

New Property Sales After a Natural Disaster

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Impact of Natural Disasters on Property Sales

Before Hurricane

- Steady flow of potential buyers visiting projects
- Sales were in line with previous year and per absorption rate
- Projects with optioned units
- Active projects in low, middle & middle high markets
- Some niche markets; 2nd homes & high-end properties
- Available incentives; developer bonuses and Law No. 216-2011 (as amended)



Impact of Natural Disasters on Property Sales

Post Hurricane

- Buyer's uncertainty
- Buyers and prospects visited projects
- Projects suffered minor damages
- Sales were delayed or disrupted in the months after the disasters
- Stand still of mortgage financing
- Some loss of optioned units
- Resiliente property values
- Discussion of construction standards and costs



Impact of Natural Disasters on Property Sales



Present

- Buyers with renewed interest and looking to move to safer areas
- Increase in sales
- Fully restored mortgage financing
- Replaced options loss
- Increase need for affordable housing
- Stable property values
- Slight price increase due to market acceptance and construction cost
- Disaster relief funds; FEMA & CDGB-DR
- Law 20 & 22

What we did after the hurricane

- Contacted developers to validate that their projects contingency plan was in place and offered aid where needed.
- Project inspections to evaluate sustained damages and delays
- Bank offered a 90-day moratorium on principal and interest payments
- Equipped Business Centers for commercial clients



Our experience with new residential projects after the hurricane



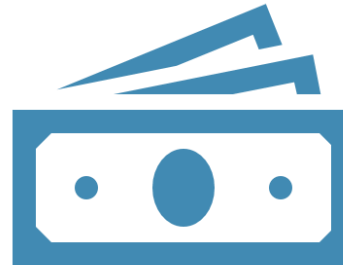
- Prompt project cleanup and repairs
- An increase of visits to projects
- Restoration of utilities
- Developers incentives
- Delays in agency permits

Housing Opportunities After the Hurricanes

- Federal funds: FEMA & CDBG-DR
- Incentives, vouchers, and financing programs
- Construction of affordable housing
- Renters motivated to buy
- Emergence of new housing markets
- Senior housing and rental markets
- Expand existing growing markets
- Niche Markets

What are we doing with these opportunities?

- Facilitating dynamic financing alternatives for the reconstruction of existing housing to general contractors and sub-contractors
- Continue to offer financing to developers for residential construction of new housing and rental projects that adequately fulfill existing and new housing needs in all markets.
- Working with local government, housing agencies, municipalities, and private industry as a liaison to build and rebuild low-income housing projects made viable with federal funds and tax incentives along with commercial financing.



Thank you!