

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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EGS Commercial Real Estate
Industrial Totals by Submarket
1st Quarter 2020

Birmingham

	# Buildings	Total SF	Available SF	% Occupied	YTD Absorption	Quarterly Absorption	Sublease Available SF	Leasing Activity SF	Average Weighted Rental Rates
Total Market									
Total Central	60	3,831,266	287,596	92.5%	9,757	9,757	0	79,000	\$4.77
Total Eastern	19	2,056,060	61,275	97.0%	24,000	24,000	0	24,000	\$3.46
Total Oxmoor Valley	45	2,641,064	118,540	95.5%	24,931	24,931	72,126	32,942	\$6.65
Total Southern	77	3,948,003	304,105	92.3%	19,214	19,214	0	17,739	\$4.97
Total Southwestern	24	2,094,245	0	100.0%	0	0	0	0	\$4.57
TOTAL	225	14,570,638	771,516	94.7%	77,902	77,902	72,126	153,681	\$5.04
Central									
Bulk Distribution	46	3,298,475	240,528	92.7%	17,500	17,500	0	75,500	\$4.20
Office/Warehouse	7	233,315	11,865	94.9%	6,125	6,125	0	3,500	\$3.95
Service Center	7	299,476	35,203	88.2%	(13,868)	(13,868)	0	0	\$8.97
	60	3,831,266	287,596	92.5%	9,757	9,757	0	79,000	\$4.77
Eastern									
Bulk Distribution	11	1,821,360	45,000	97.5%	24,000	24,000	0	24,000	\$2.50
Office/Warehouse	6	201,550	12,375	93.9%	0	0	0	0	\$6.95
Service Center	2	33,150	3,900	88.2%	0	0	0	0	\$7.00
	19	2,056,060	61,275	97.0%	24,000	24,000	0	24,000	\$3.46
Oxmoor Valley									
Bulk Distribution	17	1,771,241	56,820	96.8%	30,535	30,535	23,800	30,525	\$4.97
Office/Warehouse	17	447,650	20,650	95.4%	0	0	48,326	0	\$7.67
Service Center	11	422,173	41,070	90.3%	(5,604)	(5,604)	0	2,417	\$8.45
	45	2,641,064	118,540	95.5%	24,931	24,931	72,126	32,942	\$6.65
Southern									
Bulk Distribution	10	2,431,184	225,496	90.7%	0	0	0	0	\$3.95
Office/Warehouse	55	1,329,956	53,609	96.0%	14,214	14,214	0	12,339	\$7.22
Service Center	12	186,863	25,000	86.6%	5,000	5,000	0	5,400	\$9.38
	77	3,948,003	304,105	92.3%	19,214	19,214	0	17,739	\$4.97
Southwestern									
Bulk Distribution	7	1,692,138	0	100.0%	0	0	0	0	\$4.20
Office/Warehouse	16	380,792	0	100.0%	0	0	0	0	\$6.05
Service Center	1	21,315	0	100.0%	0	0	0	0	\$7.00
	24	2,094,245	0	100.0%	0	0	0	0	\$4.57

EGS Commercial Real Estate
Industrial Totals by Property Type
1st Quarter 2020

Birmingham

	# Buildings	Total SF	Available SF	% Occupied	YTD Absorption	Quarterly Absorption	Sublease Available SF	Leasing Activity SF	Average Weighted Rental Rates
Total Market									
Bulk Distribution	91	11,014,398	567,844	94.8%	72,035	72,035	23,800	130,025	\$4.04
Office/Warehouse	101	2,593,263	98,499	96.2%	20,339	20,339	48,326	15,839	\$6.89
Service Center	33	962,977	105,173	89.1%	(14,472)	(14,472)	0	7,817	\$8.86
TOTAL	225	14,570,638	771,516	94.7%	77,902	77,902	72,126	153,681	\$5.04
Bulk Distribution									
Central	46	3,298,475	240,528	92.7%	17,500	17,500	0	75,500	\$4.20
Eastern	11	1,821,360	45,000	97.5%	24,000	24,000	0	24,000	\$2.50
Oxmoor Valley	17	1,771,241	56,820	96.8%	30,535	30,535	23,800	30,525	\$4.97
Southern	10	2,431,184	225,496	90.7%	0	0	0	0	\$3.95
Southwestern	7	1,692,138	0	100.0%	0	0	0	0	\$4.20
	91	11,014,398	567,844	94.8%	72,035	72,035	23,800	130,025	\$4.04
Office/Warehouse									
Central	7	233,315	11,865	94.9%	6,125	6,125	0	3,500	\$3.95
Eastern	6	201,550	12,375	93.9%	0	0	0	0	\$6.95
Oxmoor Valley	17	447,650	20,650	95.4%	0	0	48,326	0	\$7.67
Southern	55	1,329,956	53,609	96.0%	14,214	14,214	0	12,339	\$7.22
Southwestern	16	380,792	0	100.0%	0	0	0	0	\$7.00
	101	2,593,263	98,499	96.2%	20,339	20,339	48,326	15,839	\$6.89
Service Center									
Central	7	299,476	35,203	88.2%	(13,868)	(13,868)	0	0	\$8.97
Eastern	2	33,150	3,900	88.2%	0	0	0	0	\$7.00
Oxmoor Valley	11	422,173	41,070	90.3%	(5,604)	(5,604)	0	2,417	\$8.45
Southern	12	186,863	25,000	86.6%	5,000	5,000	0	5,400	\$9.38
Southwestern	1	21,315	0	100.0%	0	0	0	0	\$7.00
	33	962,977	105,173	89.1%	(14,472)	(14,472)	0	7,817	\$8.86