

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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Industrial Q1 2020

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	YTD USER SALES ACTIVITY (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Downtown Los Angeles	91,604,140	2.7%	-111,192	436,836	0	202,580	0	\$0.92	\$1.45	\$1.02
Commerce/Vernon	164,431,695	2.3%	-808,077	1,124,826	159,360	174,315	510,509	\$0.81	\$1.48	\$0.83
Mid-Counties	118,736,194	1.8%	18,465	992,295	239,361	296,771	0	\$0.71	\$1.35	\$0.79
San Gabriel Valley	184,420,913	2.0%	-185,373	1,673,673	220,932	1,143,981	31,047	\$0.81	\$0.93	\$0.82
South Bay	218,925,670	1.9%	323,492	2,024,642	69,966	290,303	521,574	\$0.93	\$1.93	\$0.93
Westside	14,032,044	1.6%	-86,389	74,150	29,911	0	0	\$0.96	\$2.41	\$2.16
North Los Angeles	207,124,816	2.1%	-96,756	2,047,028	132,282	1,958,438	134,410	\$0.96	\$1.16	\$0.81
GREATER LOS ANGELES TOTAL	999,275,472	2.1%	-945,830	8,373,450	851,812	4,066,388	1,197,540	\$0.86	\$1.53	\$0.87

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

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

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
3001 & 3175 Mission Oaks Boulevard, Camarillo	North Los Angeles	eCommerce Retailer	749,725	Direct
15930 Valley Boulevard, City of Industry	San Gabriel Valley	eCommerce Retailer	619,200	Direct
660-700 Artesia Boulevard, Compton	South Bay	TJ Maxx	457,960	Renewal*
21900 Wilmington Avenue, Carson	South Bay	CH Robinson	411,840	Direct
741-745 W Artesia Boulevard, Compton	South Bay	TJ Maxx	381,811	Direct
300 Baldwin Park Boulevard, City of Industry	San Gabriel Valley	Jacmar Foodservice	230,247	Sale-Leaseback

*Renewals not included in leasing statistics

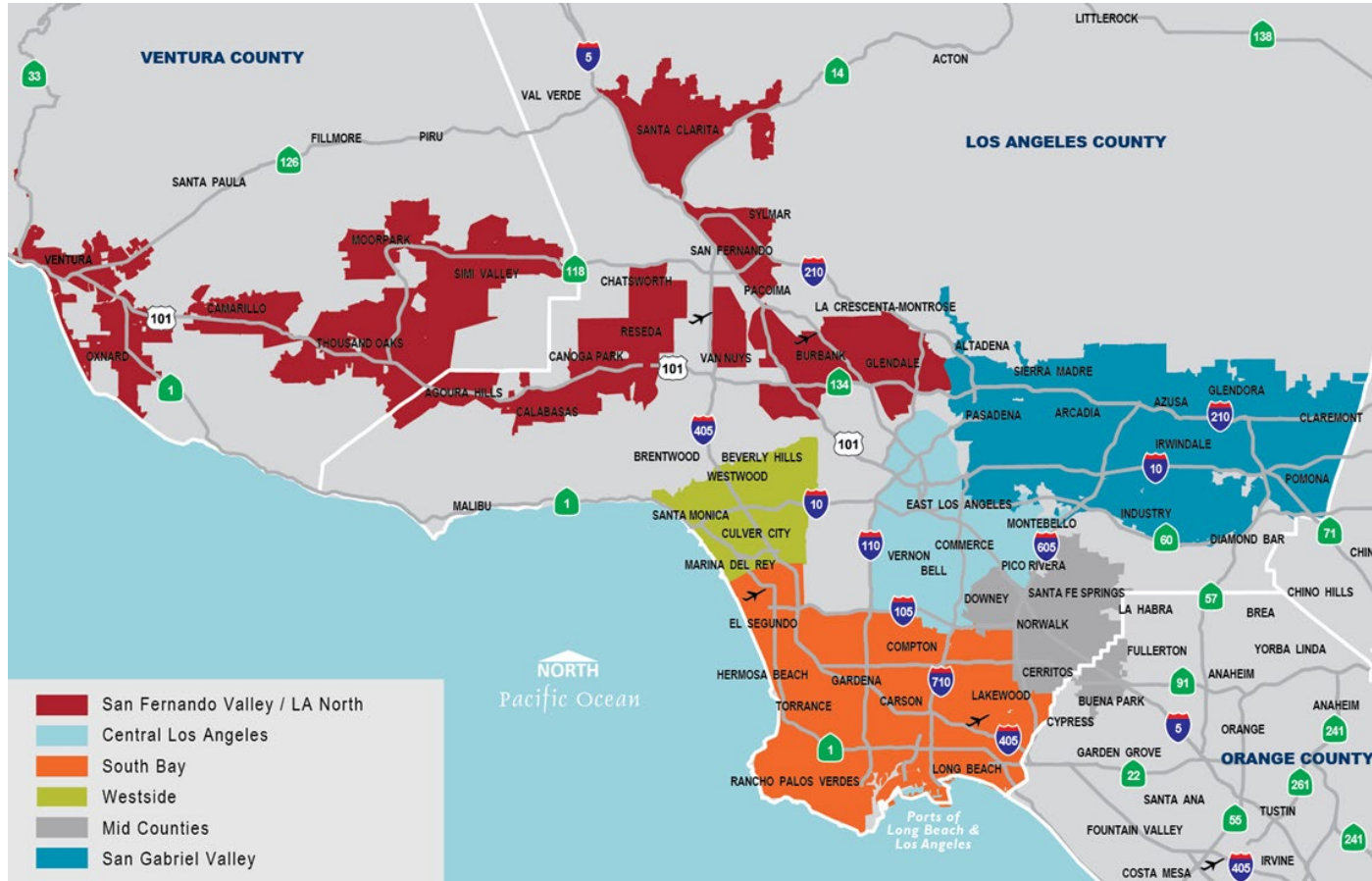
KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
3001 & 3175 Mission Oaks Boulevard, Camarillo	North Los Angeles	STAG Industrial / Greenlaw Partners	749,725	\$88.0M / \$120
8201-8221 Woodley Avenue, Van Nuys	North Los Angeles	Realty Bancorp Equities, LLC / The Blackstone Group L.P.	279,618	\$83.0M / \$297
300 Baldwin Park Boulevard, City of Industry	San Gabriel Valley	Jacmar Foodservice / BentallGreenOak	230,247	\$61.0M/\$265

KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
2100-2200 W 195 th Street, Torrance	South Bay	DSV, Alpine Electronics, Wash Laundry	409,822	Sares-Regis
2929 54 th Street & 5215 Boyle Street, Vernon	Commerce/Vernon	N/A	346,181	Prologis

GREATER LOS ANGELES INDUSTRIAL SUBMARKETS



NOTE: Central Los Angeles = Downtown & Commerce/Vernon.

Cushman & Wakefield is continuously refining its database. We made adjustments to the inventory in 1Q2020 which affects vacancy and absorption, so current figures may not match what was published previously. Average rate weighted by available sf

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Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

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