

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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HAMPTON ROADS

Industrial Q1 2019

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	YTD LEASING ACTIVITY (SF)**	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Copeland	11,099,656	223,859	6,891	2.1%	51,122	51,122	75,742	\$5.44	N/A	N/A
Gloucester	225,794	37,200	0	16.5%	0	0	0	N/A	N/A	N/A
Oakland	4,569,791	62,359	7,500	1.4%	65,229	65,229	0	\$7.00	N/A	\$6.50
Oyster Point	4,423,482	59,104	7,970	1.9%	33,246	33,246	0	N/A	N/A	\$6.92
Williamsburg	8,497,953	37,414	0	0.4%	335,035	335,035	20,000	N/A	N/A	N/A
Airport Industrial Park	3,616,243	42,295	0	1.2%	382,096	382,096	0	\$7.50	N/A	\$5.44
Bainbridge	10,623,038	361,927	6,345	3.4%	152,571	152,571	0	N/A	\$12.28	\$7.66
Cavalier	6,028,999	177,517	53,175	2.9%	58,046	58,046	0	\$5.25	N/A	\$6.70
Central Norfolk	5,151,301	324,729	5,203	6.4%	19,198	19,198	0	N/A	N/A	\$4.71
Cleveland	3,262,516	29,133	0	0.9%	11,682	11,682	0	N/A	\$10.45	N/A
Greenbrier	2,385,637	126,396	50,486	7.4%	3,302	3,302	0	N/A	N/A	N/A
Isle of Wight	4,120,272	32,687	0	0.8%	0	0	0	N/A	N/A	N/A
Lynnhaven	8,343,865	97,952	10,325	1.5%	139,070	139,070	672,000	N/A	\$11.84	\$6.54
Norfolk Industrial Park	7,739,707	238,737	18,700	3.1%	13,778	13,778	0	\$5.50	N/A	\$6.09
North Suffolk	2,276,942	0	73,586	3.2%	15,551	15,551	0	\$5.50	N/A	\$5.78
Portsmouth	4,365,506	16,600	0	2.9%	62,184	62,184	0	N/A	N/A	\$5.15
South Suffolk	11,877,728	410,268	0	4.5%	-102,600	-102,600	850,000	N/A	N/A	\$3.68
West Norfolk	2,619,281	48,409	0	1.8%	0	0	0	\$4.00	N/A	\$7.68
HAMPTON ROADS TOTALS	101,227,711	2,326,586	240,181	23%	1,239,510	1,239,510	1,617,742	\$5.86	\$11.69	\$5.45

*Rental rates reflect weighted net asking \$psf/year

**Does not include lease renewals

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
6900 Harbour View Boulevard	North Suffolk	Home Depot	73,586	New
2620 Indian River Road	Greenbrier	Gemsa Enterprises, Inc.	49,008	New
5501 City Line Road	Copeland	Huntington Ingalls, Inc.	40,766	Renewal
3050 Elmhurst Lane	Portsmouth	US Port Services	40,000	Renewal

KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
3005 John Deere Road	Williamsburg	ANO, LLC / Navien America, Inc.	307,184	\$15.4M / \$50
2601 Indian River Road	Greenbrier	Liberty Property Trust / Prologis, Inc.	231,852	\$12.2M / \$53
1437 22 nd Street	Greenbrier	DD Jones, Inc. / World Group Properties of VA, LLC	121,190	\$3.7M / \$31

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