

# RCFE resource

A Report for Buyers, Sellers and Investors

May 2020

## WHAT'S THE VALUE OF YOUR RCFE?

For a **FREE** No Obligation Consultation CALL us at (949) 397-4506



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## OC Housing Report: Broad Market Interruption



Like the rest of "daily life," the housing market for RCFEs has not been spared from the sweeping effects of sheltering in place.

**S**upply and Demand: A low supply is confronted with low demand. Life has changed. The "stay at home" order has affected every aspect of daily life. The Orange County market for RCFEs is no different.

A man in Orange County tested positive for COVID-19 on January 25th, becoming the first confirmed case in California. On March 4th, Gov. Newsom declared a state of emergency for the Golden State. Schools closed on March 13th. The "stay at home" order was announced by the governor on March 19th. That means that California citizens had been sheltering in place for six weeks as of May 1st.

The RCFE market was scorching hot at the very beginning of March, despite the state of emergency that was declared. The market began to decelerate in the second week of March. By March 19th, RCFE demand slowed to a COVID-19 crawl.

There is a broad housing market interruption due to the Coronavirus that has had a major impact on the velocity of the market, demand, and the supply of RCFE homes. Demand is at ultra-low, anemic levels, but so is the active listing inventory. Buyers are not writing offers. Obviously, it is impossible to tour RCFEs at the present time.

As a result of everyday life grinding to a halt, demand dropped off to a trickle in the past month. These demand levels were last seen in 2007. While demand may be at Great Recession levels, the inventory is not growing like it did in 2006 through 2008. Most RCFE sellers are adopting a "wait and see" approach before placing their RCFEs on the market.

While the average price appreciation for RCFE homes has hovered around 4% for the 3-month period ending March 31, 2020, it is expected that RCFE home values will pull back approximately 2% from that initial 4% appreciation.

This is the most recent information available regarding RCFE home values. It's anyone's guess what the course of this insidious disease will be, but the future of the market for RCFEs looks bright. We have a large number of "buyers in waiting" and an equally sizeable group of sellers biding their time until we have achieved some degree of normalcy again.

We will keep you informed with updated information affecting the values of your RCFE homes and businesses. Please feel free to contact us if you have any questions or are considering buying or selling an RCFE.

A Monthly Report for Buyers, Sellers, and Investors

**Current Listings**



**Laguna Hills, CA**

- Lovely 1800 sf RCFE
- Spacious rooms
- Excellent Caregivers
- Licensed for 6 Beds

=6

=3

**Lake Forest, CA**

23601 Cavanaugh Rd.  
1800 sf, 2212 sf lot, \$775K

- Vacant 6 Bed RCFE
- Nice Neighborhood
- Priced to Sell

=6

=2



• **Our Associates** •



**PAUL CRONIN**  
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- RCFE Specialist
- Low rates and fees
- Refinance and Purchase
- Almost 40 years in finance experience!

# Why **NOW** Is a Great Time TO SELL YOUR RCFE

The following analysis is directed, in general, at home sellers, but the same information holds true for sellers of RCFEs. The biggest asset of your RCFE is, of course, the residence. With the release of the latest Economic Pulse Flash Survey from the National Association of Realtors (NAR), results show that people selling their houses (and RCFEs) today are holding strong on price. According to the most recent data, 74% of real estate agents noted that sellers are not dropping listing prices to attract more buyers.



Lawrence Yun, Chief Economist at NAR, noted: *"The housing market (and the market for RCFEs) faced an inventory shortage before the pandemic. Given that there are even fewer new listings during the pandemic, RCFE home sellers are taking a calm approach and appear unwilling to lower prices to attract buyers during the temporary disruptions to the economy."*

This inventory shortage, which spread widely throughout the housing market going into today's economic slowdown, created an environment where there were not enough homes (or RCFEs) for sale for those who wanted to buy them. With that backdrop setting the stage, Yun also notes: *"With the current quarantine recommendations in place, fewer sellers are listing homes, which will limit buyer choices."*

This has largely been the situation for RCFEs, where there is no possibility of touring the homes in person, only virtually. So, with buyer RCFE choices already limited going into this season, and more RCFE sellers removing listings today,

if you've been thinking about listing your RCFE, it's a great time to do so. Many other RCFE owners in your city may be waiting to make a move or removing their listings, so staying on the market - or jumping into it - could work to your advantage.

Buyers today are serious ones, and with prices holding steady in this low-inventory market, you can feel confident about selling your RCFE today. Embracing the process virtually could help your RCFE hit the top of an eager buyer's list.

**Bottom Line**

If RCFE choices are limited in your city, selling now may help your listing rise to the top of the pool. We at RCFE Resource can help you with the entire process from start to finish. We have experience and expertise helping buyers and sellers in all kinds of markets. Let us assist you!

**Call TODAY to schedule your complimentary virtual consultation.**

"All Information is deemed reliable but not guaranteed"