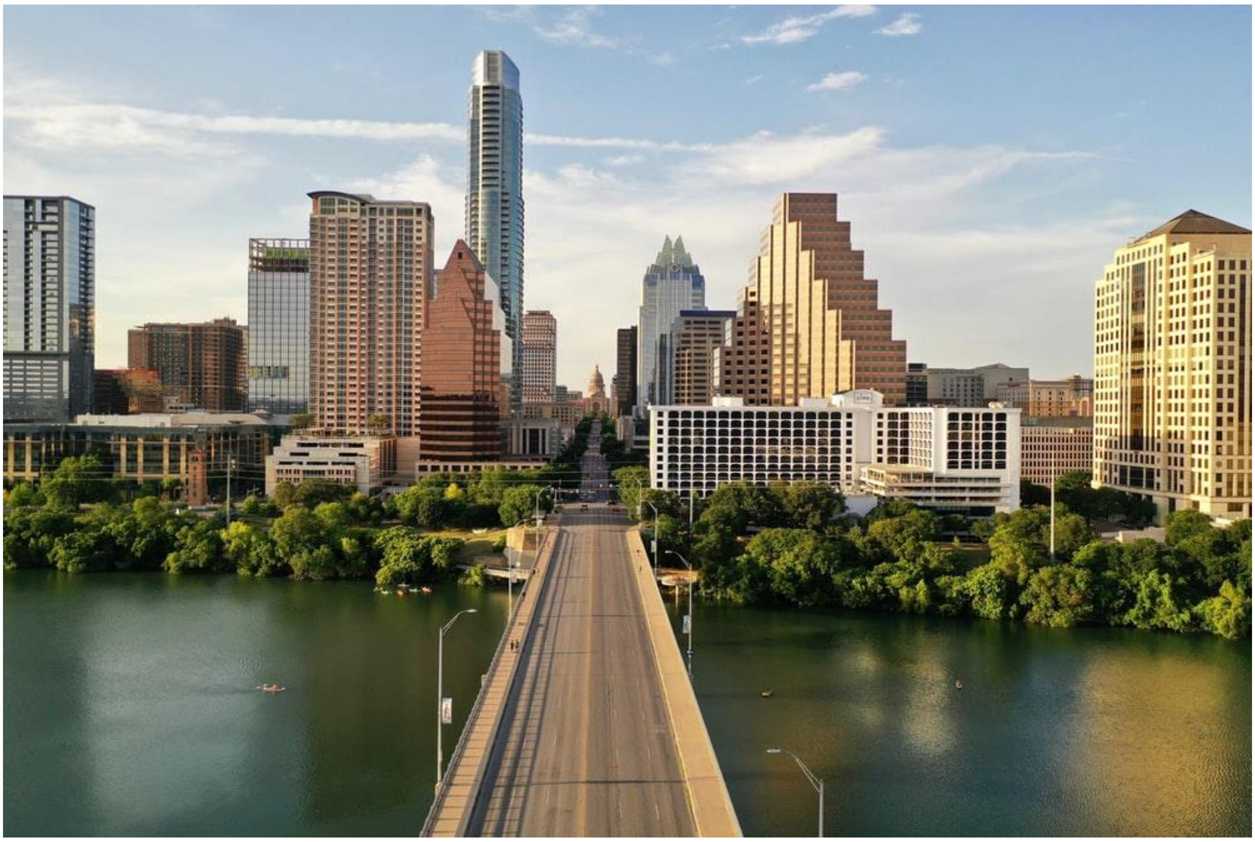
PROFIMEX®

Profimex Market Research Update – July 23, 2020

Austin Gets High Marks for Economic Resilience



The success of new developments and investments with a long holding period in the Austin area has been due to the ongoing population and job growth in the city. JLL reports that this trend will remain extremely positive in the future. Developers will have to recognize and take into consideration the local prime age between 25 to 34, which is significantly higher in respect of the total population with over 30% in Austin and only 20.9% as the national average. There are about 169 daily relocations to Austin. “The city has a diversified economy with a young workforce and a growing/active tech industry. Combined with the state capital and government facilities, healthcare, higher education, life sciences and military presence, Austin is one of the big five cities that has shown resilience in the COVID environment.”

(Read)

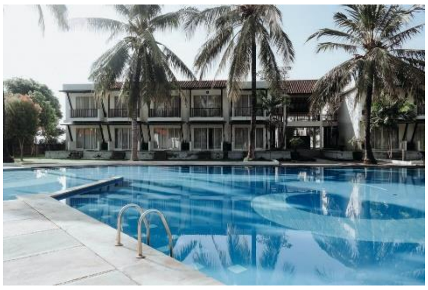
פרופימקס בע"מ • רחוב זרחין 10 • ת.ד. 1155 • רעננה 4310101 • טלפון: 09-7774444 • פקס: 09-7774400
PROFIMEX LTD. • 10 Zarhin Street • P.O.B 1155 • Ra'anana 4310101 Israel • Tel: +972-9-7774444 • Fax: +972-9-7774400
profimex@profimex.com • www.profimex.com

PROFIMEX®

Real Estate is Looking at Shifts in Demand, Design and Use During the Pandemic

The Real Economy's Industry Outlook report for the summer of 2020 displays an ongoing theme that different market trends that have already been felt in various real estate sectors have now been accelerated by the consequences of the global pandemic.

Multifamily: The migration trend of millennials, who have been attracted by secondary city, such as El Paso and Nashville, has accelerated as employees are encouraged to work remotely for the time-being. These cities have a strong value proposition, considering the trade-off between employment and rental rates. The report cited a survey of workers who would consider moving out of New York, Boston, and San Francisco with rates of 61%, 52%, and 51%, respectively.



Hospitality: The pressure on operators to adapt their hotels and meeting rooms to more open spaces, stronger reliance on touch-less technology and better ventilation systems has been a trend for some time and has now certainly been increased as result of the severe effects of the pandemic on this asset class.

Retail: Tenants, who are unable to pay their rental obligations have already increased in numbers due to the impact of e-commerce over the last years. The closing of malls and other retail centers has led to a collection rate of only 55%, leaving about $7.4 billion unpaid.

(Download)

Single-Tenant, Triple Net-Lease Properties Are 'Essential' Investments During Pandemic

According to a new JLL report, single-tenant, triple net-lease retail properties interestingly continue to attract investors, as the overall retail sector continues to struggle in the pandemic. "Single-tenant net-lease assets sit at the crossroads of Main Street and Wall Street," Mark West, JLL senior managing director of capital markets, said in the report. "Investors are largely getting a hard asset and long-term, durable cash flow. As a general rule, net-lease properties provide a very good risk-adjusted return compared to a bond."

(Read)

פרופימקס בע"מ • רחוב זרחין 10 • ת.ד. 1155 • רעננה 4310101 • טלפון: 09-7774444 • פקס: 09-7774400
PROFIMEX LTD. • 10 Zarhin Street • P.O.B 1155 • Ra'anana 4310101 Israel • Tel: +972-9-7774444 • Fax: +972-9-7774400
profimex@profimex.com • www.profimex.com