Current and Future Impacts of COVID-19 on Multifamily Housing

July 22, 2020

Kevin Kennedy, Senior Director
Northwestern Mutual Real Estate

Brian Kony, Associate
Northwestern Mutual Real Estate

The Northwestern Mutual Life Insurance Company – Milwaukee, WI
Matching the need to fulfill future long term obligations with long term investments
NMRE Equity Portfolio - $13.8 billion (market value and approved commitments, as of 6/30/20)

- Multifamily, 50%
- Industrial, 29%
- Office, 11%
- Other, 7%
- Retail, 4%

Number of Units/Square Feet

<table>
<thead>
<tr>
<th></th>
<th>Stabilized</th>
<th>Under Development</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifamily</td>
<td>12,482</td>
<td>7,887</td>
<td>20,369</td>
</tr>
<tr>
<td>Industrial</td>
<td>35,509,922</td>
<td>14,395,508</td>
<td>49,905,430</td>
</tr>
<tr>
<td>Office</td>
<td>5,302,247</td>
<td>---</td>
<td>5,302,247</td>
</tr>
<tr>
<td>Retail</td>
<td>3,609,081</td>
<td>---</td>
<td>3,609,081</td>
</tr>
</tbody>
</table>
Representative Investments

Two Constitution Square
Washington, D.C.

Hanover Ridge Trade Center
Wilkes Barre, PA

7Seventy7
Milwaukee, WI
COVID-19 Collections Impact

Collections by Property Type

<table>
<thead>
<tr>
<th>Standard Collections Rate</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifamily</td>
<td>98%</td>
</tr>
<tr>
<td>Industrial</td>
<td>95%</td>
</tr>
<tr>
<td>Office</td>
<td>95%</td>
</tr>
<tr>
<td>Retail</td>
<td>95%</td>
</tr>
</tbody>
</table>

![Graph showing collections by property type and standard collections rate for April, May, June, and July.](image)
Multifamily COVID-19 Collections

- Lower rent garden apartments have faired the best, whereas high rise has been the most inconsistent (broad category)
- The “luxury” subset within the high rise category has performed well compared to the subtype average
- Midwest and Southeast regions have performed better than other regions
- Projects in lease up have averaged collections rates 5% less than stabilized counterparts