Covid-19 Economic Update

April 16, 2020

NATIONAL APARTMENT ASSOCIATION
We Lead the Way Home
Coronavirus Economic Impacts

- Initial jobless claims totaled 5.2 million, bringing the 4-week total to 22 million, 13.5% of the U.S. labor force.
- The 4-week claims total surpassed 20% of the employment base in six states.

Sources: U.S. Department of Labor, Bureau of Labor Statistics; state employment figures as of February 2020
Note: ** Denotes State Estimate; Advance claims are not directly comparable to claims reported in prior weeks. Advance claims are reported by the state liable for paying the unemployment compensation, whereas previous weeks reported claims reflect claimants by state of residence.
Coronavirus Economic Impacts

- Single-family and multifamily housing starts dropped precipitously on a monthly basis in March, although it’s important to note that starts were elevated in February due to warmer-than-average weather in many parts of the country.
- On a year-over-year basis, multifamily starts were down just 3.9% and in line with recent trends.

Coronavirus Economic Impacts

- Homebuilder confidence plummeted in April, the largest single monthly change in the 30-year history of the index.
- Each component of the index (current single-family home sales, sales expectations over the next six months and traffic of prospective buyers) fell by 39 points or more.
Apartment Industry Impacts

- The latest RealPage apartment market metrics have softened compared to a year ago but have shown some improvement over the past week.
  - Website traffic down 6.0 percent year-over-year, increasing by 4.5 percent since last week.
  - Guest cards down 23.4 percent year-over-year, remaining flat since last week.
  - New leases down 31.7 percent year-over-year, improving by 8.7 percent since last week.
  - Apartment retention rates averaged 54.1 percent in March, the highest rate in over a decade.
- According to a recent survey of apartment owners and operators by J Turner Research, 87 percent of respondents reported offering either deferred rent or a payment plan to residents in April while another 82 percent waived late fees.

Sources: COVID-19 Impact: Industry Impact & Performance Insights by RealPage, April 14, 2020
J Turner Research: Multifamily Leaders Survey Covid-19 Effect on Rent, April 2020