CALIFORNIA CORONAVIRUS WEEKLY RECAP

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

July 8, 2020

We hope you had a safe and happy Fourth of July weekend. Before we launch into the news from this past week, please take a moment to check out the following new resources from C.A.R.:

- Our Research & Economics team has released new videos breaking down the economic and housing market data for the Bay Area, Southern California, the Central Valley and the state as a whole.

- We have revised our Industry Guidance on Showings FAQ with updated information. Make sure to review this document for the most up-to-date guidelines on cleaning properties prior to entry, showing properties while occupants are present and requiring all those entering the property to wear face coverings.

- We have updated our FAQ on Pandemic Unemployment Assistance, SBA Loans for Agents and SBA Loans for Brokers to reflect new changes.

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The Economy & Your Finances: Paycheck Protection Program extended

On Monday, President Trump approved an extension of the Paycheck Protection Program (PPP) through August 8, 2020. The deadline was previously June 30. Eligible applicants — including most real estate brokers, agents and firms — now have more time to request federal relief funding from this $600 billion program. The extension should benefit minority-owned businesses and self-employed individuals, groups who had difficulty accessing PPP funds when the program was first introduced. For more information on applying for a PPP loan through the Small Business Administration (SBA), see our FAQs on SBA Loans for Agentsand SBA Loans for Brokers.

The national unemployment rate fell to 11.1 percent in June from 13.3 percent in May, representative of 4.8 million more people employed in June than in May. Despite these dips, unemployment remains staggeringly high, and more job losses are being recorded as permanent, not temporary.

Moreover, the high unemployment numbers seem to be exacerbating existing financial inequalities across the nation; June saw the widest gap between Black and white unemployment rates in five years. And while 48 percent of all adults lived in households where at least one person had lost employment as of June 9, that share rose to 53 percent for Black households and 62 percent for Hispanic or Latinx households.

Consumer spending nationwide did rise 8.2 percent in May from a month earlier, double the prior all-time high since record-keeping began in 1959. It remained below pre-pandemic levels, with a decline of 12 percent from February.

In California, while new unemployment claims continue to dip slightly each week, the unemployment rate is sitting higher than the national average at 16.3 percent. For comparison, the state's jobless rate in February was 3.9 percent. Unemployment is hitting hardest in Southern California, where areas like Hermosa Beach, San Diego and Los Angeles are all seeing unemployment rates of over 20 percent.

Last Wednesday, the California Employment Development Department (EDD) announced jobless Californians could get up to seven additional weeks of unemployment benefits, bringing the maximum duration to 59 weeks for those on traditional unemployment and 46 weeks for those on Pandemic Unemployment Assistance (PUA). Despite the additional weeks of eligibility for those who otherwise qualify, the PUA program is still limited to February 2, 2020 through December 26, 2020, depending on when claimants were directly impacted by the pandemic. The $600 additional per week benefit, however, continues to be available only for eligible claim weeks from March 29 through July 25, 2020. Those who qualify for the additional 7 weeks of PUA benefits can expect to receive a notice from the EDD, which will need to be completed and sent back to the EDD.

To date, the EDD has paid $37.5 billion in unemployment benefits to Californians, $4 billion of which was paid out in just the last week. The EDD is still swamped with claims, having received over 7 million since the pandemic began.

Sources: Business Insider, Forbes, Fortune Magazine, FiveThirtyEight, Reuters, The Urban Institute, C.A.R. Research & Economics, The San Francisco Chronicle, CBS San Francisco, California Employment Development Department

The Market & Industry: Recovery continues, eviction moratoria extended

Pent-up demand continues to propel the housing market's recovery. As of June 30, showings were 52.3 percent higher than the same time last year, and pending home sales surged 44.3 percent in May. Still, in the past week, closed sales, pending sales and new listings all declined in California, the reasons for which are as of yet unclear. The declines could be due to lack of supply, a market slowdown in response to the resurgence of COVID-19 cases, or simply an indication the homebuying season is coming to an end and the market is transitioning to the off-season.

Prices have largely held steady through the pandemic thus far, dipping only slightly in Sacramento and rising in San Diego, San Francisco and Los Angeles. Nationwide, the median price is expected to increase 3.6 percent from 2019, slightly down from the 3.8 percent increase the National Association of REALTORS® projected a month ago.

While mortgage rates remain low, hovering near 3 percent, demand has fallen for two straight weeks. Still, purchase volume remains up by 15 percent year over year.

Last Wednesday, Governor Newsom extended an authorization allowing local governments to delay evictions through the end of September for renters impacted by COVID-19. In some cases, the moratoria have posed unique challenges wherein homeowners are unable to move into recently closed-on homes due to the previous tenants refusing to leave. Fearing huge surges in homelessness once the moratoria end, lawmakers have renewed focus on new bills addressing homelessness.

Sources: C.A.R. Research & Economics, The Sacramento Bee, Inman News, CNBC, Mortgage Bankers Association, ABC 7 News, The Mercury News

Around the State: Cases spike statewide, 23 counties now on watchlist

Experts' fears seem to have been realized: COVID-19 cases spiked significantlyfollowing the July 4th weekend. Intensive care unit patients with confirmed coronavirus cases are up 62 percent, the rate at which California coronavirus tests are coming back positive jumped 42 percent in just the last two weeks (an indication the rate of transmission is worsening), and California has tallied daily records for hospitalizations each day for over 16 days.

These spikes came even after preventative measures were put in place ahead of the holiday weekend, like closing indoor dining and movie theaters across most of the state, as well as shutting down beaches in Southern California.

As of yesterday at 9:43 p.m., cases in California numbered 284,138 and deaths had hit 6,575. California has the second-highest number of coronavirus cases in the country, behind New York (397,649). By a number of metrics, California does appear to be doing better than other states experiencing surges right now, such as Texas, Arizona and Florida.

Over the past week, Contra Costa, Colusa, Marin, Monterey and San Diego counties were added to the governor’s COVID-19 watchlist, and Santa Clara County was removed, bringing the total number of monitored counties to 23. The worst of the outbreak continues to center around Los Angeles, which has seen an alarming 41 percent jump in hospitalizations in the last three weeks.

Governor Newsom has maintained that California did not reopen too quickly, insisting that it’s not about when the state reopened, but how. He reiterated that local enforcement of mask mandates is the best way to safely reopen and indicated he could withhold local funding from counties that do not cooperate with health orders.

Sources: The Los Angeles Times, ABC 7 News, The Mercury News, CBS Sacramento, The Orange County Register

Health Check-Up: Young adults represent bulk of new cases, transmission by aerosols raising concerns

The recent spikes in coronavirus cases have been driven largely by increases among young adults, with half of new cases in the U.S. in recent weeks coming from people under 35 years old. While some of these cases have been linked to house parties and bars, lack of caution isn’t the only reason for the spike among this age group. Younger adults often make up the bulk of the frontline workers at restaurants and retail stores that have been reopening over the past month. The World Health Organization (WHO) has warned that young people are not immune to COVID-19, and that the disease is in fact killing young people, particularly those with obesity.

Over 200 scientists have signed an official letter to the WHO pushing back against the official view of how the coronavirus spreads, which maintains there are only two types of transmission you need to worry about: inhaling respiratory droplets from an infected person in your immediate vicinity, and touching a contaminated surface and then touching your face. The scientists challenging this view argue that you should also worry about aerosols, which are microscopic versions of respiratory droplets that can hang in the air for long periods of time and float several dozens of feet. This makes poorly ventilated rooms and confined indoor spaces significantly more dangerous.

To provide you with a better sense of coronavirus best practices, *The Washington Post* interviewed six infectious disease experts — including Dr. Anthony Fauci — about how they personally are changing their behavior to prevent the spread of COVID-19. And if you're looking for ways to safely get outdoors this summer, Vox has a roundup of eight ways to go out and stay safe during the pandemic.

Sources: The Guardian, The Mercury News, The New York Times, World Health Organization, Los Angeles Times, The Washington Post, Vox