



## 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](#)

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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)*
North Seattle / Northgate	2,589,548	13,707	193,715	8.0%	-17,810	-17,810	39,999	82,723	\$39.60	\$44.03
Close-in South Seattle	1,914,835	42,847	88,995	6.9%	63,269	63,269	74,254	0	\$37.93	\$42.15
East Seattle / Capitol Hill	908,860	0	69,456	7.6%	-3,994	-3,994	11,158	0	\$31.66	\$41.24
IN-CITY TOTALS	5,413,243	56,554	352,166	7.6%	41,465	41,465	125,411	82,723	\$37.64	\$43.39
Tukwila	1,851,644	0	367,158	20.1%	-32,005	-32,005	72,591	0	\$25.97	\$32.20
SeaTac	810,400	38,578	65,587	12.9%	-17,266	-17,266	0	128,000	\$27.26	\$27.69
Renton	3,037,003	1,106	1,214,819	40.0%	83,200	83,200	34,577	150,000	\$41.85	\$43.36
Kent / Auburn	1,415,531	4,307	74,129	5.5%	-18,596	-18,596	14,586	0	\$24.70	\$27.48
SOUTHEND TOTALS	7,114,578	43,991	1,721,693	24.9%	15,333	15,333	121,754	278,000	\$37.00	\$41.60
FEDERAL WAY TOTALS	2,254,388	18,362	740,214	33.5%	-25,845	-25,845	23,378	0	\$24.88	\$24.34
SUBRUBAN TOTALS	14,782,209	118,907	2,814,0730	19.9%	30,953	30,953	270,543	360,723	\$33.96	\$38.88

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
The Offices at Integrate Seattle – Bldg B	Tukwila	Cellmetix	45,677	New Lease
2200 First	Close-in South Seattle	Undisclosed	26,790	Sublease
Georgetown Squared – Plaze Bldg	Close-in South Seattle	Undisclosed	22,647	New Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
Black Manufacturing Building	Close-in South Seattle	Seavest Realty, Inc / Nitze-Stagen & Co	62,200	\$26.8M/\$545.92
21400 International Blvd	SeaTac	Jeremy D & Nicholas B Jones / Boilermakers Local 104	16,573	\$2.2M/\$133.35
130 D St NE	Kent / Auburn	J & M Holdings, LLC / Jeong M Kim	7,888	\$1.9M/\$234.53
Milligan Building	North Seattle / Northgate	Tand Holdings, LLC / Forbes Creek Investments, LLC	6,136	\$1.6M/\$260.76
White Center	SeaTac	Service Corporation International / FivePoint Capital Management	3,730	\$3.7M/\$998.66

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