



Basis Points – April 9, 2020

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Above the Fold

Landlords May Have a Tough Spring...

According to the latest data from landlord trade group NMHC (National Multifamily Housing Council) and a bevy of real-estate data providers, nearly a third of Americans didn't pay April rent. Data showed less than 69% of tenants paid any portion of their rent up to April 5. Those counted may have also only paid a portion, which could mean either reduced future payments or none at all, if tenants don't get back to work.

Protected by a patchwork of local and federal anti-eviction laws and orders, many renters have a good chance of staying housed while their credit report takes a hit. On the flipside, small investors, hedge funds, apartment operators and regular consumers are likely to take a more serious

financial impact as income declines or even ceases... even if they are trying to do the right thing and ensure we don't add to our country's homelessness.

Some experts believe that a sustained period of unpaid rent could have a cascading effect that triggers commercial mortgage defaults and the bonds that back those mortgages. Obviously, the duration and severity of the downturn will determine just how serious the impact will be.

Three Things

1. *Want Yield? Check Out AirBNB* – With its valuation almost half of what it was in 2017, AirBNB is paying investors more than 10% to secure \$1 billion in additional funding, raising cash reserves to \$4 billion. The company will also offer warrants as a part of this debt and equity offering — full details have yet to be released.
2. *Bernie Bails, Biden's Nomination All but Assured* – Progressive candidate Bernie Sanders officially suspended his presidential campaign yesterday. While the Vermont senator had gained momentum earlier in the year, he reluctantly surrendered as Joe Biden captured an increasing number of delegates as of late. With Sanders out, former Vice President Biden will likely face President Trump in the general election.
3. *Twitter Sharing More of Your Data (and There's Nothing You Can Do About It)* – The 280-character social media favorite has stripped away yet another layer of privacy protection. The company disabled the ability for users to stop sharing some private information with advertisers and now allows its business partners to obtain tracking data from your phone (not your personal details, thank goodness). Consumers living in the European Union can still disable these settings.

Did You Know?

The Latest COVID-19 Positives

- While it's still too early to know anything for certain, a new [paper](#) by Justin Silverman and Alex Washburne uses search and clinician data on influenza-like illnesses (ILI) to help determine just how widespread COVID-19 really is in America. The authors believe that many more of us are infected (which sounds scary, but may actually be a positive) and that the mortality rate is closer to the normal flu, about 0.1%.
- Corporate America continues to give back as media giant, The Walt Disney Company, launched a free new website geared toward families stuck inside. Called [Disney Magic Moments](#), the site will feature tons of content from many of the company's most successful franchises.

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