

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	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	OVERALL NET ABSORPTION**	LEASING ACTIVITY (SF)	CONSTR COMPLETIONS (SF)	UNDER CONSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Airport North	4,251,950	102,400	451,396	13.0%	-2,902	356,813	0	0	\$23.64	\$25.68
Airport South	4,486,769	26,600	330,140	8.0%	-24,679	56,103	0	0	\$17.93	\$21.25
Brentwood	5,829,509	57,123	521,132	9.9%	25,379	163,527	0	313,500	\$26.52	\$28.08
CBD	8,424,756	91,815	743,470	9.9%	-208,048	68,393	0	1,669,570	\$31.05	\$33.68
Cool Springs/Franklin	8,897,486	242,523	1,218,964	16.4%	16,366	72,292	180,000	0	\$31.04	\$32.96
Green Hills/West Nashville	2,287,276	18,837	238,157	11.2%	35,299	51,529	0	126,090	\$36.01	\$38.62
MetroCenter	2,071,717	0	44,374	2.1%	46,054	5,906	0	0	\$23.16	\$26.00
Midtown	5,327,024	5,935	380,896	7.3%	125,393	95,856	22,000	1,466,766	\$37.74	\$38.55
North Nashville	620,544	0	40,695	6.6%	-1,240	3,953	0	0	\$20.81	\$22.02
TOTALS	42,197,031	545,233	3,969,224	10.7%	11,622	874,372	202,000	3,575,926	\$29.20	\$33.02

* Includes sublease space and only existing buildings with vacant space.

** Numbers were updated after national report release.

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
535 Marriott Drive – Highland Ridge Tower	Airport North	Genesco	180,000	New Lease
26 Century Blvd – One Century Place	Airport North	BlueCross BlueShield	84,491	Sublease
100 Centerview Drive – Commerce Center East	Airport North	QTC Management	57,349	New Lease
5301 Maryland Way – Bridge Crossing South	Brentwood	ComData	50,690	Renewal / Expansion

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2020

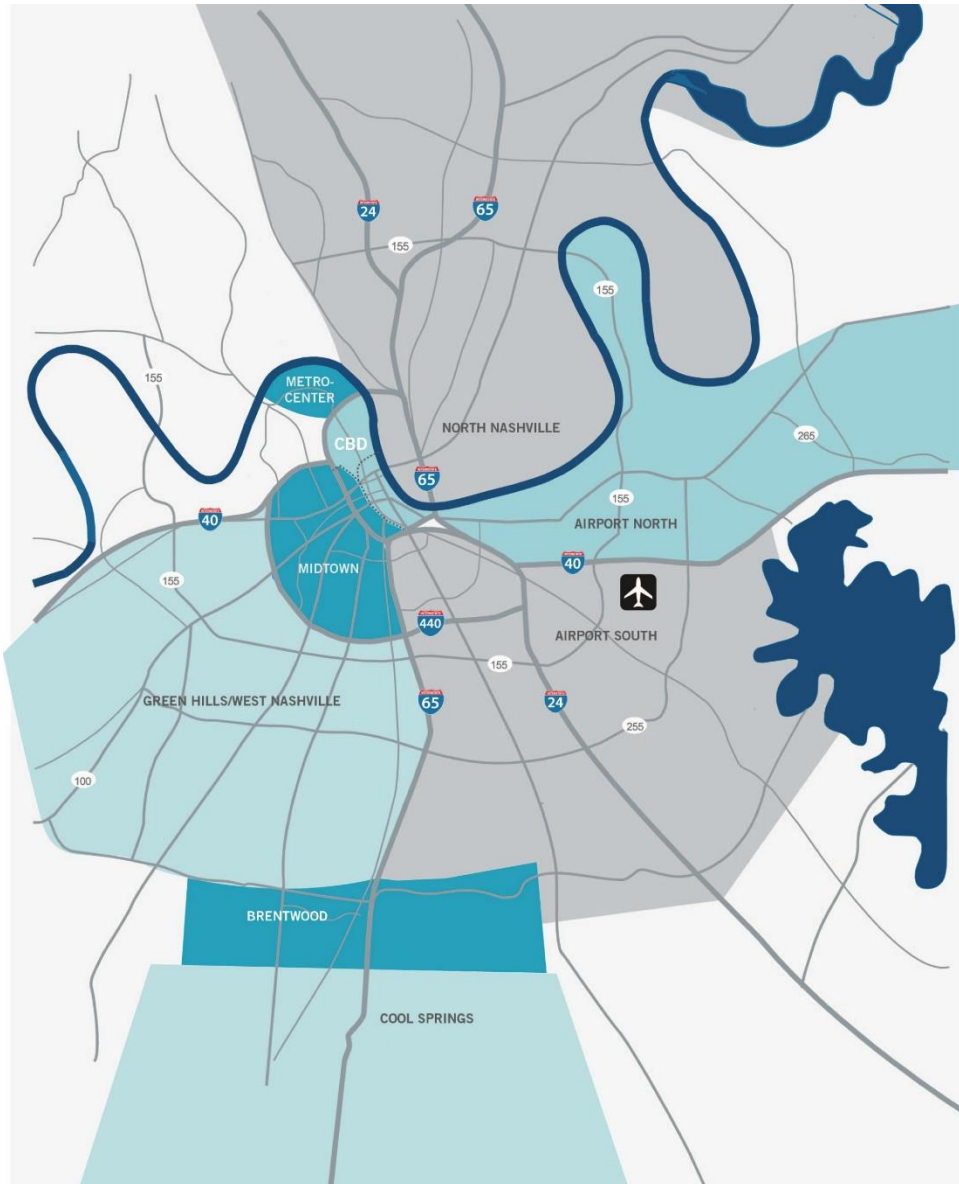
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
222 2 nd Avenue South - 222	CBD	Hines / Starwood Property Trust	362,475	\$264M / \$728.60
Park Center I,II, and Gateway II	Brentwood	Northwestern Mutual Life Insurance / Nuveen	311,000	\$80.3M / \$258.19
310 Great Circle Road	MetroCenter	Aurora Properties / State of TN	200,000	\$26.7M / \$133.50
616-618 Church Street – Castner-Knott	CBD	Clearbrook Holdings Corp. / Linfield Capital	108,490	\$22.1M / \$203.70

KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
4031 Aspen Grove Drive - McEwen Northside	Cool Springs/Franklin	Mitsubishi	180,000	Boyle Investment Group
2111 Belcourt Ave – Belcourt Village	Green Hills / West Nashville	OccuSystems	22,000	Elmington Capital



OFFICE SUBMARKETS

**Zander El-Hindi**

Senior Research Analyst

Tel: +1 615 301 2826

zander.elhindi@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 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

©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.