

RCFE Resource

MOST ACCURATE RCFE HOME AND BUSINESS VALUATIONS

WHAT'S THE VALUE OF YOUR RCFE?

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



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RCFE MARKET REPORT:

TOP 5 HOUSING TRENDS

With nearly half of 2021 in the rearview mirror, there are noticeable trends that have developed.

It seems as if everyone has an opinion about the future of the housing market. "It's a bubble." "The market has peaked." "I am going to wait for values to come crashing down." "Housing will continue to be hot for a very long time." In the end, there is way too much noise that is not supported by facts, ignoring the data. It is time to step aside from the uproar and look at the trends that have surfaced in 2021.

1. The number of available RCFE homes to purchase is finally starting to rise. The unprecedented, ultra-low inventory has been the story for over a year now. At the start of last year, there already were not enough homes on the market, and then COVID-19 made things worse when many homeowners opted to not sell their homes. Ultimately, that led to this year's anemic historically low level of available homes. Yet, finally, now that summer has arrived with all of its normal, cyclical distractions, the inventory is on the rise. This new trend will continue throughout the summer months.
2. Demand, the number of new escrows over the prior month, is on the decline after reaching a peak in late spring. Demand typically peaks between April and mid-May. Many expect the market to behave differently and ignore the seasons because housing is so hot, yet society seemingly



likes its routines. Spring is the hottest time of the year in terms of demand. This trend should continue throughout the summer months.

3. Closed Sales are at its highest level since 2005. With demand continuing to out pace prior years, 2021 will be the strongest year for closings since prior to the Great Recession.

When there is so much noise swirling around housing, it is a good idea to take a step back and focus on the trends.

4. More RCFE homeowners are opting to list their homes for sale. This trend started last year with the onset of COVID, but dissipated and reversed its course in August last year. When the inventory reached a record low at the start of this year, many RCFE homeowners were nervous about selling. Combine that with the knowledge that home values were soaring, many RCFE homeowners were more than happy to wait on the

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SAVE TIME AND EFFORT BY SELLING WITH AN AGENT



Selling an RCFE home is a time-consuming process – especially if you decide to do it on your own, known as a For Sale By Owner (FSBO). From conducting market research to reviewing legal documents, handling negotiations, and more, it's an involved and highly detailed process that requires a lot of expertise to navigate effectively. That's one of the reasons why the percentage of people selling their own home has declined from about 19% to 8%.

To help you understand just how much time and effort it takes to sell on your own, here's a look at a few of the things you need to think about before putting your RCFE on the market.

1. Making a Good First Impression

While it may sound simple, there are a lot of proven best practices to consider when prepping an RCFE for sale.

- Do you need to update any of the furnishings or home goods?
- What's the right amount of landscaping to boost your curb appeal?
- What improvements are necessary to appeal to buyers?

If you do this work on your own, you may invest capital and many hours into the wrong things, things that won't boost your return on investment. Your time is money – don't waste it. We can help steer you in the right direction based on current market conditions to save you time and effort. Since we're in a hot seller's market, you don't want to delay listing your RCFE by focusing on things that won't change your bottom line. These market conditions may not last, so lean on qualified agents like us to capitalize on today's low inventory of RCFE homes while you can.

2. Pricing It Right

We specialize exclusively in senior care properties and have mission-critical information on what sells and how to maximize your profit. We're experienced when it comes to looking at recent comparable RCFE homes that have sold in your area and understanding what price is right for your neighborhood. We use that data to price your RCFE appropriately, maximizing your return. This includes expert valuation of the business component of the RCFE from a review of seller-provided financial information.

In a FSBO, you're operating without this expertise, so you'll have to do your own homework on how to set a price that's appropriate for your area and the condition of your RCFE. Even with your own research, you may not find the most up-to-date information and could risk setting a price that's inaccurate or unrealistic. If you price your RCFE too high, you could turn buyers away before they're even in the front door, or run into problems when it comes time for the appraisal.

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Ask The Broker



Q: I'm a new RCFE Administrator just starting my business. What's the best way to keep our records to account for monthly profit and loss?

A: Licensing has an online "fill-in-the-blanks" "**Monthly Operating Statement**," also known as your monthly Profit and Loss statement, or "P&L." It's the form known as **Lic. 401**, downloadable at California Department of Social Services website at www.cdss.ca.org, Forms and Publications. Look for it alphabetically under "L" for Lic. 401.

Whether you use an envelope to collect receipts, or a more sophisticated online accounting software system, it is wise to standardize how you account for your income and expenses. Use consistent categories every month! The categories listed on Form 401 should be sufficient to account for every expense you encounter in the normal course of RCFE business.

The advantage to this standardized method of recordkeeping is that if you ever decide to sell your business, you will have the financial documents you need to establish the selling price at a moment's notice. We advise preparing a separate monthly operating statement for each RCFE business you own. You may think you'll never sell, but changes in health, personal finances, or family situation may make this a necessary occurrence.

Sellers will be able to obtain the highest sales price possible when they can provide accurate P&Ls. Good recordkeeping is essential and quite simple if you use Lic. Form 401 form to account for your monthly operating expenses. Just fill in the blanks!

Current Listings



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

CURRENT LISTINGS

SANTA ANA - RCFE FOR SALE

- Profitable Business in Terrific neighborhood
- 7 BDR/4 BA 2,656 s.f.
- Home \$1.295M - Business \$185K

COMING SOON

SACRAMENTO - RCFE FOR SALE

- Very Comfortable Home!
- 5 BDR/2 BA, 2,233 s.f.
- Home: \$650K; Business: \$175K

ANAHEIM - RCFE FOR LEASE

- Cute Beach Vibe!
- 3 BDR/2 BA, 1,400 s.f.
- Lease of Home: \$4,750/mo; Business \$50K
- Includes many modifications and upgrades

HEMET - ARF FOR SALE

- Great Investment!
- Immaculate home
- Vendored for 4 with IRC
- 2 BDR/2 BA, 1,220 s.f.
- Home: \$340K; Business: \$230K
- Includes many updates and ADA Mods
- \$20K FFE included

MURRIETA - RCFE FOR SALE

- Historic Old Town Area
- Pristine surroundings
- 4 BDR/3 BA, 1,900 s.f.
- Home: \$620K; Business: \$150K



RCFE MARKET REPORT: Continued from Page 1

(#4 continued) sidelines while their equity quickly grew. This trend will continue as long as the inventory remains muted and mortgage rates remain at historic lows below 3.5%. Mortgage rates for RCFEs are approximately 2-2.75% higher.

5. Pressure is building for mortgage rates to rise, which will impact affordability and demand. During the first week of this year, mortgage rates reached an all-time historic low. Even though the Federal Reserve has been stating that the inflation is "transitory," or temporary, the U.S. economy is getting a lot hotter, and many are coming to the conclusion that the Federal Reserve needs to slow down their stimulus. Interest rates are expected to rise. Demand will fall, inventory will rise to more normal levels, and the market time will slow from its crazy levels of today to a normal Seller's Market.

The best advice for buyers and sellers: Follow an economic model that relies on facts and data rather than listen to all the noise. Ultimately, an economic model will reveal trends that will help in understanding the characteristics and direction of the current housing market and properly set expectations for buyers and sellers.

SAVE TIME AND EFFORT BY SELLING WITH AN AGENT

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3. Maximizing Your Buyer Pool (and Profit)

Contrary to popular belief, FSBOs may actually net less profit than sellers who use an expert agent specializing in senior care properties. One of the factors that can drive profit up is effective exposure. Simply put, we can get your RCFE in front of more buyers via our social media followers, agency resources, owner outreach, and proven sales strategies. The more buyers that view a home, the more likely a bidding war becomes. The average RCFE for sale today gets 1-2 offers. Using us to boost your exposure generally will help boost your sale price, too.

4. Navigating Negotiations

When it comes to selling your RCFE as a FSBO, you'll have to handle all of the negotiations. Here are just a few of the people you'll work with:

- The buyer, who wants the best deal possible
- The buyer's agent, who will use their expertise to advocate for the buyer
- The inspection company, which works for the buyer and will almost always find concerns with the house
- The appraiser, who assesses the property's value to protect the lender

Part of our expertise lies in knowing how to negotiate every aspect of the real estate and business transactions and how to mediate potential snags that may pop up. When appraisals come in low and in countless other situations, we know what levers to pull, how to address the buyer and seller emotions that come with it, and when to ask for second opinions. Navigating all of this on your own takes time—a lot of it.

4. Juggling Legal Documentation

Speaking of time, consider how much free time you have to review the fine print. Just in terms of documentation, more disclosures and regulations are now mandatory. That means the stack of legal documents you need to handle as the seller is growing. It can be hard to know and truly understand all the terms and requirements. Instead of going at it alone, we have the expertise in senior care properties and can act as your advisor to help you avoid potential legal missteps.

Bottom Line

Selling your RCFE on your own is a lot of responsibility. It's time consuming and requires an immense amount of effort and expertise. Before you decide to sell your RCFE yourself, connect with us to discuss your options and learn more about how we can make sure you get the most out of your sale.

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OUR FEATURED LISTINGS

FOR LEASE

LEASE of Property: = \$4,000 Per Month
PURCHASE of Business: = \$165,000 (5 BDR - 3 BA) 3,300 s.f.

RIVERSIDE SINGLE LEVEL RCFE



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M&M GROUP PERSONALIZED WEALTH BUILDING IN REAL ESTATE
KW COMMERCIAL
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JUST LISTED

Santa Ana: Profitable RCFE Home and Business!
Property \$1.295M - Business \$185K • 7 bdr / 4 ba, 2,656 s.f.



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THINKING OF BUYING OR SELLING?

We will develop a comprehensive strategy, tailored to help you achieve your RCFE goals.

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