

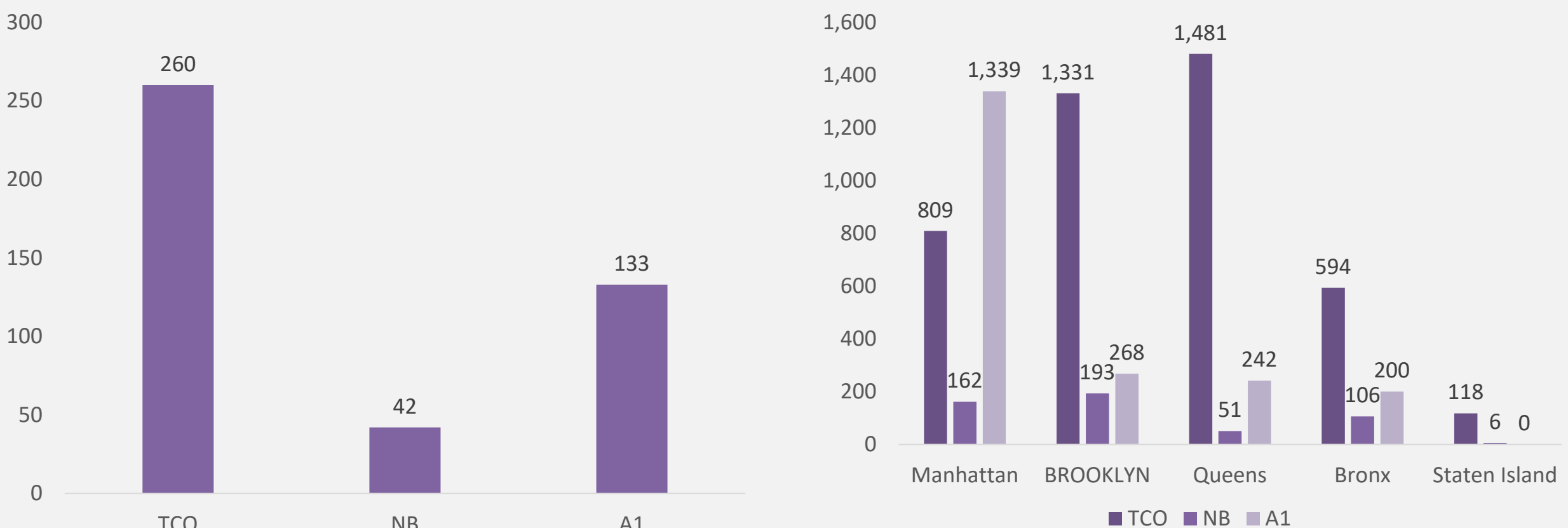
Q1 was one for the books. With continued rate increases from the Federal Reserve and the failure of SVB and Signature Bank, the CRE lending markets almost screeched to a halt. Of course, this has opened up a window of opportunity for alternative lenders to pick up the slack and dictate terms; it was and is a lender’s market. Having said that, we’re seeing a substantial increase in bridge and sub-debt requests which debt funds and family offices are pouncing on – it’s time to put all of that opportunistic capital to work. This has allowed us to remain optimistic and continue to structure financings that are accretive to our clients. 2023 is going to be an interesting year.

- For the month of March, 260 unique TCO applications were filed with NYC’s Department of Buildings (DOB), compared to 383 the previous year. There were 42 new building (NB) and 133 major alteration type 1 (A1) applications filed for the same period; NB and A1 applications for the same period during the previous year were 142 and 159, respectively.
- According to the U.S. Census Bureau, construction spending during February 2023 was estimated at a seasonally adjusted annual rate of \$1,844.1 billion, 0.1 percent (±0.7 percent) below the revised January estimate of \$1,845.4 billion.
- According to the US Bureau of Labor Statistics, total nonfarm payroll employment rose by 236,000 in March, and the unemployment rate changed little at 3.5 percent.
- According to the U.S. Census Bureau, privately-owned housing units authorized by building permits in February were at a seasonally adjusted annual rate of 1,524,000.
- According to the Federal Reserve, industrial production was unchanged in February, and manufacturing output edged up 0.1 percent.
- According to the Census Bureau, national vacancy rates in the fourth quarter 2022 were 5.8 percent for rental housing and 0.8 percent for homeowner housing.
- According to the Census Bureau, the homeownership rate of 65.9 percent was not statistically different from the rate in the fourth quarter 2021.
- According to the Census Bureau, advance estimates of U.S. retail and food services sales for February 2023, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$697.9 billion, down 0.4 percent (±0.5 percent) from the previous month
- The 10y treasury registered at 3.43%, as of 04/11/23, 7 bps lower than the TTM average of 3.50%.

MONTHLY DEPARTMENT OF BUILDINGS ACTIVITY, MARCH 2023 | NYC

For the month of March, 260 unique TCO applications were filed with NYC’s Department of Buildings (DOB), compared to 383 the previous year. There were 42 new building (NB) and 133 major alteration type 1 (A1) applications filed for the same period; NB and A1 applications for the same period during the previous year were 142 and 159, respectively.

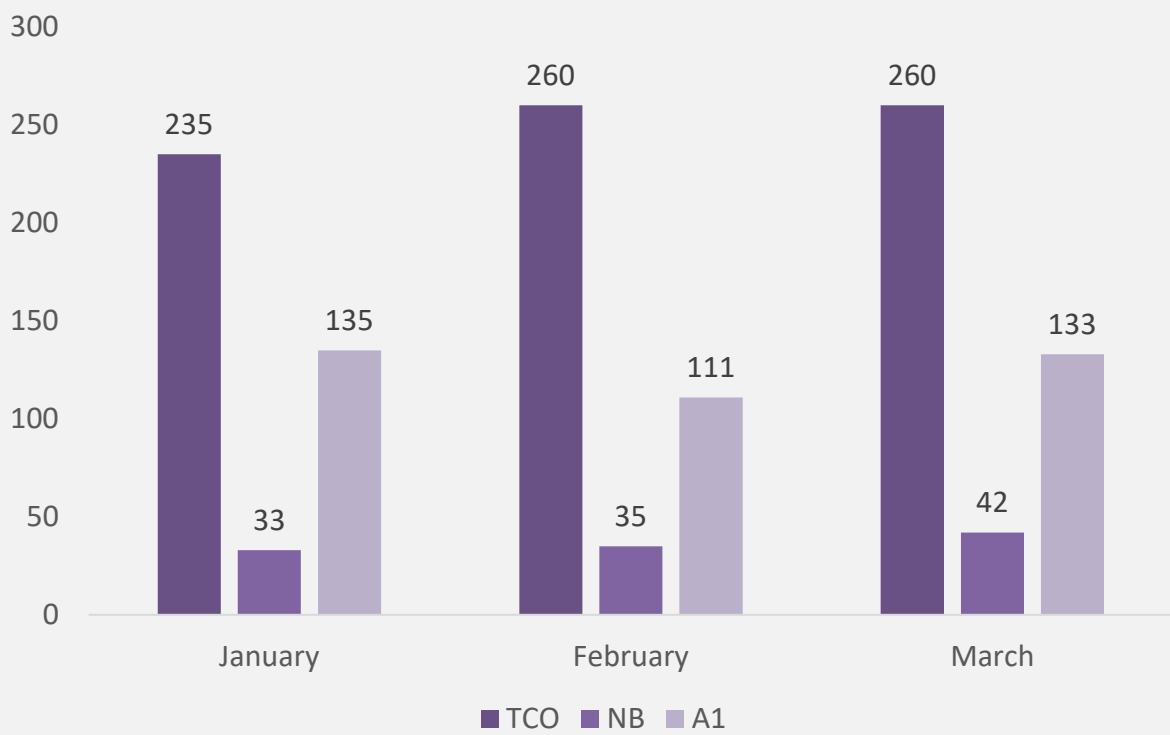
In addition, TCO applications represented 4,333 projected dwelling units across all boroughs – not all applications disclosed the proposed unit count. The majority of the units were located in Queens (1,481), while Brooklyn (1,331) came in second, Manhattan third (809), the Bronx fourth (594) and finally Staten Island with (118).



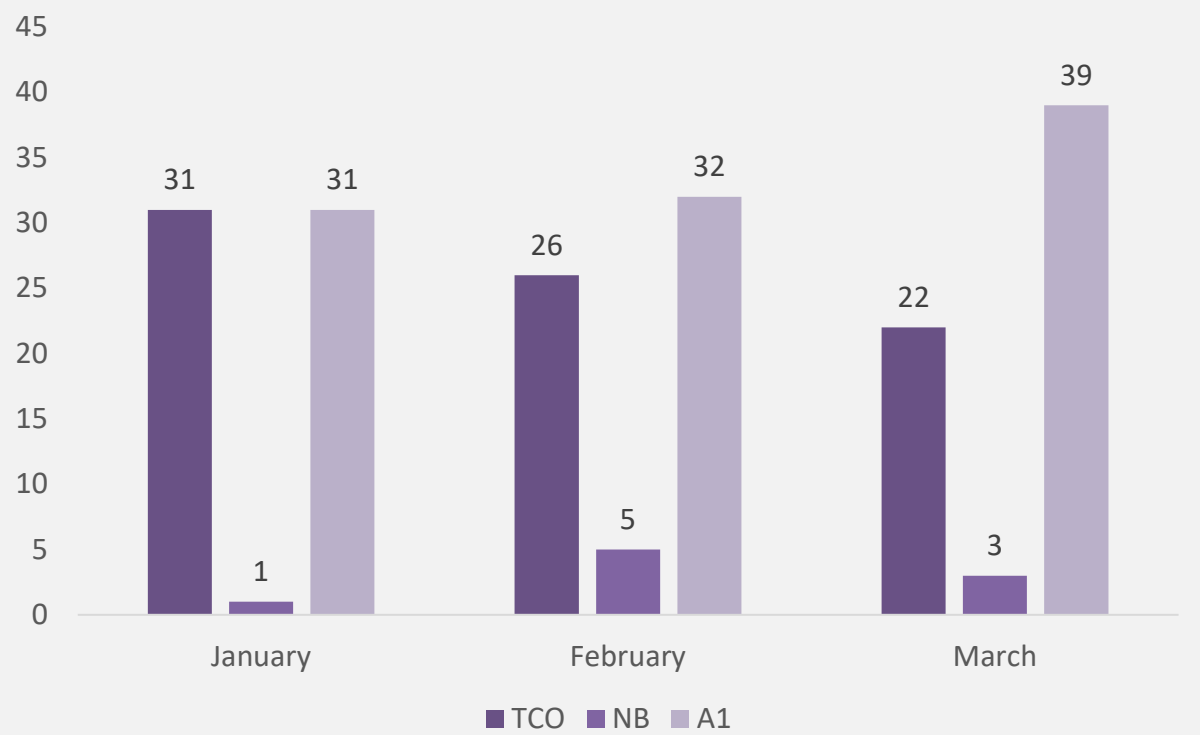
Source: NYC, Opendata

## MONTHLY BUILDING APPLICATIONS, YTD | NYC

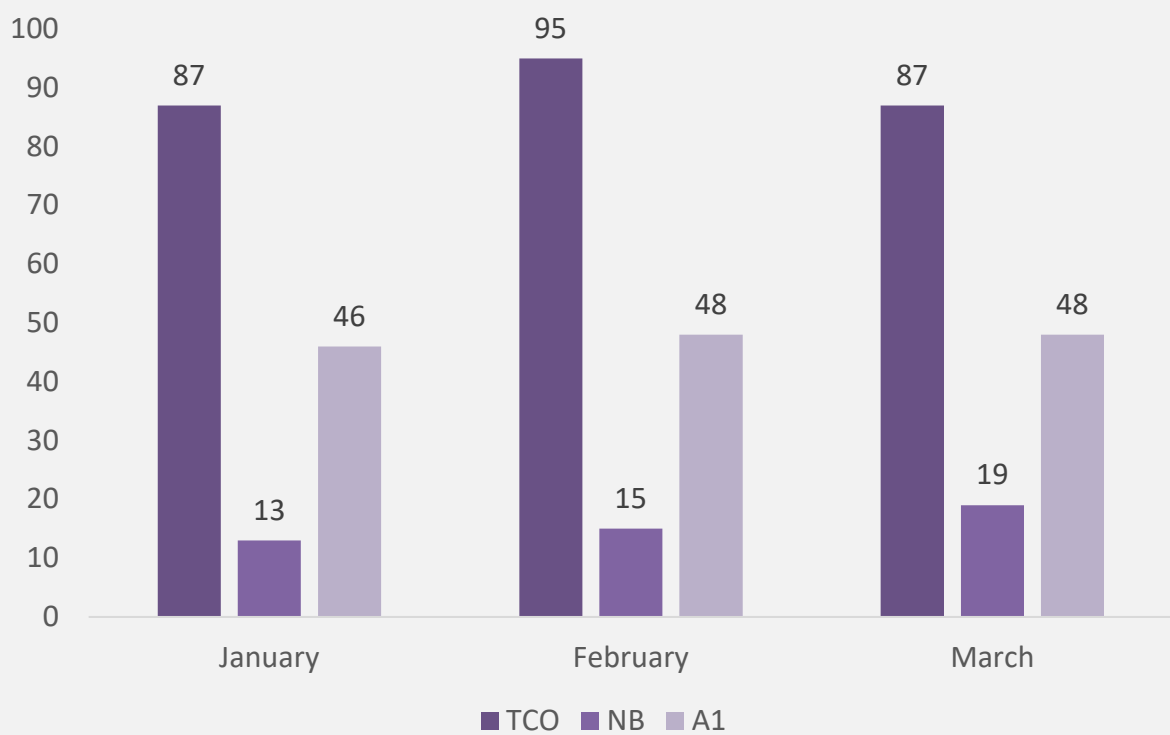
### NEW YORK CITY



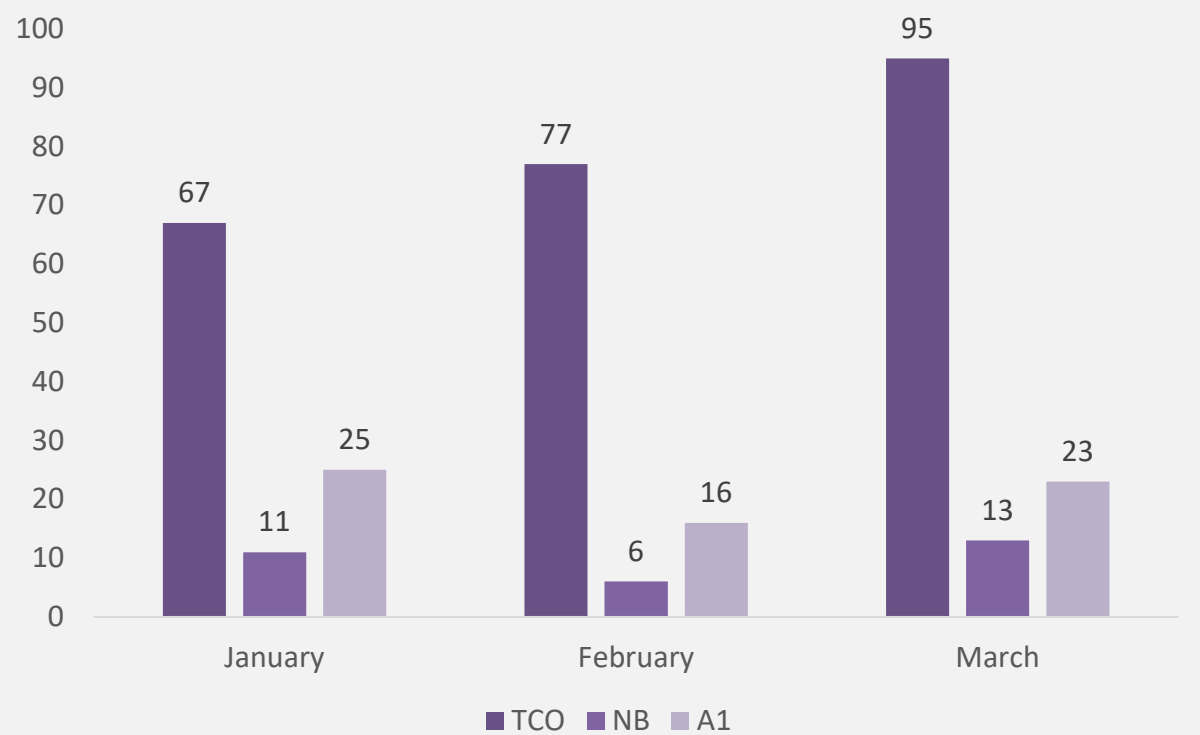
### MANHATTAN



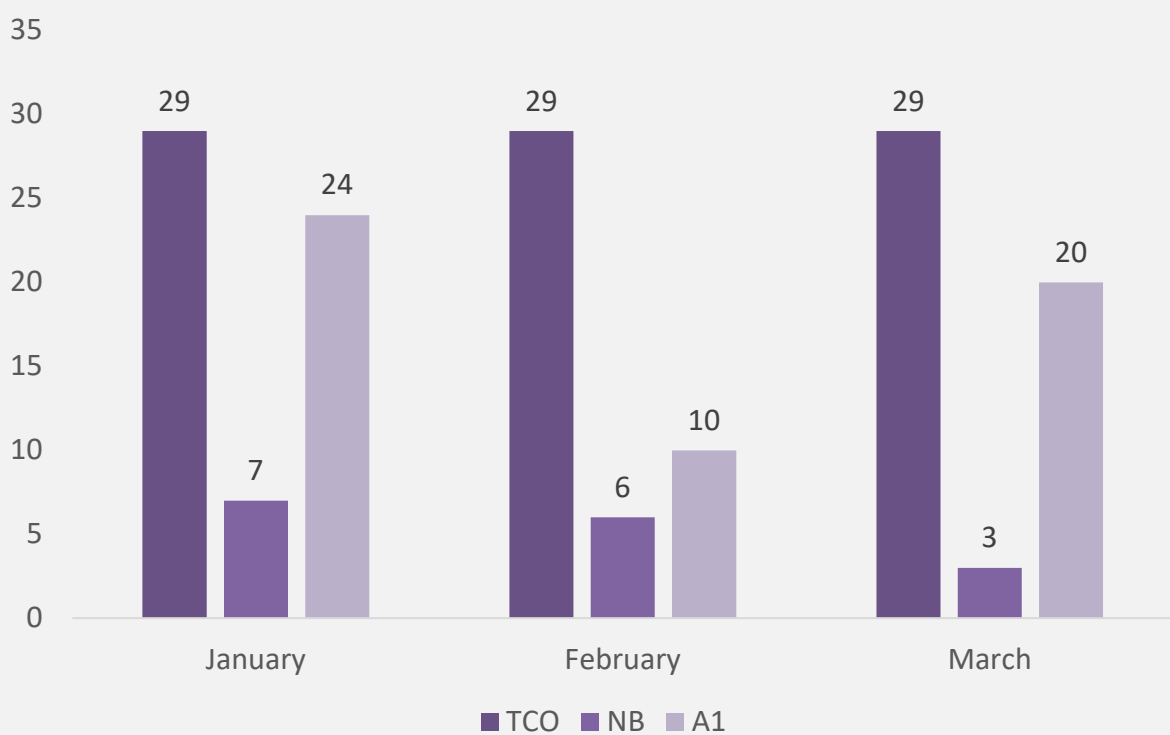
### BROOKLYN



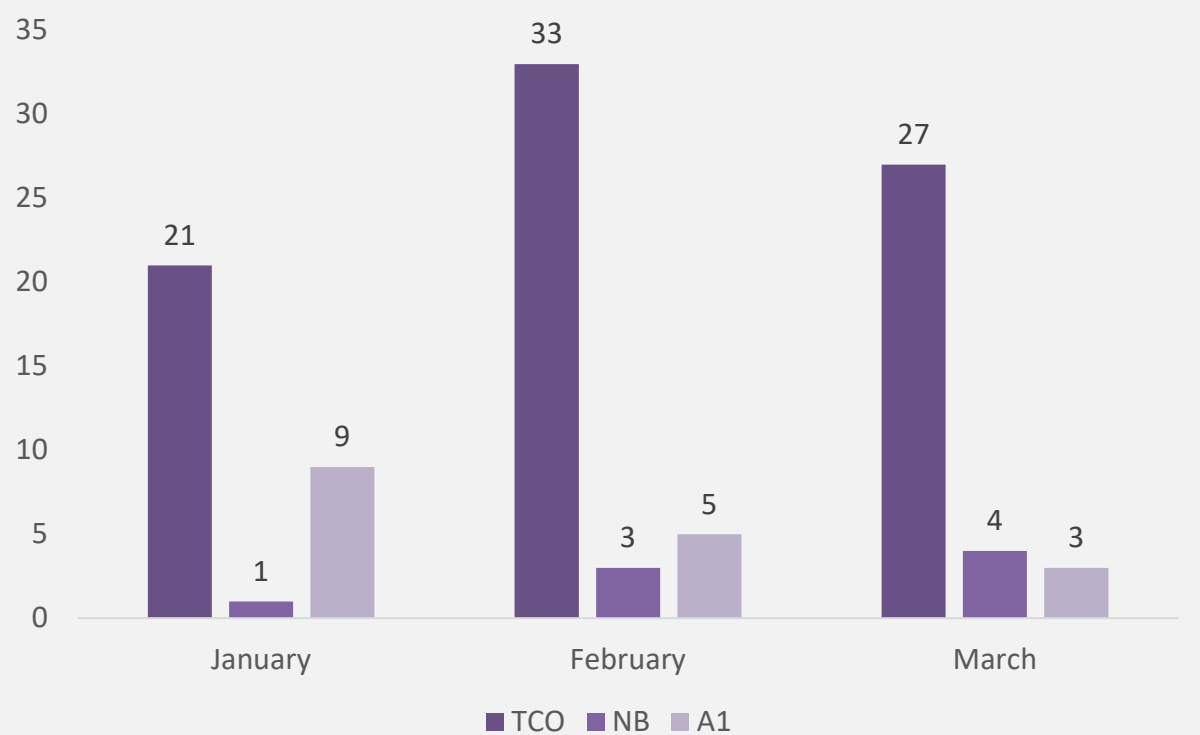
### QUEENS



### BRONX

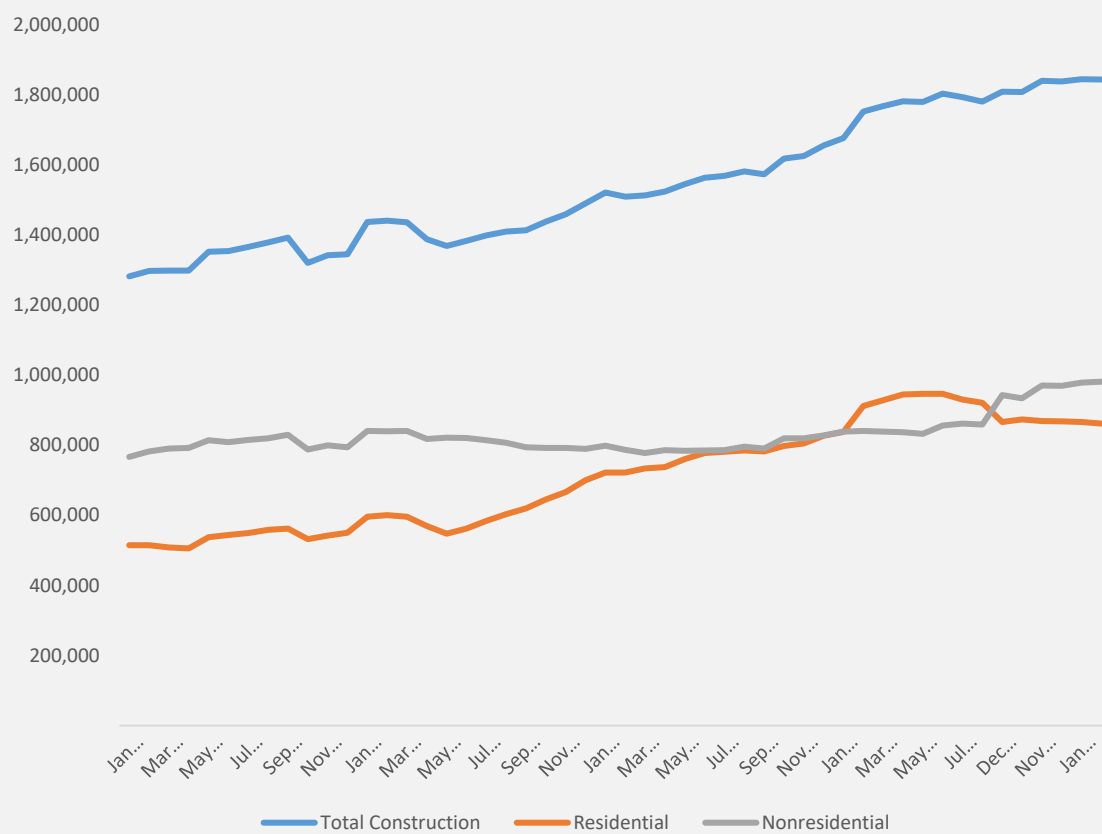


### STATEN ISLAND



Source: DOB Now

## MONTHLY CONSTRUCTION SPENDING | US

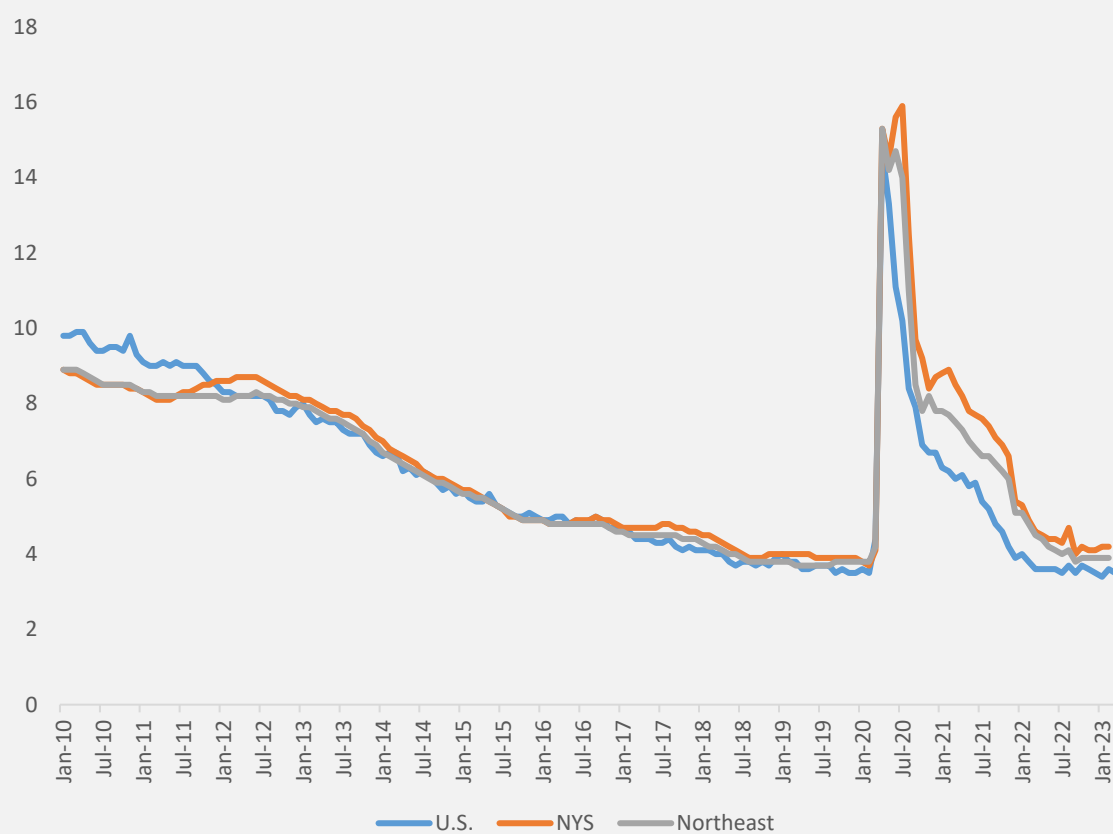


According to the U.S. Census Bureau, construction spending during February 2023 was estimated at a seasonally adjusted annual rate of \$1,844.1 billion, 0.1 percent ( $\pm 0.7$  percent) below the revised January estimate of \$1,845.4 billion. The February figure is 5.2 percent ( $\pm 1.2$  percent) above the February 2022 estimate of \$1,753.1 billion. During the first two months of this year, construction spending amounted to \$260.8 billion, 5.9 percent ( $\pm 1.2$  percent) above the \$246.1 billion for the same period in 2022.

Spending on private construction was at a seasonally adjusted annual rate of \$1,453.2 billion, virtually unchanged from ( $\pm 0.5$  percent) the revised January estimate of \$1,453.6 billion. Residential construction was at a seasonally adjusted annual rate of \$852.1 billion in February, 0.6 percent ( $\pm 1.3$  percent) below the revised January estimate of \$857.0 billion. Nonresidential construction was at a seasonally adjusted annual rate of \$601.0 billion in February, 0.7 percent ( $\pm 0.5$  percent) above the revised January estimate of \$596.7 billion.

Source: US Census Bureau

## UNEMPLOYMENT INSURANCE CLAIMS | US, NYS, NORTHEAST

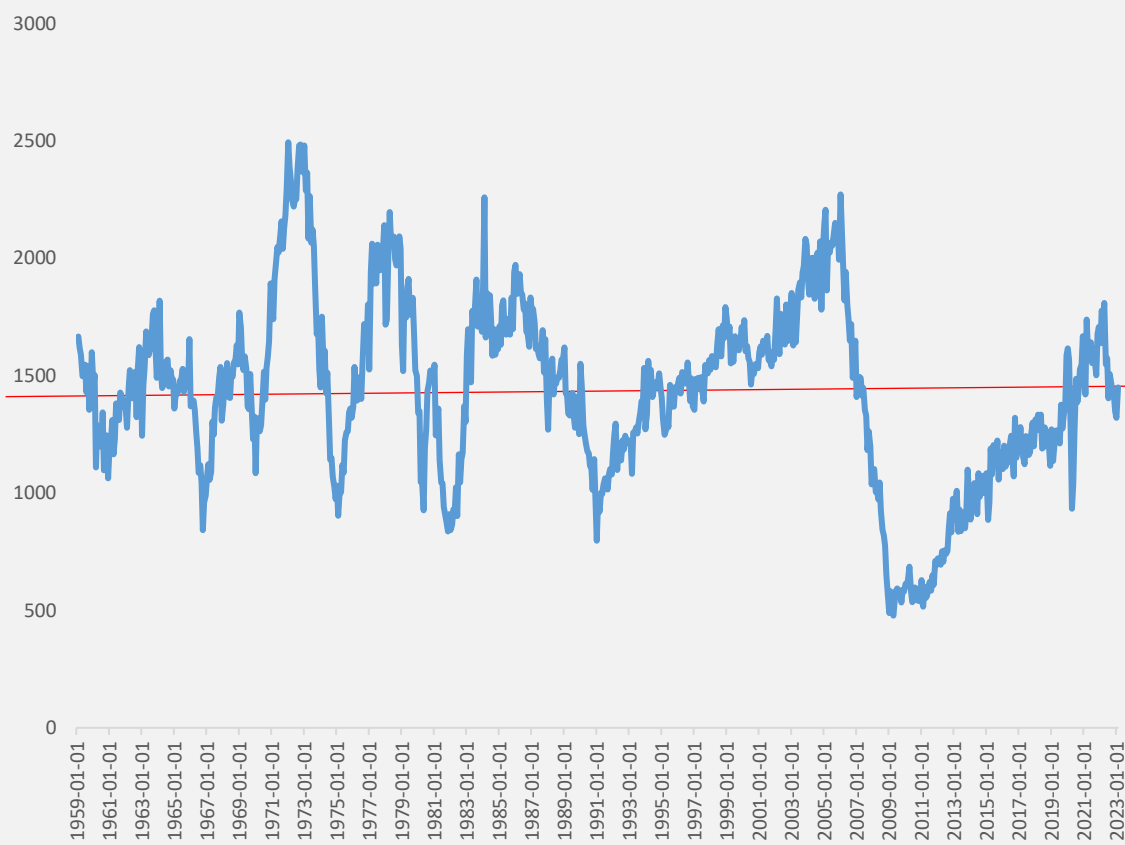


According to the US Bureau of Labor Statistics, total nonfarm payroll employment rose by 236,000 in March, and the unemployment rate changed little at 3.5 percent. Employment continued to trend up in leisure and hospitality, government, professional and business services, and health care.

As of February 2023, NYS and the Northeast registered 4.2% and 3.9%, respectively. In line with previous months.

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

## MONTHLY NEW RESIDENTIAL CONSTRUCTION | US

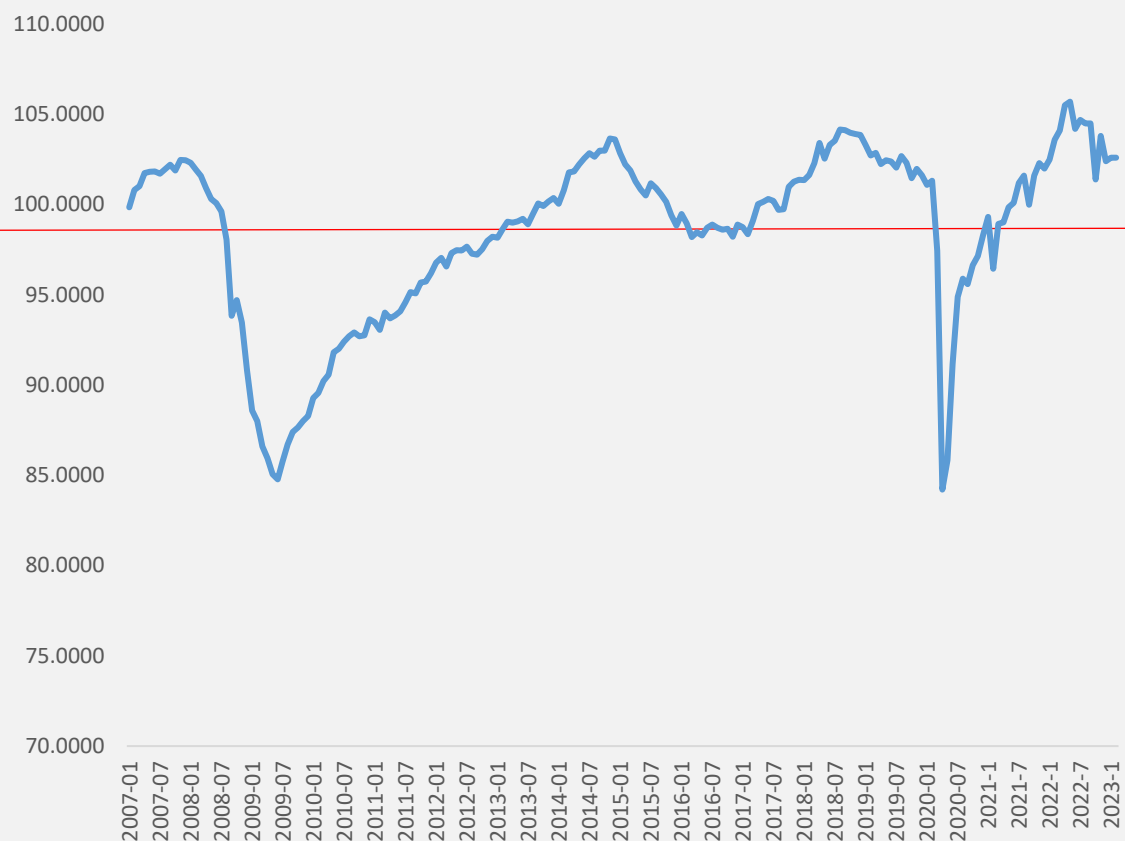


According to the U.S. Census Bureau, privately-owned housing units authorized by building permits in February were at a seasonally adjusted annual rate of 1,524,000. This is 13.8 percent above the revised January rate of 1,339,000, but is 17.9 percent below the February 2022 rate of 1,857,000. Single-family authorizations in February were at a rate of 777,000; this is 7.6 percent above the revised January figure of 722,000. Authorizations of units in buildings with five units or more were at a rate of 700,000 in February.

Privately-owned housing completions in February were at a seasonally adjusted annual rate of 1,557,000. This is 12.2 percent ( $\pm 15.0$  percent) above the revised January estimate of 1,388,000 and is 12.8 percent ( $\pm 16.2$  percent) above the February 2022 rate of 1,380,000. Single-family housing completions in February were at a rate of 1,037,000; this is 1.0 percent ( $\pm 15.0$  percent) above the revised January rate of 1,027,000. The February rate for units in buildings with five units or more was 509,000.

Source: US Census Bureau

## MONTHLY INDUSTRIAL PRODUCTION | US

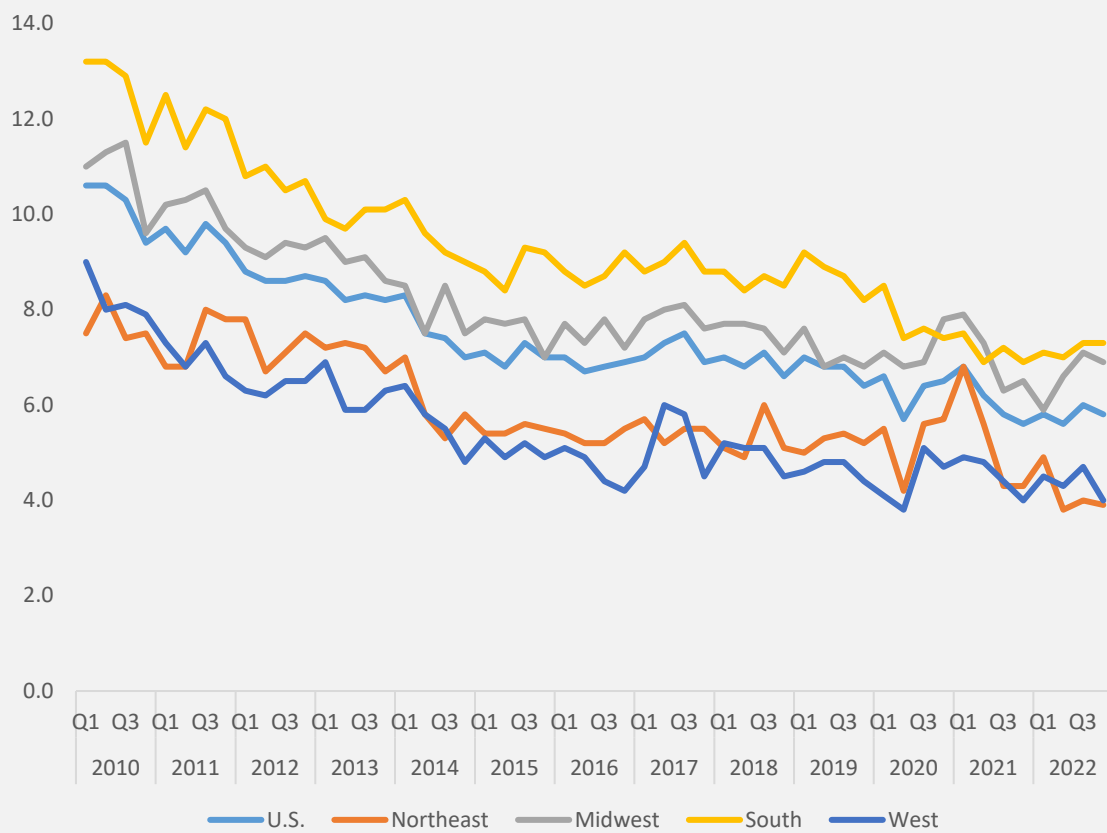


According to the Federal Reserve, industrial production was unchanged in February, and manufacturing output edged up 0.1 percent. The index for mining fell 0.6 percent, while the index for utilities rose 0.5 percent.

At 102.6 percent of its 2017 average, total industrial production in February was 0.2 percent below its year-earlier level. Capacity utilization was unchanged in February at 78.0 percent, a rate that is 1.6 percentage points below its long-run (1972–2022) average.

Source: Federal Reserve

## QUARTERLY RESIDENTIAL VACANCY, Q4 22 | US

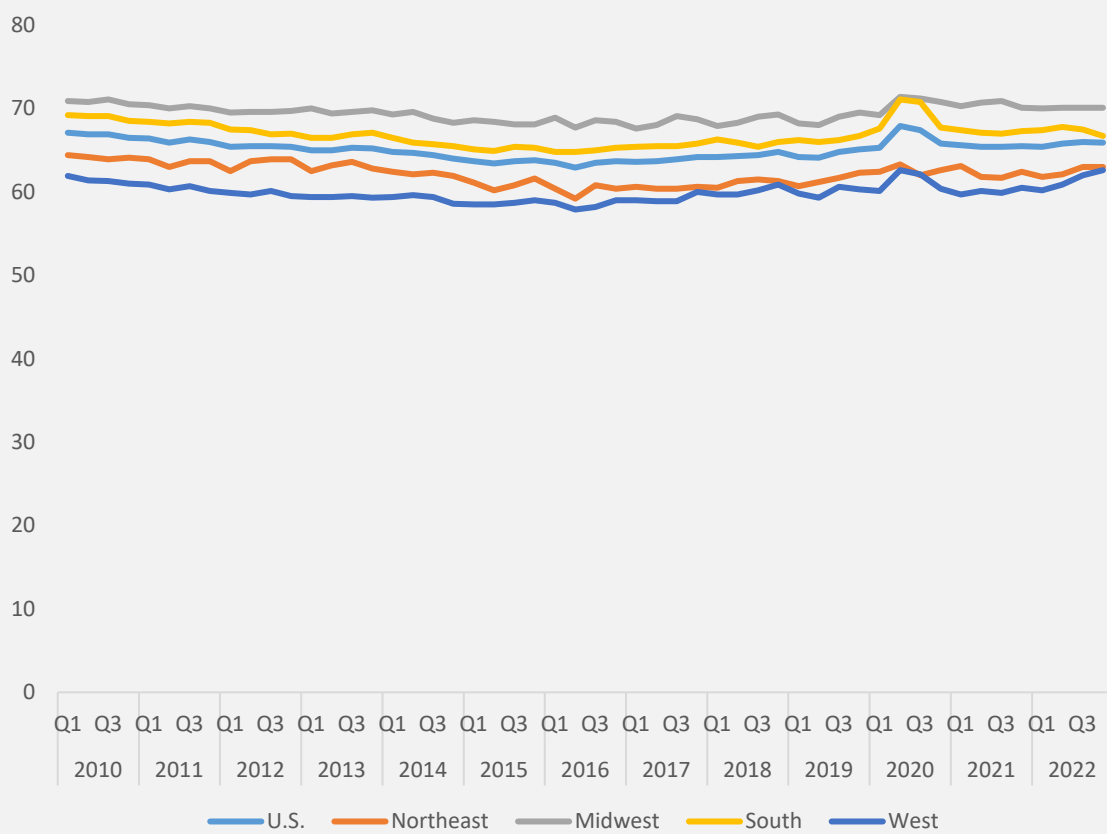


According to the Census Bureau, national vacancy rates in the fourth quarter 2022 were 5.8 percent for rental housing and 0.8 percent for homeowner housing. The rental vacancy rate was not statistically different from the rate in the fourth quarter 2021 (5.6 percent) and not statistically different from the rate in the third quarter 2022 (6.0 percent).

The homeowner vacancy rate of 0.8 percent was not statistically different from the rate in the fourth quarter 2021 (0.9 percent) and not statistically different from the rate in the third quarter 2022 (0.9 percent).

Source: US Census Bureau

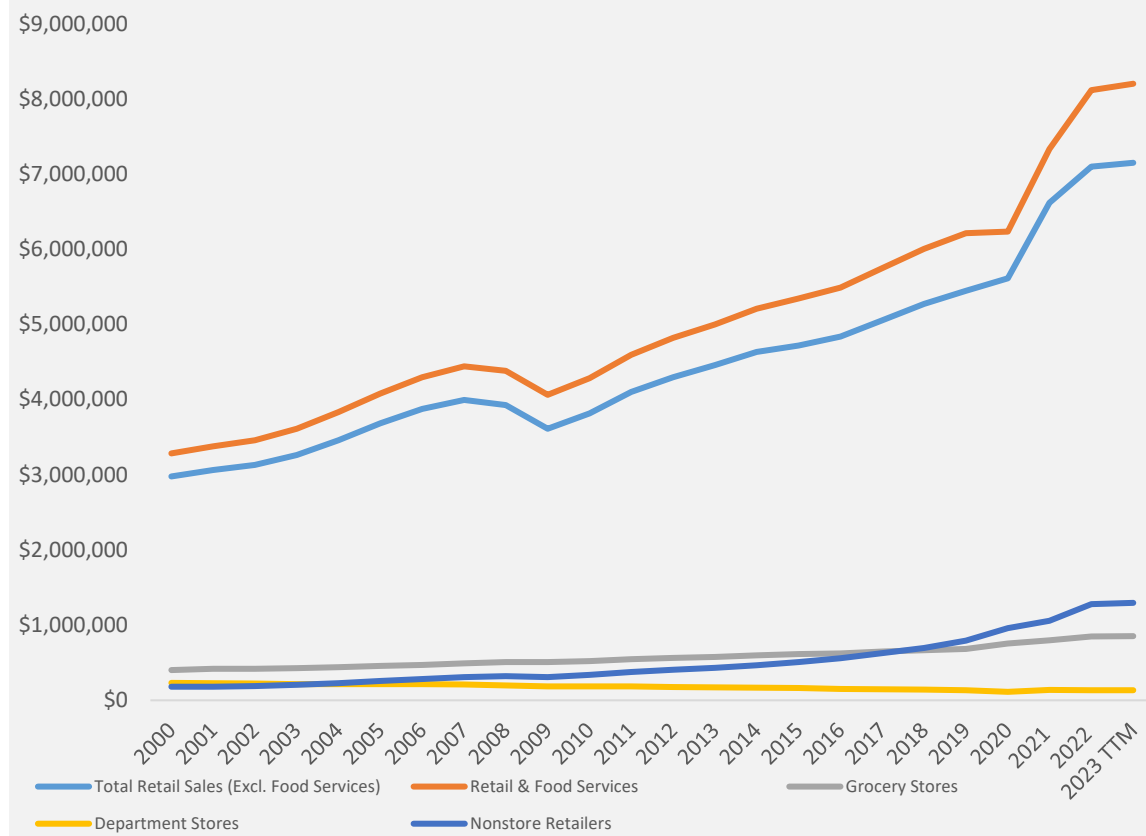
## QUARTERLY HOMEOWNERSHIP RATE, Q4 22 | US



According to the Census Bureau, the homeownership rate of 65.9 percent was not statistically different from the rate in the fourth quarter 2021 (65.5 percent) and not statistically different from the rate in the third quarter 2022 (66.0 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 February 2023, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$697.9 billion, down 0.4 percent ( $\pm 0.5$  percent) from the previous month, but up 5.4 percent ( $\pm 0.7$  percent) above February 2022. Total sales for the December 2022 through February 2023 period were up 6.4 percent ( $\pm 0.4$  percent) from the same period a year ago. The December 2022 to January 2023 percent change was revised from up 3.0 percent ( $\pm 0.5$  percent) to up 3.2 percent ( $\pm 0.3$  percent).

Retail trade sales were down 0.1 percent ( $\pm 0.5$  percent) from January 2023, but up 4.0 percent ( $\pm 0.7$  percent) above last year. Food services and drinking places were up 15.3 percent ( $\pm 2.6$  percent) from February 2022, while general merchandise stores were up 10.5 percent ( $\pm 0.2$  percent) from last year.

Source: US Census Bureau

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



The 10y treasury registered at 3.43%, as of 04/11/23, 7 bps lower than the TTM average of 3.50%. It's also approx. 90 bps higher than the TTM low of 2.60%.

Source: US Department of The Treasury

## FTSE NAREIT U.S. REAL ESTATE INDEX SERIES | MARCH 31, 2023

### Investment Performance by Property Sector and Subsector

Sector	Number of Constituents	March 31, 2023			Dividend Yield (%)	Market Capitalization (\$)¹	
		2022	March	2023: YTD		Equity	Implied
FTSE Nareit All Equity REITs	145	-24.95	-1.74	1.74	4.07	1,193,865,543	1,218,413,212
FTSE Nareit Equity REITs	138	-24.37	-2.54	2.68	4.25	981,970,823	1,006,503,710
Industrial	12	-28.58	1.19	9.92	2.95	165,218,395	168,265,817
Office	19	-37.62	-15.32	-15.86	6.38	55,247,315	58,109,132
Retail	32	-13.29	-3.46	-1.47	5.17	167,384,405	174,188,119
Shopping Centers	18	-12.54	-3.52	-2.12	4.50	59,333,942	60,253,255
Regional Malls	3	-22.91	-7.04	-3.10	6.42	39,399,547	44,748,199
Free Standing	11	-6.53	-1.23	0.28	5.04	68,650,916	69,186,665
Residential	19	-31.34	-3.31	2.04	3.63	173,953,264	179,996,424
Apartments	14	-31.95	-4.71	1.37	3.98	115,497,618	118,877,849
Manufactured Homes	3	-28.34	-1.42	1.13	2.73	29,775,391	30,543,713
Single Family Homes	2	-31.88	0.64	5.83	3.15	28,680,255	30,574,862
Diversified	11	-15.73	-5.71	-0.92	6.34	26,803,324	27,560,767
Lodging/Resorts	14	-15.31	-4.24	2.99	3.19	33,042,130	33,325,249
Health Care	15	-22.18	-5.24	0.09	5.53	95,521,316	96,153,899
Self Storage	5	-26.73	1.96	13.22	4.02	93,554,752	96,701,403
Timber	3	-19.48	-1.25	2.15	2.81	30,871,827	30,871,827
Infrastructure	4	-28.61	2.72	-3.16	3.37	181,022,894	181,037,675
Data Centers	2	-27.97	2.14	6.95	2.81	94,667,518	95,598,854
Specialty	9	-0.78	-1.46	3.31	5.07	76,578,403	76,604,046
FTSE Nareit Mortgage REITs	33	-26.61	-8.52	-2.81	13.30	47,890,790	48,295,058
Home Financing	18	-26.17	-6.42	-1.59	14.28	29,557,752	29,575,809
Commercial Financing	15	-27.32	-11.66	-4.68	11.71	18,333,037	18,719,249

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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