



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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SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION	UNDER CONSTRUCTION (SF)	OVERALL WEIGHTED AVG NET RENT (HT)*	OVERALL WEIGHTED AVG NET RENT (MF)*	OVERALL WEIGHTED AVG NET RENT (W/D)*	OVERALL WEIGHTED AVG NET RENT*
Western Nassau	16,378,086	839,495	5.1%	-6,965	-6,965	235,234	N/A	\$9.94	\$10.86	\$10.79
Central Nassau	7,329,239	246,276	3.4%	-75,000	-75,000	0	\$13.50	\$10.89	\$11.62	\$11.98
Eastern Nassau	21,218,302	1,206,354	5.7%	-108,111	-108,111	0	\$10.96	\$12.98	\$11.69	\$11.89
NASSAU TOTALS	44,925,627	2,292,125	4.7%	-190,076	-190,076	235,234	\$11.61	\$11.93	\$11.21	\$11.36
Western Suffolk	30,610,577	755,563	2.5%	-116,025	-116,025	0	\$12.60	\$10.70	\$8.39	\$9.03
Central Suffolk	42,091,437	1,937,851	4.6%	66,842	66,842	345,000	\$8.81	\$8.71	\$8.55	\$8.69
Eastern Suffolk	13,459,764	905,474	6.7%	293,169	293,169	122,345	\$6.25	\$18.25	\$8.83	\$8.76
SUFFOLK TOTALS	86,161,778	3,598,888	4.8%	243,986	243,986	467,345	\$9.59	\$8.63	\$9.02	\$9.11
LONG ISLAND TOTALS	131,087,405	5,891,013	4.5%	53,910	53,910	702,579	\$9.99	\$10.84	\$9.49	\$9.70

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

HT = High Technology/Flex MF = Manufacturing W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
253-51 Rockaway Boulevard/JFK Logistics Center, Woodmere	235,234	Confidential	Warehouse/Distribution	Western Suffolk
344 Duffy Avenue, Hicksville	195,610	HD Supply Holdings, Inc.	Warehouse/Distribution	Eastern Nassau
319 Yaphank Avenue, Yaphank	81,972	Bluelinx Holdings Inc.	Warehouse/Distribution	Eastern Suffolk

KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SF	SELLER / BUYER	PROPERTY TYPE	PRICE / \$PSF	SUBMARKET
355 Crooked Hill Road, Brentwood	83,020	All-Pet Distributors, Inc./ Giapreat, LLC	Warehouse/ Distribution	\$10M / \$118	Central Suffolk
391 Yaphank Road, Yaphank	81,972	Bluelinx Holdings Inc./ AIC Ventures, L.P.	Warehouse/ Distribution	\$5M / \$65	Eastern Suffolk
225 Central Avenue S, Bethpage	79,842	Kravet Inc./ MTA New York City Transit Authority	Warehouse/ Distribution	\$20M / \$250	Eastern Nassau

NOTABLE PROJECTS UNDER CONSTRUCTION

PROPERTY	SF	DEVELOPER	MAJOR TENANT	SUBMARKET
253-51 Rockaway Boulevard/JFK Logistics Center, Woodmere	235,234	Wildflower LTD	Confidential	Western Nassau
80 Wilshire Boulevard, Brentwood	232,000	Heartland Development Company	Speculative	Central Suffolk
230 Roger's Way, Westhampton Beach	100,000	Rechler Equity Partners, LLC	Speculative	Eastern Suffolk

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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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