

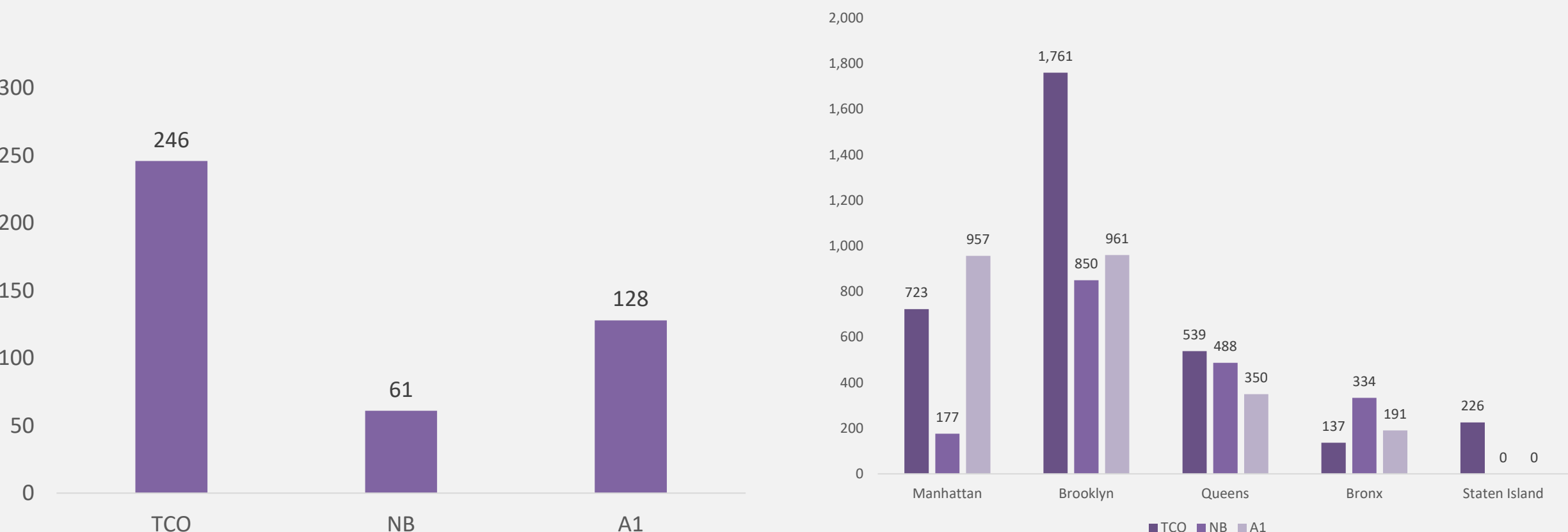
As the Fed continues to battle with stubborn inflation numbers it is beginning to crystallize, within the real estate community, that the rate hikes and subsequent adjustment in values are not transitory; they are here to stay. Being an active advisor to both developers and owners/operators, we have seen the shift in attitude towards borrowing and underwriting new acquisitions. On the one hand, borrowers are quick to accept a “decent” offer while on the acquisition side they are more conservative with their financing and exit assumptions. This will further contribute to the drop in transaction volume but not necessarily in available opportunities. While it is not clear which way we are going yet it is interesting to see how things develop, in the meantime we’ll continue to adapt and act as a capable guide to our clients.

- For the month of September, 246 unique TCO applications were filed with NYC’s Department of Buildings (DOB). There were 61 new building (NB) and 128 major alteration type 1 (A1) applications filed for the same period.
- According to the U.S. Census Bureau, construction spending during August 2022 was estimated at a seasonally adjusted annual rate of \$1,781.3 billion, 0.7 percent (±1.0 percent) below the revised July estimate of \$1,793.5 billion.
- According to the US Bureau of Labor Statistics, total nonfarm payroll employment increased by 263,000 in September, and the unemployment rate edged down to 3.5 percent.
- According to the U.S. Census Bureau, privately-owned housing units authorized by building permits in August were at a seasonally adjusted annual rate of 1,517,000.
- According to the Federal Reserve, industrial production decreased 0.2 percent in August. Manufacturing output edged up 0.1 percent after increasing 0.6 percent in July.
- According to the Census Bureau, national vacancy rates in the second quarter 2022 were 5.6 percent for rental housing and 0.8 percent for homeowner housing.
- According to the Census Bureau, the homeownership rate of 65.8 percent was not statistically different from the rate in the second quarter 2021 (65.4 percent) and not statistically different from the rate in the first quarter 2022 (65.4 percent).
- According to the Census Bureau, advance estimates of U.S. retail and food services sales for August 2022, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$683.3 billion, an increase of 0.3 percent (±0.5 percent) from the previous month, and 9.1 percent (±0.7 percent) above August 2021.
- The 10y treasury registered at 3.19%, as of 10/12/22, 52 bps higher than the TTM average of 2.67%.

MONTHLY DEPARTMENT OF BUILDINGS ACTIVITY, SEPTEMBER 2022 | NYC

For the month of September, 246 unique TCO applications were filed with NYC’s Department of Buildings (DOB). There were 61 new building (NB) and 128 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 increase since the end of Q2.

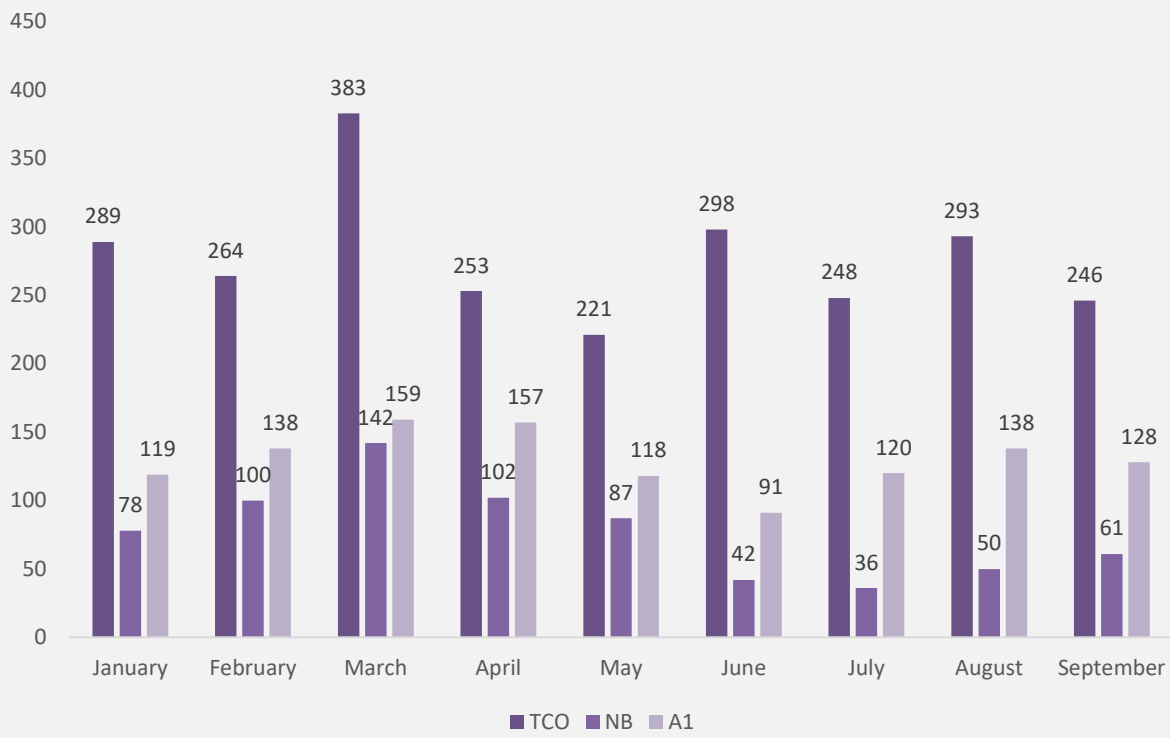
In addition, TCO applications represented 3,386 projected dwelling units across all boroughs – not all applications disclosed the proposed unit count. The majority of the units were located in Brooklyn (1,761), while Manhattan (723) came in second, Queens third (539), Staten Island fourth (226) and finally the Bronx with (137).



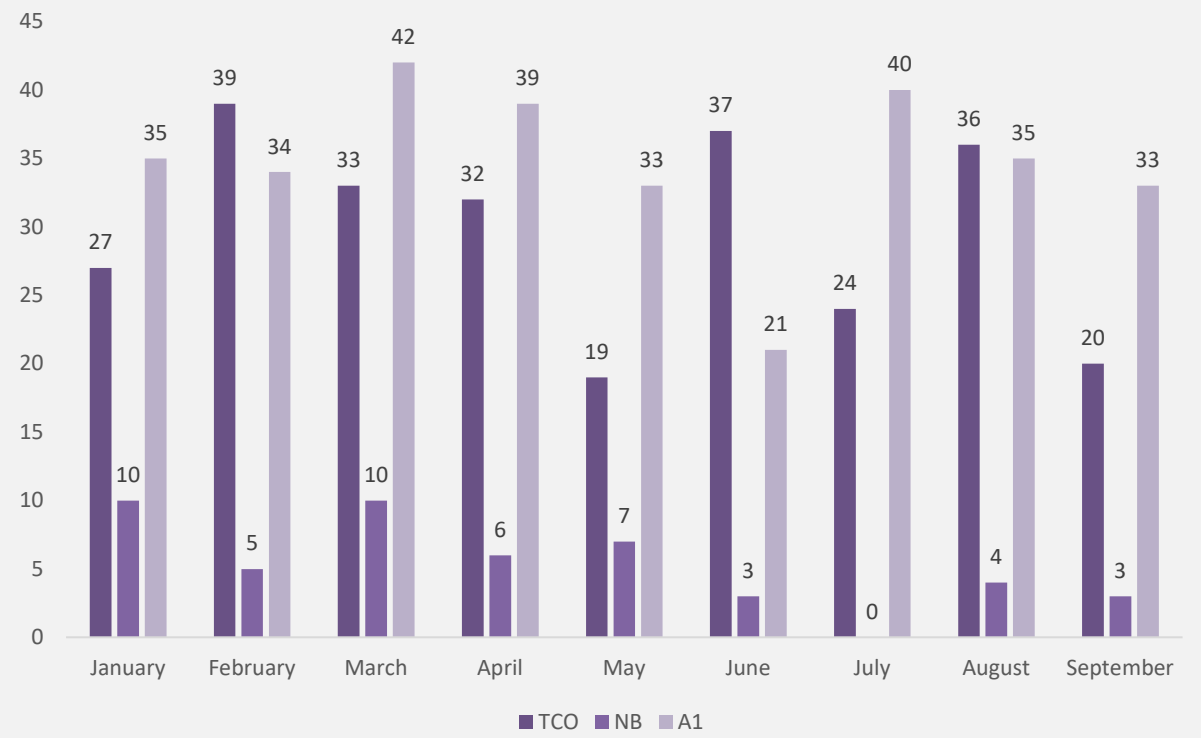
Source: NYC, Opendata

MONTHLY BUILDING APPLICATIONS, YTD | NYC

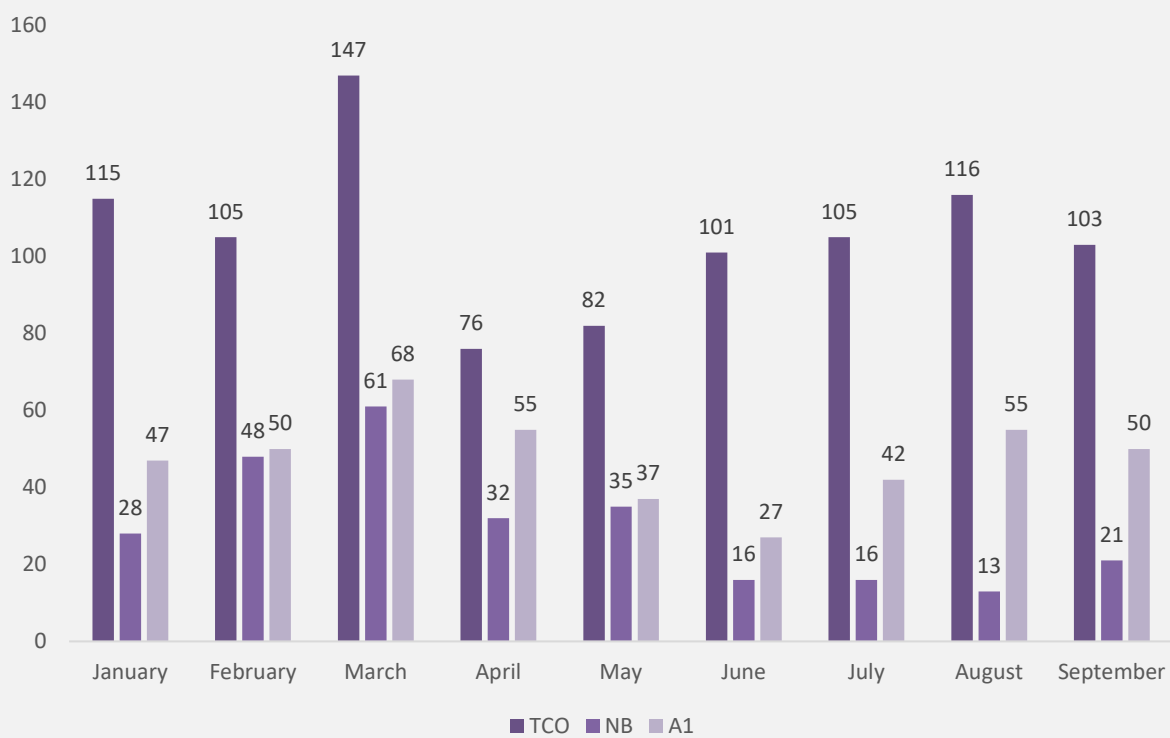
NEW YORK CITY



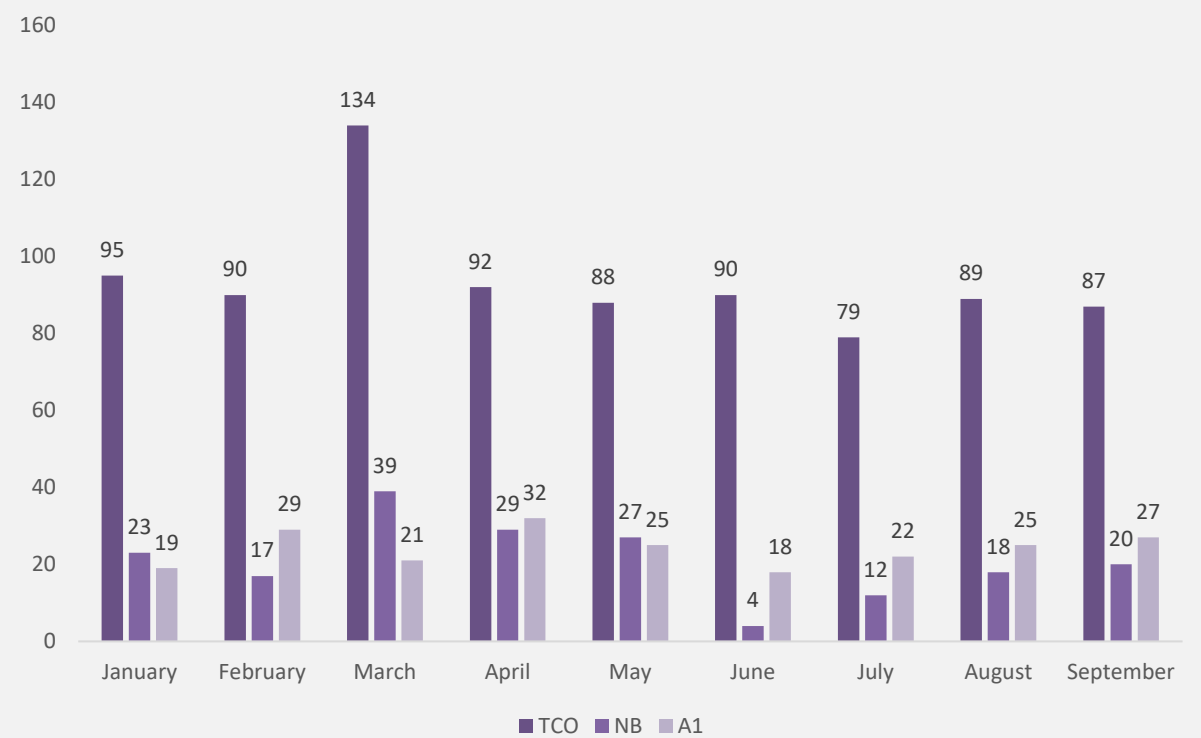
MANHATTAN



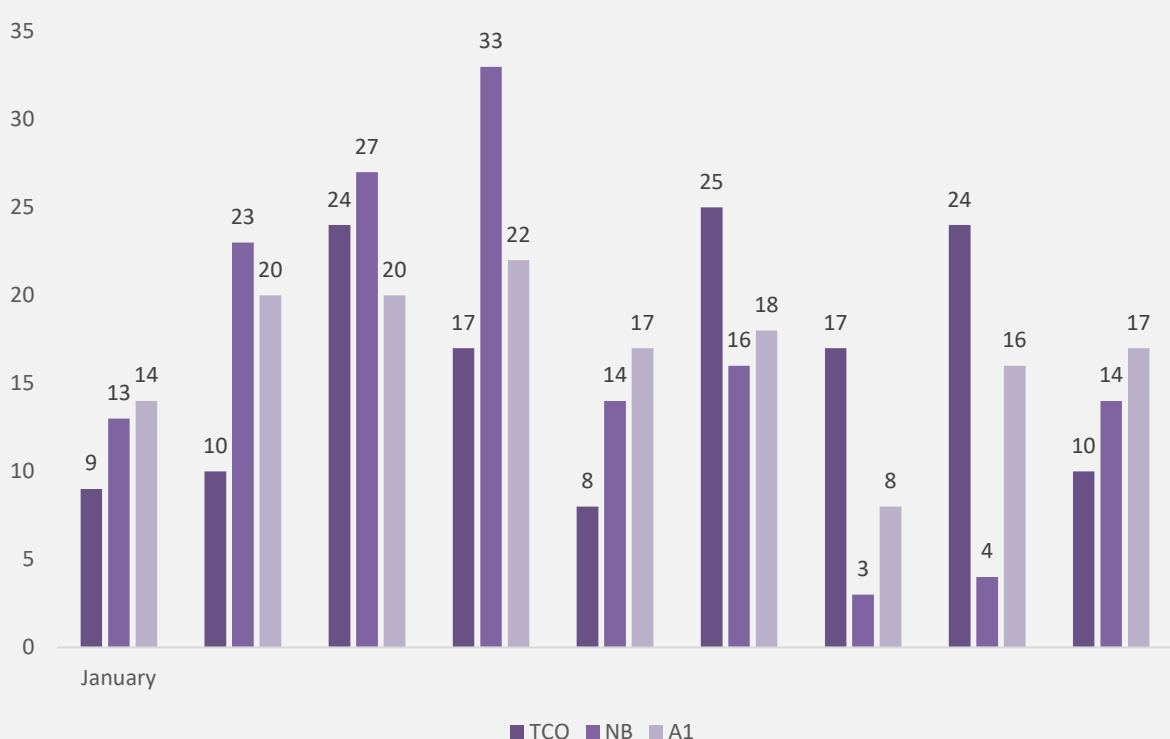
BROOKLYN



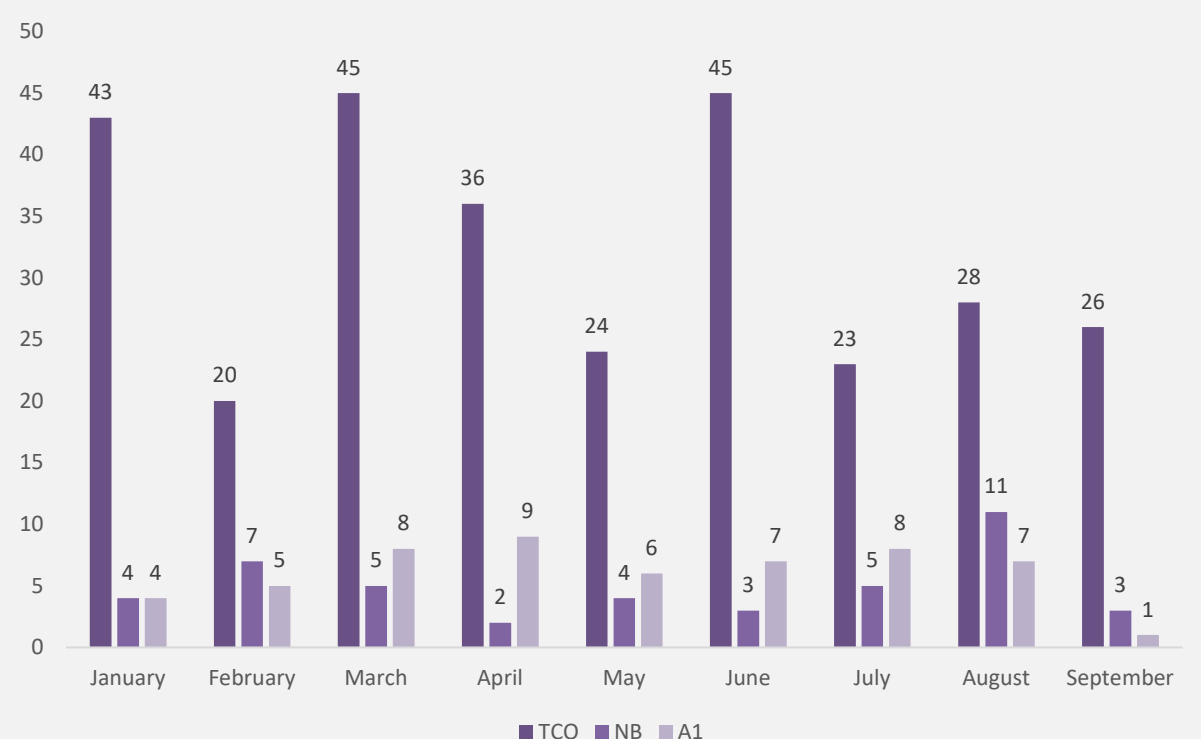
QUEENS



BRONX

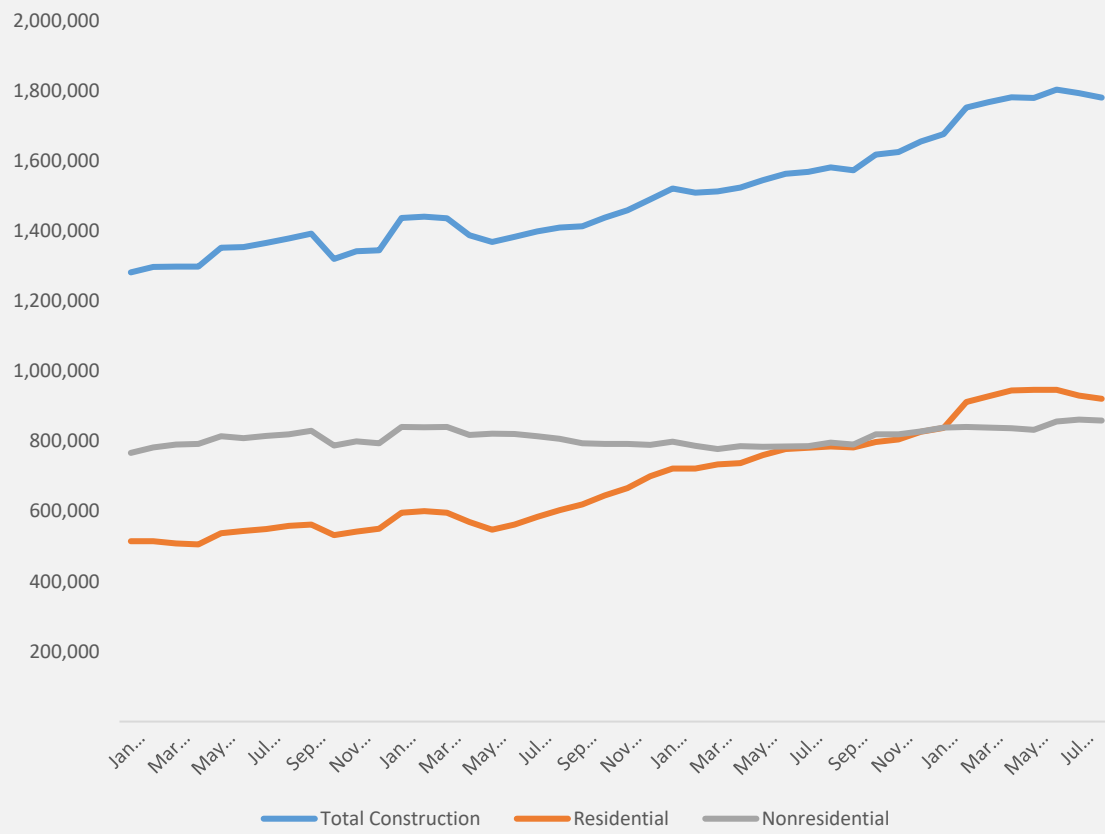


STATEN ISLAND



Source: DOB Now

MONTHLY CONSTRUCTION SPENDING | US

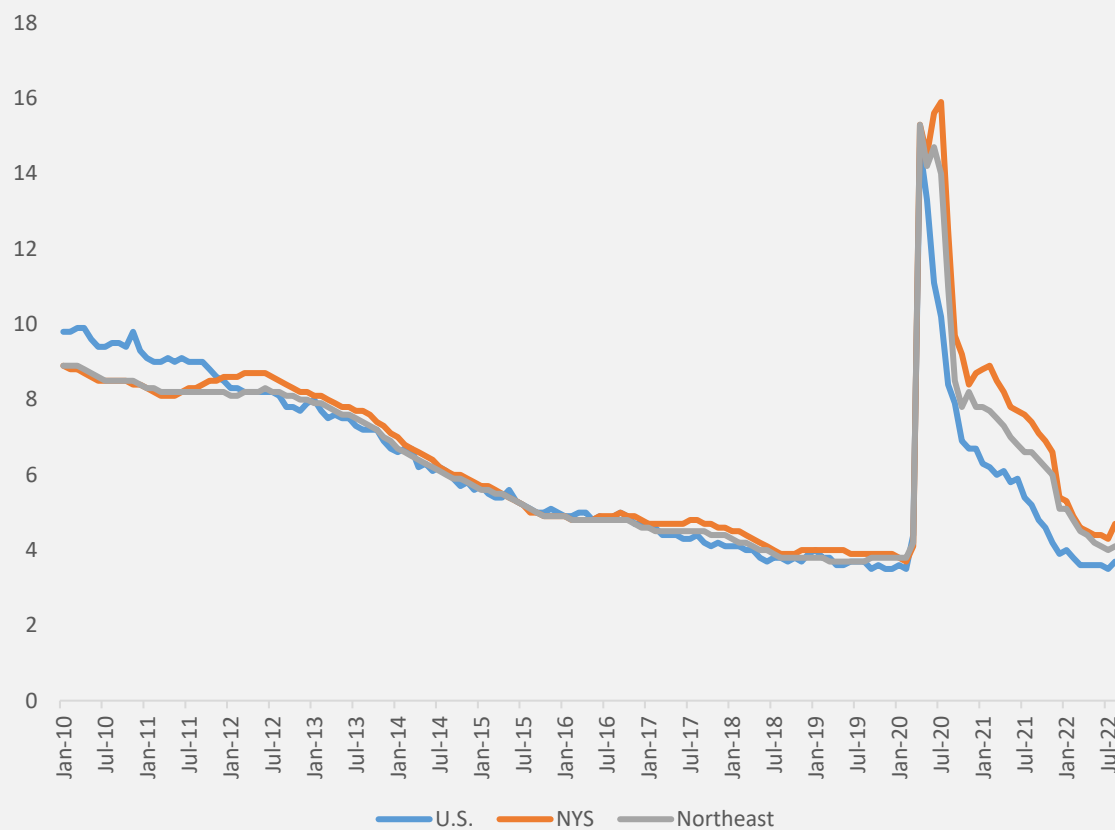


Source: US Census Bureau

According to the U.S. Census Bureau, construction spending during August 2022 was estimated at a seasonally adjusted annual rate of \$1,781.3 billion, 0.7 percent (± 1.0 percent) below the revised July estimate of \$1,793.5 billion. The August figure is 8.5 percent (± 1.6 percent) above the August 2021 estimate of \$1,641.6 billion. During the first eight months of this year, construction spending amounted to \$1,183.8 billion, 10.9 percent (± 1.0 percent) above the \$1,067.4 billion for the same period in 2021.

Spending on private construction was at a seasonally adjusted annual rate of \$1,426.0 billion, 0.6 percent (± 0.7 percent) below the revised July estimate of \$1,435.2 billion. Residential construction was at a seasonally adjusted annual rate of \$912.9 billion in August, 0.9 percent (± 1.3 percent) below the revised July estimate of \$921.6 billion. Nonresidential construction was at a seasonally adjusted annual rate of \$513.1 billion in August, 0.1 percent (± 0.7 percent) below the revised July estimate of \$513.6 billion.

UNEMPLOYMENT INSURANCE CLAIMS | US, NYS, NORTHEAST

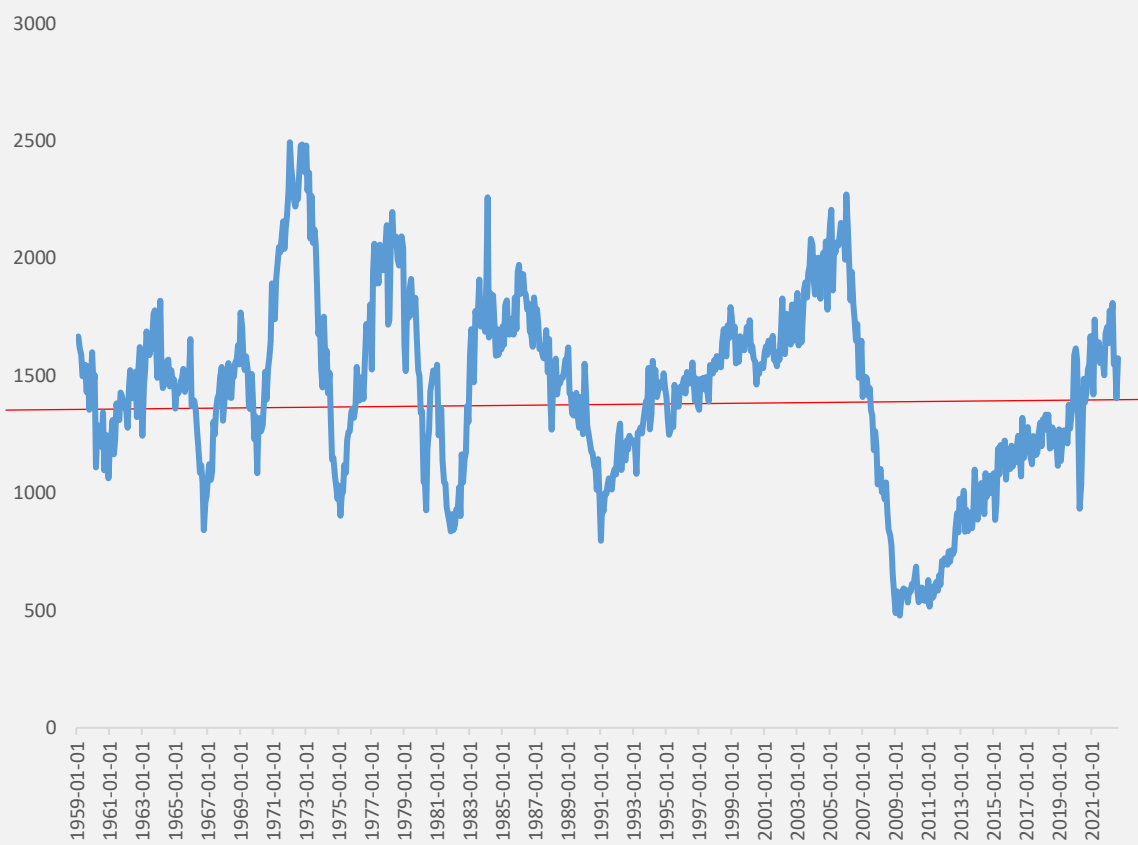


Source: US Bureau of Labor Statistics, NYS, Department of Labor Weekly UI Claims Report

According to the US Bureau of Labor Statistics, total nonfarm payroll employment increased by 263,000 in September, and the unemployment rate edged down to 3.5 percent. Notable job gains occurred in leisure and hospitality and in health care.

In August, NYS and the Northeast registered 4.7% and 4.1%, respectively.

MONTHLY NEW RESIDENTIAL CONSTRUCTION | US

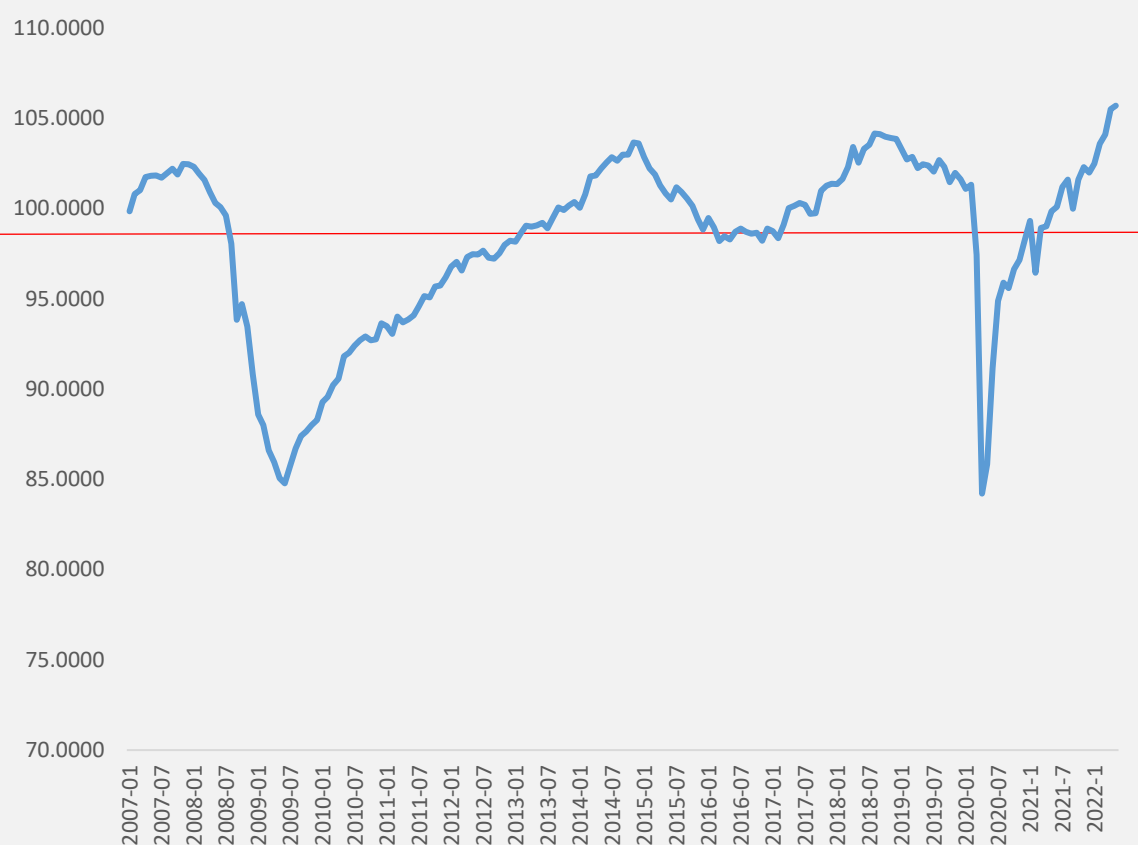


According to the U.S. Census Bureau, privately-owned housing units authorized by building permits in August were at a seasonally adjusted annual rate of 1,517,000. This is 10.0 percent below the revised July rate of 1,685,000 and is 14.4 percent below the August 2021 rate of 1,772,000. Single-family authorizations in August were at a rate of 899,000; this is 3.5 percent below the revised July figure of 932,000. Authorizations of units in buildings with five units or more were at a rate of 571,000 in August.

Privately-owned housing completions in August were at a seasonally adjusted annual rate of 1,342,000. This is 5.4 percent (± 12.1 percent) below the revised July estimate of 1,419,000, but is 3.1 percent (± 10.5 percent) above the August 2021 rate of 1,302,000. Single-family housing completions in August were at a rate of 1,017,000; this is 0.4 percent (± 12.8 percent) above the revised July rate of 1,013,000. The August rate for units in buildings with five units or more was 318,000.

Source: US Census Bureau

MONTHLY INDUSTRIAL PRODUCTION | US

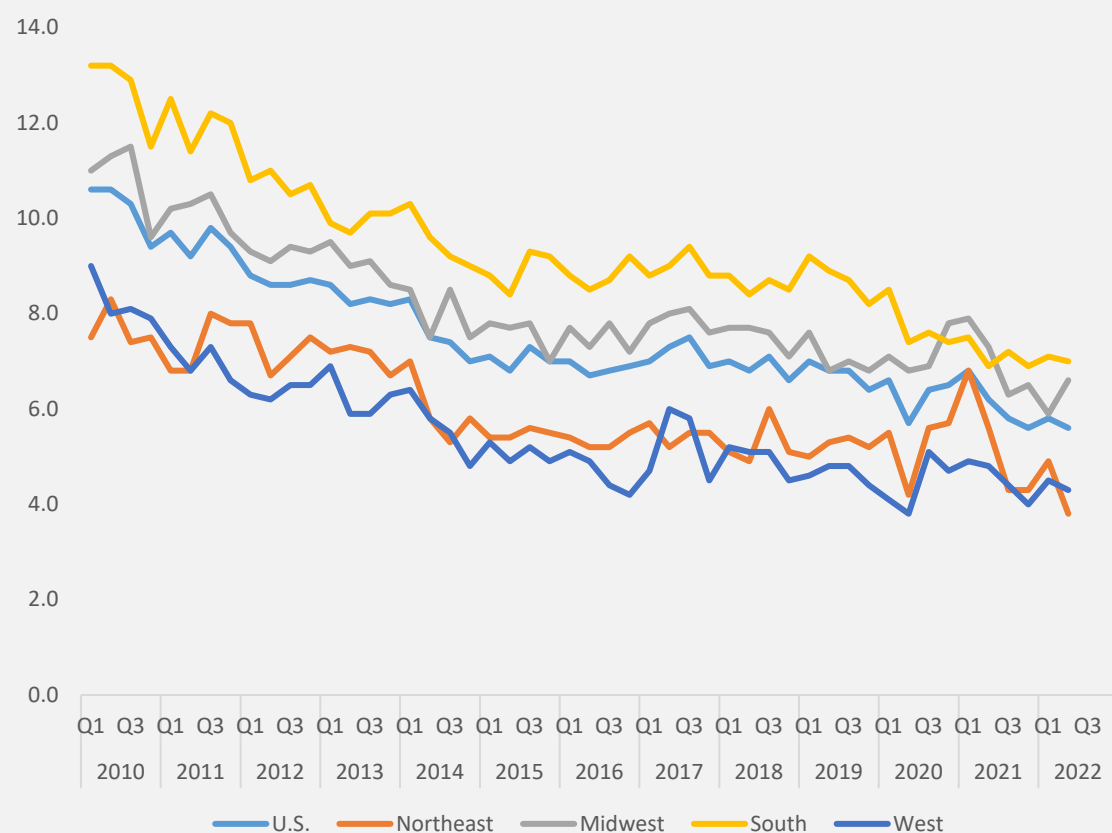


According to the Federal Reserve, industrial production decreased 0.2 percent in August. Manufacturing output edged up 0.1 percent after increasing 0.6 percent in July. The index for mining was unchanged, and the index for utilities decreased 2.3 percent.

At 104.5 percent of its 2017 average, total industrial production in August was 3.7 percent above its year-earlier level. Capacity utilization declined 0.2 percentage point in August to 80.0 percent, a rate that is 0.4 percentage point above its long-run (1972–2021) average.

Source: Federal Reserve

QUARTERLY RESIDENTIAL VACANCY, Q2 22 | US

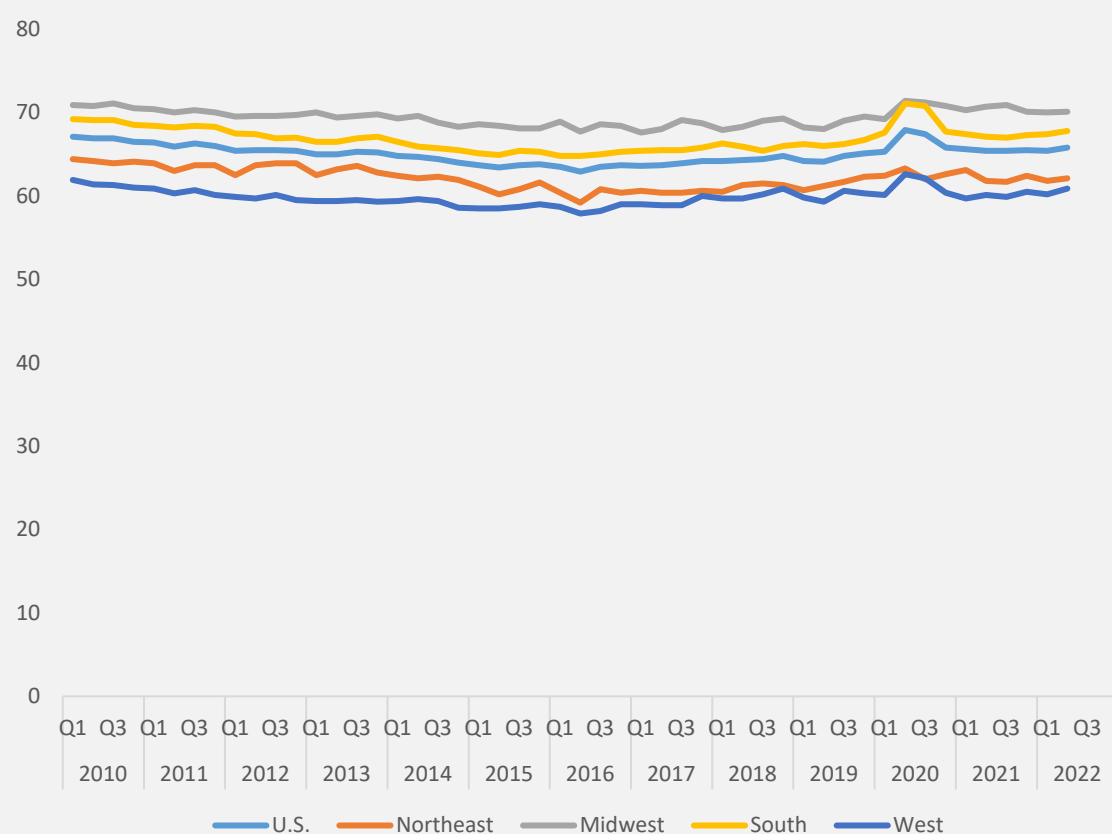


Source: US Census Bureau

According to the Census Bureau, national vacancy rates in the second quarter 2022 were 5.6 percent for rental housing and 0.8 percent for homeowner housing. The rental vacancy rate was 0.6 percentage points lower than the rate in the second quarter 2021 (6.2 percent) and not statistically different from the rate in the first quarter 2022 (5.8 percent).

The homeowner vacancy rate of 0.8 percent was not statistically different from the rate in the second quarter 2021 (0.9 percent) and virtually the same as the rate in the first quarter 2022 (0.8 percent).

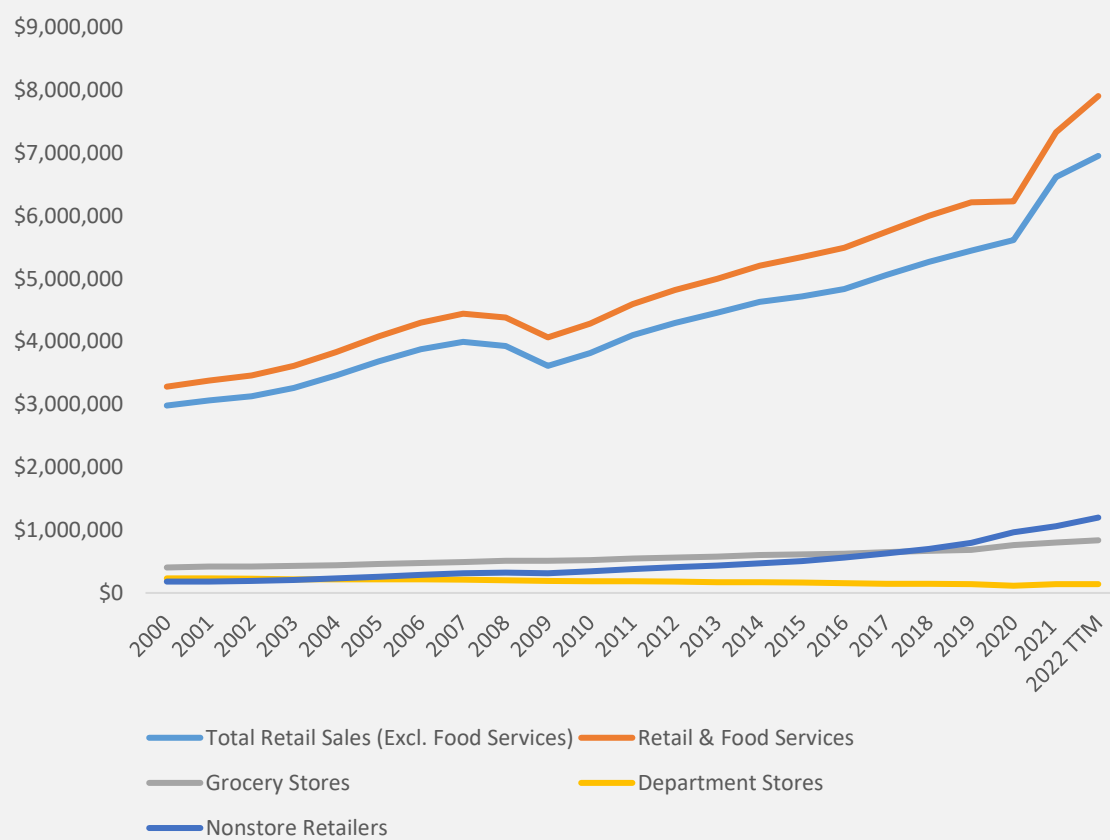
QUARTERLY HOMEOWNERSHIP RATE, Q2 22 | US



Source: US Census Bureau

According to the Census Bureau, the homeownership rate of 65.8 percent was not statistically different from the rate in the second quarter 2021 (65.4 percent) and not statistically different from the rate in the first quarter 2022 (65.4 percent).

MONTHLY RETAIL SALES | US



According to the Census Bureau, advance estimates of U.S. retail and food services sales for August 2022, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$683.3 billion, an increase of 0.3 percent (± 0.5 percent) from the previous month, and 9.1 percent (± 0.7 percent) above August 2021. Total sales for the June 2022 through August 2022 period were up 9.3 percent (± 0.5 percent) from the same period a year ago. The June 2022 to July 2022 percent change was revised from virtually unchanged (± 0.5 percent) to down 0.4 percent (± 0.2 percent).

Retail trade sales were up 0.2 percent (± 0.4 percent) from July 2022, and up 8.9 percent (± 0.7 percent) above last year. Gasoline stations were up 29.3 percent (± 1.6 percent) from August 2021, while non-store retailers were up 11.2 percent (± 1.2 percent) from last year.

Source: US Census Bureau

10-YEAR TREASURY YIELD (%) | US



The 10y treasury registered at 3.19%, as of 10/12/22, 52 bps higher than the TTM average of 2.67%. It's also approx. 171 bps higher than the TTM low of 1.71%.

Source: US Department of The Treasury

FTSE NAREIT U.S. REAL ESTATE INDEX SERIES | SEPTEMBER 30, 2022

Sector	Investment Performance by Property Sector and Subsector						Market Capitalization (\$) ¹	
	Number of Constituents	Total Return (%)			Dividend Yield (%)	Equity	Implied	
		2021	September	2022: YTD				
FTSE Nareit All Equity REITs	148	41.30	-12.72	-27.93	3.95	1,146,339,237	1,171,178,858	
FTSE Nareit Equity REITs	141	43.24	-12.18	-28.13	4.21	923,770,926	948,581,609	
Industrial	12	62.03	-16.39	-35.50	3.09	133,471,182	136,123,177	
Office	20	22.00	-8.97	-36.69	5.44	67,178,825	70,847,599	
Retail	33	51.91	-11.11	-26.19	5.68	153,333,747	158,879,261	
Shopping Centers	18	65.05	-12.45	-25.67	4.86	52,647,676	53,482,497	
Regional Malls	3	92.05	-10.86	-41.94	7.66	31,595,557	35,876,992	
Free Standing	12	19.72	-10.20	-15.28	5.40	69,090,515	69,519,772	
Residential	20	58.29	-7.94	-27.09	3.20	184,949,386	191,490,056	
Apartments	15	63.61	-7.51	-26.68	3.49	126,090,995	129,920,017	
Manufactured Homes	3	41.98	-10.74	-31.79	2.67	28,360,581	29,089,193	
Single Family Homes	2	52.79	-7.04	-24.06	2.47	30,497,810	32,480,846	
Diversified	11	29.25	-16.79	-25.29	6.43	23,779,315	24,690,372	
Lodging/Resorts	14	18.22	-12.78	-19.55	2.32	31,180,453	31,545,188	
Health Care	15	16.32	-14.53	-24.76	5.26	94,013,530	94,664,723	
Self Storage	5	79.43	-11.89	-21.44	3.29	90,294,427	93,470,480	
Timber	3	28.82	-15.22	-26.50	2.91	28,817,232	28,817,232	
Infrastructure	4	34.41	-14.85	-27.19	2.91	193,751,079	193,780,018	
Data Centers	2	25.47	-15.48	-35.08	3.15	79,734,828	80,674,406	
Specialty	9	41.69	-10.84	-12.03	5.73	65,835,233	66,196,347	
FTSE Nareit Mortgage REITs	31	15.64	-24.18	-35.40	15.03	44,348,917	44,748,922	
Home Financing	19	11.51	-26.96	-39.67	18.14	25,005,317	25,023,743	
Commercial Financing	12	22.48	-20.23	-28.98	11.00	19,343,600	19,725,179	

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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