

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

Retail Q1 2020

MARKET STATISTICS

	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION(SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Gloucester	1,966,797	0	127,481	6.5%	5,000	5,000	5,940	\$14.44
Williamsburg	7,679,222	3,813	394,985	5.2%	-3,086	-3,086	63,250	\$18.35
York/Poquoson	2,372,973	0	115,303	4.9%	-5,594	-5,594	9,000	\$14.46
Newport News	9,248,869	0	416,538	4.5%	1,985	1,985	6,049	\$13.22
Hampton	13,582,834	29,660	1,139,512	8.6%	-101,914	-101,914	0	\$12.94
Smithfield/Isle of Wight/Suffolk/Franklin	5,873,379	0	211,163	3.6%	-36,474	-36,474	0	\$13.32
Harbourview/Churchland/Western Branch	3,424,943	0	167,196	4.9%	-5,762	-5,762	7,850	\$16.81
Portsmouth	4,895,341	0	144,496	3.0%	-2,675	-2,675	0	\$8.21
Chesapeake	10,966,851	3,825	529,866	4.9%	17,989	17,989	51,660	\$18.86
Norfolk	16,545,112	33,580	1,156,024	7.2%	-338,158	-338,158	31,557	\$13.88
Virginia Beach	30,205,878	69,837	1,404,993	4.9%	-30,101	-30,101	19,634	\$16.73
HAMPTON ROADS TOTALS	106,762,199	140,715	5,807,557	5.6%	-498,790	-498,790	194,940	\$14.98

*Rental rates reflect triple net asking \$PSF/year

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3080-3108 Airline Boulevard	Portsmouth	Roses	48,880	Renewal
5225 Settler's Market Boulevard	Williamsburg	Old Navy	14,975	New Lease
4019-4041 W. Mercury Boulevard	Hampton	Citi Trends	14,000	Renewal
12533 Warwick Boulevard	Newport News	Petsuites	14,000	New Lease
2352 Virginia Beach Boulevard	Virginia Beach	Rock's Carolina Furniture	12,040	New Lease

KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
12140-12146 Jefferson Avenue	Newport News	Bed, Bath & Beyond / Oak Street Real Estate Capital	103,022	\$7.5M / \$73
4116 & 4202 W. Mercury Boulevard	Hampton	Pomoco Auto Group, Inc. / Carver Holdings, LLC	61,750	\$6.6M / \$107
2005 Sandbridge Road	Virginia Beach	Sandbridge Properties, LLC / N/A	55,582	\$4.3M / \$77
7862 Tidewater Drive	Norfolk	SL Nusbaum Realty / Shannon Waltchack	49,000	\$17.1 / \$349
1116 & 1124 Volvo Parkway	Virginia Beach	Volvo Commons, LLC / Bond Street Advisors	19,414	\$6.6 / \$340

CHRIS ROUZIE

Senior Vice President

+1 757 596 2897 / chris.rouzie@thalhimer.com

thalhimer.com

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Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

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