

## 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)	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)*
CBD (Downtown)	9,630,985	74,834	1,824,853	19.7%	10,911	10,911	36,168	0	\$18.08	\$19.69
St. Louis City	10,665,433	74,834	1,865,162	18.2%	26,404	26,404	36,168	607,408	\$18.17	\$19.69
Clayton	7,350,997	38,519	514,576	7.5%	-111,622	-111,622	162,117	455,000	\$28.53	\$32.53
Mid-County	2,149,383	0	119,661	5.6%	-12,958	-12,958	5,665	50,000	\$16.42	N/A
West County	17,285,529	101,495	1,724,134	10.6%	336,010	336,010	252,239	180,000	\$22.81	\$26.85
North County	5,803,009	10,800	907,403	15.8%	5,922	5,922	7,216	0	\$17.70	\$20.01
South County	2,682,052	0	228,369	8.5%	-23,495	-23,495	6,164	0	\$22.56	\$25.41
St. Charles	3,726,651	0	348,246	9.3%	-6,067	-6,067	51,960	0	\$20.71	\$23.22
<b>ST. LOUIS TOTALS</b>	<b>49,663,054</b>	<b>225,648</b>	<b>5,707,551</b>	<b>11.9%</b>	<b>214,194</b>	<b>214,194</b>	<b>521,529</b>	<b>1,292,408</b>	<b>\$21.11</b>	<b>\$23.45</b>

\*Rental rates reflect gross asking \$psf/year and are weighted on available space

\*\*Renewals not included in leasing statistics

Class	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)	Direct AVG ASKING RENT*	OVERALL AVG ASKING RENT*
Class A	29,799,531	204,605	2,827,249	10.2%	210,014	210,014	343,940	1,292,408	\$23.56	\$23.45
Class B	19,863,523	21,043	2,880,302	14.6%	4,180	4,180	177,589	0	\$18.24	\$18.26
<b>ST. LOUIS TOTALS</b>	<b>49,663,054</b>	<b>225,648</b>	<b>5,707,551</b>	<b>11.9%</b>	<b>214,194</b>	<b>214,194</b>	<b>521,529</b>	<b>1,292,408</b>	<b>\$21.08</b>	<b>\$21.11</b>

## KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
533 Maryville University Drive	West County	Energizer	125,295	Renewal**
Forsyth Pointe	Clayton	Husch Blackwell LLP	106,440	New Lease

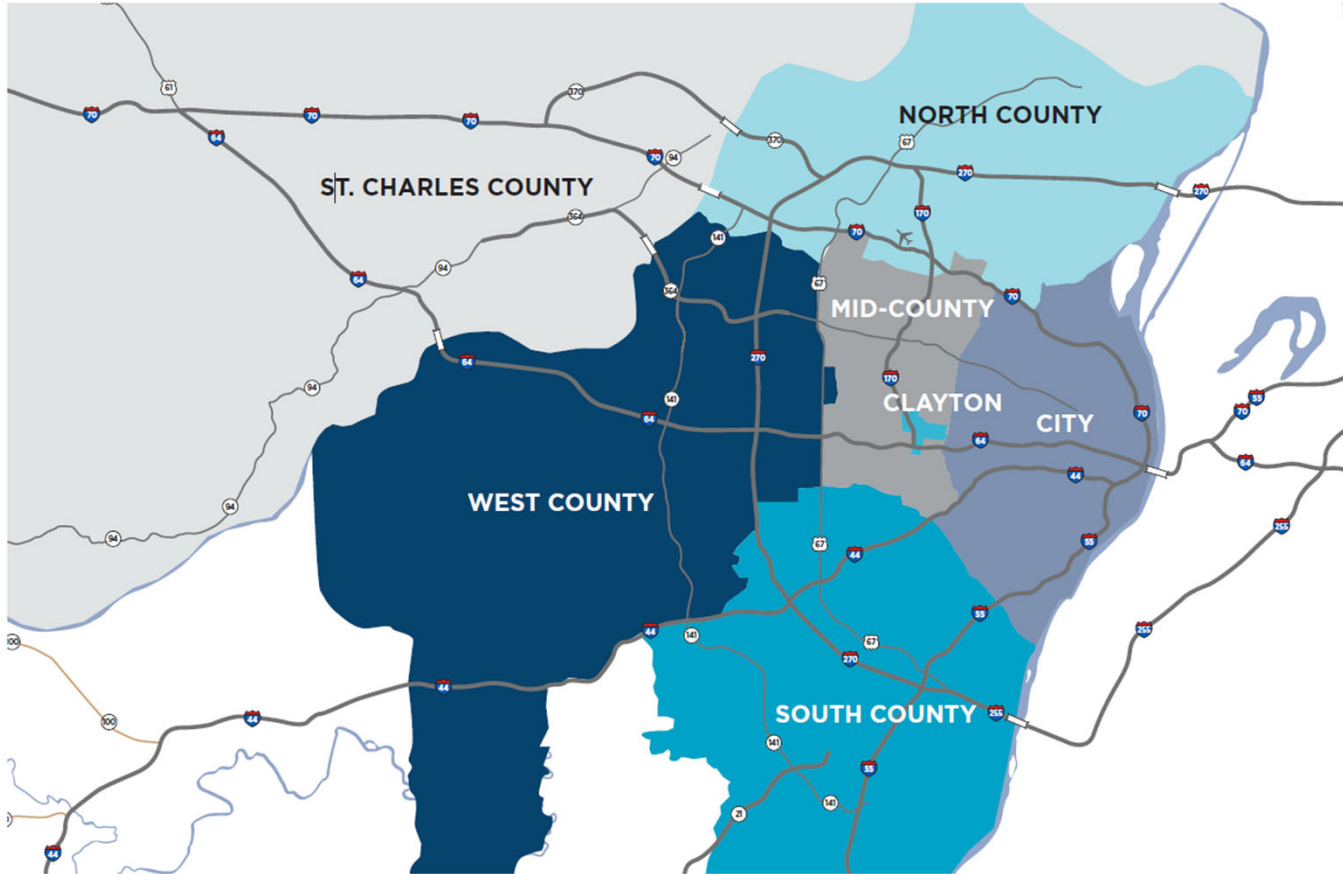
## KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
100 North Broadway	City	IMH Holdings LLC / 100 Broadway Investors LLC	510,202	\$19.5M / \$38.22
5555 Winghaven Boulevard	St. Charles	5555 Winghaven Investors LLC / Fesler Enterprises INC	73,840	N/A

## KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER
12818 Daylight Circle	Chesterfield	Paridigm Financial	14,000	Paridigm Financial

OFFICE SUBMARKETS



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