

## 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](#)

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**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 (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)**	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	30,467,735	158,681	2,616,540	8.6%	143,232	143,232	158,681	0	\$21.90	\$23.79
Akron	26,933,960	18,486	1,433,975	5.3%	-77,730	-77,730	99,195	45,000	\$17.85	\$20.94
Chagrin, East & Lander	14,219,954	2,954	641,743	4.5%	-13,042	-13,042	61,007	0	\$21.52	\$24.58
Stark County	12,621,821	7,048	843,401	6.7%	-26,496	-26,496	5,735	100,000	\$16.12	\$19.17
Rockside & South	9,674,052	10,924	779,645	8.1%	-104,908	-104,908	79,057	0	\$18.38	\$20.90
West	9,139,226	11,597	508,313	5.6%	153,942	153,942	46,967	234,000	\$16.16	\$27.55
Southwest	8,831,652	3,250	522,091	5.9%	23,824	23,824	96,400	0	\$16.07	\$21.20
Northeast & Lake County	9,141,920	0	870,347	9.5%	-520,378	-520,378	12,914	0	\$14.76	\$19.12
Midtown	7,682,066	19,402	262,042	3.4%	-15,958	-15,958	21,041	0	\$18.55	\$27.36
Lorain County	6,094,694	0	192,328	3.2%	493,098	493,098	12,884	32,500	\$17.50	\$22.52
Fairlawn & Montrose	4,208,587	0	354,546	8.4%	12,462	12,462	1,693	0	\$17.86	\$22.02
Portage & Geauga	4,263,363	0	192,748	4.5%	-40,270	-40,270	8,383	0	\$15.64	\$15.78
Southeast	3,823,432	0	260,927	6.8%	84,904	84,904	9,153	0	\$17.33	\$18.53
Medina	3,241,380	0	165,436	5.1%	55,692	55,692	11,272	27,929	\$13.70	\$12.00
<b>CLEVELAND TOTALS</b>	<b>150,343,842</b>	<b>232,342</b>	<b>9,644,082</b>	<b>6.6%</b>	<b>168,372</b>	<b>168,372</b>	<b>624,382</b>	<b>439,429</b>	<b>\$18.44</b>	<b>\$22.04</b>

\*Rental rates reflect full service asking

\*\*Not reflective of U.S. OfficeMarketBeat Tables.

## KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3700 Embassy Parkway, Suite 200/340	Fairlawn & Montrose	Centene Management Company LLC	24,106	Renewal*
2001 Aerospace Parkway, 2 <sup>nd</sup> Floor	Southwest	HX5, LLC	20,790	New Lease
1100 Superior Avenue, Suite 1100	CBD	Keith D. Weiner	16,517	New Lease
544 White Pond Drive, 3 <sup>rd</sup> Floor	Akron	Burns & McDonnell	14,920	New Lease
1001 Lakeside Avenue, Suite 1200	CBD	USI Insurance Services LLC	12,214	New Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
16651 W Sprague Road	Southwest	Sheriff of Cuyahoga County/ Cd 2005-cd1 W Sprague Road LLC	204,000	\$3.3M / \$16
16600 Sprague Road	Southeast	Auto Owners Insurance Co/ Optimus Development LLC	60,000	\$1.3M / \$21
1900-1940 E 6 <sup>th</sup> Street	CBD	Diamond Investment Group Bldg LLC/ 1900 East 6 <sup>th</sup> Street LLC	53,000	\$1.8M / \$34
24200 Chagrin Boulevard	Chagrin, East & Lander	Orchard's Way Realty Reorganization LTD/ RI Beach LLC	40,888	\$5.3M / \$128
3960 Medina Road	Medina	4000 Carrick Place LLC/Carrick Place II LTD	34,068	\$8.5M / \$250

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