



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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CUSHMAN & WAKEFIELD
WEEKLY COVID-19 UPDATES

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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Baltimore City	21,461,677	182,315	3,274,260	16.1%	11,128	11,128	78,609	330,000	\$23.63	\$25.16
Howard County	17,223,541	82,386	1,617,806	9.7%	-64,617	-64,617	176,070	0	\$24.11	\$27.76
BWI Airport	11,475,314	25,891	1,259,466	11.2%	-120,467	-120,467	40,509	0	\$24.26	\$30.61
Suburban North	13,226,091	109,742	1,243,328	10.2%	-25,723	-25,723	175,215	81,000	\$19.95	\$23.28
Greater Annapolis	4,001,952	21,770	302,355	8.1%	35,285	35,285	72,029	100,000	\$27.77	\$32.05
Suburban West	8,148,712	32,900	1,192,027	15.0%	-35,603	-35,603	156,161	0	\$20.82	\$24.30
Harford	2,071,382	15,324	502,263	25.0%	-19,206	-19,206	15,146	0	\$22.09	\$23.33
BALTIMORE TOTALS	77,608,669	470,328	9,391,505	12.7%	-219,023	-219,023	708,607	511,000	\$23.15	\$26.62

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
7142 Ambassador Road	Woodlawn	General Dynamics	54,841	New
1010 Park Avenue	Midtown	Social Security	41,510	Renewal*
9108 Guilford Avenue	ADT Commercial, LLC	Towson	29,052	Renewal*
6721 Columbia Gateway Drive	Columbia South	Visionist, Inc.	28,000	Renewal*
210 Research Blvd	Columbia South	Bravura Information Technology Systems, Inc	26,561	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
40 Wight Avenue	Route 83 North	Greenfield Partners / CIM Gourp/ LP	132,995	\$39.1M/\$94
175 Admiral Cochrane Drive	Annapolis	Individual Seller / MRE Properties	55,860	\$12.5M/\$224
10330 Old Columbia Road	Columbia South	Morrell Development / Reliable Contracting Co. Inc.	42,800	\$7.4M/\$173

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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 53,000 employees in 400 offices and 60 countries. In 2019, the firm had revenue of \$8.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

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