

## 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

[Click to Sign Up for ongoing insights in your inbox.](#)

## MARKET STATISTICS (GREATER BOSTON)

SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	NEW CNSTR (SF)	DIRECT WEIGHTED AVG. NET RENT* (OVERALL)	DIRECT WEIGHTED AVG. NET RENT* (W/D)	DIRECT WEIGHTED AVG. NET RENT* (MF)	DIRECT WEIGHTED AVG. NET RENT* (FX)
Boston	57	4,212,497	423,615	10.1%	-36,235	0	\$13.16	\$11.99	\$11.68	\$19.59
Boston North	56	4,502,332	47,217	1.0%	-45,324	0	\$14.94	\$14.92	\$15.00	N/A
Boston South	87	5,898,847	448,473	7.6%	84,544	0	\$11.07	\$9.30	\$5.90	\$15.08
Boston West	92	5,286,526	211,720	4.0%	-19,500	0	\$16.77	\$20.26	N/A	N/A
<b>INNER SUBRUBS</b>	<b>292</b>	<b>19,900,202</b>	<b>1,131,025</b>	<b>5.7%</b>	<b>-16,515</b>	<b>0</b>	<b>\$12.82</b>	<b>\$12.22</b>	<b>\$11.08</b>	<b>\$15.54</b>
128 North	183	13,027,149	320,257	2.5%	-35,504	0	\$11.93	\$11.80	N/A	\$12.06
495 North	331	28,201,119	2,413,164	8.6%	93,935	0	\$9.66	\$7.65	\$10.19	\$10.22
<b>NORTH TOTALS</b>	<b>514</b>	<b>41,228,268</b>	<b>2,733,421</b>	<b>6.6%</b>	<b>58,431</b>	<b>0</b>	<b>\$9.84</b>	<b>\$8.32</b>	<b>\$10.19</b>	<b>\$10.38</b>
128 Central	152	7,591,036	208,357	2.7%	82,626	0	\$22.99	N/A	N/A	\$25.07
495 West	205	17,746,864	773,851	4.4%	-81,479	0	\$8.03	\$6.51	\$7.73	\$8.92
Metro West	41	2,326,996	122,421	5.3%	11,048	0	\$8.88	\$7.64	\$9.29	\$9.15
Worcester	88	10,631,567	507,868	4.8%	-72,438	0	\$6.80	\$5.69	\$6.13	N/A
<b>WEST TOTALS</b>	<b>486</b>	<b>38,296,463</b>	<b>1,612,497</b>	<b>4.2%</b>	<b>-60,243</b>	<b>0</b>	<b>\$8.92</b>	<b>\$6.68</b>	<b>\$6.79</b>	<b>\$12.17</b>
128 South	304	25,247,821	1,654,589	6.6%	251,580	0	\$8.28	\$7.05	\$11.15	\$10.65
495 South	297	33,961,911	1,508,118	4.4%	-332,042	0	\$6.86	\$6.53	\$6.93	\$8.88
3/24 South	91	5,725,489	168,675	2.9%	19,779	0	\$8.79	\$6.06	N/A	\$11.76
Fall River/New Bedford	57	9,996,717	350,900	3.5%	104,400	0	\$9.42	\$5.47	\$9.00	\$20.00
<b>SOUTH TOTALS</b>	<b>749</b>	<b>74,931,938</b>	<b>3,682,282</b>	<b>4.9%</b>	<b>43,717</b>	<b>0</b>	<b>\$7.62</b>	<b>\$6.62</b>	<b>\$9.08</b>	<b>\$10.89</b>
<b>BOSTON TOTALS</b>	<b>2,041</b>	<b>174,356,871</b>	<b>9,159,225</b>	<b>5.3%</b>	<b>25,390</b>	<b>0</b>	<b>\$9.08</b>	<b>\$7.56</b>	<b>\$9.50</b>	<b>\$11.40</b>

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

\*Statistics not reflective of US Marketbeat Tables

FX = Flex MF = Manufacturing W/D = Warehouse/Distribution

## Industrial Q1 2020

## KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
80 Wilson Way	128 South	Beth Israel	119,590	New
152 Grove Street	128 Central	Abcam	100,000	New
15 Campanelli Circle	128 South	Restoration Hardware	82,000	New

\*Renewals not included in leasing statistics

\*Statistics not reflective of US Marketbeat Tables

## KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
101-135 American Legion Highway	Boston North	Atlantic Management, and VMD Companies/ Clarion Partners	826,000	\$355M/\$430
19-53 Brigham Street	495 West	Ivy Realty/Stockbridge and Lincoln Property Co.	169,230	\$18.2M/\$108
200 Research Drive	495 North	Wakefield Investments Inc./Novaya Ventures	153,556	\$20.7M/\$135
960 Turnpike Street	128 South	The Naughton Company/Longpoint Realty Partners LP	112,375	\$12.5M/\$111
350 University Ave	128 South	Westwood Bradshaw Trust/Berkeley Partners	111,600	\$15.5M/\$139
500 Research Drive	495 North	Wakefield Investments/ Novaya Ventures	108,000	\$13.9M/\$128
420-450 Fortune Boulevard	495 South	Richard Terrill/Parsons Commercial Group and AIS Development	107,852	\$6.2M/\$57

**Beth Findley**

Research Analyst, New England

+1 617 204 4105

[beth.findley@cushwake.com](mailto:beth.findley@cushwake.com)

## A CUSHMAN &amp; WAKEFIELD RESEARCH PUBLICATION

©2020 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.