

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.](#)

MARKETBEAT LAS VEGAS



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 CONSTRUCTION (SF)	YTD CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MFG)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NNN RENT*
Airport/East	14,487,988	309,622	2.1%	45,470	45,470	151,200	30,897	\$0.55	\$0.80	\$0.81
Central	7,313,544	140,510	1.9%	-10,718	-10,718	0	0	-	\$0.93	\$0.91
North Las Vegas	47,018,111	4,077,800	8.7%	884,011	884,011	2,964,134	1,169,038	\$0.65	\$0.55	\$0.58
Northwest	872,074	64,555	7.4%	19,990	19,990	725,840	0	\$1.26	\$1.05	\$1.00
Southwest	36,693,516	1,196,500	3.3%	47,229	47,229	818,364	38,972	\$0.77	\$0.81	\$0.91
Henderson	17,039,461	537,715	3.2%	682,489	682,489	1,070,460	616,388	-	\$0.73	\$0.80
TOTALS	123,424,694	6,326,702	5.1%	1,668,471	1,668,471	5,729,998	1,855,295	\$0.76	\$0.69	\$0.77

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

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

PROPERTY TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NNN RENT*
Warehouse / Distribution	96,600,618	5,155,608	5.3%	1,616,498	1,616,498	5,485,590	1,824,398	\$0.69
Manufacturing	10,871,325	91,666	1.3%	-8,521	-8,521	0	0	\$0.76
FLEX	15,952,751	1,079,428	6.8%	60,494	60,494	244,408	30,897	\$0.95

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
5430 Donovan Way	North Las Vegas	Camco Manufacturing, Inc.	203,884	New
4900 Engineers Way	North Las Vegas	Weisser Distributing	105,820	Expansion/Renewal
1387 Executive Airport Dr.	Henderson	Creative Technologies	100,692	New
4265 W. Sunset Rd.	Southwest	Las Vegas Color Graphics	85,943	Sale-Leaseback
5406 El Campo Grande Ave.	North Las Vegas	Dept. of Veterans Affairs	60,610	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
5605 N. Hollywood Blvd.	North Las Vegas	Hines / Black Creek Group	670,752	\$62.4M / \$93
3832 Civic Center Dr. & 4825 E. Cheyenne Ave.	North Las Vegas	Panattoni Development Company / The Blackstone Group	237,500	\$34.1M / \$144
860 Wigwam Pkwy.	Henderson	Juliet Property Company / B&C Properties Inc.	130,990	\$19.0M / \$145
4265 W. Sunset Rd.	Southwest	Graphicsland LTD / Knudsen LVCG LLC	85,943	\$15.8M / \$183
7930 W. Warm Springs Rd.	Southwest	Centra Warm Springs Corporate Center, LLC / Nordis, Inc.	21,886	\$3.6M / \$164

ALEX CASINGAL

Research Analyst, Nevada

+1 702 688 6881 / alexander.casingal@cushwake.com

JOLANTA CAMPION

Director of Research, San Diego, Nevada, Salt Lake City

+1 858 625 5235 / jolanta.campion@cushwake.com

A CUSHMAN & 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.

cushmanwakefield.com