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Taking the long view. Near term concern giving way to long term optimism

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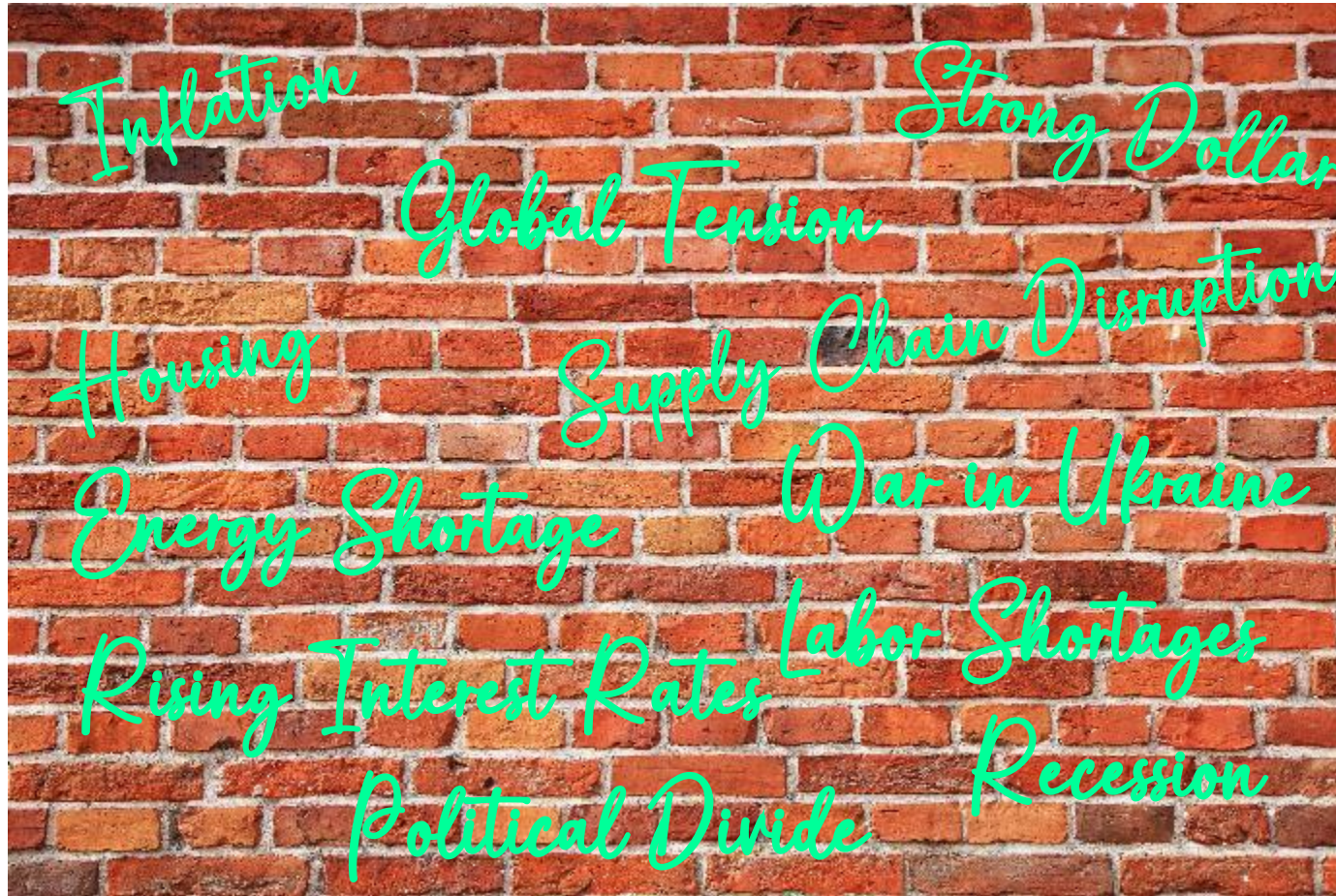
**FALL MEETING**



October 24-27, 2022  
Dallas, TX

# No shortage of distractions

The wall of worry





The new normal will be a dash of old  
and a splash of new

Normalizing

What is  
transitioning  
to a new  
normal

Inflation – Where does it  
go from a 40-year high?

Rising interest rates –  
How high? How long?

Real estate returns –  
Down from record levels?



# The new normal will be a dash of old and a splash of new

We've changed some

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## Notable Changes

### In-Store vs. Online Shopping

- Shoppers go back to the store
  - Online holds on to gains
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### Business Travel vs. Virtual

- Value of face-to-face rebounds
  - Hard to overlook cost savings and convenience of virtual
- 

### WFH vs. Return to the Office

- Employees like flexibility
  - Employers want collaboration
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# The new normal will be a dash of old and a splash of new

## Rewards – and Growing Pains – In the Sun Belt

- The ongoing migration to Sun Belt communities accelerated during the pandemic
- These same markets remain attractive, but growing pains are becoming more evident
  - Home prices outpacing local incomes
  - Inadequate infrastructure
  - Burden on municipal services
- Markets remain popular with investors
  - “You want to be where the people are”
  - Seen as a transition phase
  - Long term success will be based on how new challenges are met

## Emerging Trends 2023 Top 20 Markets

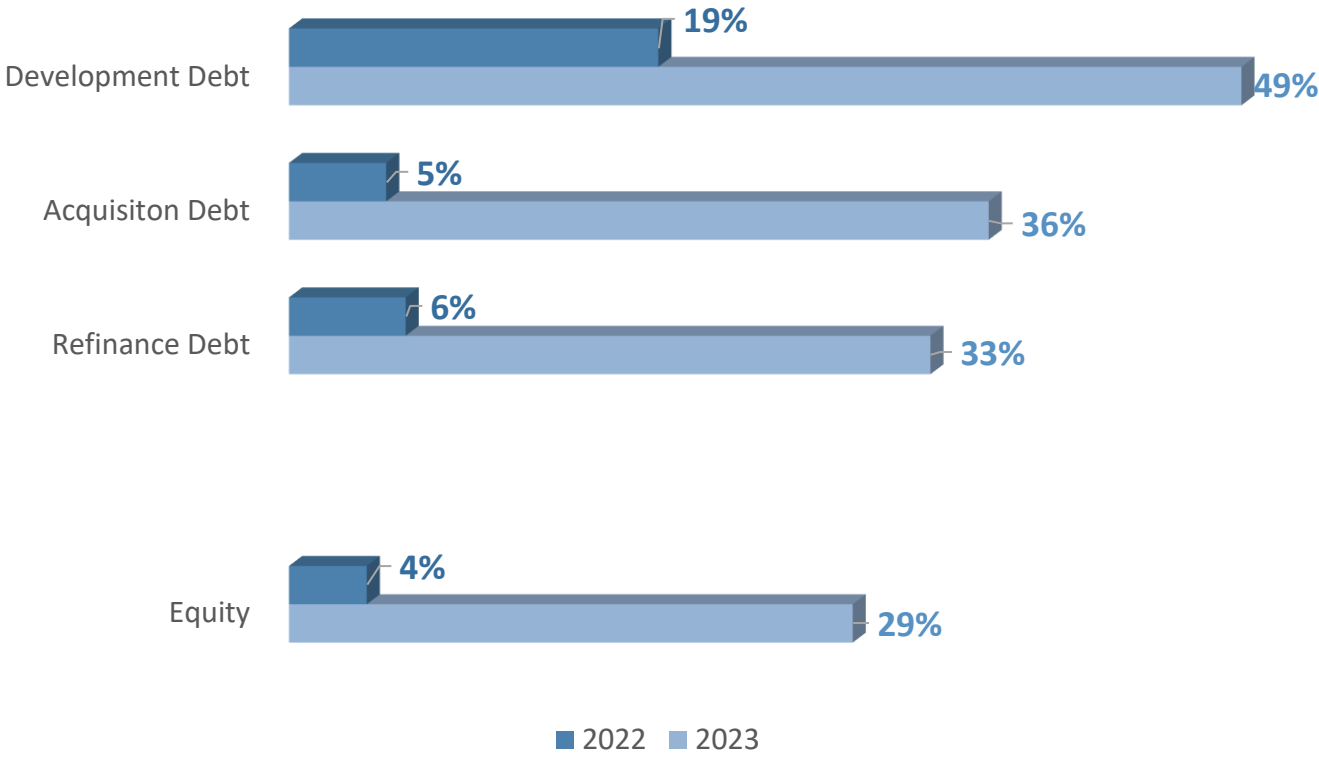
- # 1 Nashville
- # 2 Dallas/Fort Worth
- # 3 Atlanta
- #4 Austin
- #5 Tampa/St. Petersburg
- #6 Raleigh/Durham
- #7 Miami
- #8 Boston
- #9 Phoenix
- #10 Charlotte



# Capital moving to the sidelines

Wait and see attitude not full retreat

Capital Will be Undersupplied in the Next Year

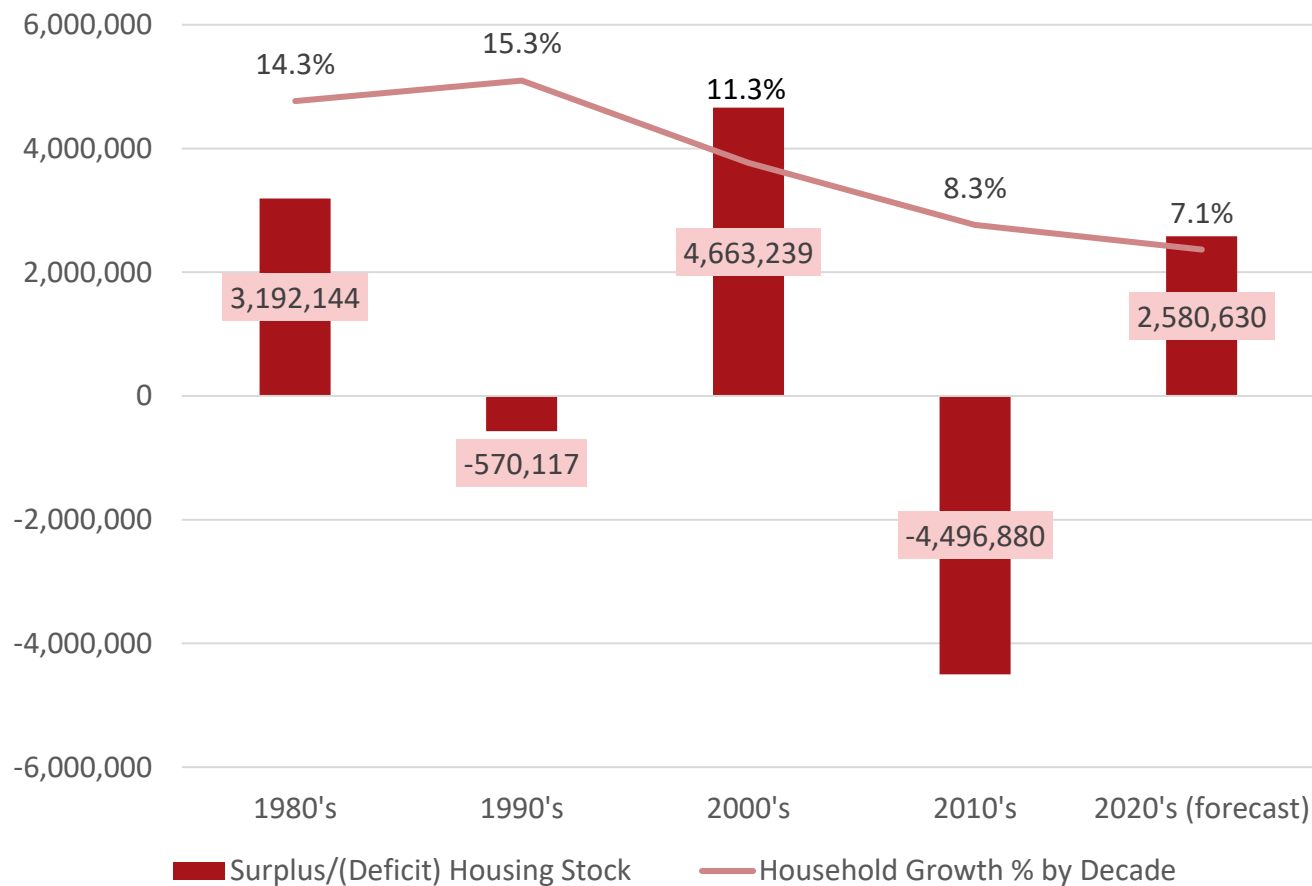






# Too much for too many

All housing becomes less affordable



# If these trends sound familiar

They are, but they are also important

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Smarter, fairer cities through infrastructure spending

Infrastructure no longer just roads and bridges

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Climate change's growing impact

Climate risks will require a proactive approach

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Action through regulation?

Regulation can bring clarity, but also unintended consequences

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The next couple of years may be bumpy, but we likely come out on the other side in an environment where the best operators differentiate themselves

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