



July 2020- MONTHLY LANDSCAPE COMMENTARY: AN OVERVIEW OF THE DST OFFERINGS

Over the past month we were looking for the results of restrictions being lifted and the effect on the economy and specifically the DST market. While it is true that cases of COVID 19 are down worldwide here in the US cases are on the rise. Yes, we are testing more and more people. such as Texas, Arizona ad Florida are seeing more cases as well as California. This rise in cases as well as other factors may delay certain sectors of the economy returning or stabilization in what has been called “a new normal”.

There are many articles, blogs, and opinion on what effect the COVID 19 is having on the economy. We wanted to hear from Sponsors on the performance of the DST properties. In some respects, there were many concerns if the DST performance would mirror that of the commercial counterparts.



Meaning would the Multifamily DST be able to collect rents, what would happen to student housing, and of course the effect on the hospitality sector. For the most part Sponsor are reporting that the performance of almost all asset classes are doing remarkably well with respects to rents collected and distribution checks being sent to investors. In many cases the DST were set up with reserves. Management was the key in almost all situation. Multifamily offerings make up 53% of DST opportunities with Student Housing adding another 11%.

One surprising result was the increase in rental activity in the student housing sector. In certain areas occupancy went up with new rental when on campus housing suddenly closed. Thousands of students needed housing and did not move home. Management companies who were fleet of foot to move to digital move in fared better than others.

Watch for a Blog posting for more information on what may be a silver lining for the student housing occupancy. Hospitality (only making up less than 3% of total offerings) has stalled with plunging occupancy and some offerings have been delayed. The multifamily sector has done well considering the overall state of the economy. In specific areas (Texas for example) which rely on the oil business there were concerns when oil prices dropped.

The biggest issue facing the sponsors now is getting new assets in the pipeline. Normal Sponsor pre closing DST due diligence has been delayed and once assets that are available are depleted there may be a lull in new offerings. There is equity and liquidity looking to purchase.

Our DST Landscape Survey provides a snapshot of comparative data representing most available DST offerings based on actual data provided by DST Sponsors. This landscape survey is updated in real time as Sponsors provide updates on current properties and on their new DST initiatives.

For more information, please email us support@dst.investments or phone 800.378.0515



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