

CALIFORNIA CORONAVIRUS WEEKLY RECAP

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

May 12, 2020

We hope you and yours are well as we bring you another week of coronavirus news. Before we get into the headlines, we want to make sure you are caught up on everything C.A.R. has been working on this past week:

- On May 7, the State of California released new [Industry Guidance for Real Estate Transactions](#) that requires every real estate office to ensure that certain steps are taken prior to reopening. The guidance also includes protocols for showing property. C.A.R. has concerns about some of the requirements for showings and is currently working with the Department of Public Health to seek clarification. We will keep you updated with new information as we have it.
- For those who have applied for Pandemic Unemployment Assistance (PUA), we have released [step-by-step guidance on how to certify your benefits](#) and handle other aspects of the post-claims process.
- Curious as to how COVID-19 is impacting California's statewide and regional housing markets? Check out a [new series of videos](#) from our Research & Economics team.

- We are hosting new [webinars](#) this week on how to sign forms electronically using zipForm® and how to work with C.A.R.'s Coronavirus zipForm® Library.
- Last week, C.A.R. launched a new ad campaign saluting the resilient spirit of California. This week, we've launched a [REALTOR® toolkit](#) you can use to spread the positive message and share the ad with your communities.
- Thank you to everyone who wrote in last week with updates on how long the PPP and PUA application processes was taking them. If you have more updates to share, please email CREditor@car.org — we appreciate having the opportunity to hear directly from members about their experiences with these programs.

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The Economy & Your Finances: Job losses continue to soar

A record [20.5 million jobs were lost](#) in April, pushing U.S. unemployment up to [14.7 percent](#), the worst rate since the [Great Depression](#). The White House predicts that by May or June, unemployment could climb [over 20 percent](#).

In California, while the [rate of job losses has slowed](#) for five consecutive weeks, job loss claims have topped [4 million](#) in the past seven weeks. Governor Newsom has predicted that [California's 2020 unemployment rate will be 18 percent](#), compared with a peak of 12.3 percent during the Great Recession. In Los Angeles alone, the unemployment rate has hit a staggering [24 percent](#). And last Thursday, Governor Newsom announced California will have a budget shortfall of over [\\$54 billion dollars](#), the largest deficit in state history.

The unemployment situation in California has been complicated by confusion surrounding and technical glitches impacting how to apply for and access benefits through the California Employment Development Department (EDD). While the EDD expanded its call center hours and onboarded another 1,000 employees, many of those who staff the phones have been [unable to actually file claims](#), causing delays and compounding frustrations. What's more, the state is struggling to come up with the funds to pay Unemployment Insurance (UI) and Pandemic Unemployment Assistance (PUA) claims, having already paid out [\\$7.8 billion](#) in jobless benefits since mid-March. Last week, California became the first state to borrow money from the federal government to pay unemployment benefits, to the tune of [\\$348 million](#). The state has received approval from the Treasury Department to borrow up to [\\$10 billion](#) by the end of July.

Despite bumps along the way, many California REALTORS® have reported to C.A.R. that they have successfully obtained PUA benefits through the EDD. If you're an independent contractor, self-employed, business owner or gig worker and you're unemployed, partially unemployed, unable to work or unavailable to work as a direct result of COVID-19, you may be eligible for PUA benefits. For more information, see the [Pandemic Unemployment Assistance page](#) on C.A.R.'s coronavirus microsite, and check out our step-by-step guides to [applying for PUA](#) and [certifying your benefits](#). Your application is likely to be processed within 24 to 48 hours of submission, and if you are approved, the debit card with your funds should take at least five additional business days to arrive in the mail.

If you have received a Paycheck Protection Program (PPP) loan from the U.S. Small Business Administration, remember that there are [certain conditions you must meet](#) for that loan to be forgivable. According to the SBA, in order for your loan to be forgiven, no more than 25 percent of the forgiven amount may be spent on non-payroll costs and any reduction in workforce will result in a reduction in the amount of forgiveness of the loan. For more information, see the [Small Business Administration Loans page](#) on C.A.R.'s coronavirus microsite.

Meanwhile, while President Trump is considering [incorporating new tax cuts](#) into the next

round of stimulus spending, members of his administration said they do not believe a fourth economic stimulus package is important right now, calling the idea “[premature](#).”

Sources: CNN, AP News, Slate, USA Today, Mercury News, The Sacramento Bee, Los Angeles Times, The New York Times, CBS Los Angeles, The Wall Street Journal, CNBC, Forbes

The Market & Industry: Listings and closings on the rise

New active listings in California surged [18.6 percent](#) the week ending May 1, the third weekly gain in a row and a sign that sellers are starting to feel more comfortable putting their houses on the market again. Moreover, while closed sales of single-family homes remain low, last week California recorded its first weekly gain in home sales since mid-March. Showings, too, are increasing across the state after bottoming out in mid-March.

With mortgage rates [near all-time lows](#), more consumers believe now is a good time to buy than it is to sell. C.A.R.'s monthly consumer sentiment survey found that [31 percent](#) of respondents in May 2020 believe it is a good time to buy, an increase from 28 percent in April 2020 and 22 percent in May 2019. Those who believe it is a good time to sell hover near 29 percent, a sharp decrease from 45 percent in May 2019.

With more than [7.5 percent](#) of home loans in forbearance nationwide, and mortgage credit availability plunging by more than [25 percent](#) since the outbreak began, lenders have put in place [higher credit scores and down payment requirements](#). This has effectively made it more [difficult to obtain a mortgage](#).

Last Thursday the California Departments of Public Health and Industrial Relations released [new industry guidance for real estate transactions](#). The document provides guidance for businesses operating in the real estate industry including sales and rentals of single-family, multi-family, apartment, commercial, and industrial properties to support a safe, clean environment for workers. With California now having entered Phase 2 of its “[Resilience Roadmap](#)” to reopening the state by gradually opening lower-risk workplaces, real estate professionals will be expected to follow these guidelines. Note that this

guidance may be superseded by stricter local guidelines that place more restrictions on real estate or office activity.

The state's guidance notes that all real estate offices must have a written, worksite-specific COVID-19 prevention plan in place prior to reopening. To assist brokers with formulating such a plan for their offices, we have created a [Sample COVID-19 Prevention Plan](#).

The state's guidance also requires that offices comply with new cleaning, disinfecting and physical distance rules for showing properties. C.A.R. is working with the California Department of Public Health to amend these rules; we will send more information later this week.

Mass layoffs continue to hit the real estate industry, with new waves announced last week at [Airbnb](#), [Realtor.com](#) and [Douglas Elliman](#). In a cost-cutting measure, Realogy CEO Ryan Schneider pressed [paused on the company's TurnKey partnership with Amazon](#). Meanwhile, [Opendoor](#) has cautiously returned to home buying in two markets, implementing contact-free selling; iBuyers [RedfinNow and Zillow Offers](#) are planning their returns as well.

Sources: HousingWire, C.A.R. Research & Economics, California COVID-19 Response, The Real Deal, Fortune, The Los Angeles Times, Inman News

Around the State: California starts easing restrictions

While California recorded its [first week-over-week drop](#) in reported coronavirus cases last week, [total numbers](#) remain high — and cases and deaths in California are [rising faster](#) than researchers previously expected. As of yesterday at 1:10 p.m., cases numbered 69,346 and deaths had hit 2,779 — nearly 50 percent of those deaths have been residents or staff at [nursing homes](#). California as a whole has dropped to fifth-largest outbreak in the country, behind New York (337,055), New Jersey (140,206), Illinois (79,007) and Massachusetts (78,462).

Last Friday, after weeks of stay-at-home orders, California began [easing some restrictions](#). Bookstores, florists and clothing stores, among others, have been allowed to reopen with curbside pickup. While San Diego and Los Angeles are largely following the state timeline, the stay-at-home order remains in effect in the [Bay Area](#), which is not allowing curbside pickup at this time. Many [outdoor recreational areas](#) have also reopened to the public; you can use this [guide from the Los Angeles Times](#) to check if your local beaches are open.

The California Department of Public Health also released [guidelines for counties](#) hoping to fast-track their reopening. Each county must certify, among other things, that it has not had more than one COVID case per 10,000 residents in the past 14 days and that testing is available for at least 75 percent of residents within a 30-minute drive of urban areas and 60-minute drive in rural ones. This came days after Governor Newsom [publicly chastised Yuba and Sutter counties](#) for reopening ahead of schedule.

And last Friday, Governor Newsom signed an [executive order](#) stating that this November, California will issue a mail-in ballot to every registered voter for the general election to protect public health. The state will provide [social distancing-friendly provisions for in-person voting](#) as well.

He also signed a [property tax relief bill](#) that will allow residents to waive late fees on property taxes through May 6 of next year, providing welcome relief for property owners hit by job cuts or other economic woes caused by the coronavirus.

Also reopening: the [California DMV](#). A select [25 of 170 field offices opened back up last Friday](#) for appointments that cannot be conducted online, with customers required to wear masks and stand six feet apart from each other. Many transactions — like title transfer and vehicle registration renewal — can be completed using the [Virtual DMV Field Office](#), and the DMV encourages customers to use this option wherever possible. In April, the DMV extended all drivers licenses expiring between March and May 2020 through May 31, 2020.

Sources: The Los Angeles Times, The San Francisco Chronicle, CNN, KTLA, California Department of Public Health, AP News, Office of the Governor of California, Tech Crunch, California Department of Motor Vehicles

Health Check-Up: Where to get tested, new guidelines for offices, mysterious syndrome impacting children

With more testing sites cropping up around the state, you can now use [this interactive resource](#) to search for a testing site near you. Last week [San Francisco](#) made testing available to anyone who needs to leave home to go to work, and [Sacramento](#) announced free drive-through testing for all residents, no symptoms required. [This guide from the Mercury News](#) breaks down the difference between the two types of coronavirus tests and where you can find them.

The CDC has put together [new guidelines](#) for small businesses reopening offices. Experts predict as more offices reopen, employees will have to adjust to [new features](#) aimed at curbing the spread of disease like one-way hallways, plastic sneeze guards on cubicles and decals telling you where to stand in the elevator. Ultimately, the pandemic may [spell the end for open office plans](#), which make it hard for coworkers to maintain social distance.

A [mysterious syndrome](#) linked with COVID-19 has killed three children and sickened 73 others in New York. Described as a “pediatric multisystem inflammatory syndrome,” this newly discovered side-effect creates toxic-shock-like inflammation that affects the eyes, skin, blood vessels and heart. These reports put into question [earlier impressions](#) that young people are not impacted by COVID-19.

Sources: The San Francisco Chronicle, The Sacramento Bee, Mercury News, The Los Angeles Times, The New York Times, CNN



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