

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@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

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RCFE MARKET REPORT:

Will it Slow in 2022?

Housing has only grown hotter despite mortgage rates rising considerably since ringing in a New Year, indicating it will take further changes for the market to slow.

Market Shifts

If mortgage rates rise above 4% and remain elevated with staying power, then housing will finally slow a bit, shifting from an Insane Seller's Market to a regular Hot Seller's Market with longer market times.

Today's society is accustomed to getting information immediately and from a variety of different sources. Nobody really has to wait for the 5:00 p.m. newscast or the morning paper to get the latest news. Everything now can be found on the web and on a smartphone in an instant. The Wall Street Journal, CNBC, MSNBC, FOX, CNN, CBS, ABC, BBC, and the countless millions of other websites allow everyone to be plugged into all the constant world changes. It is reported live 24 hours a day, seven days a week. When a bad earnings report for a company is announced... BOOM! The company stock drops in an instant. The Consumer Price Index (inflation) rises a lot higher than estimates... BOOM! The DOW, S&P 500, and NASDAQ all plummet immediately. Yet, changes in the housing market are far from instant.

The transformation of the RCFE housing market occurs over time. It just does not change in the snap of a finger. Houses are not traded on Wall Street. They are not stocks that are easily bought and sold. Instead, they are homes, a place to start or operate your business. Your residents need shelter and care, and must live somewhere. It is understandable that in tracking RCFE housing, new trends slowly shift the tide and eventually reveal a change in the care home housing market.



A new trend has emerged this year, rising rates. According to Freddie Mac's Primary Mortgage Market Survey®, 30-year fixed rates have risen from 3.05% on December 23rd to 3.92% on February 17th, nearly a full percent higher in only 8-short weeks. Yet, the market remains hot because of the continued high demand for quality care homes. More care homes are expected to come on during the Spring Market, from mid-March through mid-June.

The fundamental trend of persistent rising rates from 3.34% at the start of 2013 to 4.5% in September paved the way to a shift in the market from an Insane Seller's Market to a Slight Seller's Market. Demand downshifted due to enduring climbing rates. With a bit less demand, overpriced listings sat on the market and accumulated over time, allowing for the inventory of available homes to rise. With a rising supply and muted demand, the overall speed of the market slowed, and Expected Market Times climbed.

For the market in 2022 to experience a similar shift, mortgage rates cannot substantially drop from here. They must persist at these higher levels, between 3.75% and 4%*, and then eventually climb above 4% with staying power. If that occurs, as more RCFE homes come on the market during the spring and summer, demand will be muted, and the inventory will substantially climb for the first time in 3-years. Higher rates must endure for that to occur.

**Mortgage rates for care homes are between .5%-5.75% higher, depending upon type and amount of financing.*

IMMEDIATE STEPS TO TAKE IF A SENIOR WITH DEMENTIA HAS WANDERED OFF

Excerpted from AARP - by Jason Rich, October 21, 2020



One of the biggest fears of someone living with or caring for an older person with dementia is that their loved one (or resident) will get confused, wander off and potentially put themselves – and even others – in danger. No matter how careful you are, random circumstances happen and fears can become reality. What are the things that should be done if this happens (after reporting to Licensing)?

Secure a case number

First, call the police and ask for a detective. Make sure you explain that the missing person has dementia. Also describe their other major medical conditions. It's essential that the missing person be classified as "missing and at risk," as opposed to just "missing," in order for the police to immediately put resources into finding the person. Be sure to obtain a unique case number from the police.

Provide a current photo

Be prepared to provide the authorities, and anyone you recruit to help locate the missing person, with a recent photo, a detailed description of what the person was last seen wearing, and the location where they went missing.

Check for witnesses

Return to where the person went missing and look for witnesses who might have seen them. Also check with nearby businesses, banks and gas stations to see if they have security cameras that might have caught the direction the missing person went. Encourage the police to check nearby traffic cameras as well, even if the missing person is believed to be on foot.

"The best way to add a sense of urgency to finding the missing person is to tell those doing the searching about other underlying medical conditions, such as a heart condition or diabetes. Make it clear that time is of the essence, especially if the local climate is excessively hot or cold," says Anderson.

Distribute a 'missing person' poster

If the person remains missing for more than a few hours, create a "missing person" sign/poster and distribute it around the neighborhood, but also post it online and publish a digital version of the sign on any specialized Facebook groups that cover breaking news events, or that focus on senior citizens, Alzheimer's or related ailments.

When creating a sign, start with a heading in large and bold type that says "Missing Person," followed by something like "79-Year-Old Man with Dementia." Next, add a short description of the person's appearance and where they were last seen. It's important to include a large, recent and clear photo of the missing person's face. Instead of listing your own phone number, instruct people to call the police (provide the phone number), and be sure to display the missing person's case number.

Additional strategies to aid in the search

- Have the police reach out to media and issue a Silver Alert, which is specifically for people with Alzheimer's or dementia. This should be done within 72 hours of the person's disappearance. If you try doing this yourself, the media won't be receptive.
- If the missing person is carrying a smartphone, have the cellular service provider track the location of the phone.
- Contact all nearby hospitals. Ask to be connected with the emergency room and inquire about your resident by name, but also ask about any John Doe or Jane Doe patients that fit your resident's description. Since hospitals tend to be part of networks, ask the hospital worker to check their other hospitals as well. Keep calling all of the hospitals every few hours.

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Ask The Broker RCFE ENTITY STRUCTURE

Q: I plan to purchase an RCFE home and business. How should I structure my ownership?



A: Real Estate Is A HIGH Liability-Risk Asset!! With high-quality practical education, real estate investing can be a very high-return, lower-risk endeavor. However, I am not referring to return-risk, I am mean liability-risk.

Real estate is a physical appreciating asset, subject to many regulations, exposed to environmental hazards and interactions with tenants, vendors, suppliers, and others all who are potential claimants in an action against you personally.

Your chances of being sued today is about 70 to 90% and even greater especially if you are own your RCFE real estate and own the business. It's not if you will be sued, it's when you will be sued.

Don't own your RCFE under your individual name! It can be a costly mistake that will rob you of your life savings.

You therefore absolutely need to protect yourself. You must also protect yourself from the IRS - the most powerful of all claimants.

You Must Have Liability Insurance But It Does Not Cover All Potential Liabilities!

Liabilities not covered by insurance...

- Environmental liabilities (lead paint, radon, asbestos, mold)
- Fair housing violations, federal and state (even unintentional innocent ones)
- IRS audits (that will drain you of legal fees plus your valuable time!)
- Other government disputes (HUD, Labor Board, state, city, etc.)
- Tenant disputes (such as over leases, management procedures, etc.)
- Disputes with buyers or sellers (over agreements, almost anything)
- Contractor disputes (over work performed, fees - resulting in mechanic liens)
- Other business disputes

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Current Listings



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

CURRENT LISTINGS

Mission Viejo - RCFE HOME & BUSINESS

- ORANGE COUNTY
- 4 BDR/3 BA, 2,044 s.f.
- Great neighborhood
- Comfortable and welcoming
- Beautiful and pristine RCFE!
- \$1.275M Home; \$175K Business

Rancho Mirage - RCFE HOME & BUSINESS

- 5 BDR/4 BA, 2,560 s.f.
- Beautiful gated community
- Serene and comfortable
- \$980K Home; \$240K Business

Anaheim - RCFE FOR LEASE

- ORANGE COUNTY
- 4 BDR/2 BA, 1,358 s.f.
- Charming home
- Spotlessly clean
- Lease \$4,500/mo.; \$75K Business

COMING SOON

(Call For Prices)

Lake Elsinore - RCFE HOME AND BUSINESS

- RIVERSIDE COUNTY
- 5 BDR/3 BA, 2,500 s.f.
- Two-level home; owner's rooms upstairs

Sacramento - RCFE HOME AND BUSINESS

- SACRAMENTO COUNTY
- 5 BDR/4 BA, 2,565 s.f.
- Great Condition

Escondido - RCFE HOME AND BUSINESS

- SAN DIEGO COUNTY
- 7 BDR/4 BA, 3,213 s.f.
- Fully updated
- Wonderful neighborhood

Santa Rosa - RCFE HOME AND BUSINESS

- SONOMA COUNTY
- 8 BDR/5 BA, 3,200 s.f.
- Remodeled in 2021
- Beautiful RCFE

Fresno - RCFE HOME AND BUSINESS

- FRESNO COUNTY
- 7 BDR/5 BA, 3,300 s.f.
- Fresh and clean
- Elegantly furnished



IMMEDIATE STEPS TO TAKE IF A SENIOR WITH DEMENTIA HAS WANDERED OFF

Continued from Page 2...

- Once you have a missing person sign, bring it to the dispatch locations for taxi companies, Uber, Lyft, United Parcel Service and FedEx, as well as public transportation services (buses, etc.). These drivers constantly crisscross neighborhoods and might spot the missing person if they know to be on the lookout.
- Call the local chapter of the Alzheimer's Association or similar organization, along with any senior centers. Ask for their assistance. These groups have additional information, relationships with media and resources that could be helpful, including volunteers to help with the search.
- If the person remains missing for a while, contact billboard advertising companies that use digital signage. At the same time, ask the police to contact highway authorities and post a message on their digital signage. A Silver Alert can utilize the Federal Emergency Management Agency and the Integrated Public Alert and Warning System in your area.



Ask The Broker

Continued from Page 2...

And even with insurance, liability claims may exceed insurance limits; or the insurance company may try to wiggle out of paying the claim (read the fine print!). That's why it's imperative to choose the right structure for your RCFE, both home and business.

The home and the business may have different entity structures. Many RCFE owners elect to incorporate the business, be it S- or C-Corp, and own the real estate under an LLC, although there are also numerous other forms of ownership, such as tenancy in common, partnership, sole proprietor.

There are different tax ramifications between owning as a corporation vs an LLC, but both LLCs and corporations will serve to protect your personal assets, if structured correctly;

Consult with your tax and financial professionals regarding your unique tax situation and the best ownership structure for your RCFE.

Please send your RCFE questions to Michelle J. London, licensed real estate broker and CPA. Michelle may be contacted at 949-397-4506 or by email at MICHELLE@COMMLRE.COM.

RCFE Resource

MOST ACCURATE RCFE HOME AND BUSINESS VALUATIONS

OUR FEATURED LISTINGS

IN ESCROW

MURRIETA: HOME AND BUSINESS - 4 BDR - 3 BA - 2,054 SF



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IN ESCROW

Orange: 8 BDR - 4 BA - 2,754 SF - Property \$1,335K, Business \$175K
GREAT NEIGHBORHOOD RCFE HOME AND BUSINESS



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THINKING OF BUYING OR SELLING?

Let our RCFE Resource team of professionals bring proven expertise to help you get the highest sales price for your RCFE or ARF!

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