

## U.S. ECONOMIC UPDATE

The arrival of the COVID-19 pandemic has created an economic shock that has likely pushed the global economy and the U.S. into recession. Policies initiated to “flatten the curve” of potential infection include the voluntary and mandated shutdown of large sectors and regions of the economy. Retail establishments, restaurants, passenger transportation, schools and leisure activities have almost all grinded to a halt while customers self-quarantine and practice social distancing.

## RECORD-SETTING LAYOFFS, DECLINING EMPLOYMENT

Over the last two weeks (ending on March 28th), a cumulative 10 million people have applied for unemployment benefits—by far the largest number of applications in history since record-keeping began in 1967. Initial unemployment claims are a highly reliable leading indicator of trends in labor markets and therefore the economy at large. Given the size of the increase, along with other high-frequency data trends that are similarly bleak, it is widely believed that the U.S. economy has entered a recession. This was reinforced in early April when the Labor Department reported that payroll employment in the U.S. fell by 701,000 jobs in March, one of the largest declines in history. It's all but certain that even more jobs will be lost in the months ahead.

Given the way these events have unfolded and the huge number of layoffs, the current thinking among economic forecasters is that the second quarter of 2020 will see one of the largest real GDP declines in U.S. history. What is less clear is what the economic trajectory will be following Q2. As of this writing (4-7-2020), hopeful signs are emerging that policy steps to “flatten the curve” are beginning to work in certain areas, but many unknowns remain. It is too soon to say if these signs are sustainable and how they will impact the trajectory of the economy.

We continue to monitor developments extremely closely and are working around the clock to publish data and insight as quickly as possible.

To view our latest perspective on the coronavirus and its potential impact on CRE and the economy, access Cushman & Wakefield's [COVID-19 resource page](#).

## TRENDS AND INSIGHTS

### Cushman & Wakefield Covid-19 Webinar Replay

Learn more on the evolving COVID-19 situation and its implication for **real estate occupiers and investors**.

[Click to Replay](#)

### COVID-19: A Wholly Unprecedented Policy Response

On March 27, 2020, an enormous \$2.2 trillion emergency coronavirus stimulus package was signed into law by President Trump. The legislative package—the Coronavirus Aid, Relief and Economic Security (CARES) Act—is the largest rescue package in U.S. history. [Click for Summary](#)

### Lessons From Landlords In China's Post Covid-19 Recovery Phase

With local infections down, China is getting back to work. As the lights are turned back on in offices across the country, landlords and tenants alike are inevitably finding themselves in a new paradigm. [Click for Article](#)

### 2020 Asia Pacific Office Outlook

In this report, you will find detailed but succinct analysis of the trends in each of the region's key Grade A office markets over the next two years that we hope will help refine your organization's CRE strategy.

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WEEKLY COVID-19 UPDATES

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## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)**	YTD OVERALL NET ABSORPTION (SF)**	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Daniel Island	1,928,379	11,819	135,631	7.6%	-11,293	-11,293	20,939	19,840	\$26.59	\$27.41
Dorchester County	1,282,604	0	29,760	2.3%	-2,375	-2,375	7,230	20,000	\$19.97	-
Downtown Charleston	5,969,541	33,053	263,578	5.0%	115,957	1158,957	28,036	447,998	\$33.80	
E Charleston County	33,000	0	0	0.0%	0	0	0	0	-	\$35.88
East Islands/Mt Pleasant	3,720,031	42,232	238,926	7.6%	16,979	16,979	23,474	37,660	\$28.91	\$33.54
James Island/Folly Beach	288,226	0	20,183	7.0%	20,283	20,283	1,585	0	\$21.52	-
North Charleston	8,884,908	83,818	945,428	11.6%	-106,173	-106,173	34,590	175,000	\$21.58	\$22.07
Outlying Berkeley County	2,071,453	25,000	116,451	6.8%	-487	-487	6,609	74,033	\$24.43	\$25.45
W Charleston County	41,731	0	0	0.0%	0	0	0	0	-	-
West Ashley	1,941,024	9,476	148,828	8.2%	-21,576	-21,576	33,700	10,000	\$28.05	\$32.64
West Islands	163,877	0	18,400	11.2%	870	870	960	0	-	-
<b>CHARLESTON TOTALS</b>	<b>26,324,774</b>	<b>205,398</b>	<b>1,917,185</b>	<b>8.1%</b>	<b>12,185</b>	<b>12,185</b>	<b>157,123</b>	<b>784,531</b>	<b>\$26.67</b>	<b>\$28.50</b>

\*Rental rates reflect full service asking \*\*Absorption does not match U.S. Marketbeat tables

## KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1460 Tobias Gadson Blvd	West Ashley	RMS Beauty	18,086	New
3860 Faber Place Dr	North Charleston	Cambridge International Systems	15,000	New
146 Fairchild St	Daniel Island	IndySoft	10,840	Renewal*
100 Calhoun ST	Downtown Charleston	Somo	10,499	New

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
2015 2 <sup>nd</sup> Ave	Outlying Berkeley County	Carnes Crossroads Assoc LLC / Carnes Crossroads Cmnty Assn I	27,832	Not Disclosed
5841 Rivers Ave	North Charleston	Charleston County Economic Development / Cityvolve Commercial Realty, LLC	24,000	\$1.5M/\$62.5
49 Immigration St	Downtown Charleston	Seabreeze Development of Charleston LLC / Colony Commercial Real Estate	14,293	\$6.7M/\$467

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