

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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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)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Boca Raton	6,856,059	314,575	4.59%	-19,407	-19,407	0	0	\$11.95	\$14.88	\$13.68
Jupiter	3,055,975	263,932	8.64%	31,100	31,100	0	0	\$14.84	\$9.29	\$7.95
Delray Beach	2,040,838	25,770	1.26%	-10,000	-10,000	0	0	N/A	\$15.25	\$10.51
Boynton Beach	3,472,398	173,781	5.00%	-29	-29	0	0	N/A	\$11.85	\$8.83
Lake Worth	1,967,562	42,625	2.17%	0	0	0	0	N/A	N/A	\$8.32
Riviera Beach	9,035,969	199,331	2.21%	-6,460	-6,460	120,282	0	\$7.48	\$9.25	\$9.25
West Palm Beach	15,859,348	425,720	2.68%	168,496	168,496	429,302	161,725	N/A	\$12.23	\$10.34
PALM BEACH TOTALS	42,288,149	1,445,734	3.42%	163,700	163,700	549,584	161,725	\$8.28	\$13.62	\$9.92

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

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

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
15335 Park of Commerce Boulevard	Jupiter	Niagara Bottling	114,536	New Lease
6043 Southern Boulevard	West Palm Beach	Home Depot	77,870	New Lease
6965 Vista Parkway North	West Palm Beach	Trane Supply	63,117	Renewal*/Expansion
15335 Park of Commerce Boulevard	Jupiter	Spartan Motors	34,950	New Lease
2211 Vista Parkway (Building 1)	West Palm Beach	Parts Authority	32,120	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1200-1220 SW 35 th Avenue (3 Properties)*	Boynton Beach	Exeter Property Group / Elion Partners	202,397*	\$25.8M/\$127*
700 Banyan Trail	Boca Raton	Leder Realty / Brookfield Asset Management	175,625	\$31.4M/\$178

*Portfolio Sale

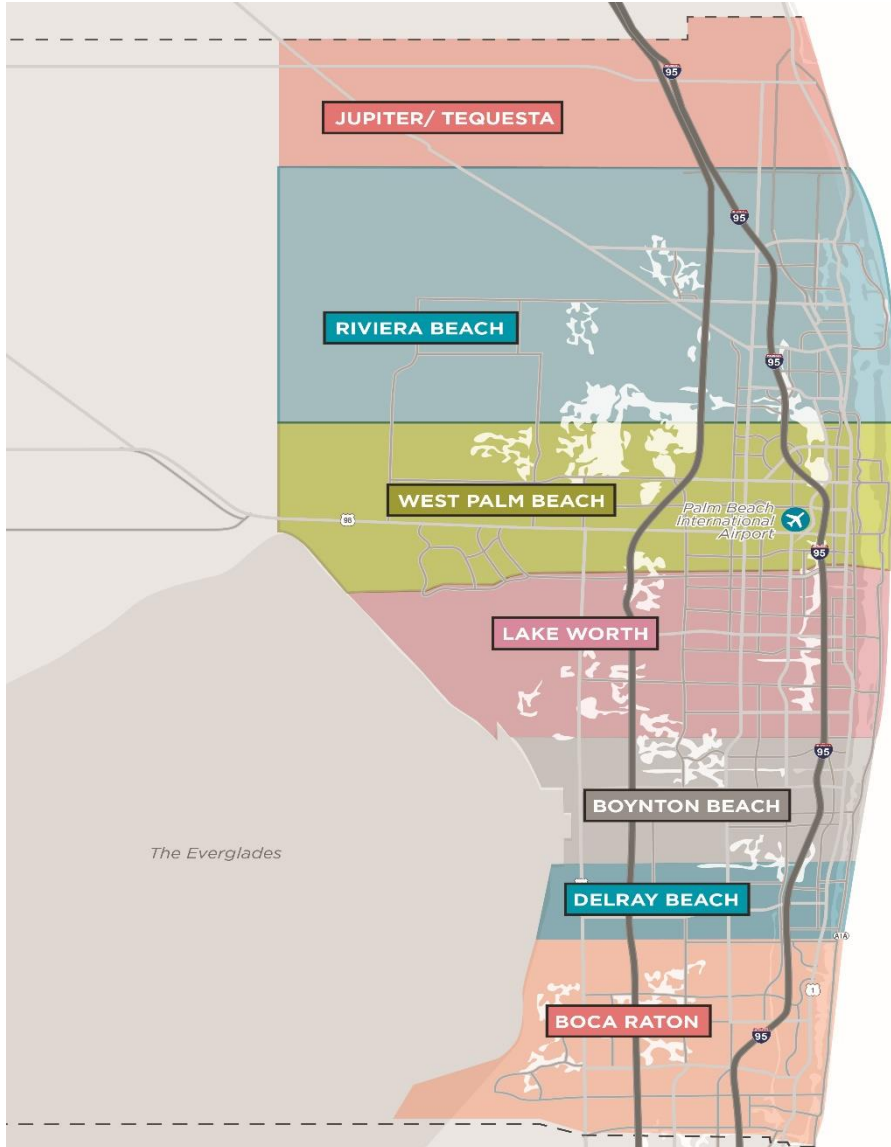
KEY CONSTRUCTION COMPLETIONS Q1 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
6717 Belvedere Road	West Palm Beach	SWI Solutions	161,725	Duke Realty / Duke Realty

Palm Beach

Industrial Q1 2020

INDUSTRIAL SUBMARKETS



Mat Ballard

Analyst

Tel: +1 954 377 0493

Matt.Ballard@cushwake.com

Trey Davis

Associate Director

Tel: +1 305 533 2846

Trey.Davis@cushwake.com

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