

## 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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## 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)*
Capitol Hill/NoMa	15,666,964	35,646	2,323,984	15.1%	-20,633	-20,633	46,127	212,000	\$54.21	\$58.80
East End	39,319,710	466,439	6,944,770	18.8%	-197,646	-197,646	482,190	137,797	\$58.08	\$62.78
CBD	34,124,018	422,620	4,897,302	15.6%	42,007	42,007	410,404	996,990	\$58.49	\$68.84
West End/Georgetown	4,779,133	101,528	548,809	13.6%	13,397	13,397	49,602	0	\$52.19	\$59.02
Uptown	3,188,523	37,864	280,171	10.0%	92,873	92,873	12,142	0	\$42.19	\$47.50
Southwest	11,644,799	21,290	1,383,188	12.1%	-137,945	-137,945	30,031	639,703	\$46.57	\$48.10
Capitol RiverFront	3,929,153	31,746	287,722	8.1%	7,520	7,520	75,755	490,000	\$54.04	\$54.04
<b>DOWNTOWN TOTALS</b>	<b>112,652,300</b>	<b>1,117,133</b>	<b>16,665,946</b>	<b>15.8%</b>	<b>-200,427</b>	<b>-200,427</b>	<b>1,106,251</b>	<b>2,476,490</b>	<b>\$56.52</b>	<b>\$62.97</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1999 K Street NW	CBD	Mayer Brown	173,483	Renewal*
1333 H Street NW	East End	Center for American Progress	76,616	Renewal*
1700 K Street NW	CBD	Wells Fargo	68,868	New Lease
80 M Street SE	Capitol Riverfront	American Trucking Association	59,526	New Lease
1401 H Street NW	East End	NAEYC	28,000	New Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ SF
1200 New Jersey Avenue SE	Capitol Riverfront	The JBG Companies / U.S. GSA	1,470,000	\$760,000,000 / \$517
1425 New York Avenue NW	East End	NY State Retirement Fund / Ares Real Estate JV Monument	287,053	\$47,450,000 / \$165
99 M Street SE	Capitol Riverfront	Skanska/Polinger	234,782	\$163,019,413 / \$694

## KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
45 L Street NE	Capitol Hill/NoMa	Federal Communications Commission	545,823	MetLife/Trammell Crow Company
2050 M Street NW	CBD	Paul Hastings	332,101	Tishman Speyer

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