



California housing market feels full brunt of coronavirus outbreak in April

Source: CALIFORNIA ASSOCIATION OF REALTORS®

California home sales dropped sharply in April from both the previous month and year as the housing market began to feel the full impact of the coronavirus outbreak and the state's stay-at-home order, according to the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.).

Closed escrow sales of existing, single-family detached homes in California totaled a seasonally adjusted annualized rate of 277,440 units in April, according to information collected by C.A.R. from more than 90 local REALTOR® associations and MLSs statewide. The statewide annualized sales figure represents what would be the total number of homes sold during 2020 if sales maintained the April pace

throughout the year. It is adjusted to account for seasonal factors that typically influence home sales.

“As expected, California home sales experienced the worst month-to-month sales decline in more than four decades as the coronavirus pandemic prompted stay-at-home orders, which kept both buyers and sellers on the sidelines,” said 2020 C.A.R. President Jeanne Radsick, a second-generation REALTOR® from Bakersfield, Calif. “While some economic activity will resume as the state gradually reopens, the housing market is expected to remain sluggish for the next couple of months as potential market participants deal with the impact of stay-in-place restrictions.”

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What homebuyers and sellers can expect in 2020

Source: Realtor.com

While the COVID-19 pandemic has caused many buyers and sellers to think twice about buying, selling, and potentially even moving, home sales are expected to rebound in the late summer and fall, according to a revised 2020 forecast by Realtor.com.

Nationwide, sales of existing homes are expected to drop about 15 percent in 2020 compared with the previous year. Realtor.com is anticipating 4.5 million sales this year, compared with 5.34 million last year. The company's economic team had originally forecast, late last year, that 5.25 million sales would take place in 2020.

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Bidding wars in a pandemic?

Source: CNBC

As states begin to loosen social distancing restrictions, homebuyers are rushing to open houses again, and market competition is rising due to a lack of homes for sale.

The coronavirus pandemic caused a historic drop in housing inventory that was already inadequate. New listings had dropped by half during the second week of April, compared with a year ago, according to real estate brokerage Redfin. Weak supply and growing demand is now causing a surge in bidding wars, especially for homes priced below \$1 million.

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Mortgage forbearance could make it harder for some to get a loan in the future

Source: Realtor.com

Homeowners who request relief from their payments on their federally funded mortgages amid the coronavirus pandemic won't be penalized for it in the long run, the federal government said.

Earlier in March, the federal government assured homeowners with these loans that they wouldn't lose their homes, incur fees, or have their credit scores damaged if they couldn't make their payments—as long as they entered a lender-approved forbearance program. Typically, forbearances are set in three-month periods for up to 12 months.

But that forbearance has been showing up on these borrowers' credit reports, making it nearly impossible for many of them to refinance their mortgages into lower monthly payments or qualify for a loan on a new property, say if they get a job in another city. Traditionally, owners who resorted to a forbearance program had to make up the skipped payments and then wait a year before applying for a new home loan.

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COVID-19 sparks rise in rental fraud

Source: Snappt

Application fraud is growing in residential rental markets since the COVID-19 crisis, according to a new analysis from Snappt, a real estate tech and fraud detection company. Applicant fraud has risen 9 percent month-over-month since the pandemic, with some inflating their income to qualify for rental or disguising the source of their income. Snappt says that it's likely a response to the economic climate as well as recent changes to local and state eviction moratoriums.

Two thirds—or 66 percent—of property managers surveyed by Snappt say they've fallen victim to fraudulent rental applications.

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Weekly mortgage applications point to remarkable homebuying recovery

Source: CNBC

Mortgage applications to purchase a home rose 6 percent last week from the previous week, according to the Mortgage Bankers Association's seasonally adjusted index. Purchase volume was just 1.5 percent lower than a year ago, a rather stunning recovery from just six weeks ago, when purchase volume was down 35 percent annually.

As states reopen, so are open houses, and buyers have been coming out in force. Record low mortgage rates, combined with strong pent-up demand from before the pandemic and a new desire to leave urban downtowns due to the pandemic, are driving buyers back to the housing market. Whether this is pent-up demand or a long-term trend remains to be seen.

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