

RCFE resource

A Report for Buyers, Sellers and Investors

October 2020

WHAT'S THE VALUE OF YOUR RCFE?

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



Michelle J. London MBA, CPA, MICP
Advisor | Investment Specialist
DRE #01971087
Phone: (949) 397-4506
michelle@commlre.com

Melvyn D. Richardson
Advisor | Investment Specialist
DRE #01318955
Phone: (949) 500-3630
melvyn@commlre.com

www.rcferesource.com

Call or text "RCFE" to
(949) 397-4506



Corporate DRE #01934115



ORANGE COUNTY RCFE REPORT: ASTONISHING SPIKE

The upper-priced RCFE housing market not only bounced back from the initial shock of the Coronavirus, it has reached unprecedented levels.

After a hiatus due to the Coronavirus, professional baseball, basketball, and hockey returned to empty stadiums and arenas. Hockey is in the midst of the Stanley Cup playoffs and down to the conference finals. The high intensity play is reminiscent of the Winter Olympics where hockey players around the world compete for gold. One of the greatest moments in hockey history occurred during the 1980 games, the "Miracle on Ice," when the United States defeated Russia by scoring two goals in the final period. Despite Russia being heavy favorites, stacked with experienced, professional players, and winning five of the previous six Olympics, they lost to the United States, whose roster was filled with amateurs and was the youngest of the 12 competing teams. The game was memorable and completely unexpected.

Life is full of unexpected events. Just like the "Miracle on Ice," this year's RCFE housing market has surpassed just about everybody's expectations. Demand has been off the charts, the highest in years. RCFE home values are on the rise. Well-priced RCFEs are quite literally flying off the shelves. High-end, or upper-priced RCFE housing (RCFE homes priced over \$1.0M) has also beat everybody's expectations and has been surging at a record pace.

The higher ranges are performing stronger than the entry level (RCFEs priced under \$750,000). For RCFEs priced between \$750,000 and \$1.0 million, sales skyrocketed compared to last year. **For upper-range RCFEs priced over \$1.0 million, there was also an unbelievable surge in activity.**



Quite simply, there are more closed sales in the upper-priced range than ever before due to a combination of Wall Street's return to record high levels, private banking relationships, and record low interest rates. It appears as if that trend will continue given the current velocity of demand.

"Upper Priced Surge - A record number of high-end RCFEs closed in Orange County in August"

A warning to high-end RCFE sellers: upper-priced RCFEs may be hotter than ever, but still is not as hot as the lower price ranges. RCFE homes priced between \$750,000 and \$1 million are experiencing the hottest activity with a mass number of showings and very quick sales. It takes a bit longer to find success in the upper ranges. For those RCFE homeowners with RCFEs valued above \$1.0M, if your RCFE is priced at Fair Market Value, with little deferred maintenance, THIS is the perfect time to place your RCFE home on the market to sell quickly for top dollar.

A Monthly Report for Buyers, Sellers, and Investors

Current Listings



IN ESCROW:

LAGUNA HILLS RCFE

- LICENSED FOR 6 BEDS
- 6 BDR/3 BA, 1800 sf

FOR SALE OR LEASE:

COSTA MESA - RCFE for Lease

- 8 BDR/4 BA, 2293 sf
- LICENSED FOR 15 BEDS
- \$14,000/MO NNN LEASE + PURCHASE OF BUSINESS FOR \$450K

ANAHEIM - RCFE FOR SALE OR LEASE

- 7 BDR/3 BA, 2500 sf
- LICENSED FOR 6 BEDS
- SALE PRICE \$875K or \$5,500/MO LEASE
- PURCHASE OF BUSINESS FOR \$300K

COMING SOON:

COSTA MESA - RCFE FOR LEASE

- PACKAGE OF 4 RCFEs FOR LEASE EACH LICENSED FOR 6 BEDS
- TOTAL \$14,000/MO LEASE + PURCHASE OF BUSINESSES FOR \$575K

****CALL FOR DETAILS****

SANTA ANA - RCFE for Sale

- LICENSED FOR 6 BEDS
- 7 BDR/4 BA, 2656 sf
- SALE PRICE \$1.050M + \$190K FOR BUSINESS

WANTS AND NEEDS:

HUNTINGTON BEACH - LEASE DESIRED

- 6 BDR - MAX \$5500/MO

PLACENTIA - FOR SALE or LEASE DESIRED

- 6 BDR - MAX \$875K

ANAHEIM HILLS, BREA, ORANGE - RCFE FOR SALE DESIRED - MAX PRICE \$875K

MISSION VIEJO, LAGUNA HILLS, LAGUNA NIGUEL, DANA POINT

RCFE FOR SALE DESIRED - MAX \$1.050K

LAKE FOREST - RCFE FOR LEASE DESIRED

- MAX \$4500/MO

FULLERTON, BUENA PARK, BREA, YORBA LINDA, TUSTIN - RCFE FOR SALE - MAX \$1.1M

****KOREAN-LANGUAGE HOME DESIRED****

DIGITAL ENGAGEMENT DURING THE COVID ERA

Before Covid-19, RCFEs commonly treated their digital presences and social media channels almost as afterthoughts. Over the past six months, however, these platforms have become essential to operations. Much like demand for telehealth services has exploded during the Covid-19 outbreak and could have long-lasting effects on how clinical services are delivered in senior living, the pandemic may have finally ushered in the digital age of senior living sales and marketing.

Tours have gone virtual as RCFE providers restricted access to communities to non-essential personnel. Marketing campaigns are increasingly balancing selling the lifestyle that senior living offers with transparency regarding resident safety. Providers are using websites and social media channels to interact more with resident families and prospective residents, and capture information to generate new leads.

Telling stories

With RCFEs restricted to only essential personnel, in some communities, social media platforms and websites became primary destinations for families to learn about what was happening inside facilities, and how providers were responding to the pandemic. As the coronavirus progresses, what they have learned about the realities of Covid-19, and how those lessons are being applied is being used to bring some semblance of normalcy back into residents' lives.

The industry certainly looks different today than it did six months ago. In some communities, on-site interactions that prospects used to do at the community have been replaced with virtual experiences. On some RCFE provider websites, it is possible to download a brochure, watch a virtual tour, schedule a video chat or a personalized video tour from the website.



With virtual tours in place, providers are increasingly using their digital presences to capture basic information about visitors that can be used to develop basic profiles and lead generation.

Next steps

Despite the rising importance of strong digital sales and marketing, many RCFE providers still view their digital presences as afterthoughts. But opening up communities digitally may be a panacea to increasing the census in those communities which have experienced large (non-COVID) resident losses during the months of the pandemic. It is certain that RCFE providers will benefit from increasing their digital presence moving forward, but it will definitely take an investment in time, money, and "sweat equity."

"All Information is deemed reliable but not guaranteed"