

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



Michelle J. London MBA, CPA, MICP
 Broker Associate • Investment Specialist
 DRE #01971087
 Phone: (949) 397-4506
 michelle@commmlre.com

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

www.rcferesource.com

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



Corporate DRE #01934115



RCFE MARKET REPORT:

PERMANENTLY PARKED

LACK OF SELLERS- Fewer RCFE homeowners are opting to sell despite homes appreciating to record levels.

This is the time of year when Californians flock to the beach to escape the heat and enjoy the cool surf of the Pacific Ocean. After a long day of jumping in and out of the water, chasing the waves, building sandcastles, and basking in the warmth of the sun, many experienced beach goers realize that they forgot to reapply sunscreen. Upon returning home and gazing in the mirror, they quickly confirm that they have a lobster red sunburn from head to toe. Nearly everybody has experienced the pain of this sunburn. The pain is a helpful reminder to never forget to reapply sunscreen again.

Similarly, RCFE homeowners across the nation watched the housing market take a brutal pounding during the Great Recession as their equity vanished in a blink. Many lost their homes to foreclosures or short sales. Everybody was either personally burned or they knew somebody who experienced the painful sting of the downturn. As a result, a new trend emerged to avoid that lobster red burn with staying power: RCFE homeowners hold on to their homes for a lot longer. There are fewer RCFE homeowners who opt to sell every year, and even with record home values, the trend continues.

The lack of supply and years of high demand, juiced by record low interest rates



has resulted in RCFE homes appreciating to record levels in most parts of California, erasing the losses and sting of the Great Recession entirely. This more than a decade long trend is now the norm. And COVID-19 only intensified the trend of fewer RCFE homeowners opting to sell.

Buyers must understand that the low turnover rate in the RCFE housing stock is here to stay

Buyers must understand that the low turnover rate in the RCFE housing stock is here to stay.

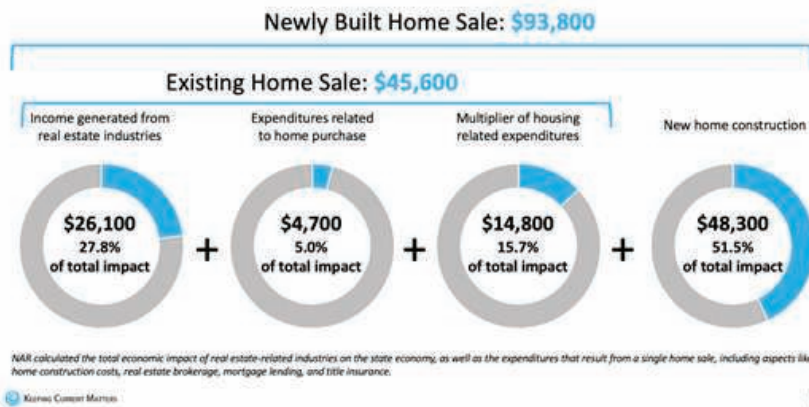
The anemic inventory is not going to change much for the rest of the year and into 2022 as well. Most RCFE homeowners are simply content with staying put. As a buyer, waiting for a lot more choices is futile. Buyers that opt to wait will be kicking themselves down the road. Instead, cashing in on today's historically low rates now is the right move. The housing market has the legs to continue at its current trajectory for quite some time.

THE COMMUNITY AND ECONOMIC IMPACTS OF AN RCFE HOME SALE



If you're thinking of buying or selling an RCFE home, chances are you're focusing on the many extraordinary ways it'll change your life. What you may not realize is that decision impacts people's lives far beyond your own. RCFE home purchases and sales are significant drivers of economic activity. They have a major impact on your community and the entire U.S. economy via the multiple industries and professionals that take part in the process.

The National Association of Realtors (NAR) releases a report each year that highlights just how much economic activity a home sale generates. The chart below shows how the sale of both a newly built home and an existing home impact the economy:



A single home sale can have a massive effect on the overall economy. Ali Wolf, Chief Economist for Zonda, talks about this in a recent article, noting there's a significant impact at each distinct phase of the transaction:

"The housing market contributes to the economy in four main stages: during planning and land development, throughout the actual construction of the home, at the point of sale, and upon moving in."

When you buy or sell an RCFE home, you're leaving a lasting impression on the community at large in addition to fulfilling your own needs. That's because each stage of the process involves numerous contractors, specialists, lawyers, town and city officials, and so many other professionals. Every individual you work with, from your trusted real estate advisor to the architects who design new homes, has their own team of professionals involved behind the scenes.

Bottom Line

RCFE homebuyers and sellers are economic drivers in their community and beyond. If you're thinking of buying or selling, reach out to us today to start the process. It won't just change your life; it'll make a powerful impact on your entire community.

Ask The Broker

EARLY TERMINATION OF A LONG-TERM LEASE

Q: Our health is deteriorating. Can we sell our RCFE business and terminate the lease early? We are 24 months into a 60-month lease.



A: The outcome depends upon how your lease was written. Many RCFE leases are assignable or assumable with prior consent of the landlord. Look to the terms of your lease. It should clearly indicate whether it is transferable. If the lease is not assignable or assumable, there may be an early termination penalty stipulated in the lease.

If you want to sell your business, and the lease is not assumable, you may be able to work something out with the landlord. Be honest, explain your situation, and offer to find a replacement tenant.

You are legally entitled to sell your business. But you must obtain landlord approval for any new tenant who purchases your business and intends to lease the premises. It can be somewhat of a Catch-22 situation.

The buyer of your business should be someone of good character, with high credit scores, and some "skin in the game," so the landlord has no reason to refuse. The buyer's purchase agreement must indicate that the purchase of the business is contingent on the successful negotiation of a new lease for the premises.

Worst case scenario: If you need to walk away from your business and default on the lease, know that you are still legally obligated to pay the rent owed. However, you may be in luck. The landlord must try to mitigate their losses by finding a new tenant.

In this event, you may only be liable for the amount of rent forgone by the landlord during the period rent wasn't received, not the amount owed for the remainder of the lease term.

Please email your RCFE/ARF questions to broker Michelle J. London, MBA, CPA, MiCP at michelle@commlre.com, subject line "Ask the Broker" for possible inclusion in a future newsletter.

Current Listings



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

CURRENT LISTINGS

Santa Ana - RCFE FOR SALE

- Profitable business - Grosses \$30K/Mo
- 7 BDR/4 BA 2,700 s.f.
- Home \$1.295M / Business \$185K

Sacramento - RCFE FOR SALE

- Very comfortable home!
- 6 BDR/3 BA 2,200 s.f.
- Home \$650K / Business \$175K

Hemet - ARF FOR SALE

- Vendored for 2 / Level 4i
- 2 BDR/2BA, 1,020 s.f.
- Home \$340K / Business \$ 230K

Anaheim - RCFE FOR LEASE

- Cute beach vibe!
- 3 BDR/2 BA 1,400 s.f.
- Lease \$4,750 monthly / Business \$ 50K

COMING SOON

Mission Viejo - RCFE FOR SALE

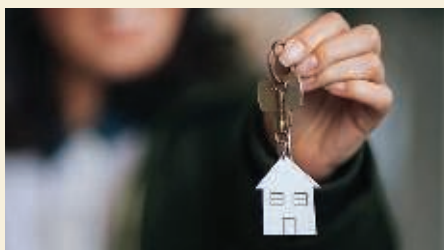
- 6 BDR/4 BA, 2,200 s.f.
- Beautifully Maintained
- Grosses \$380K/yr

Murrieta - RCFE FOR LEASE

- 4 BDR/2 BA, 1,912 s.f.
- Quiet cul-de-sac street
- Impeccably maintained home
- Full census of 6; Grosses \$22K/mo.

San Diego County - RCFE-DD FOR LEASE

- Vendored for 6 - Level 3
- 6 BDR/4 BA, 2,400 s.f.
- Nice neighborhood
- Grosses \$280K/yr.



3 REASONS DEMENTIA CASES COULD TRIPLE BY 2050

An aging population plus trends in obesity and chronic disease drive predictions of spike

By Michele G. Sullivan, Excerpted from AARP, July 27, 2021



In just three decades, more than 152 million people across the globe may be living with dementia, with the highest increases in prevalence occurring in some of the world's poorest regions, according to new data presented July 27 at the Alzheimer's Association International Conference. Currently, about 50 million people worldwide have dementia. "The numbers are staggering," Heather Snyder, vice president of medical and scientific relations at the Alzheimer's Association, says in a statement. "To put that in context, that number is equal to approximately half of the U.S. population in 2020. "Several factors fuel this forecast. Here's a look at why dementia cases could skyrocket in the next 30 years.

1. AN AGING POPULATION

The underdeveloped regions of sub-Saharan Africa, North Africa and the Middle East are likely to suffer the brunt of the increase. In other words, places where there is a lack of infrastructure to handle the care that might be needed by individuals with dementia. Most of the projected surge is tied to the ever-increasing population of older adults. By 2050, 16 percent of the world's population will be 65 and older — up from 8 percent in 2010, according to the National Institute on Aging. This change is driving up dementia numbers everywhere; the strongest known risk factor for dementia is increasing age.

2. OBESITY AND CHRONIC DISEASES CONTRIBUTE TO CLIMB IN NUMBERS

There is a bright spot in the new findings: Improved education is expected to reduce the anticipated increase in dementia by about 6.2 million cases. Unfortunately, increases in smoking, obesity and high blood sugar will undercut that gain, contributing to 6.8 million cases worldwide.

That says a lot about risk factors and a lot about prevention. Positive lifestyle changes have been shown to reduce dementia risk. Healthy eating habits and an active lifestyle reduce the risk for many diseases, including Alzheimer's.

3. YOUNGER CASES ADD TO INCREASING NUMBERS

While older age is the largest risk factor for dementia, younger people can also develop these diseases. A review of 50 studies found that about 10 of every 100,000 people younger than 65 will develop some form of dementia each year. That number is probably a vast underestimate. The biggest increase among this younger population will be in Alzheimer's cases, with projected increases in vascular dementia, which is largely related to cardiovascular disease, and frontal temporal dementia, a group of uncommon disorders affecting the frontal or the temporal lobes of the brain — the seat of personality and thought. Younger-onset dementias are particularly difficult to diagnose, because physicians don't necessarily think 'dementia' when they see symptoms in a relatively young person. Symptoms in younger people can also be very different from those in older people.

LATEST RESEARCH RAISES NEED FOR PREVENTION EFFORTS, TREATMENTS

The studies highlight the pressing need for effective preventive strategies and for treatments that will slow disease progression. Without effective treatments to stop, slow or prevent Alzheimer's and all dementia, these numbers will continue to grow beyond 2050 and continue to impact individuals, caregivers, health systems and governments globally. In addition to therapeutics, it's critical to uncover culturally tailored interventions that reduce dementia risk through lifestyle factors like education, diet and exercise.

RCFE Resource

MOST ACCURATE RCFE HOME AND BUSINESS VALUATIONS

OUR FEATURED LISTINGS

JUST LISTED

Sacramento: Lovely RCFE - 5 BDR/3 BA, 2,233 s.f.
HOME \$650K + BUSINESS \$175K



www.RCFEresource.com • (949) 397-4506

RCFE Resource
MOST ACCURATE RCFE HOME AND BUSINESS VALUATIONS

M&M GROUP **KW**
PERSONALIZED WEALTH BUILDING IN REAL ESTATE
DRE #01971087, #01318955, #01934115

JUST LISTED

HEMET: ARF FOR SALE (Level 4i)
Home: \$340K - Business: \$230K • 2 bdr /2 ba. 1,220 s.f.



www.RCFEresource.com • (949) 397-4506

RCFE Resource
MOST ACCURATE RCFE HOME AND BUSINESS VALUATIONS

M&M GROUP **KW**
PERSONALIZED WEALTH BUILDING IN REAL ESTATE
DRE #01971087, #01318955, #01934115

THINKING OF BUYING OR SELLING?

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

RCFE Resource

MOST ACCURATE RCFE HOME AND BUSINESS VALUATIONS

(949) 397-4506 • www.rcferesource.com

M&M GROUP **KW**
PERSONALIZED WEALTH BUILDING IN REAL ESTATE
COMMERCIAL