



LAEDC

COVID-19 Economic Implications Briefing

October 19, 2020

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California Blueprint for a Safer Economy

The Four-tier Reopening Plan...

Tier 1

WIDESPREAD

Many non-essential indoor business operations are closed

Tier 2

SUBSTANTIAL

Some non-essential indoor business operations are closed

Tier 3

MODERATE

Some indoor business operations are open with modifications

Tier 4

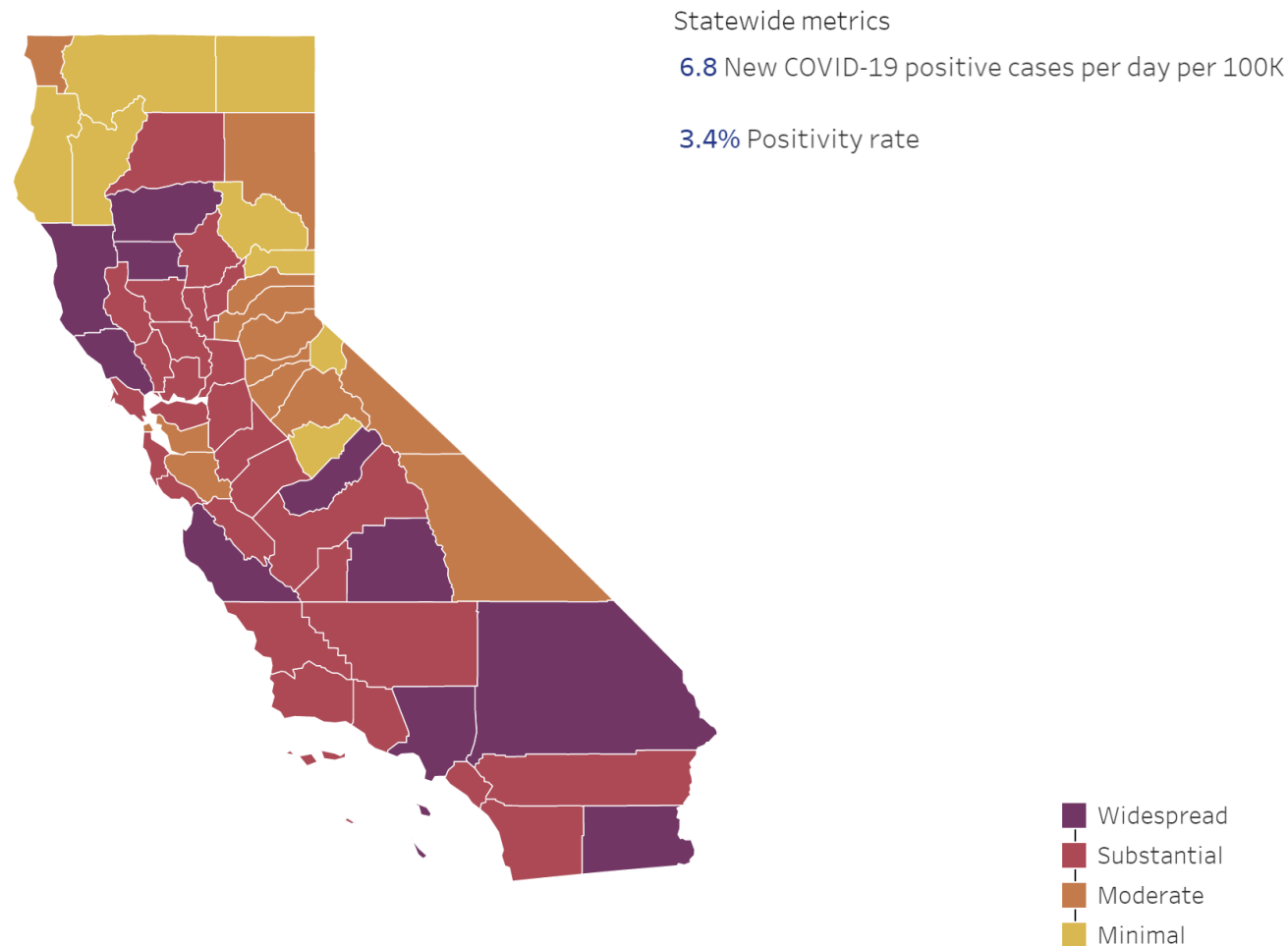
MINIMAL

Most indoor business operations are open with modifications

California Blueprint for a Safer Economy

Current Tier Assignments as of October 13, 2020

All data and tier assignments are updated weekly every Tuesday.



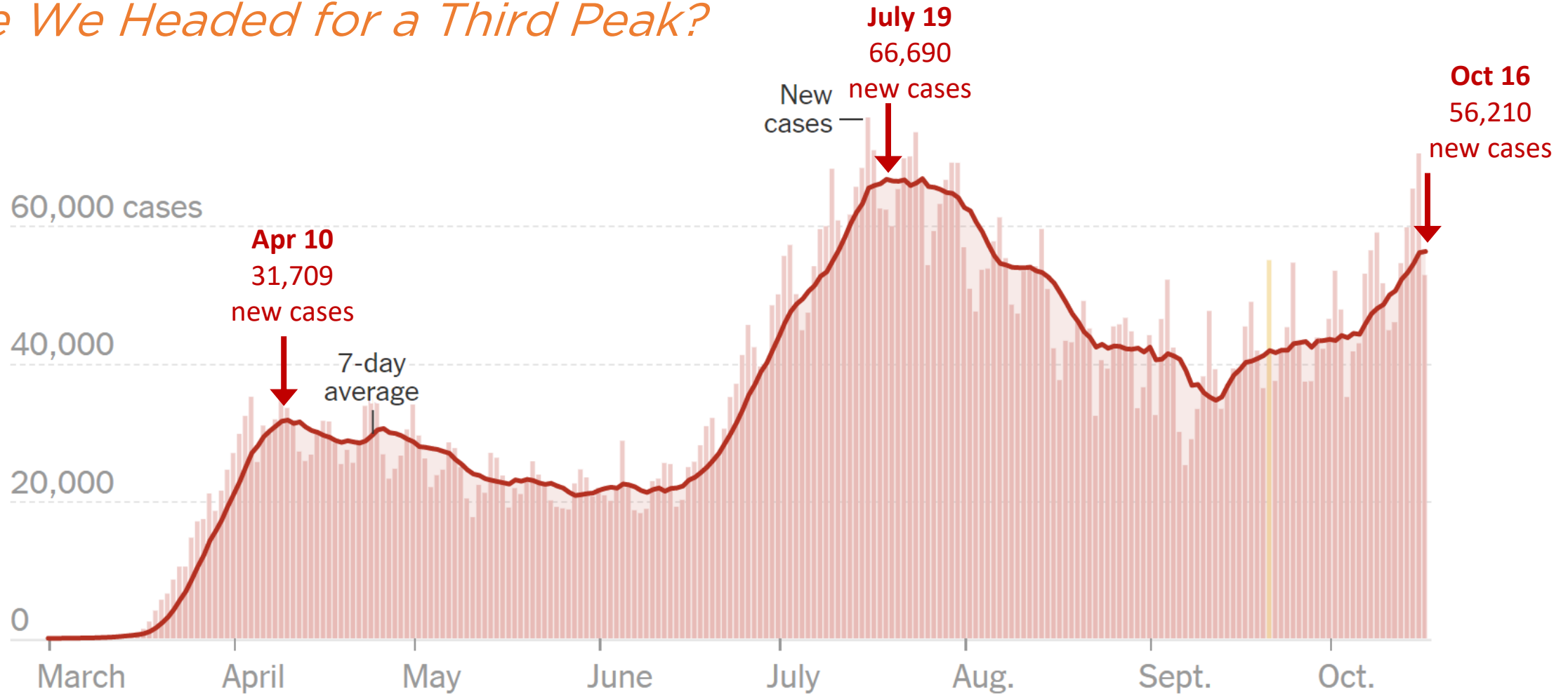
Source: California ALL



New Daily Cases of COVID-19 in the U.S.

(10/16)

Are We Headed for a Third Peak?



■ These are days with a data reporting anomaly. Read more [here](#).

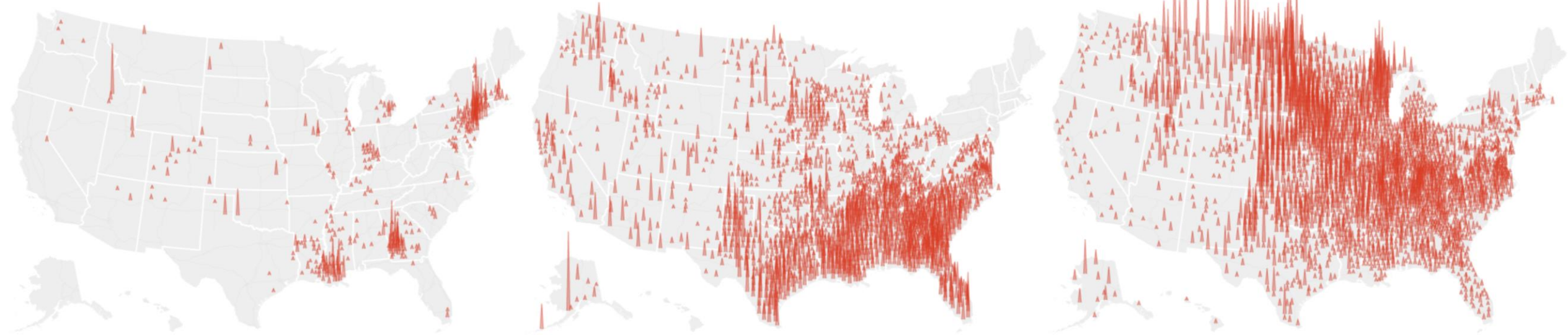
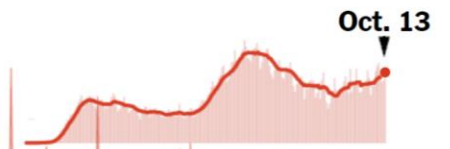
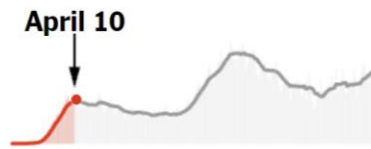
Note: The seven-day average is the average of a day and the previous six days of data.

Source: New York Times



COVID-19 Cases in U.S. Moving Towards a 3rd Peak

New cases reported each day nationwide



Note: Cases shown on the maps for a given date are those reported in the preceding two weeks.

The maps show the number of new cases reported in each county in the preceding two weeks

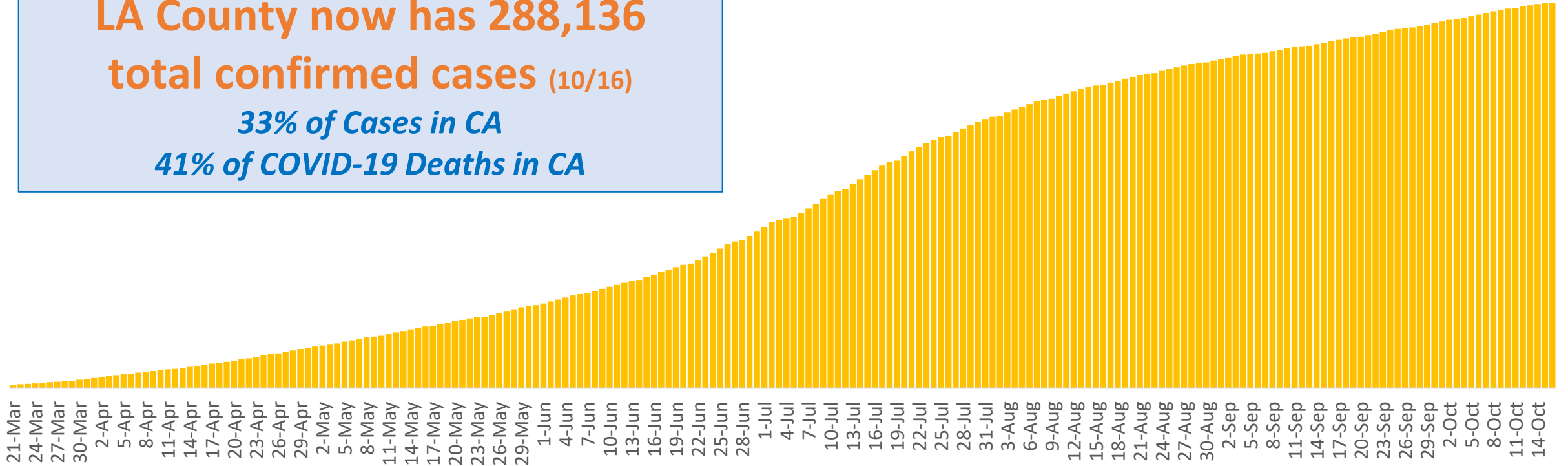
Source: New York Times



Confirmed COVID-19 Cases

Total Cases Reported in LA County (10/16)

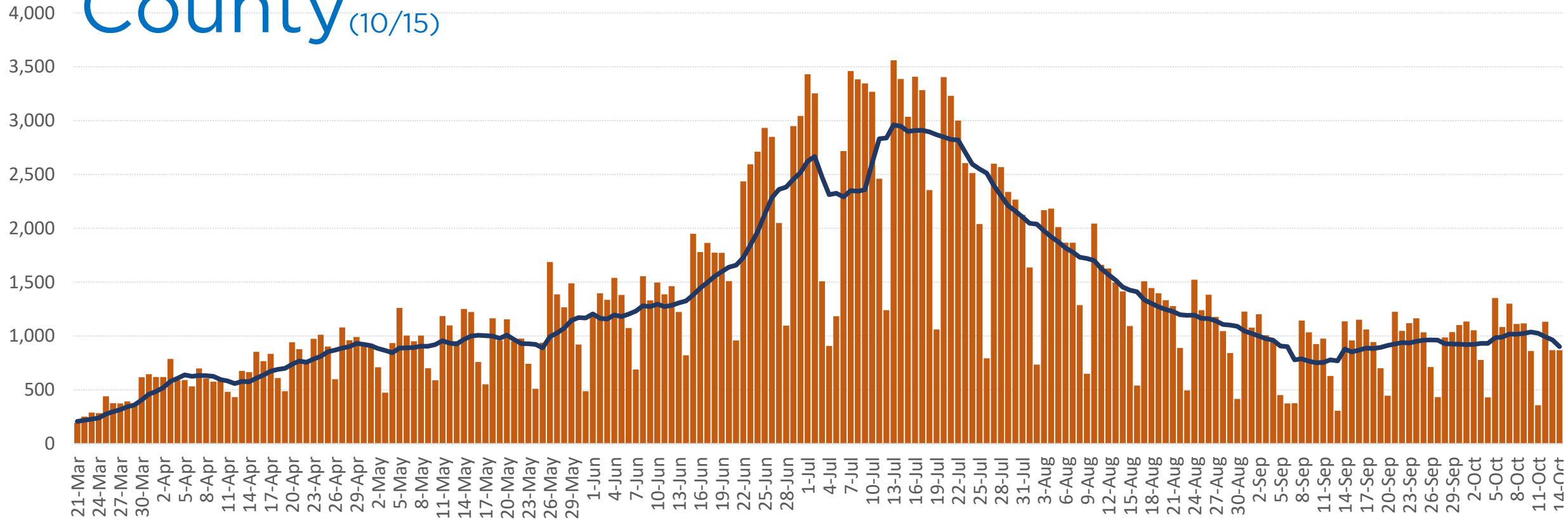
LA County now has 288,136
total confirmed cases (10/16)
33% of Cases in CA
41% of COVID-19 Deaths in CA



Source: LA County



New Daily Cases of COVID-19 in LA County (10/15)



Testing 7-Day Daily Average - Target: 15,000 Actual: 13,628 7-day average (10/15)

Testing Positivity Rate: 3.2% 7-day average (10/15)

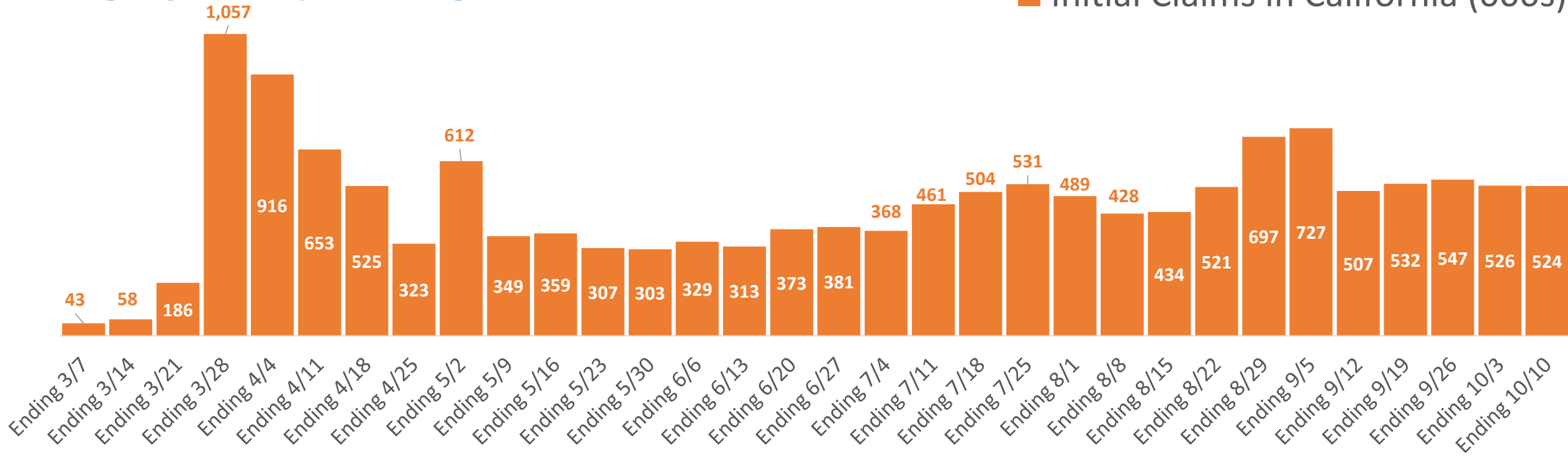
Daily Deaths 7-Day Average – Target: No increase over past 14 days Actual: Down -29%

Daily Hospitalizations 3-Day Average – Target: No increase over past 14 days Actual: Down -1%

Current Hospitalizations: Actual: 752 (10/16)

Unemployment Insurance Weekly Claims in CA

■ Initial Claims in California (000s)



CA Stay at home order issued March 19th

- Claims processed over the last six months are **more than triple** the worst full year of the Great Recession in 2010
- Extra \$600 federal stimulus payments **ended July 25**
- Extra payment of \$300 through the Federal LWA program (started July 26th) **just ended with its 6th payment**
- Total unemployment benefits paid to workers through the pandemic reach **\$101 billion in seven months**



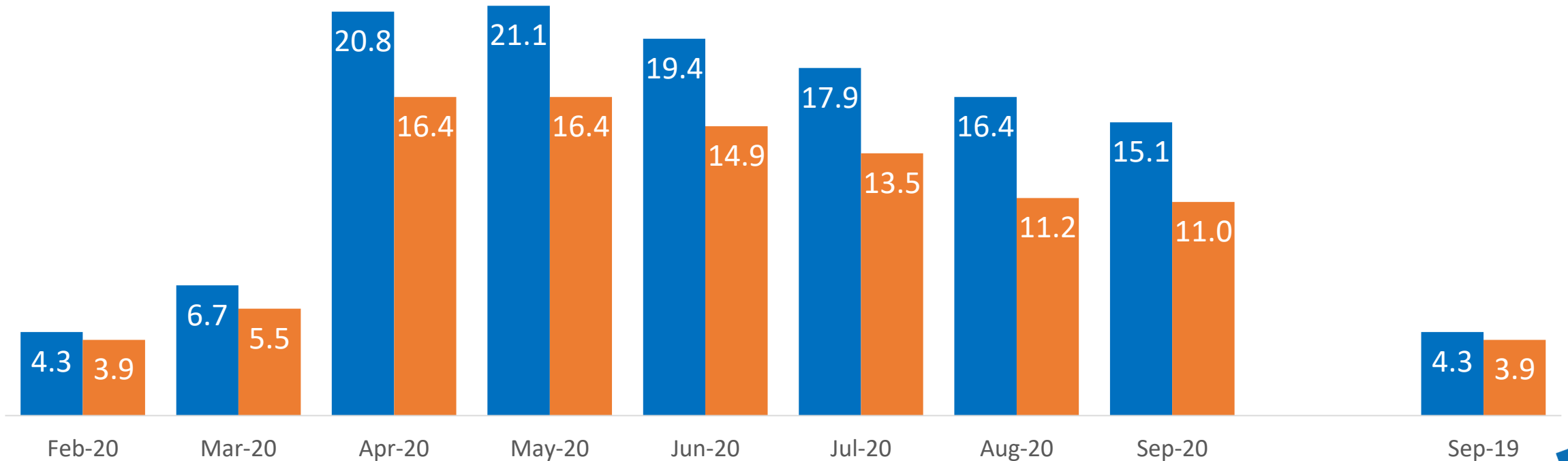
September 2020 Employment in Los Angeles County

Unemployment Rate August 2020

LA County
Unemployment Rate:
Down by 1.3 pp from last month
Up by 10.8 pp from last year

Unemployment Rate (SA)

■ LA County ■ CA



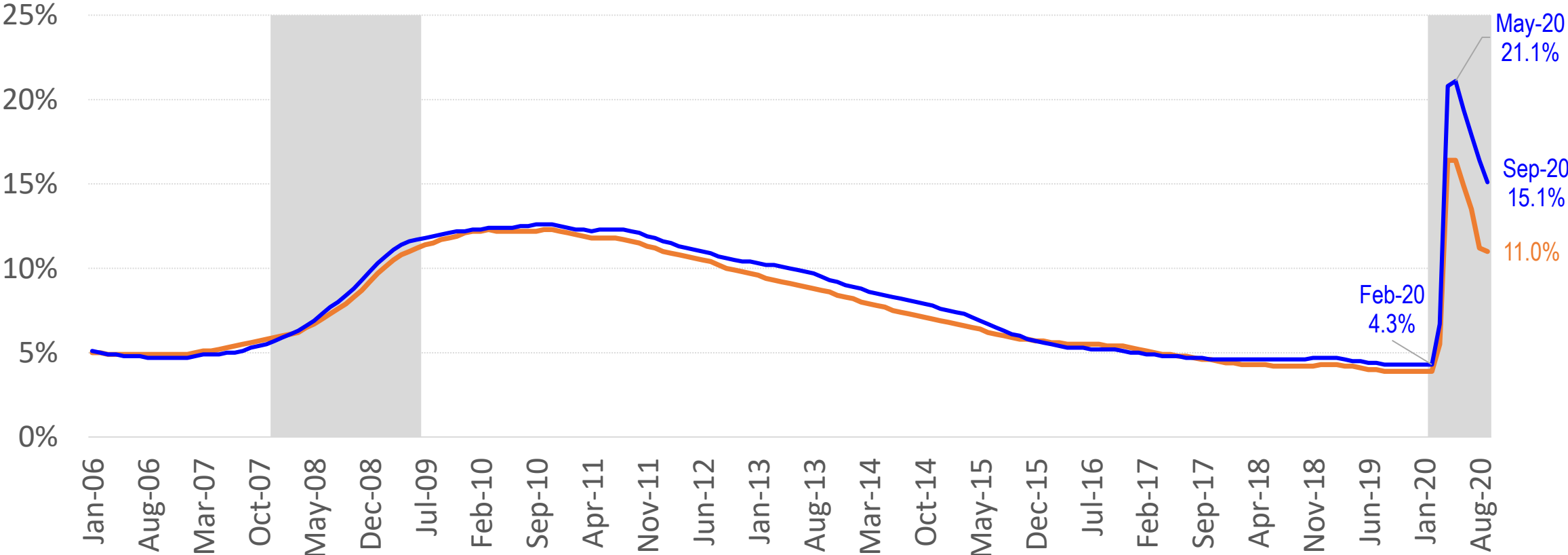
Source: CA EDD



Monthly Unemployment Rates

SA, Jan 2006 – August 2020

Recession CA LA County

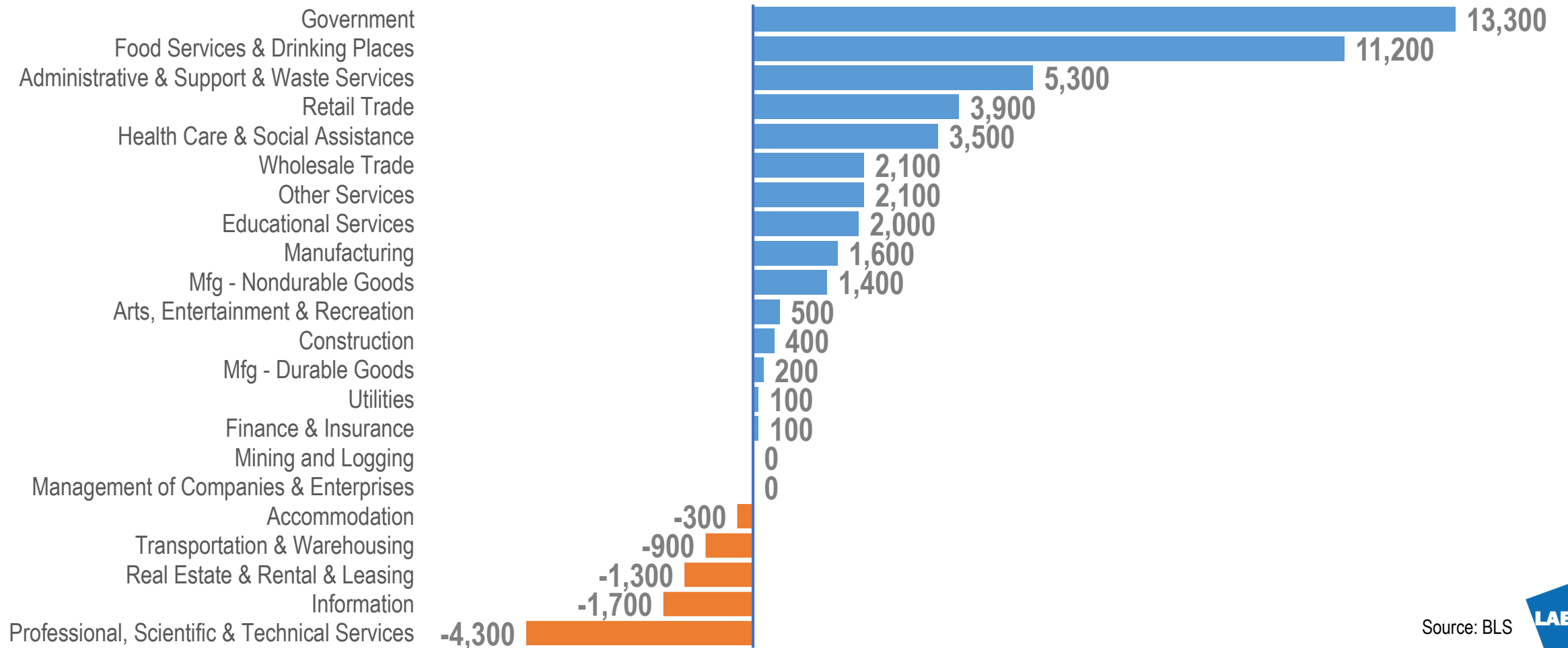


Source: BLS



Monthly Change in Payroll Employment by Sector Los Angeles County

Month-Over-Month Change in Jobs by Industry, September 2020 (NSA)

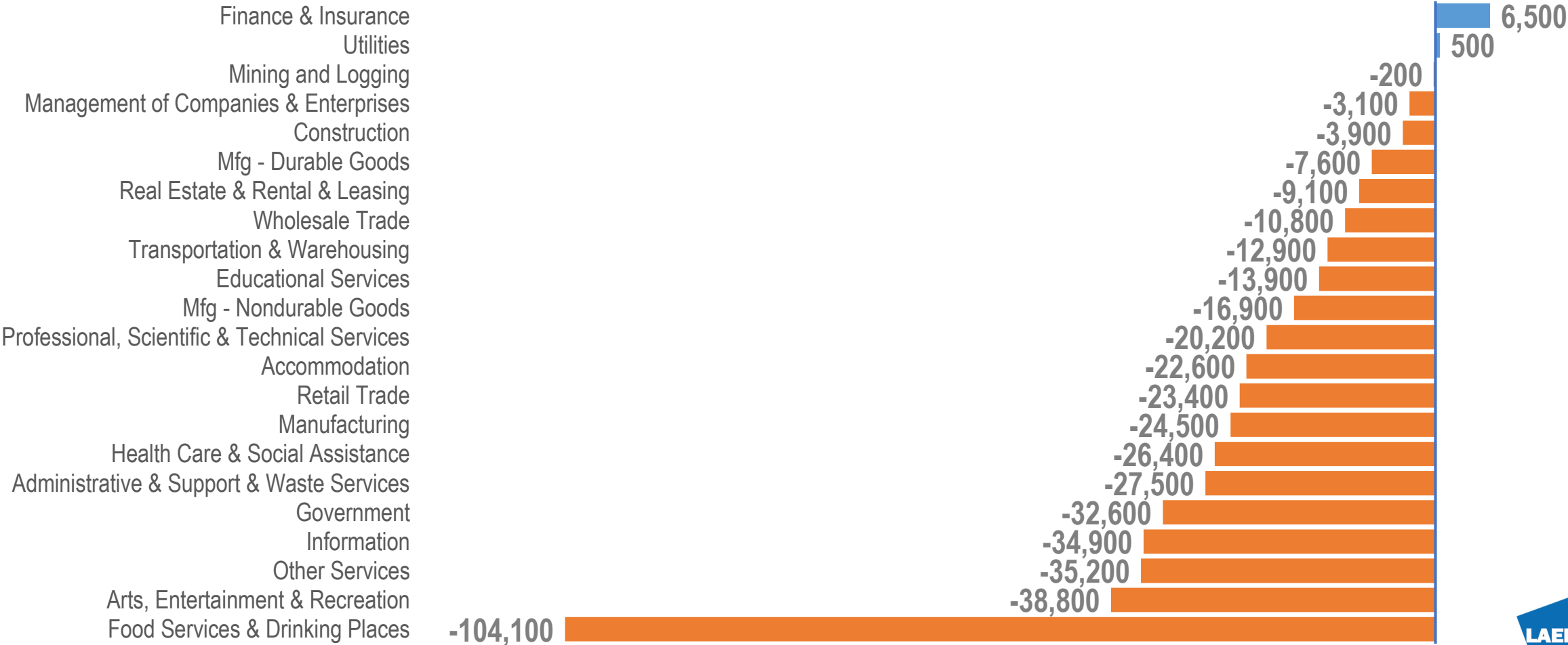


Source: BLS



Yearly Change in Payroll Employment by Sector Los Angeles County

Year-Over-Year Change in Jobs by Industry, September 2020 (NSA)

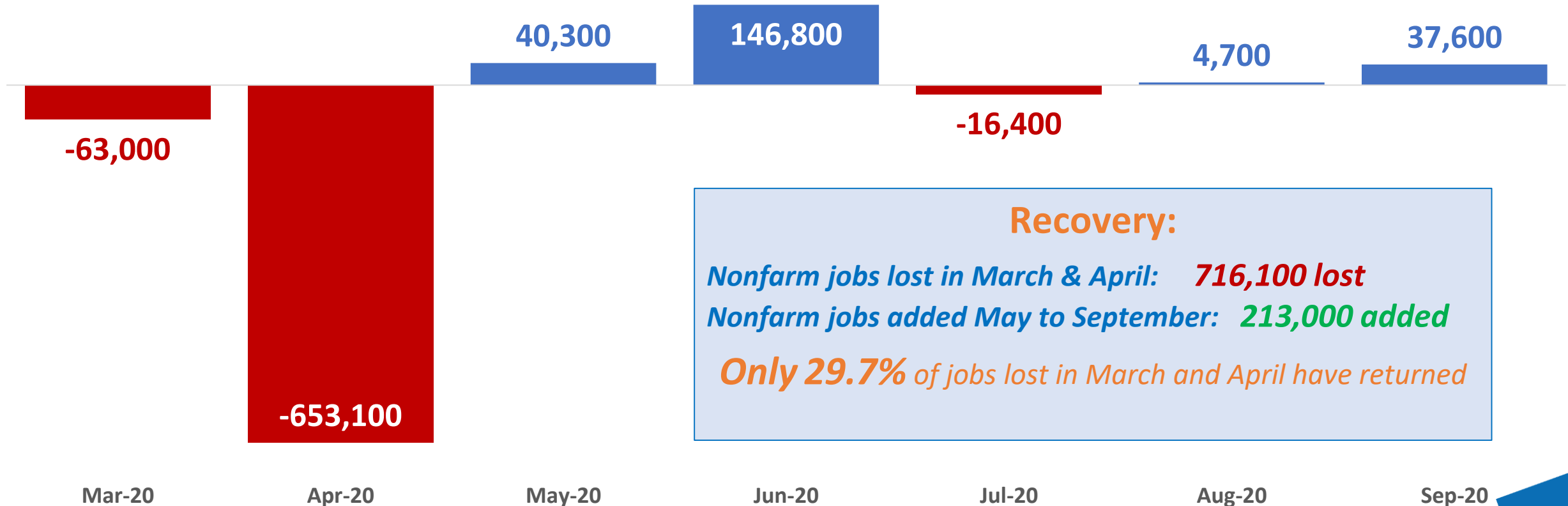


Source: CA EDD



Monthly Change in LA County Payroll Employment

Month-over-month change in nonfarm employment



Recovery:
Nonfarm jobs lost in March & April: **716,100 lost**
Nonfarm jobs added May to September: **213,000 added**
Only 29.7% of jobs lost in March and April have returned

Mar-20

Apr-20

May-20

Jun-20

Jul-20

Aug-20

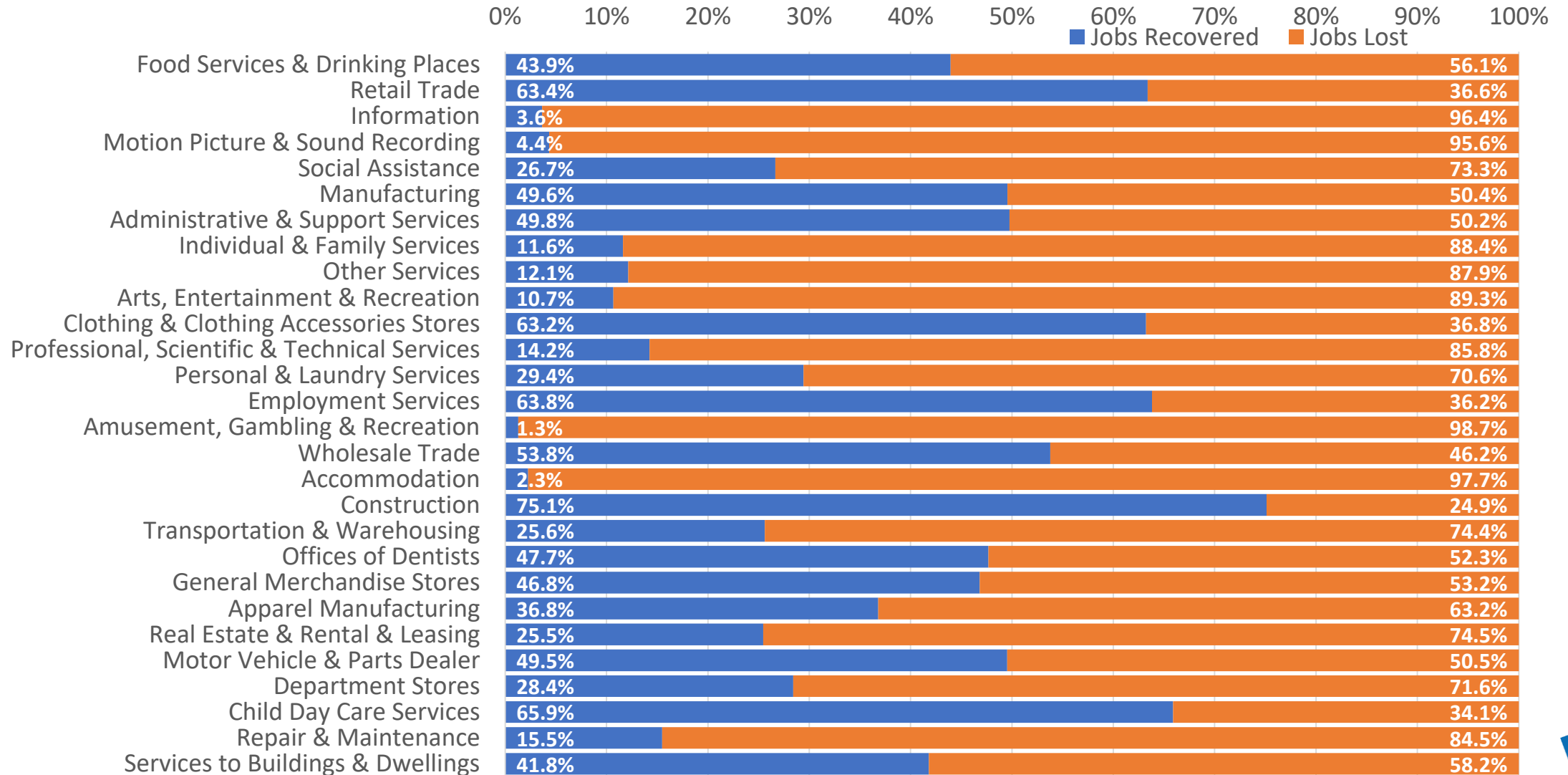
Sep-20



Source: EDD

How Many Jobs Have Returned in LA County?

Change in Jobs May-August 2020 as a Share of Jobs Lost in March-April 2020



Halloween Restrictions in LA County

Permitted & Recommended	Not Recommended	Not Permitted
Online parties/contests	Door to door trick or treating	Halloween gatherings with non-household members (even outdoors)
Car parades/ vehicle-based activities (drive by, drive through, drive in events)	Car to car trick or treating (a.k.a. trunk or treating)	Carnivals, festivals, live entertainment, and haunted house attractions
Halloween movie nights at drive in theaters (complying with guidance)		
Themed meals at outdoor restaurants (complying with guidance)		
Halloween themed art installations at an outdoor museum (complying with guidance)		
Dressing up homes and yards		



Tyler Laferriere

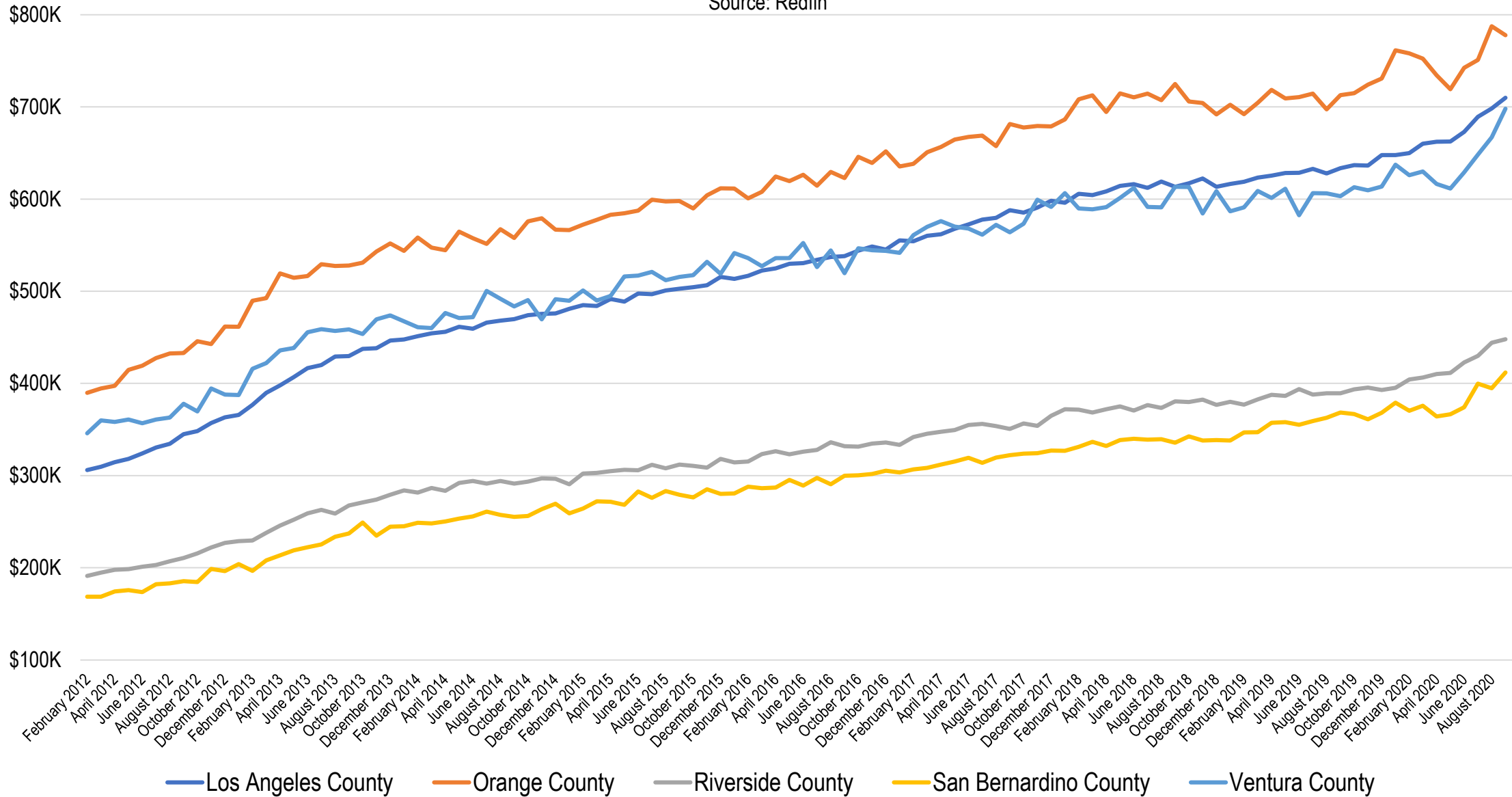
ASSOCIATE ECONOMIST
INSTITUTE FOR APPLIED ECONOMICS

Real Estate Markets: Houses and Warehouses

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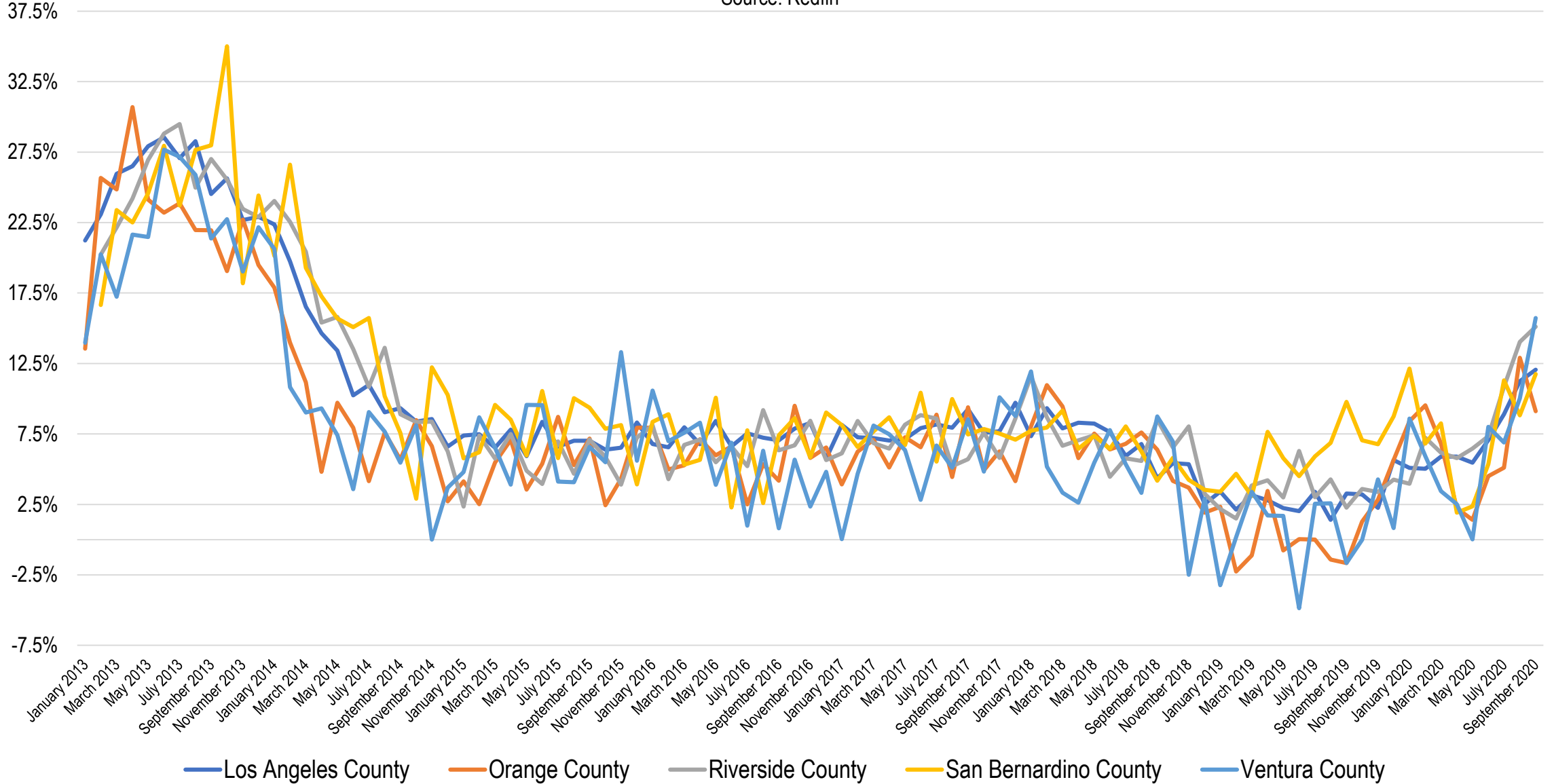
Median Home Prices (Single, Condo, Townhome, 2-4 unit), SoCal5

Source: Redfin



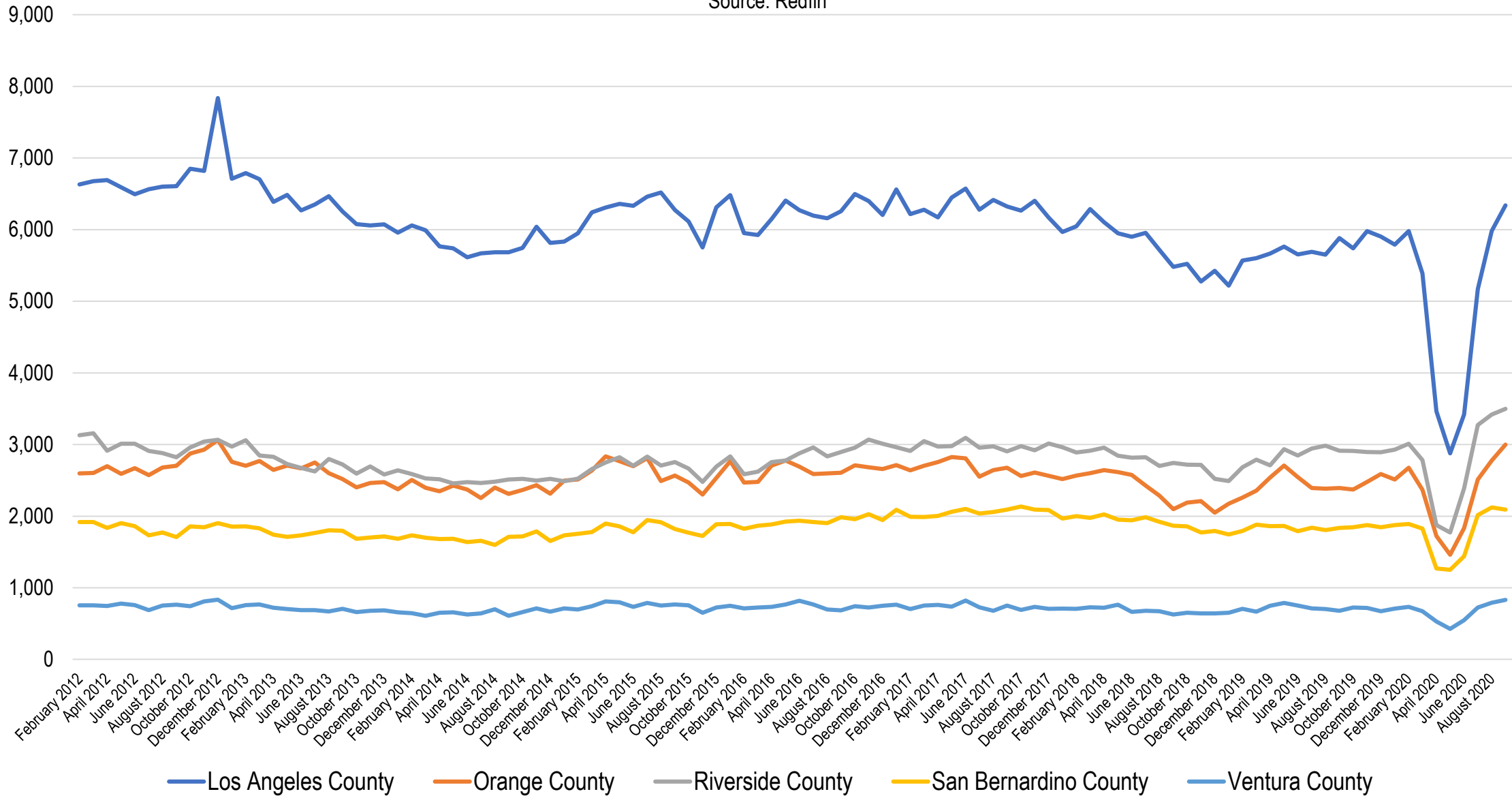
% Change in Median Home Prices, Y to Y

Source: Redfin



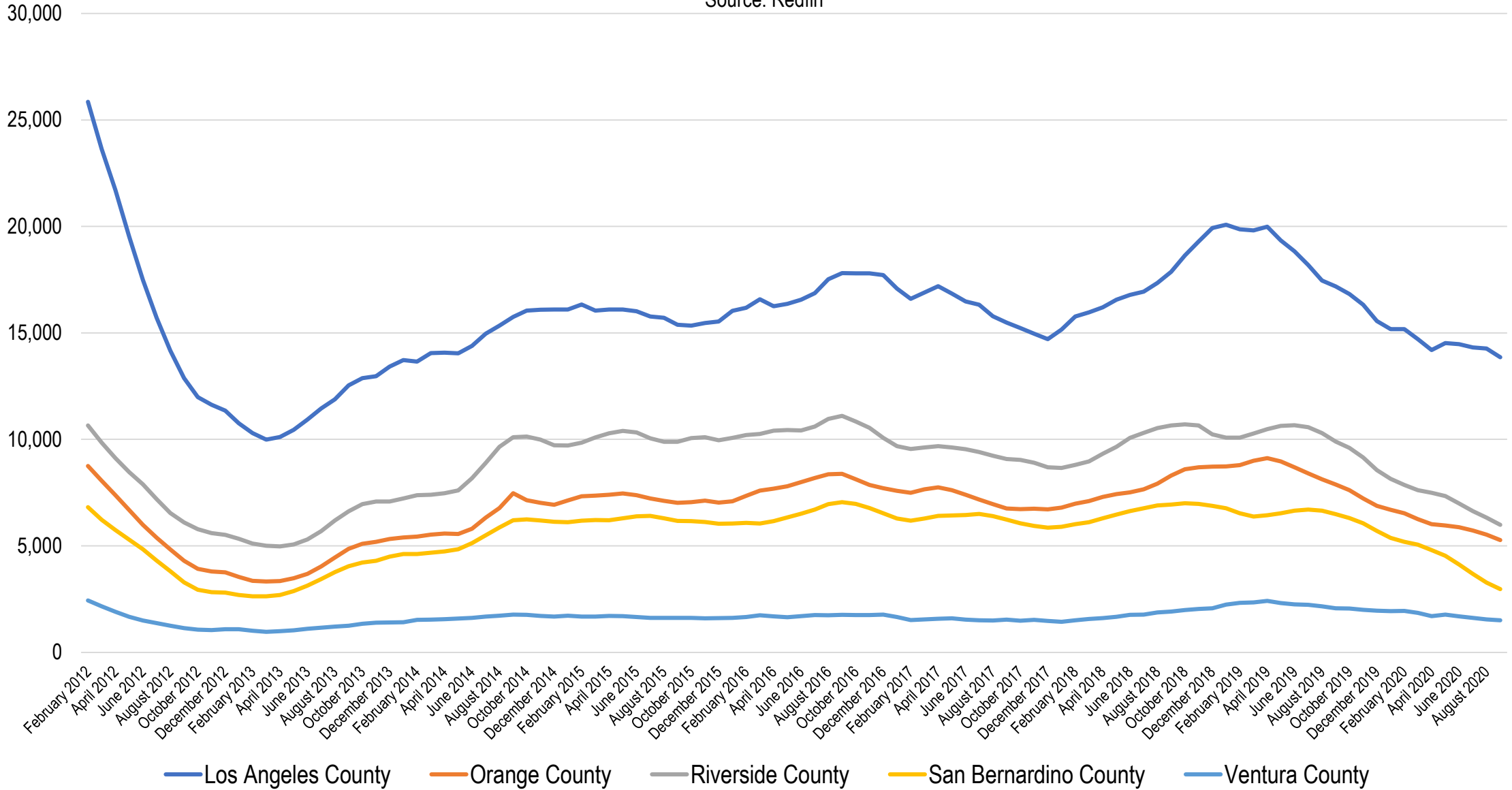
of Homes Sold

Source: Redfin



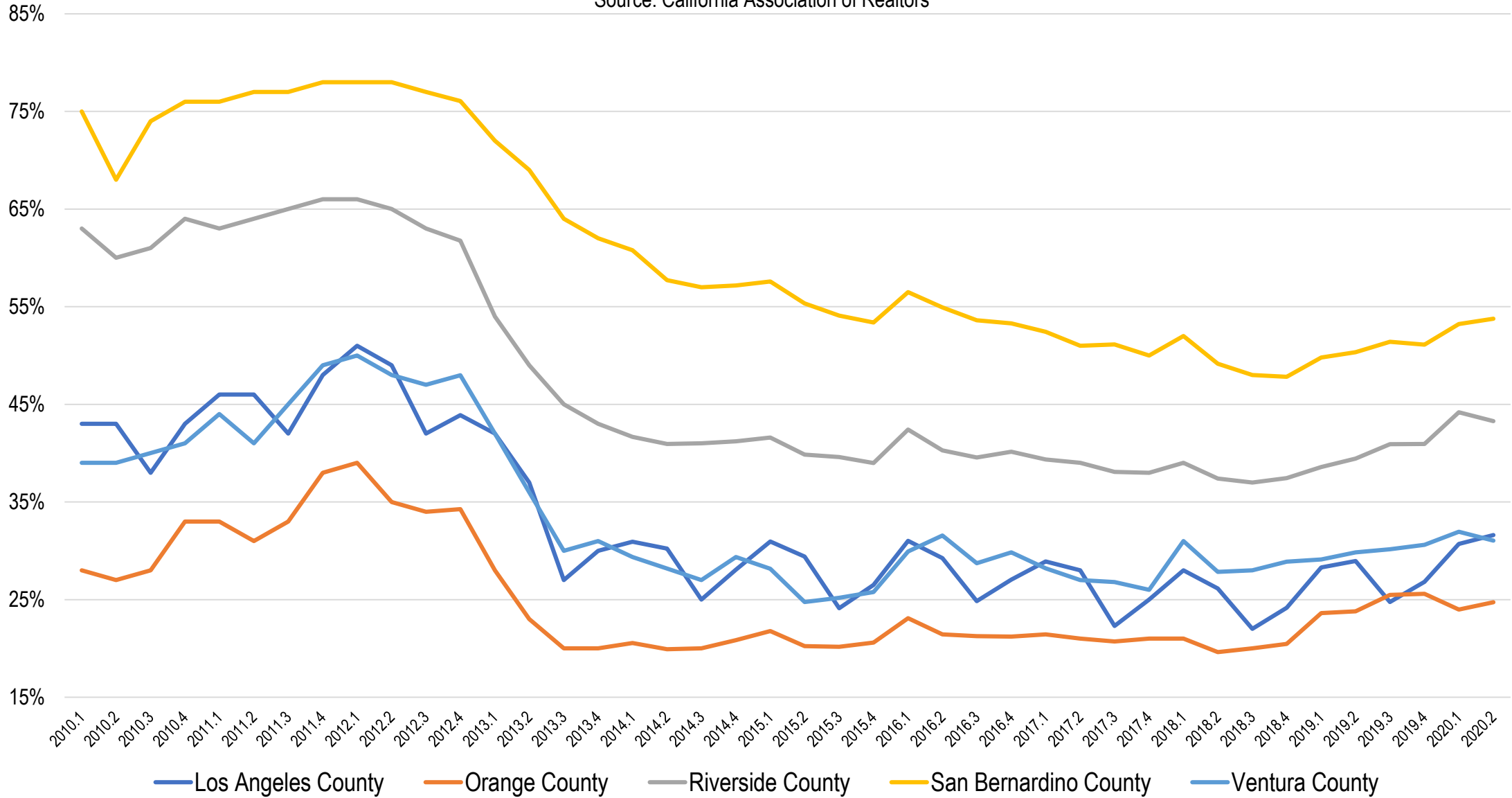
Home Inventories

Source: Redfin



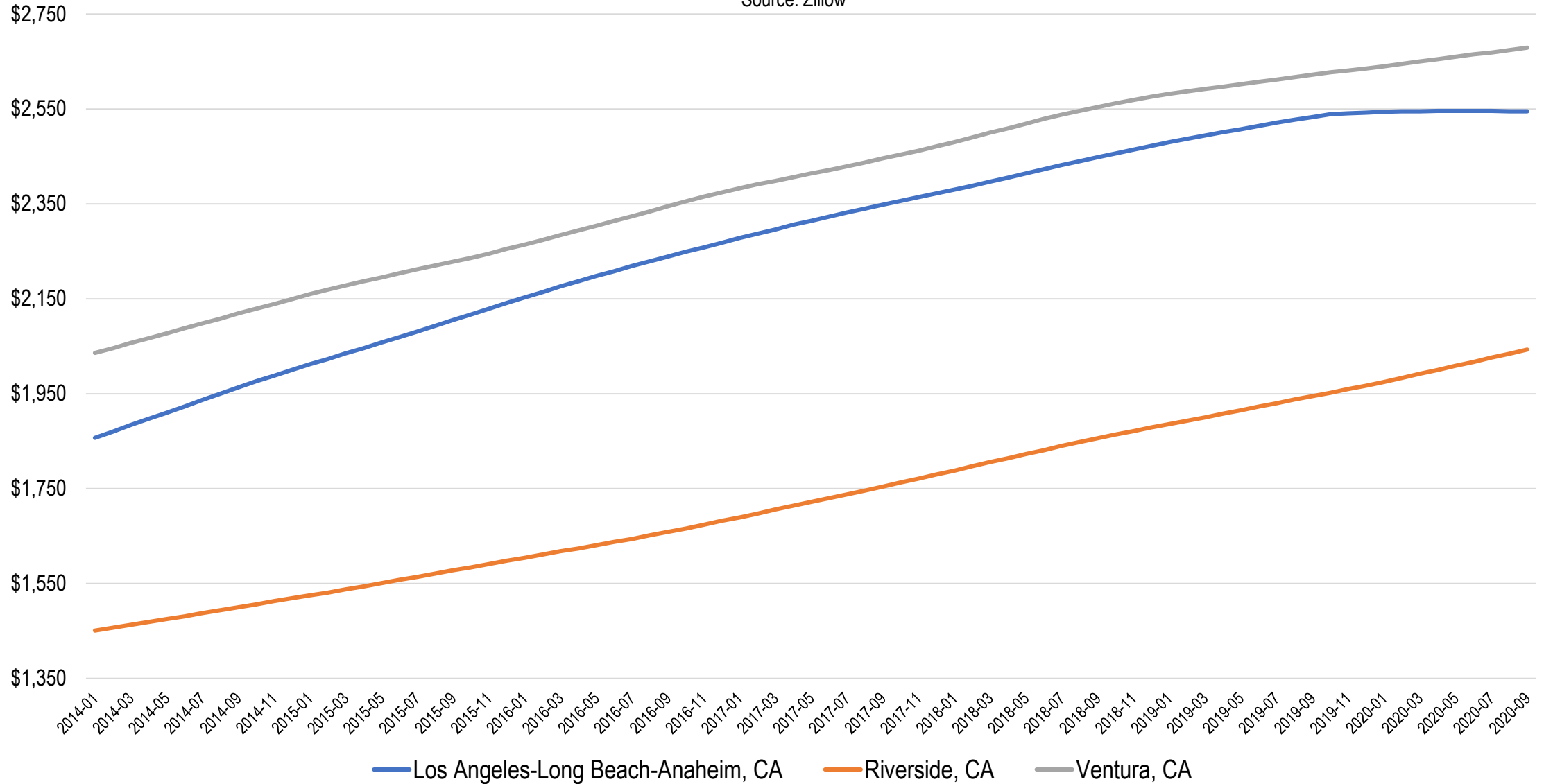
Traditional Affordability Index

Source: California Association of Realtors



Average Rental Prices, Seasonally Adjusted

Source: Zillow



Greater LA (LA and Ventura Counties) Office

Figure 4: Average Asking Lease Rate (\$PSF/MO/FSG)

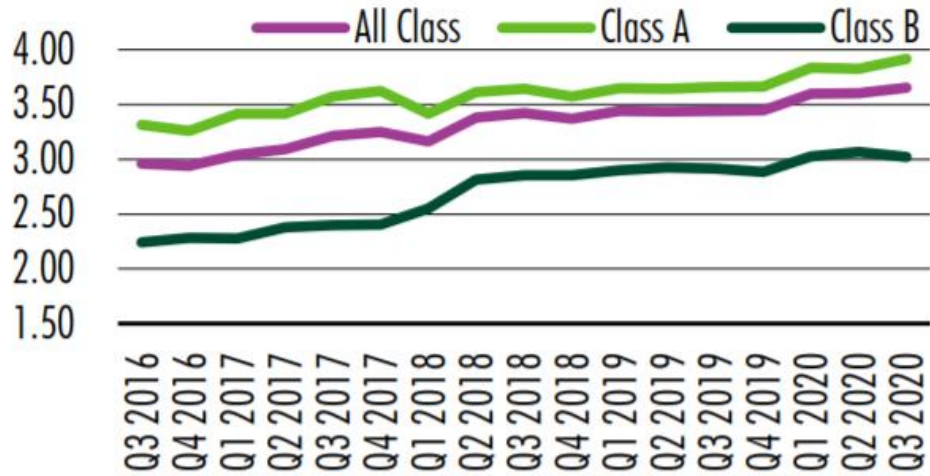


Figure 6: Overall Vacancy Rate (%)

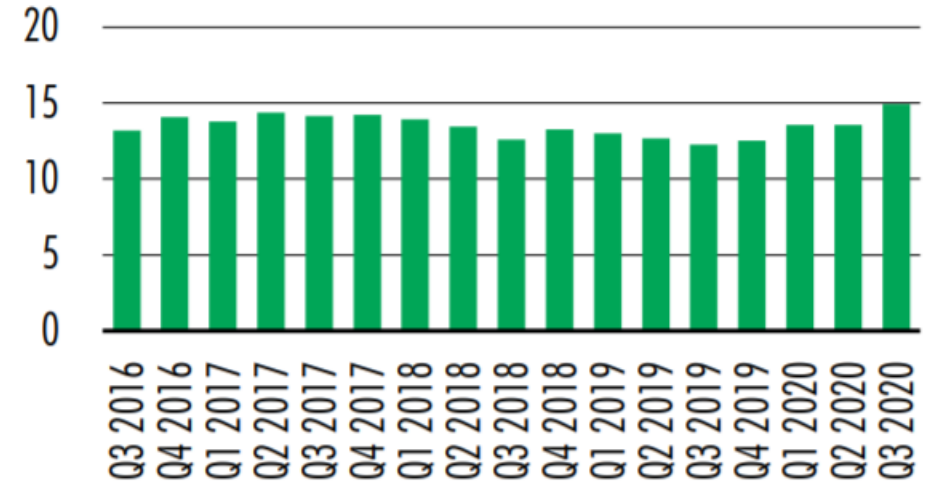
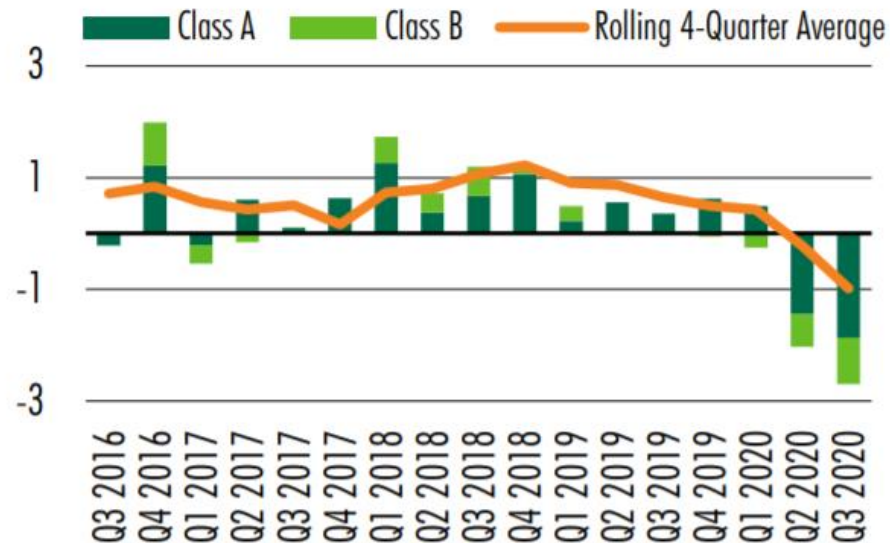


Figure 8: Net Absorption by Class (SF)



Greater LA (LA and Ventura Counties) Industrial

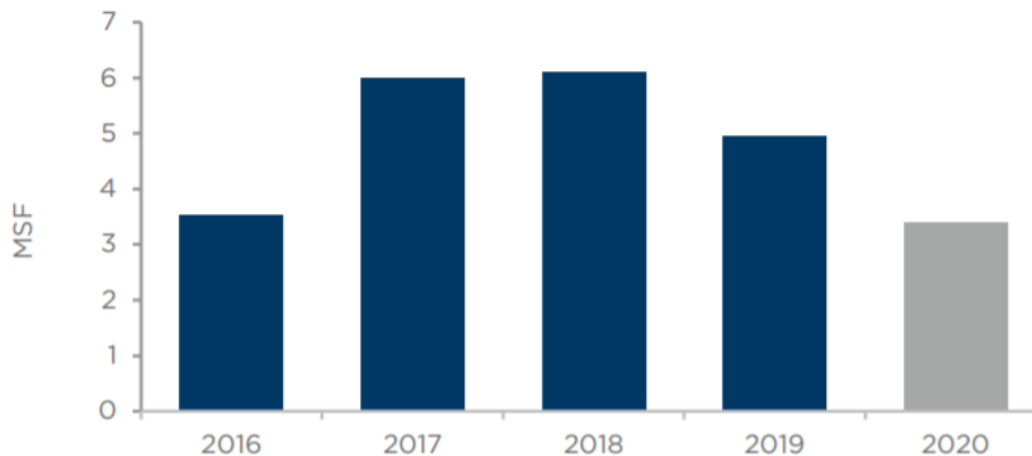
SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



NEW SUPPLY



Source: Cushman & Wakefield

Greater Los Angeles County Retail

Figure 4: Average Asking Lease Rate (\$PSF/MO/NNN)

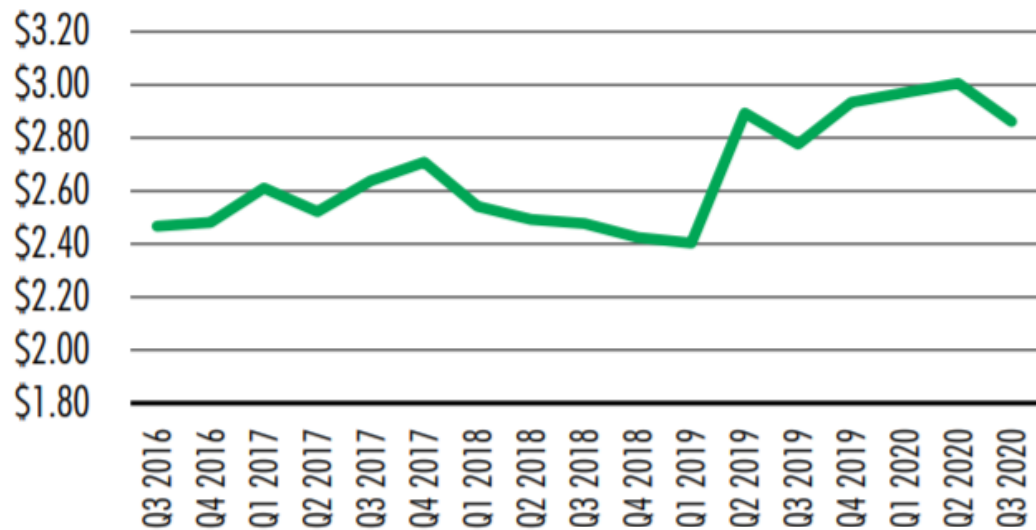


Figure 6: Overall Vacancy Rate (%)

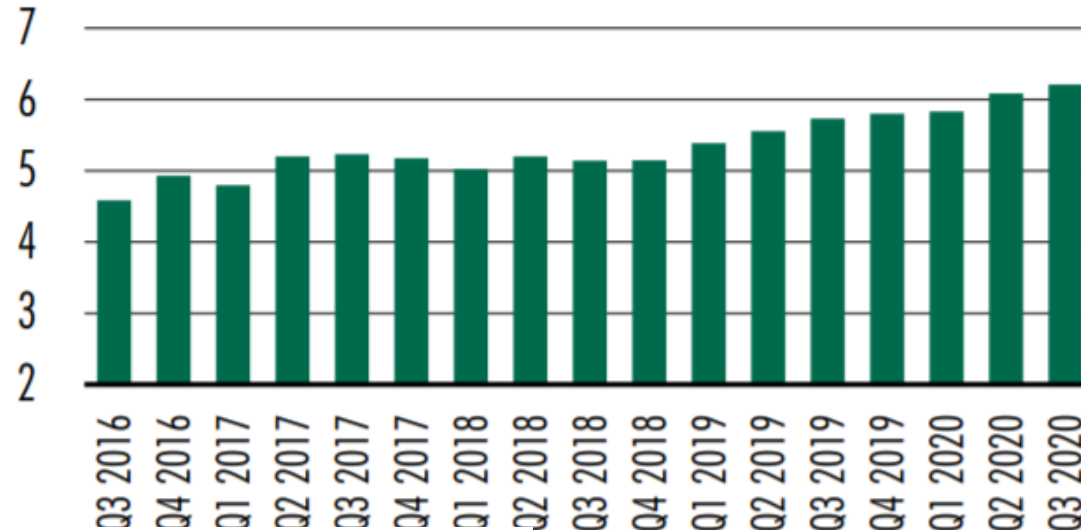
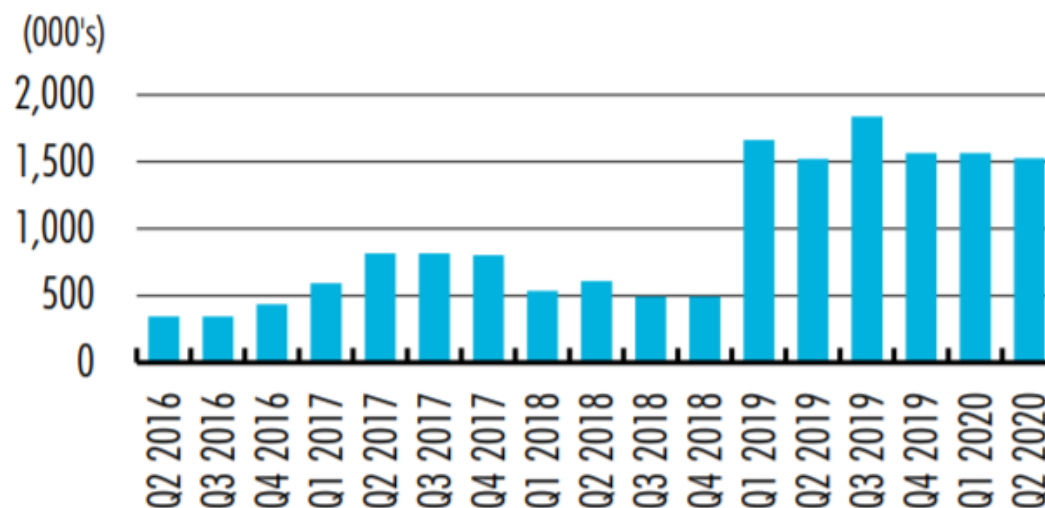
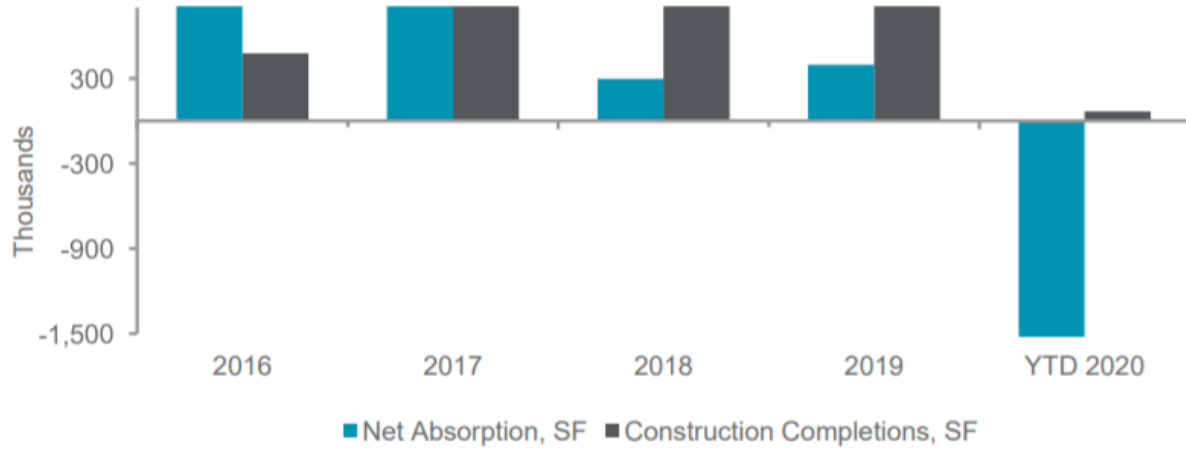


Figure 9: Under Construction (SF)

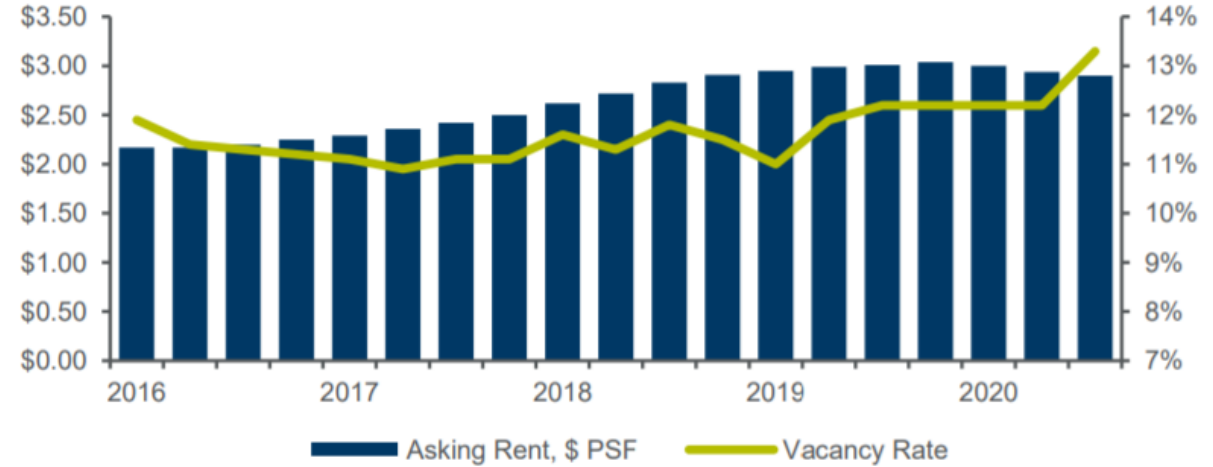


Orange County Office

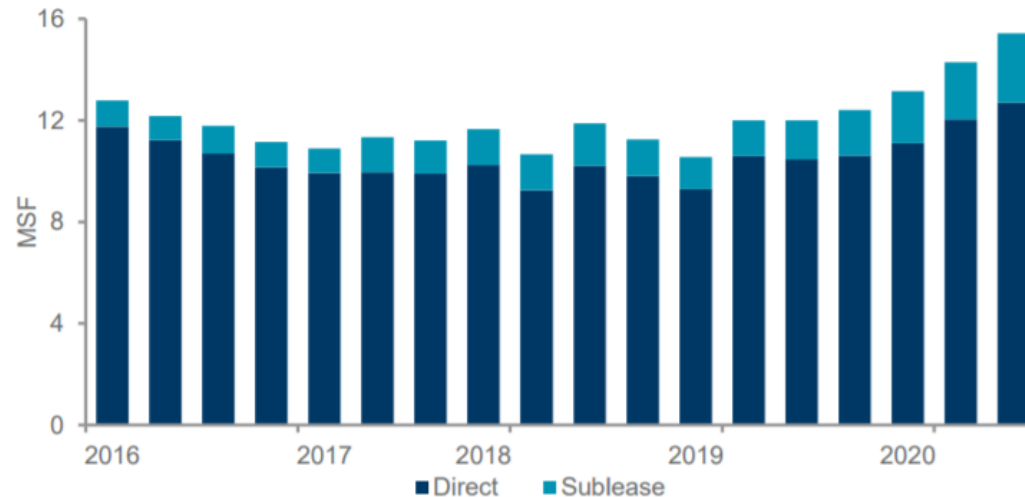
SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



DIRECT VS. SUBLEASE AVAILABLE COMPARISON

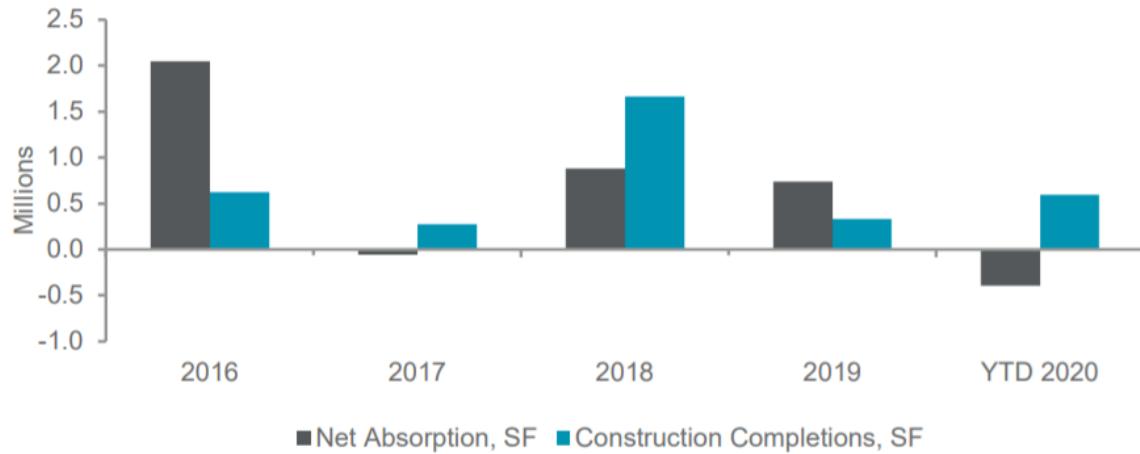


Source: Cushman & Wakefield



Orange County Industrial

SPACE DEMAND / DELIVERIES

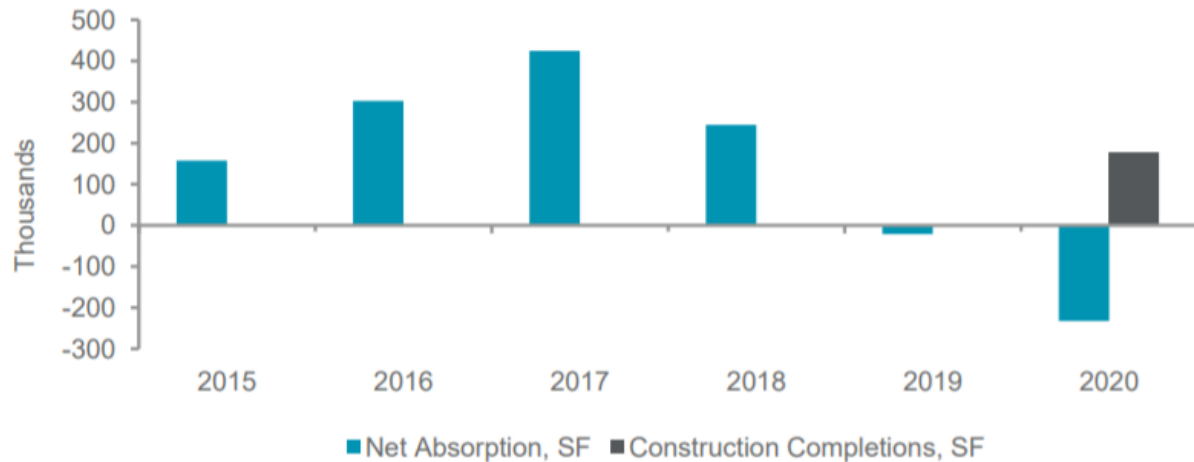


OVERALL VACANCY & ASKING RENT



Inland Empire Office

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT

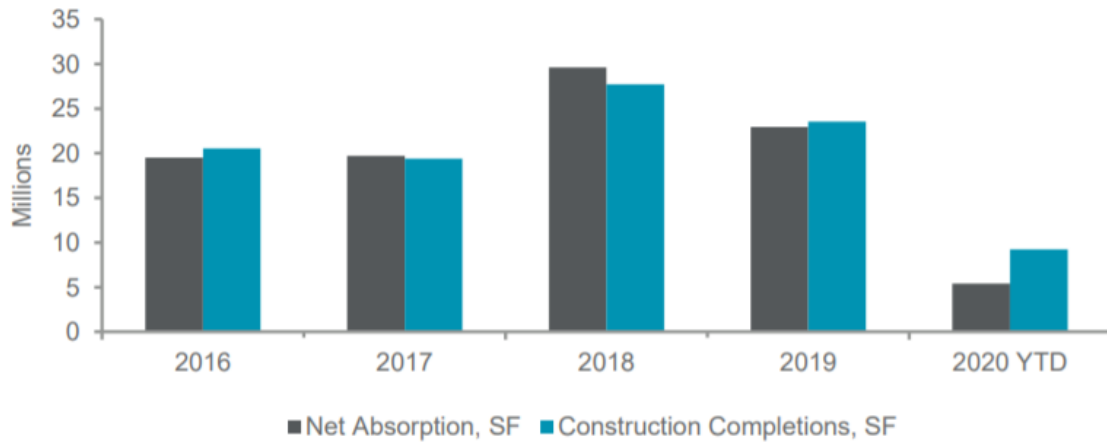


Source: Cushman & Wakefield

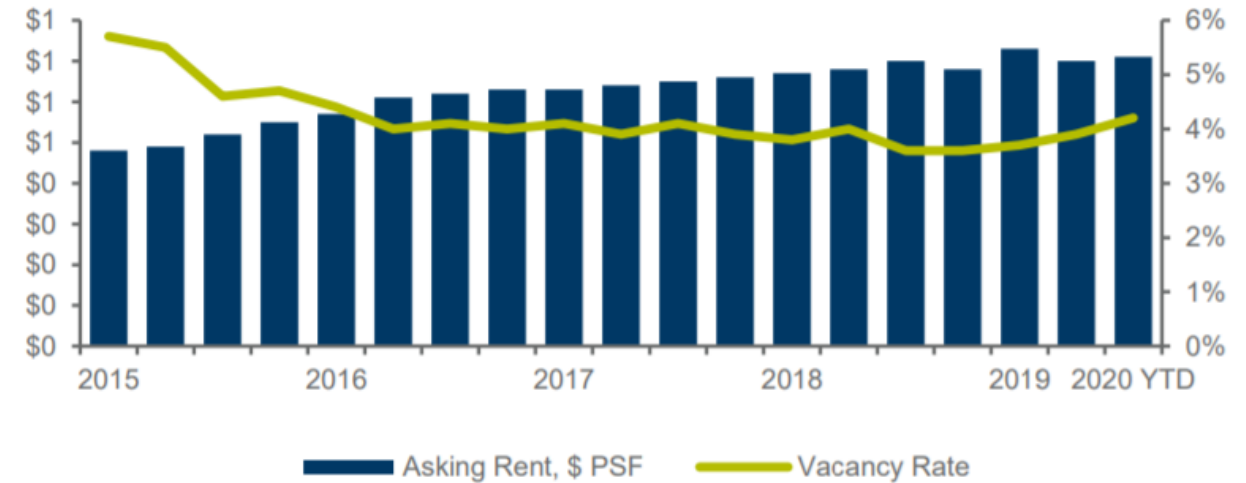


Inland Empire Industrial (Q2)

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Source: Cushman & Wakefield

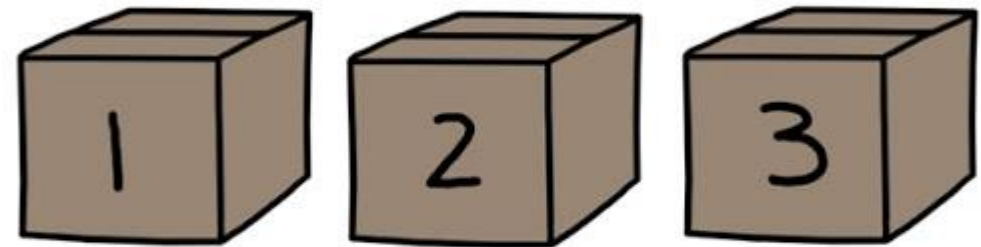


Final Thoughts

PACKING TO MOVE



THE MOVING GAME



Pick a box. Whatever you're looking for is not in there.

Natalie Dee.com

QUESTIONS

Thank you!

- Next LAEDC Economic Briefing:
January
- Visit the LAEDC COVID-19 Response page for additional resources at <https://laedc.org/coronavirus/>.
- Do you have questions you would like answered on these webinars? Please send to shane.cullen@laedc.org.