

## 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

# ST. LOUIS



## Industrial Q1 2020

### MARKET STATISTICS

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (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)
City	1,241	62,961,355	2,793,160	4.4%	-65,095	-65,095	154,337	0	\$8.01	\$3.50	\$4.38
Metro East	264	36,288,171	3,513,043	9.7%	-156,900	-156,900	0	0	N/A	\$10.85	\$3.96
Mid County	558	23,300,782	453,142	1.9%	-74,804	-74,804	0	0	N/A	\$6.66	\$7.55
North County	528	54,771,547	3,555,983	6.5%	358,128	358,128	1,103,154	376,500	\$4.60	\$6.37	\$3.93
South County	458	20,289,984	1,171,286	5.8%	-105,409	-105,409	372,750	0	\$13.50	\$8.83	\$5.88
St. Charles	465	32,211,745	1,142,087	3.5%	87,969	87,969	502,000	156,000	N/A	\$12.00	\$4.84
West County	532	22,334,966	1,095,257	4.9%	-86,047	-86,047	0	0	N/A	\$9.62	\$4.95
<b>ST. LOUIS TOTALS</b>	<b>4,046</b>	<b>252,158,550</b>	<b>13,723,958</b>	<b>5.4%</b>	<b>-42,158</b>	<b>-42,158</b>	<b>2,132,241</b>	<b>532,500</b>	<b>\$4.97</b>	<b>\$7.41</b>	<b>\$4.37</b>

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

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

PRODUCT TYPE	TOTAL BUILDINGS	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Modern Bulk	117	48,438,927	5,510,837	11.4%	146,661	146,661	1,038,154	0	\$3.98
Traditional Bulk	253	35,262,040	2,475,319	7.0%	-167,792	-167,792	0	0	\$3.67
Office/Warehouse	2,815	97,785,912	4,290,821	4.4%	-345,172	-345,172	546,687	308,000	\$5.80
Other	85	2,665,737	160,388	6.0%	0	0	0	0	\$6.60
Warehouse/Distribution	3,270	184,152,616	12,437,365	6.8%	-366,303	-366,303	1,584,841	308,000	\$4.37
Manufacturing	480	55,226,949	1,571,354	2.8%	342,482	342,482	100,000	224,500	\$4.97
Office Service/Flex	296	12,778,985	782,351	6.1%	-18,337	-18,337	447,400	0	\$7.41
<b>ST. LOUIS TOTALS</b>	<b>4,046</b>	<b>252,158,550</b>	<b>14,791,070</b>	<b>5.9%</b>	<b>-42,158</b>	<b>-42,158</b>	<b>2,132,241</b>	<b>532,500</b>	<b>\$4.69</b>

### KEY LEASE TRANSACTIONS Q1 2020

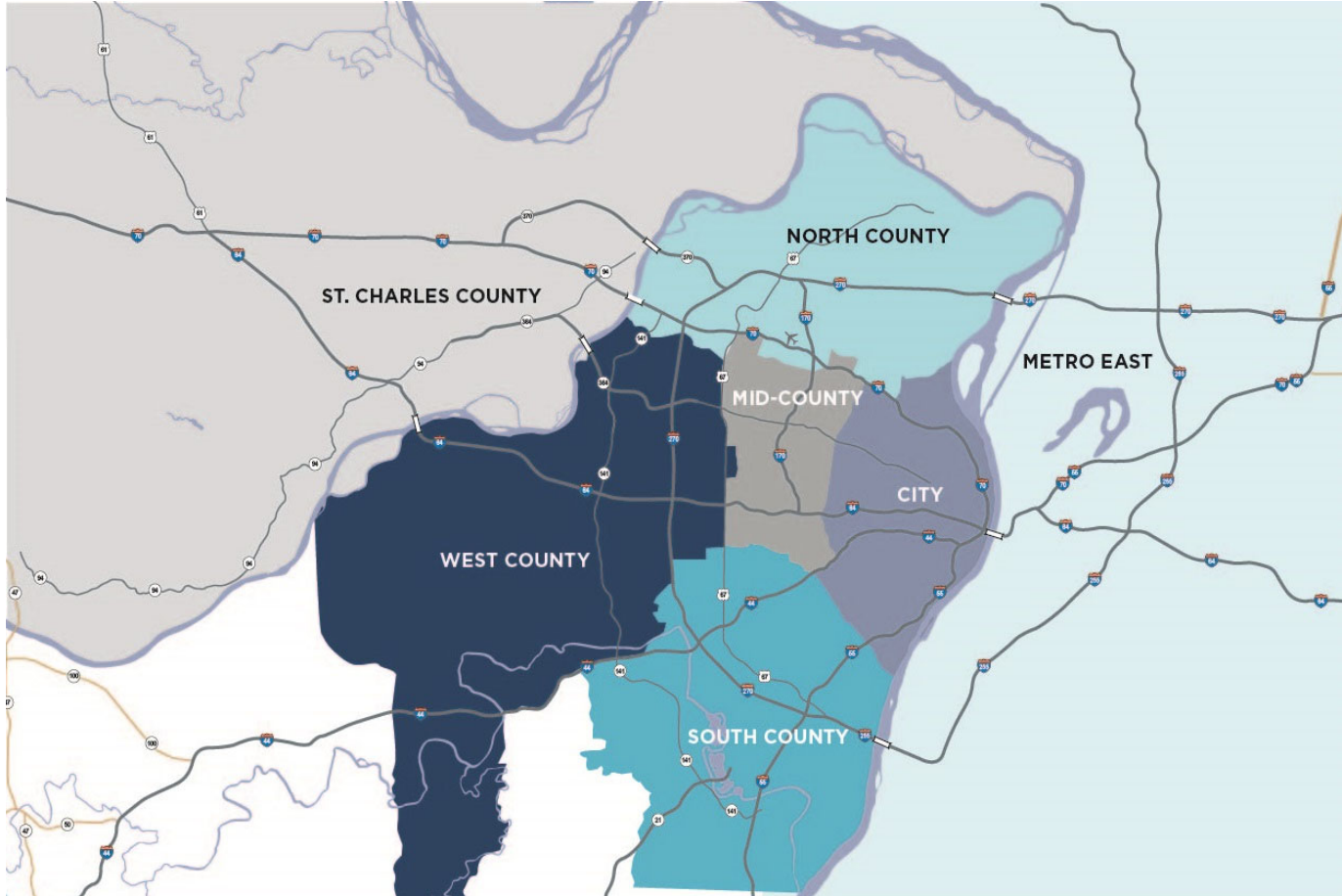
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
3 East Gateway Commerce Center Drive	Metro East	Procter & Gamble	806,400	Renewal**
6701-6703 Southwest Avenue	City	Major Brands Inc.	283,291	Renewal**

\*\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
3965-3971 Lakeview Corporate Drive	Metro East	Duke Realty Corporation / Sealy Acquisitions	540,000	\$27.5M/\$50.83

## INDUSTRIAL SUBMARKETS



### David Hoebbel

Associate Director

Tel: +1 314 236 0176

david.hoebbel@cushwake.com

### Greg Nelson

Analyst

Tel: +1 314 925 3177

greg.nelson@cushwake.com

### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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.

*©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.*