

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

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Office Q1 2020

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
North Bank	5,168,044	59,874	784,142	16.3%	-67,673	-67,673	27,535	0	\$22.47	\$23.06
South Bank	2,139,138	0	161,213	7.5%	10,950	10,950	16,843	0	\$23.53	\$23.81
CBD	7,307,182	59,874	945,355	13.8%	-56,723	-56,723	44,378	0	\$22.55	\$23.19
Arlington	894,881	7,190	113,787	13.5%	-12,269	-12,269	25,703	0	\$15.51	N/A
Southside	1,863,196	0	271,582	14.6%	-3,912	-3,912	3,000	0	\$16.34	N/A
Beaches	717,419	2,671	50,730	7.4%	-424	-424	28,820	62,751	\$28.56	\$29.57
Northside	30,000	0	1,730	5.8%	0	0	0	0	\$12.00	N/A
Mandarin	1,455,247	8,888	182,244	13.1%	10,698	10,698	19,770	0	\$22.00	\$26.22
St. John's County	322,259	0	49,952	15.5%	11,233	11,233	7,827	0	\$18.75	N/A
Clay County	490,077	0	10,724	2.2%	0	0	2,880	0	\$14.30	N/A
Westside	121,249	0	0	0.0%	0	0	0	0	N/A	N/A
Butler/Baymeadows	11,605,105	302,970	1,606,055	16.4%	-64,909	-64,909	129,201	0	\$21.42	\$24.15
Deerwood Park	4,090,203	25,040	452,436	11.7%	-34,673	-34,673	24,295	0	\$23.88	\$25.12
Southpoint	3,390,723	0	527,529	15.6%	66,278	66,278	53,358	0	\$21.29	\$24.26
14Baymeadows	4,124,179	277,930	626,090	21.9%	-96,514	-96,514	51,548	0	\$20.17	\$22.28
Non CBD	17,499,433	321,719	2,286,804	14.9%	-59,583	-59,583	217,201	62,751	\$20.62	\$24.59
JACKSONVILLE TOTALS	24,806,615	381,593	3,232,159	14.6%	-116,306	-116,306	261,579	62,751	\$21.22	\$23.75

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
9000 Southside Boulevard	Baymeadows	Jacksonville School for Autism	21,000	Direct
245 Riverside Avenue	Northbank	Raymond James	19,511	Renewal*
7751 Belfort Parkway	Southpoint	A Harold & Associates	18,831	Renewal*

*Renewal - Not included in Leasing Activity Statistics.

KEY SALES TRANSACTIONS Q1 2020

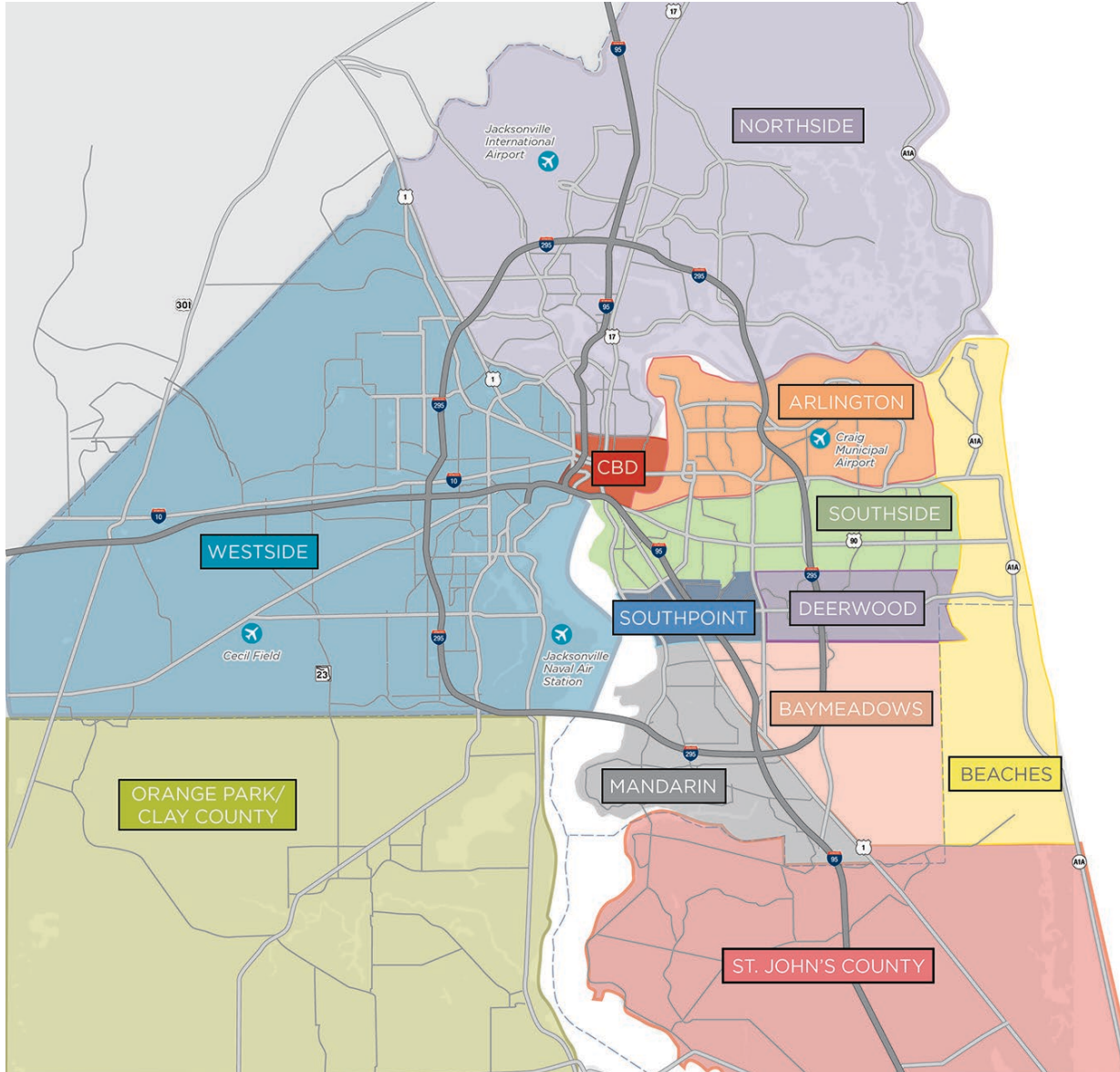
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
841 Prudential Drive	Southbank	GEM Realty Capital/ShareMD	494,437	\$67,000,000/\$135

JACKSONVILLE

Office Q1 2020



OFFICE SUBMARKETS



MICHELLE MCMURRAY

Associate Director

Tel: +1 813 204 5373

michelle.mcmurray@cushwake.com

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