

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)	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)*
Tampa CBD	6,059,064	89,742	533,549	10.3%	-29,524	-29,524	167,547	832,022	\$30.53	\$34.32
Tampa Non CBD	25,439,706	600,686	3,022,906	14.2%	-21,275	-21,275	446,758	537,000	\$27.05	\$30.07
Westshore	12,715,115	225,964	1,324,788	12.2%	40,270	40,270	290,471	422,000	\$31.23	\$36.33
Northwest	4,135,101	88,223	455,367	13.1%	-818	-818	87,916	115,000	\$23.32	\$23.28
I-75 Corridor	7,777,505	286,499	1,207,085	19.2%	-66,162	-66,162	58,930	0	\$23.07	\$24.31
Southwest	306,381	0	22,323	7.3%	-11,915	-11,915	2,150	0	\$19.77	N/A
Hyde Park	335,456	0	13,343	4.0%	4,861	4,861	7,291	0	\$38.66	N/A
Ybor City	170,148	0	0	0.0%	12,489	12,489	0	0	\$0.00	N/A
TAMPA TOTALS	31,498,770	690,428	3,556,455	13.5%	-50,799	-50,799	614,305	1,369,022	\$27.05	\$30.99
St. Pete CBD	2,038,302	13,664	103,953	5.8%	8,901	8,901	18,418	0	\$30.03	\$30.67
St. Pete Non CBD	9,616,906	51,527	1,029,633	11.2%	-157,275	-157,275	94,542	0	\$22.58	\$24.05
Gateway	4,527,426	39,134	584,934	13.8%	-93,065	-93,065	76,368	0	\$23.77	\$24.89
Bayside	1,361,809	2,502	168,940	12.6%	-25,887	-25,887	8,950	0	\$23.73	\$24.69
Countryside	1,187,930	6,338	133,388	11.8%	-8,950	-8,950	9,224	0	\$21.13	\$21.48
North Pinellas	1,147,836	900	26,081	2.4%	0	0	0	0	\$18.00	\$19.27
Clearwater CBD	661,725	2,653	24,617	4.1%	347	347	0	0	\$18.28	\$18.00
South St. Pete	730,180	0	96,907	13.3%	-29,720	-29,720	0	0	\$18.08	N/A
PINELLAS TOTALS	11,655,208	65,191	1,139,820	10.3%	-148,374	-148,374	112,960	0	\$23.25	\$25.25
TAMPA BAY TOTALS	43,153,978	755,619	4,696,275	12.6%	-199,173	-199,173	727,265	1,369,022	\$26.63	\$29.58

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2020

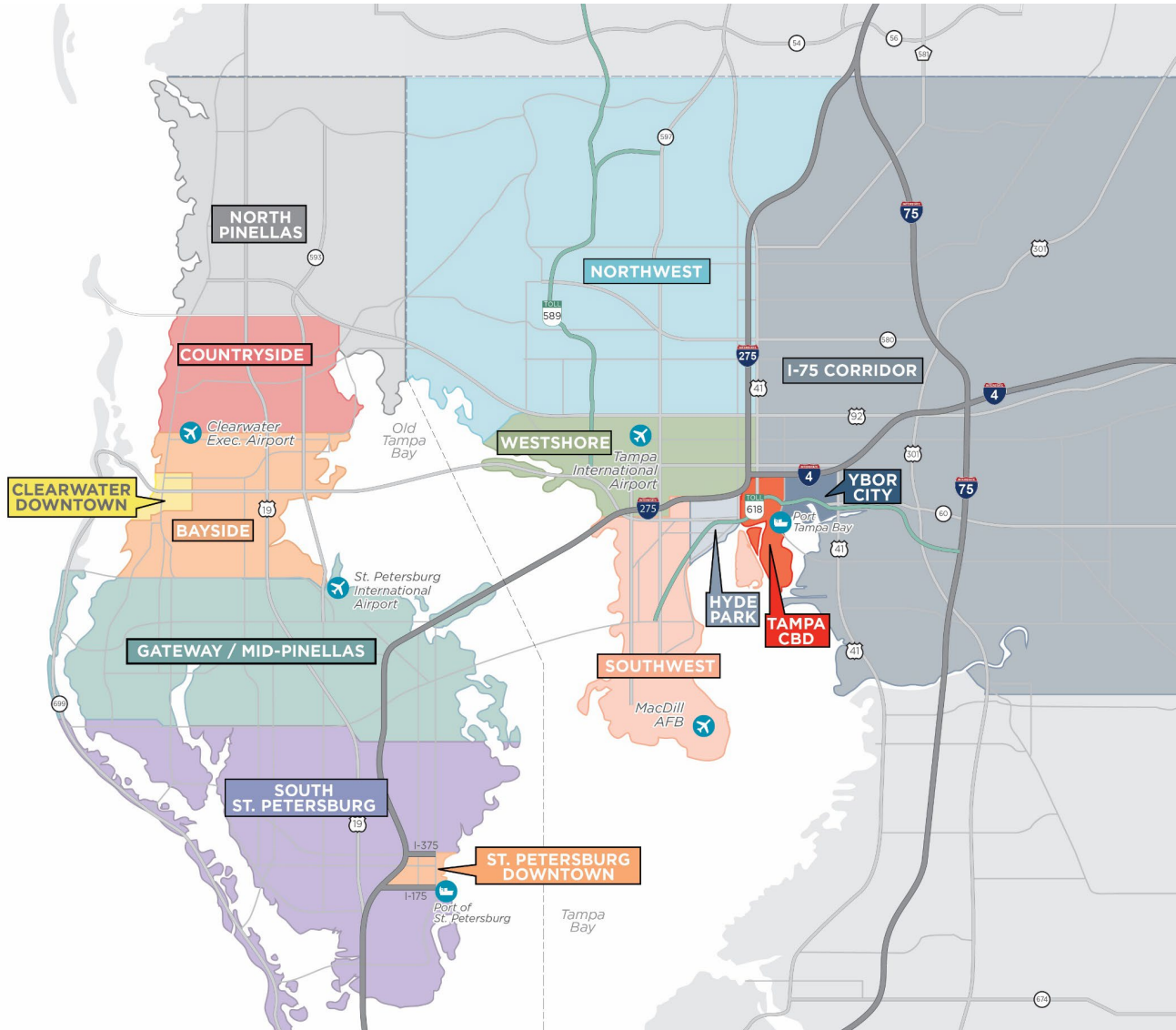
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2650 McCormick Drive	Countryside	Amerilife	70,706	Renewal*
9009 Corporate Lake Drive	Northwest Area	PennyMac	59,109	Direct
570 Carillon Parkway	Gateway	Zelis Healthcare	55,000	Direct
2203 North Lois Avenue	Westshore	Blue Cross Blue Shield	49,509	Direct
615 Channelside Drive	Tampa CBD	Industrious	44,000	Direct

*Renewals are not included in leasing activity

TAMPA BAY

Office Q1 2020

OFFICE SUBMARKETS



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