

How Commercial Real Estate Owners Can Respond to Covid-19

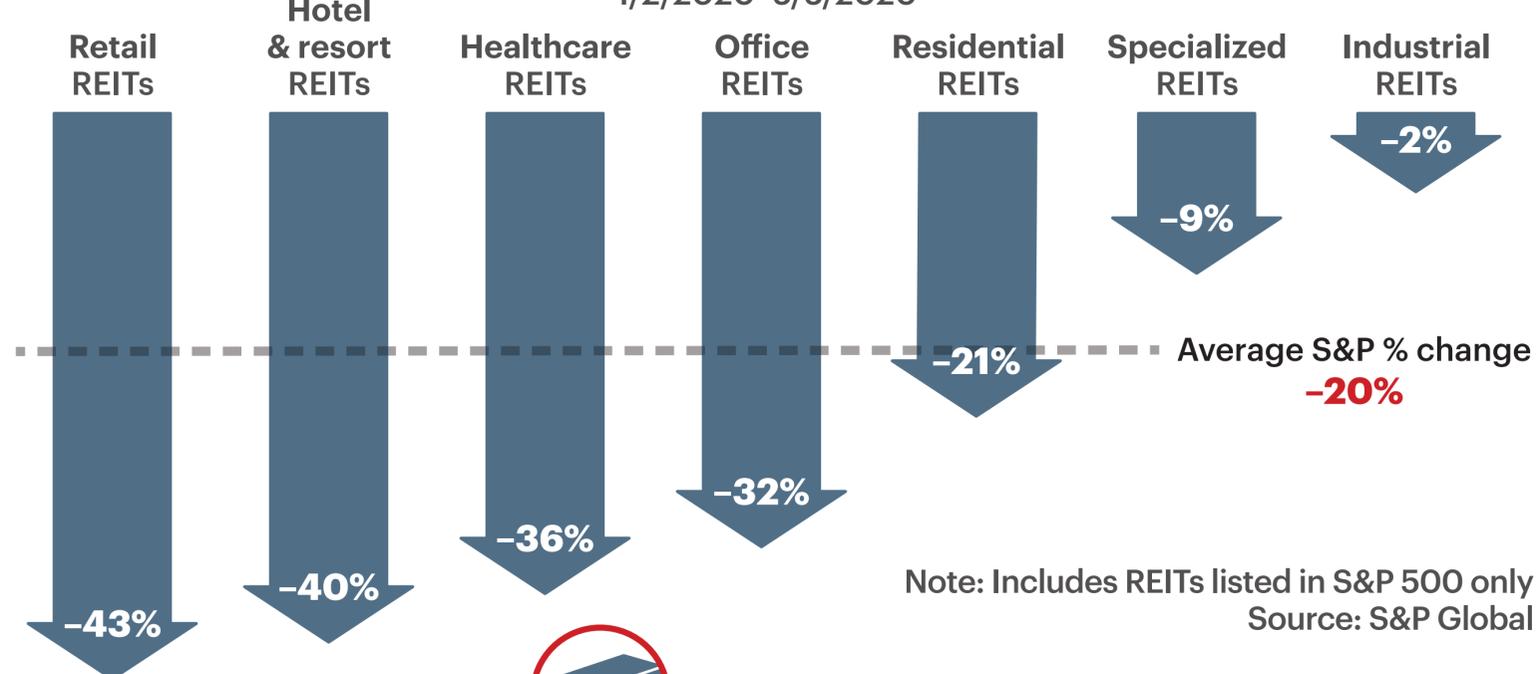
The most effective approach: Act now to support tenants and protect your business, and plan now to retool for the future and accelerate out of the downturn.

Covid-19 has had different effects on each sector of commercial real estate

RETAIL		Some retailers with doors closed by law, not currently paying rent. Uncertain future for many.
HOTELS & RESORTS		Hard-hit sector. Shape of recovery depends on consumer attitude.
HEALTHCARE		Decline in nonemergency facility activity during lockdown. Senior housing hit particularly hard.
OFFICE		Owners feeling rent pressure across sectors. Work from home could accelerate shift to smaller offices.
RESIDENTIAL		Many can't pay rent. Fewer new leases.
SPECIALIZED		Higher demand for wireless infrastructure and data centers. Mixed impact on other sectors. Many have stable cash flow.
INDUSTRIAL		Reduced port and airport activity offset by increased logistics demand.

Stock price change

1/2/2020–5/5/2020



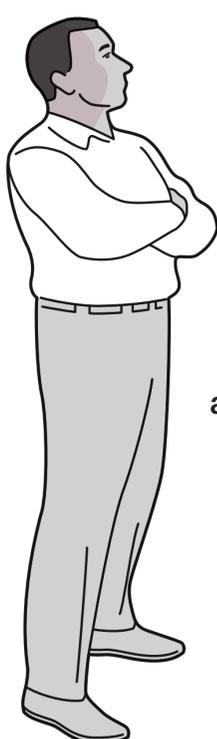
Leading real estate firms excel in four areas

- 1 Maximize **value** of properties
- 2 Tailor operating model to real estate **footprint**
- 3 Effectively **manage** operations and assets
- 4 Achieve **sustainable** and **adaptable** balance sheet

The crisis is forcing firms to adjust their playbook



WHAT TO DO



Make the business stronger across three time horizons: **lockdown**, **after lockdown** (but pre-vaccine), **post-vaccine**



Organize your **war room** and alter your **operating model** to reflect virus realities across geographies

Put sharper focus on managing **tenant requests** and **cash flow**, including immediately reducing costs



Take action to sustain the **balance sheet**