

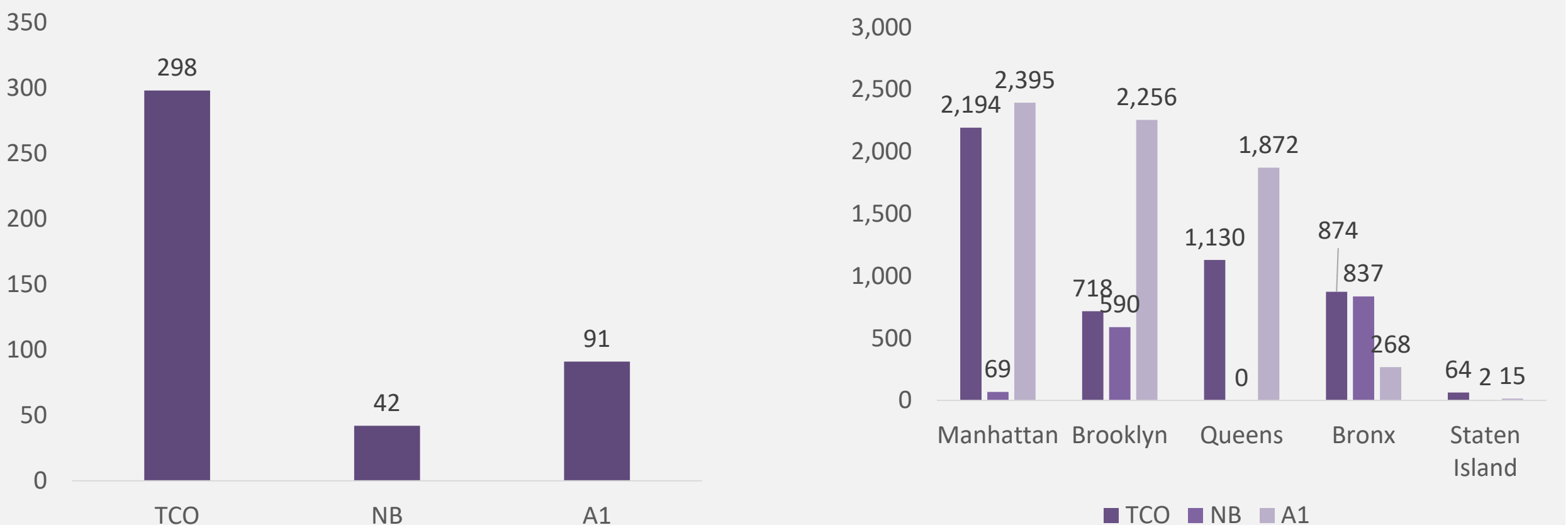
The New York real estate community has a lot to digest, like the 0.75% rate increase of June, the upcoming rate increase in July, and the sunset of the 421a tax abatement. All of these factors have, to say the least, rocked the boat as real estate owners and developers are struggling to secure attractive financing and plans for new developments are being put on hold. However, this volatility also presents opportunity, as lenders and investors are recalibrating their strategies and are anticipating more recapitalizations and acquisition of NPL's. As we continue to help our clients navigate these choppy waters, it is interesting to see if the Fed achieves its "soft landing" or if we are heading into a 1970's style stagflation.

- For the month of June, 298 unique TCO applications were filed with NYC's Department of Buildings (DOB). There were 42 new building (NB) and 91 major alteration type 1 (A1) applications filed for the same period.
- According to the U.S. Census Bureau, construction spending during May 2022 was estimated at a seasonally adjusted annual rate of \$1,779.8 billion, 0.1 percent (±0.8 percent) below the revised April estimate of \$1,782.5 billion.
- According to the US Bureau of Labor Statistics, total nonfarm payroll employment rose by 390,000 in May, and the unemployment rate remained at 3.6 percent.
- According to the U.S. Census Bureau, privately-owned housing starts in May were at a seasonally adjusted annual rate of 1,549,000.
- According to the Federal Reserve, total industrial production moved up 0.2 percent in May. Output has increased in every month of the year so far, with an average monthly gain of nearly 0.8 percent.
- According to the Census Bureau, national vacancy rates in the first 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 65.4 percent was not statistically different from the rate in the first quarter 2021.
- According to the Census Bureau, advance estimates of U.S. retail and food services sales for May 2022, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$672.9 billion, a decrease of 0.3 percent (±0.5 percent) from the previous month.
- The 10y treasury registered at 2.82%, as of 07/05/22, 88 bps higher than the TTM average of 1.94%.

MONTHLY DEPARTMENT OF BUILDINGS ACTIVITY, JUNE 2022 | NYC

For the month of June, 298 unique TCO applications were filed with NYC's Department of Buildings (DOB). There were 42 new building (NB) and 91 major alteration type 1 (A1) applications filed for the same period. While TCO applications are in line with previous months, NB and A1 applications have seen a significant decrease.

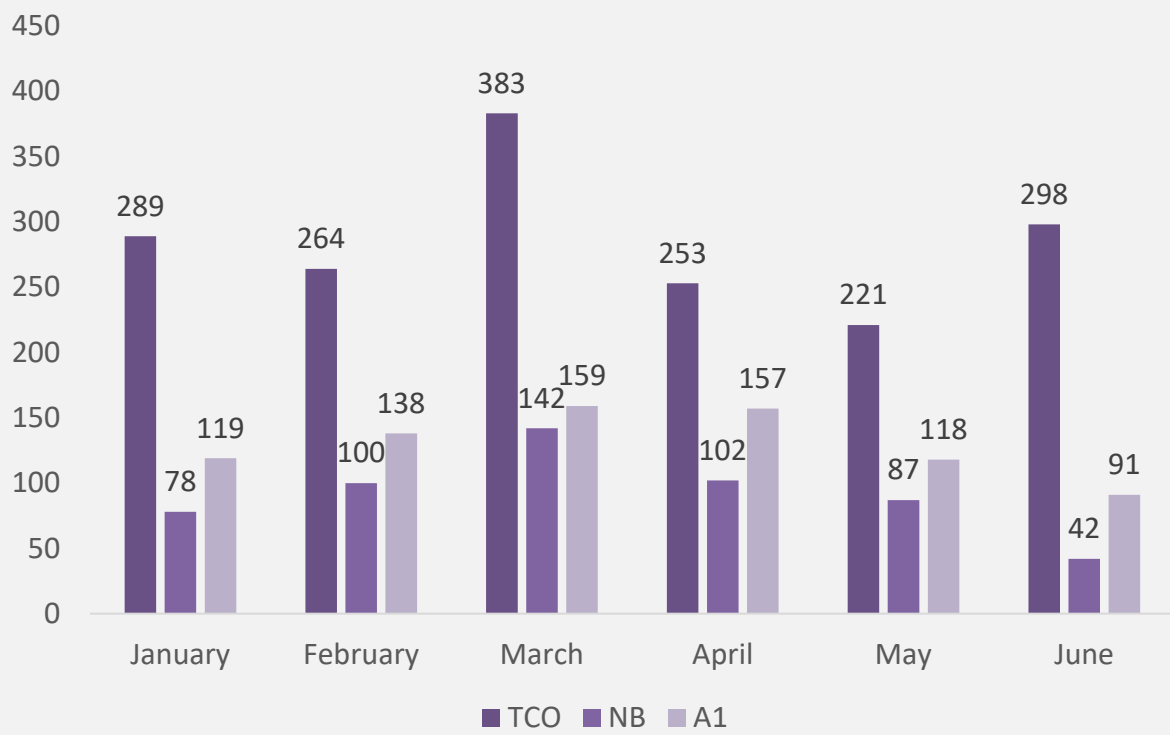
In addition, TCO applications represented 4,980 projected dwelling units across all boroughs – not all applications disclosed the proposed unit count. The majority of the units were located in Manhattan (2,194) while Queens (1,130) came in second, the Bronx third (874), Brooklyn fourth (718), and finally Staten Island with (64).



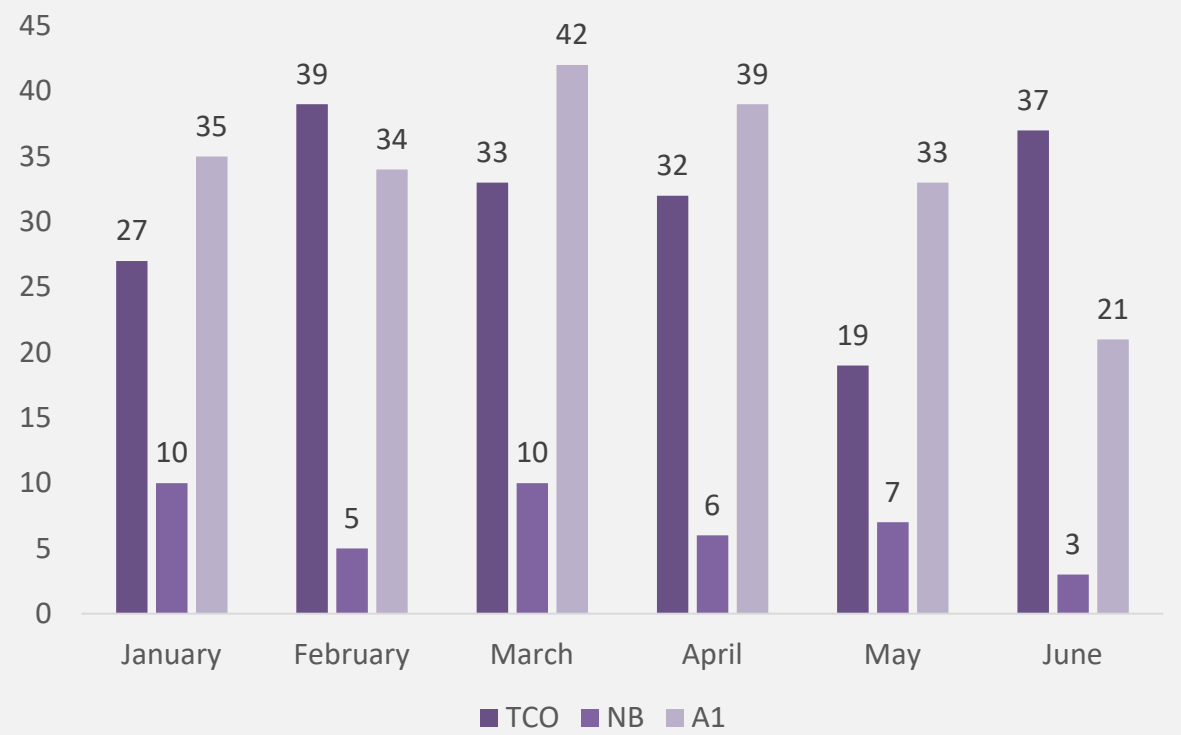
Source: NYC, Opendata

## MONTHLY BUILDING APPLICATIONS, YTD | NYC

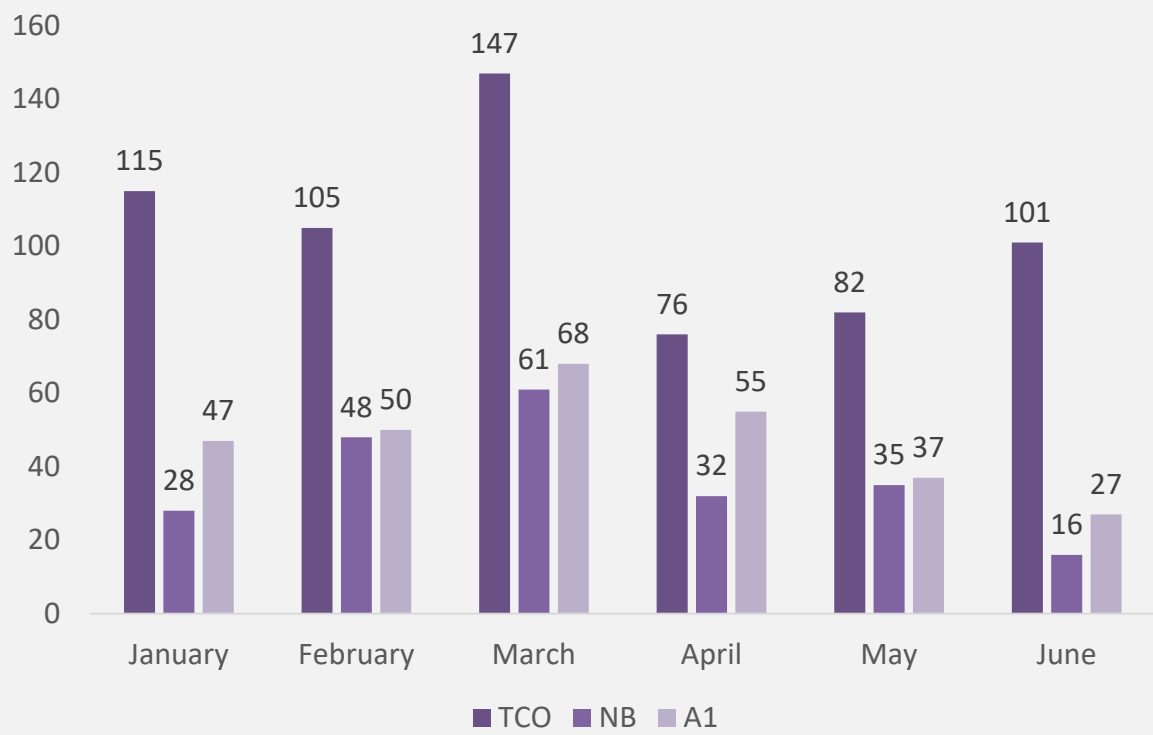
### NEW YORK CITY



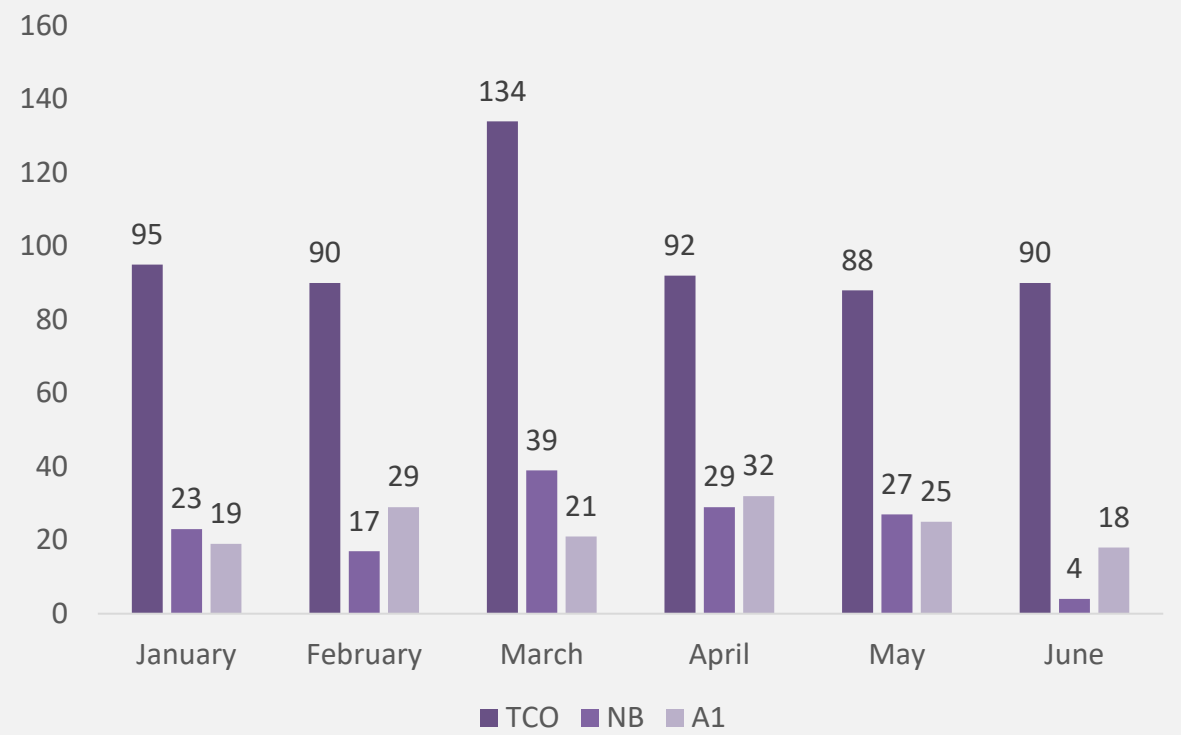
### MANHATTAN



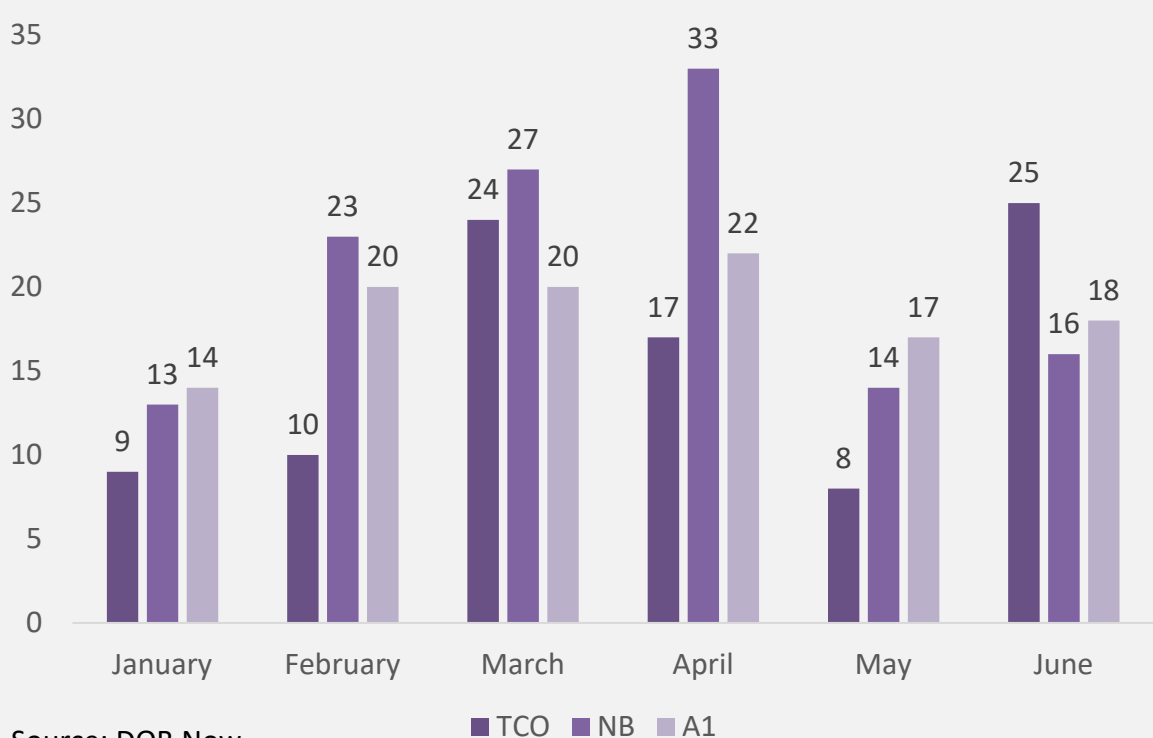
### BROOKLYN



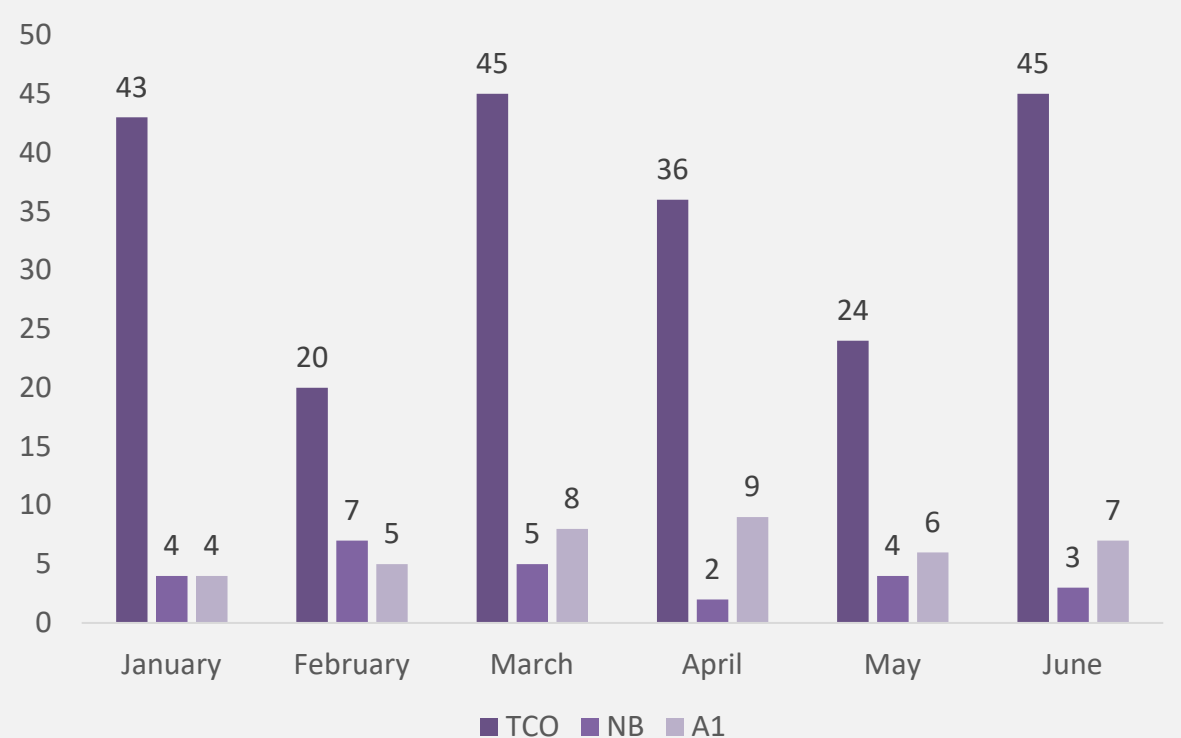
### QUEENS



### BRONX

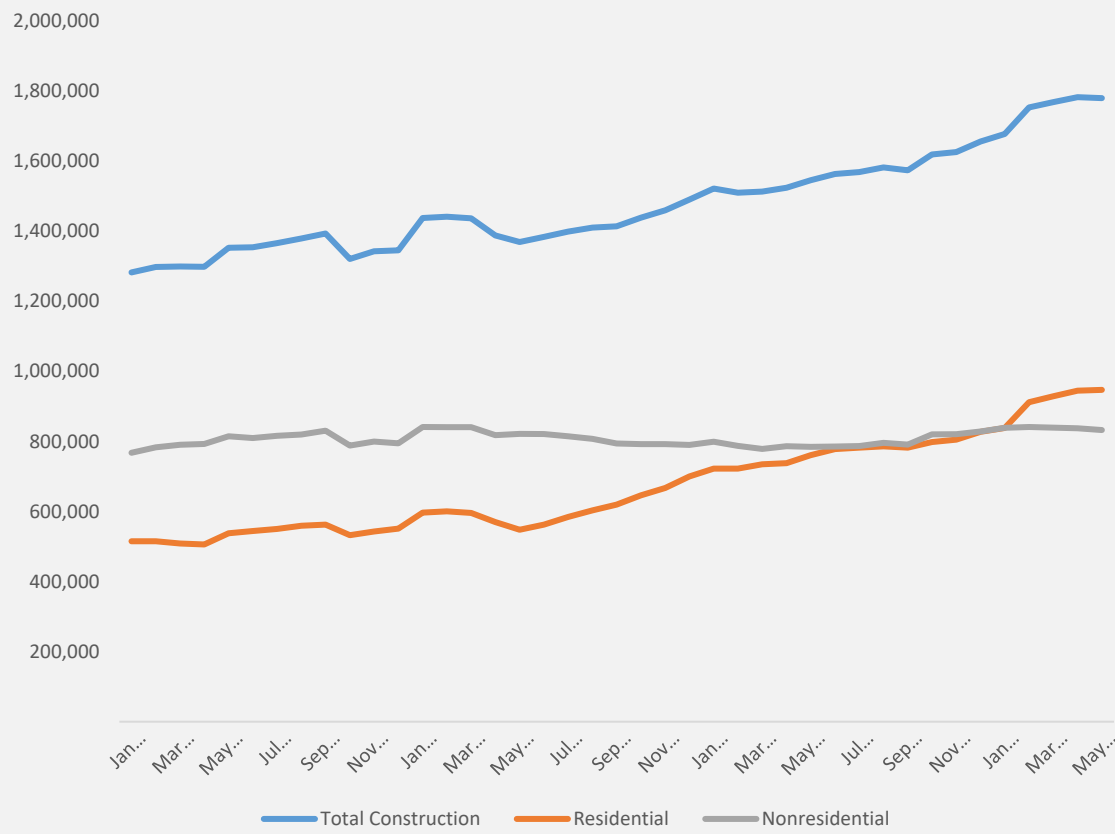


### STATEN ISLAND



Source: DOB Now

## MONTHLY CONSTRUCTION SPENDING | US

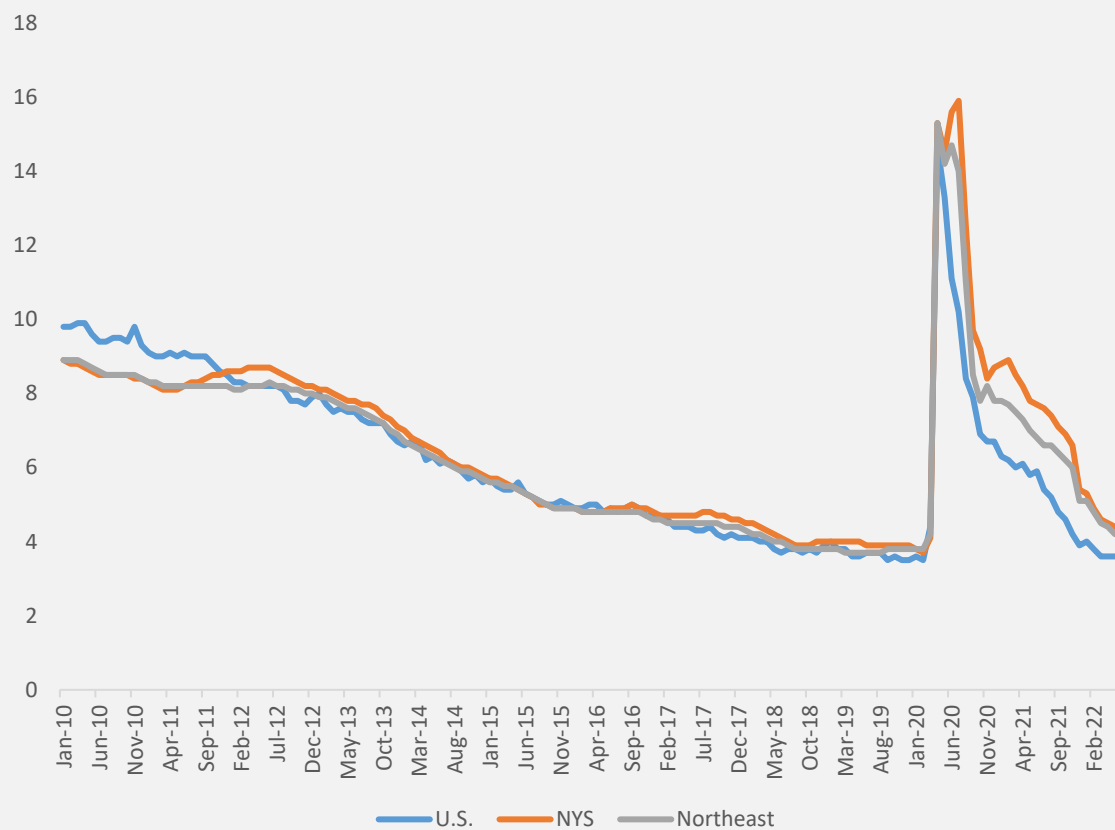


According to the U.S. Census Bureau, construction spending during May 2022 was estimated at a seasonally adjusted annual rate of \$1,779.8 billion, 0.1 percent ( $\pm 0.8$  percent) below the revised April estimate of \$1,782.5 billion. The May figure is 9.7 percent ( $\pm 1.3$  percent) above the May 2021 estimate of \$1,621.9 billion. During the first five months of this year, construction spending amounted to \$686.9 billion, 11.0 percent ( $\pm 1.0$  percent) above the \$619.0 billion for the same period in 2021.

Spending on residential and manufacturing construction were the main drivers behind the increase in spending, with a 24.5% and 35.6% increase y-o-y, respectively. While it's no surprise that spending on lodging continues to underperform with a y-o-y decrease of 27.4%.

Source: US Census Bureau

## UNEMPLOYMENT INSURANCE CLAIMS | US, NYS, NORTHEAST

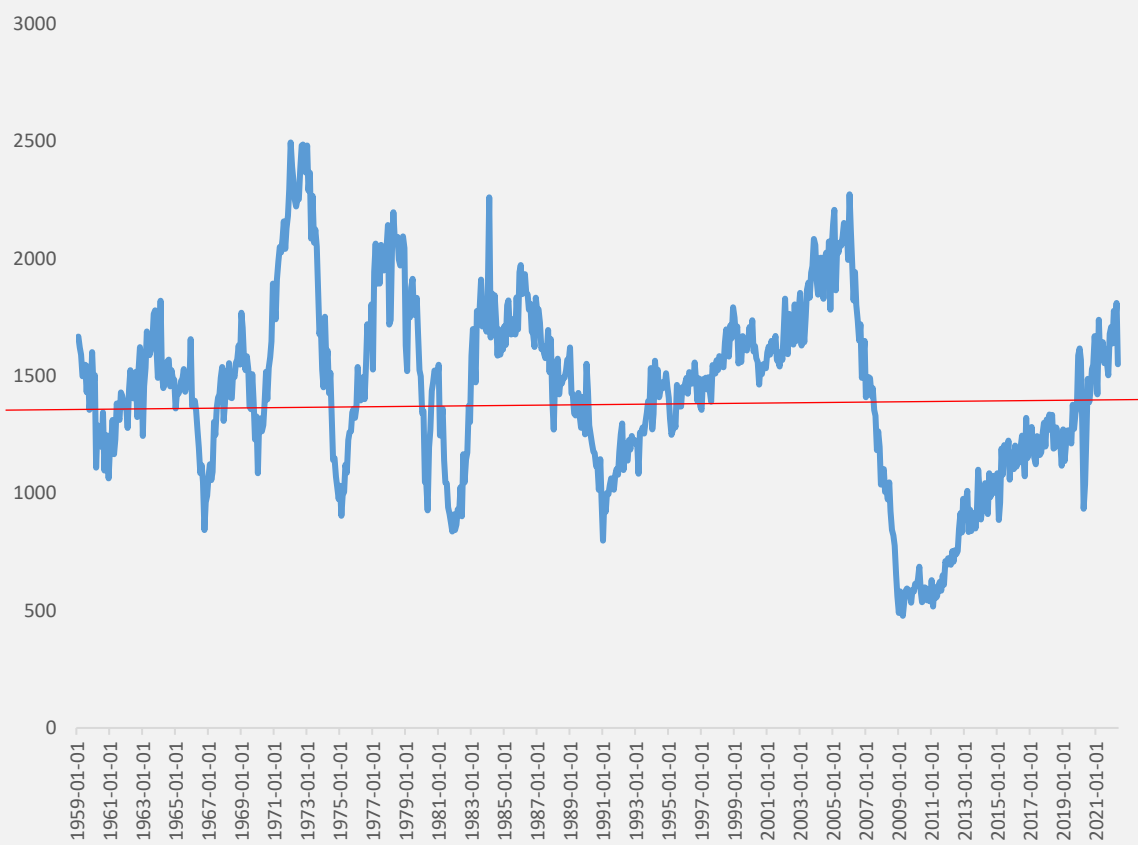


According to the US Bureau of Labor Statistics, total nonfarm payroll employment rose by 390,000 in May, and the unemployment rate remained at 3.6 percent. Notable job gains occurred in leisure and hospitality, in professional and business services, and in transportation and warehousing. Employment in retail trade declined.

In May, NYS and the Northeast registered 4.4% and 4.2%, respectively.

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

## MONTHLY NEW RESIDENTIAL CONSTRUCTION | US

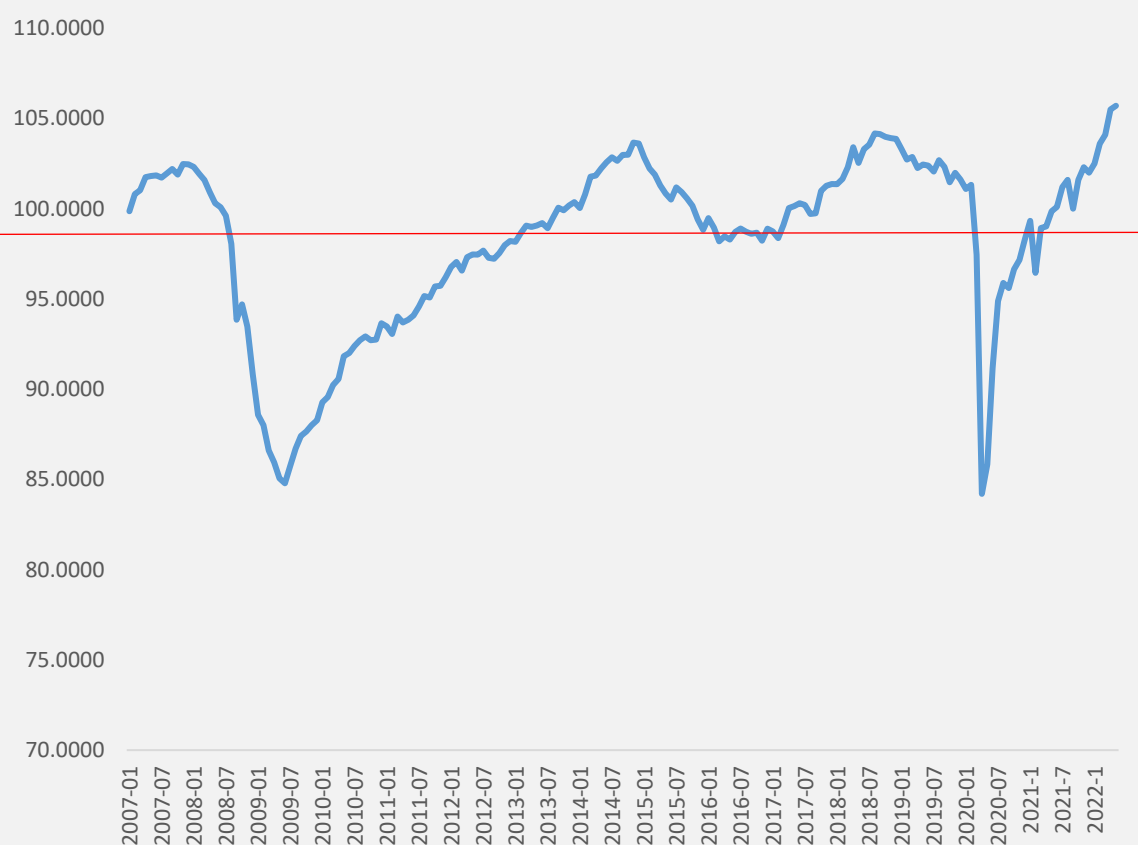


According to the U.S. Census Bureau, privately-owned housing starts in May were at a seasonally adjusted annual rate of 1,549,000. This is 14.4 percent ( $\pm 8.9$  percent) below the revised April estimate of 1,810,000 and is 3.5 percent ( $\pm 10.7$  percent) below the May 2021 rate of 1,605,000. Single-family housing starts in May were at a rate of 1,051,000; this is 9.2 percent ( $\pm 11.0$  percent) below the revised April figure of 1,157,000. The May rate for units in buildings with five units or more was 469,000.

Privately-owned housing completions in May were at a seasonally adjusted annual rate of 1,465,000. This is 9.1 percent ( $\pm 22.6$  percent)\* above the revised April estimate of 1,343,000 and is 9.3 percent ( $\pm 19.0$  percent) above the May 2021 rate of 1,340,000. Single-family housing completions in May were at a rate of 1,043,000; this is 2.8 percent ( $\pm 13.6$  percent) above the revised April rate of 1,015,000. The May rate for units in buildings with five units or more was 417,000.

Source: US Census Bureau

## MONTHLY INDUSTRIAL PRODUCTION | US

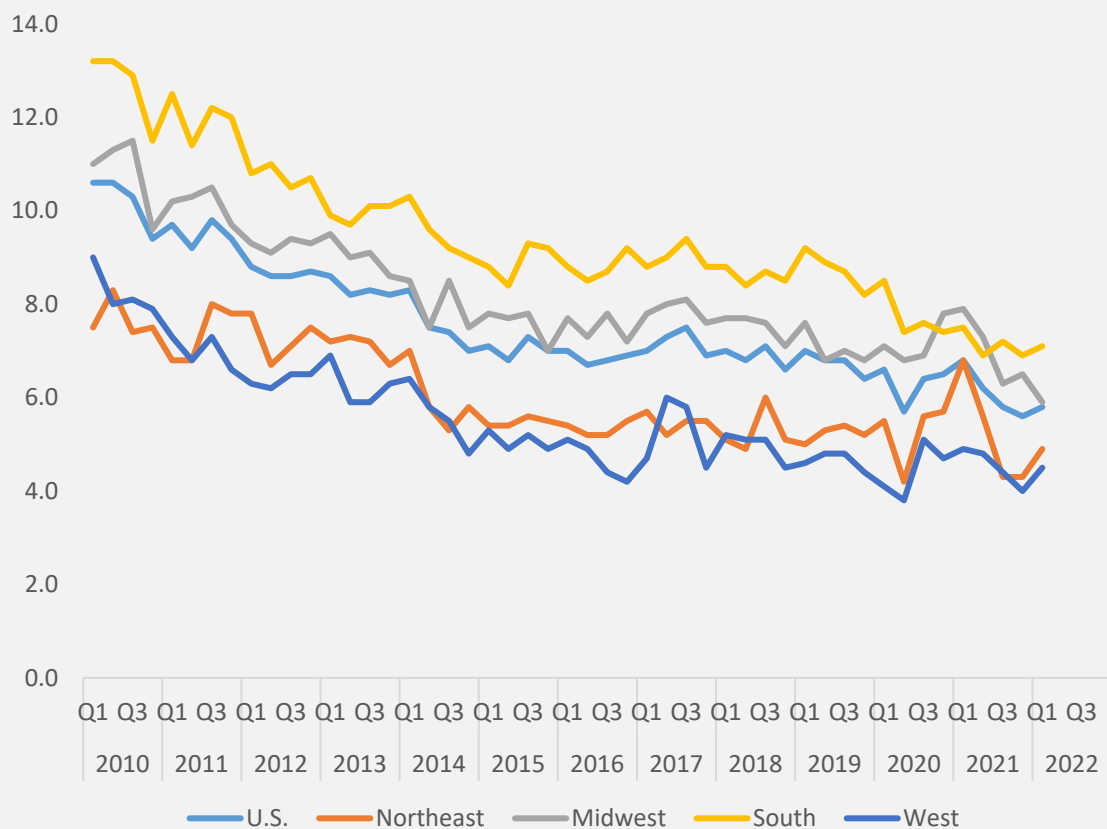


According to the Federal Reserve, total industrial production moved up 0.2 percent in May. Output has increased in every month of the year so far, with an average monthly gain of nearly 0.8 percent. In May, manufacturing output declined 0.1 percent after three months when growth averaged nearly 1 percent; the indexes for utilities and mining rose 1.0 percent and 1.3 percent, respectively, in May.

At 105.7 percent of its 2017 average, total industrial production in May was 5.8 percent above its year-earlier level. Capacity utilization edged up to 79.0 percent, 0.5 percentage point below its long-run (1972–2021) average.

Source: Federal Reserve

## QUARTERLY RESIDENTIAL VACANCY, Q1 22 | US

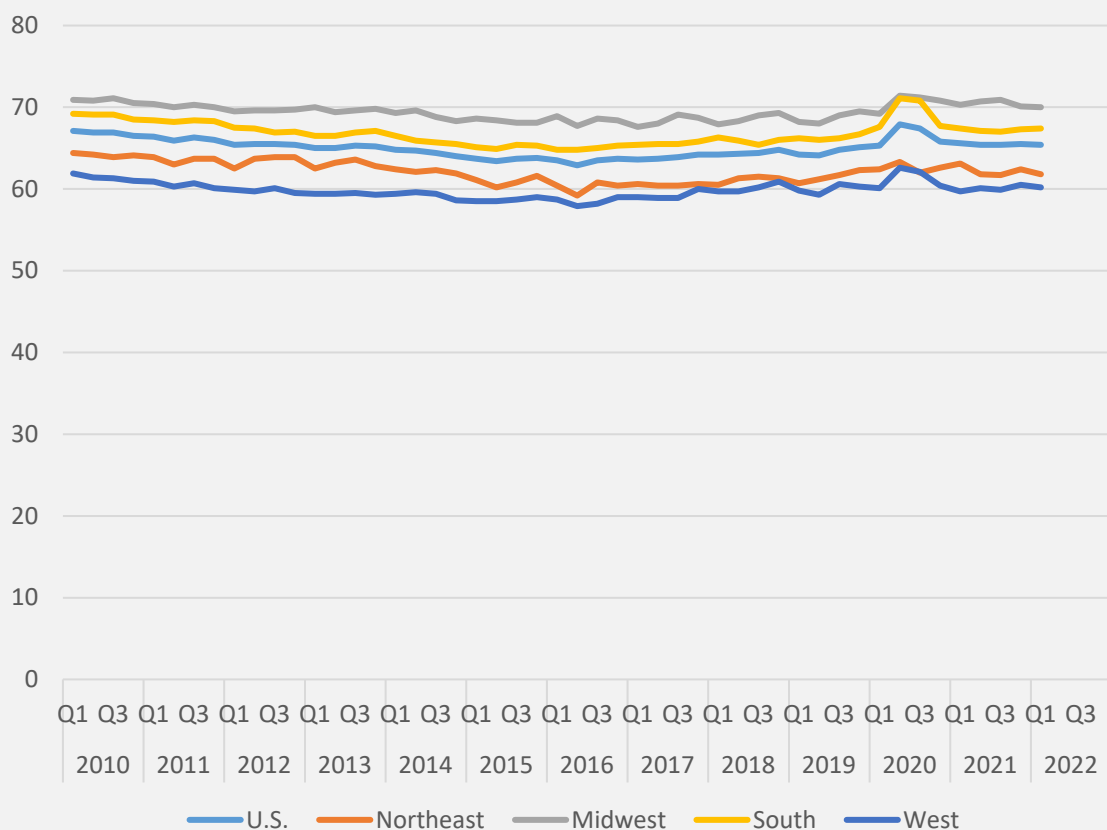


According to the Census Bureau, national vacancy rates in the first quarter 2022 were 5.8 percent for rental housing and 0.8 percent for homeowner housing. The rental vacancy rate was 1.0 percentage points lower than the rate in the first quarter 2021 (6.8 percent) and not statistically different from the rate in the fourth quarter 2021 (5.6 percent).

The homeowner vacancy rate of 0.8 percent was 0.1 percentage points lower than the rate in the first quarter 2021 (0.9 percent) and not statistically different from the rate in the fourth quarter 2021 (0.9 percent).

Source: US Census Bureau

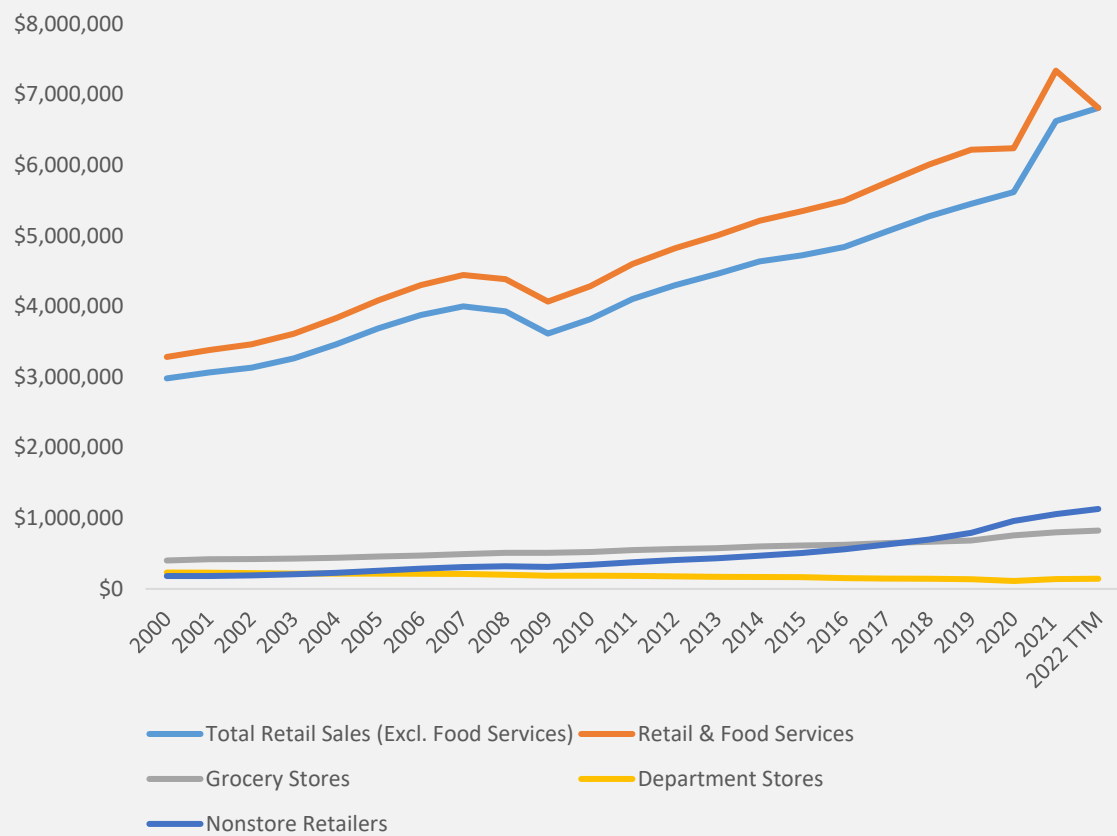
## QUARTERLY HOMEOWNERSHIP RATE, Q1 22 | US



According to the Census Bureau, the homeownership rate of 65.4 percent was not statistically different from the rate in the first quarter 2021 (65.6 percent) and not statistically different from the rate in the fourth quarter 2021 (65.5 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 May 2022, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$672.9 billion, a decrease of 0.3 percent ( $\pm 0.5$  percent) from the previous month, but 8.1 percent ( $\pm 0.7$  percent) above May 2021. Total sales for the March 2022 through May 2022 period were up 7.7 percent ( $\pm 0.7$  percent) from the same period a year ago. The March 2022 to April 2022 percent change was revised from up 0.9 percent ( $\pm 0.5$  percent) to up 0.7 percent ( $\pm 0.2$  percent).

Retail trade sales were down 0.4 percent ( $\pm 0.4$  percent) from April 2022, but up 6.9 percent ( $\pm 0.7$  percent) above last year. Gasoline stations were up 43.2 percent ( $\pm 1.6$  percent) from May 2021, while food services and drinking places were up 17.5 percent ( $\pm 4.0$  percent) from last year.

Source: US Census Bureau

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



The 10y treasury registered at 2.82%, as of 07/05/22, 88 bps higher than the TTM average of 1.94%. It's also approx. 163 bps higher than the TTM low of 1.19%.

Source: US Department of The Treasury

**FTSE NAREIT U.S. REAL ESTATE INDEX SERIES | MAY 31, 2022**

Sector	Number of Constituents	Investment Performance by Property Sector and Subsector			Dividend Yield (%)	Market Capitalization (\$)¹	
		Total Return (%)				Equity	Implied
		2021	May	2022: YTD			
FTSE Nareit All Equity REITs	152	41.30	-4.68	-13.00	3.15	1,390,798,718	1,423,773,576
FTSE Nareit Equity REITs	144	43.24	-6.23	-13.81	3.36	1,115,749,971	1,148,677,610
Industrial	13	62.03	-15.63	-22.73	2.56	164,032,711	168,684,499
Office	19	22.00	-7.17	-14.63	3.97	92,434,621	97,675,163
Retail	32	51.91	-2.21	-12.12	4.51	176,971,586	184,089,932
Shopping Centers	18	65.05	-2.92	-5.44	3.67	66,005,235	67,137,643
Regional Malls	2	92.05	-2.99	-27.54	5.72	39,809,072	45,295,075
Free Standing	12	19.72	-1.11	-6.97	4.63	71,157,279	71,657,214
Residential	22	58.29	-7.39	-16.08	2.73	221,060,585	228,715,598
Apartments	17	63.61	-8.30	-15.66	2.95	154,768,658	159,310,842
Manufactured Homes	3	41.98	-5.02	-18.46	2.20	32,975,499	33,856,223
Single Family Homes	2	52.79	-5.37	-15.55	2.21	33,316,427	35,548,533
Diversified	12	29.25	0.69	-6.61	4.78	31,993,124	33,379,995
Lodging/Resorts	14	18.22	-4.29	4.39	0.58	40,808,880	41,213,314
Health Care	16	16.32	1.27	-2.02	4.23	121,998,391	122,804,025
Self Storage	5	79.43	-9.35	-16.53	2.95	96,462,814	100,208,804
Timber	4	28.82	-3.82	-0.45	2.08	39,396,727	39,396,727
Infrastructure	4	34.41	3.27	-11.00	2.32	235,652,021	235,699,239
Data Centers	2	25.47	-4.17	-17.86	2.46	100,413,526	101,735,926
Specialty	9	41.69	-0.90	-3.01	4.87	69,573,734	70,170,355
FTSE Nareit Mortgage REITs	33	15.64	3.78	-10.58	10.30	61,406,469	61,959,625
Home Financing	20	11.51	5.03	-12.66	12.06	35,947,924	35,974,192
Commercial Financing	13	22.48	2.07	-7.50	7.82	25,458,545	25,985,433

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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### Important Information

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