



MARKET AT A GLANCE



OCCUPANCY RATE **95.7%**
Up 180 bps since 2Q19



EFFECTIVE RENT **\$796**
Up 1.6% since 2Q19



TOTAL INVENTORY **55,329**

OCCUPANCY AND RENT TRENDS

2Q 2020 APARTMENT FUNDAMENTALS MINIMALLY AFFECTED BY PANDEMIC

Gradual reopening of the El Paso economy is underway, though much recovery remains. From May 1 to June 30, local employers hired or reinstated a net 16,600 workers, a 5.8% increase from the April trough. In the last few months, leisure and hospitality sector employment plummeted 54%, but as of June, nearly two-thirds of those jobs were restored. Even with this progress, recovery is unsteady in some employment sectors. This unsettled environment is fueled in part by restrictions enacted at the U.S.-Mexico border since late-March 2020, severely affecting cross-border trade. The latest data from the U.S. Department of Transportation indicated commercial truck crossings at the border in El Paso fell 84% from February 1 to May 1, 2020; the number of personal vehicles transiting the border decreased 62%; and pedestrian crossings shrank 69%. Conditions in the El Paso apartment market have been more stable. Net apartment absorption exceeded new deliveries, both in the second quarter of 2020 and on an annual basis, prompting occupancy to rise. Operators recorded 95.7% apartment occupancy in June 2020, a 20-basis-point gain since March. At the same time, average monthly effective rent dipped just 0.7% to \$796.



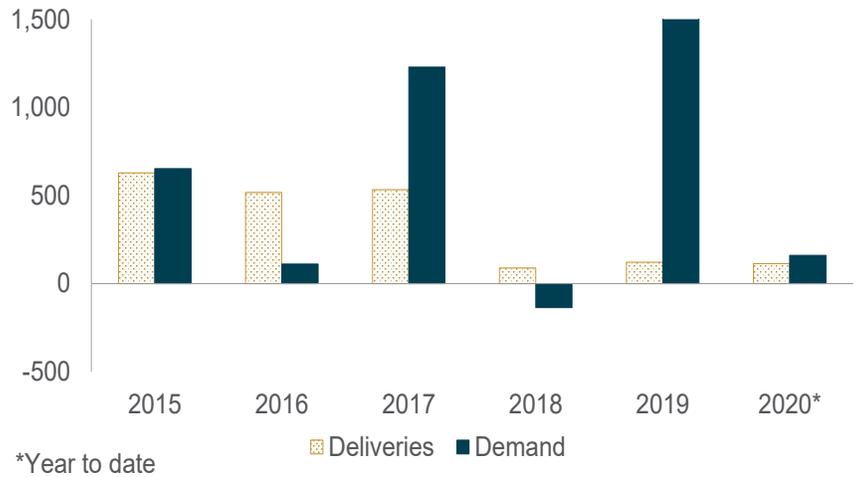
DELIVERIES AND DEMAND



DELIVERIES 114
Units YTD



NET ABSORPTION 161
Units YTD



ECONOMIC TRENDS

2019 3.7% **UNEMPLOYMENT*** 2020 9.5%
580 BPS CHANGE

2019 322.9k **EMPLOYMENT*** 2020 303.1k
-6.1% CHANGE

2019 9.6k **EXISTING SFH SALES*** 2020 7.1k
-26.0% CHANGE

2019 844.6k **POPULATION*** 2020 849.3k
0.6% CHANGE

2019 2.07% **10-YEAR TREASURY*** 2020 0.73%
-130 BPS CHANGE

*June



SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
Central El Paso	94.5%	-120	-70	\$781	-2.5%	0.5%	-132	-78	0	0
East El Paso	96.3%	10	160	\$804	-0.4%	1.7%	14	292	0	0
Mission Valley/Socorro	97.1%	90	400	\$678	-0.5%	0.5%	54	245	0	0
Northeast El Paso	95.4%	100	300	\$814	-1.6%	2.7%	82	246	0	0
Northwest El Paso	95.6%	80	260	\$843	0.8%	2.1%	161	452	69	145
TOTALS	95.7%	20	180	\$796	-0.7%	1.6%	178	1,158	69	145



CORPORATE HEADQUARTERS

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