

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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CUSHMAN & WAKEFIELD
WEEKLY COVID-19 UPDATES

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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)**	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Anderson County	24,919,972	534,010	2.1%	141,800	141,800	688,873	250,000	\$3.84	\$4.92	\$3.15
Cherokee County	8,465,777	51,600	0.6%	21,800	21,800	379,600	0	\$3.00	N/A	\$3.04
Greer	22,673,150	2,549,106	11.2%	-123,227	-123,227	2,339,351	29,400	\$4.47	\$4.91	\$4.58
Hwy 290	9,796,659	376,629	3.8%	-6,893	-6,893	551,670	0	\$3.83	\$6.10	\$4.00
Laurens County	13,140,696	790,009	6.0%	-68,500	-68,500	150,660	0	N/A	N/A	\$3.37
N Greenville	23,571,579	832,158	3.5%	290,253	290,253	210,000	0	\$3.95	\$6.93	\$3.14
E Greenville	11,245,579	863,968	7.7%	28,424	28,424	285,143	0	\$6.35	\$7.35	\$4.75
W Greenville	3,583,082	75,820	2.1%	-1,730	-1,730	0	12,000	N/A	\$7.23	\$7.24
S Greenville	36,605,338	2,685,422	7.3%	180,171	180,171	294,000	10,000	\$3.82	\$7.47	\$3.92
N Spartanburg	43,361,257	2,553,523	5.9%	34,900	34,900	286,000	0	\$3.47	\$6.69	\$3.90
S Spartanburg	16,963,493	366,657	2.2%	68,450	68,450	0	0	\$2.69	N/A	\$2.87
Pickens County	6,683,480	587,980	8.8%	-120,170	-120,170	0	0	\$3.00	N/A	N/A
MARKET TOTALS	221,010,062	12,266,882	5.6%	445,278	445,278	5,185,297	301,400	\$3.84	\$5.75	\$3.90

*Rental rates reflect weighted net asking \$psf/year ** Does not match U.S. Marketbeat tables

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
130 Derrick Road	N Spartanburg (Upper Spartanburg County)	Himatsingka	77,760	New Lease
700 N Woods Drive	S Greenville (I-385/Simpsonville)	Unlimited Carrier Group	31,989	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
7021 Augusta Road	S Greenville (I-85 S/Donaldson)	Encore Container / Connolly Builders	80,000	\$5M/\$62.50
175 Abbott Lane	S Spartanburg (Lower Spartanburg County)	Printpak Industries / Ultramar Business Investment	51,000	\$490K/\$9.61
200 Arcadia Drive	N Greenville (West Greenville)	unknown / EP Ventures LLC	34,475	\$1.1M/\$31.91
534 Brookshire Road	Greer (Route 101 Corridor)	Dobson Roy & Ann Hammond / Wood Tectonics	21,850	\$900K/\$41.19

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