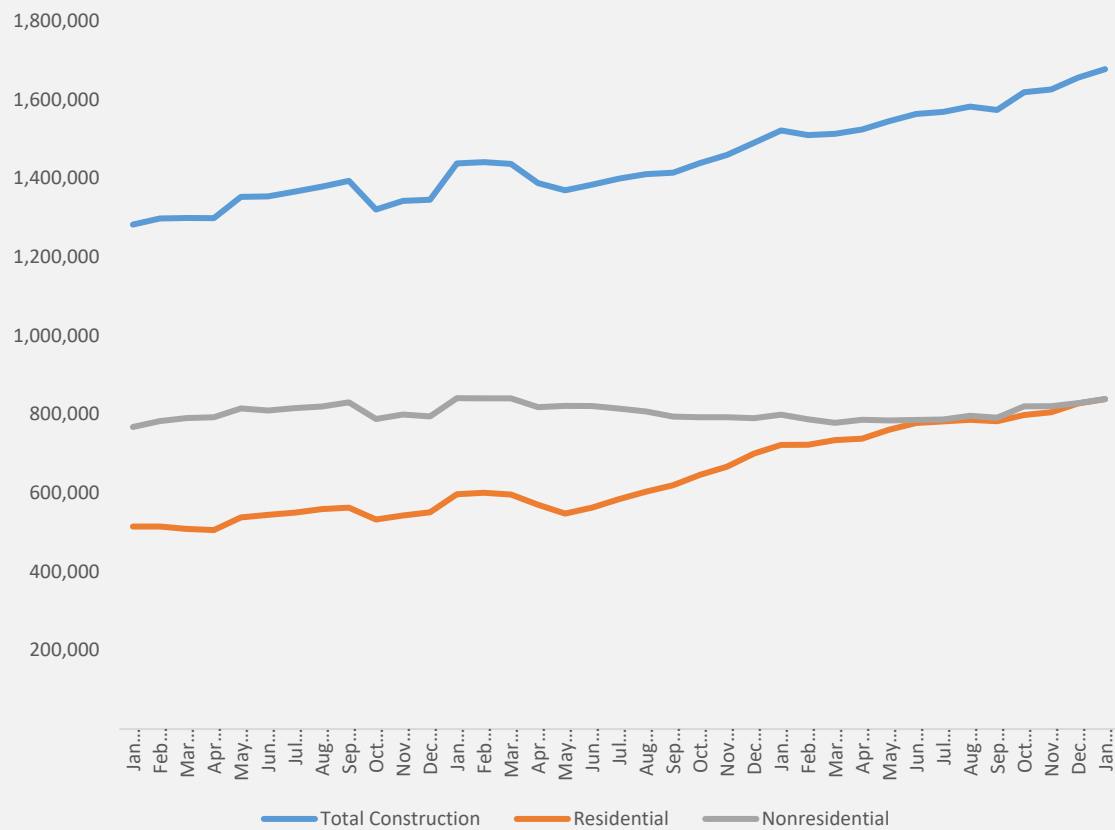
For the months of January and February, 553 unique TCO applications were filed with NYC's Department of Buildings (DOB). There were 178 new building (NB) and 257 major alteration type 1 (A1) applications filed for the same period.

TCO applications represented 10,138 projected dwelling units across all boroughs – not all applications disclosed the proposed unit count. The majority of the units were located in Manhattan (4,056) while Brooklyn (3,367) came in second, Queens third (1,888), the Bronx fourth (716), and finally Staten Island with (111).



Source: NYC, Opendata

## MONTHLY CONSTRUCTION SPENDING | US

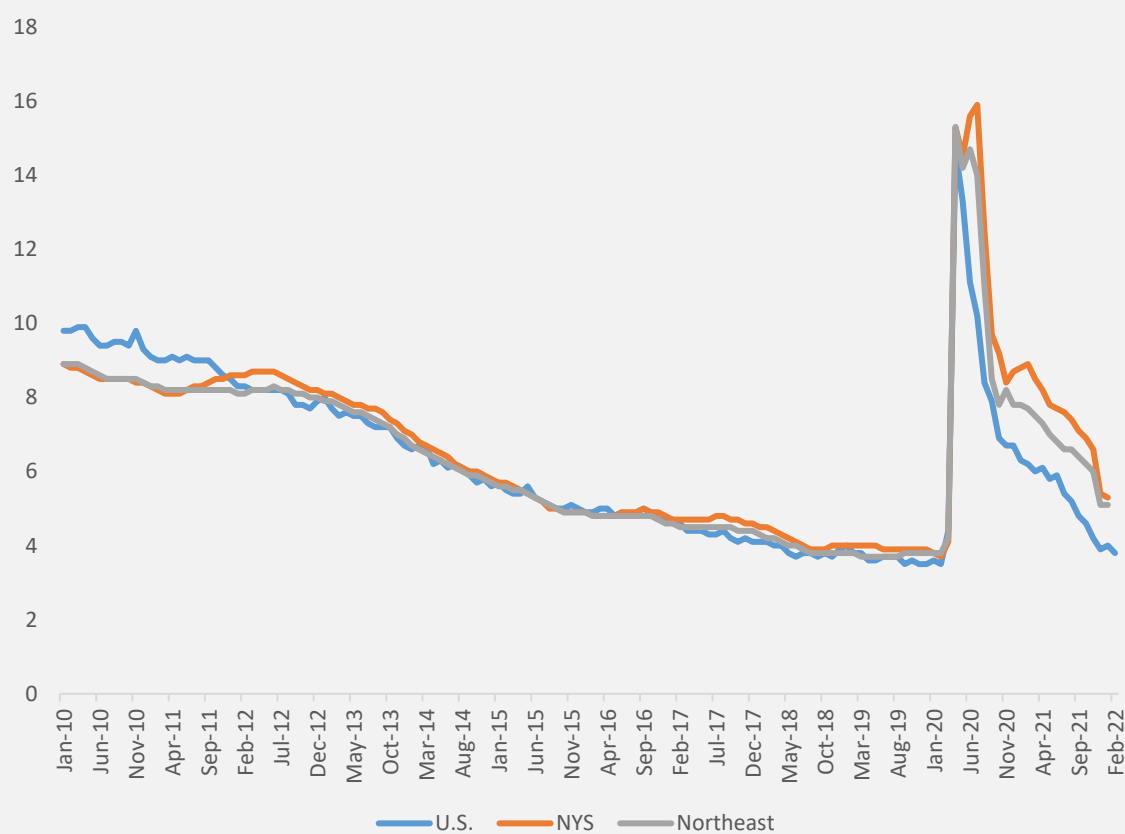


According to the U.S. Census Bureau, construction spending during January 2022 was estimated at a seasonally adjusted annual rate of \$1,677.2 billion, 1.3 percent ( $\pm 0.8$  percent) above the revised December estimate of \$1,655.8 billion. The January figure is 8.2 percent ( $\pm 1.2$  percent) above the January 2021 estimate of \$1,549.8 billion.

Spending on manufacturing construction was the main driver behind the increase in spending, with a 41.6% increase y-o-y. While spending on lodging continues to underperform with y-o-y decrease at 27.7%.

Source: US Census Bureau

## UNEMPLOYMENT INSURANCE CLAIMS | US, NYS, NORTHEAST

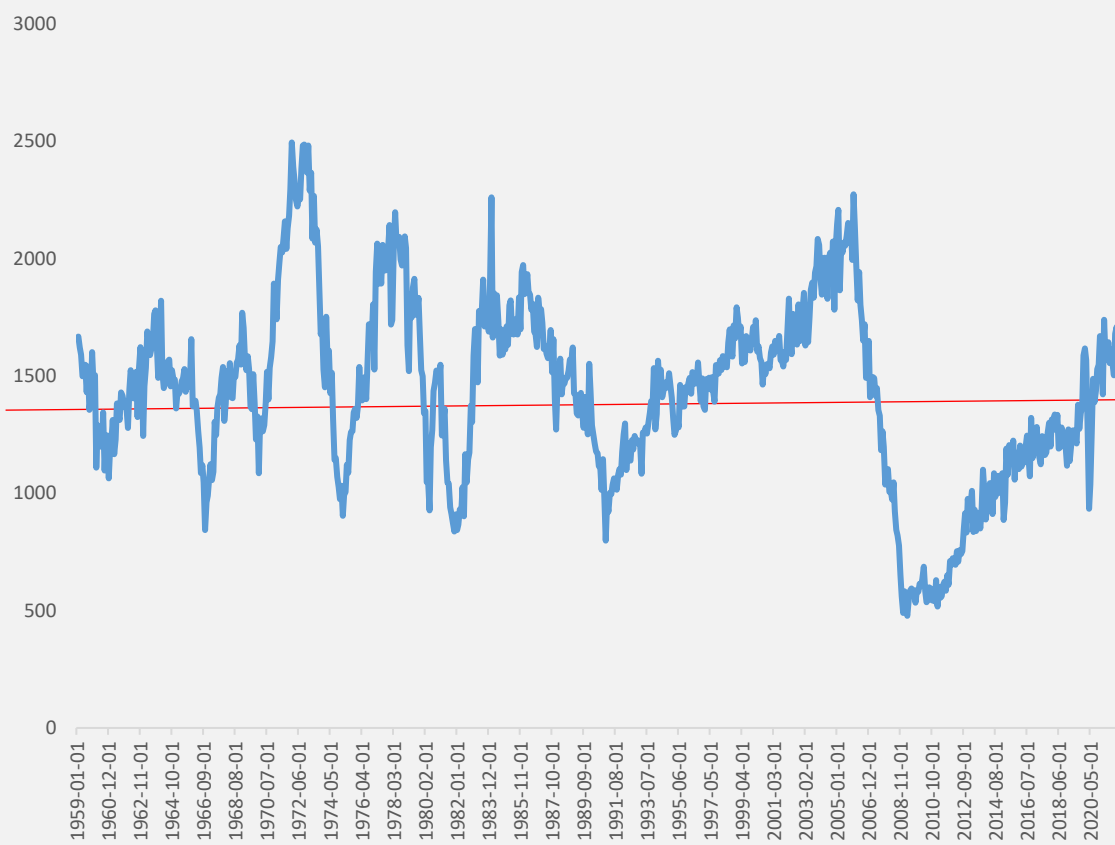


According to the US Bureau of Labor Statistics, total nonfarm payroll employment rose by 678,000 in February, and the unemployment rate edged down to 3.8 percent. Job growth was widespread, led by gains in leisure and hospitality, professional and business services, health care, and construction.

In November, NYS and the Northeast registered 5.3% and 5.1%, respectively.

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

## MONTHLY NEW RESIDENTIAL CONSTRUCTION | US

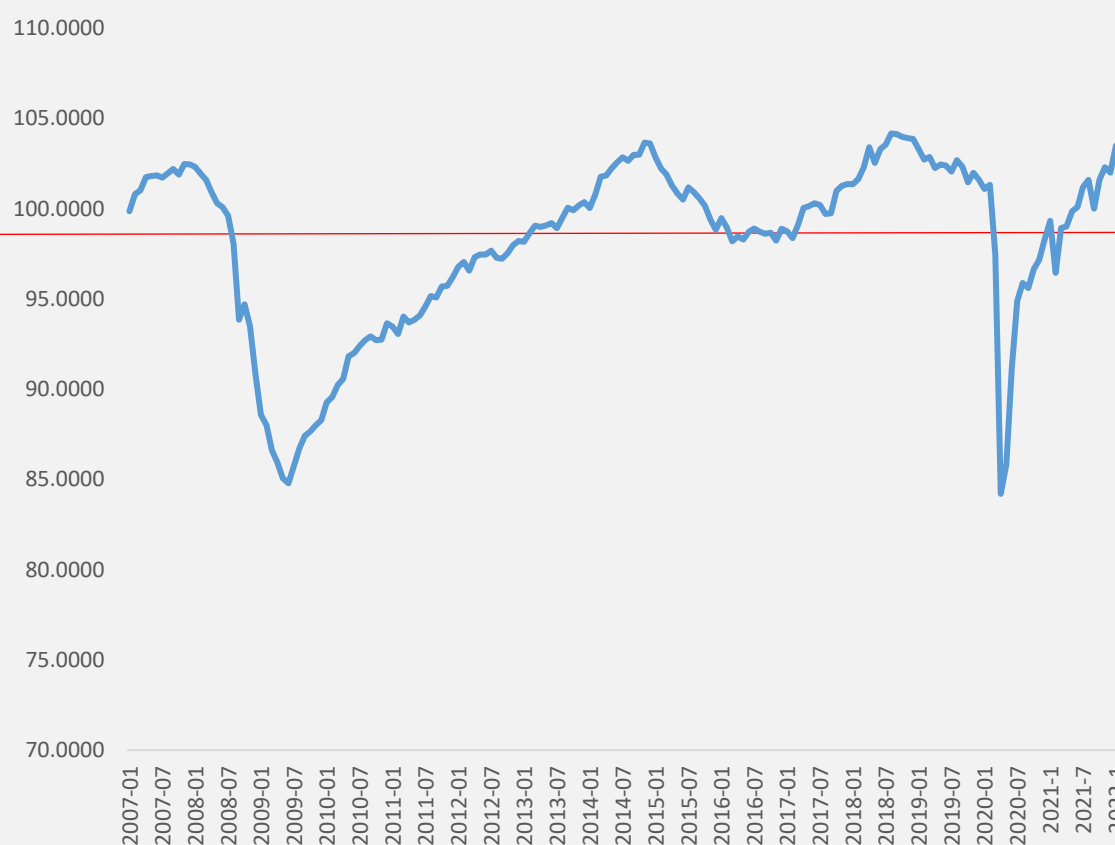


According to the U.S. Census Bureau, privately-owned housing starts in January were at a seasonally adjusted annual rate of 1,638,000. This is 4.1 percent ( $\pm 13.7$  percent) below the revised December estimate of 1,708,000, but is 0.8 percent ( $\pm 12.5$  percent) above the January 2021 rate of 1,625,000. Single-family housing starts in January were at a rate of 1,116,000; this is 5.6 percent ( $\pm 12.0$  percent) below the revised December figure of 1,182,000. The January rate for units in buildings with five units or more was 510,000.

Privately-owned housing completions in January were at a seasonally adjusted annual rate of 1,246,000. This is 5.2 percent ( $\pm 8.0$  percent) below the revised December estimate of 1,315,000 and is 6.2 percent ( $\pm 10.0$  percent) below the January 2021 rate of 1,328,000. Single-family housing completions in January were at a rate of 927,000; this is 7.3 percent ( $\pm 6.8$  percent) below the revised December rate of 1,000,000. The January rate for units in buildings with five units or more was 309,000.

Source: US Census Bureau

## MONTHLY INDUSTRIAL PRODUCTION | US

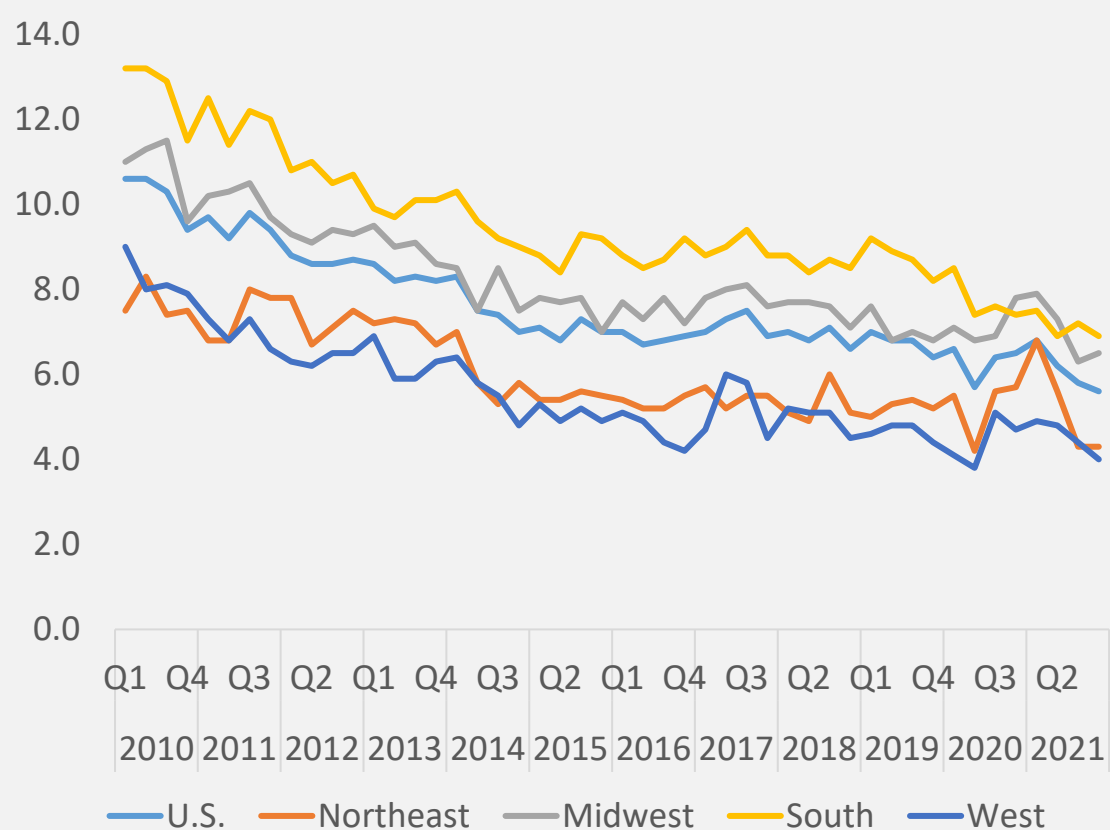


According to the Federal Reserve, in January, total industrial production increased 1.4 percent. Manufacturing output and mining production rose 0.2 percent and 1.0 percent, respectively. The index for utilities jumped 9.9 percent; after being held down in December by unusually mild weather, the demand for heating surged in January with the arrival of significantly colder-than-normal temperatures.

At 103.5 percent of its 2017 average, total industrial production in January was 4.1 percent higher than its year-earlier level and 2.1 percent above its pre-pandemic (February 2020) reading. Capacity utilization for the industrial sector increased 1.0 percentage point in January to 77.6 percent, a rate that is 1.9 percentage points below its long-run (1972–2021) average

Source: Federal Reserve

## QUARTERLY RESIDENTIAL VACANCY, Q4 21 | US

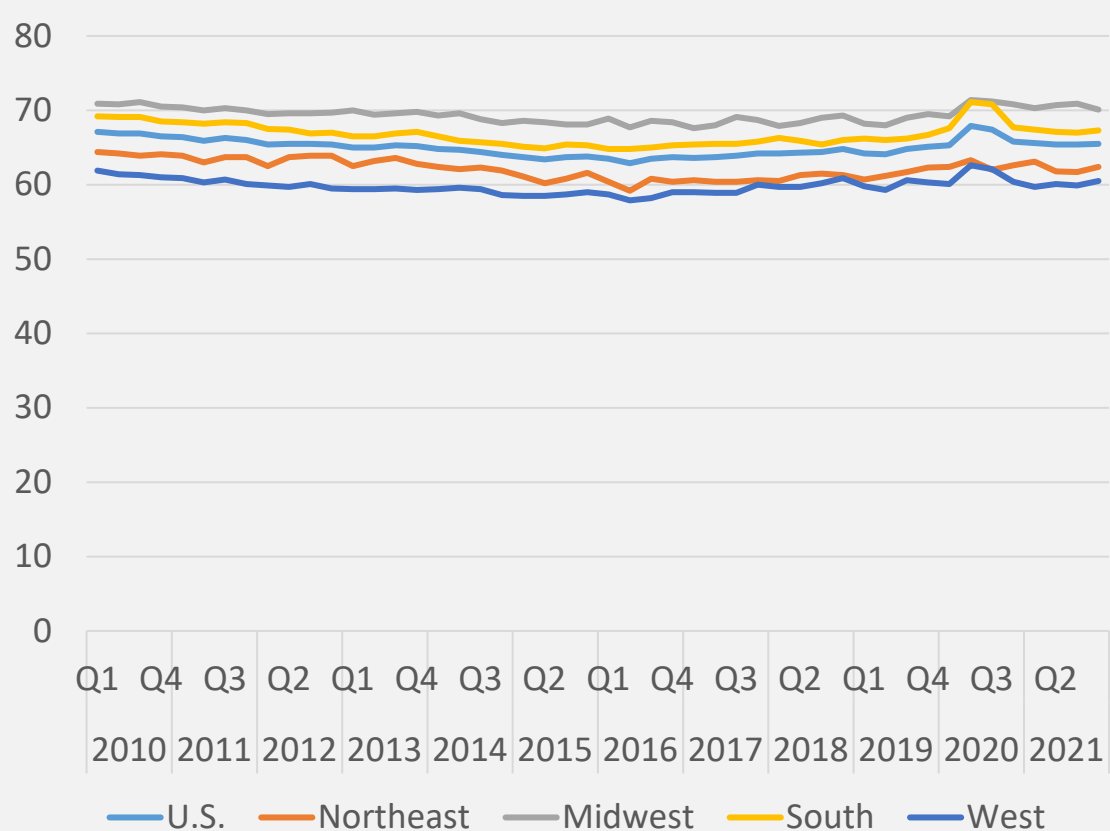


According to the Census Bureau, national vacancy rates in the fourth quarter 2021 were 5.6 percent for rental housing and 0.9 percent for homeowner housing. The rental vacancy rate was 0.9 percentage points lower than the rate in the fourth quarter 2020 (6.5 percent) and not statistically different from the rate in the third quarter 2021 (5.8 percent).

The homeowner vacancy rate of 0.9 percent was 0.1 percentage points lower than the rate in the fourth quarter 2020 (1.0 percent) and virtually the same as the rate in the third quarter 2021 (0.9 percent).

Source: US Census Bureau

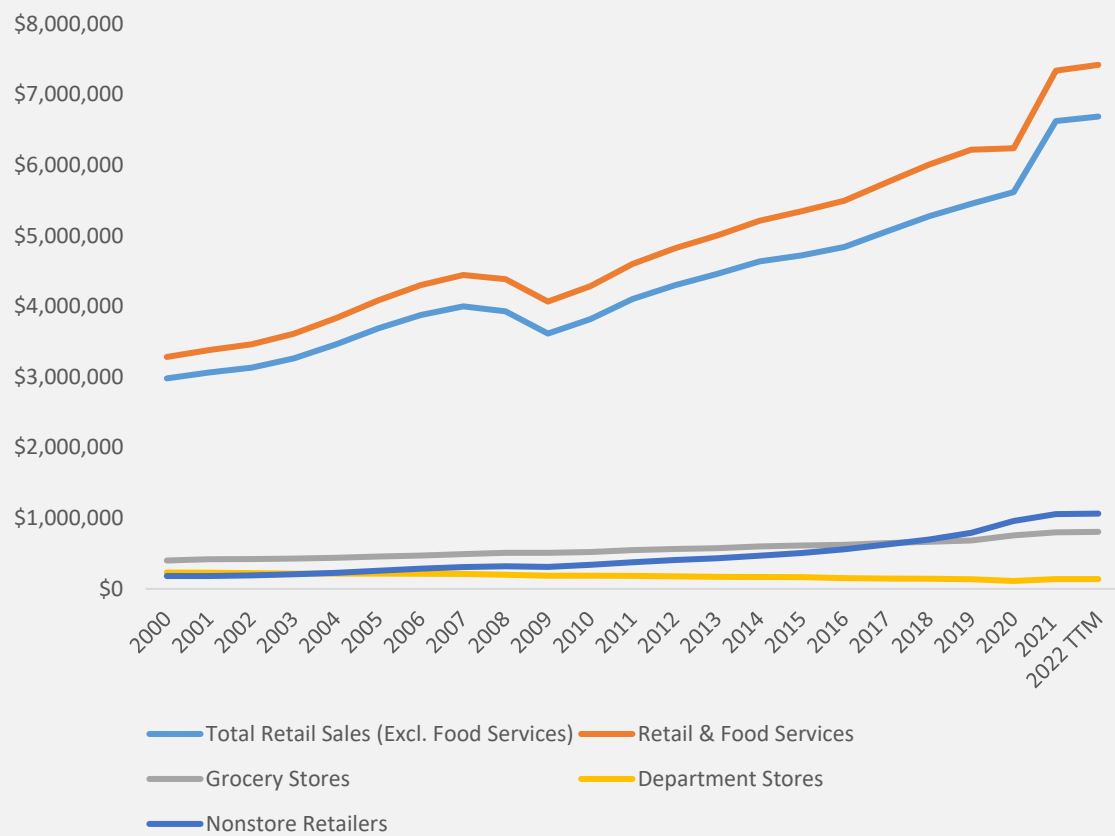
## QUARTERLY HOMEOWNERSHIP RATE, Q4 21 | US



According to the Census Bureau, the homeownership rate of 65.5 percent was not statistically different from the rate in the fourth quarter 2020 (65.8 percent) and not statistically different from the rate in the third quarter 2021 (65.4 percent).

Source: US Census Bureau

## MONTHLY RETAIL SALES | US



According to the Census Bureau, advance estimates of U.S. retail and food services sales for January 2022, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$649.8 billion, an increase of 3.8 percent ( $\pm 0.5$  percent) from the previous month, and 13.0 percent ( $\pm 0.9$  percent) above January 2021. Total sales for the November 2021 through January 2022 period were up 16.1 percent ( $\pm 0.7$  percent) from the same period a year ago. The November 2021 to December 2021 percent change was revised from down 1.9 percent ( $\pm 0.5$  percent) to down 2.5 percent ( $\pm 0.3$  percent).

Retail trade sales were up 4.4 percent ( $\pm 0.4$  percent) from December 2021, and up 11.4 percent ( $\pm 0.7$  percent) above last year. Gasoline stations were up 33.4 percent ( $\pm 1.8$  percent) from January 2021, while food services and drinking places were up 27.0 percent ( $\pm 4.4$  percent) from last year.

Source: US Census Bureau

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



The 10y treasury registered at 2.14%, as of 2/14/22, 58 bps higher than the TTM average of 1.56%. It's also approx. 95 bps higher than the TTM low of 1.19%.

Source: US Census Bureau

**FTSE NAREIT U.S. REAL ESTATE INDEX SERIES | FEBRUARY 28, 2022**

Sector	Number of Constituents	Investment Performance by Property Sector and Subsector			Dividend Yield (%)	Market Capitalization (\$)¹	
		Total Return (%)				Equity	Implied
		2021	February	2022: YTD			
FTSE Nareit All Equity REITs	156	41.30	-3.89	-11.52	2.92	1,422,685,842	1,459,473,267
FTSE Nareit Equity REITs	148	43.24	-3.13	-9.76	3.01	1,174,756,389	1,211,489,809
Industrial	13	62.03	-6.46	-14.32	2.01	182,192,794	187,084,597
Office	19	22.00	3.74	-2.76	3.47	103,822,128	109,824,238
Retail	33	51.91	-4.29	-9.29	4.24	181,753,288	190,208,078
Shopping Centers	18	65.05	-3.08	-6.92	3.47	62,692,192	63,804,751
Regional Malls	2	92.05	-6.55	-13.69	4.74	48,018,709	54,613,479
Free Standing	13	19.72	-3.77	-8.20	4.59	71,042,386	71,789,848
Residential	22	58.29	-2.78	-9.35	2.38	236,227,316	244,515,314
Apartments	17	63.61	-1.48	-7.01	2.57	168,402,248	173,479,752
Manufactured Homes	3	41.98	-4.32	-14.24	1.92	34,590,731	35,511,127
Single Family Homes	2	52.79	-7.45	-15.14	1.92	33,234,336	35,524,435
Diversified	13	29.25	-1.20	-7.62	4.31	34,799,279	36,492,979
Lodging/Resorts	15	18.22	3.62	1.53	0.05	40,370,904	40,820,545
Health Care	16	16.32	-6.01	-5.83	4.34	118,464,642	119,247,294
Self Storage	5	79.43	-3.12	-11.03	2.61	103,319,065	107,416,664
Timber	4	28.82	1.01	-2.82	2.05	38,662,253	38,662,253
Infrastructure	4	34.41	-8.79	-21.46	2.58	209,267,199	209,321,204
Data Centers	3	25.47	-4.50	-17.46	2.30	112,556,797	113,834,957
Specialty	9	41.69	1.78	-6.77	4.69	61,250,176	62,045,144
FTSE Nareit Mortgage REITs	34	15.64	-6.12	-7.80	9.67	64,038,130	64,625,994
Home Financing	21	11.51	-10.66	-11.23	11.50	36,727,180	36,754,625
Commercial Financing	13	22.48	0.78	-2.76	7.21	27,310,950	27,871,369

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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