

RCFE resource

A Report for Buyers, Sellers and Investors

November 2020

WHAT'S THE VALUE OF YOUR RCFE?

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



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ORANGE COUNTY RCFE REPORT: A POWERFUL MARKET!

With a low supply and extremely strong demand, the Expected Market Time is at its lowest level to start October since tracking began in 2004.

Lighthouses are built to withstand the unrelenting pounding of the ocean's surge. They stand tall, strong, and resilient as they warn boats of perilously rocky coasts, stretching their bright beacons across the sea regardless of the weather. Their power and strength persevere as they continue to serve their purpose through the years.

The lighthouse is a perfect metaphor for something that is powerful, strong, and resilient. It is a great metaphor for the current Orange County RCFE market. It too is extremely strong and is at a powerful level that will endure for quite some time. The momentum and force of housing will push through the current pandemic and economic turbulence.

At the root of RCFE housing's strength is simple supply and demand. The active RCFE inventory is currently at a very low level, with demand for RCFEs greatly exceeding supply. The record low interest rate environment is fueling unprecedented demand.

The ultra-low supply coupled with feverish demand has paved the way for an Expected Market Time (the time between listing to opening escrow) of 38 days, a Hot Seller's Market, which is anything below 60 days. When an RCFE home is priced right according to its Fair Market Value, this is a market that yields a flood of showing activity, multiple offers pit against each other, sales prices close to their asking prices, and appreciating values. The Expected Market Time is well below 60 days. The market is hovering around powerfully strong levels and will most likely remain hot through the end of the year and into 2021.



A Note to Buyers: The intense pace of the RCFE housing market can be frustrating, but do not give up. Affordability has dramatically improved due to the record low rate environment, which is fueling current demand. Contemplating waiting until the environment improves is not a wise approach. The market is going to remain heated and values will rise as these low rates continue for some time.

"Regardless of the vantage point, RCFE housing is lining up favorably for both buyers and sellers as the market flexes its strength in starting the fourth quarter of 2020"

A Note to Sellers: Careful pricing is still fundamental to success. Testing the market by overpricing an RCFE will only result in wasted market time, fewer showings, no offers, and a whole lot of frustration. It also results in not taking advantage of the most activity an RCFE home receives after coming on the market, the initial first few weeks when buyers are literally waiting for fresh inventory to hit the market.

The current market is powerful, strong, and resilient. Expect its power to continue to carve out a Hot Seller's Market for the remainder of 2020 and into the New Year.

A Monthly Report for Buyers, Sellers, and Investors

Current Listings



To view our current listings
visit our website at
www.rcferesource.com

IN ESCROW:

COSTA MESA - 3 RCFE Businesses

- Package of 3 Businesses for sale
- Premises for lease
- Each RCFE Licensed for 6 Beds

COMING SOON:

Orange - Package of 2 RCFEs

- One RCFE - Sale of Home + Business Purchase
- \$1,050,000 + business
- One RCFE - Lease of Home + Business Purchase
- \$3,500/month lease + Business

(Both licensed for 6 beds)

Santa Ana - RCFE for Sale

- 7 BDR/4 BA 2656 s.f.
- Licensed for 6 beds
- Sale Price \$1.05M + \$195k Business

Cypress - RCFE for Sale

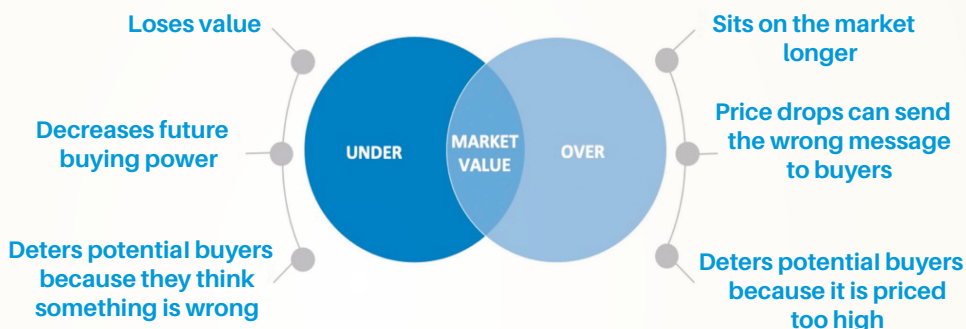
- 5 BDR/2 BA, 1,840 s.f.
- Licensed for 6 Beds
- 785K home + \$195K Business



WHY PRICING YOUR RCFE RIGHT IS ESSENTIAL

In today's hot real estate market, setting the right price for your RCFE is one of the most valuable things you can do.

KEEPING CURRENT MATTERS



According to the U.S. Economic Outlook by the National Association of Realtors (NAR), existing home prices nationwide are forecasted to increase 4.7% in 2020 and 4.1% in 2021. Some communities in Orange County have appreciated at even higher rates. This means experts anticipate RCFE home values will continue climbing into next year.

Today, low inventory is largely keeping prices from depreciating. Danielle Hale, Chief Economist at realtor.com, notes:

"Looking at the sheer number of buyers, low mortgage rates, and limited sellers, the strength of home prices—which are now growing at the highest pace since January 2018—makes sense."

When it comes to pricing your RCFE home, the goal is to increase visibility and drive more buyers your way. Instead of trying to win the negotiation with one buyer, you should price your RCFE at Fair Market Value so that demand is maximized and more buyers want to take a look.

How to Price Your RCFE

As a seller, you might be thinking about pricing your RCFE on the high end while so many of today's RCFE buyers are searching

harder than ever just to find an RCFE home to purchase. You're thinking, higher price, greater profit, right? But here's the thing – a high price tag does not mean you're going to cash in big on the sale. It's actually more likely to deter buyers and have them looking at more competitively-priced RCFEs other operators are selling instead. Even today, when the advantage tips toward sellers because there are so few RCFEs for sale, your RCFE is more likely to sit on the market longer or require a price drop that can send buyers running in the other direction if it isn't priced just right.

It's important to make sure your RCFE home and business are priced correctly. When you price competitively, you won't be negotiating with one buyer over the price. Instead, you'll have multiple buyers competing for the RCFE, and that's what ultimately increases the final sale price.

If you're thinking about selling your RCFE this fall, we would be delighted to provide price guidance. Please contact us today for your complimentary consultation.

"All Information is deemed reliable but not guaranteed"