

## 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.

[Click for Article](#)

CUSHMAN & WAKEFIELD  
WEEKLY COVID-19 UPDATES

[Click to Sign Up for ongoing insights in your inbox.](#)

## MARKET STATISTICS

SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	DIRECT VACANCY RATE	CURRENT QTR DIRECT NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CURRENT QTR CONSTR COMPLETIONS (SF)	YTD CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT*
Cabarrus County	321	22,335,399	540,786	685,169	3.1%	1,032,003	1,032,003	202,720	124,000	124,000	\$6.16
East	300	12,912,856	0	476,978	3.7%	-239,247	-239,247	4,000	0	0	\$13.16
North	644	35,197,493	127,432	1,228,175	3.5%	-320,111	-320,111	189,750	156,167	156,167	\$4.55
Northwest	234	14,942,274	0	686,100	4.6%	-217,611	-217,611	12,000	0	0	\$3.82
Southwest	604	48,341,856	73,300	2,424,308	5.0%	1,343,726	1,343,726	1,494,455	442,775	442,775	\$5.34
West Airport	617	26,944,489	31,911	1,756,456	6.5%	114,397	114,397	2,205,465	566,800	566,800	\$6.25
York County	324	31,016,199	200,000	2,688,692	10.6%	-360,721	-360,721	87,500	425,695	425,695	\$4.37
PROPERTY TYPE											
Warehouse/Distribution	2,179	147,852,701	973,429	8,605,688	5.8%	1,897,545	1,897,545	3,979,790	1,479,350	1,479,350	\$4.40
Flex	602	21,477,891	66,643	948,110	4.4%	2,792	2,792	128,100	124,087	124,087	\$11.67
Manufacturing	253	21,931,870	27,800	950,676	4.3%	-571,266	-571,266	88,000	112,000	112,000	\$6.32
High Tech & Other	10	428,104	0	20,360	4.8%	23,365	23,365	0	0	0	\$8.50
<b>CHARLOTTE TOTALS</b>	<b>3,044</b>	<b>191,690,566</b>	<b>1,067,872</b>	<b>10,532,834</b>	<b>5.5%</b>	<b>1,352,436</b>	<b>1,352,436</b>	<b>4,195,890</b>	<b>1,715,437</b>	<b>1,715,437</b>	<b>\$4.87</b>

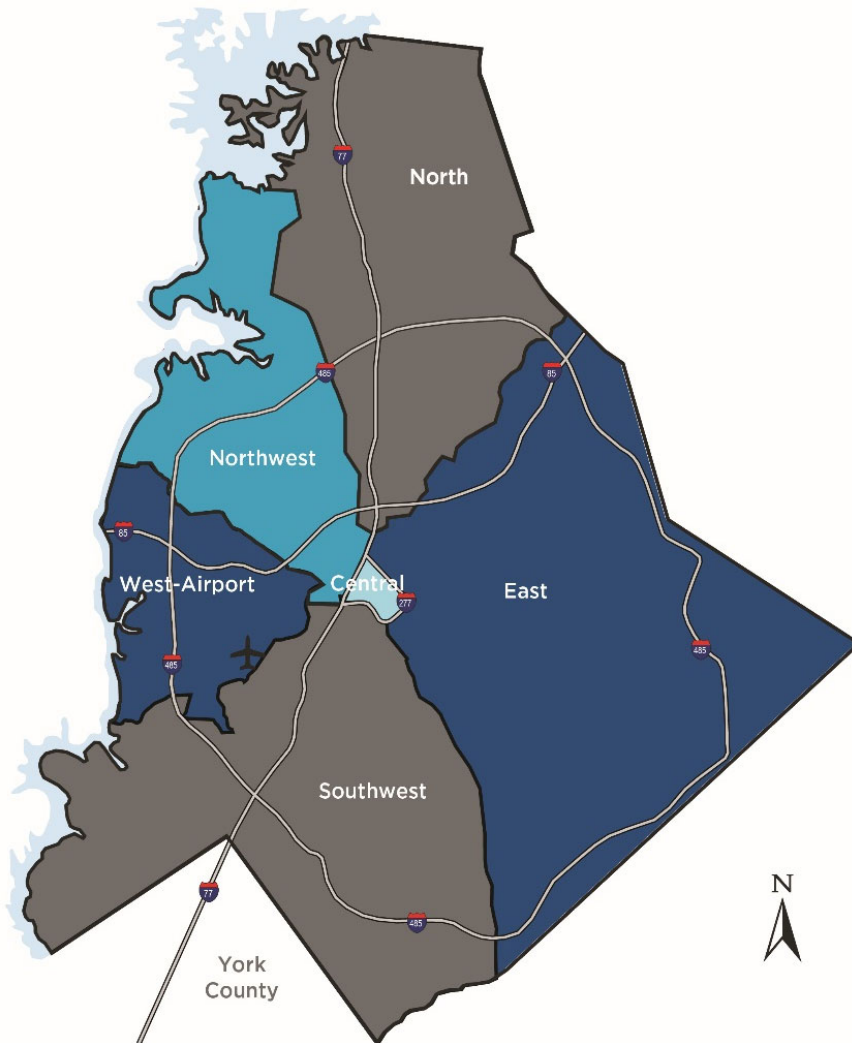
\*Rental rates reflect weighted net asking \$psf/year

\*\*Statistics not reflective of U.S. MarketBeat Tables

## KEY DELIVERIES 2020

PROPERTY	SF	CONSTRUCTION TYPE	COMPLETION DATE	SUBMARKET
10230 Pineville Distribution St	525,000	Build-To-Suit	1Q 20	Southwest
577 Cel-River Rd	275,963	Speculative	1Q 20	York County
8500 Automation Dr NW	248,000	Speculative	1Q 20	Cabarrus County
6020 Airport Dr	148,466	Speculative	1Q 20	West Airport
3436 Stateview Blvd	142,089	Speculative	1Q 20	York County

## INDUSTRIAL SUBMARKETS



### WILL PROPST

Research Analyst

Tel: +1 704 335 4435

[will.propst@cushwake.com](mailto:will.propst@cushwake.com)

### BRETT GRAY

Managing Principal

Tel: +1 704 335 4442

[brett.gray@cushwake.com](mailto:brett.gray@cushwake.com)

### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 53,000 employees in 400 offices and 60 countries. In 2019, the firm had revenue of \$8.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

©2020 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.