

## 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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## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)**	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Philadelphia County	23,925,807	863,385	3.6%	0	0	565,167	0	\$5.69	N/A	\$6.22
Lower Bucks County	20,236,577	688,922	3.4%	-148,000	0	0	0	\$5.50	N/A	\$6.60
Upper Bucks County	7,226,566	429,320	5.9%	0	0	125,000	0	N/A	N/A	\$6.44
Montgomery County	18,048,197	633,653	3.5%	331,312	162,000	176,700	0	\$4.35	\$7.50	\$5.29
Chester County	9,399,681	763,172	8.1%	-121,575	0	0	0	\$4.95	\$5.85	\$6.32
Delaware County	5,359,902	0	0.0%	0	0	0	0	N/A	N/A	\$0.00
<b>SUBURBAN PHILADELPHIA</b>	<b>84,196,730</b>	<b>3,378,452</b>	<b>4.0%</b>	<b>61,737</b>	<b>162,000</b>	<b>866,867</b>	<b>0</b>	<b>\$5.40</b>	<b>\$7.28</b>	<b>\$6.17</b>
Burlington County	31,354,652	894,952	2.9%	1,033,579	1,135,582	2,607,415	569,145	N/A	\$6.00	\$6.55
Camden County	14,287,874	336,000	2.4%	-336,000	0	0	0	N/A	N/A	N/A
Gloucester County	19,951,976	495,179	2.5%	986,600	1,066,900	963,430	0	N/A	N/A	\$5.74
Salem County	3,774,896	372,300	9.9%	0	0	0	213,900	N/A	N/A	\$5.86
<b>SOUTHERN NEW JERSEY</b>	<b>69,369,371</b>	<b>2,098,431</b>	<b>3.0%</b>	<b>1,684,179</b>	<b>2,202,482</b>	<b>3,570,845</b>	<b>783,045</b>	<b>N/A</b>	<b>\$6.00</b>	<b>\$6.18</b>
Northern Delaware***	15,012,475	363,781	2.4%	0	0	188,600	0	N/A	\$0.00	\$5.18
<b>PHILADELPHIA MSA TOTALS</b>	<b>153,566,101</b>	<b>5,476,883</b>	<b>3.6%</b>	<b>1,745,916</b>	<b>2,364,482</b>	<b>4,437,712</b>	<b>783,045</b>	<b>\$5.40</b>	<b>\$7.20</b>	<b>\$6.17</b>

\*Rental rates reflect weighted net asking \$psf/year \*\*Does not include renewals \*\*\*Northern Delaware market not included in Philadelphia MSA Totals

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

## KEY LEASE TRANSACTIONS Q1 20

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1800 N Route 130	Burlington County	Target	913,466	New
1250 Forest Parkway	Gloucester County	Amazon	494,000	New

## KEY CONSTRUCTION COMPLETIONS Q1 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
201 Old York Road	Burlington County	Speculative	569,145	Matrix Development
9 Gateway Boulevard	Salem County	Speculative	213,900	NFI

## KEY PROJECTS UNDER CONSTRUCTION 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Mansfield Logistics Park / Bldg. 2	Burlington County	Speculative	719,648	Clarion Partners / MRP Industrial
1100 West Front Street	Burlington County	Spec	528,000	Black Creek

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