



## COVID-19, Housing, Jobs, And Other Indicators

business customers strategic planning pandemic

**Summary:** During this tumultuous time, we wanted to provide you with some initial insights into how the coronavirus may affect housing, jobs and ultimately your business customers.

Did you know that sleep actually cleans your brain? With these turbulent times, you will need more brainpower, so sleep away!

While the US and international economies try to grasp the full financial impact of the coronavirus, we wanted to remind you where the housing market left off before this pandemic occurred and provide some initial insights into the impact on the job market and other economic indicators.

Before the coronavirus, an older overall population, rising housing prices, and a nationwide shortage of affordable, entry-level homes were all pushing buyers' average age toward 50. As we have all heard, high student loan balances -- which take substantially longer to pay off -- and tighter credit standards for mortgage lending also contributed to increased age on the buyer's side of the closing table. Not only this, but older people were also choosing to stay in their homes, instead of selling them. These factors created a tight market for any potential buyers.

Flash forward to today when the level of uncertainty has increased dramatically, causing many potential buyers to think twice about homeownership. According to outplacement firm, Challenger, Gray and Christmas Inc., more than 3,600 people have been laid off already due to the coronavirus. This doesn't include the expected airline industry job cuts and those by many smaller businesses trying to withstand a slowdown of demand.

Meanwhile, current homeowners may still be incentivized to refinance and remodel with record-low interest rates. This would fuel business for remodeling firms, construction supply, and hardware stores in addition to businesses, such as loan brokerages and title companies. If homeowners remain employed and confident, these businesses could stay in demand.

Both due to seniors staying in their homes and the coronavirus crisis, companies that offer in-home health and personal care will probably continue to grow. The healthcare industry as a whole will likely find itself expanding, as it scrambles to fill the many needs arising from the coronavirus including, supplies, personnel, facilities, and equipment.

Other businesses, such as goods and food delivery services, will continue to fill many needs right now too. Those who are "sheltering-in-place" will find it convenient to order online and receive deliveries at their doorstep. Others who get sick and are quarantined will need delivery services too. Amazon recently announced that it would be hiring 100k delivery and warehouse employees to help satisfy this increased need.

In the past few weeks, there has been an incredible shift in the business environment -- as some contract, others expand. While we don't know how long this crisis will last, it is important to support our local businesses as best we can, whether with guidance, extra consideration or possibly extended terms. We know we will all get through this; let's do it together.

## SUPPORT DURING COVID-19

Much of our activity over the past week has been focused on helping customers to understand the changes in the market. If you need help explaining this to your board, check out our [asset liability management information](#) or [contact us today](#).

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