ATTACHMENT 1

United States Real Estate Market Update (3Q20)

General

- On March 13th, President Trump declared a national emergency. National, state, and local governments across the world implemented stay-at-home orders, which caused a near complete halt of the world economy. governments have dramatically expanded expenditures in order to protect people and businesses from large-scale disruption. In the 3rd quarter, equity markets continued to bounce back from the March rout, and the S&P 500 produced a gross total return of 8.9%. The MSCI US REIT index continued to rebound and produced a return of 1.6% but remains down -17.1% YTD.

- The U.S. entered a recession in February; GDP contracted at an annualized rate of -31.4% in the 2nd quarter but rebounded and grew at annualized rate 33.1% in the 3rd quarter. The unemployment rate peaked in April at 14.7% and has since declined to 8.8% at quarter end. The Federal Reserve has acted aggressively via quantitative easing and rate cuts, thus far financial markets have stabilized. The CARES Act provided $1.5 trillion of stimulus to the economy. The Bloomberg average forecast has projected that the world economy will shrink by -3.9% in 2020.

Commercial Real Estate

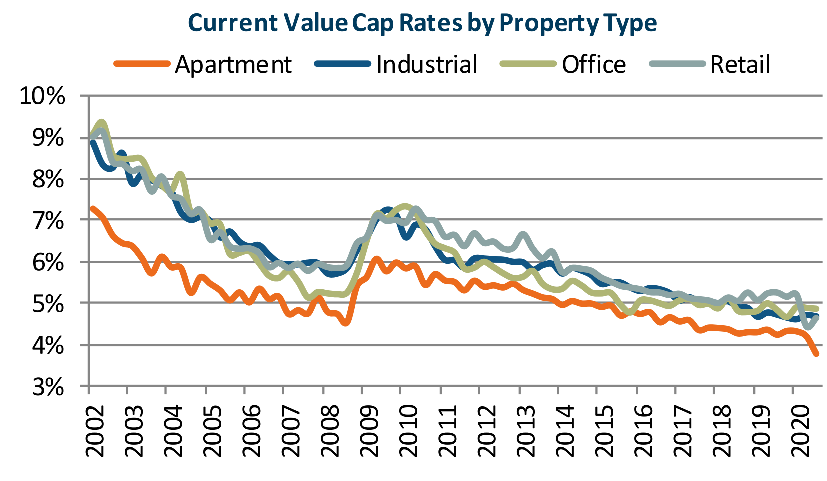
- Shelter in place orders and social distancing have restricted the ability to complete due diligence and acquire assets. Through Q3 2020, transaction volume has declined by 52% YoY. Transactions have primarily occurred in the apartment and industrial sectors.

- Transaction cap rates (4.9%) contracted -76 bps during the quarter. Current valuation cap rates declined for apartments (-42 bps), office (-2 bps), and industrial (-3 bps). A lack of transactions continues to limit evidence to revalue real estate.

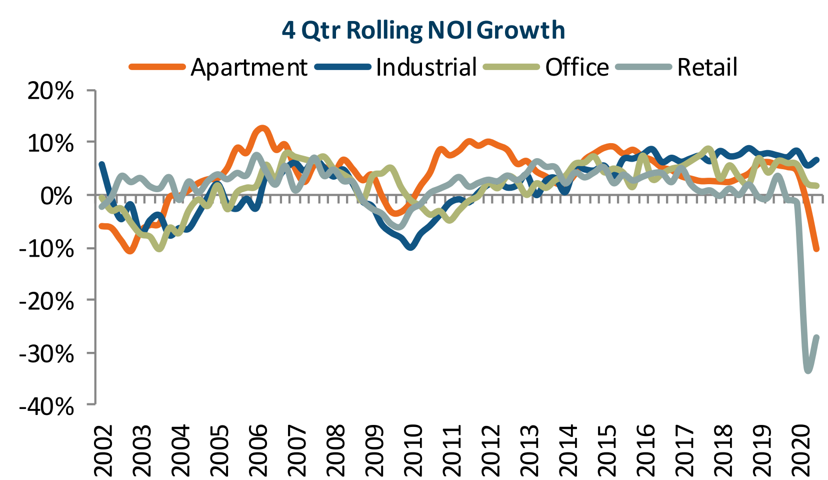
- NOI growth has substantially diverged between property sectors due to the impacts of COVID-19. Retail NOI contracted substantially (-27%) as rent collections declined and retailers were shutdown. Apartment NOI contracted (-10%), primarily driven by declines in effective market rents and a nearly 2% increase in vacancy rates YoY. Public market signals have been divergent by property type.

- In the third quarter of 2020, $26 bn of aggregate capital was raised by real estate funds. There continues to be substantial dry powder, ~$342 billion, seeking exposure to private real estate.

- 10-year treasury bond yields remained approximately flat 0.7% during the quarter.



Source: NCREIF



Source: NCREIF

Sources: Bureau of Economic Analysis, U.S. Census Bureau, St. Louis Fed, NCREIF, Real Capital Analytics, Bloomberg LP., Preqin

United States Property Matrix (3Q20)

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INDUSTRIAL

- In 3Q20, industrial properties were the highest returning sector at 3.0% and outperformed the NPI by 230 bps.
- Transaction volumes increased to $16.5 billion in the third quarter of the year, still resulting in a 61.0% year-over-year decrease. Individual asset sales were down 21.1% year-over-year, while portfolio purchases turned in a year-over-year volume decrease of 85.7%. The portfolio transaction volume fell to slightly below mean quarterly transaction volume; the large year-over-year decrease is due to abnormally large transaction volume in the second half of 2019.
- The industrial sector turned in NOI growth of 6.6% over the past year, an increase from the prior periods TTM growth of 5.6% in 2Q20. Market rent growth is expected to decelerate compared to its recent pace but remains strong.
- Vacancy increased by 10 bps year-over-year to 3.5%, remaining close to all-time historic lows. E-commerce continues to drive demand.
- Industrial cap rates compressed approximately 4 bps from a year ago, to 4.71%. Industrial fundamentals still top all property sectors.

MULTIFAMILY

- The apartment sector delivered a 0.5% return during the quarter, underperforming the NPI by 20 bps.
- Transaction volume in the third quarter of 2020 rose to $25.9 billion, still resulting in a decrease of 47.0% year-over-year. This volume continues to make multifamily the most actively traded sector for the thirteenth straight quarter.
- Cap rates decreased to 3.78%, compressing 46 bps year-over-year. Multifamily cap rates continue falling to their lowest in years, driven by continued decrease in NOI.
- The multifamily sector has seen increasing vacancy rates due to the pandemic but continues to hold steady relatively speaking, vacancy has increased 210 bps from a year ago. Various rent concessions have helped managers to maintain tenants through out the pandemic, these concessions will have various impacts on NOI over the next few quarters. The aging millennials have begun shifting their desires to suburban living, but continued home price appreciation has deterred the full effect of this migratory trend.

OFFICE

- The office sector returned 0.3% in 3Q20, 40 bps below the NPI return over the period.
- Transaction volumes decreased by 60% year-over-year in Q3. Annual sales volumes equaled $14.3 billion for the quarter. Single asset transactions accounted for 79% of volume.
- Occupancy growth within the office sector has slowed, decreasing by 118 bps year-over-year. Office continues to be the highest vacancy property type at close to 10.8%.
- NOI growth continued to fall for the office sector to 1.7% in the last year, a decrease of 50 bps and 400 bps from 2Q20 and 1Q20, respectively. Due to work from home orders and rent deferrals/relief, NOI growth is expected to continue being compressed.
- Office cap rates expanded from a year ago to approximately 4.87% in the third quarter, an expansion of just 3 bps. Office-using job growth has been stunted significantly in 2020 due to many work from home orders.

RETAIL

- As of 3Q20, the retail sector delivered a quarterly return of -0.5%, performing 120 bps below the NPI.
- Transaction volumes totaled $7.0 billion in the third quarter, falling 56% year-over-year. Single asset transactions accounted for just over 90% of all sales volume.
- Cap rates have compressed approximately 61 bps within the sector over the last year, to 4.66%. The current valuation cap rate did expand quarter-over-quarter by 20 bps due to downward valuation adjustments made across the sector in general.
- NOI growth slightly increased though still significantly negative, -27.0% over the last year. This is a 5.7% increase from last quarter. Retail is expected to continue to suffer from the shift towards e-commerce, hesitance of the consumer, and the re-emerging shelter in place orders.
- Retail vacancy rates increased 130 bps over the past year to 8.3%. Many big box stores have closed as the need for retail space shrinks, translating to a negative outlook for rent growth. Paired with the global economic crisis that has had a significant negative impact on this sector.

Sources: Real Capital Analytics, Green Street, NCREIF

Global Real Estate Market Update (3Q20)

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- Global investment activity during the third quarter of 2020 was down significantly relative to the same period in 2019, but on par with 2Q20. Although transaction volumes were flat during 3Q20, the sale of development sites increased 42%.

- Rising COVID cases across the world caused lockdowns across major economies resulting in a short but deep recession and affecting all sectors of the real estate industry. Uncertainty about the state of the economy threw some doubts on the future needs for certain property types.

Global Total Commercial Real Estate Volume - 2019 - 2020

$ US Billions	Q3 2020	Q3 2019	% Change Q3 20 - Q3 19	YTD 2020	Q1-Q3 2019	% Change YTD 2020/Q1-Q3 2019
Americas	59	144	-59%	222	370	-40%
EMEA	51	85	-40%	188	232	-19%
Asia Pacific	188	179	5%	533	642	-17%
Total	298	408	-27%	943	1244	-24%

Source: Real Capital Analytics, Inc., Q3' 20

- Investment activity in the Americas witnessed a sharp decline and fell by 42% year-over-year. COVID cases continued to increase in the US, putting plans of fully reopening the economy on hold. However, transaction volume in the US increased 43% relative to 2Q20.

- In the Asia Pacific region, volumes increased year-over-year, but transaction activity was mixed across the region. Chin, Japan, Hong Kong and Australia saw large drops in volume, while South Korea was flat at 0% year over year growth, likely due to superior efforts in the country to combat COVID-19.

- Although investment activity dropped in the EMEA region, it dropped substantially less than the Americas, with a 19% year-over-year decline. Germany, the largest market, witnessed only a 7% decline.

- All sectors were impacted by the spread of the pandemic, but the hotel and retail sectors were affected the most, and apartment and industrial the least.

- In the office sector, global leasing activity declined by over 50% year-over-year and vacancy rates begun to increase in all regions. The declines represent an uncertainty about future office space needs. The US witnessed a 48% decline in leasing activity. Across the main European markets, demand for office space is down 20-30%. In the APAC region, volume decreased 38%.

- The retail sector continued to suffer globally as the shutdowns and social distancing measures of the COVID-19 outbreak posed challengers for operators. Vacancy rates increased as rents and NOI continued to compress. Retailers that were able to adapt their strategy to the digital world witnessed a recovery in sales.

- Despite the multifamily market recording a significant decrease in investments globally, the sector remains the most liquid in commercial real estate highlighting its attractiveness. In the U.S., rents fell more significantly in urban areas (upwards of 10% in some regions), but much less in suburban areas. However, in Europe effective rent rates were stable. In APAC, a resurgence of demand occurred as lock-downs ebbed.

- While the industrial market was affected by short-term headwinds from the recession as transaction volume decreased, valuations have strengthened, with a 20 bps increase in the U.S., and similar increases in Europe. The sector remains resilient despite the slowdown in the construction of industrial properties at the beginning of the year, new development resumed during the second quarter.

Global Outlook - GDP (Real) Growth % pa, 2020-2022

	2020	2021	2022
Global	**-3.9**	**5.2**	**3.6**
Asia Pacific	**-0.6**	**4.7**	**4.7**
Australia	-3.6	3.0	3.2
China	2.0	8.0	5.4
India	-9.0	8.6	
Japan	-5.4	2.5	1.7
North America	**-4.0**	**3.8**	**2.9**
US	-3.6	3.8	2.9
Middle East	**-4.0**	**3.2**	**3.5**
European Union	**-7.7**	**4.7**	**3.3**
France	-9.4	6.2	3.1
Germany	-5.7	3.9	3.0
UK	-11.0	5.2	4.0

Source: Bloomberg

Sources: Jones Lang LaSalle Research, Real Capital Analytics, Inc., CBRE