

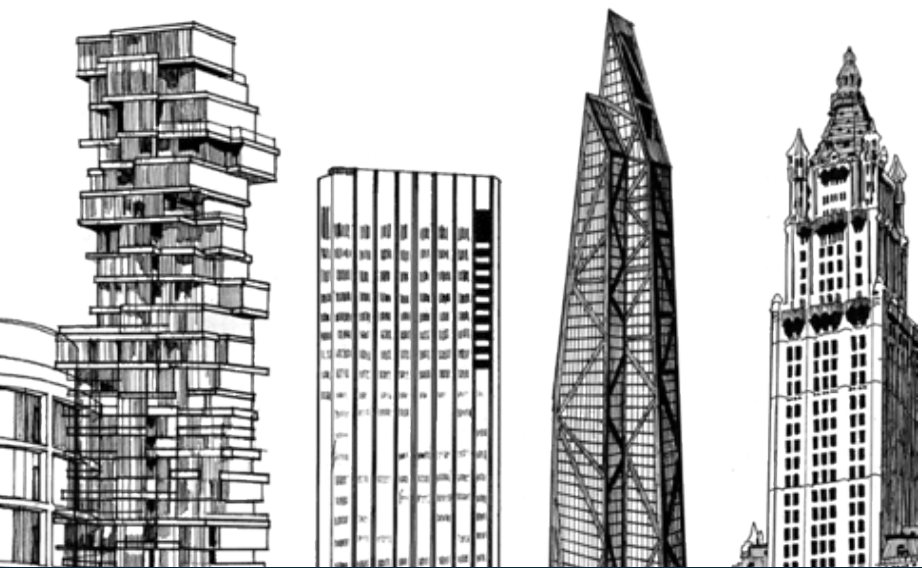
SPECIAL PORTFOLIO REPORT

Q3 2020

Prepared by:

KNIGHTSBRIDGE PARK & THE VILLANI GROUP





REPORT SUMMARY

We are pleased to share the latest of our Special Reports with you.

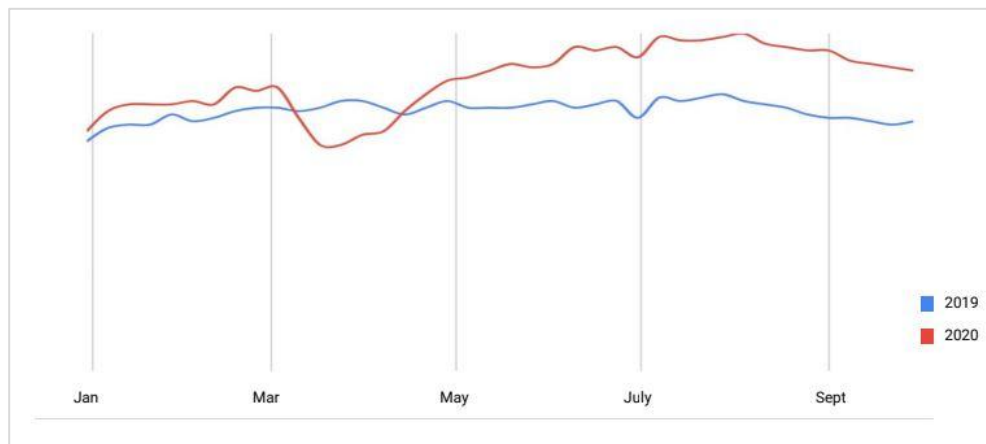
This report provides an analysis of our portfolio's performance over Q3 2020.

Here are some notable takeaways from Q3:

- Three consecutive months of website activity growth
- Continued YoY growth in search demand
- +27% Website Traffic vs Q2
- +1% Website Goals vs Q2

If you would like to discuss any of our findings with us, please don't hesitate to reach out to your account manager or our leadership team.

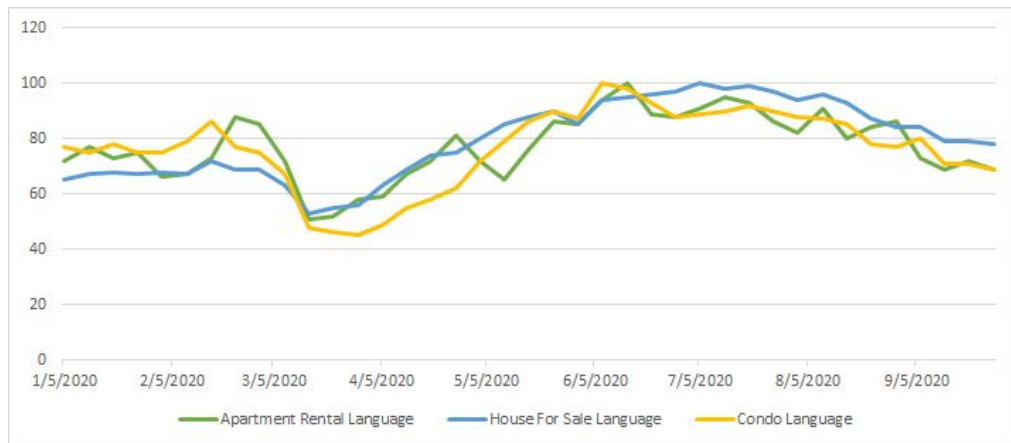
Relative Search Demand* for Real Estate (United States)



- Overall real estate search activity plateaued in August before starting to decline in September.
- However, this trend is consistent with what was observed in 2019.
- 2020 continues to show strong year-over-year growth in real estate-related search demand.

**Google uses a 0-100 scale to measure relative search demand for a particular phrase or topic. Numbers represent search interest relative to the highest point on the chart for the given region and time. A value of 100 is the peak popularity for the term. A value of 50 means that the term is half as popular.*

Relative Search Demand* By Housing Category, 2020 (United States)



- In Q1, Apartment Rental and Condo language had stronger relative search demand than House for Sale language.
- In Q2 we observed House for Sale language overtaking Apartment Rental and Condo language in relative search demand—unsurprising, given low interest rates and increased prioritization of access to nature, larger living spaces, and privacy.
- In Q3, House for Sale language held onto its advantage, even as relative search demand for all three types of properties decreased, while holding steady at or near pre-COVID levels.

*Google uses a 0-100 scale to measure relative search demand for a particular phrase or topic. Numbers represent search interest relative to the highest point on the chart for the given region and time. A value of 100 is the peak popularity for the term. A value of 50 means that the term is half as popular.

Perhaps no other market has experienced more existential speculation than New York City. Here are some trending searches from within the New York City area in Q3:

- “How to Get a Real Estate License in NY” +4,350%
- “Real Estate Photographer” +140%
- “NY Times Real Estate” +130%
- “Commercial Property for Sale” +80%
- “Condo for Sale NYC” +60%

Below is a map indicating which states contributed significantly to search demand for New York City real estate in Q3:



Relative Search Demand* for NYC Real Estate (International)



Q3 2020



Q3 2019

**Google measures relative search demand for a particular phrase or topic. Here, darker blue indicates a higher relative search demand within that area.*

Introducing the Knightsbridge Park Indices.

Specific insights by property type, using data aggregated from our national portfolio

KEY PERFORMANCE HIGHLIGHTS, Q3 VS Q2

Downtown Rentals

Top-of-the-line
finishes and views

Website Sessions:
+40%

Website Goals:
-32%

Low-Rise Rentals

A short ride away
from the action

Website Sessions:
-11%

Website Goals:
-9.5%

Master-Planned Communities

More space, more
greenery, less city

Website Sessions:
+3%

Website Goals:
+27%

Superluxury Supertalls

The pinnacle of
luxury - literally

Website Sessions:
+37%

Website Goals:
+53%

Entry-Level Luxury Condos

Quality meets an
approachable price

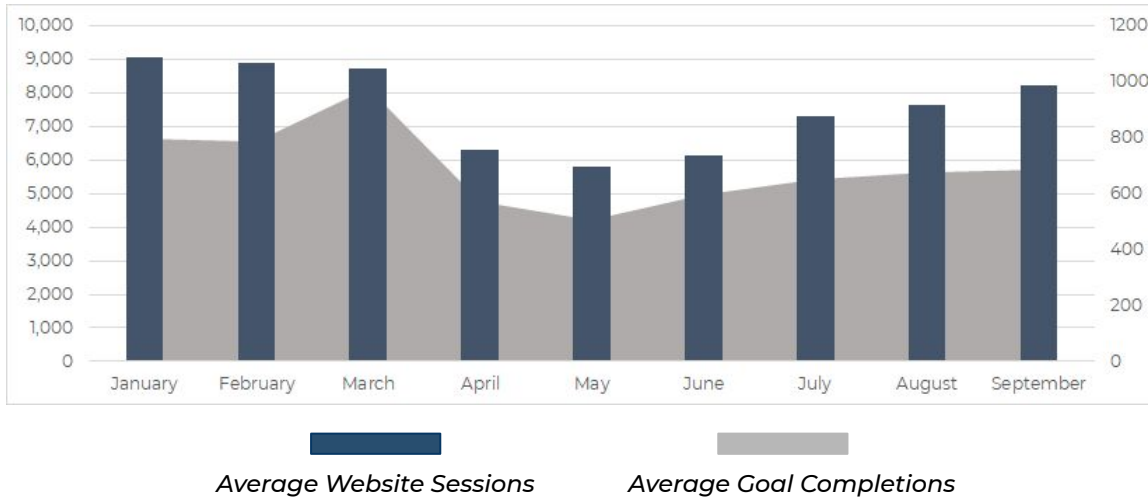
Website Sessions:
+18%

Website Goals:
+21%

** Goals are defined as form submissions, telephone and email link clicks, address link clicks, application link clicks, and floor plan downloads. These actions indicate that a user is qualified and actively in the market.*

2020 IN REVIEW

Based on analyses conducted across our entire portfolio, it is clear that COVID-19 impacted website activity in Q2 2020 after a strong Q1. However, both sessions and goals have increased month over month since June.



Month	MoM Traffic Growth	MoM Goal Growth
Jun	+6%	+18%
Jul	+19%	+10%
Aug	+5%	+4%
Sep	+8%	+1%

* Goals are defined as form submissions, telephone and email link clicks, address link clicks, application link clicks, and floor plan downloads. These actions indicate that a user is qualified and actively in the market. Some websites track more goal types than other websites.

** Data was aggregated across approximately 80 new development websites, inclusive of condo and rental developments, with roughly 50% of those projects located in the NYC metropolitan area, 20% located in South Florida, 15% in Los Angeles/San Francisco, and the remaining 15% in Boston/Texas/Chicago.

Q3 ADVERTISING PERFORMANCE

Clients who advertised in Q3 outperformed clients who didn't advertise by a significant margin:

- **676%** more website sessions
- **519%** more goals

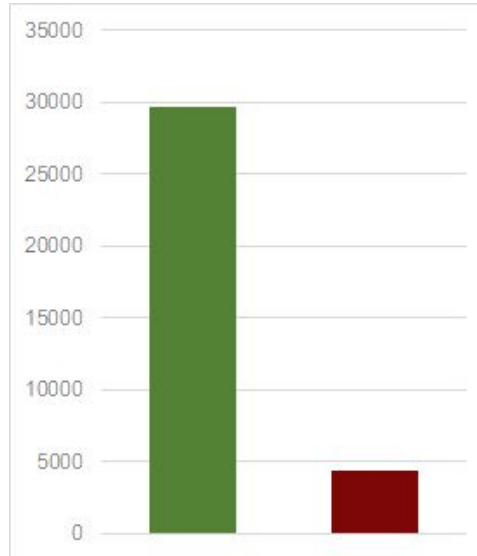
Compare this to the gap between the same groups in Q2:

- **87%** more website sessions
- **128%** more goals

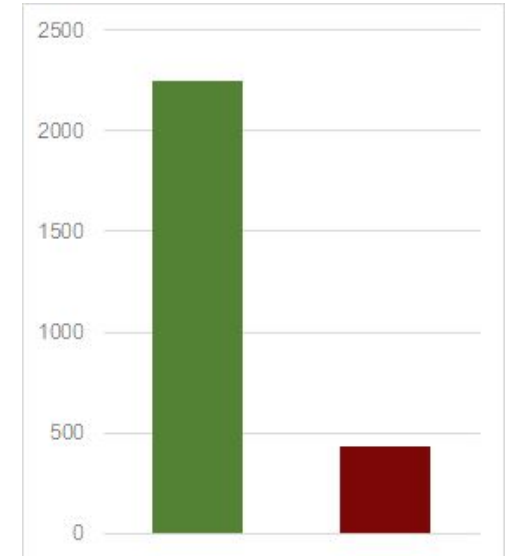
Notably, the composition of these groups didn't change that much from Q2 to Q3.

The widening performance gap between advertising and nonadvertising clients is due in part to the gains in market share that advertising clients began to realize in Q2.

Average Website Sessions, Q3 2020



Average Goal Completions, Q3 2020



* Goals are defined as form submissions, telephone and email link clicks, address link clicks, application link clicks, and floor plan downloads. These actions indicate that a user is qualified and actively in the market.

Continued Advertising █
 Cut or Paused Advertising Significantly █

LOOKING FORWARD: KEYS TO SUCCESS IN Q4 AND BEYOND

The landscape of digital marketing and advertising is constantly evolving. That's why we've distilled our key strategic insights from Q3 2020: to help our clients find success in Q4 and beyond.

- **Embrace machine learning technology in your campaigns for increased efficiency and stronger results.** These algorithms continue to improve as they collect more data via “learning phases” and the gap in performance between machine learning campaigns and manually operated campaigns continues to widen.
 - As we deploy new machine learning technologies across our Google, Facebook, and Instagram campaigns, we are seeing dramatic improvements in performance. We will always bring these opportunities to your attention as they arise—*after* thorough research and testing.
- **Invest in your creative to get the most out of your advertising budgets.** With so many advertisers competing for your audience's attention, your ad creative needs to stand out and should be your first consideration when looking to increase your advertising ROI.
 - Our quarterly ad creative refreshes typically produce 116% more traffic and 131% more contact form submissions in the weeks following the refresh.
 - Our team's strategists, photographers, videographers, and graphic designers are innovative storytellers with a passion for making your project stand out in a creative, artful, and unique way—across both organic and paid media. You can [see our work in action here](#).



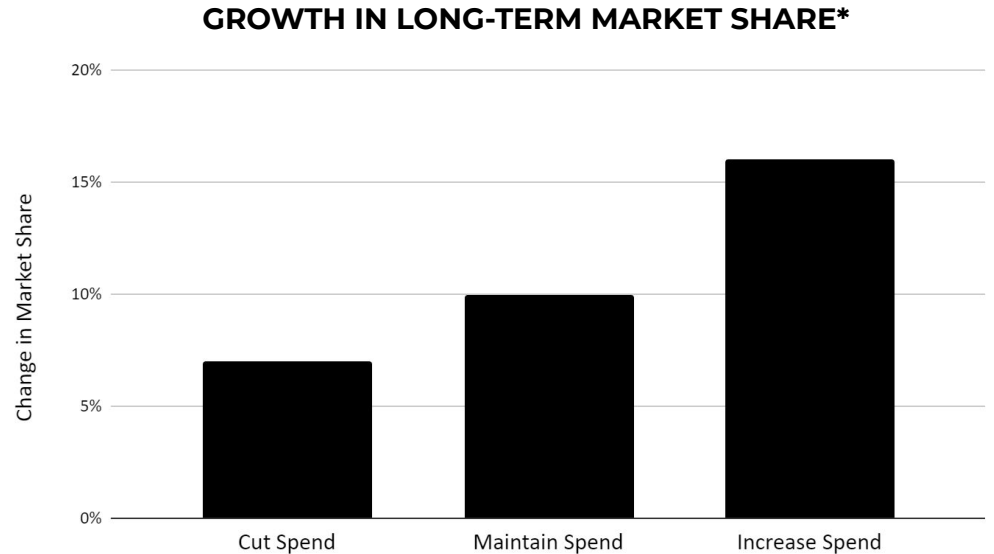
Thank You



APPENDIX: ADVERTISING IN A RECESSION INCREASES MARKET SHARE

Our portfolio data from Q2 and Q3 (found on page 8), as well as historical data from previous recessions, tells us how valuable and effective advertising can be, even amid challenging market conditions. Looking back to the 1980-1982 recession:

- Companies that increased advertising gained the most once the recession ended (+16%).
- Those that maintained spend grew their market share by 10%.
- Those that cut spend ended up with the lowest growth in market share (+7%).



*Source: PIMS – The Profit Impact Marketing Strategy Database