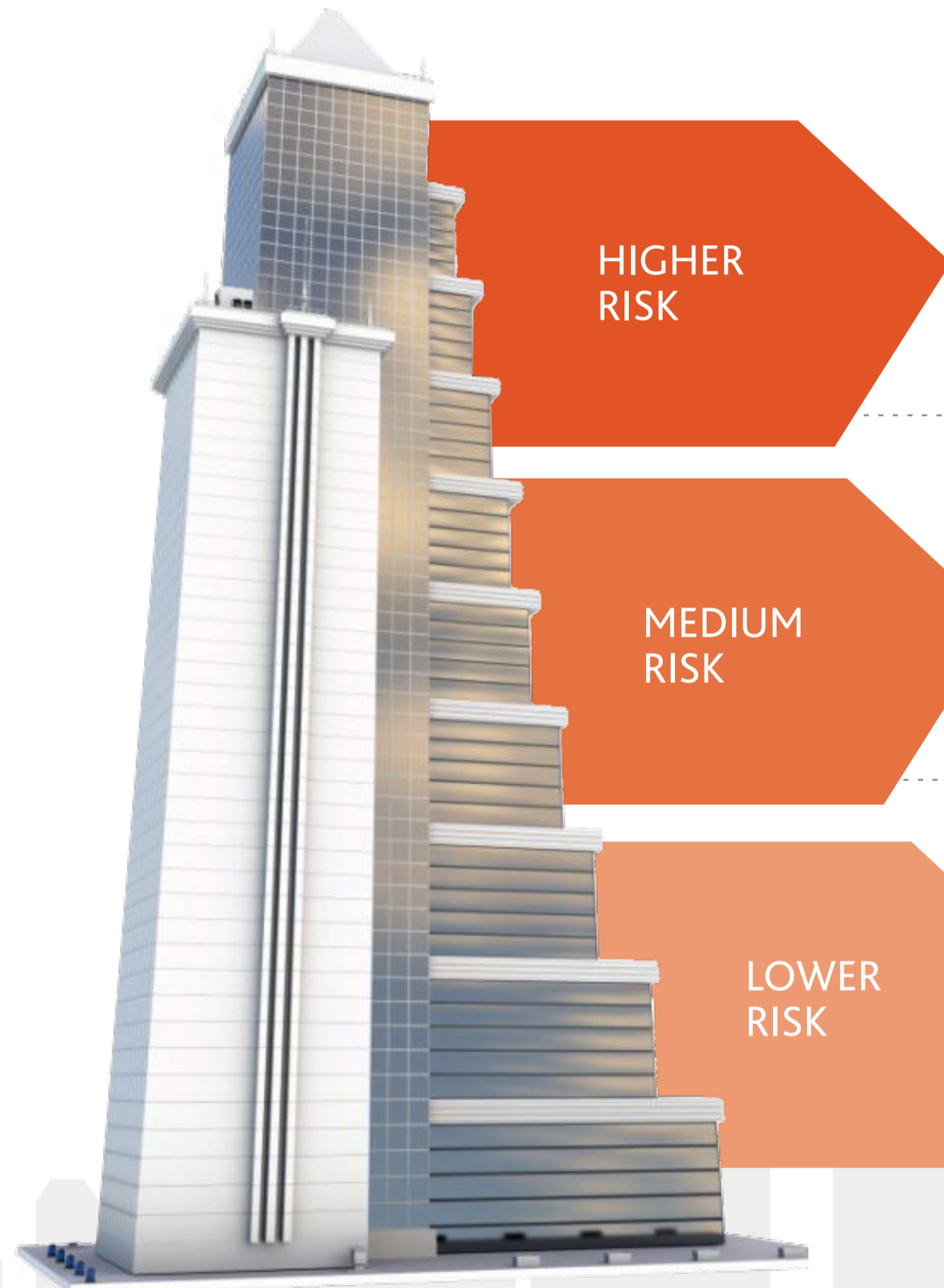


Retail's digital transformation will create a wave of tenant bankruptcies and mall store closures

Structural shifts are accelerating for retail mall landlords and emerging as a potential threat to business travel, posing more protracted risks for these sectors. COVID-19 will weigh on senior housing occupancy until a vaccine is rolled out.



Outlook Drivers

RETAIL

Digital transformation of the retail sector will lead to a wave of tenant bankruptcies and mall store closures



3Q20 YOY
↑37%
in US retail online sales
↑3%
in brick and mortar sales



3Q20
14%
of total retail sales were online



+5 years
Moody's projects online sales will approximately double

Source: US Department of Commerce

LODGING

Weak macro climate and influence on business and consumer spending poses risks for lodging



3Q20
↓85-90%
in upper scale EBITDA



3Q20
↓48.5%
in US hotels revenue per available room decreased versus 3Q19



48%
in seasonal occupancy has hit an all-time low

Source: STR, Inc.

SENIOR HOUSING

Margins are under significant pressure until occupancy rebounds



3Q20
↓5.8%
in senior housing occupancy, as it hits an all-time low of 82.1%

Source: National Investment Center

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