

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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SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	YTD LEASE ACTIVITY (SF)	YTD USER SALES ACTIVITY (SF)	OVERALL VACANCY RATE	YTD DIRECT NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	DIRECT WEIGHTED AVERAGE NET RENTAL RATE *
Downtown	1,565	51,477,177	81,546	113,717	2.6%	-71,168	-71,168	0	0	\$3.61
East	1,070	45,983,416	30,692	138,103	3.2%	87,632	87,632	350,000	145,400	\$3.76
Lake County	1,472	41,948,297	98,733	37,186	3.3%	-83,791	-110,791	0	50,000	\$4.46
South	662	29,623,913	113,839	55,628	3.5%	-56,916	-77,316	0	0	\$5.00
Southeast	1,623	82,705,433	209,969	626,119	7.0%	-792,751	-635,401	145,000	150,000	\$3.92
Southwest	1,219	54,581,940	198,354	54,290	6.0%	-44,867	-56,867	200,000	0	\$3.68
West	1,271	50,450,223	163,370	170,806	4.0%	360,954	358,647	0	0	\$4.36
Akron	2,051	69,885,116	20,196	169,889	3.1%	-116,754	-116,754	695,383	232,187	\$4.24
Medina County	638	22,587,241	62,188	10,550	1.6%	-107,757	-158,590	39,000	0	\$3.20
Portage County	433	11,759,481	31,854	43,528	4.0%	-110,285	-110,285	0	0	\$4.04
Stark County	1,317	48,387,787	119,647	110,477	2.4%	-380,904	-380,904	94,800	0	\$3.29
CLEVELAND TOTALS	13,321	509,390,024	1,130,388	1,519,293	4.0%	-1,316,607	-1,271,797	1,524,183	577,587	\$4.01

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

	TOTAL BUILDINGS	INVENTORY (SF)	YTD LEASING ACTIVITY (SF)	OVERALL VACANCY RATE	YTD DIRECT NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	DIRECT WEIGHTED AVERAGE NET RENTAL RATE *
Industrial including W/D and MF	12,331	481,140,491		3.9%	-1,366,983	-1,295,173	1,524,183	559,087	\$3.72
Office Service / Flex	990	28,249,533		4.7%	50,376	23,376	0	18,500	\$8.95

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
669 Sugar Lane	West	Dura-Line Corporation	136,920	New
1261 Highland Road	Southeast	Penske Logistics	61,087	Renewal
19700 Holland Road	Southwest	All Freight Delivery	54,771	New

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KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
5520 Chevrolet Boulevard	Southwest	Greenberg Real Estate Partners / ICP LLC	575,000	\$9.7M / \$17
Haas – 3 Building Avon Portfolio	West	Haas Holdings (All-Pro Freight) / Plymouth REIT	408,164	\$15.75M / \$39
1535-1555 Enterprise Parkway	Southeast	Maval Manufacturing / Linn Station	72,385	\$3.3M / \$46

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