

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 CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (FLX)	OVERALL WEIGHTED AVG NET RENT (W/D)
Northeast Portland	5,715,539	211,429	3.7%	16,341	16,341	0	0	\$1.54	\$1.60	\$1.14
Swan Island	9,667,517	553,136	5.7%	-163,781	-163,781	0	0	\$1.08	\$0.00	\$0.62
Rivergate	15,888,718	775,561	4.9%	-114,000	-114,000	0	0	\$0.50	\$0.00	\$0.44
Airport Way	15,635,962	674,765	4.3%	-56,818	-56,818	956,900	0	\$0.50	\$1.50	\$0.62
East Columbia	30,248,027	1,920,171	6.3%	331,544	331,544	939,430	378,500	\$0.56	\$1.05	\$0.54
NORTH/NORTHEAST	77,155,763	4,135,062	5.4%	13,286	13,286	1,896,330	378,500	\$0.63	\$1.18	\$0.52
Southeast Portland	5,046,173	259,425	5.1%	-28,220	-28,220	0	0	\$1.92	\$0.95	\$1.08
Clackamas/Milwaukie	24,632,375	800,154	3.2%	-175,980	-175,980	0	0	\$0.57	\$1.67	\$0.64
SOUTHEAST	29,678,548	1,059,579	3.6%	-204,200	-204,200	0	0	\$0.57	\$1.61	\$0.82
Macadam	650,461	19,000	2.9%	-19,000	-19,000	0	0	\$0.00	\$2.02	\$0.88
Wilsonville	8,467,188	309,783	3.7%	-222,569	-222,569	0	0	\$0.00	\$1.23	\$0.66
Tualatin/Sherwood	13,673,758	401,979	2.9%	82,006	82,006	234,100	0	\$0.66	\$1.22	\$0.78
Tigard/Lake Oswego	8,362,059	227,373	2.7%	-41,441	-41,441	0	0	\$0.00	\$1.13	\$0.57
Beaverton/Highway 217	8,372,355	551,784	6.6%	-199,275	-199,275	0	0	\$0.90	\$1.15	\$0.77
Hillsboro/Sunset Corridor	23,340,234	331,029	1.4%	-99,758	-99,758	68,840	0	\$0.98	\$1.25	\$0.99
SOUTHWEST	62,866,055	1,840,948	2.9%	-500,037	-500,037	302,940	0	\$0.68	\$1.21	\$0.76
Northwest Portland	12,949,036	153,900	1.2%	76,857	76,857	0	0	\$0.58	\$0.00	\$0.86
NORTHWEST	12,949,036	153,900	1.2%	76,857	76,857	0	0	\$0.58	\$0.00	\$0.86
Vancouver/Clark County	23,063,215	364,889	1.6%	132,020	132,020	648,175	0	\$0.72	\$1.23	\$0.69
VANCOUVER/CLARK COUNTY	23,063,215	364,889	1.6%	132,020	132,020	648,175	0	\$0.72	\$1.23	\$0.69
PORTLAND TOTALS	205,712,617	7,554,378	3.7%	-482,074	-482,074	2,847,445	378,500	\$0.62	\$1.24	\$0.64

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

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

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
17225 SE 120TH Ave.	Clackamas/Milwaukie	Core Mark	243,008	Warehouse/Distribution
5499 S. 11th St.	Vancouver/Clark County	Simonds International	117,145	Warehouse/Distribution

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
Multi-property Portfolio	Clackamas/Milwaukie	Jameson Partners, LL. / Prologis	188,139	\$32M / \$170 psf

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