

## 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 NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
City	2,763,191	0	215,651	7.8%	21,537	21,537	0	\$12.46
Illinois	13,060,527	71,582	743,786	6.2%	-99,723	-99,723	13,725	\$12.61
Mid-County	6,301,412	2,070	181,948	2.9%	177,531	177,531	3520	\$19.05
North County	10,004,874	65,288	1,076,175	11.4%	-136,205	-136,205	0	\$10.67
South County	13,019,155	2,600	832,646	6.4%	84,586	84,586	0	\$12.73
St. Charles	11,048,160	12,524	405,150	3.8%	9,177	9,177	0	\$14.11
West County	10,836,835	53,411	575,047	5.8%	68,330	68,330	23,000	\$16.25
<b>ST. LOUIS TOTALS</b>	<b>67,034,154</b>	<b>207,475</b>	<b>4,030,403</b>	<b>6.3%</b>	<b>125,233</b>	<b>125,233</b>	<b>40,245</b>	<b>\$13.39</b>

PRODUCT TYPES	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Neighborhood & Community Centers	43,831,706	188,939	3,019,822	7.3%	72,069	72,069	17245	\$12.76
Lifestyle Centers	1,705,687	0	81,288	4.8%	7,112	7,112	0	\$22.09
Power/Regional Center	13,134,161	1,507	470,669	3.6%	68,319	68,319	0	\$16.37
Unanchored Strip Center	8,362,600	17,029	458,624	5.7%	-22,267	-22,267	23,000	\$14.98
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\*Rental rates reflect NNN asking \$psf/year

\*\*Tables are not reflective of U.S. MarketBeat

Source: Costar

**KEY LEASE TRANSACTIONS Q1 2020**

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
4-60 Hampton Village Plaza	City	Ross Dress for Less	50,618	New
8780 Pershall Road	North County	Lorenzo's Menswear	34,000	New

\*Renewals not included in leasing statistics

**KEY SALES TRANSACTIONS Q1 2020**

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
291 Chesterfield Mall	West County	Hull Property Group / The Staenberg Group	1,283,503	N/A
1206 Central Park	St. Charles	Gold's Gym / Ellisville Marketplace LLC	40,792	\$2.1M/\$52.09

**KEY CONSTRUCTION COMPLETIONS YTD 2020**

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER
6185 Bennett Drive	Illinois	N/A	10,344	Edwardsville Town Center LLC
17690 Edison Avenue	West County	Little Sunshine's Playhouse & Preschool	9,969	LS Chesterfield Dev LLC

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