

The Colliers Index has been downgraded to a 2 from a 3 in April. This score nears the bottom of our index as the U.S. experienced an all-time record number of jobs lost last month, wiping out almost all of the gains since the Great Recession. Some key indicators in Atlanta are beginning to be negatively impacted by the coronavirus pandemic as well.

## CURRENT MARKET CONDITIONS

Look away! Look away! April was expected to bring a dire assessment of COVID-19's historical affect on the nation's economy. The numbers do not lie. With almost a complete shut down of economic activity last month, indicators across the board are profoundly bad; pretty much all of them reaching record territory.

**GDP:** GDP for Q1 came in at -4.3%; a precursor to an even uglier Q2 figure which is projected to land between -25 to -35%. The pandemic has thrust the U.S. economy into its worst economic downturn since the Great Depression. The recession is anticipated to be short-lived, however, given a projected revival of GDP in Q3 & Q4. Even so, most economists predict a U-shaped recovery.

**OIL:** Oil had its worst month ever in history. Crude prices dropped below \$0 for the first time ever due to oversupply and no demand. It has since begun to moderate thanks to global production level cuts and a slight uptick in demand as states begin reopening their economies.

**ATLANTA:** Despite showing a slight uptick in jobs in March, the Atlanta numbers lag the nation by a month so we have yet to see the true impact to the local economy. The unemployment rate gives us a hint of what to expect though as the 4.2% rate in Atlanta has reached its highest level in 2 years and is expected to increase even higher.

| MONTHLY ECONOMIC INDICATORS       | PRIOR AVAILABLE DATA | CURRENT AVAILABLE DATA | M-O-M Change     | Y-O-Y Change     |
|-----------------------------------|----------------------|------------------------|------------------|------------------|
| <b>Interest Rates</b>             | <b>April</b>         | <b>May</b>             |                  |                  |
| 10-year Treasury Rate             | 0.75                 | 0.73                   | -2.7%            | -70.4%           |
| LIBOR (1 month)                   | 0.99                 | 0.19                   | -80.8%           | -92.2%           |
| <b>Jobs (Metro Atlanta)</b>       | <b>February</b>      | <b>March</b>           |                  |                  |
| Employment (thousands)            | 2866.1               | 2871.7                 | 5.6              | 50.6             |
| <b>Unemployment Rate</b>          | <b>Mar./Feb.</b>     | <b>Apr./Mar.</b>       |                  |                  |
| U.S.                              | 4.4%                 | 4.4%                   | 10.3             | 11.1             |
| Atlanta                           | 3.3%                 | 4.2%                   | 0.9              | 1.2              |
| <b>GDP</b>                        | <b>Q4 2019</b>       | <b>Q1 2020</b>         |                  |                  |
| U.S.                              | 2.1%                 | -4.8%                  |                  |                  |
| <b>Oil</b>                        | <b>April</b>         | <b>March</b>           |                  |                  |
| Crude (Nymex)                     | \$25.72              | \$25.33                | -1.5%            | -59.7%           |
| <b>Mo. Building Permits (ATL)</b> | <b>February</b>      | <b>March</b>           | <b>3 Mo. Avg</b> | <b>6 Mo. Avg</b> |
| Single Family                     | 2,107                | 2,100                  | 2,055            | 2,051            |
| YTD                               | 4,132                | 6,296                  |                  |                  |
| Multi-Family                      | 635                  | 116                    | 568              | 583              |
| YTD                               | 1,529                | 1,587                  |                  |                  |

## FOR MORE INFORMATION

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The Colliers Index is a 1-10 scale assessing Atlanta CRE as measured by key economic indicators, current and projected market fundamentals, and overall industry sentiment.

LAST MONTH: 3

# -20.5M

U.S. JOBS LOST IN APR.  
\*ALL-TIME RECORD

# -5.5M

IN FOOD SERVICES &  
DRINKING PLACES

# -2.5M

IN EDUCATION & HEALTH  
SERVICES

# -2.1M

IN RETAIL TRADE

# 33.5M

RECORD UNEMPLOYMENT  
CLAIMS LAST 7 WEEKS

# 14.7%

NATIONAL  
UNEMPLOYMENT RATE

# -4.3%

Q1 2020 GDP