**3RD ANNUAL TENNESSEE VALLEY CRE FORUM**

**Huntsville - Thursday, November 15**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:45 - 9:00am</td>
<td>Welcome from various organizations/CE instructions</td>
</tr>
<tr>
<td>9:00 - 9:50am</td>
<td>Economic/Real Estate Outlook</td>
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<tr>
<td></td>
<td><strong>KC Conway, Principal, Red-Shoe Economics / CCIM Chief Economist</strong></td>
</tr>
<tr>
<td>9:50 - 10:00am</td>
<td>Break</td>
</tr>
<tr>
<td>10:00-10:50am</td>
<td>Innovate Alabama: Developing Technologies to Move Our State Forward</td>
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<tr>
<td></td>
<td><strong>R.B. Walker, Director of Legislative Affairs, Alabama Power</strong></td>
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<tr>
<td>10:50 - 11:30am</td>
<td>Break / Lunch Served</td>
</tr>
<tr>
<td>11:30am - 12:20pm</td>
<td>State of Alabama Update</td>
</tr>
<tr>
<td></td>
<td><strong>John Merrill, Secretary of State, State of Alabama</strong></td>
</tr>
<tr>
<td>12:20 - 12:30pm</td>
<td>Closing Remarks / CE Instructions</td>
</tr>
</tbody>
</table>
Disclaimer: Not in fine print...

3rd Annual Tennessee Valley CRE Forum
Huntsville, AL November 13, 2020

This presentation reflects the analysis and opinions of the author, but not necessarily those of the faculty and staff of the Culverhouse College of Business, the CCIM Institute or Red-Shoe Economics.

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This presentation consists of materials prepared exclusively by K.C. Conway, MAI, CRE, CCIM and is provided during this event solely for informational purposes of attendees. This presentation is not intended to constitute legal, investment or financial advice or the rendering of legal, consulting, or other professional services of any kind.
Opening Perspective

2020 Began With “Pitcher Influences”

- Boeing
- LIBOR Transition
- Lease Accounting
- Construction Costs
- Store Closings (9K in 2019)
- Logistics Infrastructure

2020 Concludes (We Hope) With Nov. Elections Ending in November

Electoral Votes
NY 1972 = 41; 2020 = 29
FL 1972 = 17; 2020 = 29
AL = 9 (no increase)

2021 May Be All About “Suess-isms”

- Good People
- Good Advice
- Expect Unexpected
- Improvise
- Expand Horizons
- Make a Plan
- Study / CRE Ed.
- Focus

Why 8 Suess-isms?
Red-Shoe Economics serves the CRE industry “8 Days a Week”

KC@RedShoeEconomics.com
Top Eco Metric that is Influencing the Economy: COVID Cases by GEO

# Cases: From <1.0 million April 1, 2020 to 50 million November 19 (A 50X increase in 6 months). India is closing in on US for most cases.

US Share: Most in the World at 9.9mm or 20%.

Monitor India. It will surpass US by Yr-End.

Top 5 Countries
India rose by 25% in Oct
India will surpass US!

And, Europe is incurring a new wave of outbreak

Covid19 cases are connected to the Eco-Reopening bone
is connected to the Stressed CRE bone.

Note:
• TX has surpassed CA for #1 hot-spot.
• FL & GA now in Top-7 (new hot-spots)
• TN & AZ are both now in Top-10
• AL #17 at >200,000

State Rankings:

https://coronavirus.jhu.edu/map.html
GDP – The State & MSA rankings will change post COVID

SALT from 2017 Tax Act was moving South. COVID accelerates trend to AL, GA, TN, NC, SC & FL.

KC@RedShoeEconomics.com
GDP Change:

**Short Term:**
Least affected has been UT and AZ (-22%-25%).
Worst has been in the Northeast and West.
NV and TN have had the greatest declines in GDP of >40%. Both NV and TN are L&T dependent.

**Long Term:**
Does workforce, business, and entertainment return to the Northeast and West or does it rebuild in less dense, more affordable, and pro-business inland and Southern states?

**Note:**
AL GDP decline >GA. Why? Manufacturing hit in April & May. This will reverse out with all Auto and other MFG re-opened by June.
JOBS: BLS (U3 Vs U6) / ADP (Small Bus. crushed) / Challenger-Gray (Job Cuts = the Forward Look)

BLS: Oct +638 / LPT <62% / Part-Time Workers rising

- Cares Bill Distorted April / May-Sept 11.4mm rehires = 1/2 of March/April 20.8mm cuts.
- U6 is still >12.5% (Real Unemployment Rate)
- Can you remember when U3 < 3.5% & U6 at 6.5%? It was just a year ago Sept 2019.

Chart 1. Change in Total Nonfarm Private Employment

JOB CUTS: Not yet in BLS or ADP – 2.1 million on top of 11 million Unemployed

October’s total is 32% lower than the 118,804 cuts announced in September. It is 60% higher than the 50,275 cuts in the same month last year. October’s total is the lowest since February, when 56,605 cuts were announced. So far this year, 2,162,928 job cuts have been announced, 320% higher than the 515,144 cuts announced through October last year. It is the highest annual total on record.

Job Cuts are NOT just a CA, NY story. They are broad based across states.

Note:
AL has the 3rd fewest cuts in South YTD, BUT ... 2nd highest in latest Oct #s when overall Job Cuts dropped 32%.
AL has 9X GA in Oct and double TN.

Q. Why?
A. Small Business & L&T which is 10% of AL economy
Transportation Metrics: TSA Passenger Count, Rail Traffic & Ports

TSA checkpoint travel numbers for 2020 and 2019
This page will be updated by 9 a.m. daily. (Back to Coronavirus (COVID-19) information)

<table>
<thead>
<tr>
<th>Date</th>
<th>Total Traveler Throughput</th>
<th>Total Traveler Throughput</th>
<th>1 Year Ago</th>
</tr>
</thead>
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<tr>
<td>10/31/20</td>
<td>618,476</td>
<td>1,836,781</td>
<td></td>
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<tr>
<td>10/30/20</td>
<td>802,712</td>
<td>2,315,906</td>
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</tr>
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<td>10/29/20</td>
<td>873,636</td>
<td>2,047,910</td>
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<tr>
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<td>666,957</td>
<td>2,066,516</td>
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<tr>
<td>10/27/20</td>
<td>648,317</td>
<td>1,910,506</td>
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<td>10/22/20</td>
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What do airline bankruptcies mean in Q3/Sept 30? What do airline bankruptcies mean in Q3/Sept 30?

Airline Route Cuts in Q4 will hit Secondary MSAs. Will AL have same Routes to US and Globally?

UPDATE: Aug 20 - American Airlines will drop flights to 15 smaller U.S. cities in October when a federal requirement to serve those communities ends. Airlines received money from CARES Bill - In return for taxpayer dollars, airlines were barred from furloughing workers and were required, in most cases, to continue serving destinations they had before the pandemic. Both of those conditions expire Sept. 30.

https://www.tsa.gov/coronavirus/passenger-throughput

Good News for AL & Port of Mobile
Rail Traffic, Intermodal, Supply-Chain and Logistics - The new October data on Rail Traffic and Intermodal Containers is, well, truly amazing! In six months intermodal rail traffic went from worst in a decade to best ever. Supply-Chain is returning to normal. Note the following opening summary from the latest AAR.org RailTime Indicators report covering October traffic:

"North American Freight Rail Traffic in October 2020 Back in April 2020, when the U.S. economy was basically in a coma, U.S. intermodal originations averaged 219,085 units per week. That was the fewest for any month in more than seven years and the fewest for April in ten years. Back then, no one would have thought that six months later, in October 2020, U.S. railroads would have their best intermodal month in history. Yet that's where we are: U.S. railroads originated an average of 292,469 containers and trailers per week in October 2020, more than ever before and up a stunning 33.5% over April 2020"
State & Local Gov Fiscal Health: In Focus post Covid19

Sales Taxes as % of Revenue (AL 31%)  
NV & AZ highest in West (41%/39%); TN, LA & FL in South

State Revenue Declines: AL down 15%  
AK and CA worst down >40%; NY/NJ down 37%.  
US avg Revenue drop for all states: -29%

https://www.npr.org/2020/08/03/895384547/new-york-has-lost-a-greater-share-of-revenue-than-most-states-due-to-covid-19

KC@RedShoeEconomics.com
Huntsville has it’s Fiscal-House in Order – 12 years running!

Huntsville scores dual triple-A credit rating for the 12th straight year

HUNTSVILLE, AL, October 20, 2020:
The City of Huntsville received its annual credit rating scorecard and earned the highest marks possible. For the 12th time in 12 years, since Mayor Battle first assumed office, Moody’s Investors Service and Standard & Poor’s Rating Services awarded Huntsville triple-A credit ratings. Triple-A is the highest mark a city can achieve and is awarded to a minority of government entities in the nation. Only 1 percent of 19,502 cities and counties receive the top ratings from both entities.

The credit rating agencies cited the strength of Huntsville’s economy, which is considered broad and diverse. Strong City management with strong financial policies and practices and budget flexibility were noted as consistent qualities in the credit rating. They point to a robust economy mentioning several key developments in the City along with expansion of existing employers. “Despite the onset and continued impacts of the pandemic, the local economy remains stable.” They noted the community’s above average wealth, below average unemployment, strong regional tax base and Huntsville’s position as an economic engine for northern Alabama.

“Huntsville continues to show its strength in conservative fiscal management and a thriving economy,” said Mayor Battle.

City Finance Director Penny Smith says this recent rating was set for the City to refund/refinance over $100 Million in warrants, which will provide average savings of over $1.5 Million in interest per year over the next 10+ years.

https://www.huntsvilleal.gov/huntsville-scores-dual-triple-a-credit-rating-for-the-12th-straight-year/

KC@RedShoeEconomics.com
Huntsville Fiscal Health allows it to Enhance it’s Offering

Nov 8, 2020 - Huntsville amphitheater funding approved. What’s next?

On Thursday, Huntsville City Council voted three to one to authorize the public building authority to move into construction phase for the project, with a $40 million budget. Council member Bill Kling cast the lone vote against approving funding.

By comparison, neighboring Madison’s minor league baseball stadium cost around $46 million, according to previous reports.

Amphitheater construction will be funded through the City of Huntsville’s capital plan and a percentage of future lodging taxes. AL.com broke the news of Huntsville’s amphitheater ambitions in April 2018.

The city has begun to lay the amphitheater site’s infrastructure, utilities, etc., according to Murphy. “Over the next few months as that’s wrapping up,” Murphy says, “structural steel, a lot of the precast concrete, a lot of the heavy foundation stuff will be going in. Then you’re going to see it start going vertical within the next six months.”

ALDOL’s Labor Market Info (LMI) Newsletter

http://www2.labor.alabama.gov/Newsletter/LMI%20Newsletter.pdf
ALDOL’s Labor Market Info (LMI) Newsletter

Ranking by MSA

#1 Birmingham: 522,000
#2 Huntsville: 237,100
#3 Mobile: 175,800
#4 Montgomery: 167,100
#5 Tuscaloosa: 108,800

* Balance of State: 402,200
ALDOL’s Labor Market Info (LMI) Newsletter

Ranking by Sector

#1 Government: 368,500
#2 Trade/Trans: 382,200
#3 Manufacturing: 264,800
#4 Prof Bus Serv: 243,700
#5 Ed/Health: 233,000
#6 Leisure & Tr: 178,700

#1 & #2 flipped since June
Huntsville has lost 7,800 jobs since Sept 2019. Birmingham lost much more (-23,700 of which 15,400 were Leisure & Hospitality & Food Services. Most of Huntsville’s 7,800 lost jobs were in Services (7,200). Look at Leisure & Hospitality and Food Services (-5,500)!

**Huntsville MA**

<table>
<thead>
<tr>
<th>Category</th>
<th>Sep 2020</th>
<th>Aug 2020</th>
<th>Sep 2019</th>
<th>Net Change From:</th>
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<td>Total Nonagricultural Employment</td>
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<td>Goods Producing</td>
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<td>Mining, Logging, and Construction</td>
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<td>9,400</td>
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<td>Manufacturing</td>
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<td>22,400</td>
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<td>Computer and Electronic Prod. Manufacturing</td>
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<td>Transportation Equipment Manufacturing</td>
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<td>Service Providing</td>
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<td>209,700</td>
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<td>Trade, Transportation, and Utilities</td>
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<td>Wholesale Trade</td>
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<td>General Merchandise Stores</td>
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<td>Financial Activities</td>
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<td>Professional and Business Services</td>
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<td>Leisure and Hospitality</td>
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<td>19,400</td>
<td>22,600</td>
<td>-3,800</td>
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<td>Food Services and Drinking Places</td>
<td>10,400</td>
<td>16,900</td>
<td>18,100</td>
<td>-500</td>
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<tr>
<td>Other Services</td>
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<td>21,300</td>
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<td>State</td>
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<tr>
<td>Local</td>
<td>25,000</td>
<td>24,600</td>
<td>25,600</td>
<td>-600</td>
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The AL Jobs Pie – Unemployment by MSA

AL LMI News
Issue 09  September 2020 Data

http://www2.labor.alabama.gov/Newsletter/LMI%20Newsletter.pdf

Unempl. Rate by MSA

>9%  Mobile – L&T1 & L&T2
>8%  Montgomery
>7.5% Muscle Shoals & Anniston/Oxford
5%  Decatur & Huntsville
The FED, Banking & CRE Lending – Add these to your radar

i) Banks Hold >50%;    ii) Life Cos Biggest Pieces Are MF and Office

Note 1:  
>30% bank CRE loans on “Payment Deferral.”
Banks looking at CRE Loan Debt sales vs drawn out Workout & REO process over 2 yrs.

Note 2:  
Life Cos. will need most help in MF, Office. However, these loans are much bigger $ assets in urban areas. Hotel, not material.

Source: RCA & NY Fed.
# Bank Failures are Back!

## Failed Bank List

The FDIC is often appointed as receiver for failed banks. This page contains useful information for the customers and vendors of these banks. This includes information on the acquiring bank (if applicable), how loans are affected, and how vendors can file claims against the receivership.

This list includes banks which have failed since October 1, 2000. To search for banks that failed prior to those on this page, visit this link: [Failures and Assistance Transactions](https://www.fdic.gov/resources/resolutions/bank-failures/failed-bank-list/banklist.html).

Click arrows next to headers to sort in Ascending or Descending order.

**Search:**  

**Showing 1 to 25 of 563 entries**

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>City</th>
<th>ST</th>
<th>CERT</th>
<th>Acquiring Institution</th>
<th>Closing Date</th>
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<tr>
<td>Almena State Bank</td>
<td>Almena</td>
<td>KS</td>
<td>15426</td>
<td>Equity Bank</td>
<td>October 23, 2020</td>
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<tr>
<td>First City Bank of Florida</td>
<td>Fort Walton Beach</td>
<td>FL</td>
<td>16748</td>
<td>United Fidelity Bank, fsb</td>
<td>October 16, 2020</td>
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<tr>
<td>The First State Bank</td>
<td>Barbourville</td>
<td>WV</td>
<td>14361</td>
<td>MVB Bank, Inc</td>
<td>April 3, 2020</td>
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<td>Ericson State Bank</td>
<td>Ericson</td>
<td>NE</td>
<td>18265</td>
<td>Farmers and Merchants Bank</td>
<td>February 14, 2020</td>
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<td>City National Bank of New Jersey</td>
<td>Newark</td>
<td>NJ</td>
<td>21111</td>
<td>Industrial Bank</td>
<td>November 1, 2019</td>
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<td>Resolute Bank</td>
<td>Maunee</td>
<td>OH</td>
<td>50317</td>
<td>Buckeye State Bank</td>
<td>October 25, 2019</td>
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<td>Louis Community Bank</td>
<td>Louisa</td>
<td>KY</td>
<td>50112</td>
<td>Kentucky Farmers Bank Corporation</td>
<td>October 25, 2019</td>
</tr>
<tr>
<td>The Entire State Bank</td>
<td>Cooper</td>
<td>TX</td>
<td>10716</td>
<td>Legend Bank, N. A.</td>
<td>May 31, 2019</td>
</tr>
<tr>
<td>The Farmers and Merchants State Bank of Argonia</td>
<td>Argonia</td>
<td>KS</td>
<td>17719</td>
<td>Conway Bank</td>
<td>October 13, 2012</td>
</tr>
<tr>
<td>Fayette County Bank</td>
<td>Saint Elmo</td>
<td>IL</td>
<td>1802</td>
<td>United Fidelity Bank, fsb</td>
<td>May 26, 2017</td>
</tr>
<tr>
<td>Guaranty Bank, (db/a WestBank in Georgia &amp; Michigan)</td>
<td>Milwaukee</td>
<td>WI</td>
<td>30003</td>
<td>First-Citizens Bank &amp; Trust Company</td>
<td>May 5, 2017</td>
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<td>First NBC Bank</td>
<td>New Orleans</td>
<td>LA</td>
<td>58382</td>
<td>Whitney Bank</td>
<td>April 28, 2017</td>
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<td>Prufio Bank</td>
<td>Cottonwood Heights</td>
<td>UT</td>
<td>35495</td>
<td>Cache Valley Bank</td>
<td>March 3, 2017</td>
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<td>Seaway Bank and Trust Company</td>
<td>Chicago</td>
<td>IL</td>
<td>19328</td>
<td>State Bank of Texas</td>
<td>January 27, 2017</td>
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<td>Harvest Community Bank</td>
<td>Pensville</td>
<td>NJ</td>
<td>34591</td>
<td>First-Citizens Bank &amp; Trust Company</td>
<td>January 13, 2017</td>
</tr>
</tbody>
</table>


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AL has mostly Healthy Banks

**Texas Ratio**
Developed at RBC Capital Markets, the Texas Ratio is a relatively straightforward and effective way to determine the overall credit troubles experienced by financial institutions. It is determined by comparing the total value of at-risk loans to the total value of funds the bank has on hand to cover these loans. At-risk loans are any loans that are more than 90 days past due and are not backed by the government. The amount of funds on hand consists of the loan loss allowance that the bank has set aside plus any equity capital.

For example, a bank with $65 million in at-risk loans and $72 million in cash on hand to cover those loans would have a Texas Ratio of $65mm / $72mm, which is 90.3%. This figure is approaching the 100% threshold, which is considered very risky. You can also look at the trend in this Texas Ratio as an additional factor to tell if the bank's financial health is heading in the right direction.

CRE Outlook – Question:
When it feels like all shoes are falling at once, how will a pandemic impact CRE?

Answer: It will be impacted in 5 general ways:

• GDP will migrate to workforce and logistics infrastructure
  Top 10 MSAs producing 1/3 of GDP will move inland and south

• Housing will be rethought
  Affordability (homes for-rent), urban vs. suburban, etc.

• Work models will be redefined impacting office CRE
  How and where will we use CRE? Office demand influenced by
  workforce, regulation and taxation, supply-chain risk, etc.

• Retail evolution will accelerate and expand
  Beyond Malls to grocery, casual dining, autos, and services

• Highest & best use (occupancy restrictions & ESG scoring)
  ESG influences capital investment into CRE – Impact Investing!
  Property-level ESG scores will influence market value & cost of capital.
Wall Street’s New Suburban Subdivision Is Full of Renters
Bloomberg - By Patrick Clark and Noah Buhayar September 23, 2020

https://www.americanhomes4rent.com/

Wall Street won big buying up homes during the foreclosure crisis and renting them out. Now, it’s headed back to the suburbs in hopes of scoring again. With the pandemic driving demand for larger living spaces, institutional investors are pouring money into single-family rentals. In addition to buying houses on the open market, they’re bankrolling subdivisions—inventing a new kind of suburban living that’s easier to afford, but where the financial benefits of homeownership go to Wall Street firms.

Why not AL?
Yes in GA, MS & TN

Is Single-Family Built-for-Rent the Future of Rental Housing?

http://nahbnow.com/2020/10/is-single-family-built-for-rent-the-future-of-rental-housing/
Alabama Home Sales Summary
September 2020

Total sales increased 21.9% from September 2019

Median sales price gained 14.4% Y/Y (10.9% YTD)

Average sales price gained 17.1% Y/Y (10.9% YTD)

Homes sold in an average of 76 days, 6 days faster than one year ago

Inventory declined 33.3% Y/Y (2.1 MOS, 3.9 in Sep 2019)
Total Residential Sales in Alabama's Metro Areas, YTD

- Birmingham-Hoover: 12,974
- Huntsville: 6,655
- Daphne-Fairhope: 5,981
- Montgomery: 4,201
- Mobile: 4,095
- Tuscaloosa: 2,435
- Florence-Muscle Shoals: 1,859
- Auburn-Opelika: 1,836
- Athens: 1,693
- Anniston-Oxford: 1,577
- Dothan: 1,421
- Decatur: 1,319
- Phenix City Area: 1,191
- Gadsden: 788
Huntsville within $1,000 of Avg Sales Price of B’ham. 

Huntsville will surpass B’Ham in 2021 and further amplify the need for Affordable Housing!
Nearly 70% of CEOs expect to downsize offices: KPMG

Out of 315 CEOs answering the survey published in KPMG’s “2020 CEO Outlook: Covid-19 Special Edition,” 69 percent checked the “We will be downsizing office space” box. Remote working has widened their available talent pool, said 73 percent of CEOs in the survey.

The rapid shift to working from home might have been rocky at the outset of the pandemic, but after months of overseeing their remote workforce, 77 percent of CEOs said they will increase their use of digital collaboration and communication tools, according to the survey conducted in July and early August.

CEOs see the pandemic as an opportunity to rethink the way we work and communicate

77%  We will continue to build on our use of digital collaboration and communication tools.

73%  Working remotely has widened our potential talent pool.

69%  We will be downsizing office space.

68%  My communications with employees have improved during the crisis.

Retail eVolution – Retail is not Dead …

The Coresight Research Retail Store Databank consolidates data from our well-known Weekly Store Tracker reports. This is the definitive resource in the retail industry for information on store openings and closures. The comprehensive databank includes store openings and closures from 2012 to 2020 year to date (YTD), and the data can be filtered by sector.

2020 YTD Closures
8,062

2020 YTD Openings
3,384

Dollar General Introduces New Store Concept Aimed At More Affluent Shoppers
Retail Evolution and AdRu Continues: Convergence of Retail and Industrial

Transforming From “Shop & Take Home” Economy to an “Order Online and Deliver to Me” Economy.

Former Dave & Buster’s Becomes Last-Mile
(Rezone COMM to IND – truck traffic issue)

Atlanta: Emory University and Northlake Mall
Emory Healthcare is injecting new energy into the revitalization of Atlanta’s Northlake Mall. **Emory will move into the project’s former Sears building, bringing over 1,600 employees onto the mall’s campus.** Emory will also occupy an additional portion of the 1-million square foot retail center. Emory will lease 224,000 square feet at Northlake, with an option for more space.


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Developers revitalizing Huntsville cotton mill to add food, beverages, stores - Posted Oct 01, 2020

One of Huntsville’s historic cotton mills is being redeveloped to include food, beverage and retail businesses, developer Crunkleton Commercial Real Estate announced October 1, 2020.

The complex at 1300 Meridian St. once held the largest cotton mill in Huntsville and later was office space for early NASA employees who put America into space.

Today, it holds startups, technology companies and other entrepreneurs. Crunkleton said the 220,000 square-foot-complex will also “bridge the gap between downtown and the north Huntsville educational corridor, further connecting Drake State Community and Technical College and Alabama A&M university.”

“Our vision is to enhance the beauty of this historical landmark,” Wesley Crunkleton said on the company’s website. “Lincoln Mill is an exciting undertaking because of its history—it represents Huntsville’s industrial past and technology-driven future. All of our developments take on their own identities and we can’t wait for Lincoln Mill to do the same.”

The new mill complex will also add to the Meridian Street corridor where newer businesses are joining established businesses like Brooks & Collier. The street is now home to Preservation Company and Holtz Leather and will soon host L’Etoile Patisserie.

“Phase One of the project will consist of exterior improvements such as painting, lighting, landscaping, and adding additional parking,” Crunkleton said. “Interior improvements will take place as well to the common areas like adding an improved, larger elevator, wayfinding signage, and updates to lobbies.”

Phase two will be converting the old mill’s vacant dye house into a home for retail, food and beverage businesses. Work on the redevelopment began in May and is expected to be complete in late 2021.

Industrial CRE & Logistics – It’s all about LI & OTIF

http://www.acre.culverhouse.ua.edu/research/logistics-infrastructure-research - Feb 8, 2019

From “Shop & Take Home” to “Order Online and Deliver to me.”

KC@RedShoeEconomics.com
Beginning this Tuesday, the financial stakes of shipping to Walmart Inc. (NYSE:WMT) will get appreciably higher. Effective Sept. 15, the Bentonville, Arkansas-based retail behemoth will require its suppliers and their carriers to deliver all orders as Walmart required and by their “must-arrive-by” dates 98% of the time or be fined 3% of the cost of the goods. The adjustment was disclosed in a Sept. 1 Walmart memo, giving its massive supplier and carrier network just two weeks to adjust.

The change to the program, known in the retailing trade as “on-time, in-full” (OTIF), brings the two components into uniformity for the first time since Walmart launched it in mid-2017.
Manufacturing Job Strength in the U.S.: Implication for Re-Shoring

- SC and TN are ranked #1 and #2.
- TX, AL, GA, MS, and NC rank #3 to #7
- Utah is among the top 10 states (#8, 9, 10 = UT, ID, SD)

U.S. Durable-Goods Orders Rose for Fifth Consecutive Month in September

Orders for long-lasting factory goods increased for the fifth consecutive month in September. New orders for durable goods — products designed to last at least three years — rose 1.9% in September compared with August, the Commerce Department said Tuesday, Oct. 27. This is their last report before Nov 3.


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And 1 Final CRE Issue: ESG – Env. / Social / Governance

FedEx & Good ESG - While many talk "E" & "S" in their ESG profiles, FedEx walks the walk. Covid19 analyses for our CRE industry caused me to miss FedEx's release of their 2020 Global Citizenship report. It's worth a read.

Note for example the following "E" & "S" stats:

* "E" - Grow by 96% but cut CO2 emissions by 40%: FedEx sustainability efforts contributed to a 40% reduction in CO2 emissions across the enterprise from FY09 to FY19, a period in which revenue grew by 96%.

Or, how about this "S" stat:

* "S" Diversity - The FedEx Board of Directors includes 13 directors, four of whom are women and three of whom are ethnically diverse. Women represent 23% of FedEx management employees globally, while minorities comprise 37% of management employees in the U.S.

FedEx is a leader in e-Commerce, Supply-Chain and it does it with good ESG. This is one of those "must-read" report recommendations by the Red-Shoe Economist that is chock-full of information and stats. If you touch supply-chain, e-Commerce, Logistics or ESG, read this 2020 report!
Logistics & ESG

ESG- Environmental  http://www.mreic.reit/news/

- **Location**: Monmouth's property portfolio is strategically located adjacent to seaports, international air freight terminals, major highways, and inter-modal transportation hubs. This minimizes distance traveled for goods flowing through traditional and online networks and reduces the negative carbon and environmental impacts from truck traffic, pollution, and highway congestion.

- **Sustainability**: Our properties incorporate numerous environmentally-friendly features, such as Solar Energy, LEED certification, heat reflective energy efficient roofing systems, and energy efficient lighting. Our tenants are committed to creating and improving healthy, sustainable communities, reducing waste and emissions, maintaining green workspaces, minimizing their carbon footprint, and conserving resources.

- **High Productivity**: Our consistently high-productive use of space, with a real estate portfolio known to possess very low historic vacancy rates and maximum throughput, represents a very efficient and

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Guess what else is really good for the Huntsville Economy?

“You look forward to a baseball season, covering games and being around players and managers and riding the bus and seeing different cities seeing different ballparks and, you know, getting better at your craft and things like that,” Caray said. “And then all of a sudden, one month out (from the season opening), and have that all taken away from you over something you can’t control is frustrating.

“But then you look at what’s going on across the country and across the world and I realize it’s really not that bad. And I also appreciate the fact that, in comparison, we are fortunately in a much better position than a lot of other Minor League Baseball teams.”

In lieu of baseball, the Trash Pandas hosted their first “Block Party” at the sparkling new Toyota Field last weekend. There have been kids’ day camps the past two weeks and the first On-Field Movie Night, presented by Paragon Research Corp., takes place tonight at 7:15; gates open at 6 p.m. Tickets are $10 for adults and $8 for kids. The movie is “Angels in the Outfield” – the Trash Pandas are the Double-A affiliate of the Los Angeles Angels. Folks can sit on the field (blankets only, no chairs) or in the stands. Concession stands and the Junkyard team store will be open.