

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	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 AVG ASKING RENT (ALL CLASSES)*	DIRECT AVG ASKING RENT (CLASS A)*
Downtown Raleigh	72	5,339,508	266,012	5.0%	5,259	5,259	761,179	-	\$30.34	\$31.78
Downtown Durham	76	4,663,080	356,787	7.7%	-53,847	-53,847	444,500	-	\$30.37	\$32.34
CBD TOTAL	148	10,002,588	622,799	6.2%	-48,588	-48,588	1,205,679	-	\$30.35	\$32.01
Cary	132	7,051,661	761,235	10.8%	-18,589	-18,589	133,628	-	\$25.97	\$27.47
Falls of the Neuse	73	3,163,452	314,076	9.9%	32,616	32,616	-	-	\$22.20	\$25.21
North Durham	32	1,035,513	344,309	33.3%	-11,330	-11,330	-	-	\$17.68	n/a
Orange County	42	2,019,143	395,358	19.6%	8,597	8,597	256,000	-	\$27.72	\$28.86
RTP/I-40 Corridor	175	14,495,378	1,645,256	11.4%	565,212	565,212	1,469,874	-	\$24.87	\$26.33
RTP/I-40 Corridor (Class A)**	80	8,602,427	584,129	6.8%	64,177	64,177	1,469,874	-	n/a	\$26.33
Six Forks	62	3,959,340	248,137	6.3%	-8,640	-8,640	348,648	-	\$29.76	\$33.34
South Durham	43	1,918,415	315,621	16.5%	-5,184	-5,184	-	-	\$23.00	\$26.51
US 1/Capital Boulevard	40	2,162,939	147,876	6.8%	19,768	19,768	-	-	\$22.80	\$25.82
US 70/Glenwood Avenue	71	4,109,504	396,901	9.7%	1,881	1,881	240,000	-	\$27.20	\$29.07
West Raleigh	93	6,099,829	324,082	5.3%	-34,327	-34,327	376,073	-	\$28.53	\$29.46
ALL OTHER SUBMARKETS	62	1,598,810	166,229	10.4%	-26,166	-26,166	54,600	-	\$22.06	\$24.90
RALEIGH-DURHAM TOTAL	973	57,616,572	5,681,879	9.9%	475,250	475,250	4,084,502	-	\$26.66	\$28.92

*Rental rates reflect full service asking **Stats are not reflective of U.S. MarketBeat Tables

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2400 Ellis Rd	RTP/I-40 Corridor	Q2 Solutions	365,366	New
4143 Parklake Ave	US 70/Glenwood Ave	Martin Marietta	125,000	New
29 Parmer Way	RTP/I-40 Corridor	Duke	109,660	New
4000 Paramount Pky	RTP/I-40 Corridor	UCB Biosciences, Inc.	50,000	New

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
Somerset Corporate Center & Capital Center	Triangle Mix	Dilweg Companies / Bridge Investment Group	330,008	\$62.7M / \$190
TriGate Raleigh Portfolio	Triangle Mix	Continental Capital Partners / TriGate Capital	275,554	\$40.3M / \$146
Bradford & Berrington	RTP/I-40 Corridor	Crown Realty & Development / Alidade Capital	224,779	\$40.9M / \$182
Centennial Campus' Center for Technology & Innovation	West Raleigh	Keystone Corporation / Ventas, Inc	175,444	\$80.0M / \$456
The Creamery	Downtown Raleigh	Northpond Partners / Turnbridge Equities	82,000	\$34.7M / \$423

JOSHUA CHILES

Research Analyst

+1 919 621 4581 / Josh.chiles@cushwake.com

GRADY MATTHEWS

Managing Principle

+1 919 439 5149 / Grady.matthews@cushwake.com

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