



**Urban Land
Institute**

Austin

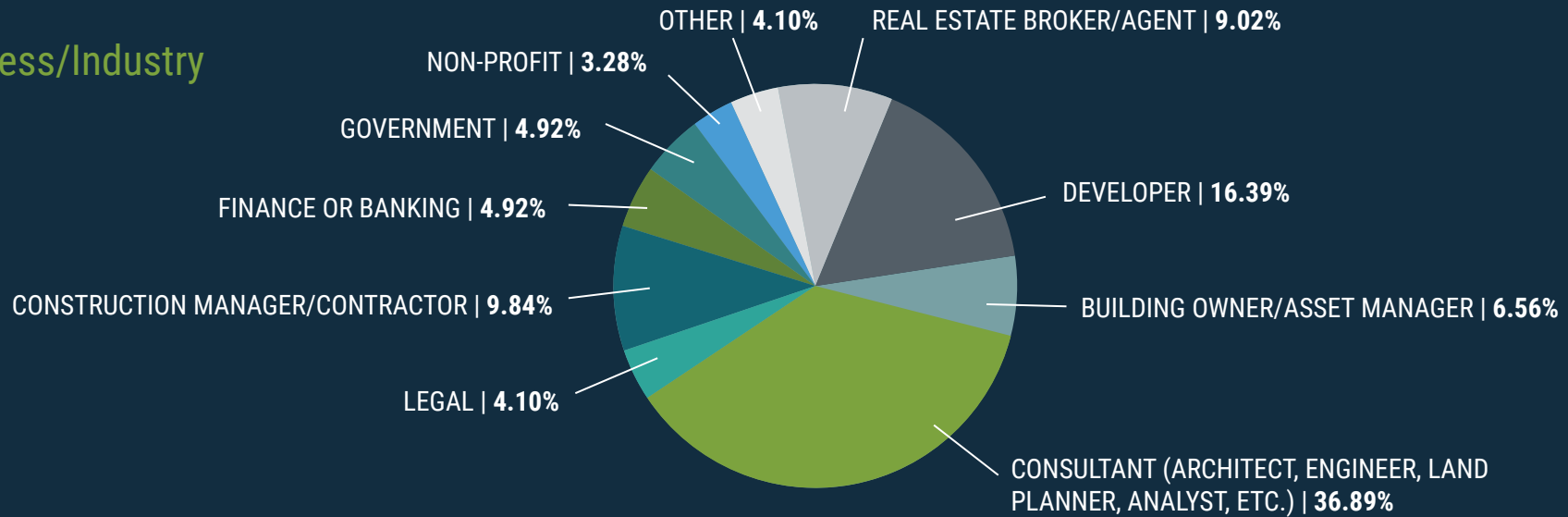
COVID BUSINESS OUTLOOK

June 11, 2020

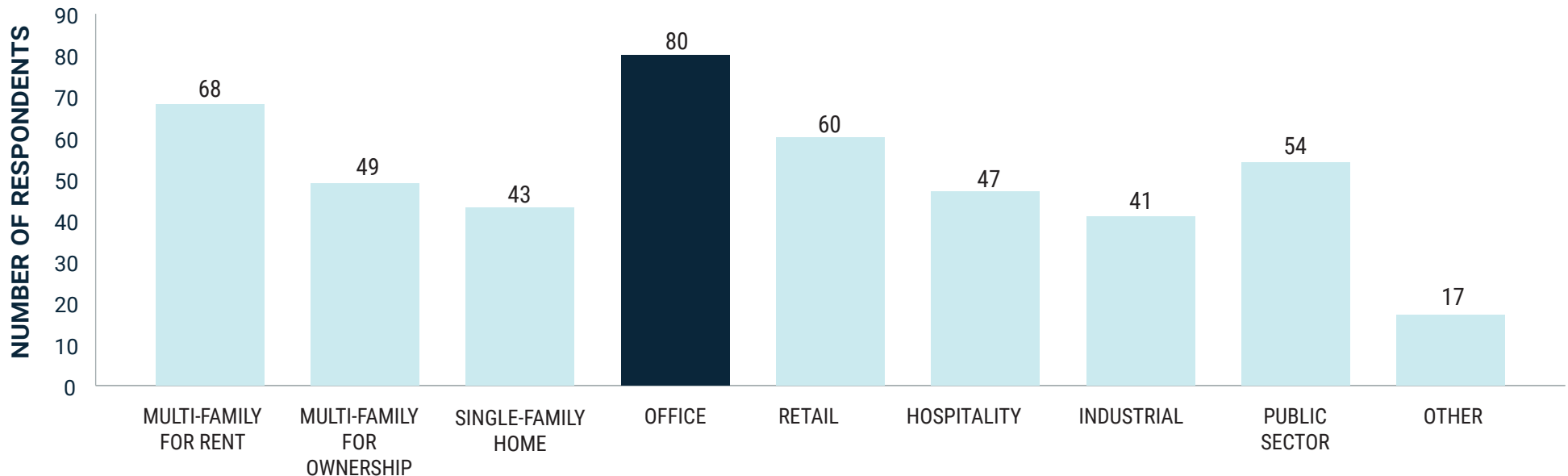
ULI Austin conducted a survey from May 8 to May 22, 2020 to determine the impact of COVID-19 within the greater Austin real estate business community. We asked that each organization coordinate internally to have only one person complete the survey on the company's behalf. 122 completed responses were received. About 70% of respondents were either owners or senior-level executives.

DEMOGRAPHICS

Business/Industry

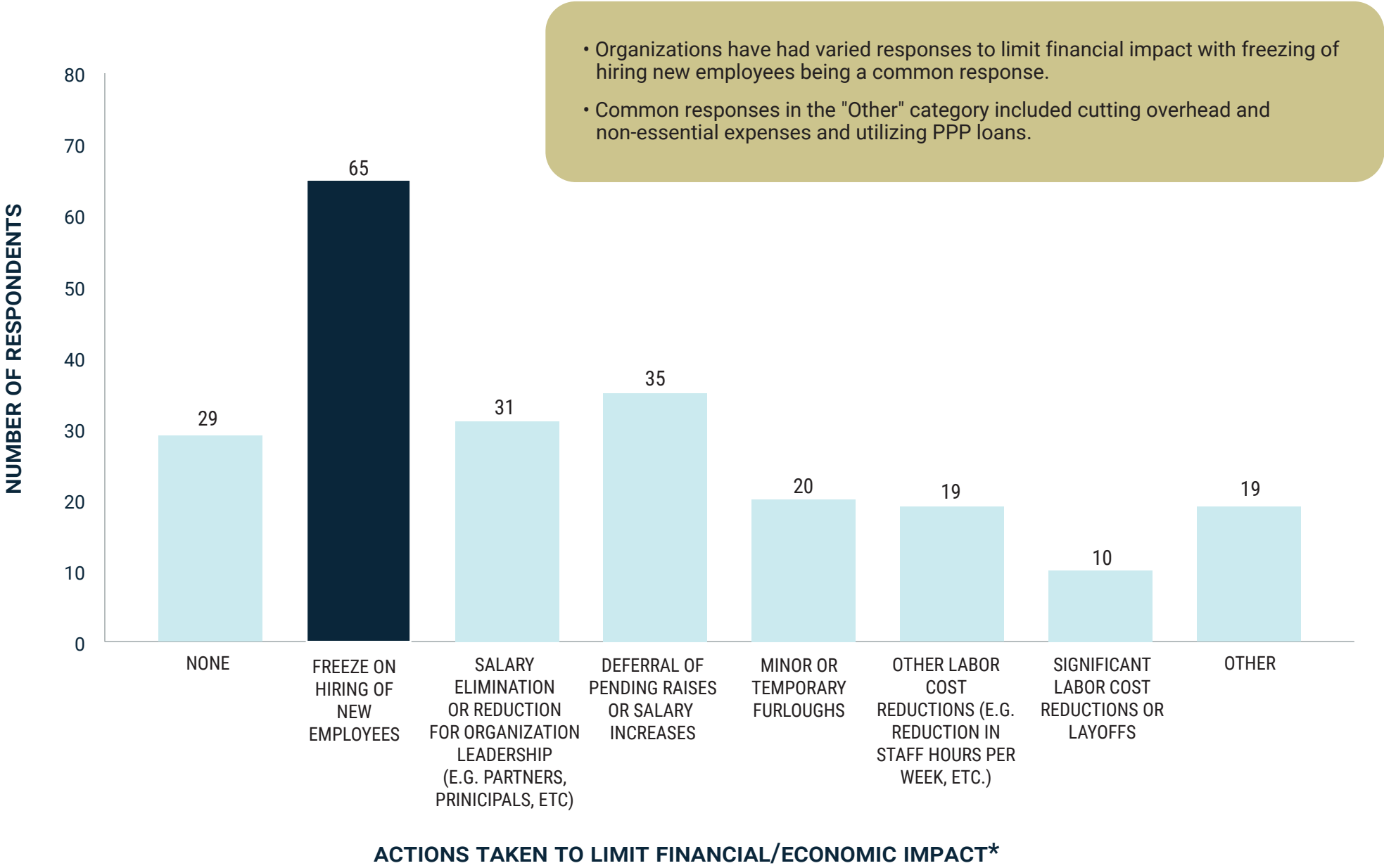


Primary Markets*



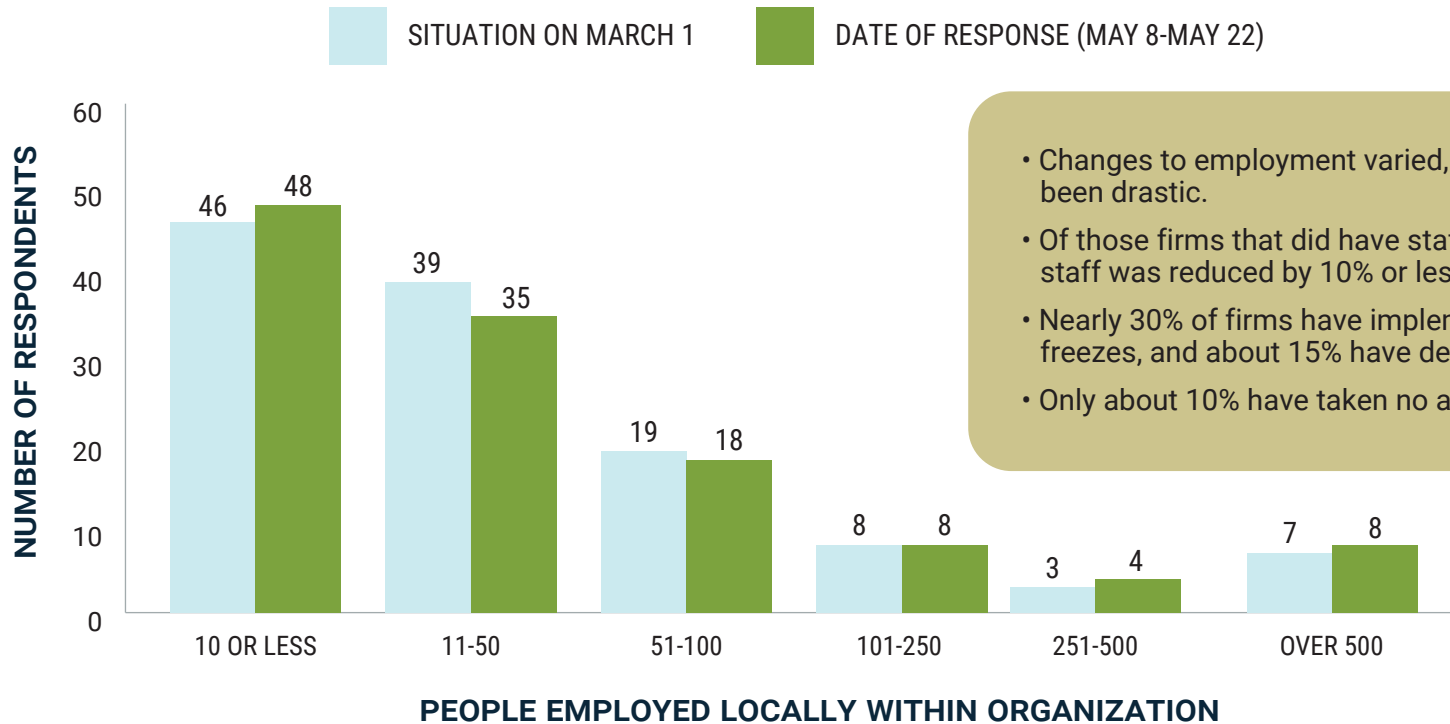
*Respondents could choose more than one market

CURRENT RESPONSE



*Respondents could choose more than one action

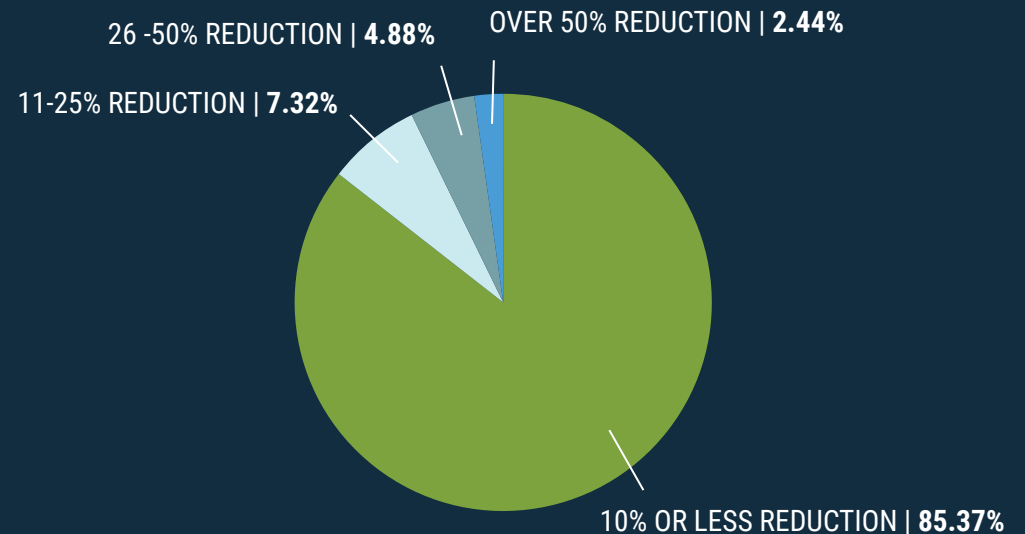
CHANGE IN WORKFORCE



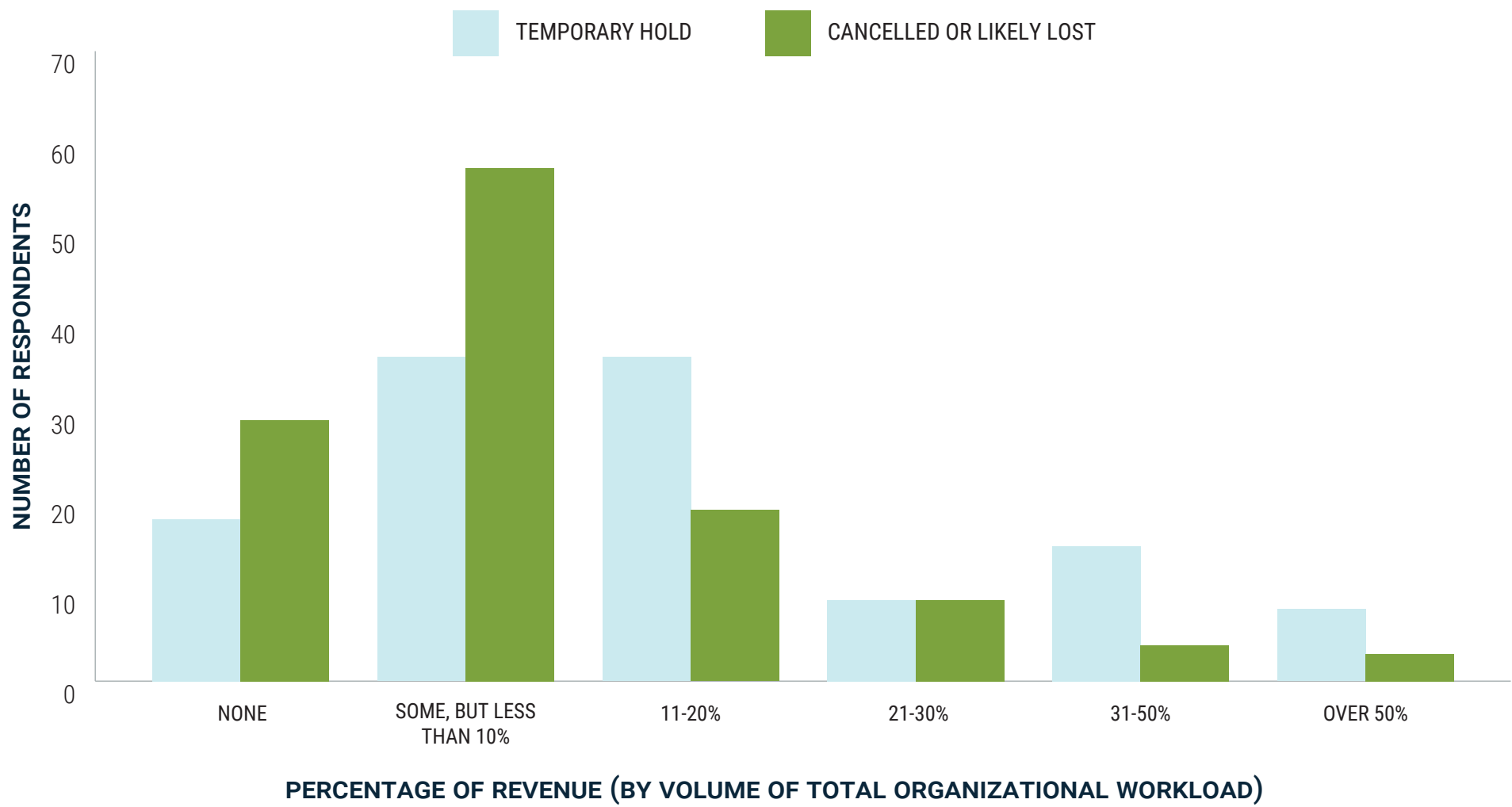
- Changes to employment varied, but overall do not appear to have been drastic.
- Of those firms that did have staff reductions, over 85% indicated staff was reduced by 10% or less.
- Nearly 30% of firms have implemented salary reductions or hiring freezes, and about 15% have deferred raises.
- Only about 10% have taken no action in regard to their employees.

Staff Reductions or Extended Furloughs

Smaller firms (50 or less) have had the largest reduction in force by organization size and Real Estate Brokers/Agents and Construction Managers/Contractors have experienced the largest impact by organization type.



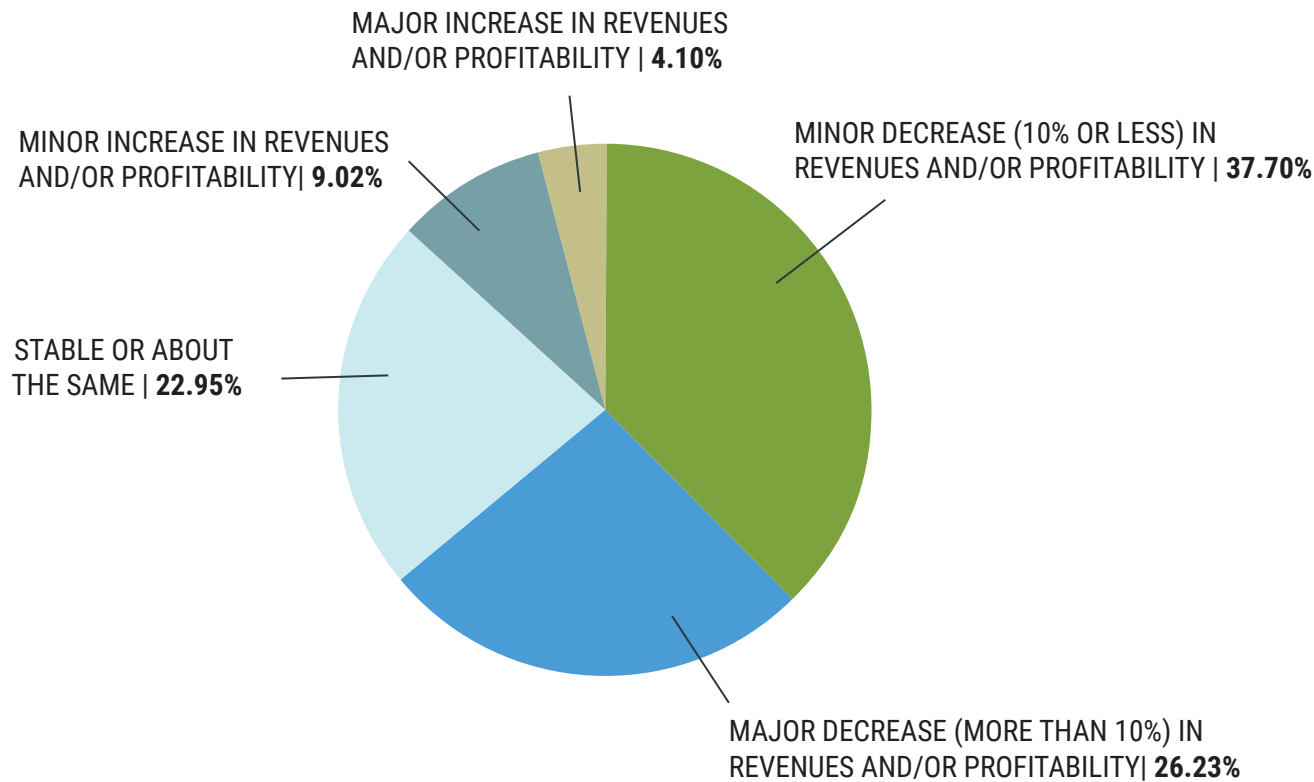
REVENUE



- Between 15-25% indicated that there had been no impact to revenue-generating work so far and it appears that much of the lost business is likely temporary (on hold vs lost).
- Comparing responses by market, Single Family has been the least affected while Industrial, Office, and Multi-family (both ownership and rent) appeared to be more volatile, with more revenue on hold.

FUTURE EXPECTATIONS

General business impacts over the next 3 to 6 months
from date of survey response (May 8–May 22)



In the next 3 to 6 months:

- Around 60% of respondents expect some change to business going forward, and about one quarter expect a major impact to revenues and profitability.
- However, more than a quarter expect business to remain stable, and 12% expect an increase in business revenue in the next 3 to 6 months.

Other Insights

BIGGEST CONCERNS FOR BUSINESS DURING THE COVID-19 CRISIS COMMON RESPONSES:

- Safety and health of employees
- Length and depth of the downturn affecting capital markets and deal flow
- Government “over-reaction”

BIGGEST OPPORTUNITIES FOR BUSINESS AFTER THE COVID-19 CRISIS COMMON RESPONSES:

- Taking advantage of price corrections to make acquisitions
- Ability to attract talent
- Flexibility and nimbleness, sometimes tied to Working From Home option

THANKS TO ALL THOSE THAT PARTICIPATED IN THIS SURVEY!



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