

CALIFORNIA CORONAVIRUS WEEKLY RECAP

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

July 22, 2020

Welcome to the 19th issue of the California Coronavirus Weekly Recap newsletter, bringing you the updates you need to practice real estate safely during the COVID-19 pandemic. Before we get started on the news, we want to take a moment to honor the life and legacy of civil rights icon John Lewis, who fought tirelessly for voting rights, desegregation and fair housing during his 33 years in Congress. Please read our full statement [here](#).

Make sure you also check out our updated [FAQ on Showings](#) if you haven't already — this updated version takes into account changes made to the California Department of Public Health's Industry Guidance on Real Estate Transactions.

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The Economy & Your Finances: Additional \$600 weekly federal unemployment to end this week

California added a record [558,200](#) jobs between mid-May and mid-June, causing statewide unemployment to fall from 16.4 percent to [14.9 percent](#). In particularly-hard-hit Los Angeles County, unemployment declined from 21.5 percent to 19.6 percent. Yet these gains were recorded prior to the recent surge in coronavirus cases and Governor Newsom's newest shutdown; economists are [not optimistic](#) the downward trend will continue. Meanwhile, nearly [2 million](#) unemployment claims filed in California in the last three months have yet to be paid.

This is the last week of the program established through the CARES Act that has been providing [\\$600 per week](#) in additional federal unemployment benefits. While the program technically ends "[on or before July 31](#)," the last full week of the program ends for Californians on [Saturday, July 25](#), since California designates weeks as ending on Saturday for benefits purposes. American workers, including independent contractors and small business owners, will continue to be eligible for base unemployment benefits of up to \$450 per week, but the federal enhancement — which has largely been easier for states to distribute — will disappear unless a new stimulus package is passed that saves it.

While both Democrats and Republicans agree [another bill needs to be passed](#), the two sides cannot agree on its contents. While some have argued for killing the additional \$600 weekly benefit, saying it allows many on unemployment to [make more than they would if they were going into work](#), others have posited that cutting off the program could significantly reduce America's [gross domestic product](#) (GDP). In addition to deciding whether to continue the additional federal unemployment payments, [Congress is debating](#) whether and how to send out another round of direct payments to taxpayers, as well as whether to extend additional support to small businesses.

Sources: The Orange County Register, Los Angeles Times, The San Francisco Chronicle, CNN, USA Today, Politico, CNBC, Economic Policy Institute, NPR, The Mercury News

The Market & Industry: Calif. market rebounded in June

The California housing market [rebounded](#) in June with its largest month-to-month sales increase in nearly 40 years, although year-to-date statewide home sales were still down 12.9 percent from a year prior. These numbers reflect loosening lockdown restrictions and pent-up demand, with homebuyers who initially delayed purchases due to COVID-19 reentering the market.

While the recent uptick in coronavirus cases suggests this momentum will not continue unabated, homebuyer demand seems to be holding strong. New mortgage purchase applications increased by [4.3 percent](#) last week from the week prior and were 15 percent higher than they were at the same time in 2019. And those numbers could get even higher, as last Thursday [mortgage rates fell below 3 percent](#) for the first time ever. Zillow reports homes are selling [faster](#) than ever before, and a new study has indicated [36 percent](#) of Americans would want to buy a home entirely online during the coronavirus crisis.

[Homebuilder sentiment](#) has jumped significantly, with builders seeing high traffic and lots of interest in new construction. Sales of newly-built homes rose [55 percent](#) year over year in June, the highest pace of sales growth in homebuilding since the housing boom of 2005 and 2006.

For many, the economic shutdowns will be playing out on the housing front. The rate of [early-stage mortgage delinquencies](#) hit its highest level in 21 years in April. And the pandemic seems to be worsening the housing crisis for [Black Americans](#), who face a greater probability of being unable to pay rent compared with white people.

Sources: C.A.R. Research & Economics, CNN, Inman News, CNBC, REALTOR® Magazine, Zillow, HousingWire, Los Angeles Times

Around the State: 90 percent of Calif. students to start

school year online

Last Friday, Governor Newsom issued a new order laying out [strict criteria for school reopenings](#) in California. The decision to open in person will be determined by local data for each individual school, and schools that do open in person implement precautions including a requirement that students in grades 3 and above wear masks. According to this new mandate, schools in districts on the [state's watchlist](#) are prohibited from reopening until they spend 14 consecutive days off the watchlist. Based on current case numbers, [90 percent](#) of California's students are going to begin the year with online learning.

Cases continue to rise in California. As of yesterday at 10:26 p.m., cases in California numbered 409,370 and deaths had hit 7,891. California has risen to have the highest number of coronavirus cases in the country, ahead of New York and Florida by number (although behind both in terms of per capita). Thirty-three of California's 58 counties are on the state's watchlist. And the CDC has said case numbers could be more than [10 times higher](#) than reported

Some California hospitals are already [overwhelmed](#) by this new surge, prompting the [Air Force](#) to deploy, at the state's request, 160 military doctors, nurses and other healthcare specialists to eight hospitals facing staffing shortages. Los Angeles, long the epicenter of California's outbreak, recorded [record-high hospitalizations](#) on Monday, prompting Mayor Eric Garcetti to declare the city "on the brink" of imposing new restrictions. And now, cases are actually [rising faster in the suburbs](#) than they are in the city, with Orange, San Bernardino and Riverside counties reporting worse case rates per capita than Los Angeles County.

On Monday, Newsom amended his shutdown order from last week to allow [barbershops, nail salons and hair salons](#) to reopen so long as they conduct all business outdoors. But for the most part, things have been getting more, not less, restrictive. Customers at [Walmart, Best Buy and Starbucks](#) are now required to wear masks. The California Interscholastic Federation pushed back the start of all [high school sports](#) to January 2021. And the 2021 [Rose Parade](#) has been canceled for the first time since World War II.

Sources: Office of the Governor of California, California Department of Public Health, CAL Matters, KCRA, The Modesto Bee, Los Angeles Times, CBS San Francisco, Los Angeles Daily News, The San Francisco Chronicle, Pasadena Now, The Hill

Health Check-Up: Results from early vaccine trials encouraging

The [first coronavirus vaccine to be tested in humans](#) has shown promise. The experimental vaccine developed in partnership between Moderna Inc. and scientists at the National Institutes of Health appeared safe and provoked an immune response in the 45 people who tested it back in March. In late July, the vaccine will start its most important phase of testing: a [30,000-person study](#) to conclude whether the shot is strong enough to protect against COVID-19.

A coronavirus vaccine developed by the [University of Oxford](#) is promising as well, able to provoke an immune response in 90 percent of the 1,077 people who were injected. More than 10,000 people will take part in the next phase of trials. The UK has already ordered 100 million doses of the vaccine.

The United States today signed a [\\$1.95-billion](#) deal with Pfizer to produce 100-million doses of a vaccine by December 2019.

The data continues to stack up in support of wearing a mask to prevent the spread of the coronavirus. Not only do masks prevent those who are infected with COVID-19 from spreading it to others, but [wearing a mask](#) can decrease the dose of the virus the wearer comes in contact with, thus reducing the severity of the disease.

Sources: The New York Times, CBS News, BBC News, Los Angeles Times



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