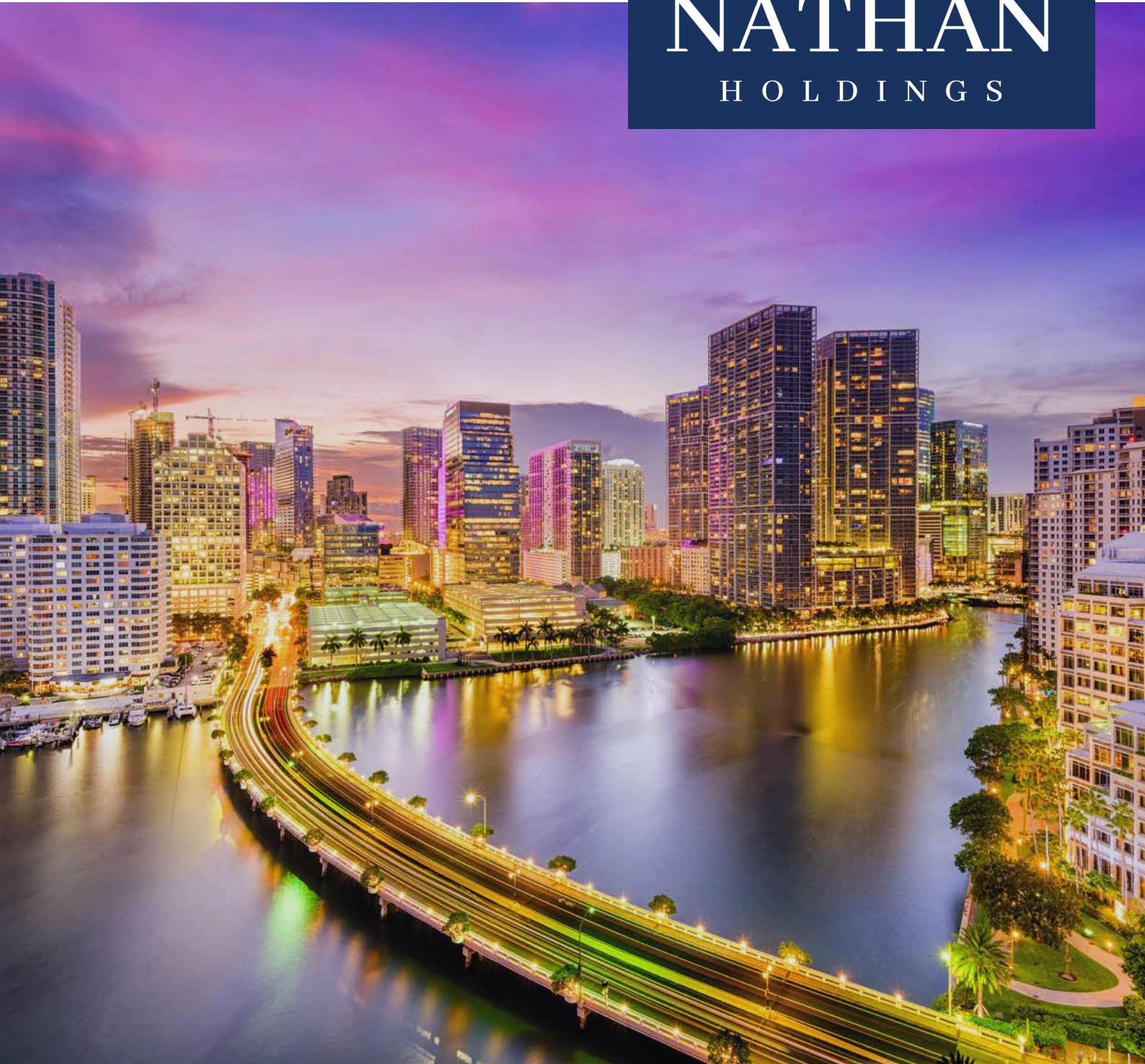


MARKET HIGHLIGHTS

EVICITION MORATORIUM: THE DAY AFTER



NATHAN
HOLDINGS



WHAT IS THE EVICTION MORATORIUM?

One of President Biden's first official actions was to extend the eviction moratorium through March 31. Since then, it was extended several times, with the last extension date of July 31, aim to be the last one. Owners cannot evict tenants if they have been affected by the COVID-19 pandemic. Renters protected from eviction during the coronavirus pandemic will lose their eviction protections at the end of July if the federal government doesn't act on extending the suspension again. The administration approved assisting renters & owners financially with the American Rescue Plan, President Biden's 1.9 trillion stimulus package for covid relief.



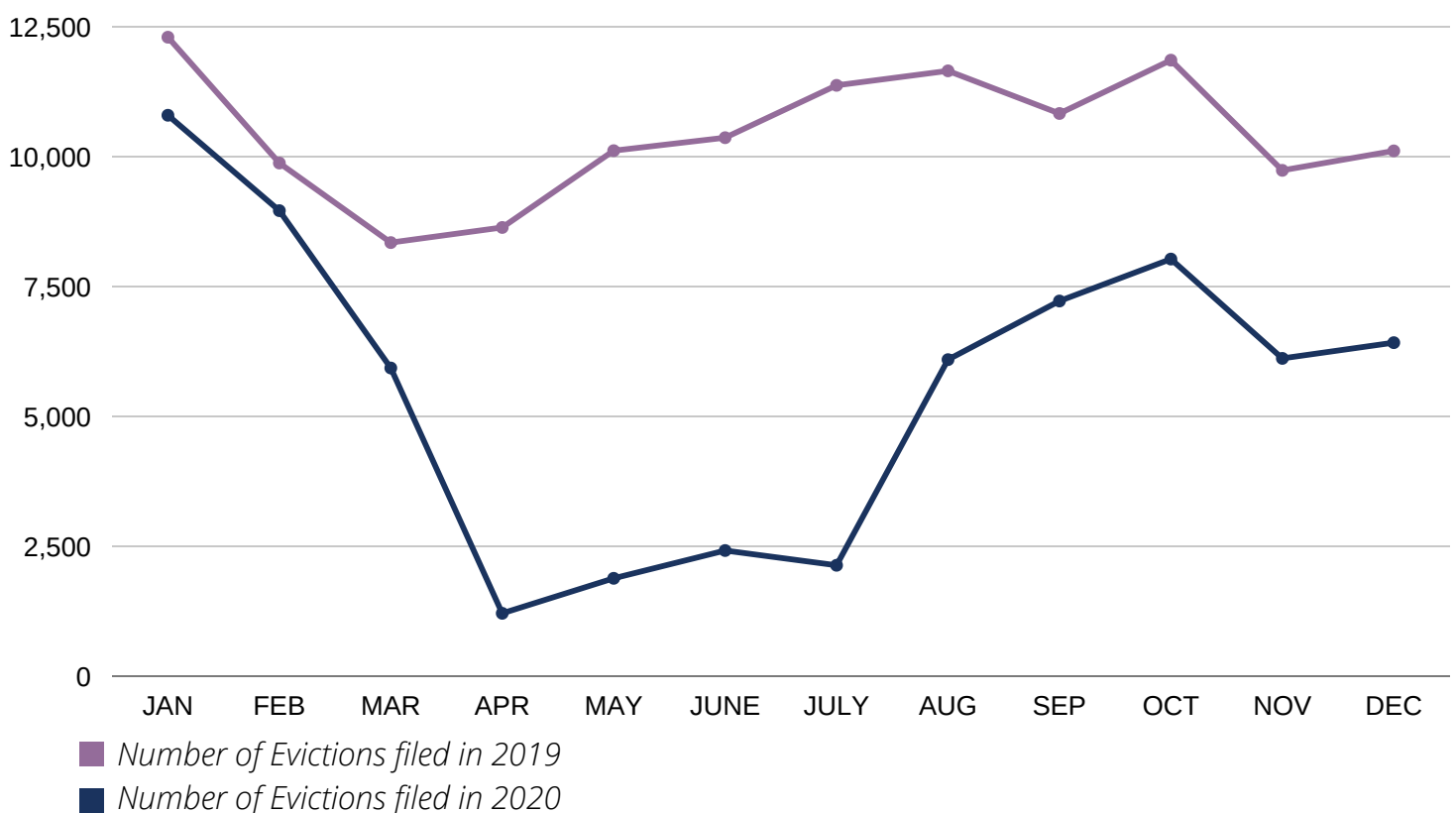
Whether on July 31 or not, this pause on evictions will eventually end, leaving many wondering about its possible outcomes. We present an overview of the current state, what may come next, and why it is not a threat to the US housing market.

A CLOSER LOOK INTO THE MORATORIUM

The eviction moratorium is not a solution; it's a policy set to give renters and homeowners "breathing room" during the pandemic state of emergency. The federal administration's protection to tenants allows them not to pay rent and not get evicted if they meet the administration's guidelines. But unpaying tenants still accumulate debt for missing rent, and property owners can still file for eviction. In Florida, for example, there were 47,484 evictions filed to the court during the 2020 pandemic months. A 50% drop-off compared to equivalent months in 2019 (94,415).

While this big drop-off for total evictions implies a large group of tenants can expect an eviction notice when it becomes possible, it isn't large enough, especially when rental vacancy is in an all-time low in Florida of 7.3%. Evictions are not a major issue to the Florida real estate market, comprising in 2019 only 1.5% (124,903) of the nearly 8 million households in Florida. The US Census Bureau estimates that more than 400,000 Floridian residents are late on rent — and nearly a quarter of them believe they are likely to be evicted within two months.

EVICTIIONS FILED IN FLORIDA: 2019 & 2020 COMPARISON



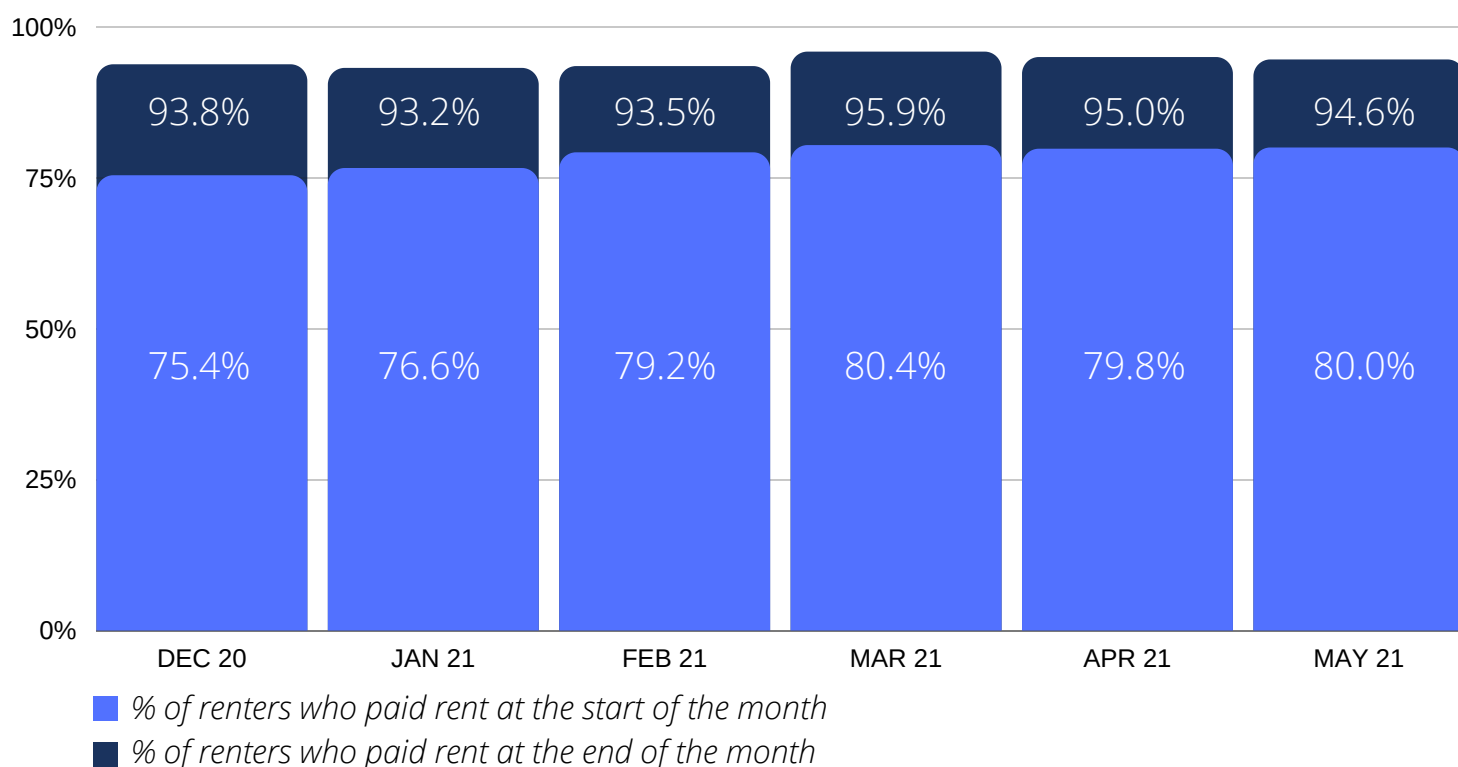
**The Comprehensive Case Information System (CCIS), offered by Florida's Clerks of Court*

LATE PAYMENT FOR RENT GONE UP

Estimating the number of renters nationwide who could face eviction is complicated. Current estimates for rent debt vary due to the fluid circumstances of people & the economy during the pandemic. Surveys from ApartmentList.com of 4000 renters and owners, from April 2020 until August 2020, found that around 30% don't pay rent on time, with only 10% missing rent by the end of the month (5% made partial payment & 5% didn't pay at all). And the NMHC Rent Payment Tracker for months September 2020 until June 2021 found that by the end of the month, 94% have made full payment, a decrease of 1.8% year by year in comparison.

Even during unprecedented times like the year 2020 was, the demand for housing remains strong. Human beings don't want to become homeless. "Today's data is the most recent indicator of a strengthening economy, a recovering job market, and robust demand in the apartment industry," said Doug Bibby, NMHC President. "Having weathered the worst of the pandemic, we can say with increasing confidence that the outlook for the multifamily sector is as positive as it has been in years." Most people continue to pay on time, and most of those who are late, pay the total amount or partially, with only around 5% don't pay at all.

2021 RENT PAYMENT: FIRST WEEK VS. LAST WEEK



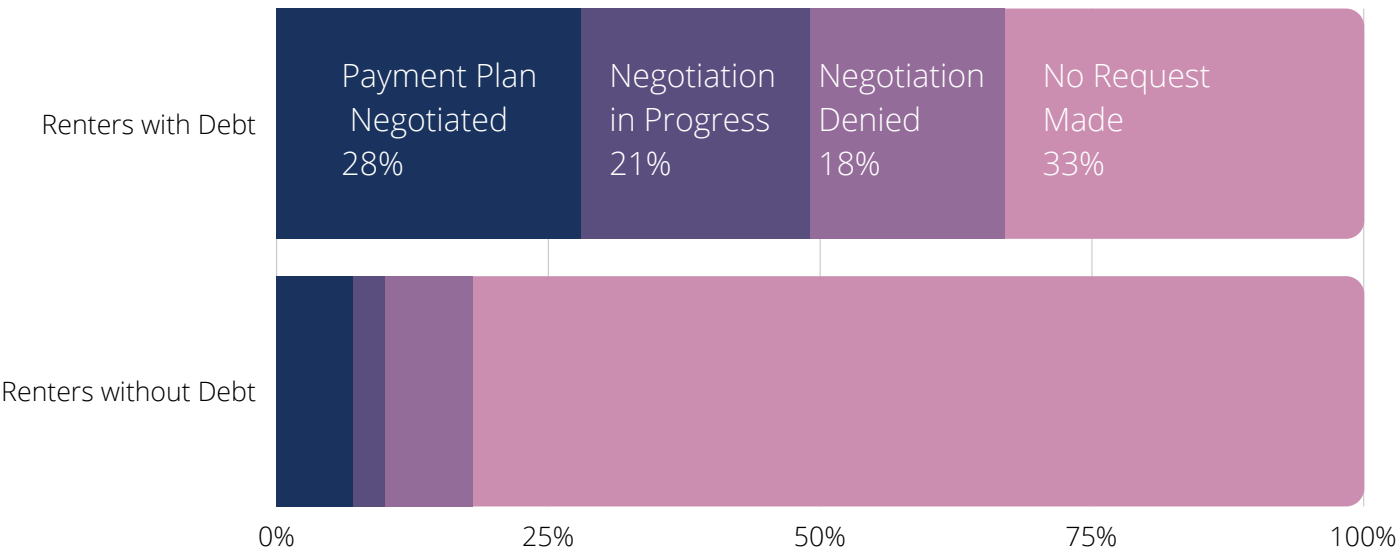
*Source: NMHC Tracker

PAYMENT & DEBT SOLUTIONS

Most tenants pay their debts to the property owner due to the legal and monetary ramifications of getting evicted. An eviction record is public, and a "red flag" owners look for. Landlords screen potential tenants to make sure they are responsible. For this background check, landlords typically review criminal records, credit reports, and contact past landlords and personal references. Property owners refuse to accept new tenants with an eviction on their record. Those who do take them will charge more for lower-quality housing. Eviction doesn't clear the debt owed. After a removal, debt is owed to the owner, and past-due charges will be on the tenant's credit report, lowering his credit score.

Low credit score limits renting a house, a car, and many additional loans at reasonable interest rates. These sanctions incentivize tenants to mediate the situation with a payment plan. Apartmentlist.com found that over two-thirds of tenants with debt have tried to negotiate a payment plan with the property owner. Currently, owners still have a healthy supply of acceptable applicants to keep their properties occupied. The rise of renters with bad credit may reach a threshold where owners will lower their background check standards regarding credit score and criminal record, accepting new applicants to sustain their cash flow.

PAYMENT PLAN: OWNER & TENANTS NEGOTIATIONS



*Source: apartmentlist.com

GOVERNMENT ASSISTANCE & LEGISLATIONS

A Moody's Analytics paper estimates \$57 billion of debt accumulated in back rent. Federal and state officials have proposed & passed several bills to adequately address renters & owners' economic hardships nationwide, allocating massive funds for the debt owed.

Whether it is a Republican or Democrat president, both administrations recognize the importance of keeping the housing market stable, allocating government spending to minimize the amount of debt.

“FINALLY, FEDERAL
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DOUG BIBBY, NMHC PRESIDENT

The CARES Act (The Coronavirus Aid, Relief, and Economic Security Act, passed March 27, 2020) gives \$25 billion to housing. Joe Biden's administration had passed another \$25 billion toward emergency assistance for housing debt. \$19 billion to the Treasury Department for rent and utility aid to be allocated to states, territories, counties, and cities, and \$5 billion toward emergency housing choice vouchers for people at risk of homelessness. The bill would direct nearly \$10 billion toward states to assist property owners on mortgage payments and property taxes. The 1.9 trillion American rescue plan also includes benefits such as direct payments worth up to \$1,400 per person, 3000\$ tax credit under six years old, and 3000\$ tax credit for under 18.

Direct aid to people in need can lead to lowering rent debt. US Bureau of Labor Statistics (BLS) found that 28% of benefit receivers use it to pay rent, and another 13% pay debts.



RENTAL MARKET PRICE INCREASE

2020 real estate market was affected by the pandemic and showed us several exciting trends regarding property and rent prices.

We can observe from the data we collected & surveys from [zumper.com](#) that prices in working-class industry cities such as Jacksonville & Fort Lauderdale's rent price and property value rise steadily. In Jacksonville, rent prices rose over 5% in 2020 and 3% in Fort Lauderdale. While expensive cities, famous tourist destinations, such as Miami (-5.2%), New York (-19.7%), and Los Angeles (-13.3%), suffer from a substantial drop in rent prices. These polarizing trends have resulted in a surprising result. It's cheaper to rent in Miami than in Fort Lauderdale. Anthemos Georgiades, the co-founder of [Zumper.com](#), said, "The top eight cities in the nation have seen enormous declines in rent, while secondary cities in the same regions have benefited."

The real estate market continues to grow reliably, and our projections reflect these notions. Real estate is a reliable investment even in unstable times. The demand for housing is durable, as human beings still need a home. A combination of strong demand and limited supply pushed home prices up 7.9% nationwide and 7.1% in Florida in October compared with 12 months before. Zumper's national index for June 21 shows a 4.9 percent rise in median one-bedroom rent year-over-year and an astounding 6.5 percent rise in two-bedroom rents. With historically low interest rates that make borrowing cheap and people leaving densely populated cities because of COVID-19, it seems the real estate market has become as competitive as it was during the boom years of the mid-2000s.



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NATHAN HOLDINGS IS AN EXPERIENCED FLORIDA-BASED REAL ESTATE INVESTMENTS GROUP FOCUSED ON INVESTING AND MANAGING VALUE-ADD MULTIFAMILY PROPERTIES IN HIGH-DEMAND LOCATIONS.

WE HAVE BEEN SPECIALIZING IN THE FLORIDA REAL ESTATE MARKET SINCE 2008, CHANNELING MORE THAN 30 YEARS OF INDUSTRY EXPERIENCE INTO DEVELOPING AN IMPECCABLE PORTFOLIO OF SOME 400+ REAL ESTATE ASSETS. WE ACQUIRE SELECT PROPERTIES WITH SIGNIFICANT VALUE-ADD POTENTIAL. BY CONTROLLING ALL ASPECTS OF OUR INVESTMENTS THROUGH OUR IN-HOUSE PROPERTY MANAGEMENT TEAM, WE ARE ABLE TO OFFER INVESTORS STEADY PASSIVE CASH FLOW DISTRIBUTION TOGETHER WITH LONG-TERM CAPITAL GAINS POTENTIAL

