

CALIFORNIA CORONAVIRUS WEEKLY RECAP

A weekly digest to keep you up to speed on the California coronavirus outbreak.

October 14, 2020

Welcome to the 31st issue of the California Coronavirus Weekly Recap newsletter. Before we get started with this week's news, we want to remind you that today is the third and final day of the REImagine! Real Estate Virtual Conference & Expo. Tune in at 11:10 a.m. to hear from DRE Commissioner Doug McCauley and at 1:50 p.m. for the info you need to know now about the new fair housing regulations and property management. Even if you don't have time to watch these sessions today, your registration will give you access to all content on demand through December 16. You can register for REImagine! at reimagineexpo.org.

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The Economy & Your Finances: New PPP loan forgiveness application

Last week, the Small Business Administration (SBA) released a new loan forgiveness application

for [Paycheck Protection Program](#) (PPP) loans of \$50,000 or less. You can view the sample application [here](#). All independent contractors and sole proprietors without employees will be able to use this short forgiveness application, since their loans were capped at \$20,833.

Nationwide new unemployment filings dipped slightly last week to [840,000](#). Currently, around 11 million Americans are collecting unemployment benefits. While third quarter economic growth was impressive, fresh and impending rounds of layoffs at major companies have many economists worried about another [dip in consumer spending](#). Meanwhile the estimated [national deficit](#) is triple what it was in 2019.

In California, the unemployment numbers from the past few weeks were minimal, but that was due to a [statewide pause](#) in accepting new applications. The California Employment Development Department (EDD) has been working to process a backlog of 1.6 million unemployment claims — as of October 7, it still has [1.34 million claims](#) to process. The agency has said it will likely take [until January](#) before it can clear the backlog.

While last Tuesday, President Trump halted negotiations on a new stimulus deal, last Friday he [shifted his position](#). The administration is now preparing a \$1.8 trillion offer to counter the House Democrats' \$2.2 trillion plan but is [facing resistance](#) from Republicans and Democrats.

Sources: The Wall Street Journal, MarketWatch, CNN, The San Francisco Chronicle, The Mercury News, KCRA Sacramento, REALTOR® Magazine, Small Business Administration, U.S. News and World Report, The Washington Post

The Market & Industry: Prices remain high while inventory tightens

Last week saw another decline in the number of listings added to the MLS in California, hinting at [increasingly tight inventory](#) in the weeks to come. And California REALTORS® are reporting listings are essentially flat, while closings and new listing appointments are falling.

Prices remain high; in [Southern California](#), the median home price in August was up 12.1 percent from a year earlier. Even in the [Bay Area](#), which is one of the nation's [weakest regions](#) in

recovering jobs lost during the coronavirus shutdowns, median prices were up 16 percent from the previous year. And nationwide, the median home price hit a [record high](#).

Freddie Mac's chief economist predicted [mortgage rates](#), which have been steadily sliding all year, are beginning to flatten. But with rates still near record lows, buying power remains strong. And last week, the number of mortgages whose payment requirements have been suspended due to COVID dropped by [18 percent](#). For the first time since April, fewer than 3 million mortgages are in forbearance.

On Tuesday, C.A.R. released its [2021 housing forecast](#), predicting that low interest rates and high demand will bolster home sales in the coming year — but economic uncertainty due to the pandemic will limit sales growth. [Read the full report here](#).

Sources: C.A.R. Research & Economics, The Los Angeles Times, The Mercury News, Inman News, Freddie Mac, CNBC

Around the State: New guidance for private gatherings

On Friday, the California Department of Public Health issued [new guidance for private gatherings](#). Outdoor gatherings of up to three households are now allowed, provided the appropriate safety precautions are taken — and officials advise it is preferable to interact with the same people over time, as opposed to participating in multiple gatherings with various groups of people. Indoor gatherings are still highly discouraged. Gatherings should last no longer than two hours, as the risk of transmission increases the longer people are in close proximity.

As of yesterday at 6:49 p.m., cases in California numbered 861,894 and deaths had reached 16,657. The state's hospitalization and test positivity rates are [both dropping](#), but Governor Newsom [warned](#) in a press conference on Monday that those declines are slowing. While new cases have dipped statewide, cases are rising again in the [Bay Area](#) and [Los Angeles County](#). And last week, in response to a rise in cases, Tehama and Shasta counties both moved back a tier in the government's [Reopening Blueprint](#).

At least 12 counties are not meeting the [new equity requirements](#) for reopening business. The

metric was designed to protect lower-income communities by ensuring test positivity rates in a county's most disadvantaged communities don't significantly exceed the county's overall positivity rate. Several counties that would be able to move to a higher tier on the government's Reopening Blueprint have been unable to do so as a result of failing to meet this metric.

Sources: The Los Angeles Times, The Mercury News, California State Government, California Department of Public Health

Health Check-Up: Arrival of vaccine unlikely to bring everything back to normal

Dr. Anthony Fauci, the nation's top infectious disease expert, warned last week that the coronavirus [pandemic could worsen this winter](#) — and that life is unlikely to immediately return to normal following the arrival of a vaccine. The coronavirus vaccine is unlikely to provide lifelong immunity, meaning booster shots may be required to keep people protected. Moreover, the vaccine is unlikely to be 99 percent effective, and many Americans have indicated they will not be willing to get vaccinated with the first solution to hit the market. Plus, there may be several vaccines Americans will have to choose from, creating [confusion](#).

Rapid [at-home coronavirus tests](#) that can deliver results within minutes may become widely available in the next few months. The hope is that this will make it easier to get tested, although the caveat is that these at-home tests will likely be less accurate than the polymerase chain reaction test, which costs \$100 per test and takes at least 24 hours to process.

The CDC warned that adults who are [overweight](#) — even if they are not obese — may face increased risk of developing severe COVID-19. More than seven out of 10 U.S. adults are either overweight or obese.

Sources: The San Diego Union-Tribune, The New York Times, The San Francisco Chronicle, The Los Angeles Times



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