



CALIFORNIA CORONAVIRUS WEEKLY RECAP

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

As the coronavirus situation and associated real estate-related activities continue to rapidly shift, C.A.R. is working diligently with the governor's office to have real estate classified as an essential service. We are committed to keeping you updated on these vital activities; for the most up-to-date information, visit car.org/coronavirus.

Welcome to the second issue of our weekly newsletter covering the impact of the coronavirus outbreak on California. Before launching into this week's news, we want to make sure you are caught up on everything C.A.R. is doing to help members through this public health crisis.

Last Thursday, C.A.R. launched car.org/coronavirus, your one-stop shop for the news and resources you need during this pandemic. Visit the site for, among other resources:

- [C.A.R.'s guidance on the governor's stay-at-home order as it currently stands](#) [Note: C.A.R. has urged the governor to expand permissible activities for REALTORS® while maintaining the health and well-being of REALTORS® and their clients. We will keep you updated as we move forward.]
- A repository of info and tools to help with [your transactions](#)
- Frequently asked questions about [legal issues](#), [DRE licensing](#), [the market](#) and more
- Information for Association Executives and broker/owners, including [guidance for employers](#), key takeaways about [force majeure](#) clauses and best practices for [business continuity](#)
- [Weekly market updates](#) from the research and economics team

- A collection of upcoming and recorded [webinars](#)
- Archived issues of [this newsletter](#)

Additionally, last week C.A.R. launched a new coronavirus addendum/amendment form (C.A.R. Form CVA), [which you can find here](#). This form allows parties to agree on a way forward for existing contracts and address potential issues in contracts that have not yet been formed.

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Around the State: REALTORS® should conduct as much business as possible virtually

Last Thursday, Governor Gavin Newsom issued a [stay-at-home order](#) “to protect the health and well-being of all Californians and to establish consistency across the state in order to slow the spread of COVID-19.” The order, [which has no definitive end date](#), mandates that all individuals in the state are to stay at home unless absolutely necessary. The governor’s order came on the heels of similar — and in many cases [more restrictive](#) — local orders: Several Bay Area counties have been under [shelter-in-place orders](#) since last Tuesday, and Los Angeles County issued its own [safer-at-home order](#) on Thursday.

Under the governor’s order, only [essential services](#) — including grocery stores, gas stations, pharmacies, laundromats and law enforcement offices, among others — are to remain open. The governor’s office has released a comprehensive list of what it determines to be “[Essential Critical Infrastructure Workers](#)”; as of right now, real estate agents are not represented on this list.

C.A.R. believes REALTORS® provide essential services to their communities, and we are working aggressively to broaden the categorization of essential workers to include real estate agents. In the meantime, C.A.R. instructs: **“REALTORS® should conduct as much of their business as possible using virtual means.** REALTORS® should cease doing all in-person marketing or sales activities, including showings, listing appointments, open houses and property inspections. Clients and other consumers are also subject to these orders and should not be visiting properties or conducting other business in person.”

These extensive restrictions are meant to [“flatten the curve,”](#) slowing the spread of the virus so that surges of new cases do not overwhelm the state’s hospital system, which is beginning to show signs of strain. Last Friday, Los Angeles County reported that its hospitals’ [ICU beds were already at near-capacity](#) with non-COVID-19 patients, and Bay Area healthcare workers have reported a [shortage of critical protective equipment](#) like face masks.

As of this morning at 8:37 a.m., there are 2,220 confirmed cases of and 42 deaths caused by COVID-19 in California. Cases have been reported in 43 of the nation’s 58 counties, with Los Angeles (540) and Santa Clara (321) counties having the most cases. California remains the third-largest outbreak in the country, behind New York (20,884 cases and 158 deaths) and New Jersey (2,844 cases and 27 deaths).

Sources: Governor of California, California Coronavirus (COVID-19) Response, Mercury News, Curbed, Mayor of L.A., CNBC, Los Angeles

Times, San Francisco Chronicle

The Market: Sharp downturn expected for peak home buying season

Given the recent hit to financial markets, the decline in consumer spending, and the rise in new unemployment insurance claims, C.A.R. has revised its forecast lower for the economy generally and the state’s housing market specifically. C.A.R. is forecasting that

the benefit of lower interest rates will be outweighed by deteriorating consumer confidence, the slowdown in economic activity and projected increase in unemployment. As a result, C.A.R. currently expects home sales to be down in the high single digits in 2020 compared with the original forecast from the winter of 2019, which called for a modest increase in closed sales this year. The drop is expected to be steepest in the second quarter. This forecast is contingent on how long it takes for the virus to run its course and public life to return to normal. C.A.R. has developed several scenarios for the impact of the coronavirus on the market with the drop in sales and prices dependent of the length of the recession. At present, it is simply too soon to tell the depth and duration of the current cycle.

California REALTORS®' attitudes about the pandemic and its impact on real estate have deteriorated significantly within the last week. C.A.R.'s second weekly flash poll of members found that 78 percent of [REALTORS® expect home sales to be negatively impacted](#), up from 53 percent last week.

Even iBuyers are being impacted by the coronavirus: [Opendoor](#), [Zillow](#) and [Redfin](#) have temporarily suspended their home buying programs. For analysis of how the housing market has reacted to past pandemics, see this [literature review](#) from Zillow.

Meanwhile, although [California property taxes are still due on April 10](#), measures have been put into place to provide [financial relief for homeowners](#). The Federal Housing Finance Agency (FHFA), which oversees Fannie Mae and Freddie Mac, is providing [payment forbearance to borrowers](#) for up to 12 months, and last Wednesday the U.S. Department of Housing and Urban Development (HUD) [suspended foreclosures and evictions for at least 60 days](#). Yesterday, FHFA also directed Fannie Mae and Freddie Mac to [provide alternative flexibilities to satisfy appraisal requirements and employment verification requirements](#) through May 17, 2020.

The Economy & Your Finances: Aid is on the way

Last Wednesday, President Trump signed the [Families First Coronavirus Response Act](#) into law. The legislation allocates roughly [\\$8 billion for coronavirus response efforts](#), including free testing for COVID-19, an emergency paid-leave benefits program and extended unemployment insurance benefits. Negotiations continued in Congress over the weekend on a [financial rescue package of over \\$1 trillion](#) meant to help the U.S. economy weather the effects of the pandemic, and just this morning, Speaker of the House Nancy Pelosi announced a [deal could be in reach](#). The [impacts on California's economy](#) specifically are still playing out, but the effects could be unprecedented.

Recognizing the impact his stay-at-home order has had on California's workforce, Governor Newsom asked President Trump on Sunday for declaration of a "major disaster" in California, a request [the president granted](#) on Sunday. The declaration grants federal funding to state, local and tribal governments to enact emergency protective measures and to fund crisis counseling. [C.A.R. has also asked the California Congressional Delegation to provide forgivable SBA loans](#) to self-employed, independent contractors, which includes the majority of C.A.R. members.

In the meantime, REALTORS® can file for [disaster loan assistance](#) from the U.S. Small Business Administration. Facebook has also developed a [small business grants](#) program for up to \$100 million in cash grants and ad credits for up to 30,000 small businesses.

[California state](#) and [federal](#) tax deadlines have been postponed until July 15, and the IRS has confirmed [individuals can postpone their initial quarterly estimated federal income tax payments](#) for the 2020 year from the normal April 15 deadline to July 15 as well without incurring any IRS interest change penalty.

Sources: United States Congress, NPR, Los Angeles Times, CAL Matters, U.S. Small Business Administration, Facebook, State of California

Franchise Tax Board, CNBC, Market Watch

Health Check-Up: Covered California extends special enrollment period

Health officials announced last Friday that [Covered California will extend its special enrollment period until the end of June](#) to be able to provide health insurance to more people during the pandemic. The extension is effective immediately and available to all Californians who meet the [eligibility requirements](#).

New data from the CDC last week has revealed that [persons between the ages of 20 and 54 make up nearly 40 percent of hospitalized COVID-19 patients](#) in the United States. Los Angeles County is reporting that [80 percent of patients are between 18 and 65](#). While the risk of death remains significantly higher for [older adults](#), this new data reinforces that younger adults are not immune to severe symptoms and should adhere to the social distancing procedures the CDC has laid out.

Moreover, people of all ages could be [asymptomatic carriers](#) of the virus, meaning they are infected with COVID-19 despite feeling physically fine, and these asymptomatic carriers could unsuspectingly transmit the virus to others. Based on current information, [symptoms could take nearly two weeks to appear in an infected person](#). This is why social distancing matters, even for people who don't feel ill.

Yesterday, for people in the United States, the [CDC launched a COVID-19 self-checker bot](#) called Clara. The bot is not intended to be a replacement for diagnosis and treatment from a medical professional, but instead can be used to walk people through their symptoms and give recommendations if they need to seek medical care. You can [access the bot on the CDC website here](#).

Sources: Mercury News, Health for California, New York Times, Centers for Disease Control and Prevention (CDC), CNN, Harvard University,

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