

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.**

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 Note that this guidance may be superseded by stricter local guidelines that place more restrictions on real estate or office activity.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

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 pause 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.

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