

MARKET AT A GLANCE



OCCUPANCY RATE

96.4%

Down 40 bps since 1Q19



EFFECTIVE RENT

\$1,372

Up 3.0% since 1Q19



DELIVERIES

1,417

Units YTD

MARKET IMPACT ANALYSIS

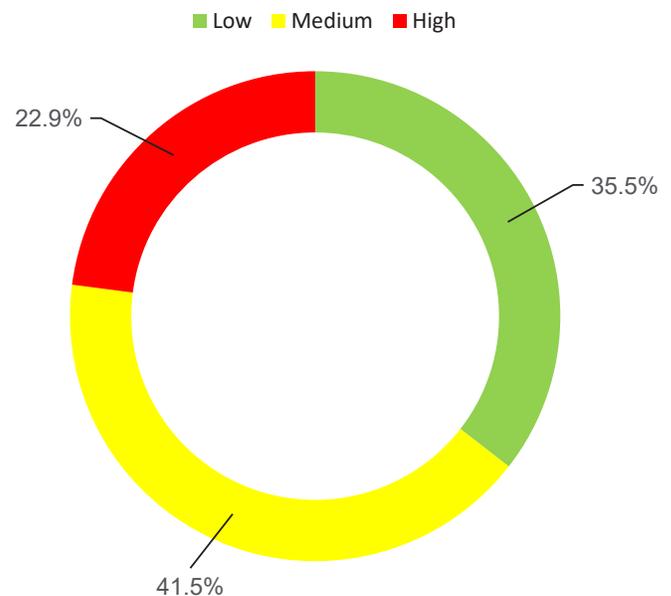
METRO DEPLOYS \$5 MILLION AS MANUFACTURERS, TECH FIRMS CUT JOBS

Minneapolis Mayor Jacob Frey recently announced that the Twin Cities will be organizing a \$5 million relief fund to help offset the wide-ranging impacts of COVID-19. An estimated \$3 million in rental assistance and \$2 million in small business loans will supplement resources for small businesses provided by the federal government. Minnesota residents also boast strong credit and spend less of their paychecks on rent than the national average, two factors that will support long-term demand for residential development in the area when the pandemic begins to finally recede. That said, in the short term the metro's economy has been battered by the COVID-19 crisis, largely in the form of extra strain on the area's health care providers and manufacturing industries. Following a ban on elective surgeries, Mayo Clinic, one of the metro's largest employers, announced that it would be reducing pay for approximately one third of its staff. Likewise, Fairview Health Services has announced a 15% reduction in staff hours. In the manufacturing industry, over 16,000 employees have filed for unemployment, and many firms surveyed are planning additional staff cuts. The virus has also negatively impacted companies across the metro's diverse spectrum of office-using industries. Tech start-ups, marketing agencies, and business services firms are experiencing shortages of demand as their clients nationwide begin to cut spending to offset their own business challenges.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing and hunting	0.3%	1.1%
Finance and insurance	7.0%	4.7%
Health care and social assistance	17.1%	16.0%
Information	2.0%	2.2%
Transportation and warehousing	4.0%	4.4%
Utilities	0.3%	0.4%
Wholesale trade	4.8%	4.7%
Total	35.5%	33.4%
MEDIUM		
Administrative and waste services	6.1%	7.4%
Educational services	2.3%	2.3%
Manufacturing	11.4%	10.1%
Mining, quarrying, and oil and gas extraction	0.0%	0.5%
Other services, except public administration	3.6%	3.6%
Professional and technical services	7.6%	7.5%
Retail trade	10.5%	12.2%
Total	41.5%	43.6%
HIGH		
Accommodation and food services	9.0%	11.1%
Arts, entertainment, and recreation	2.2%	1.9%
Construction	5.2%	6.1%
Management of companies and enterprises	4.8%	1.9%
Real estate and rental and leasing	1.7%	1.8%
Unclassified	0.0%	0.1%
Total	22.9%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



CORPORATE HEADQUARTERS

521 Fifth Avenue
20th Floor
New York, NY 10175
(646) 600-7800 | Fax: (646) 600-7838
www.Berkadia.com

a Berkshire Hathaway and Jefferies Financial Group company

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