

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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Industrial Q1 2020

MARKET STATISTICS

SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Eastern Wake County	104	7,427,904	647,832	8.7%	-9,108	-9,108	670,000	150,000	\$5.62
Southern Wake County	23	1,430,842	180,127	12.6%	-50,000	-50,000	-	-	\$4.50
RTP/I-40 Corridor	88	12,315,361	258,596	2.1%	1,513	1,513	1,498,921	-	\$6.06
Falls of the Neuse	19	1,131,208	60,438	5.3%	-51,538	-51,538	-	-	\$5.50
South Durham	13	780,925	7,042	0.9%	-	-	-	-	\$6.19
US 1/Capital Boulevard	63	3,885,488	49,373	1.3%	754	754	-	-	\$6.20
ALL OTHER SUBMARKETS	83	3,820,452	215,344	5.6%	16,000	16,000	-	-	\$5.80
WAREHOUSE SUBTOTAL	393	30,792,180	1,418,752	4.6%	-92,379	-92,379	2,168,921	150,000	\$5.80
Cary	42	988,968	118,474	12.0%	-23,804	-23,804	-	-	\$11.82
Eastern Wake County	57	1,538,299	96,030	6.2%	-7,095	-7,095	-	-	\$9.64
Southern Wake County	40	961,823	128,340	13.3%	128,340	128,340	49,400	-	\$10.70
RTP/I-40 Corridor	112	6,549,237	461,856	7.1%	-205,707	-205,707	-	-	\$15.00
US 1/Capital Boulevard	130	4,349,277	262,642	6.0%	-10,132	-10,132	-	-	\$11.97
US 70/Glenwood Avenue	62	1,153,682	13,826	1.2%	-	-	-	-	\$10.27
West Raleigh	30	642,805	51,126	8.0%	-16,152	-16,152	-	-	\$12.22
ALL OTHER SUBMARKETS	44	1,546,932	170,841	11.0%	-75,182	-75,182	-	-	\$11.20
FLEX SUBTOTAL	517	17,731,023	1,303,135	7.3%	-209,732	-209,732	49,400	-	\$12.63
TRIANGLE INDUSTRIAL TOTAL	910	48,523,203	2,721,887	5.6%	-302,111	-302,111	2,218,321	150,000	\$8.84

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

**Stats are not reflective of U.S. MarketBeat Tables

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
805 S Briggs Ave	South Durham	North State Express	156,000	New
360 Spectrum Dr	Eastern Wake Co.	Ernest Packaging	56,909	New
8005 Knightdale Blvd	Eastern Wake Co.	Noda Brewing Company	25,200	New

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
Northside Center	Triangle Mix	Loden Properties / Spectrm Properties JV FCA Partners	548,560	\$59.0M / \$108
Perimeter's Edge	RTP/I-40 Corridor	Singerman Real Estate / Longfellow Real Estate Partners	399,072	\$64.7M / \$162
Mims Distributing Facility	US 70/Glenwood Ave	Mims Distributing Co. / Long Beverage Inc.	142,730	\$11.9M / 84

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