Covid-19 Weekly Economic Update

June 24, 2020

NATIONAL APARTMENT ASSOCIATION
We Lead the Way Home
Despite businesses reopening, many states continued to feel the pain of unemployment.

Oregon, Nevada and Hawaii had the greatest share of continuing claims for unemployment compared to pre-pandemic employment.

Initial claims for unemployment remained at high levels for the week ending June 13, with 1.5 million new filers.


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

- May job growth across the U.S. averaged 1.9 percent on a month-over-month basis.
- Vermont, Michigan, Montana and Pennsylvania saw job gains of 4 percent or more.
- Hawaii and Washington, DC were the only two areas which shed jobs last month.

Source: Bureau of Labor Statistics
The National Activity Index is a weighted average of 85 monthly indicators and is designed to measure overall level of economic activity across the U.S. A reading below -0.70 is associated with recessionary periods.

After plummeting in April, the index rebounded in May to +2.61, driven mainly by employment-related indicators.

57 of 85 indicators made positive contributions to the index.
New Home Sales

- New home sales increased 16.6 percent over the month and 12.7 percent compared to last year.
- Homes priced under $300,000 comprised 45 percent of sales as new home buyers sought more affordable options.
- Monthly sales increased in most regions, except the Midwest.

May sales of existing homes, which reflected contract signings in March and April during the height of the pandemic, were down 26.6 percent year-over-year.

Condos and co-ops experienced the greatest decline in sales, 41.4 percent.

The median home price of $284,600 rose 2.3 percent year-over-year, the 99th consecutive month of appreciation.

Source: National Association of Realtors®
Apartment Industry Impacts

Hardest Hit Metro Areas for Rent Collection
(Change from prior year)

- Los Angeles and Las Vegas remained at the bottom for rent collections, off by 5 percent and 4.2 percent, respectively, from the same period last year.

- Collections worsened during the past week in Cincinnati, Milwaukee, Indianapolis and especially New Orleans, which was on track towards higher rent collections through mid-month but is now in the negative.

Sources: RealPage, Inc. Rent Payments June 1 – June 20, 2020
Apartment Industry Impacts

- Having employees trained on COVID-19 policies and procedures translated into 56% of residents saying they intend to renew.
- In May, 61% of households said they experienced income loss, down from 63% in April.
- 42% reported the loss of income as major or devastating compared to 48% in April.
- The most vulnerable states where renters say they won’t be able to pay June’s rent included Oklahoma, Mississippi, Arkansas, Florida, and Georgia.
- 27% of renters described management as being flexible with rent payment, although 35% reported their management being “not at all flexible.”
- 38% of residents who received stimulus assistance said it helped them feel more financially secure, whereas 49% said it made no difference.
- 48% anticipated they would be somewhat or significantly less secure financially 3-6 months from now than they were before COVID-19.