

## 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.

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WEEKLY COVID-19 UPDATES

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# MARKETBEAT SAN DIEGO

## Multi-Family Q1 2020



### MARKET STATISTICS

SUBMARKET	TOTAL PROJECTS	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD% INVENTORY GROWTH	VACANCY RATE	YOY VACANCY RATE CHANGE BPS	AVG EFFECTIVE RENT/UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
East County	146	17,134	0	0.0%	3.3%	+60	\$1,692	\$2.00	+ 5.5%
Highway 78 Corridor	176	26,911	126	0.5%	3.9%	+ 80	\$1,871	\$2.12	+ 7.7%
Interstate 15 Corridor	66	14,162	0	0.0%	2.9%	- 10	\$2,149	\$2.33	+ 5.7%
North County Coastal	94	21,455	0	0.0%	4.5%	+/- 0	\$2,563	\$2.68	+ 9.2%
San Diego Central	187	37,637	168	0.4%	5.7%	- 120	\$2,228	\$2.62	+ 3.9%
South County	128	19,455	0	0.0%	3.9%	- 10	\$1,821	\$2.05	+ 6.5%
<b>Market</b>	<b>797</b>	<b>136,754</b>	<b>294</b>	<b>0.2%</b>	<b>4.3%</b>	<b>- 10</b>	<b>\$2,077</b>	<b>\$2.35</b>	<b>+ 6.5%</b>

Source: MarketPointe Realty 3/2020.

### KEY SALES TRANSACTIONS YTD 2020

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / \$ UNIT
625 Broadway	San Diego Central	Hammer Ventures / Balthus & Cain International	231	\$143M / \$619,155
Sage Apartments	Highway 78 Corridor	Clear Sky Capitol / Michael Kilroy	137	\$34.7M / \$253,285
Serena Vista	East County	Cirrus Asset Management / Universe Holdings	110	\$34.5M / \$313,181
Olive Tree & North Juniper Gardens	Highway 78 Corridor	Horizon Capital / SHS Development	93	\$19.7M / \$211,828
Citra	San Diego Central	Interstate Equities / Groebli Trust	60	\$18.3M / \$305,000

### KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	AVG RENT	UNITS	OWNER / DEVELOPER
4th & J	San Diego Central	\$2,367	168	Legacy Partners
The Rowan	Highway 78 Corridor	\$2,694	126	Lyon Living

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