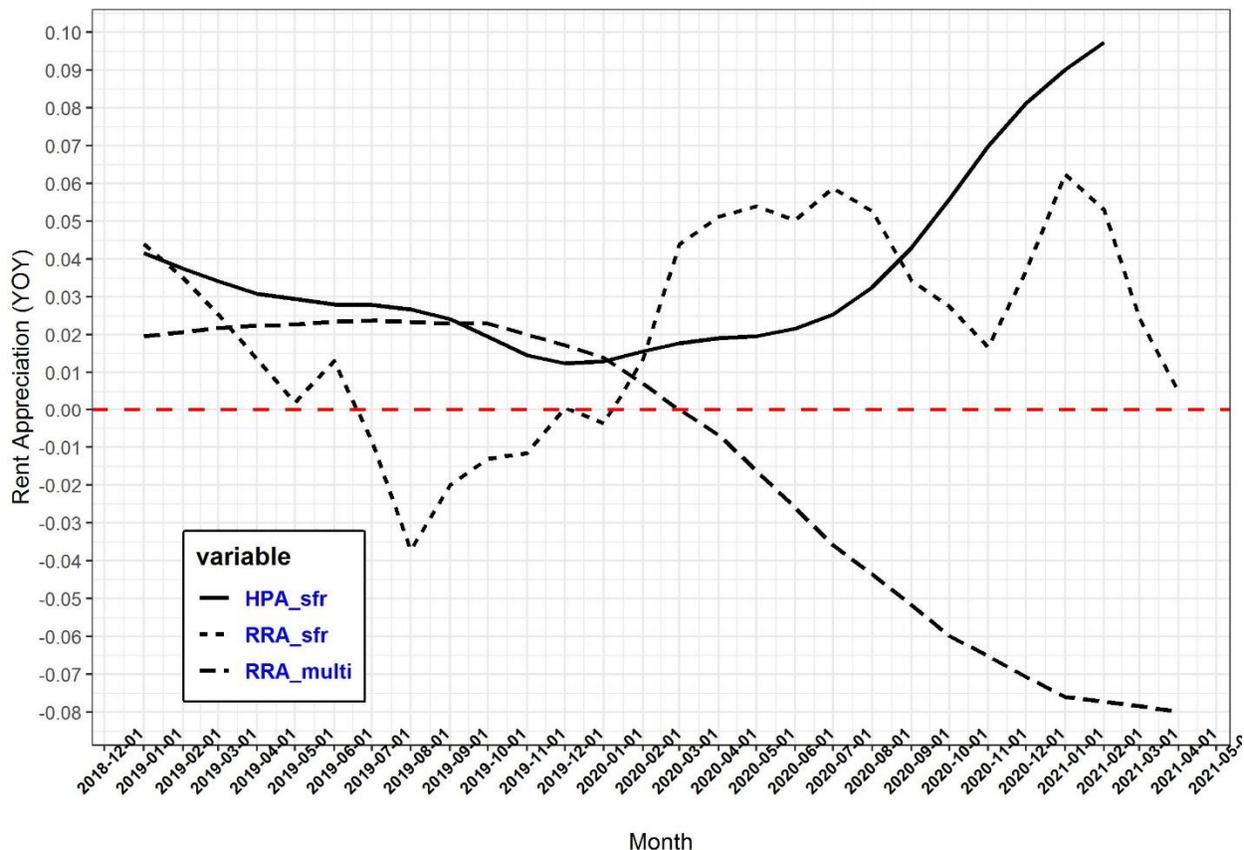


New York, NY

A combination of low mortgage rates, and a desire for more space in order to prevent infection and have additional room to work and play, have led some apartment dwellers to terminate their rental lease and move during 2020 and 2021. Chart 1 shows how rent appreciation plummeted in multi-unit structures (RRA_multi) in New York, NY since the start of the pandemic.

Chart 1. New York, NY: 3bd Home Price Appreciation (HPA_sfr) & Rent Appreciation SFR detached properties (RRA_sfr) & for Units in Multifamily Structures (RRA_multi)



Sources: Zillow.com, Altisource.com, CHTR

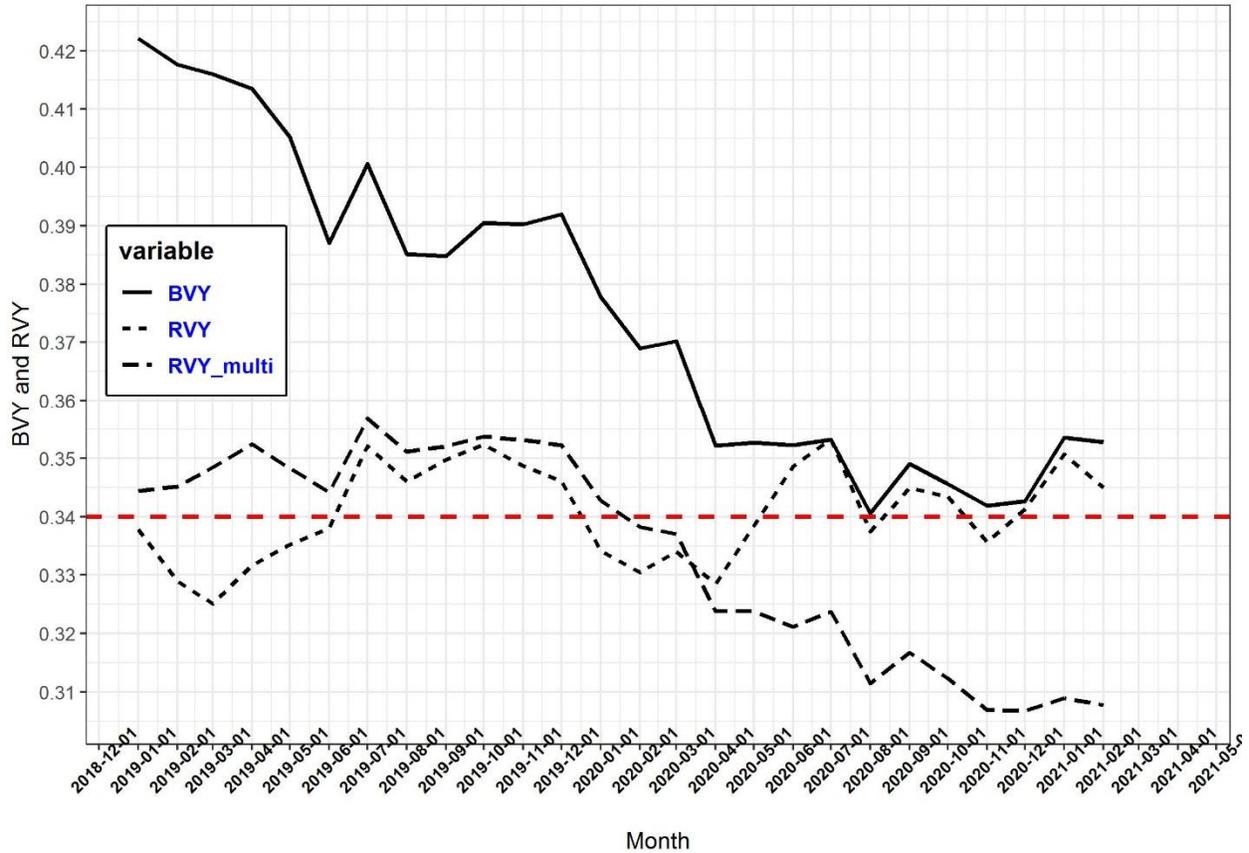
It also has been widely reported that home price appreciation (HPA_sfr) during the 12 months ending in May-21 was very rapid in almost all cities. We can see the contrast between home price appreciation and apartment rent appreciation in Chart 1 and also Chart 3 below. We also add a third variable to Charts 1 and 3 to show how rents for single family residential (SFR) detached properties (RRA_sfr), in contrast to rents for apartments, have increased almost in lock-step with HPA in New York, NY.

Despite the rise in home prices in the New York, NY CBSA, Chart 2 shows that it remained cheaper to buy a two-bedroom home than to rent a nearly identical SFR detached 2 bedroom home due to countervailing impact of lower mortgage rate, in Mar-21. This suggest that renter of SFR detached properties are relatively less well off. We also see

that renters of two bedroom apartments have seen a substantial cost reduction in their cost of living space.

Chart 2. New York, NY: Buy vs Income (BVY) Versus Rent vs Income (RVY)

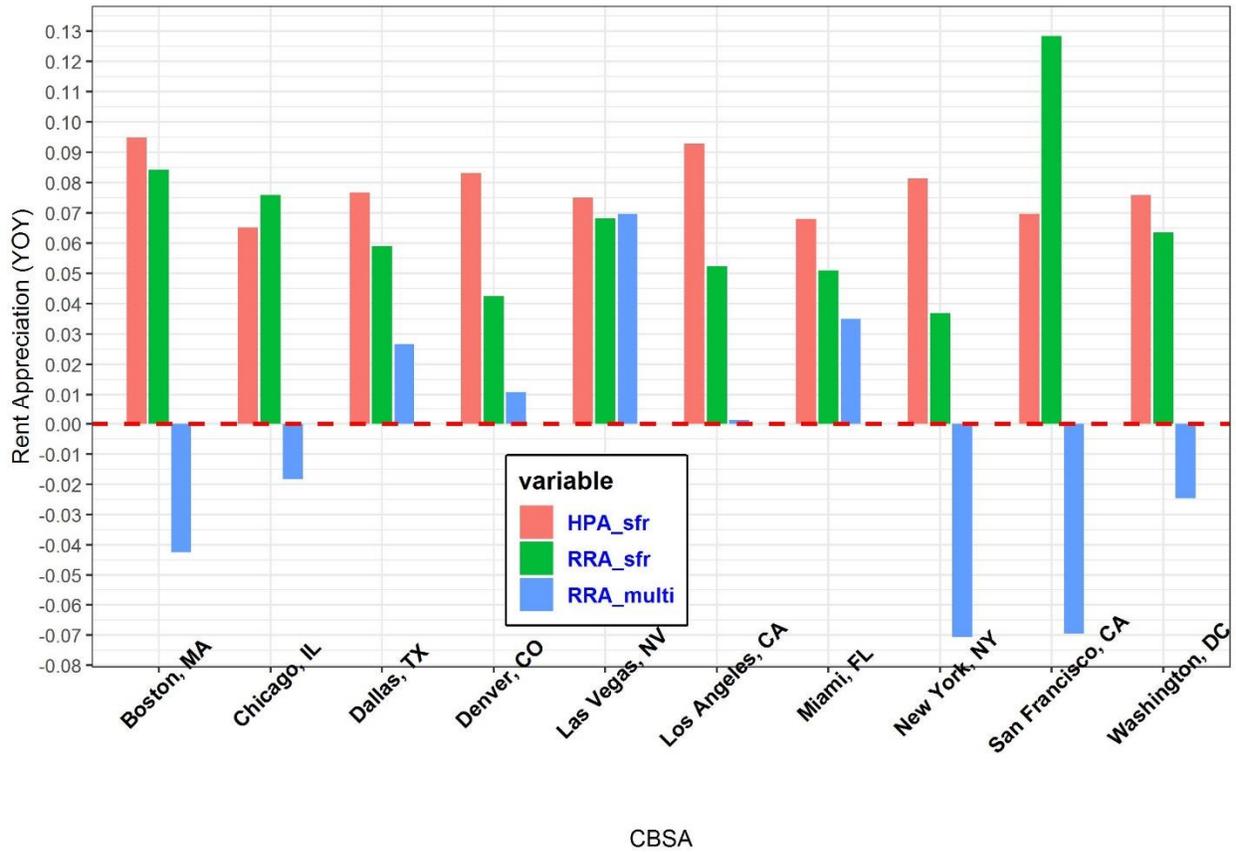
The yearly cost to rent a 2 bedroom detached home nearly rose above the yearly cost to own it in 2020:Q4.



Sources: Zillow.com, Altisource.com, CHTR

We can see the contrast between home price appreciation and rent appreciation for New York, NY relative to nine other major Core Business Statistical Areas (CBSAs) in Chart 3. Chart 3 shows the Dec-20 observation for our three data series: home price appreciation for single family residential properties (HPA_sfr), rent appreciation for single family residential properties (RRA_sfr), and rent appreciation for apartments in multi-unit structures (RRA_multi). New York City and San Francisco saw the largest apartment rental price declines. Three other cities saw major rent declines. This sharp drop in rents in these six cities suggests that some apartment dwellers in those cities chose to buy a home.

Chart 3. Ten City Home Price and Rent Appreciation As Of Dec-20
Apartment Rents Declined In Five Major CBSAs



Sources: Zillow.com, Altisource.com, CHTR