

## 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 NET ABSORPTION (SF)	UNDER CNSTR (SF)
Union Square*	4,780,000	141,400	474,200	12.9%	-171,250	-171,250	102,400
Downtown Core	1,004,320	0	69,887	7.0%	62,289	62,289	0
Downtown North	3,032,811	10,371	215,941	7.5%	-18,950	-18,950	0
Downtown South	5,928,696	7,415	280,875	4.9%	55,835	55,835	0
Downtown West	10,025,853	6,072	459,776	4.6%	-57,393	-57,393	263,640
San Francisco Outer Area	22,656,014	8,290	489,923	2.2%	40,841	40,841	221,433
San Francisco Southeast	8,026,540	4,751	142,990	1.8%	5,955	5,955	5,771
<b>SAN FRANCISCO TOTALS</b>	<b>50,674,234</b>	<b>36,899</b>	<b>1,659,392</b>	<b>3.3%</b>	<b>88,577</b>	<b>88,577</b>	<b>490,844</b>

\*Union Square is part of Downtown West submarket

## KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
285 Winston Drive Stonestown Galleria	Southern City	GameWorks	32,000	New Lease
845-865 Market Street Westfield San Francisco Centre	Yerba Buena	The VOID	15,000	New Lease
90 Grant Avenue Grant & Geary Center	Union Square	Tourneau	13,500	Assignment
299 Fremont Street Solaire	East Cut	N/A	7,000	New Lease
685 Market Street Monadnock Building	South Financial	The Lark Bar & Cask	5,300	New Lease

## KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
38 Hotaling Place Foster Gwin Antiques	Jackson Square	Foster Gwin Antiques / The Alan M Braverman and Angela Heather Braverman Living Trust	11,700	\$5.7M / \$483
3445 Geary Boulevard	West of Van Ness	Sharon L Mark; Elizabeth Hu / Dean D Rally; Tami L Rally; Tao Fung	11,500	\$23.5M / \$2,047
712-714 Montgomery Street Barbarossa Lounge	Jackson Square	Robert Grison / Foster Gwin Antiques	8,750	\$6M / \$686
311 Potrero Avenue Jack Fischer Gallery	Mission/Potrero	Shannon Cronan / Homespace LLC	8,500	\$3.6M / \$425
317A Cortland Avenue	Southern City	317 Cortland LLC / Vijay Kumar D Patel	3,750	\$2.6M / \$692

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