Trademark 2.0 Research

EXECUTIVE SUMMARY

NOVEMBER 17, 2020

TRADEMARK

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Background

- In the wake of the e-commerce and consumer-driven paradigm shift in retail and now COVID, Trademark conducted an internal research effort to inform our go-forward strategic planning

- Retail has been the core of our business with integrated mixed-use as a portion, but it is becoming a larger part and requiring a deeper dive into multifamily, office and hospitality

- With Moody's Analytics, we examined and ranked the top 50 U.S. metro areas economies to help guide our market priorities

- We have summarized our findings herein which we hope you will find insightful. The entire report is available on each topic upon request

TRADEMARK 2.0 RESEARCH

Market Selection Process

WHAT DRIVES LONG-TERM ECONOMIC GROWTH?

- Economic base quality - concentration of leading high wage, exporting industries
- Industrial diversity
- High-Tech employment/industries
- Strong/stable anchors & activity generators - leading companies, research institutions, State capitals, colleges & universities, key infrastructure, etc.
- High productivity
- High educational attainment
- Attractive relative costs of living/business
- Supply of labor - age cohort trends, migration flows, birth rates, education
- High relative cost-adjusted income levels
- Growth velocity & vitality - employment, gross metro product, population, income
- Quality of life & lifestyle amenities

TRADEMARK 2.0 RESEARCH

Top US Markets

CATEGORIES	TRADEMARK TARGETS	OTHER US
High-Tech Hubs ***Driven by venture capital, research & education***	Austin, Denver, Raleigh-Durham, Washington DC Metro	Boston, San Diego, San Francisco Bay Area, Seattle
Diverse Growth Markets ***Corporate magnets with strong demographics & labor force***	Atlanta, Charlotte, Dallas-Fort Worth, Nashville, Phoenix	Portland
Secondary Growth Markets ***Some industry composition & diversity issues***	Houston	San Antonio, Las Vegas, Orlando, Tampa
Large, Mature High Liquidity Markets ***Some cost & structural issues but strong submarkets to consider***	South Florida (MIA-FTL-WPB)	Los Angeles-Orange County
Secondary Regional Markets ***Not yet proven performers with institutional liquidity***	Salt Lake City	Minneapolis-St. Paul
Emerging Markets ***Benefiting from migration of companies & people from larger metros***		Boise, Charleston, Reno

RAW DATA

Metro Area Economy Rankings

TOP MARKETS | SOME METROS INCLUDED FOR CONTEXT | SOME MSA'S COMBINED

METRO AREA ECONOMY RANKINGS - RAW DATA

SOURCE: MOODY'S ANALYTICS

MSA	Unweighted Ranking	Weighted Ranking	Variance	Population 2018 (In Millions)	Population Compounded Growth (2013-2018)	Population Compounded Growth (2019-2024)	Employment Compounded Growth (2013-2018)	Emp Growth Compounded (2019-2024)	Vitality Index	GMP/GDP Growth Compounded (2019-2024)	Diversity [U.S. = 1]	High-Tech Employment [% Total of Market]	Adj Per Capita Income	Avg Personal Income Growth (2013 - 2018)	Avg Personal Income Growth (2019 - 2024)	Gen Z (%)	Millennials (%)	Gen X (%)	Education - College	Productivity
U.S.	**N/A**	**N/A**	**N/A**	**327.2**	**0.69%**	**0.62%**	**1.80%**	**0.56%**	**100.00%**	**2.17%**	**1.00**	**N/A**	**$56,623**	**4.10%**	**4.25%**	**N/A**	**N/A**	**N/A**	**20.00%**	**$92,845**
Austin-Round Rock TX	1	1	0	2.2	2.85%	2.54%	3.88%	1.99%	167.00%	3.88%	0.69	10.20%	$49,430	6.24%	6.32%	26.00%	27.00%	23.00%	29.00%	$87,761
Dallas-Fort Worth-Arlington TX	2	2	0	7.5	2.03%	1.77%	3.05%	1.61%	132.30%	3.31%	0.75	5.92%	$50,073	4.64%	5.74%	29.00%	24.00%	22.33%	22.32%	$93,508
Seattle-Bellevue-Everett WA	4	3	-1	3.0	1.77%	1.19%	2.80%	0.92%	142.00%	2.70%	0.42	11.10%	$58,328	6.74%	5.35%	23.00%	26.00%	23.00%	28.00%	$128,942
Raleigh-Durham NC	3	4	1	1.9	2.13%	2.29%	2.83%	1.17%	148.37%	3.49%	0.63	11.06%	$54,460	5.36%	5.23%	26.70%	24.30%	22.81%	27.53%	$84,814
Denver-Aurora-Boulder CO	5	5	0	3.3	1.59%	1.09%	2.93%	0.72%	133.00%	2.63%	0.77	8.27%	$55,995	5.71%	4.72%	25.10%	26.10%	21.80%	27.79%	$91,225
Atlanta-Sandy Springs-Roswell GA	6	6	0	5.9	1.54%	1.83%	2.92%	0.77%	124.00%	3.01%	0.81	5.90%	$50,221	5.13%	4.64%	27.00%	24.00%	23.00%	24.00%	$88,535
Houston-The Woodlands-Sugar Land TX	9	7	-2	7.0	2.02%	1.63%	1.66%	1.55%	133.00%	3.07%	0.64	3.30%	$51,929	3.11%	6.04%	31.00%	24.00%	22.00%	21.00%	$113,295
San Francisco-Redwood City-South San Francisco CA	7	8	1	1.7	0.79%	0.69%	3.71%	0.57%	149.00%	2.21%	0.42	18.00%	$70,249	6.34%	5.39%	19.00%	29.00%	22.00%	32.00%	$142,083
San Jose-Sunnyvale-Santa Clara CA	8	9	1	2.0	0.76%	0.67%	3.08%	0.56%	180.00%	2.18%	0.19	28.50%	$60,297	7.41%	4.82%	26.00%	26.00%	22.00%	27.00%	$163,672
Portland-Vancouver-Hillsboro OR-WA	10	10	0	2.5	1.41%	0.94%	2.74%	1.02%	140.00%	2.48%	0.73	7.50%	$49,584	5.41%	5.63%	24.00%	24.00%	23.00%	24.00%	$91,128
Phoenix-Mesa-Scottsdale AZ	12	11	-1	4.9	1.98%	2.21%	3.08%	1.17%	125.00%	3.70%	0.79	5.40%	$42,555	5.16%	5.41%	26.00%	24.00%	21.00%	20.00%	$81,001
Salt Lake City-Provo-Orem UT	12	12	0	1.9	1.74%	1.59%	3.39%	1.17%	128.65%	3.10%	0.64	9.06%	$44,036	6.09%	4.75%	34.73%	27.34%	18.64%	24.72%	$80,019
Boise City ID	11	13	2	0.7	2.38%	2.92%	3.91%	1.38%	130.00%	5.03%	0.68	6.40%	$44,839	6.06%	6.33%	29.00%	23.00%	21.00%	20.00%	$71,421
Charlotte-Concord-Gastonia NC-SC	15	14	-1	2.6	1.95%	1.87%	3.22%	0.87%	127.00%	3.03%	0.76	4.20%	$52,626	4.34%	4.72%	26.00%	23.00%	23.00%	23.00%	$83,702
Orlando-Kissimmee-Sanford FL	14	15	1	2.6	2.53%	2.11%	3.98%	1.51%	132.00%	3.32%	0.31	4.30%	$41,242	5.85%	7.08%	24.00%	25.00%	22.00%	20.00%	$77,631
Minneapolis-St. Paul-Bloomington MN-WI	19	16	-3	3.6	0.98%	0.75%	1.59%	0.61%	111.00%	2.56%	0.79	6.60%	$60,645	4.18%	4.11%	26.00%	24.00%	21.00%	27.00%	$90,420
Nashville-Davidson-Murfreesboro-Franklin TN	16	17	1	1.9	1.90%	1.30%	3.66%	0.80%	128.00%	2.64%	0.71	3.20%	$53,959	5.86%	5.23%	26.00%	25.00%	22.00%	24.00%	$82,117
Washington-Silver Spring DC-VA-MD-WV	20	18	-2	6.2	0.99%	0.85%	1.37%	0.61%	122.21%	2.21%	0.48	10.21%	$60,286	3.35%	3.74%	25.00%	24.37%	23.00%	25.21%	$104,463
San Antonio-New Braunfels TX	17	19	2	2.5	2.00%	1.50%	2.75%	1.24%	127.00%	2.95%	0.80	3.80%	$44,796	4.83%	4.94%	28.00%	25.00%	21.00%	18.00%	$81,957
Columbus OH	22	20	-2	2.1	1.31%	1.15%	2.11%	0.89%	114.00%	2.83%	0.74	4.40%	$54,149	3.93%	4.48%	26.00%	25.00%	21.00%	23.00%	$85,161
San Diego-Carlsbad CA	23	21	-2	3.3	0.81%	0.63%	2.44%	0.56%	117.00%	2.28%	0.67	8.70%	$47,366	4.95%	4.61%	24.00%	27.00%	21.00%	23.00%	$107,595
Fayetteville-Springdale-Rogers AR-MO	18	22	4	0.5	2.15%	1.95%	3.76%	1.00%	130.00%	3.67%	0.44	2.30%	$65,874	6.20%	3.44%	29.00%	25.00%	20.00%	21.00%	$72,707
Tampa-St. Petersburg-Clearwater FL	25	23	-2	3.1	1.83%	1.18%	2.83%	0.86%	115.00%	2.21%	0.81	5.70%	$45,111	4.23%	6.36%	23.00%	22.00%	21.00%	19.00%	$82,170
Las Vegas-Henderson-Paradise NV	21	24	3	2.2	2.03%	2.48%	3.47%	1.37%	114.00%	3.95%	0.30	2.50%	$44,032	4.84%	5.65%	26.00%	24.00%	22.00%	16.00%	$77,492
Reno NV	24	25	1	0.5	1.55%	1.78%	4.47%	1.08%	109.00%	3.22%	0.57	3.60%	$54,231	6.46%	5.30%	25.00%	24.00%	19.00%	20.00%	$78,706
Sacramento-Roseville-Arden-Arcade CA	27	26	-1	2.3	1.19%	0.58%	2.84%	0.68%	112.00%	2.43%	0.70	3.90%	$50,982	4.95%	4.61%	26.00%	24.00%	20.00%	21.00%	$98,808
Boston MA	29	27	-2	2.0	0.77%	0.49%	1.94%	0.46%	110.00%	2.18%	0.66	5.60%	$64,869	4.22%	4.79%	23.00%	27.00%	20.00%	25.00%	$112,243
Jacksonville FL	26	28	2	1.5	1.83%	1.27%	3.13%	0.96%	114.00%	2.47%	0.79	4.10%	$48,633	4.71%	6.66%	24.00%	23.00%	21.00%	20.00%	$77,308
Miami-Fort Lauderdale-West Palm Beach FL	30	29	-1	6.2	1.24%	1.24%	2.68%	0.80%	117.15%	2.15%	0.72	3.57%	$49,553	4.71%	6.16%	23.07%	22.41%	22.41%	19.60%	$73,104
Chicago-Naperville-Arlington Heights IL	33	30	-3	7.3	-0.16%	0.00%	1.40%	0.39%	95.00%	1.67%	0.80	4.80%	$62,798	3.95%	4.03%	25.00%	24.00%	22.00%	24.00%	$96,425
New York-Jersey City-White Plains NY-NJ	32	31	-1	14.2	0.10%	0.28%	2.12%	0.31%	99.00%	1.90%	0.69	4.80%	$62,905	4.43%	3.22%	24.00%	25.00%	21.00%	23.00%	$117,462
Los Angeles-Anaheim-Irvine CA	31	32	1	13.3	0.27%	0.32%	2.15%	0.41%	105.87%	1.91%	0.62	5.13%	$47,206	4.82%	4.39%	24.48%	25.52%	22.00%	22.19%	$110,972
Kansas City MO-KS	34	33	-1	2.1	0.86%	0.60%	1.84%	0.46%	108.00%	2.00%	0.82	6.00%	$53,910	3.18%	4.29%	27.00%	23.00%	21.00%	23.00%	$80,827
Baltimore-Columbia-Towson MD	36	34	-2	2.8	0.25%	0.16%	1.21%	0.45%	101.00%	1.83%	0.82	6.10%	$58,199	3.24%	3.30%	26.00%	24.00%	21.00%	22.00%	$98,573
Charleston-North Charleston SC	28	35	7	0.8	2.04%	1.35%	3.21%	0.58%	125.00%	2.33%	0.69	4.40%	$46,042	5.05%	4.50%	24.00%	25.00%	20.00%	23.00%	$72,141
Omaha-Council Bluffs NE-IA	35	36	1	0.9	1.06%	0.89%	1.03%	0.47%	105.00%	2.52%	0.72	4.30%	$61,163	3.01%	3.40%	29.00%	24.00%	20.00%	24.00%	$83,091
Cincinnati OH-KY-IN	37	37	0	2.2	0.48%	0.59%	1.60%	0.59%	93.00%	2.21%	0.81	3.80%	$58,282	3.31%	4.09%	26.00%	23.00%	20.00%	20.00%	$85,040
Greensboro-High Point NC	38	38	0	0.8	0.67%	0.40%	0.94%	1.64%	98.00%	3.41%	0.49	3.80%	$49,811	4.07%	3.42%	27.00%	22.00%	21.00%	20.00%	$82,282
Richmond VA	40	39	-1	1.3	0.92%	0.66%	1.74%	0.50%	97.00%	1.99%	0.70	3.30%	$56,218	3.87%	3.66%	24.00%	23.00%	21.00%	23.00%	$87,634
Pittsburgh PA	42	40	-2	2.3	-0.30%	-0.13%	0.48%	0.36%	84.00%	1.68%	0.74	4.80%	$60,732	2.95%	4.02%	22.00%	22.00%	19.00%	21.00%	$102,388
Oklahoma City OK	39	41	2	1.4	1.12%	0.86%	1.32%	0.40%	111.00%	2.15%	0.67	2.50%	$51,196	3.60%	3.79%	27.00%	25.00%	19.00%	20.00%	$83,138
Philadelphia PA	41	42	1	2.1	0.27%	-0.06%	1.56%	0.31%	91.00%	1.49%	0.56	3.00%	$61,671	4.00%	4.63%	24.00%	27.00%	19.00%	18.00%	$92,228
Albuquerque-Santa Fe NM	43	43	0	1.1	0.25%	0.35%	0.85%	0.53%	97.01%	2.59%	0.66	6.80%	$45,916	3.10%	3.79%	25.30%	23.30%	19.86%	18.28%	$73,713
Memphis TN-MS-AR	44	44	0	1.4	0.16%	0.53%	1.30%	0.53%	90.00%	2.29%	0.54	2.70%	$49,237	2.46%	4.16%	27.00%	24.00%	20.00%	17.00%	$77,769

CATEGORY SCORES

Metro Area Economy Rankings

TOP MARKETS | SOME METROS INCLUDED FOR CONTEXT | SOME MSA'S COMBINED FOR CONTEXT

METRO AREA ECONOMY RANKINGS - CATEGORY SCORES

SOURCE: MOODY'S ANALYTICS

MSA	Unweighted Ranking	Weighted Ranking	Variance	Population 2018 (In Millions)	Population Compounded Growth (2013-2018)	Population Compounded Growth (2019-2024)	Employment Compounded Growth (2013-2018)	Emp Growth Compounded (2019-2024)	Vitality Index	GMP/GDP Growth Compounded (2019-2024)	Diversity [U.S. = 1]	High-Tech Employment [% Total of Market]	Adj Per Capita Income	Avg Personal Income Growth (2013 - 2018)	Avg Personal Income Growth (2019 - 2024)	Gen Z (%)	Millennials (%)	Gen X (%)	Education - College	Productivity
Austin-Round Rock TX	1	1	0	0.15	1.00	0.87	0.87	1.00	0.93	0.77	0.84	0.36	0.70	0.84	0.89	0.75	0.93	1.00	0.91	0.54
Dallas-Fort Worth-Arlington TX	2	2	0	0.53	0.71	0.61	0.68	0.81	0.73	0.66	0.92	0.21	0.71	0.63	0.81	0.84	0.83	0.97	0.70	0.57
Seattle-Bellevue-Everett WA	4	3	-1	0.21	0.62	0.41	0.63	0.46	0.79	0.54	0.51	0.39	0.83	0.91	0.76	0.66	0.90	1.00	0.88	0.79
Raleigh-Durham NC	3	4	1	0.14	0.75	0.78	0.63	0.59	0.82	0.69	0.76	0.39	0.78	0.72	0.74	0.77	0.84	0.99	0.86	0.52
Denver-Aurora-Boulder CO	5	5	0	0.23	0.56	0.37	0.66	0.36	0.74	0.52	0.94	0.29	0.80	0.77	0.67	0.72	0.90	0.95	0.87	0.56
Atlanta-Sandy Springs-Roswell GA	6	6	0	0.42	0.54	0.63	0.65	0.39	0.69	0.60	0.99	0.21	0.71	0.69	0.65	0.78	0.83	1.00	0.75	0.54
Houston-The Woodlands-Sugar Land TX	9	7	-2	0.49	0.71	0.56	0.37	0.78	0.74	0.61	0.78	0.12	0.74	0.42	0.85	0.89	0.83	0.96	0.66	0.69
San Francisco-Redwood City-South San Francisco CA	7	8	1	0.12	0.28	0.24	0.83	0.29	0.83	0.44	0.51	0.63	1.00	0.86	0.76	0.55	1.00	0.96	1.00	0.87
San Jose-Sunnyvale-Santa Clara CA	8	9	1	0.14	0.27	0.23	0.69	0.28	1.00	0.43	0.23	1.00	0.86	1.00	0.68	0.75	0.90	0.96	0.84	1.00
Portland-Vancouver-Hillsboro OR-WA	10	10	0	0.17	0.49	0.32	0.61	0.52	0.78	0.49	0.89	0.26	0.71	0.73	0.79	0.69	0.83	1.00	0.75	0.56
Phoenix-Mesa-Scottsdale AZ	12	11	-1	0.34	0.69	0.76	0.69	0.59	0.69	0.74	0.96	0.19	0.61	0.70	0.76	0.75	0.83	0.91	0.63	0.49
Salt Lake City-Provo-Orem UT	12	12	0	0.13	0.61	0.55	0.76	0.59	0.71	0.62	0.78	0.32	0.63	0.82	0.67	1.00	0.94	0.81	0.77	0.49
Boise City ID	11	13	2	0.05	0.83	1.00	0.88	0.70	0.72	1.00	0.83	0.22	0.64	0.82	0.89	0.84	0.79	0.91	0.63	0.44
Charlotte-Concord-Gastonia NC-SC	15	14	-1	0.18	0.68	0.64	0.72	0.44	0.71	0.60	0.93	0.15	0.75	0.59	0.67	0.75	0.79	1.00	0.72	0.51
Orlando-Kissimmee-Sanford FL	14	15	1	0.18	0.89	0.72	0.89	0.76	0.73	0.66	0.38	0.15	0.59	0.79	1.00	0.69	0.86	0.96	0.63	0.47
Minneapolis-St. Paul-Bloomington MN-WI	19	16	-3	0.25	0.34	0.26	0.36	0.31	0.62	0.51	0.96	0.23	0.86	0.56	0.58	0.75	0.83	0.91	0.84	0.55
Nashville-Davidson-Murfreesboro-Franklin TN	16	17	1	0.14	0.66	0.44	0.82	0.40	0.71	0.53	0.87	0.11	0.77	0.79	0.74	0.75	0.86	0.96	0.75	0.50
Washington-Silver Spring DC-VA-MD-WV	20	18	-2	0.44	0.35	0.29	0.31	0.31	0.68	0.44	0.58	0.36	0.86	0.45	0.53	0.72	0.84	1.00	0.79	0.64
San Antonio-New Braunfels TX	17	19	2	0.18	0.70	0.52	0.62	0.62	0.71	0.59	0.98	0.13	0.64	0.65	0.70	0.81	0.86	0.91	0.56	0.50
Columbus OH	22	20	-2	0.15	0.46	0.40	0.47	0.45	0.63	0.56	0.90	0.15	0.77	0.53	0.63	0.75	0.86	0.91	0.72	0.52
San Diego-Carlsbad CA	23	21	-2	0.23	0.28	0.22	0.54	0.28	0.65	0.45	0.82	0.31	0.67	0.67	0.65	0.69	0.93	0.91	0.72	0.66
Fayetteville-Springdale-Rogers AR-MO	18	22	4	0.04	0.75	0.67	0.84	0.50	0.72	0.73	0.54	0.08	0.94	0.84	0.49	0.84	0.86	0.87	0.66	0.44
Tampa-St. Petersburg-Clearwater FL	25	23	-2	0.22	0.64	0.41	0.63	0.43	0.64	0.44	0.99	0.20	0.64	0.57	0.90	0.66	0.76	0.91	0.59	0.50
Las Vegas-Henderson-Paradise NV	21	24	3	0.16	0.71	0.85	0.78	0.69	0.63	0.78	0.37	0.09	0.63	0.65	0.80	0.75	0.83	0.96	0.50	0.47
Reno NV	24	25	1	0.03	0.54	0.61	1.00	0.54	0.61	0.64	0.70	0.13	0.77	0.87	0.75	0.72	0.83	0.83	0.63	0.48
Sacramento-Roseville-Arden-Arcade CA	27	26	-1	0.16	0.42	0.20	0.63	0.34	0.62	0.48	0.85	0.14	0.73	0.67	0.65	0.75	0.83	0.87	0.66	0.60
Boston MA	29	27	-2	0.14	0.27	0.17	0.43	0.23	0.61	0.43	0.80	0.20	0.92	0.57	0.68	0.66	0.93	0.87	0.78	0.69
Jacksonville FL	26	28	2	0.11	0.64	0.43	0.70	0.48	0.63	0.49	0.96	0.14	0.69	0.64	0.94	0.69	0.79	0.91	0.63	0.47
Miami-Fort Lauderdale-West Palm Beach FL	30	29	-1	0.44	0.43	0.43	0.60	0.40	0.65	0.43	0.88	0.13	0.71	0.64	0.87	0.66	0.77	0.97	0.61	0.45
Chicago-Naperville-Arlington Heights IL	33	30	-3	0.51	(0.06)	(0.00)	0.31	0.19	0.53	0.33	0.98	0.17	0.89	0.53	0.57	0.72	0.83	0.96	0.75	0.59
New York-Jersey City-White Plains NY-NJ	32	31	-1	1.00	0.04	0.10	0.47	0.16	0.55	0.38	0.84	0.17	0.90	0.60	0.45	0.69	0.86	0.91	0.72	0.72
Los Angeles-Anaheim-Irvine CA	31	32	1	0.93	0.09	0.11	0.48	0.21	0.59	0.38	0.76	0.18	0.67	0.65	0.62	0.70	0.88	0.96	0.69	0.68
Kansas City MO-KS	34	33	-1	0.15	0.30	0.21	0.41	0.23	0.60	0.40	1.00	0.21	0.77	0.43	0.61	0.78	0.79	0.91	0.72	0.49
Baltimore-Columbia-Towson MD	36	34	-2	0.20	0.09	0.05	0.27	0.23	0.56	0.36	1.00	0.21	0.83	0.44	0.47	0.75	0.83	0.91	0.69	0.60
Charleston-North Charleston SC	28	35	7	0.06	0.72	0.46	0.72	0.29	0.69	0.46	0.84	0.15	0.66	0.68	0.64	0.69	0.86	0.87	0.72	0.44
Omaha-Council Bluffs NE-IA	35	36	1	0.07	0.37	0.31	0.23	0.24	0.58	0.50	0.88	0.15	0.87	0.41	0.48	0.84	0.83	0.87	0.75	0.51
Cincinnati OH-KY-IN	37	37	0	0.15	0.17	0.20	0.36	0.30	0.52	0.44	0.99	0.13	0.83	0.45	0.58	0.75	0.79	0.87	0.63	0.52
Greensboro-High Point NC	38	38	0	0.05	0.24	0.14	0.21	0.82	0.54	0.68	0.60	0.13	0.71	0.55	0.48	0.78	0.76	0.91	0.63	0.50
Richmond VA	40	39	-1	0.09	0.32	0.23	0.39	0.25	0.54	0.40	0.85	0.12	0.80	0.52	0.52	0.69	0.79	0.91	0.72	0.54
Pittsburgh PA	42	40	-2	0.16	(0.10)	(0.04)	0.11	0.18	0.47	0.33	0.90	0.17	0.86	0.40	0.57	0.63	0.76	0.83	0.66	0.63
Oklahoma City OK	39	41	2	0.10	0.39	0.29	0.29	0.20	0.62	0.43	0.82	0.09	0.73	0.49	0.54	0.78	0.86	0.83	0.63	0.51
Philadelphia PA	41	42	1	0.15	0.10	(0.02)	0.35	0.16	0.51	0.30	0.68	0.11	0.88	0.54	0.65	0.69	0.93	0.83	0.56	0.56
Albuquerque-Santa Fe NM	43	43	0	0.07	0.09	0.12	0.19	0.27	0.54	0.52	0.80	0.24	0.65	0.42	0.54	0.73	0.80	0.86	0.57	0.45
Memphis TN-MS-AR	44	44	0	0.09	0.06	0.18	0.29	0.27	0.50	0.45	0.66	0.09	0.70	0.33	0.59	0.78	0.83	0.87	0.53	0.48

Category Importance	5 = Most Important : 1 = Least Important		5	1	3	3	5	3	4	3	5	4	2	4	3	1	1	4	4
Category Weightings	Total Weightings	100.00%	9.09%	1.82%	5.45%	5.45%	9.09%	5.45%	7.27%	5.45%	9.09%	7.27%	3.64%	7.27%	5.45%	1.82%	1.82%	7.27%	7.27%

TRADEMARK 2.0 RESEARCH

Retail Trends

- A paradigm shift driven by e-commerce, economics, demographics and competition; COVID was an accelerator
- The Truth Behind Store Closures:
    - Mostly legacy, middle-market retailers (i.e. Gap, Loft); not premier and price-based tenants
    - Company specific issues – debt, over expansion, business model flaws, private equity ownership
- Convenient multi-purpose centers are e-commerce resistant and become more integrated into the community
- E-Commerce sales up ~44% in Q2 2020 YOY (for 16.1% of total retail sales), while total retail sales declined by 3.6%
- Average operating margins have shrunk 310 BPs since 2012
- Retailers will need to enhance and connect all touchpoints - apps, websites, physical stores
- Omnichannel is the primary distribution model of the future

TRADEMARK 2.0 RESEARCH

Merchandising Trends

EAT & DRINK

- 20-40% of center now
- Local, chef-driven concepts have replaced chains
- Food Halls have grown 4x over the past four years
- Food Trucks act as a space activator & incubator
- Delivery options (Favor, Uber Eats) & cloud kitchens
- High demand for outdoor seating, curbside

Best in Class:

- Fast Casual - Sweetgreen, Shake Shack, Flower Child, Mendocino Farms, Chipotle
- Full Service – Hillstone, Superica, North, Steak 48, True Food Kitchen, Local Chefs/Operators
- Food Hall – Eataly, Politan Row, Time Out Market

SELF CARE

- Google searches for “self care” up 100% in the last 5 years
- Fitness has gone digital - wearables & live streaming classes
- New workout concepts evolving – HIIT, rowing, stretching
- Membership-based concepts are increasing
- Medical is in retail centers
- Beauty service tenants in high demand
- Wellness/recovery expanding - infrared saunas, cryo, IV

Best in Class:

- Orange Theory, Dreamery by Casper, Innisfree, Peloton, Mirror, Tonal, Black Box VR, Soul Cycle, Core Power Yoga, By Chloe, Drunk Elephant, Sephora, Bluemercury

TRADEMARK 2.0 RESEARCH

Merchandising Trends

PLAY

- New concepts abound in experiential entertainment
- Pop Up entertainment (limited time) has been successful
- Incorporating F&B/entertainment
- Increased desire for outdoor entertainment driven by Covid-19

Best in Class:

- Cinergy Entertainment, Mutts, Blend Cinema, Meow Wolf, Museum of Ice Cream, Candytopia, Truck Yard, Sloomoo, Chicken N Pickle

ACCESSORIZE

- Cell phone – maybe the most important accessory
- Rent & resale – purses, bags, jewelry
- Fine jewelry at lower cost – Mejuri, Blue Nile
- Try on online/virtual experience available for all categories
- Category heavily affected by online competition

Best in Class:

- Apple, Rebag, Quay, Daniel Wellington, Yeezy, Nice Kicks, Golden Goose, Illesteva, Garrett Leight, Warby Parker, Mejuri, Kendra Scott, Away

Merchandising Trends

DWELL (HOME)

- Customization – customers creating their own spaces & products with virtual reality
- Focus on outdoor living spaces
- Home automation & smart appliances are trending
- Emphasis on sustainable, one-of-a-kind & handmade
- Covid-19 has increased demand for a home office & décor

Best in Class:

- Sonos, Beta, Amazon, Google, Frontgate, Henredon, Restoration Hardware, CB2, Poliform, Boc Do Lobo, Kartell, Fendi Casa, Henkel Harris, French Heritage, Lexington, Hooker Furniture, Bernhardt, Liberty, Stanley

STYLE

- Consumers are looking for value – price is a priority
- Emerging brand/department store hybrid – restore, Neighborhood Goods, Market by Macy's
- Resale/vintage: The Real Real, Luxury Garage Sales, Reformation (sustainability benefit)
- Subscription services & rental clothing – Trunk Club, Rent the Runway
- Customization

Best in Class:

- Everlane, Outdoor Voices, The Real Real, Reformation, Supreme, Zara, Uniqlo, Cos, Lululemon, Vintage Twin, Poshmark, Revolve, Shopbop, Net a Porter, Nordstrom Local, Jenni Kayne

Merchandising Trends

GROCERY & DAILY NEEDS

- Convenience – buy online, pick up in store & home delivery
- Trend toward organic, sustainable & local foods
- In-store experiences – food halls, wine bars & gyms
- Meal kits growing in demand
- Smaller format & specialty grocery have taken market share

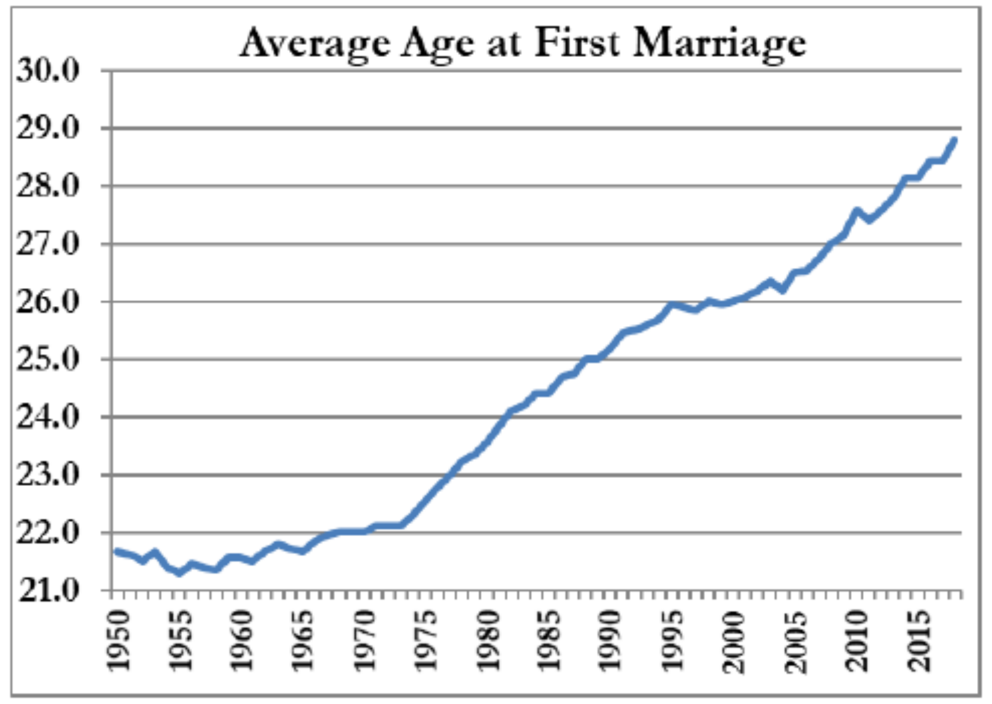
Best in Class:

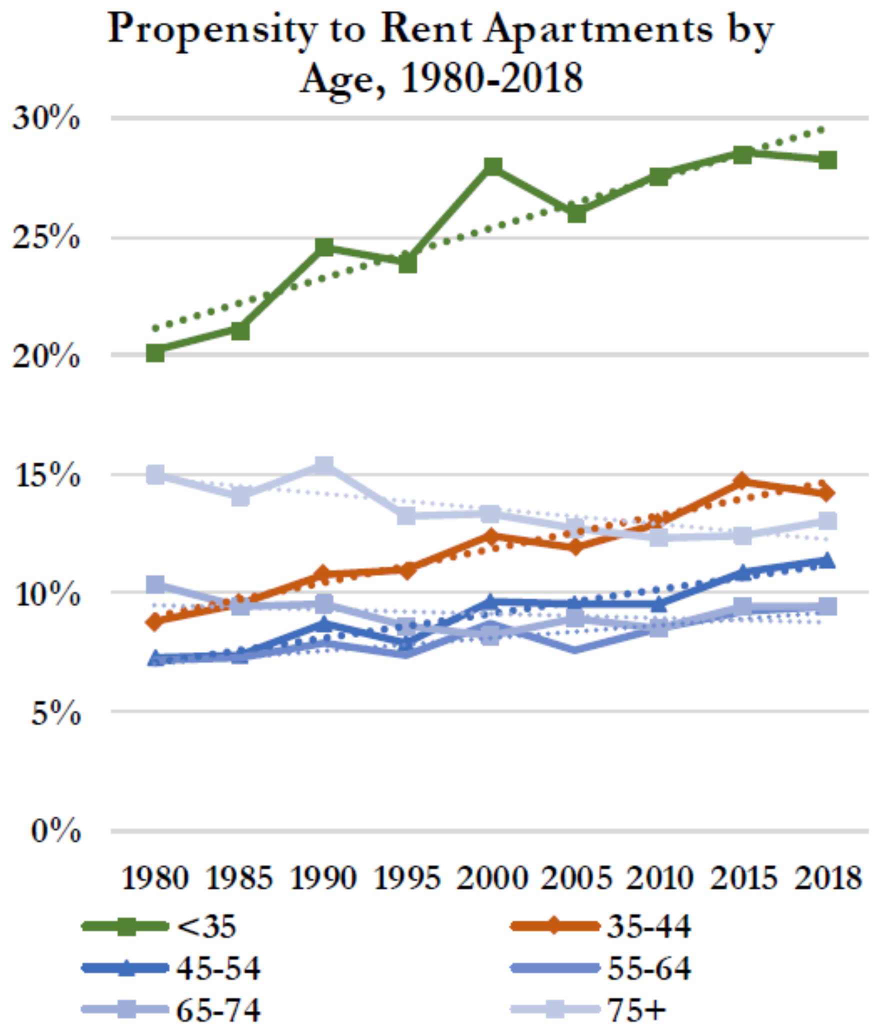
- Amazon (emerging), Walmart, H-E-B, Trader Joe's, Whole Foods, Publix, Wegmens, Sprouts, Costco, Target, Hello Fresh

TRADEMARK 2.0 RESEARCH

Multifamily Trends

- Smaller average unit size overall – more emphasis on public space over private space – resort pool, lounge, fitness, dog park/wash, golf simulator/putting green, co-working
- Mixed-use is more popular than it was but not yet institutionalized as an asset class; walkable, amenity-rich locations drive premiums
- Many Multifamily investors/operators don't want to own/manage retail – adds operational complexity
- Mid-rise, amenity rich product seems to be the sweet spot in terms of repeatable execution but suburban garden in demand
- Tenants don't care if it's horizontal or vertical mixed use – comparable rent premiums
- Long term trend is the increasing propensity to rent: couples waiting longer to get married and start families, economic issues/affordability
- Innovation: Upscale renter-by-choice, +/- 100-unit urban infill strategy being tested in multiple markets (high finish, no amenities - e.g. Urban Genesis), "GURBAN" - upscale surface parked complexes



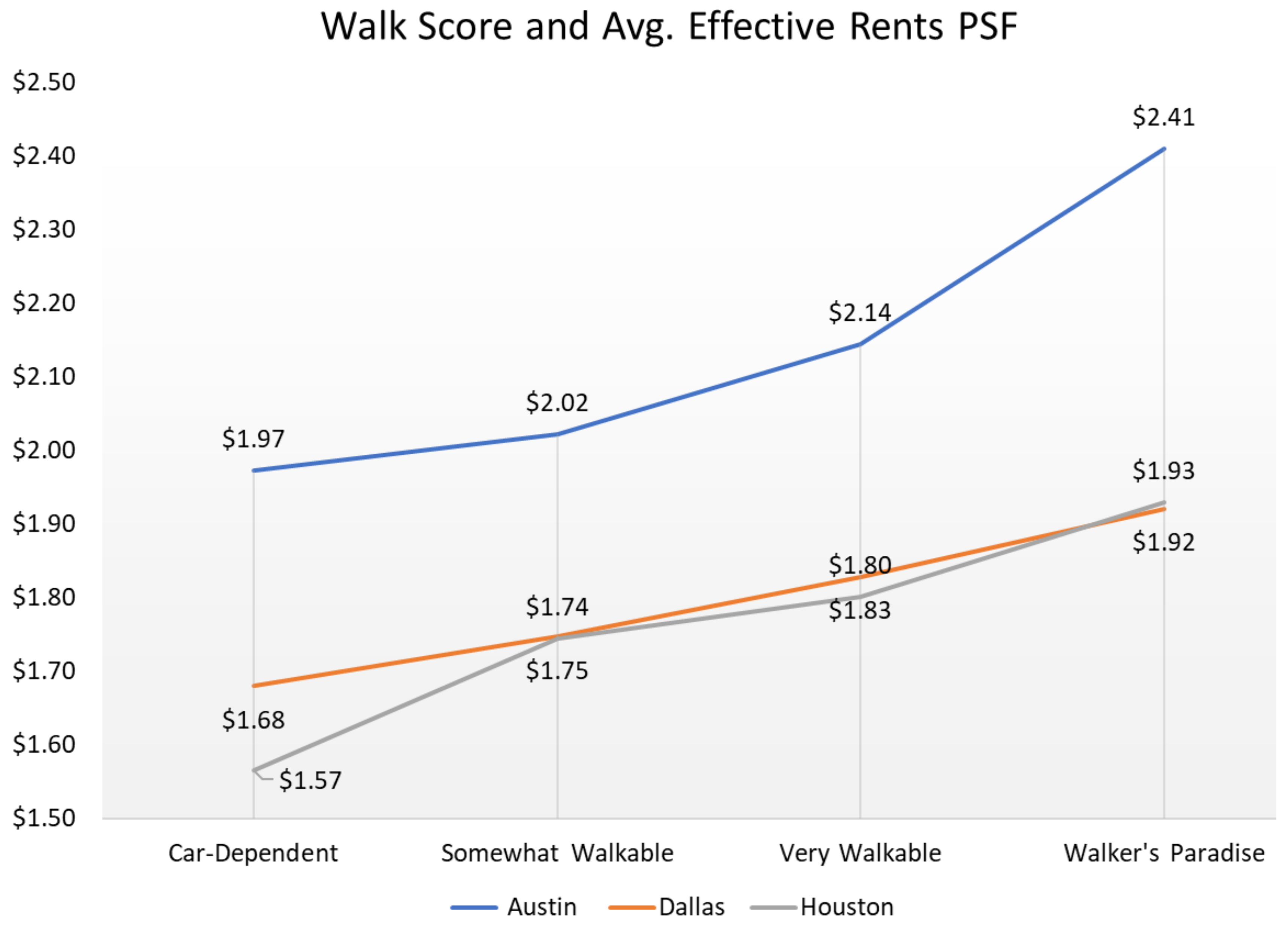


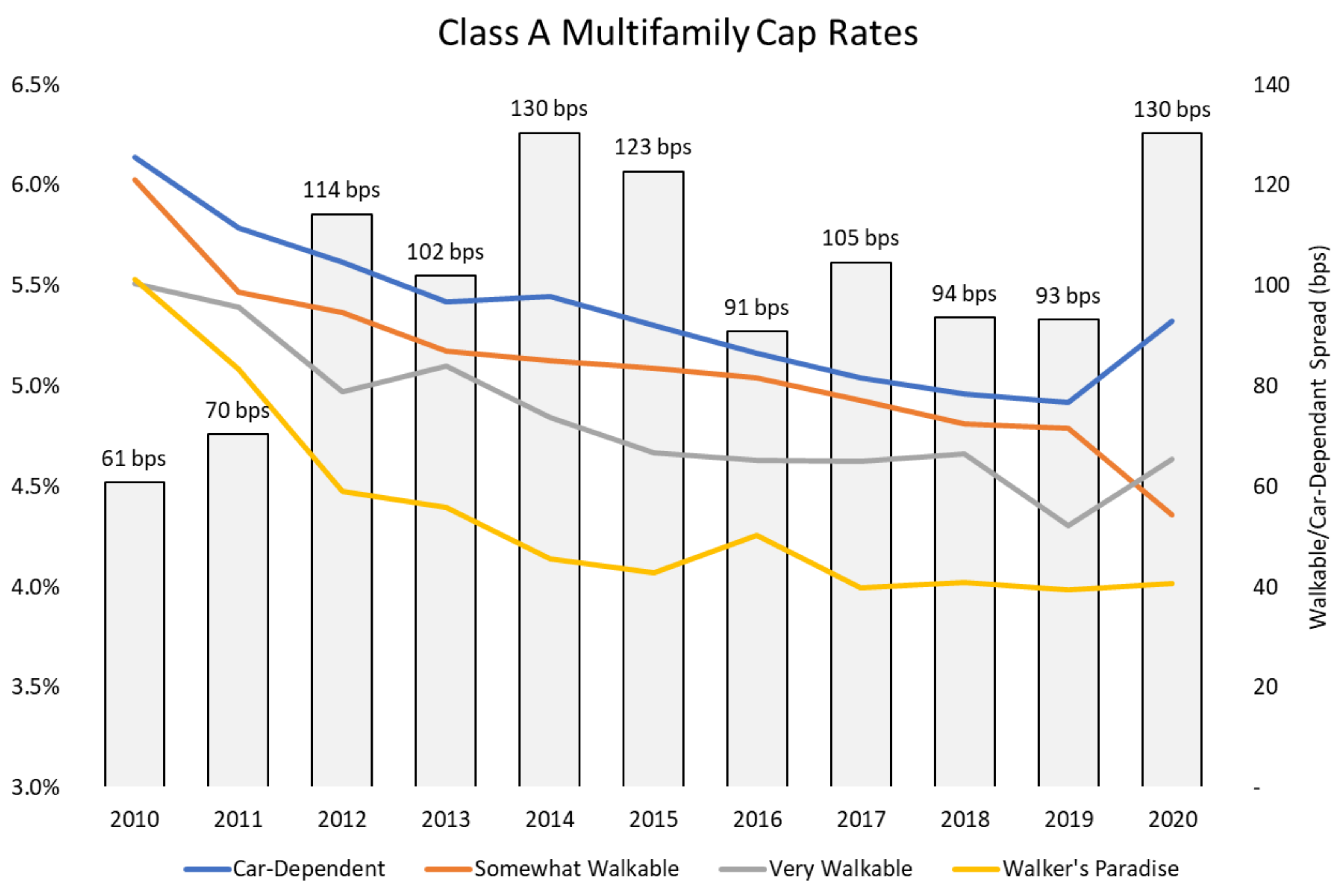
TRADEMARK 2.0 RESEARCH

Multifamily Trends

WALKABLE LOCATIONS DRIVE PREMIUMS

- Higher rents
- Premium valuations and liquidity





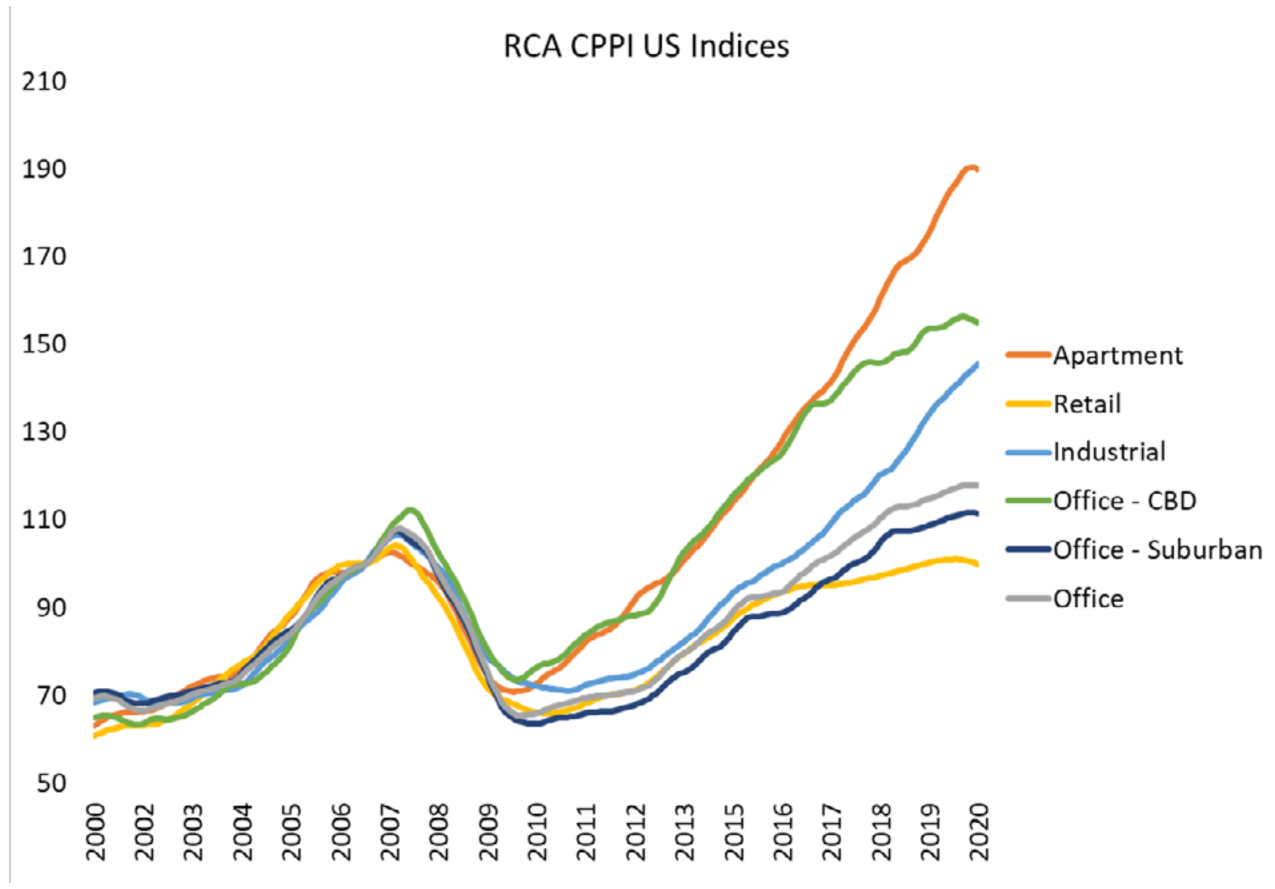
Source: Cushman & Wakefield Capital Markets

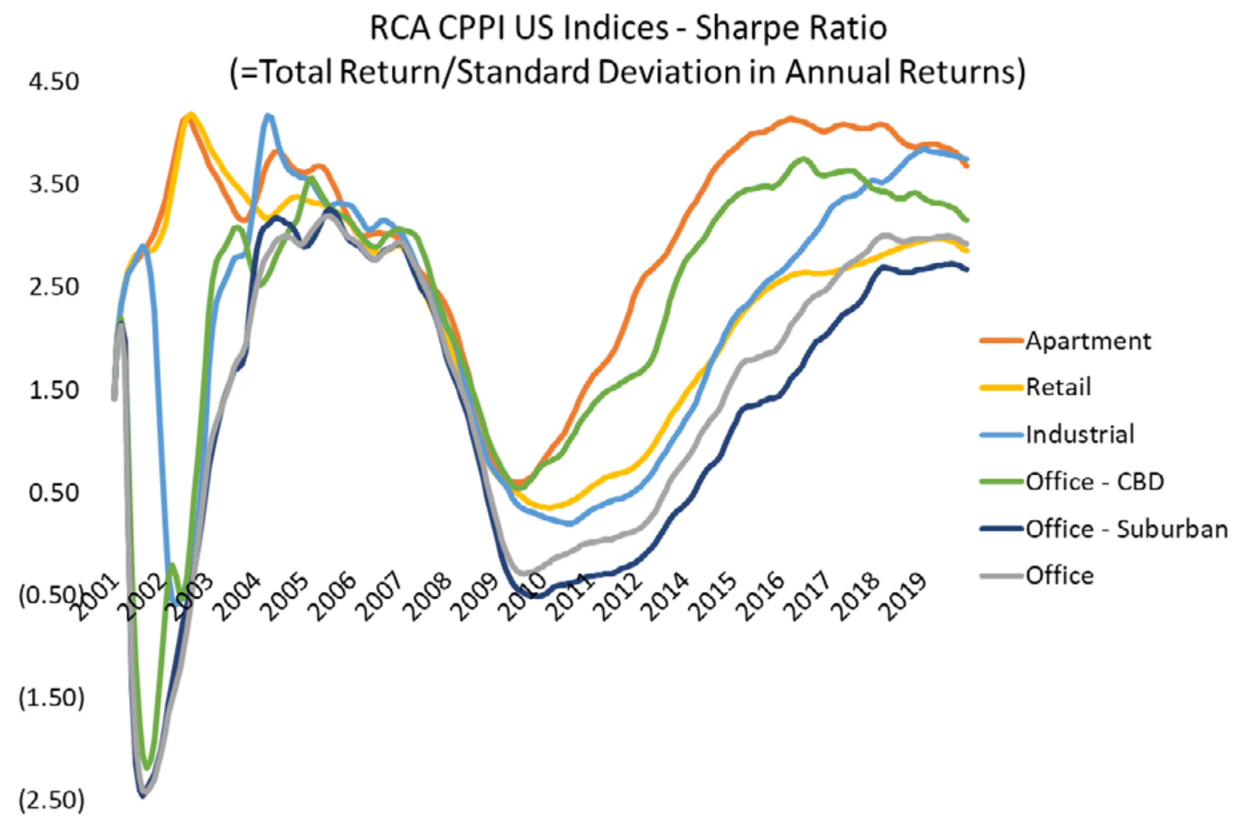
TRADEMARK 2.0 RESEARCH

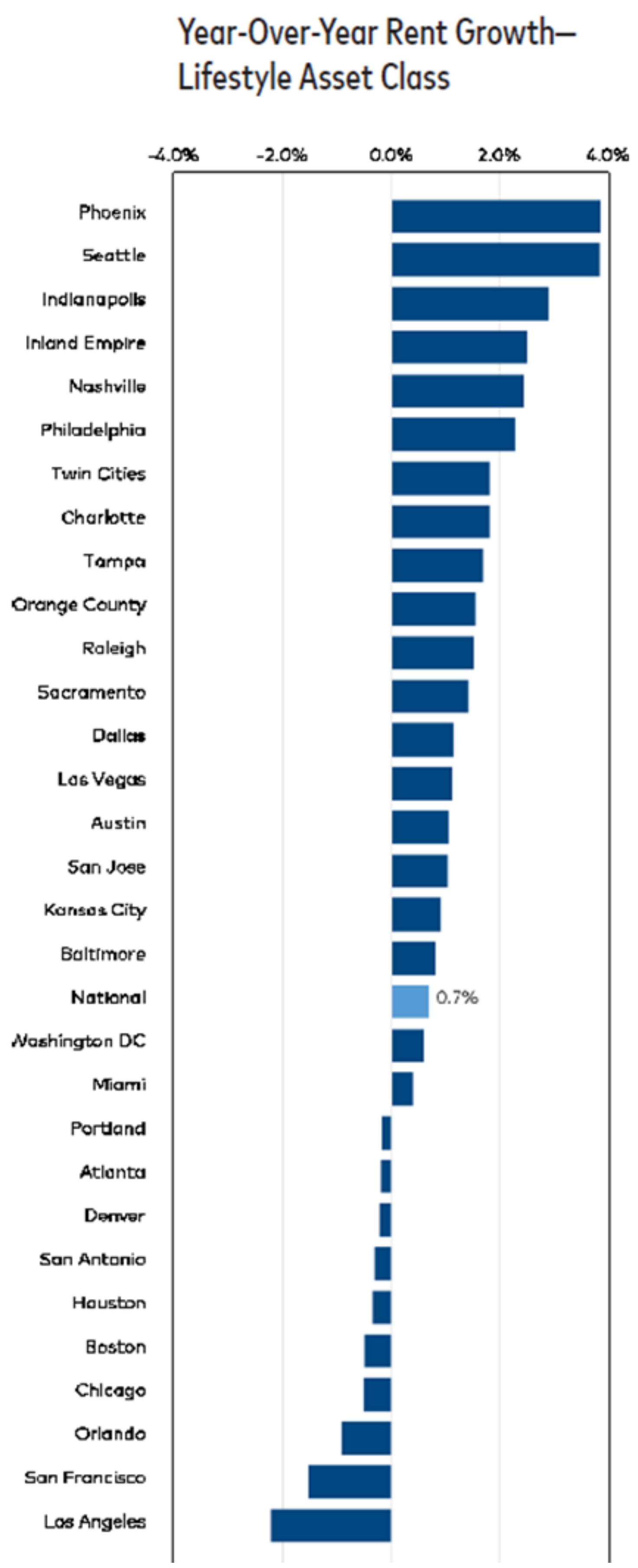
Multifamily Trends

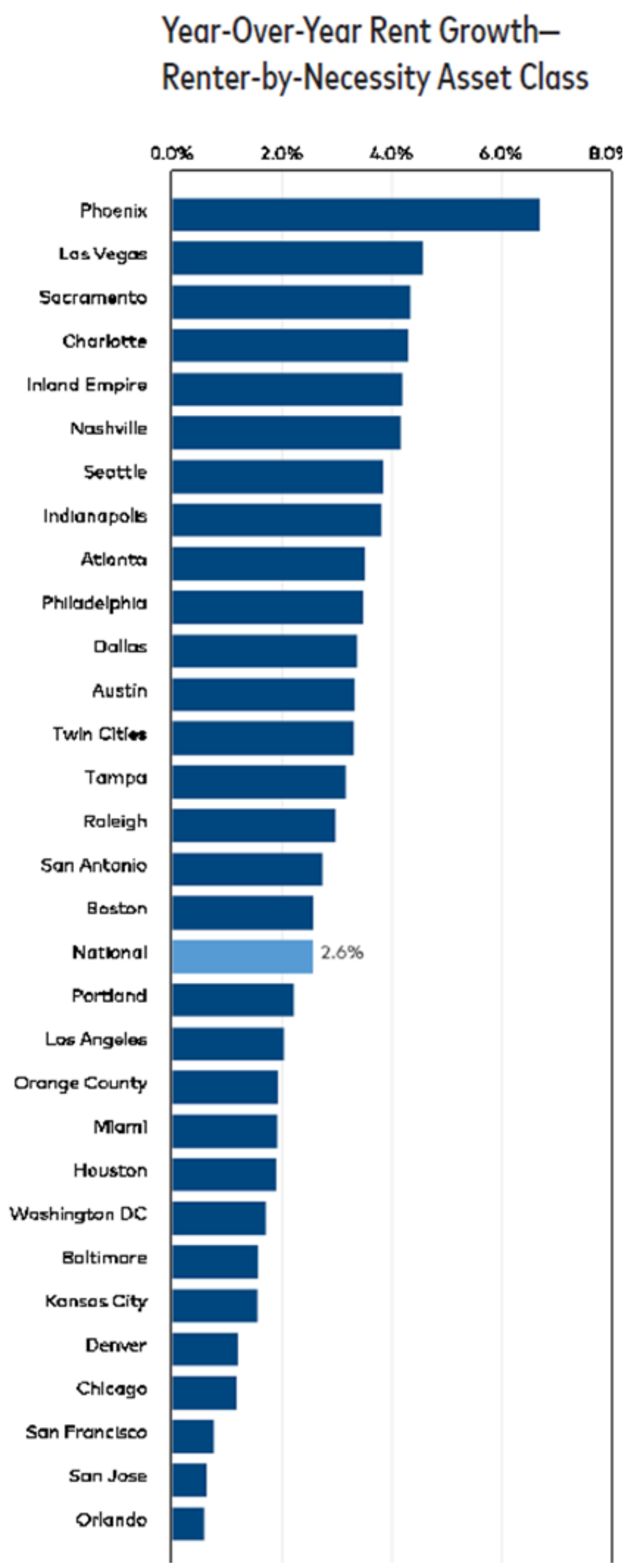
PERFORMS WELL THROUGH CYCLES

- Less impacted by cyclical downturns than other property types
- Outperforms all other property types long-term
- Highest risk adjusted returns in recessions & recoveries
- Today, “Lifestyle” rents under pressure from tenants trading down to save money









Source: Cushman & Wakefield Capital Markets

TRADEMARK 2.0 RESEARCH

Office Trends

Major Findings

- The move to remote work was accelerated by COVID and many companies will adopt a more flexible work schedule
- Office space in walkable, amenity-rich environments will command significant rent premiums
- Younger generations desire a more flexible work schedule that focuses on productivity over time
- The office will now be utilized more as a place for collaboration than solely a place to “go to work”

Outlook for the Future

- COVID protocols may remain in place longer-term to help address health issues; healthy places will command premiums
- Near term (18-month) market decline expected as employers develop their remote work protocols
- Expect companies to distribute their workforce among “satellite” offices, instead of a large corporate HQ
- Work no longer exclusively conducted “in the office”
- Businesses will continue to flock to business-friendly, cost-advantaged locations

Office Trends

Opportunities

- Suburban office product in walkable, highly-amenitized developments
- Health and wellness amenities and features will be differentiators
- Corporations moving offices/workers to lower cost, high growth, quality of life markets
- Co-working will capitalize on need for flexibility

Risks

- CAPEX will increase to accommodate new health & hygiene protocols
- Demand for shorter lease terms to provide flexibility
- Continued automation of office functions
- Work from home may reduce overall office space demand but could be offset by need for more space in hub locations (net effect: a net decline in demand or at best a wash)

TRADEMARK 2.0 RESEARCH

Hotel Trends

Major Findings

- After longest RevPAR growth in history, hotel sector was showing first signs of recession indicators in Q4 2019 with supply beginning to outpace demand
- In Q1 2020, COVID-19 triggered the most severe sector downturn in history exacerbating already negative trends
- Hotels have a near term advantage over industry disruptors & competition from Airbnb which has likely reached its plateau and is more vulnerable to health concerns
- Customers favor independent hotels, but standardized systems of branded hotels may outweigh the costs
- No major design changes expected post-COVID - at least not yet - except food service
- Capital Markets have taken a major hit & securing conventional financing is very difficult - non-existent for new development today

Outlook for the Future

- New concepts and trends having staying power & reshaping hospitality landscape
    - Rise of affordable lifestyle brands
    - Hospitality blending into other uses
    - Long term shift from urban core
    - Creative alternative uses for distressed hotel real estate

TRADEMARK 2.0 RESEARCH

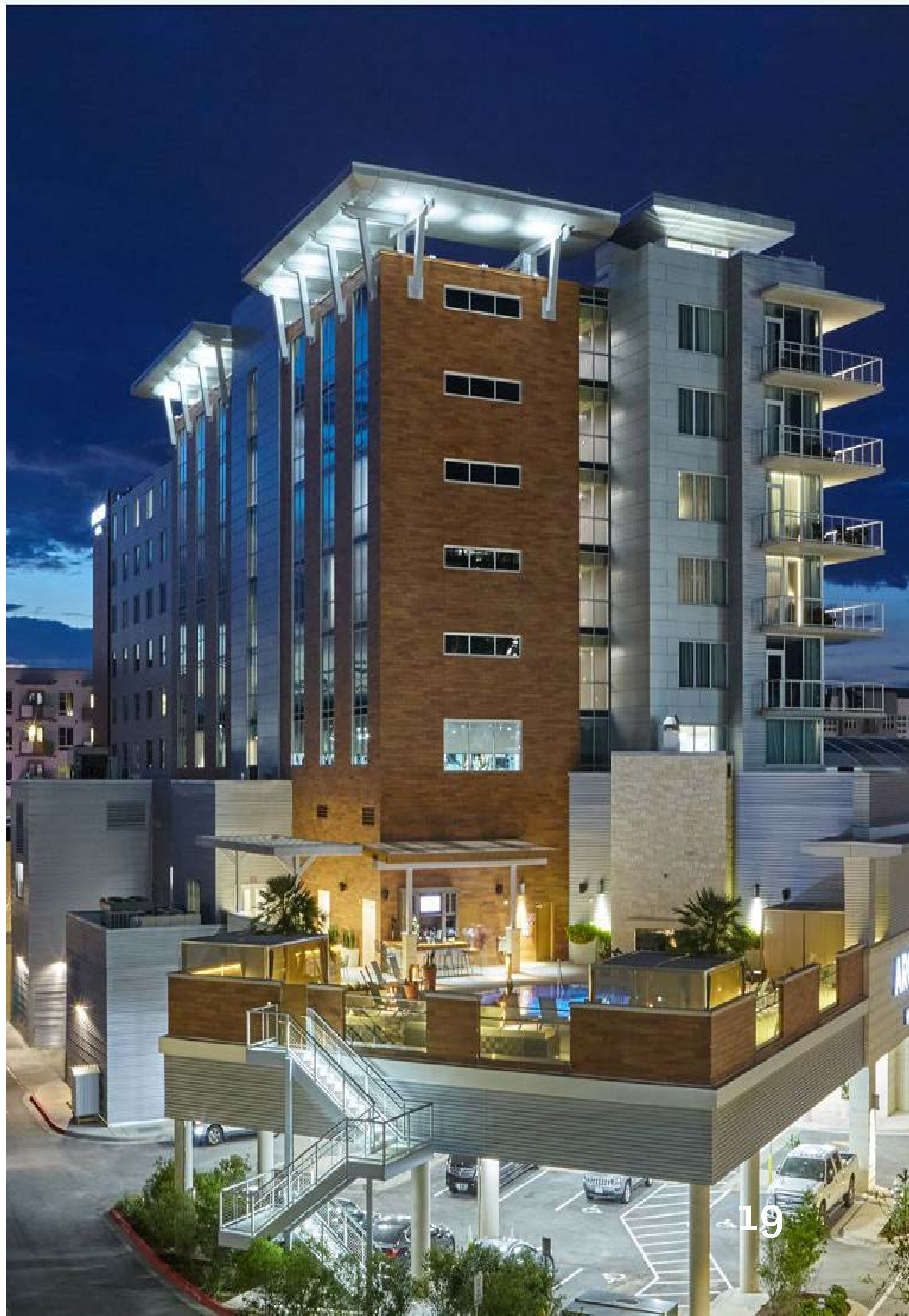
Hotel Trends

Opportunities

- Many crossover opportunities & natural synergies with multifamily, retail & co-working
- Hotel can provide activation and placemaking to mixed-use properties:
  - Hotel lobbies located in mixed-use environment become the living room of the community & a place to work/ gather (e.g. NOMAD, Ace-New York, Emma - San Antonio)
  - Added amenity and captive audience to support retail
  - Guests prefer to be in the middle of action and have things to do in proximity
- Municipalities need successful hotels more than ever to maintain & build tax base

Risks

- End of real estate cycle
- Long term corporate travel uncertainties
- Occupancy taxes declining, challenging municipalities
- Hotel sector is highly sensitive to overall heath of economy
- Increased operating costs post COVID-19
- The most management intensive property sector - a continuing challenge
- Cap rate spread to other CRE sectors could widen



Capital Market Trends

- $200B of uninvested equity on the sidelines near an all time high, most of which is in private equity waiting for distress and more pricing discovery
- Transaction volume lowest since GFC
- Public market valuations, using the GFC as a proxy, suggest that retail and office assets have declined in value by 20%+
- Buy-sell gap widening across all sectors - more pronounced in office and retail
- Multi-family asset prices should hold steady through this downturn -agency financing provides ample liquidity
- Institutions and Open-End Diversified Core Equity funds are reducing their retail, office, and hotel allocations, which will result in sales
- Distressed opportunities in retail, office, and hotel likely to come from insurance companies, debt funds and banks first versus the GFC when CMBS dominated; COVID justified extend-and-pretend and forbearance
- CRE returns negative for first time since 2009 with hotel and retail driving most of the decline

TRADEMARK 2.0 RESEARCH

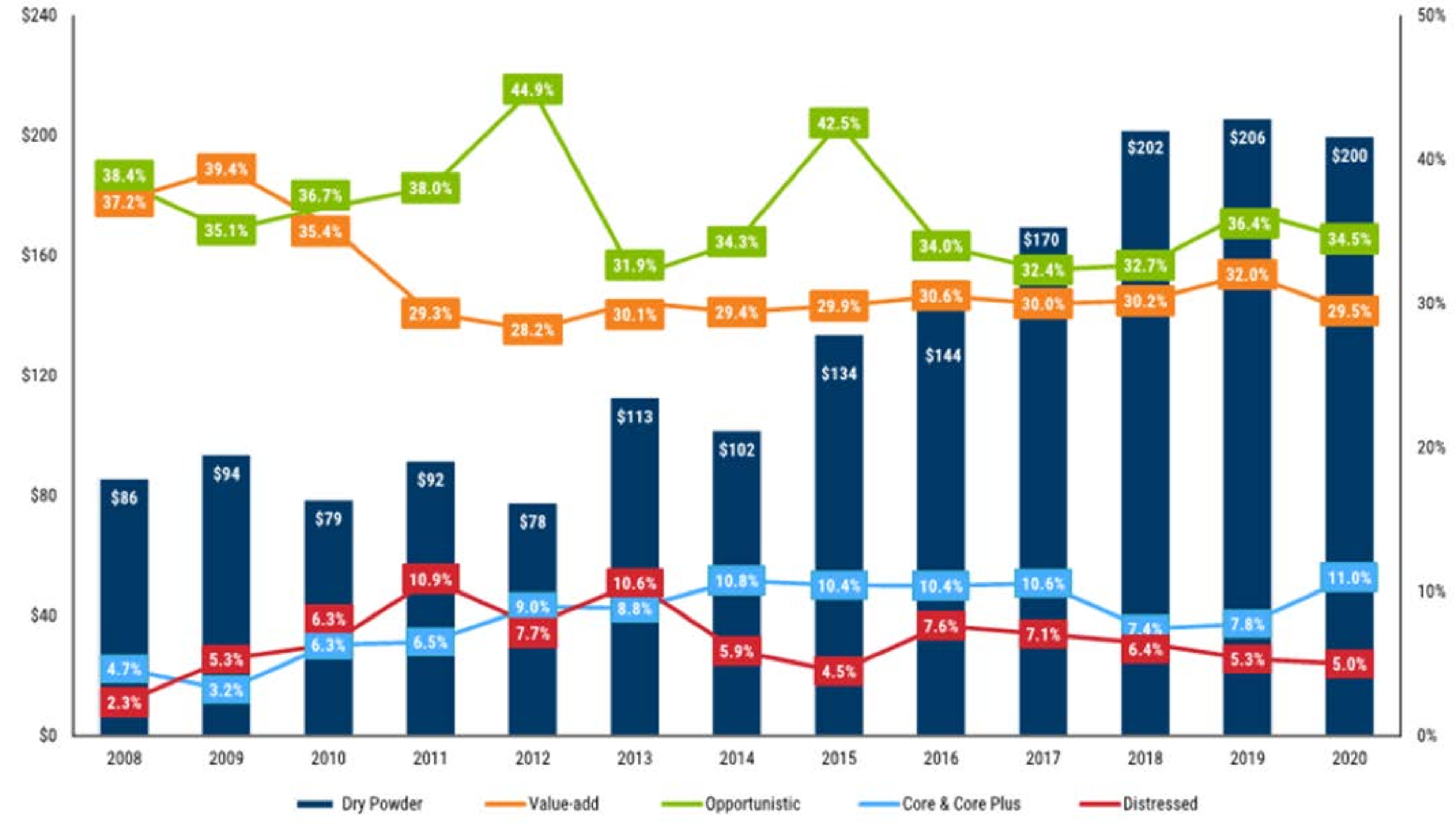
Capital Market Trends

DRY POWDER AT ALL TIME HIGH | DECLINING RETAIL, OFFICE & HOTEL ALLOCATIONS

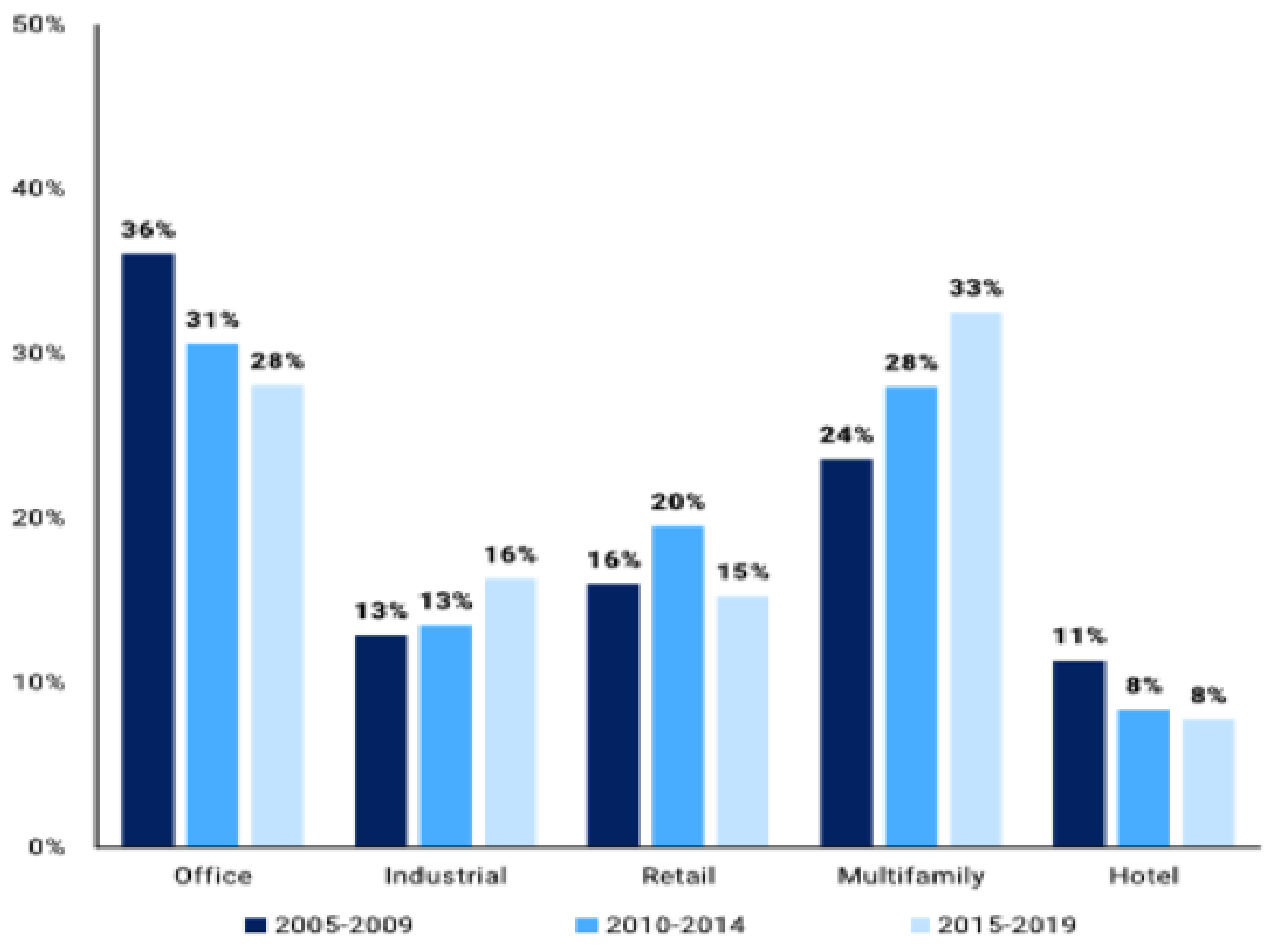
1. Uninvested equity capital at record levels (~$200B) yet the buyer pool is 77% smaller in April 2020 versus mid-2019. Year-to-date allocation of capital has gone disproportionately to multi-family (33%), industrial (27%), and office (26%) through mid-2020. Retail allocation peaked in 2014 at 20%, declined to 15% by 2019 and at (11%) in 2020.

DRY POWDER FOR EQUITY-FOCUSED FUNDS

Uninvested capital accumulated by North American-focused funds remains near pre-Covid-19 crisis levels, at $200 billion as of the second quarter of 2020. Dry powder allocated to core and core plus strategies increased to 11.0% of the total, as some investors pursue high-quality assets with stable cash flows.



HISTORICAL ALLOCATION OF CAPITAL

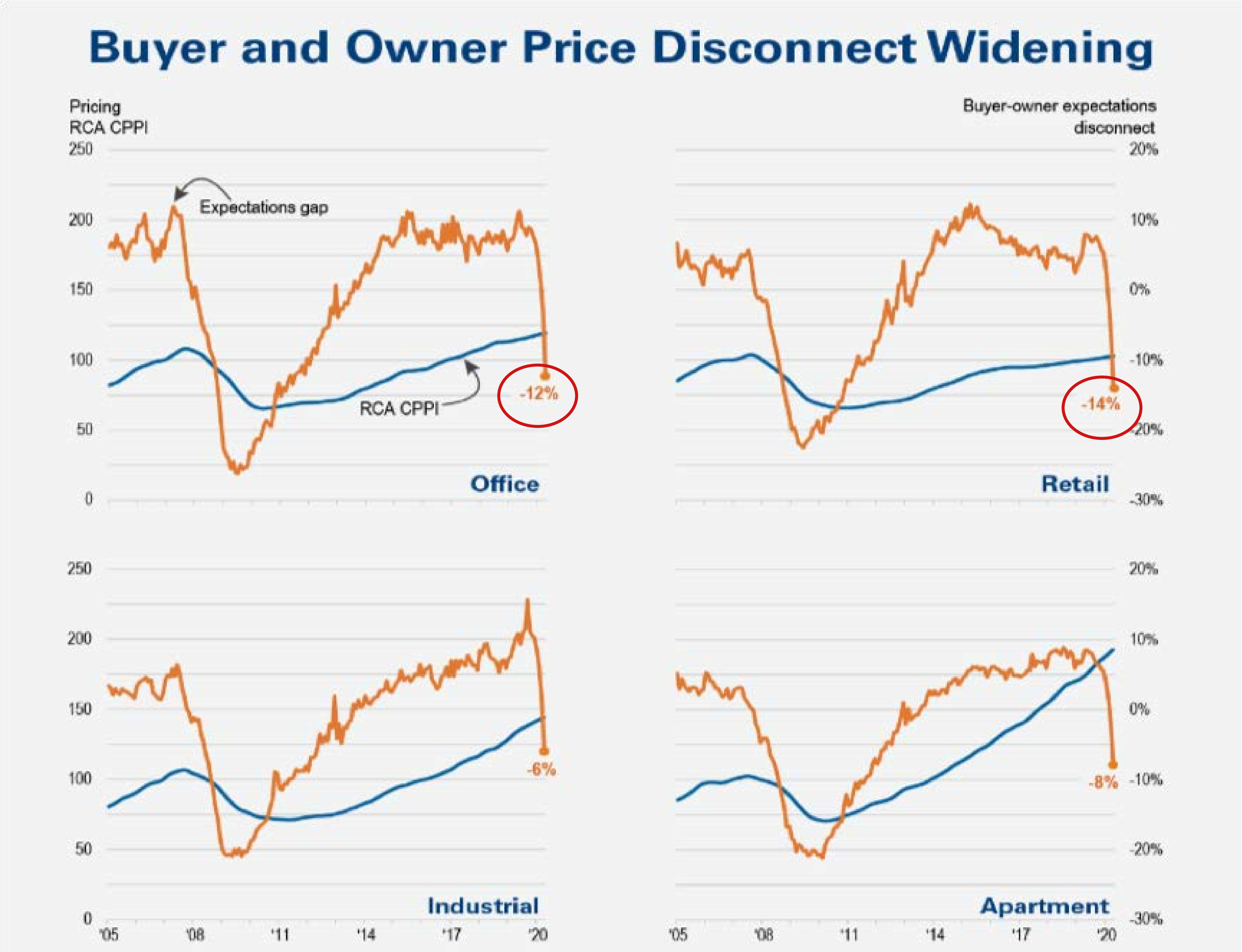


Source: Real Capital Analytics & NKF Research, Preqin

Capital Market Trends

RETAIL INCREASINGLY A VALUE-ADD ASSET CLASS

2. Private Equity investors are moving down on the risk spectrum and the Buy-Sell gap is widening. Cash Flow more important than ever to buyers rather than appreciation. Retail price discovery needs to happen before capital will flow. The “de-core-ification” of institutional retail assets.



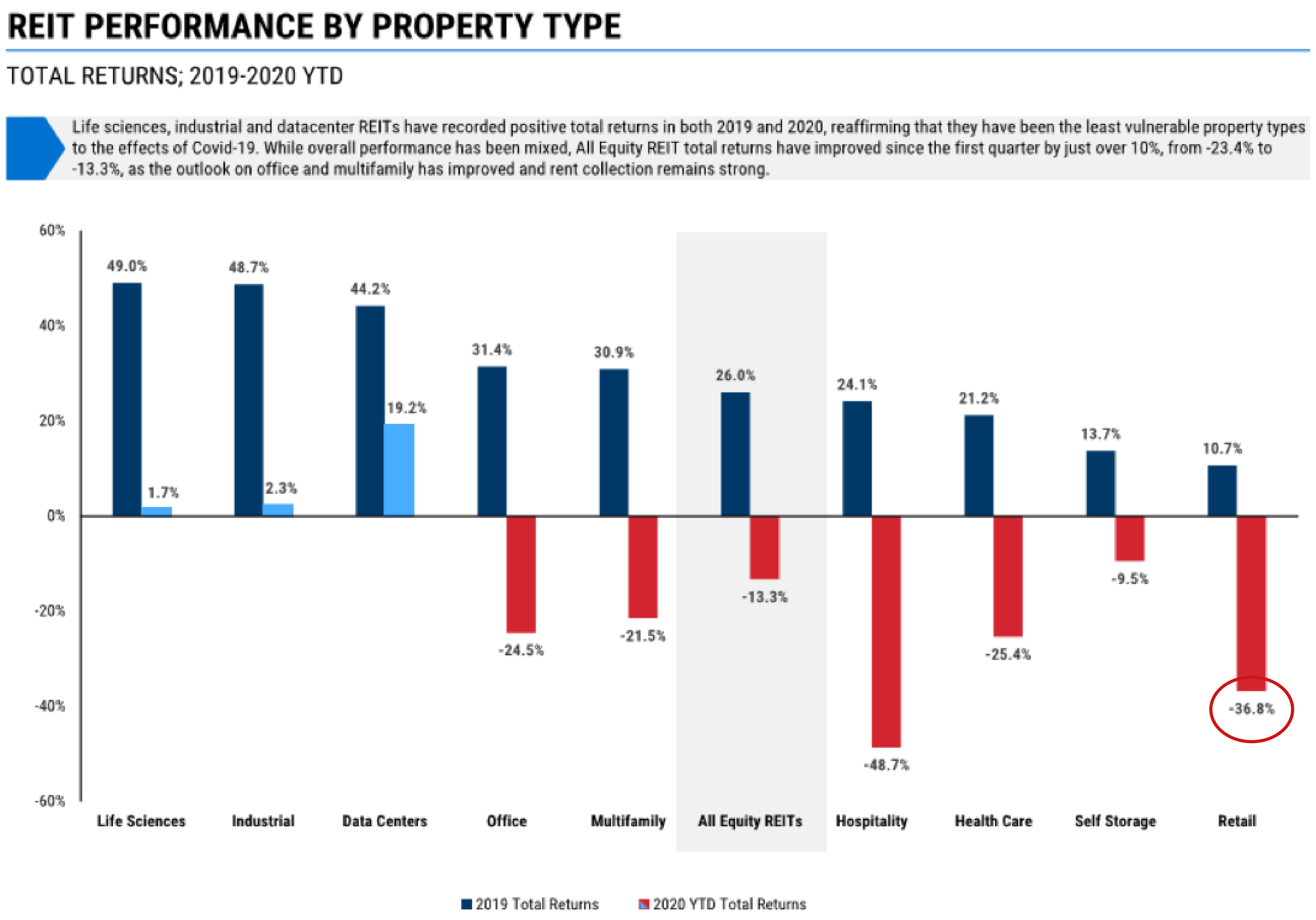
Source: Real Capital Analytics, MIT Center for Real Estate Price Dynamics Platform

TRADEMARK 2.0 RESEARCH

Capital Market Trends

REIT PERFORMANCE SUGGESTS +/- 20% PRIVATE PROPERTY VALUATION DECLINES

3. Retail REIT performance was down ~36.8% YTD through June 2020, trailing only hospitality (48.7%) Retail REIT stock prices YTD (as of 10/8/20) are down ~35-50%+. Early indicators suggest retail and office have declined by ~15-20%+, the largest drop since it was first tracked in 2005, exceeding the GFC.



Source: NAREIT, NKF Research, Yahoo Finance

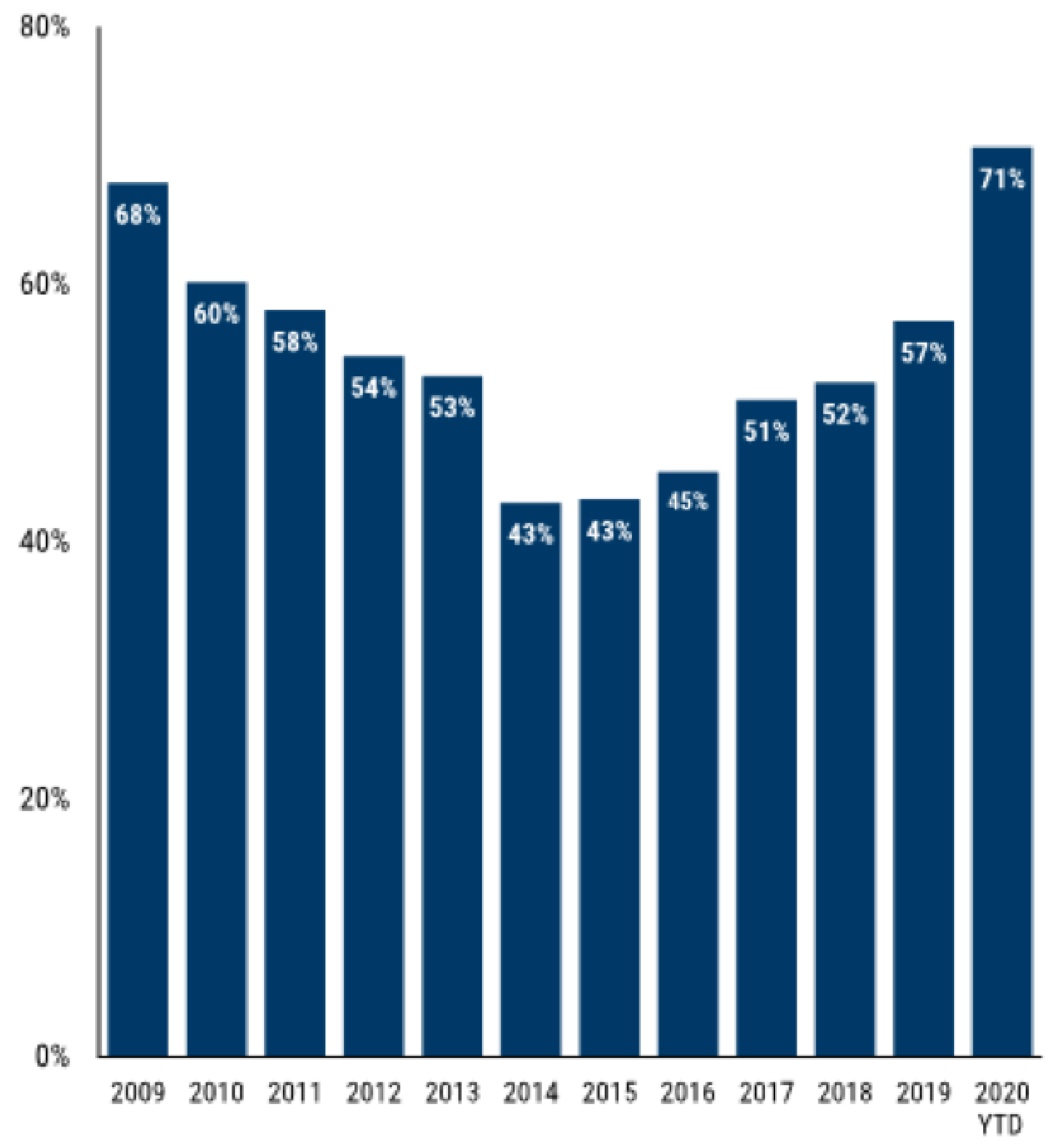
TRADEMARK 2.0 RESEARCH

Capital Market Trends

DISTRESS CYCLE HAS STARTED | BUT DIFFERENT

4. CMBS issuances totaled just $6.9B in Q2 2020 compared to $17.4B in Q2 2019. Refinancing as a percentage of total activity (71%) eclipses GFC levels. CMBS delinquencies in hospitality (24.3%) and retail (18.1%) have risen substantially since January (hospitality 1.5%; retail 3.8% in January 2020). Distressed loan opportunities likely to come from debt funds and banks during this downturn as opposed to CMBS Fannie Mae and Freddie Mac continue to provide liquidity to multi-family (up to 80% LTV at rates in the low-to mid 3%) keeping cap rates and pricing stable.

REFINANCING AS PERCENTAGE OF TOTAL ACTIVITY



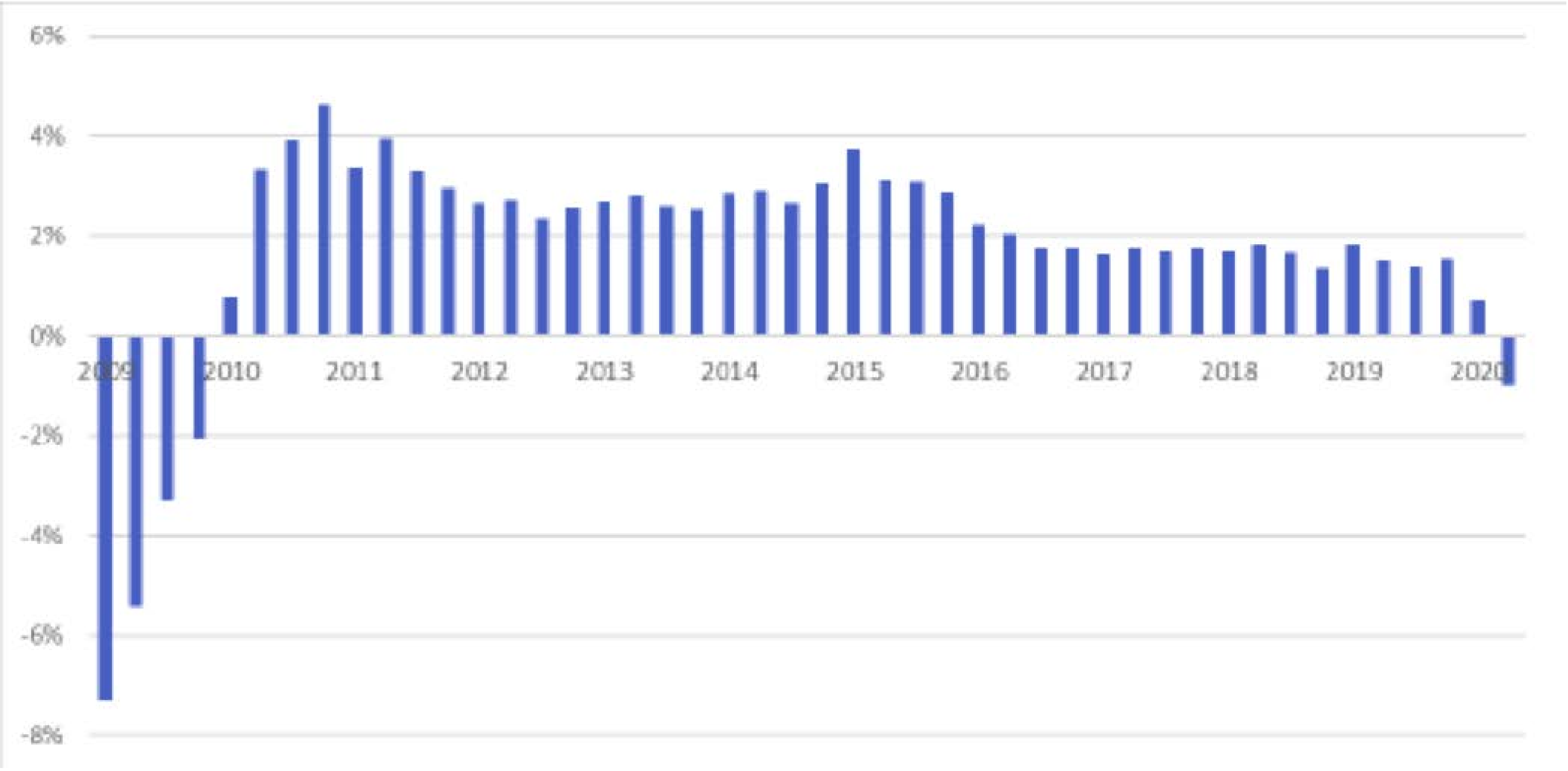
Source: Real Capital Analytics & NKF Research

Capital Market Trends

RETAIL, OFFICE & HOTEL DRIVING NEGATIVE OVERALL CRE RETURNS

5. 2Q CRE returns are negative for the first time since 2009. Net Operating Incomes down 32% in Q2 2020 for retail properties in the NPI (NCREIF Property Index). Rent and NOI growth rates saw the largest declines since NCREIF started collecting data.

NPI Unleveraged Total Quarterly Returns Since Great Recession



Source: NCREIF

Retail & Mixed-Use

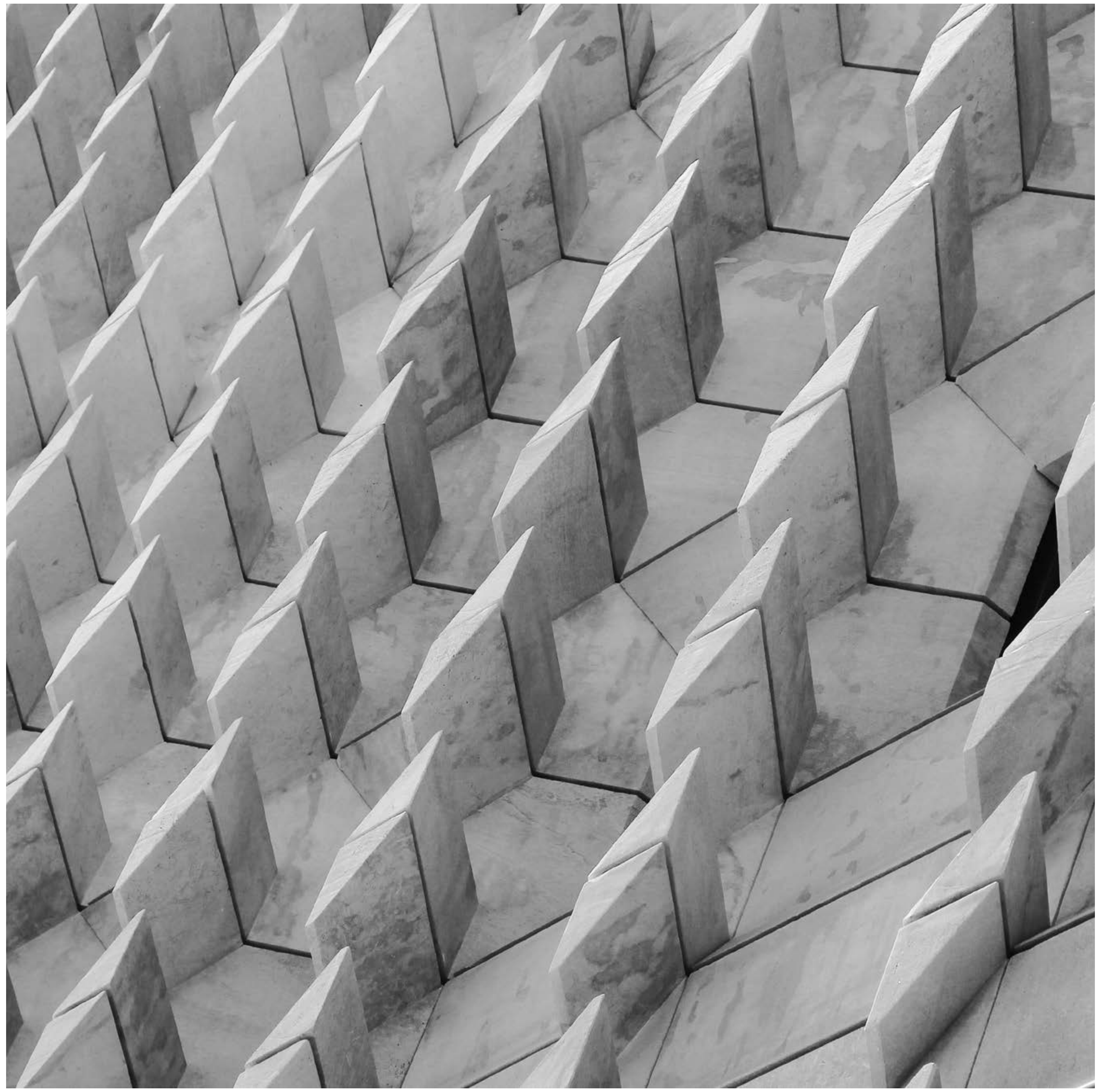
E-COMMERCE, COVID & RECESSION CREATING GENERATIONAL INVESTMENT OPPORTUNITY

- 10+ years of industry and value declines in overstored US market
- Distress cycle has started - we are at an inflection point
- Many well located properties where better tenants want to be and complementary uses can be integrated will trade at discounts in next 1-2 years
- Stronger properties if right-sized and evolved, and in the right markets will achieve premium valuations upon stabilization

Retail & Mixed-Use

THE OPPORTUNITY

- COVID has been an accelerator of secular trends in retail driven by e-commerce
- Cash flow at risk in even the best properties due to struggling tenants, closures and co-tenancy
- Retailer top grading is resulting in fewer stores and winners and losers - the winning properties will ultimately trade at premiums
- Many vulnerable properties are in need of new direction and experienced, value-add operators
- Specialized set of skillsets required to create value and manage risk

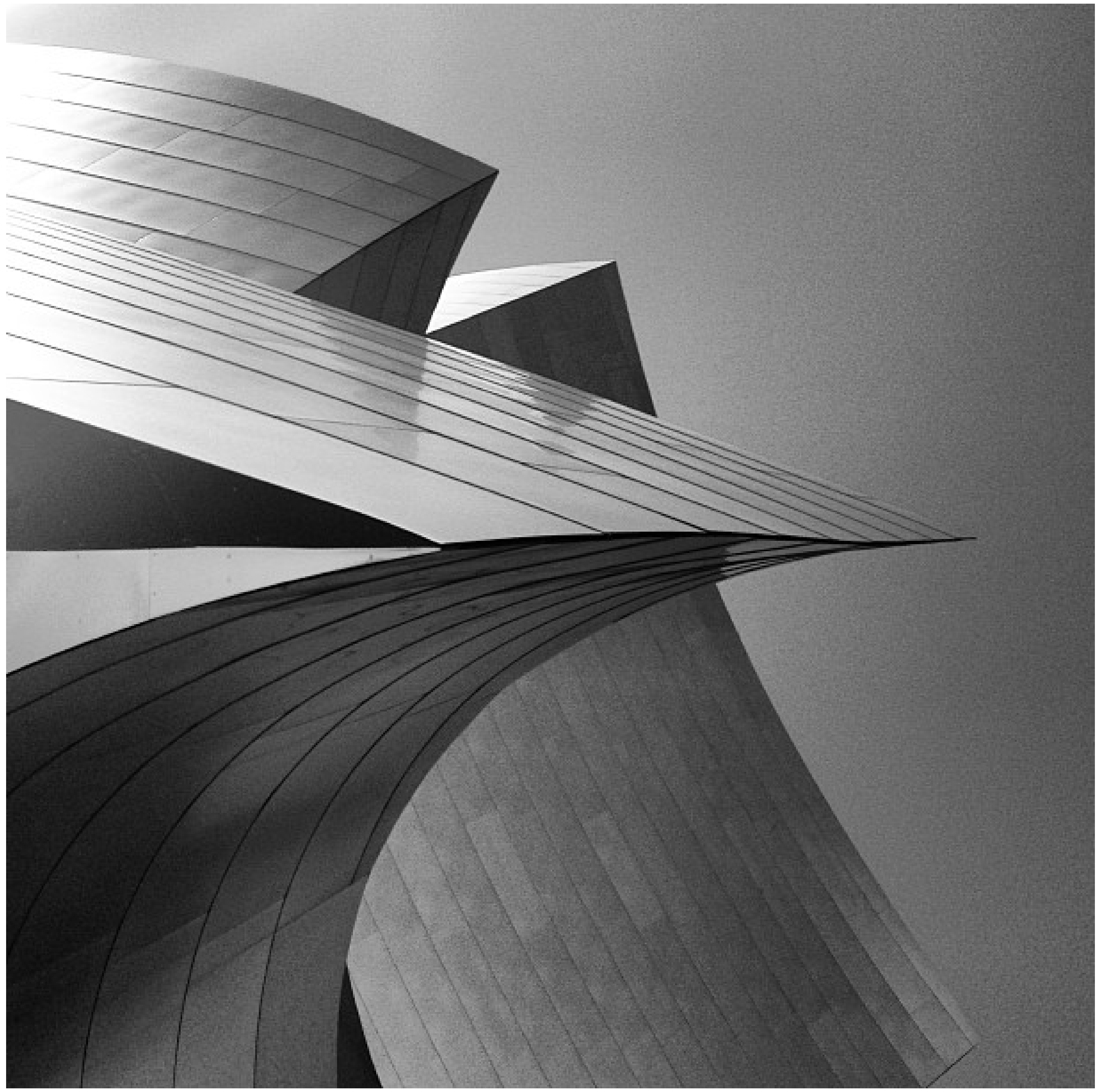


TRADEMARK INVESTMENT THESIS

Retail & Mixed-Use

THE OPPORTUNITY

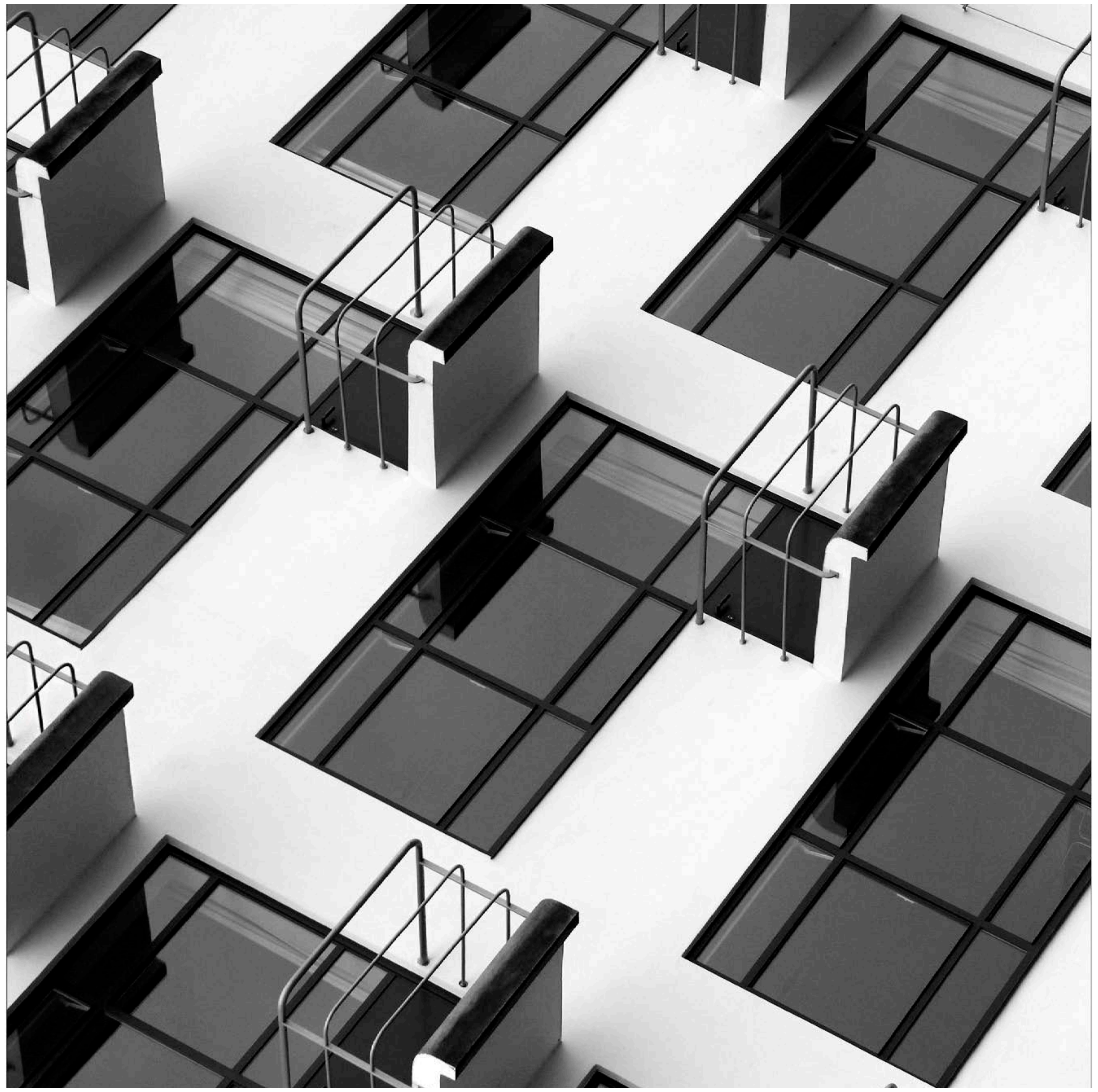
- Well curated, artisan retail mixes in walkable environments will dominate and be powerful amenities to residential, office and hotel
- New concepts will replace failing tenants in future - pent up demand for human connection
- Reduced institutional retail allocations, need for repositioning capital and distress will create investing opportunities
- Not enough clarity and price discovery to move institutional capital off the sidelines yet - time to get prepared is now



Retail & Mixed-Use

PROPERTY TYPE & LOCATION

- ***RETAIL*** **-** Current or potentially trade area dominant properties with mixed-use densification potential
- ***MIXED-USE*** **-** Multifamily residential and office in walkable, amenity-rich environments where retail and amenities can drive rent premiums
- ***LOCATION*** **-** ‘A’ urban and suburban infill locations; strong demographics near major employment centers



TRADEMARK INVESTMENT THESIS

Retail & Mixed-Use

INVESTMENT PROFILE

- ***ACQUISITIONS & STRUCTURED INVESTMENTS*** - Value-add acquisitions and risk-advantaged preferred equity and co-investment structures

- ***REDEVELOPMENT/DEVELOPMENT*** - Transforming oversized retail centers into diverse mixed-use properties; adaptive re-use; daily needs-anchored multifamily; amenitized mixed-use assets

- ***METRO-AREA ECONOMIES*** - Growing economies with high-wage industries and/or diversity; favorable demographics and abundant labor pool, stable government and advantageous cost structure, high quality-of-life attributes

- ***MARKETS*** - Atlanta, Austin, Boise, Charlotte, Charleston, DFW, Denver, Houston, South Florida, Las Vegas, Phoenix, Raleigh-Durham, Nashville, Orlando, Salt Lake City, San Antonio, Tampa, Washington DC Metro

THANK YOU

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