

# *COMMERCIAL REAL ESTATE INSIGHTS* IN MIDST OF *COVID-19*

As of March 25, 2020 at 8:00 AM CST



# ***REPORTS FROM THE FIELD***

## *⇩ Clients –*

- ⇨ Investors and developers in all property types*
- ⇨ All types of commercial tenants*

## *⇩ Contractors*

## *⇩ Lenders*

## *⇩ Attorneys*

## *⇩ Government Officials*

## *⇩ Property managers*

## *⇩ Peers / colleagues locally and across country*

# OVERALL FEEL

- ⇒ *Uncertainty of duration of COVID-19 makes for tough planning.*
- ⇒ *Many in a "pause while we eagerly seek answers" mode.*
- ⇒ *Construction deemed "essential services" and continuing for the most part.*
- ⇒ *Contractors and subs holding on to cash.*
- ⇒ *Layoffs are real. Many people suddenly out of work.*
- ⇒ *Small biz has eyes on SBA loans and bill making its way through Congress.*
- ⇒ *Municipalities are "all hands on deck".*

# RETAIL

- ⇒ *Landlords flooded with tenant requests for rent relief from businesses not deemed "Essential Services".*
- ⇒ *Some lenders granting mortgage payment deferrals to landlords.*
- ⇒ *Grocery stores are doing record sales.*
- ⇒ *Restaurants are being forced to get creative to drive sales during the shutdown. Many restaurant tenants noting significant decrease in revenue.*
- ⇒ *Large layoffs / reduced hours for retail industry workers*
- ⇒ *New retail leases are being stalled, but are not dead.*

# MULTIFAMILY

- ⇨ *Cash flow for March is fine as most tenants paid their March rent prior to the pandemic's impact.*
- ⇨ *Landlords are bracing for when April's rent is due as they'll start to feel a larger impact of newly unemployed tenants who may struggle to pay their rent.*
- ⇨ *New leasing has slowed dramatically.*
- ⇨ *Student housing concerned about the Spring semester and when universities will be back open.*

# OFFICE

- ⇨ *Office buildings largely empty.*
- ⇨ *Rent still being paid.*
- ⇨ *Businesses learning to work remotely.*
- ⇨ *May have at least a short-term impact on the "co-working" trend.*
- ⇨ *Market players curious of the long-term impact COVID-19 will have on the demand for office space as people get used to working from home.*

# INDUSTRIAL

- ↪ *Limited adverse impact to date.*
- ↪ *Most tenants still up and running as essential services.*
- ↪ *Rent is still being paid.*
- ↪ *Some tenants doing more business now than ever.*

# *HOSPITALITY*

- ↳ *Hit hard.*
- ↳ *Low occupancy.*
- ↳ *Right-sizing staff.*
- ↳ *Most staying operational for now.*



# ***SELF STORAGE***

- ⇒ *Limited adverse impact on existing tenants so far.*
- ⇒ *When April's rent is due, look for the impact to grow.*
- ⇒ *New leasing stalled.*

# LAND

- ⇒ *Limited adverse impact to date.*
- ⇒ *New development projects on hold temporarily.*
- ⇒ *Buyer's timelines lengthened.*

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AND STAY ON OFFENSE.*

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