

WHEN?



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As we assist Landlords and Tenants with negotiating new leases, lease extensions and amendments, the fundamental underlying question is “when will things return to pre COVID-19 normal?”

San Diego County is included in the “purple” or “Widespread” tier designation. The Regional Stay Home Order was lifted January 25, 2021. Most retail businesses can open with modifications, and maximum capacity limitations.

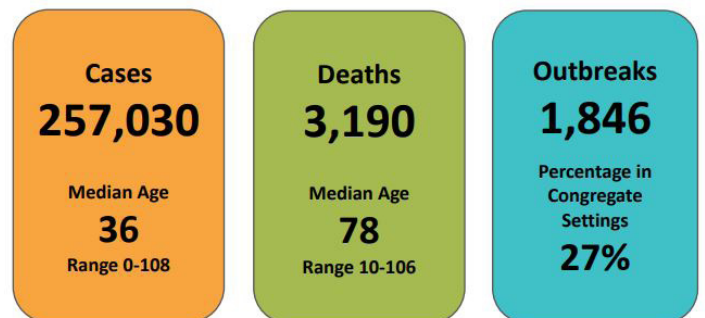
The number of positive COVID-19 cases by date of illness onset peaked in January at about 5,000 for a single day, likely due to holiday travel and gatherings, and has since dropped dramatically to about 700 new daily cases as of early February. The trend is dramatic and very encouraging.

Although the CDC does not specify the percentage of the population that will need to be immune from the virus, either after

being vaccinated or infected, to reach herd immunity, other sources have estimates ranging from 53%-85% of the population. Interestingly, The CDC recommends that people who have previously been infected still get vaccinated to increase the length of their immunity protection.

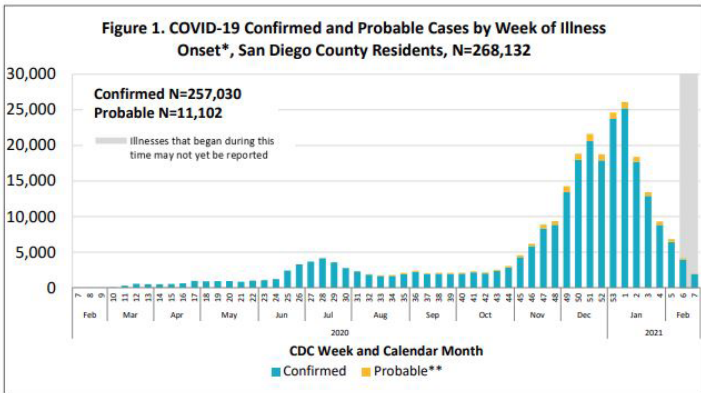
February 23, 2021 Data through week ending 2/20/2021

Summary of Confirmed COVID-19 Cases, San Diego County Residents



Further complicating matters, no one knows the percentage of the population that is already immune due to unreported infections. Although a source at Columbia University estimates about 32% of the U.S. population has already been infected, which is a huge step towards herd immunity.

In San Diego County, there have been a total of 257,030 reported cases, or about 7.4% of the County population of 3.36 million. This is likely to be much lower than the number of people who have actually been infected, due to several months when tests were not generally available, a large percentage of asymptomatic cases, and infected people who elect to not be tested. The real number could be closer to the estimated national average mentioned above of 32% or about 1,075,200.



It is nothing short of miraculous that two 90%+ effective vaccines are already available. San Diego County reports 10% of residents have been fully vaccinated against Covid and vaccination capacity has been ramping up with four vaccination super stations and a total of 19 vaccination sites around the County. 680,000 doses have been shipped and 489,287 doses have been administered. The County is now capable of delivering more than 20,000 doses every day, subject

to the supply of vaccines. The supply is currently about 10,000 doses per day. Assuming 70% of the San Diego County population or 2,352,000 people need to be vaccinated to reach herd immunity, 4,704,000 doses need to be administered. Subtracting the 489,287 doses already administered leaves 4,214,713 doses to go. If the supply of vaccines can be quickly ramped up to 20,000 doses per day, in a perfect world the doses could be administered in 211 days or about 7 months taking us to around late September, 2021. When you take into account the people who have already been infected, herd immunity may be reached much sooner.

In any event, we all have our work cut out for us in the next few months as we navigate these previously uncharted waters. It becomes even more important for landlords and tenants to work with brokers who handle the largest share of the San Diego retail market, to stay abreast of the changes, and optimize their negotiations.

