

## 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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WEEKLY COVID-19 UPDATES

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# MARKETBEAT BALTIMORE

## Industrial Q1 2020



### MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Howard County	36,239,522	1,435,151	4.0%	371,681	371,681	0	0	\$6.61	\$11.39	\$6.61
Anne Arundel County	31,340,262	2,752,798	8.8%	126,688	126,688	35,000	100,000	\$6.66	\$12.17	\$7.09
Baltimore City/County-Southwest	23,548,458	1,451,996	6.2%	-12,685	-12,685	0	0	\$4.49	\$7.50	\$4.55
<b>Baltimore-Washington Corridor</b>	<b>91,228,242</b>	<b>5,639,945</b>	<b>6.2%</b>	<b>485,684</b>	<b>485,684</b>	<b>35,000</b>	<b>100,000</b>	<b>\$6.20</b>	<b>\$11.62</b>	<b>\$6.43</b>
Harford County	23,633,995	1,355,790	5.7%	66,553	66,553	1,210,625	0	\$4.83	\$13.35	\$6.03
Cecil County	13,602,316	1,163,460	7.6%	0	0	0	0	\$4.50	N/A	\$4.50
Baltimore County East	58,995,859	4,488,254	7.6%	2,562,466	2,562,466	880,880	3,062,558	\$7.18	\$13.87	\$7.75
<b>I-95 North Corridor</b>	<b>96,232,170</b>	<b>7,007,504</b>	<b>7.3%</b>	<b>2,629,019</b>	<b>2,629,019</b>	<b>2,091,505</b>	<b>3,062,558</b>	<b>\$6.22</b>	<b>\$13.60</b>	<b>\$6.99</b>
Baltimore County-North/West	15,847,008	833,957	5.3%	20,282	20,282	0	0	\$7.93	\$8.20	\$7.99
Baltimore City	7,149,063	111,505	1.6%	1,987	1,987	0	0	N/A	\$7.70	N/A
Carroll County	7,232,409	120,429	1.7%	89,381	89,381	0	0	\$7.12	\$N/A	\$7.12
<b>Beltway Corridor</b>	<b>30,228,480</b>	<b>1,065,891</b>	<b>3.5%</b>	<b>111,650</b>	<b>111,650</b>	<b>0</b>	<b>0</b>	<b>\$8.10</b>	<b>\$8.44</b>	<b>\$8.35</b>
<b>BALTIMORE TOTAL</b>	<b>217,688,892</b>	<b>13,713,340</b>	<b>6.3%</b>	<b>3,226,353</b>	<b>3,226,353</b>	<b>2,126,505</b>	<b>3,162,558</b>	<b>\$6.78</b>	<b>\$11.10</b>	<b>\$6.43</b>

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

OS = Office Service/Flex W/D = Warehouse/Distribution

TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Warehouse / Distribution	36,557,154	2,399,589	6.6%	-13,748	-13,748	0	0	\$11.10
Office Service / Flex	181,131,738	11,313,751	6.2%	3,240,101	3,240,101	2,126,505	3,162,558	\$6.43

### KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
508 Kelso Drive	Baltimore County East	Undisclosed	508,171	New
4 Center Drive	Cecil County	GSA	191,573	New
3501 E Biddle Street	SH Bell	Baltimore County East	167,454	Renewal*

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
Techwood Portfolio	Anne Arundel County	RREEF Management LLC / Amazon.com Services, Inc	650,000	\$90.5M/\$139
Brandon Woods	Anne Arundel County	EverWest Real Estate Investors, LLC / GLL Real Estate Partners Inc.	840,000	\$90M/\$107

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