



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)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	DIRECT VACANCY RATE	CURRENT QTR DIRECT NET ABSORPTION	YTD DIRECT ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	DIRECT AVG ASKING RENT (ALL CLASSES)*	DIRECT AVG ASKING RENT (CLASS A)*
Downtown	11,444,594	23,803	1,725,402	15.1%	-59,791	-59,791	88,610	217,470	\$23.61	\$24.81
Midtown	1,831,916	3,667	390,611	21.3%	-575	-575	20,111	0	\$16.92	\$22.50
North/Carmel	7,674,895	93,607	1,299,945	16.9%	-146,333	-146,333	34,727	100,000	\$23.30	\$25.19
Keystone	4,108,371	31,659	549,612	13.4%	90,283	90,283	58,677	0	\$24.25	\$25.03
Fishers	1,928,877	5,303	672,247	34.9%	13,679	13,679	39,314	203,000	\$20.56	\$21.11
Northeast	3,175,625	16,111	539,879	17.0%	24,738	24,738	26,702	0	\$18.24	\$20.57
East	510,538	0	52,103	10.2%	5,750	5,750	0	0	\$14.71	N/A
South	1,401,063	0	195,802	14.0%	-4,002	-4,002	40,938	0	\$18.52	\$21.94
West	1,872,776	0	485,177	25.9%	-40,481	-40,481	6,677	0	\$15.12	\$17.15
Northwest	3,786,781	32,642	695,351	18.4%	41,437	41,437	94,005	0	\$18.35	\$20.11
Class A										
Class A	18,124,430	138,528	3,535,499	19.5%	-24,940	-24,940	245,693	520,470	\$23.38	
Class B										
Class B	15,880,108	59,141	2,606,023	16.4%	-24,389	-24,389	116,664	0	\$18.72	
Class C										
Class C	3,730,898	9,123	464,607	12.5%	-25,966	-25,966	47,394	0	\$15.49	
TOTAL	37,735,436	206,792	6,606,129	17.5%	-75,295	-75,295	409,751	520,470	\$21.15	\$23.38

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1200 S Madison Ave.	South	Indiana Legal Services	25,766	New Lease
8909 Purdue Rd.	Northwest	Sedwick Claim Management Services	25,704	Renewal*/Expansion
11611 N Meridian St.	North/Carmel	Edward Rose	24,117	Renewal*
8888 Keystone Crossing	Keystone	Oak Street Funding	23,657	Renewal*
251 N Illinois St.	Downtown	RCR Technology Corporation	23,313	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1320 City Center Drive	North/Carmel	Garrison Investment Group/ ICONIC Property Partners	136,728	\$16.6M/\$121
9190 Priority Way West Dr./Lakefront 15*	Keystone	Strategic Capital Partners & Rubenstein Parnters/AXS Opportunity Fund LLC	81,515	\$16.0M/\$196
9310-9370 Priority Way West Dr./Lakefront 73	Keystone	Strategic Capital Partners & Rubenstein Parnters/Cooke Financial Partners*	29,995	\$3.4M/\$115

*Owner-User Purchase: building not included in C&W statistical inventory

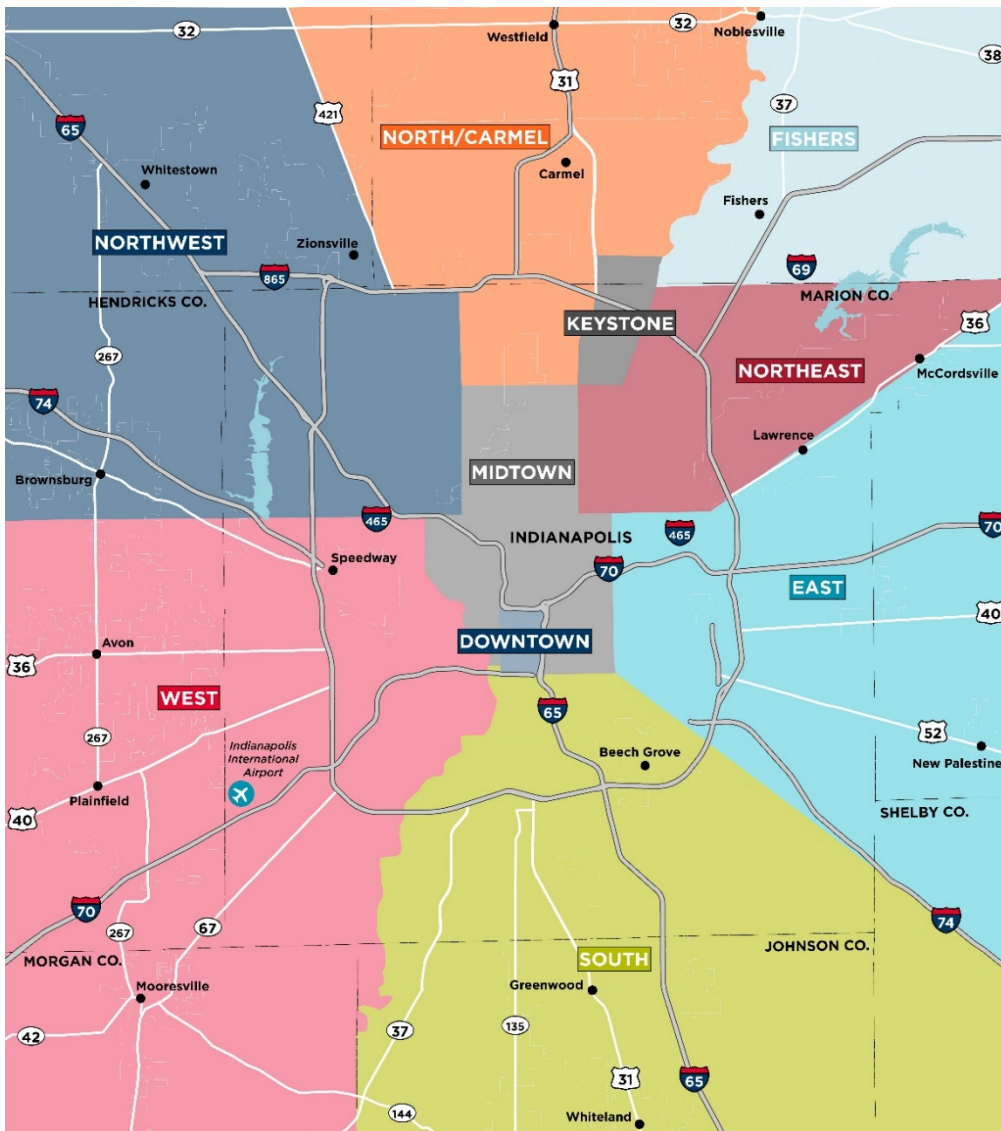
INDIANAPOLIS

Office Q1 2020



CUSHMAN & WAKEFIELD

OFFICE SUBMARKETS



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