

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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Office Q1 2020

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 Core	20,058,735	490,119	4,881,926	26.8%	-164,736	-164,736	68,869	259,230	\$20.92	\$21.38
Arts District	6,601,774	233,000	1,405,961	24.8%	-32,654	-32,654	68,998	0	\$42.44	\$42.44
West End	1,723,027	5,269	487,721	28.6%	-1,453	-1,453	78,177	0	\$32.66	\$43.09
DALLAS CBD TOTAL	28,383,536	728,388	6,775,608	26.4%	-198,843	-198,843	216,044	259,230	\$26.06	\$26.90
North Central Expressway	12,727,342	63,719	1,807,932	14.7%	-66,199	-66,199	55,986	0	\$31.08	\$32.69
Preston Center	3,982,635	48,836	441,863	12.3%	7,545	7,545	62,644	298,000	\$41.35	\$43.48
West Love Field	10,399,569	7,238	2,462,081	23.7%	4,702	4,702	28,916	0	\$16.71	\$18.90
LBJ Freeway	18,721,664	63,444	4,079,900	22.1%	117,568	117,568	269,164	0	\$21.20	\$25.49
Las Colinas	34,483,836	107,498	5,617,225	16.6%	56,440	56,440	199,852	755,000	\$25.99	\$30.11
Far North Dallas	19,847,983	417,551	3,613,998	20.3%	-109,542	-109,542	304,651	48,000	\$26.27	\$31.34
Richardson/Plano	26,650,544	189,460	4,683,978	18.3%	-21,053	-21,053	511,490	500,000	\$24.18	\$26.89
Mid Cities	9,750,770	48,883	1,228,523	13.1%	-42,084	-42,084	108,674	0	\$17.35	\$20.64
Lewisville/Carrollton	5,131,510	0	591,517	11.5%	-5,979	-5,979	13,608	120,000	\$25.49	\$40.56
Southwest Dallas	1,849,820	0	340,768	18.4%	810	810	4,933	0	\$21.92	\$23.37
Legacy/Frisco	27,005,116	633,653	3,392,233	14.9%	166,332	166,332	670,112	1,303,607	\$33.44	\$36.56
Southlake/Westlake	4,808,334	80,046	958,912	21.6%	79,572	79,572	25,583	81,390	\$27.13	\$27.61
East Dallas	2,776,689	744	363,966	13.1%	91,630	91,630	7,826	670,000	\$14.76	N/A
Uptown/Turtle Creek	13,183,563	137,533	1,906,954	15.5%	11,407	11,407	305,868	644,244	\$47.90	\$49.25
DALLAS SUBURBS TOTAL	191,319,375	1,798,605	31,489,850	17.4%	291,149	291,149	2,569,307	4,420,241	\$26.75	\$31.63
DALLAS TOTAL	219,702,911	2,526,993	38,265,458	18.6%	92,306	92,306	2,785,351	4,679,471	\$26.61	\$30.41
Fort Worth CBD	10,995,951	22,058	1,221,443	11.3%	-30,089	-30,089	98,697	0	\$27.38	\$29.50
East Fort Worth	1,479,498	0	147,689	10.0%	-4,839	-4,839	0	0	\$15.23	N/A
North Fort Worth	2,184,957	0	489,685	22.4%	0	0	0	0	\$20.27	\$25.57
South Fort Worth	1,667,268	10,799	78,601	5.4%	29,925	29,925	4,517	0	\$21.85	\$34.43
West Fort Worth	2,392,658	2,779	59,215	2.6%	-831	-831	2,079	0	\$21.73	\$24.13
FW SUBURBS TOTAL	7,724,381	13,578	775,190	10.2%	24,255	24,255	6,596	0	\$19.38	\$25.84
FORT WORTH TOTAL	18,720,332	35,636	1,996,633	10.9%	-5,834	-5,834	105,293	0	\$24.69	\$29.27
DFW TOTAL	238,423,243	2,562,629	40,262,091	18.0%	86,472	86,472	2,890,644	4,679,471	\$26.53	\$30.37

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

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2270 Lakeside Blvd	Richardson/Plano	AT&T	203,239	Renewal*
5501 Headquarters Dr	Legacy/Frisco	Rent-a-Center	169,179	Renewal*/Expansion
2400 N Glenville Dr	Richardson/Plano	Berry Appleman & Leiden	136,061	Renewal*/Expansion
5543 Legacy Dr	Legacy/Frisco	USAA	124,366	New Lease
2323 Victory Ave	Uptown	Ernst & Young	112,459	Renewal*

*Renewals not included in leasing statistics

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