

Flash Poll Results: May 2020

This report presents the results of a flash poll conducted at the end of April/beginning of May 2020 among commercial real estate market participants in Oregon and SW Washington. Our goal is to understand the impact that the COVID-19 crisis is having on the local commercial real estate industry in general and on landlords, tenants, lenders, developers, investors & brokers in particular. We will repeat this flash poll on a regular basis in the next months.

In total, 232 respondents completed the survey, and we would like to thank all respondents for their participation. We would also like to thank **BOMA Oregon, CCIM Oregon/SW Washington, CREW Portland, CoreNet Global Oregon** and **IREM Oregon-Columbia** for cooperating with us on this survey.

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For questions or comments about the survey, please contact Dr. Freybote at freybote@pdx.edu.

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Executive Summary

- **Impact of COVID-19:** Overall, 69.27% of respondents rate the impact of COVID-19 on their business as high or very high. However, this percentage varies across property types from Hotel-Budget (82.35%), Retail-Other (82.00%) and Apartment-Affordable (80.36%) at the high end to Industrial-Manufacturing (65.52%), Healthcare-Senior & Assisted Living (58.62%) and Healthcare-Hospitals (47.83%) at the low end. The percentage also varies across professional backgrounds from 91.30% for lenders to 71.18% for developers.
- **Length of Impact:** Overall, 39.83% of respondents expect COVID-19 to seriously impact their business operations for more than 12 months. However, for office, industrial (manufacturing and flex) and healthcare, the highest percentage of respondents anticipates the impact to last 7 to 12 months.
- **Business Changes due to COVID-19:** The majority of respondents (87.01%), irrespective of property type focus or background, agrees that COVID-19 has changed the way business is done.
- **Staffing Changes:** Overall, the majority of respondents (41.00%) does not plan any changes with regard to full-time staffing over the next three months. Exceptions represent Retail-Power Centers, Healthcare-Senior & Assisted Living and Hotel-Budget for which the largest percentage of respondents is waiting to see what happens, Hotel-Other for which the largest percentage already made cuts and Healthcare-Hospitals for which the largest percentage is currently adding staff.
- **Landlords – Rent Collections in April:** Overall, the majority of respondents (64.00%) received 80% or more of their typical rent collections in April. However, this percentage varies from apartment (78.60%) to retail (44.64%).
- **Landlords – Tenants with Need for Rent Reduction, Relief and/or Lease Modifications for May:** Overall, 48.63% of respondents had 24% or less of their tenants approach them about rent reduction, relief and/or lease modifications for May. However, the majority of retail landlords had 50 to 100% of their tenants approach them. Rent deferrals/abatements represent the most frequently used tenant strategy (26.49%).
- **Landlords – Lost New Leases:** Overall, the majority of landlords (42.36%) lost 10% or less of previously negotiated leases or new lease leads. However, for industrial and retail, landlords lost noticeably higher percentages of new leases.
- **Landlords – Approaching Lenders:** Overall, 62.73% of landlords did not approach their lenders for loan modifications and/or relief. Retail-Other represents an exception as the majority of landlords for this sub-property type approached their lenders. The most frequent loan adjustment landlords are considering with their lenders are periods of interest-only payments and deferral of principal payment (18.95%).
- **Tenants – Rent Reduction, Relief and/or Lease Modifications:** Overall, responses are relatively evenly split between tenants that approached some or all of their landlords (44.11%) and those that did not (41.18%). The percentage of tenants that approached their landlords is the highest for retail (48%) and lowest for healthcare (33.34%). Tenants most frequently negotiated rent referrals/abatements (27.27%), adjustments to term (14.14%) and adjustments to rent (12.12%) with their landlords.

- **Tenants – Space Needs:** Overall, the majority of respondents (64.18%) assesses their space demand for the next three months as highly or somewhat decreased. This percentage is the highest for retail (68.00%) and lowest for healthcare (52.18%).
- **Lenders – Need of Borrowers for Mortgage Relief and/or Modifications:** Overall, the majority of lenders (52.00%) had 11 to 49% of their borrowers approach them regarding mortgage relief and/or modifications to loan terms. This percentage is the lowest for apartment (44.45%) and highest for hotel (80%). The most frequently considered loan adjustment are periods of interest-only payments and deferral of principal payments (20.00%).
- **Lenders – Tightened Lending and Underwriting:** The majority of lenders (66.67%) have tightened their lending and underwriting standards with regard to, for example, cash reserves, tenants or documentation.
- **Developers – Pipeline:** The responses of developers regarding the percentage of projects that have been put on indefinite hold or been canceled since the start of the crisis in March are relatively spread out. Overall, 25% of developers have cancelled/put on hold none of their projects while 33.33% have cancelled/put on hold 75% or more of their projects.
- **Developers – Construction:** The responses of developers are relatively bimodal. Overall, 28.81% of respondents have fewer than 50% of their construction projects continuing without significant delays while 30.51% experience no significant delays at all.
- **Investors – Pipeline:** Overall, the majority of investors (46.24%) have canceled or put on indefinite hold 50% or more of the transactions in their pipeline. This percentage is highest for hotel (75.00%) and lowest for apartment (47.55%).
- **Investors – Concerns:** Overall, 55.91% of respondents consider investors they are working with (e.g. limited partners) to be very concerned about their investments. This percentage is the highest for hotel (68.75%) and lowest for industrial (44.44%).
- **Investors – Strategy Changes:** The majority of investors (65.59%) has changed their investment strategy as a result of the COVID-19 crisis. Changes include capital preservation, property type focus, pricing, a reduced risk appetite and the search for new buying opportunities/distressed assets.
- **Brokers – Business Decline:** Overall, 50.66% of brokers have experienced a decline in their business of 50% or more as a result of the COVID-19 crisis. This percentage is the highest for hotel (77.78%) and lowest for industrial (47.37%). The most frequently employed strategies by brokers to assist their clients in the crisis are an increase in communication & information shared (24.32%) and an increased role as advisor (22.01%).
- **Respondent Profile:** The respondents to the survey were very diverse with regard to their professional background with property and asset management (15.29%), non-institutional investment (13.45%) and development (12.27) being the most frequent. Retail (22.65%) was the most frequent property type respondents focus on followed by industrial (20.13%), apartment (17.71%), office (17.71%), healthcare (12.20%) and hotel (8.67%). 18.80% of respondents are active in Multnomah County, followed by Washington County (15.50%), Clackamas County (14.15%) and Clark County, WA (10.17%).

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General Impact of COVID-19 on Commercial Real Estate Industry

Overall, how would you rate the impact of COVID-19 on your business?

	All	Apartment - Affordable	Apartment - Luxury	Apartment - Other	Office – CBD	Office - Suburban
Very low	1.30%	0.00%	0.00%	1.47%	0%	1.08%
Low	3.90%	1.79%	4.55%	2.94%	4.26%	4.30%
Moderate	25.54%	17.86%	24.24%	25.00%	23.40%	23.66%
High	38.10%	42.86%	45.45%	42.65%	42.55%	44.09%
Very high	31.17%	37.50%	25.76%	27.94%	29.79%	26.88%

	Less than 10%
	10 to 19.99%
	20 to 30%
	More than 30%
	Highest %

Note: Retail is the most frequent property type respondents focus on (22.65%), followed by industrial (20.13%), office (17.71%) and apartment (17.71%). Hotel and healthcare are the focus of only 8.67% and 12.20% of respondents respectively, which means that frequencies for these two property types are based on only a few responses. Respondents can select more than one property type.

	Industrial - Warehouse	Industrial - Manufact.	Industrial - Flex	Retail - Neighbor	Retail - Regional	Retail - Power	Retail - Lifestyle	Retail – Other
Very low	1.20%	0.00%	0.00%	0.00%	2.27%	0.00%	0.00%	0.00%
Low	6.02%	6.90%	4.29%	2.74%	2.27%	3.45%	4.55%	2.00%
Moderate	24.10%	27.59%	24.29%	19.18%	22.73%	17.24%	20.45%	16.00%
High	38.55%	41.38%	44.29%	42.47%	36.36%	41.38%	43.18%	50.00%
Very high	30.12%	24.14%	27.14%	35.62%	36.36%	37.93%	31.82%	32.00%

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	Hotel - Luxury	Hotel - Economy	Hotel – Budget	Hotel - Other	Healthcare - Med Office	Healthcare - Sen Assist Living	Healthcare - Hospitals	Healthcare – Other
Very low	0.00%	0.00%	0.00%	0.00%	1.67%	0.00%	4.35%	0.00%
Low	9.68%	15.00%	5.88%	9.52%	8.33%	17.24%	17.39%	9.52%
Moderate	22.58%	10.00%	11.76%	19.05%	21.67%	24.14%	30.43%	19.05%
High	32.26%	35.00%	29.41%	33.33%	40.00%	37.93%	26.09%	33.33%
Very high	35.48%	40.00%	52.94%	38.10%	28.33%	20.69%	21.74%	38.10%

	Landlord/PM	Tenant	Lender	Developer	Investor	Broker
Very low	1.38%	0.00%	0.00%	1.69%	2.20%	1.28%
Low	3.45%	4.84%	0.00%	0.00%	2.20%	0.00%
Moderate	23.45%	14.52%	8.70%	27.12%	21.98%	16.67%
High	38.62%	40.32%	52.17%	42.37%	42.86%	44.87%
Very high	33.10%	40.32%	39.13%	28.81%	30.77%	37.18%

Note: 165 respondents identified as landlords or professionals representing landlords/property management (PM), followed by investors (93 respondents), brokers (78), tenants or professionals representing tenants (71), developers (61) and lenders (25). A single respondent can identify as more than one category.

Overall, how long are you expecting COVID-19 to seriously impact your business operations?

	All	Apartment - Affordable	Apartment - Luxury	Apartment - Other	Office - CBD	Office - Suburban
No impact	1.30%	0.00%	0.00%	1.47%	1.06%	2.15%
1 to 3 months	6.06%	5.36%	7.58%	5.88%	5.32%	4.30%
4 to 6 months	22.08%	26.79%	21.21%	30.88%	15.96%	23.66%
7 to 12 months	28.14%	25.00%	24.24%	27.94%	39.36%	35.48%
More than 12 months	39.83%	42.86%	46.97%	30.88%	37.23%	33.33%
No Opinion/Unsure	2.60%	0.00%	0.00%	2.94%	1.06%	1.08%

	Industrial - Warehouse	Industrial - Manufact.	Industrial - Flex	Retail - Neighbor	Retail - Regional	Retail - Power	Retail - Lifestyle	Retail - Other
No impact	1.20%	1.72%	0.00%	0.00%	2.27%	0.00%	0.00%	0.00%
1 to 3 months	6.02%	6.90%	5.71%	5.48%	9.09%	10.34%	13.64%	8.00%
4 to 6 months	18.07%	13.79%	18.57%	24.66%	15.91%	20.69%	27.27%	34.00%
7 to 12 months	36.14%	43.10%	41.43%	27.40%	31.82%	34.48%	25.00%	24.00%
More than 12 months	38.55%	34.48%	34.29%	41.10%	40.91%	34.48%	34.09%	34.00%
No Opinion/Unsure	0.00%	0.00%	0.00%	1.37%	0.00%	0.00%	0.00%	0.00%

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	Hotel - Luxury	Hotel - Economy	Hotel - Budget	Hotel - Other	Healthcare - Med Office	Healthcare - Sen Assist Living	Healthcare - Hospitals	Healthcare - Other
No impact	3.23%	5.00%	5.88%	0.00%	1.67%	3.45%	4.35%	1.67%
1 to 3 months	9.68%	10.00%	5.88%	9.52%	10.00%	10.34%	8.70%	10.00%
4 to 6 months	25.81%	30.00%	23.53%	23.81%	18.33%	24.14%	21.74%	18.33%
7 to 12 months	22.58%	10.00%	5.88%	19.05%	35.00%	34.48%	34.78%	35.00%
More than 12 months	38.71%	45.00%	58.82%	47.62%	33.33%	27.59%	26.09%	33.33%
No Opinion/Unsure	0.00%	0.00%	0.00%	0.00%	1.67%	0.00%	4.35%	1.67%

	Landlord/PM	Tenant	Lender	Developer	Investor	Broker
No impact	0.68%	0.00%	0.00%	0.00%	1.10%	1.28%
1 to 3 months	4.05%	1.61%	0.00%	1.69%	5.49%	5.13%
4 to 6 months	20.27%	24.19%	26.09%	15.25%	15.38%	26.92%
7 to 12 months	27.70%	32.26%	30.43%	30.51%	31.87%	25.64%
More than 12 months	44.59%	38.71%	39.13%	49.15%	41.76%	41.03%
No Opinion/Unsure	2.70%	3.23%	4.35%	3.39%	4.40%	0.00%

Overall, has the COVID-19 crisis changed how you do business?

	All	Apartment - Affordable	Apartment - Luxury	Apartment - Other	Office - CBD	Office - Suburban
Yes	87.01%	85.71%	86.36%	85.29%	87.23%	83.87%
No	9.52%	10.71%	12.12%	10.29%	10.64%	12.90%
NA/Unsure	3.46%	3.57%	1.52%	4.41%	2.13%	3.23%

	Industrial - Warehouse	Industrial - Manufact.	Industrial - Flex	Retail - Neighbor	Retail - Regional	Retail - Power	Retail - Lifestyle	Retail - Other
Yes	84.34%	84.48%	88.57%	83.56%	84.09%	82.76%	86.36%	90.00%
No	10.84%	13.79%	8.57%	13.70%	11.36%	13.79%	9.09%	10.00%
NA/Unsure	4.82%	1.72%	2.86%	2.74%	4.55%	3.45%	4.55%	0.00%

	Hotel - Luxury	Hotel - Economy	Hotel - Budget	Hotel - Other	Healthcare - Med Office	Healthcare - Sen Assist Living	Healthcare - Hospitals	Healthcare - Other
Yes	83.87%	75.00%	82.35%	85.71%	88.33%	86.21%	91.30%	88.24%
No	16.13%	20.00%	11.76%	9.52%	10.00%	13.79%	8.70%	11.76%
NA/Unsure	0.00%	5.00%	5.88%	4.76%	1.67%	0.00%	0.00%	0.00%

	Landlord/PM	Tenant	Lender	Developer	Investor	Broker
Yes	85.81%	90.32%	86.96%	86.44%	84.62%	89.74%
No	10.81%	8.06%	8.70%	10.17%	12.09%	6.41%
NA/Unsure	3.38%	1.61%	4.35%	3.39%	3.30%	3.85%

What has changed? (*selected comments*)

- **Remote work and virtual meetings:** Vastly increased communication via phone, emails and videos; it will dramatically alter how we use space; Working from home full time; using Zoom all the time; harder to work on collaborative things remotely.
- **Social distancing:** Special maintenance procedures; keeping building safe with less people in and out of the building both owners and employees. Additional disinfecting with janitorial services.
- **Operations and tenants:** Increasing efficiency; revising lease assumptions for 2020 budgets; different payment options set up for tenant rent; some commercial tenants not making their rent; significant modification of lease obligations; work through rent relief requests; leasing activity is “nonexistent” and lease renewals are extremely challenging.; vacant properties – more homeless camps.
- **Client relationships:** Business development mindset has become more patient and empathetic; no/little property tours; harder to start new relationships. Focusing on existing relationships; shows more flexibility towards customers, with higher emphasis on long term relationship; limited client contact, virtual tours; revising marketing to offer more tenant incentives; currently no cold-calling for leasing side of business; being more selective of potential clients; increased level of communication with clients and tenants; being more of an emotional support broker – providing free advice versus pursuing transactions.

- **Real Estate Development:** All development projects on hold; construction paused. New construction held up. timeline is uncertain.; harder to check on buildings/longer lead times; update job site safety and the way in which we prospect; Ability to obtain financing for new construction has become very challenging so alternative business strategies are evaluated and more time is spent on asset management.
- **Transactions:** Sellers are holding properties to see how it all shakes out. Seller and buyer expectations are in very different places; less tours, new business has slowed, deals take much longer to close; resetting client expectations; investment decisions have changed; deals changing for COVID language; Due to public office closures throughout the US, we have delays in obtaining documents for research and in some cases recording transactions.; Active sales transactions mostly on hold so we're spending most of our time talking to clients about what we're seeing in the market, and developing new relationships with potential clients.; shift focus from business development to portfolio management.
- **Capital availability and lending:** Lending is much more challenging to find and complete.; seeking lending at banks and very little lending for commercial real estate; dealing with many loan forbearance requests; conversion from originations to workouts; activity for loan origination is down and borrower/lender issues with existing loans are now focus; number of lenders for CRE has shrunk, ones that are left are very conservative.; Banks are extremely cautious.; Hard money lenders are pushing back closings for 90 days on construction projects and refinancing.

- **Human Resource Management:** Reduced wages and furloughs; staff reductions; reviewing personnel processes and procedures; loss of overall productivity; most staff working from home, which seems to be less efficient; providing employee help related to mental health, food, etc.; We have benched our service team (with pay) and all servicing is being done by the owners.; Staff is effectively working from home. I'd say communication and productivity may have actually improved.
- **Technology and Innovation:** Introduction of equipment and procedures to avoid person to person and person to equipment interaction; applying technology to make more work processes virtual.; Being innovative in how we address client solutions around design and operations.
- **Decision-making:** Large decisions are put on hold until the market stabilizes; delay capital projects; adjust forecasting and budgets for facility and construction projects; The primary change is the creation of uncertainty for everyone of what the future holds which slows or stops the decision making process on most matters related to business.; Evaluation metrics of new and existing opportunities has changed.
- **Liquidity Management:** Extreme cash management monitoring; watching every penny.; postponing of some large capital improvements to preserve cash.

What are your planned changes with regard to full-time staffing over the next three (3) months?

	All	Apartment - Affordable	Apartment - Luxury	Apartment - Other	Office - CBD	Office - Suburban
No changes	41.00%	44.90%	35.59%	29.03%	43.02%	41.46%
Currently adding new hires	7.50%	8.16%	11.86%	8.06%	6.98%	8.54%
Undecided/waiting	19.00%	16.33%	20.34%	25.81%	16.28%	19.51%
Likely reducing staff soon	2.00%	2.04%	0.00%	0.00%	3.49%	1.22%
Total hiring freeze right now	13.50%	18.37%	23.73%	17.74%	19.77%	19.51%
Already made staffing cuts	13.50%	8.16%	8.47%	14.52%	8.14%	8.54%
Other¹	3.50%	2.04%	0.00%	4.84%	2.33%	1.22%

	Industrial - Warehouse	Industrial - Manufact.	Industrial - Flex	Retail - Neighbor	Retail - Regional	Retail - Power	Retail - Lifestyle	Retail - Other
No changes	36.62%	31.25%	32.79%	33.33%	27.03%	18.52%	30.77%	42.22%
Currently adding new hires	11.27%	14.58%	11.48%	6.35%	10.81%	14.81%	12.82%	4.44%
Undecided/waiting	21.13%	16.67%	21.31%	28.57%	24.32%	29.63%	23.08%	20.00%
Likely reducing staff soon	1.41%	0.00%	1.64%	1.59%	0.00%	0.00%	0.00%	0.00%
Total hiring freeze right now	21.13%	25.00%	19.67%	19.05%	21.62%	22.22%	10.26%	13.33%
Already made staffing cuts	7.04%	10.42%	11.48%	6.35%	13.51%	7.41%	17.95%	11.11%
Other	1.41%	2.08%	1.64%	4.76%	2.70%	7.41%	5.13%	8.89%

¹ **E.g.** No change in staffing but reducing expenses and compensation where possible; We will maintain our current staff/employees. We are evaluating hiring a Property Management Company to manage our properties instead of self-managing.; Members/partners voluntarily leaving the firm to avoid having to cover operating deficits.

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	Hotel - Luxury	Hotel - Economy	Hotel - Budget	Hotel - Other	Healthcare - Med Office	Healthcare - Sen Assist Living	Healthcare - Hospitals	Healthcare - Other
No changes	40.00%	26.32%	25.00%	5.00%	28.30%	22.22%	14.29%	13.33%
Currently adding new hires	13.33%	21.05%	6.25%	15.00%	15.09%	22.22%	28.57%	26.67%
Undecided/waiting	16.67%	21.05%	31.25%	20.00%	22.64%	29.63%	23.81%	20.00%
Likely reducing staff soon	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total hiring freeze right now	16.67%	10.53%	12.50%	25.00%	20.75%	22.22%	23.81%	26.67%
Already made staffing cuts	13.33%	21.05%	25.00%	35.00%	13.21%	3.70%	9.52%	13.33%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	Landlord/PM	Tenant	Lender	Developer	Investor	Broker
No changes	45.86%	32.08%	44.44%	43.40%	48.75%	44.62%
Currently adding new hires	5.26%	5.66%	5.56%	7.55%	3.75%	3.08%
Undecided/waiting	17.29%	24.53%	22.22%	13.21%	17.50%	24.62%
Likely reducing staff soon	2.26%	3.77%	5.56%	1.89%	2.50%	3.08%
Total hiring freeze right now	15.04%	18.87%	16.67%	20.75%	11.25%	9.23%
Already made staffing cuts	10.53%	9.43%	5.56%	11.32%	12.50%	12.31%
Other	3.76%	5.66%	0.00%	1.89%	3.75%	3.08%

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Impact of COVID-19 on Landlords and Professionals Representing Landlords (PM)

	Less than 10%
	10 to 19.99%
	20 to 30%
	More than 30%
	Highest %

What percentage of your typical rent collections did you receive in April?

	All	Apartment - Affordable	Apartment - Luxury	Apartment - Other	Office - CBD	Office - Suburban
Less than 10%	2.05%	3.23%	0.00%	2.50%	1.67%	1.69%
11 to 24%	2.05%	3.23%	2.70%	5.00%	3.33%	3.39%
25 to 49%	3.42%	0.00%	0.00%	2.50%	1.67%	5.08%
50 to 59%	8.90%	3.23%	5.41%	5.00%	5.00%	8.47%
60 to 69%	4.11%	0.00%	0.00%	0.00%	3.33%	6.78%
70 to 79%	6.16%	6.45%	2.70%	0.00%	13.33%	10.17%
80 to 89%	24.66%	29.03%	21.62%	37.50%	16.67%	18.64%
90 to 99%	28.08%	32.26%	45.95%	30.00%	38.33%	23.73%
100%	11.64%	16.13%	10.81%	12.50%	5.00%	8.47%
NA/Unsure	8.90%	6.45%	10.81%	5.00%	11.67%	13.56%

Note: 165 respondents identified as landlord or professional representing landlords (property management). For hotel and healthcare sub-property types, frequencies are based on only a few responses.

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	Industrial - Warehouse	Industrial - Manufact.	Industrial - Flex	Retail - Neighbor	Retail - Regional	Retail - Power	Retail - Lifestyle	Retail - Other
Less than 10%	3.51%	0.00%	4.55%	2.04%	0.00%	0.00%	0.00%	5.88%
11 to 24%	3.51%	2.78%	2.27%	4.08%	0.00%	0.00%	4.76%	5.88%
25 to 49%	1.75%	2.78%	2.27%	6.12%	4.00%	0.00%	4.76%	5.88%
50 to 59%	7.02%	5.56%	2.27%	10.20%	16.00%	18.75%	9.52%	11.76%
60 to 69%	5.26%	8.33%	9.09%	10.20%	12.00%	18.75%	14.29%	11.76%
70 to 79%	8.77%	2.78%	9.09%	10.20%	4.00%	12.50%	9.52%	11.76%
80 to 89%	29.82%	25.00%	25.00%	26.53%	24.00%	12.50%	23.81%	23.53%
90 to 99%	22.81%	27.78%	27.27%	14.29%	20.00%	12.50%	14.29%	8.82%
100%	7.02%	5.56%	6.82%	4.08%	8.00%	12.50%	9.52%	8.82%
NA/Unsure	10.53%	19.44%	11.36%	12.24%	12.00%	12.50%	9.52%	5.88%

	Healthcare - Med Office	Healthcare - Sen Assist Living	Healthcare - Hospitals	Healthcare - Other
Less than 10%	0.00%	0.00%	0.00%	0.00%
11 to 24%	5.41%	0.00%	0.00%	25.00%
25 to 49%	8.11%	10.00%	0.00%	0.00%
50 to 59%	10.81%	10.00%	12.50%	0.00%
60 to 69%	10.81%	0.00%	12.50%	0.00%
70 to 79%	10.81%	10.00%	0.00%	0.00%
80 to 89%	16.22%	20.00%	12.50%	0.00%
90 to 99%	21.62%	20.00%	12.50%	0.00%
100%	10.81%	10.00%	25.00%	25.00%
NA/Unsure	5.41%	20.00%	25.00%	50.00%

What percentage of tenants in your properties have approached you regarding rent reduction, relief and/or lease modifications for May?

	All	Apartment - Affordable	Apartment - Luxury	Apartment - Other	Office - CBD	Office – Suburban
0%	8.90%	12.90%	8.11%	10.00%	3.33%	3.39%
1-10%	23.29%	29.03%	40.54%	32.50%	21.67%	25.42%
11-24%	25.34%	25.81%	10.81%	25.00%	30.00%	22.03%
25-49%	11.64%	3.23%	5.41%	10.00%	15.00%	10.17%
50-74%	7.53%	6.45%	10.81%	7.50%	5.00%	11.86%
75-99%	7.53%	6.45%	8.11%	2.50%	8.33%	6.78%
100%	3.42%	3.23%	2.70%	2.50%	1.67%	5.08%
NA/Unsure	12.33%	12.90%	13.51%	10.00%	15.00%	15.25%

	Industrial - Warehouse	Industrial - Manufact.	Industrial - Flex	Retail - Neighbor	Retail - Regional	Retail - Power	Retail - Lifestyle	Retail - Other
0%	3.51%	2.78%	4.55%	2.04%	4.00%	0.00%	0.00%	2.94%
1-10%	22.81%	22.22%	22.73%	10.20%	12.00%	12.50%	9.52%	11.76%
11-24%	31.58%	22.22%	29.55%	18.37%	16.00%	12.50%	19.05%	29.41%
25-49%	10.53%	11.11%	9.09%	14.29%	4.00%	12.50%	4.76%	14.71%
50-74%	7.02%	8.33%	9.09%	16.33%	24.00%	25.00%	23.81%	11.76%
75-99%	8.77%	8.33%	9.09%	18.37%	20.00%	18.75%	23.81%	17.65%
100%	3.51%	5.56%	2.27%	6.12%	8.00%	6.25%	9.52%	5.88%
NA/Unsure	12.28%	19.44%	13.64%	14.29%	12.00%	12.50%	9.52%	5.88%

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	Healthcare - Med Office	Healthcare - Sen Assist Living	Healthcare - Hospitals	Healthcare - Other
0%	5.41%	0.00%	25.00%	25.00%
1-10%	16.22%	10.00%	25.00%	0.00%
11-24%	18.92%	10.00%	0.00%	0.00%
25-49%	8.11%	0.00%	0.00%	0.00%
50-74%	18.92%	20.00%	0.00%	0.00%
75-99%	16.22%	20.00%	12.50%	0.00%
100%	8.11%	10.00%	12.50%	25.00%
NA/Unsure	8.11%	30.00%	25.00%	50.00%

Which tenant strategies are you considering right now when working with your tenants?

Rent deferrals/abatements	26.49%
Requesting financials and/or proof of distress	17.40%
Adjustments to term (e.g. extending term in exchange for rent relief)	14.81%
Adjustments to rent (e.g. lower rent or partial rent payments)	12.21%
Asking tenants about their business interruption insurance	9.87%
No adjustments to in-place contracts at this time	7.01%
Helping tenants applying for SBA loans	6.23%
Financial assistance (e.g. helping apply for unemployment or other help)	3.38%
Other²	2.60%

² **E.g.** rent credits; amortizing missed payments over the balance of the year.; Applying security deposit and then require repayment in a few months giving them a few months to repay.; Discounted rent in April 10% if paid on time. Discounted rent 5% in May if paid on time.; Providing tenants access to a resource online link listing all potential sources of assistance we have identified.

What estimated percentage of previously negotiated leases or new lease leads did you lose as a result of the COVID-19 crisis?

	All	Apartment - Affordable	Apartment - Luxury	Apartment - Other	Office - CBD	Office – Suburban
0%	16.67%	13.33%	13.51%	17.50%	11.67%	16.95%
1-10%	25.69%	20.00%	29.73%	20.00%	26.67%	20.34%
11-24%	14.58%	10.00%	13.51%	15.00%	18.33%	13.56%
25-49%	8.33%	13.33%	5.41%	5.00%	11.67%	6.78%
50-74%	6.25%	16.67%	5.41%	10.00%	6.67%	10.17%
75-99%	6.25%	0.00%	2.70%	2.50%	5.00%	8.47%
100%	3.47%	6.67%	5.41%	7.50%	3.33%	5.08%
NA/Unsure	18.75%	20.00%	24.32%	22.50%	16.67%	18.64%

	Industrial - Warehouse	Industrial - Manufact.	Industrial - Flex	Retail - Neighbor	Retail - Regional	Retail - Power	Retail - Lifestyle	Retail - Other
0%	17.54%	11.11%	13.64%	10.20%	16.00%	6.25%	9.52%	5.88%
1-10%	15.79%	5.56%	13.64%	14.29%	8.00%	6.25%	19.05%	26.47%
11-24%	19.30%	27.78%	20.45%	18.37%	16.00%	18.75%	14.29%	14.71%
25-49%	12.28%	13.89%	11.36%	14.29%	16.00%	18.75%	9.52%	8.82%
50-74%	8.77%	8.33%	11.36%	10.20%	8.00%	12.50%	9.52%	11.76%
75-99%	8.77%	8.33%	6.82%	10.20%	12.00%	6.25%	14.29%	8.82%
100%	1.75%	2.78%	2.27%	6.12%	8.00%	12.50%	9.52%	8.82%
NA/Unsure	15.79%	22.22%	20.45%	16.33%	16.00%	18.75%	14.29%	14.71%

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Flash Poll May 2020*

	Healthcare - Med Office	Healthcare - Sen Assist Living	Healthcare - Hospitals	Healthcare - Other
0%	10.81%	10.00%	25.00%	0.00%
1-10%	24.32%	10.00%	0.00%	0.00%
11-24%	10.81%	0.00%	12.50%	0.00%
25-49%	10.81%	30.00%	0.00%	0.00%
50-74%	8.11%	10.00%	12.50%	0.00%
75-99%	10.81%	0.00%	0.00%	0.00%
100%	8.11%	0.00%	0.00%	25.00%
NA/Unsure	16.22%	40.00%	50.00%	75.00%

Have you approached your lender regarding loan modifications and/or relief?

	All	Apartment - Affordable	Apartment - Luxury	Apartment - Other	Office - CBD	Office – Suburban
Yes	37.27%	42.31%	43.75%	38.24%	43.18%	35.71%
No	62.73%	57.69%	56.25%	61.76%	56.82%	64.29%

	Industrial - Warehouse	Industrial - Manufact.	Industrial - Flex	Retail - Neighbor	Retail - Regional	Retail - Power	Retail - Lifestyle	Retail - Other
Yes	29.27%	18.18%	27.59%	48.57%	33.33%	46.15%	42.86%	59.26%
No	70.73%	81.82%	72.41%	51.43%	66.67%	53.85%	57.14%	40.74%

	Healthcare - Med Office	Healthcare - Sen Assist Living	Healthcare - Hospitals	Healthcare - Other
Yes	46.43%	14.29%	0.00%	50.00%
No	53.57%	85.71%	100%	50.00%

Which loan adjustments are you considering with your lender?

NA/Unsure	28.76%
Periods of interest-only payments and deferral of principal payments	18.95%
No adjustments	17.65%
Delaying payments and amortizing them over the remainder of the term	13.73%
Requesting tenants pursue SBA loans	5.88%
Extension of loan periods	4.58%
Requesting tenants use business interruption insurance	3.92%
Changes to loan term covenants	3.92%
Adjustments to interest rates	1.96%
Other	0.65%

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Impact of COVID-19 on Tenants

Have you approached your landlord(s) regarding rent reduction, relief and/or lease modifications?

	Less than 10%
	10 to 19.99%
	20 to 30%
	More than 30%
	Highest %

	All	Office	Industrial	Retail	Healthcare
Yes, I approached some of my landlords	32.35%	38.30%	35.48%	34.00%	29.17%
Yes, I approached all of my landlords	11.76%	6.38%	6.45%	14.00%	4.17%
No	41.18%	42.55%	41.94%	36.00%	58.33%
Not applicable/Unsure	14.71%	12.77%	16.13%	16.00%	8.33%

Which of the following have you negotiated with your landlord(s) regarding existing leases?

No adjustments to in-place contracts at this time	30.30%
Rent deferrals/abatements	27.27%
Adjustments to term (e.g. extending term in exchange for rent relief)	14.14%
Adjustments to rent (e.g. lower rent or partial rent payments)	12.12%
Providing financials and/or proof of distress	9.09%
Helping with applying for SBA loans	3.03%
Other	2.02%
Using business interruption insurance	1.01%
Financial assistance (e.g. helping apply for unemployment or other help)	1.01%

Note: 71 respondents identified as tenant or professional representing tenants. Due to the limited number of responses, results are presented for overall property types as opposed to sub-property types.

How would you assess your demand for space in the next three (3) months?

	All	Office	Industrial	Retail	Healthcare
Highly decreased	38.81%	36.96%	29.03%	40.00%	26.09%
Somewhat decreased	25.37%	23.91%	32.26%	28.00%	26.09%
Unchanged	26.87%	30.43%	25.81%	22.00%	39.13%
Somewhat increased	0.00%	0.00%	0.00%	0.00%	0.00%
Very increased	0.00%	0.00%	0.00%	0.00%	0.00%
NA/Unsure	8.96%	8.70%	12.90%	10.00%	8.70%

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	Less than 10%
	10 to 19.99%
	20 to 30%
	More than 30%
	Highest %

Impact of COVID-19 on Lenders

What percentage of your borrowers approached you regarding mortgage payment relief and/or modification of loan terms?

	All	Apartment	Office	Industrial	Retail	Hotel	Healthcare
0%	16.00%	22.22%	17.65%	15.38%	17.65%	0.00%	11.11%
1-10%	8.00%	11.11%	5.88%	7.69%	5.88%	0.00%	0.00%
11-24%	28.00%	27.78%	29.41%	38.46%	29.41%	40.00%	44.44%
25-49%	24.00%	16.67%	23.53%	30.77%	23.53%	40.00%	22.22%
50-74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
75-99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NA/Unsure	24.00%	22.22%	23.53%	7.69%	23.53%	20.00%	22.22%

Which loan adjustments are you considering right now when working with borrowers?

Periods of interest-only payments and deferral of principal payments	20.00%
No adjustments	13.33%
Extension of loan periods	13.33%
Delaying payments and amortizing them over the remainder of the term	11.11%
NA/Unsure	11.11%
Changes to loan term covenants	8.89%
Other	8.89%
Requesting borrowers have tenants pursue SBA loans	6.67%
Requesting borrowers have tenants use business interruption insurance	4.44%
Adjustments to interest rates	2.22%

Note: 25 respondents identified as lenders. Due to the limited number of responses, results are presented for overall property types as opposed to sub-property types. For hotel and healthcare, frequencies are based on only a few responses.

Have you tightened your lending and underwriting standards as a result of the COVID-19 crisis?

	All	Apartment	Office	Industrial	Retail	Hotel	Healthcare
Yes	66.67%	64.71%	70.59%	76.92%	70.59%	80.00%	77.78%
No	12.50%	11.76%	5.88%	7.69%	5.88%	0.00%	0.00%
NA/Unsure	20.83%	23.53%	23.53%	15.38%	23.53%	20.00%	22.22%

How? (selected responses)

- **Cash reserves/liquidity:** Higher liquidity/reserve requirements; more scrutiny on borrower liquidity; more reliance on cash reserves.
- **Borrowers:** More cautious. Mostly working with existing customers. not taking new prospects.
- **Pricing and underwriting:** Underwriting more conservatively, increased spreads for retail properties; lower LTV; requiring higher DSCR, enhance focus on durability of cash flow; tightening criteria; less risk, higher rates, less cash out and interest only.
- **Tenants:** Just with regard to retail. Rent rolls are looked at carefully to determine tenant status. This is also somewhat true of apartments.; more scrutiny on tenant creditworthiness, short term rollover costs; no retail, look at tenants closer.
- **Documentation:** Changes to loan docs; loan applications now require three months statements for cash verification.
- **Other:** Hard money lender converting to equity placement.

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Impact of COVID-19 on Developers

What percentage of the development projects in your pipeline have been put on indefinite hold or been canceled since the start of this crisis in March?

	Less than 10%
	10 to 19.99%
	20 to 30%
	More than 30%
	Highest %

	All	Apartment	Office	Industrial	Retail	Hotel	Healthcare
0%	25.00%	14.29%	31.03%	23.08%	25.00%	37.50%	33.33%
1-10%	1.67%	2.38%	0.00%	0.00%	0.00%	0.00%	0.00%
11-24%	8.33%	11.90%	10.34%	15.38%	7.14%	12.50%	0.00%
25-49%	11.67%	16.67%	17.24%	23.08%	14.29%	12.50%	16.67%
50-74%	8.33%	2.38%	6.90%	7.69%	7.14%	12.50%	16.67%
75-99%	13.33%	9.52%	10.34%	7.69%	14.29%	12.50%	8.33%
100%	20.00%	26.19%	20.69%	23.08%	21.43%	12.50%	25.00%
NA/Unsure	11.67%	16.67%	3.45%	0.00%	10.71%	0.00%	0.00%

Note: 61 respondents identified as developers. Due to the limited number of responses, results are presented for overall property types as opposed to sub-property types. For hotel and healthcare, frequencies are based on only a few responses.

What percentage of the construction projects you are working on are continuing without significant (90+ days) delays?

	All	Apartment	Office	Industrial	Retail	Hotel	Healthcare
Fewer than 50%	28.81%	34.15%	31.03%	23.08%	28.57%	37.50%	33.33%
50 to 59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
60 to 69%	8.47%	9.76%	3.45%	0.00%	0.00%	0.00%	0.00%
70 to 79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
80 to 89%	3.39%	2.44%	3.45%	0.00%	3.57%	12.50%	0.00%
90 to 99%	8.47%	4.88%	10.34%	15.38%	10.71%	0.00%	0.00%
100%	30.51%	26.83%	34.48%	30.77%	35.71%	25.00%	33.33%
NA/Unsure	20.34%	21.95%	17.24%	30.77%	21.43%	25.00%	33.33%

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	Less than 10%
	10 to 19.99%
	20 to 30%
	More than 30%
	Highest %

Impact of COVID-19 on Investors

What percentage of transactions in your pipeline have been put on indefinite hold or been canceled since the start of this crisis in March?

	All	Apartment	Office	Industrial	Retail	Hotel	Healthcare
0%	11.83%	13.11%	12.00%	8.33%	7.27%	12.50%	20.00%
1-10%	8.60%	4.92%	14.00%	11.11%	7.27%	6.25%	0.00%
11-24%	5.38%	4.92%	4.00%	8.33%	7.27%	0.00%	0.00%
25-49%	8.60%	9.84%	8.00%	11.11%	7.27%	0.00%	8.00%
50-74%	12.90%	11.48%	14.00%	13.89%	18.18%	18.75%	24.00%
75-99%	11.83%	11.48%	14.00%	16.67%	12.73%	25.00%	12.00%
100%	21.51%	24.59%	20.00%	22.22%	25.45%	31.25%	24.00%
NA/Unsure	19.35%	19.67%	14.00%	8.33%	14.55%	6.25%	12.00%

Note: 93 respondents identified as investors. Due to the limited number of responses, results are presented for overall property types as opposed to sub-property types. For hotel and healthcare, frequencies are based on only a few responses.

How would you rate the concerns of investors you are working with (e.g. limited partners) regarding their investments?

	All	Apartment	Office	Industrial	Retail	Hotel	Healthcare
Not at all concerned	2.15%	0.00%	2.00%	0.00%	0.00%	0.00%	8.00%
Mildly concerned	7.53%	4.92%	8.00%	11.00%	7.27%	6.25%	4.00%
Somewhat concerned	30.11%	27.87%	38.00%	38.89%	30.91%	25.00%	36.00%
Very concerned	55.91%	62.30%	48.00%	44.44%	56.36%	68.75%	52.00%
No opinion/Unsure	4.30%	4.92%	4.00%	5.56%	5.45%	0.00%	0.00%

Has your investment strategy changed as a result of the COVID-19 crisis?

	All	Apartment	Office	Industrial	Retail	Hotel	Healthcare
Yes	65.59%	70.49%	58.00%	63.89%	67.27%	68.75%	52.00%
No	25.81%	21.31%	32.00%	30.56%	23.64%	18.75%	40.00%
NA/Unsure	8.60%	8.20%	10.00%	5.56%	9.09%	12.50%	8.00%

How? (selected responses)

- **Pricing:** Adjusting cap rates by 10-15% down; risk analysis has changed, and pricing is uncertain.
- **Capital access:** Access to capital has dried up.
- **Capital preservation:** Capital preservation versus growth; holding cash; more conservative approach. More cash reserves.
- **Property type:** Changed targeted property type; focus on tenant categories; limiting retail/office investment until we understand what COVID-19 will do to those industries and demand.
- **New deals:** General freeze in pipeline. Approaching new deals with extreme caution; hold on all speculative deals and waiting for the current employment news to stabilize before looking to do new deals.; more of a wait and see approach for the next 60-90 days. Increased initial stress testing to financial proformas and added risk premium for uncertainty to return expectations.; wait and see.

- **Risk appetite:** Hesitant, cautious to invest; how can you make any LT capital decisions in this environment?; I am done.; more cautious; Looking at alternative investment approaches such as preferred equity.; unsure of the future, so very cautious.
- **Assets:** Currently seeking distressed assets; Looking at more stabilized assets, or distressed sellers; looking at buying over building ...waiting on lending developments; may build instead of selling raw land. Lease up would start in 18 months.; less risk=greater appeal.
- **Buying Opportunities:** Looking at opportunities that were not available prior to crisis.; looking for better deals; not such high prices.; looking for price reductions/more attractive pricing on acquisition; looking for values to drop due to defaults which equates to buying opportunities.

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	Less than 10%
	10 to 19.99%
	20 to 30%
	More than 30%
	Highest %

Impact of COVID-19 on Brokers

What percentage has your business declined as a result of the COVID-19 crisis?

	All	Apartment	Office	Industrial	Retail	Hotel	Healthcare
0%	3.90%	6.45%	4.55%	5.26%	3.64%	11.11%	4.76%
1-10%	3.90%	0.00%	2.27%	0.00%	1.82%	0.00%	0.00%
11-24%	12.99%	9.68%	13.64%	21.05%	16.36%	11.11%	4.76%
25-49%	18.18%	12.90%	18.18%	21.05%	20.00%	0.00%	23.81%
50-74%	23.38%	22.58%	29.55%	26.32%	27.27%	22.22%	38.10%
75-99%	23.38%	22.58%	20.45%	21.05%	23.64%	55.56%	19.05%
100%	3.90%	9.68%	2.27%	0.00%	1.82%	0.00%	4.76%
NA/Unsure	10.39%	16.13%	9.09%	5.26%	5.45%	0.00%	4.76%

Note: 78 respondents identified as brokers. Due to the limited number of responses, results are presented for overall property types as opposed to sub-property types. For hotel and healthcare, frequencies are based on only a few responses.

Which strategies have you employed to assist your clients (e.g. investors, tenants, landlords) in the COVID-19 crisis?

Increase the communication and information shared	24.32%
Increase my role as advisor	22.01%
Assist in rent or lease term renegotiations with tenants or landlords	17.37%
Provide additional market research and other analyses	15.06%
Develop innovative ways to tour spaces (e.g. virtual tours)	10.81%
Add COVID 19 clauses to contracts (e.g. purchase or lease)	7.34%
Other	1.16%
Not applicable/Unsure	1.16%
Reduce fees	0.77%

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Respondent Information

What is your background?

Real estate investment - Institutional	5.21%
Real estate Investment - Non-Institutional	13.45%
Real estate development	12.27%
Lending	4.54%
Property and asset management	15.29%
Corporate User	1.34%
Brokerage - Investment Sales	8.40%
Brokerage - Tenant representation	7.39%
Brokerage - Landlord representation	8.24%
Valuation/Appraisal	4.20%
Consulting/advisory and research	8.57%
Architecture and Design	3.19%
Urban planning	1.18%
Legal, insurance or tax services	2.35%
Other	4.37%

In which county/counties in Oregon and SW Washington are you active?

Multnomah County	18.80%
Washington County	15.50%
Clackamas County	14.15%
Columbia County	4.55%
Yamhill County	5.43%
Clark County, WA	10.17%
Skamania County, WA	2.23%
Marion County	5.91%
Linn County	4.94%
Benton County	4.17%
Lane County	5.23%
Deschutes County	4.07%
Douglas County	2.71%
Other	2.13%

Which property sub-types do you focus on?

Apartment – Luxury	6.15%
Apartment – Affordable	5.22%
Apartment – Other	6.34%
Office – CBD	8.95%
Office – Suburban	8.76%
Industrial – Warehouse	7.74%
Industrial – Manufacturing	5.59%
Industrial – Flex	6.80%
Retail - Neighborhood shopping centers	6.99%
Retail - Regional shopping center	4.01%
Retail - Power centers	2.80%
Retail – Lifestyle	4.19%
Retail – Other	4.66%
Hotel – Luxury	2.89%
Hotel – Economy	2.24%
Hotel – Budget	1.58%
Hotel – Other	1.96%
Healthcare - Medical Office	5.78%
Healthcare - Senior and assisted living	2.70%
Healthcare – Other	1.58%
Healthcare - Hospitals or specialized surgical facilities	2.14%
Not applicable	0.93%

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