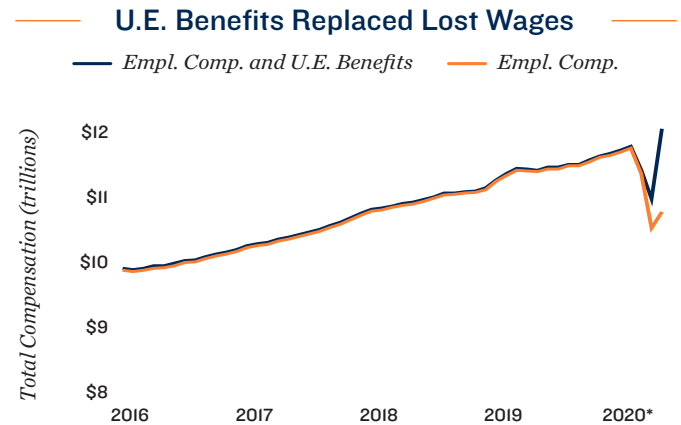


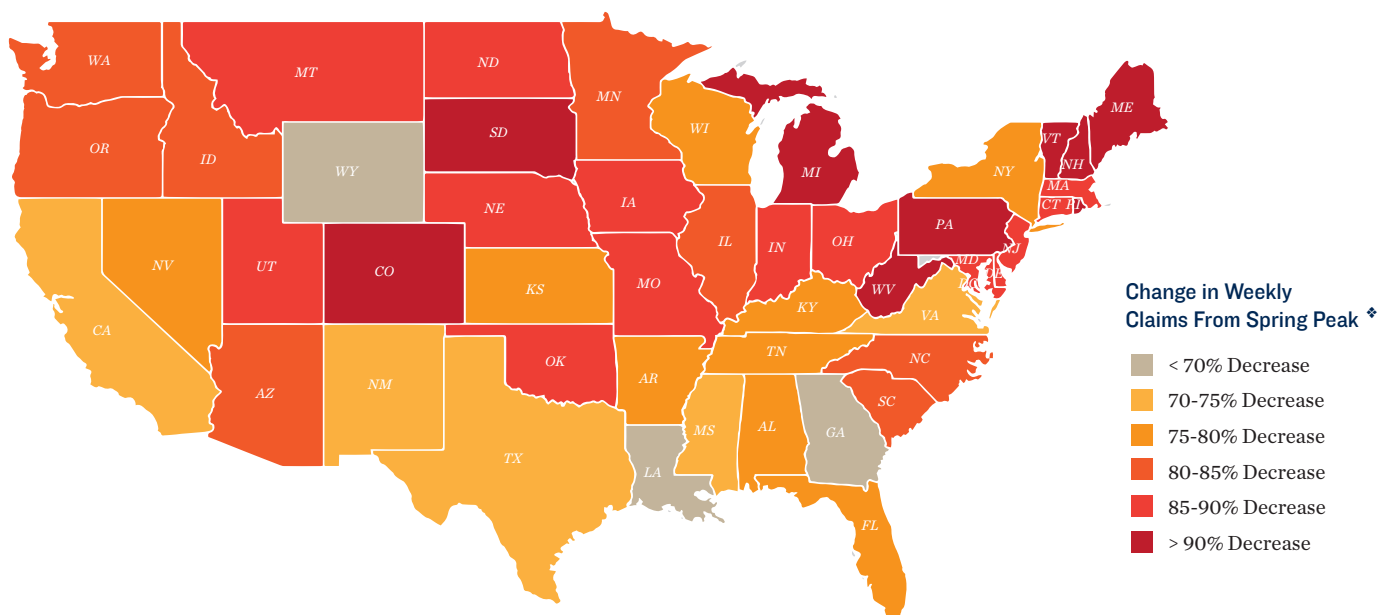
Initial Unemployment Claims Down From Peak Yet Stubbornly High; Expiration of Federal Benefits Could Reveal True Damage

Federal unemployment benefits underpin many household budgets. The generous \$600 per week in federal unemployment benefits has not only mitigated the damage of rapid job loss, but has increased total compensation. Many lower-wage workers have been making more on unemployment than they were previously at their jobs. However, the expiration of these benefits and likely reduction in a potential future stimulus bill will test the economy. Consumer spending could drop significantly and more households may find it difficult to meet financial obligations.

Initial unemployment claims drop nationwide, but remain elevated. Most states have seen weekly initial unemployment claims fall by more than 70 percent since spring. However, the road forward remains cloudy as federal support may dwindle and financially burdened firms continue to reduce their workforces. To this point, states with lower population densities have, in general, fared better than others as they were able to reopen their economies with a lower risk of COVID-19 community spread.



States With Severe Early Impact Showing More Dramatic Decline in Initial Unemployment Claims



* Through May
 * Peak unemployment claims for each individual state between March 21 and April 18, through July 11
 Sources: Marcus & Millichap Research Services; U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Labor;

Labor Markets of Sunbelt and Tertiary Metros Prove to be More Resilient, Though Tables May Be Turning

West Region

Metro	YTD Employment Percent Change *	YTD Employment Absolute Change *
Oakland	-11.9%	-141,000
San Francisco	-11.8%	-141,000
Orange County	-11.8%	-198,000
Los Angeles	-11.0%	-507,000
San Diego	-10.8%	-164,000
Seattle-Tacoma	-10.4%	-221,000
Sacramento	-10.0%	-103,000
Riverside-S.B.	-9.9%	-154,000
Portland	-9.5%	-117,000
San Jose	-8.6%	-99,000

Midwest Region

Metro	YTD Employment Percent Change *	YTD Employment Absolute Change *
Detroit	-14.0%	-286,000
Cleveland	-12.7%	-137,000
Chicago	-10.1%	-482,000
Columbus	-9.9%	-111,000
Minn.-St. Paul	-9.8%	-200,000
Cincinnati	-9.1%	-102,000
Milwaukee	-8.6%	-75,000
St. Louis	-8.5%	-119,000
Kansas City	-7.0%	-77,000
Indianapolis	-5.6%	-61,000

South Region

Metro	YTD Employment Percent Change *	YTD Employment Absolute Change *
Orlando	-14.0%	-187,000
Charlotte	-9.0%	-112,000
Fort Lauderdale	-9.0%	-78,000
West Palm Beach	-8.9%	-57,000
Nashville	-7.6%	-81,000
Atlanta	-6.8%	-196,000
Miami	-6.4%	-78,000
Tampa-St. Pete.	-6.0%	-84,000
Jacksonville	-6.0%	-44,000
United States	-9.3%	-14,200,000

* Year to date through June 2020

The information contained in this report was obtained from sources deemed to be reliable. Every effort was made to obtain accurate and complete information; however, no representation, warranty or guaranty, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guaranty regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice. Sources: Marcus & Millichap Research Services; Chamber of Commerce; U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Labor; U.S. Small Business Administration

Northeast Region

Metro	YTD Employment Percent Change *	YTD Employment Absolute Change *
New York City	-17.3%	-809,000
Boston	-14.7%	-413,000
Northern NJ	-13.4%	-292,000
Philadelphia	-10.3%	-307,000
Baltimore	-9.8%	-141,000
Washington, D.C.	-8.9%	-301,000

Mountain Region

Metro	YTD Employment Percent Change *	YTD Employment Absolute Change *
Las Vegas	-15.0%	-156,000
Denver	-8.1%	-125,000
Phoenix	-5.5%	-122,000
Salt Lake City	-4.8%	-64,000

Texas Region

Metro	YTD Employment Percent Change *	YTD Employment Absolute Change *
Austin	-6.9%	-78,000
Houston	-6.8%	-217,000
Dallas/Fort Worth	-5.7%	-218,000
San Antonio	-5.6%	-61,000

Southern and tertiary Midwest markets less impacted, while tourist destinations and the East Coast were harder-hit. No market was spared as the pandemic slammed the national economy, although some metros have shown more resilience. All four major Texas markets have performed comparatively well due to economic diversity and softer restrictions. Additionally other Sunbelt markets, which were experiencing robust employment growth prior to the health crisis, have fared better than some distinguished coastal markets, such as New York City and San Francisco. Although, this could change as rising COVID-19 case counts in the Sunbelt halt reopening plans. Unsurprisingly, Las Vegas and Orlando were among the hardest-hit as travel came to an abrupt halt, shaking the local economies, which rely heavily on visitors.

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