

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



RCFE MARKET REPORT: The Sky: Not Falling

Many are jumping to extreme conclusions about the impact of higher rates, high inflation, and a potential recession on the housing market.

A SELLER'S MARKET WILL PREVAIL

While the market is slowing, it is gradually evolving from its out of control, insane pace, to a normal Seller's Market where pricing will be fundamental in finding success.

In flipping open a Merriam-Webster Dictionary and looking up "Chicken Little," it states, "one who warns or predicts calamity especially without justification." Economists are used to the constant chatter about recessions, bubbles, and plunging home prices. The current economic environment has amplified the noise: surging interest rates, highest inflation since 1981, and a volatile stock market. This will definitely have an impact on the economy and housing, yet it will not be to the extent of the

fear-mongering masses who immediately jump to the worst possible outcome. The sky is NOT falling when it comes to housing. And this applies to care homes.

Most people remember the burn of the Great Recession. It either happened to them specifically, a family member, or a friend. There was an unstoppable wave of foreclosures and short sales. Home prices plummeted, erasing years of incredible gains. Unemployment jumped and took over six years to recover. The Great Recession was the largest economic downturn since the Great Depression, and it has left deep scars on society at large. Flash forward to today and home prices continue to soar, interest rates remain elevated above 5%, housing is just starting to slow,

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Keller Williams Realty - DRE #01934116



WORK WITH A REAL ESTATE PROFESSIONAL IF YOU WANT THE BEST ADVICE



Because buying or selling a care home is such a big decision in our lives, the need for clear, trustworthy information and guidance is crucial. And while no one can give you perfect advice, when you align yourself with an expert, you'll get the best advice for your situation.

An Expert Will Give You the Best Advice Possible

Let's say you need an attorney, so you seek out an expert in the type of law required for your case. When you go to their office, they won't immediately tell you how the case is going to end or how the judge or jury will rule. What a good attorney can do, though, is discuss the most effective strategies you can take. They may recommend one or two approaches they believe will work well for your case.

Then, they'll leave you to make the decision on which option you want to pursue. Once you decide, they can help you put a plan together based on the facts at hand. They'll use their expert knowledge to work toward the resolution you want and make whatever modifications in the strategy necessary to try and achieve that outcome.

Similarly, the job of a trusted real estate professional is to give you the best advice for your situation. Just like you can't find a lawyer to give you perfect advice, you won't find a real estate professional who can either. They can't because it's impossible to know exactly what's going to happen throughout your transaction. They also can't predict exactly what will happen with conditions in today's housing market.

But an expert real estate advisor is knowledgeable about market trends and the ins and outs of the care home buying and selling process. With that knowledge, they can anticipate what could happen based on your situation and help you put together a solid plan. And they'll guide you through the process, helping you make decisions along the way.

That's the very definition of getting the best - not perfect - advice. And that's the power of working with an expert care home real estate advisor.

Bottom Line

If you want trustworthy advice when buying or selling a care home, contact a real estate professional who specializes in care home purchases and sales. They should also have a strong financial background in order to correctly value your business.

We offer FREE, no obligation consultations where we will develop a plan to help you achieve your care home dreams! Call Michelle J. London, licensed real estate broker and CPA at **949-397-4506** to schedule your complimentary consultation.

Want to know the value of your RCFE or ARF? Call Michelle TODAY!

Ask The Broker

DEALING WITH ASBESTOS

Q: Who is responsible for the abatement of asbestos in a leased care home?



A: Before the 1980s, the use of asbestos was extremely prevalent in the construction industry. Now, countless older buildings contain this hazardous material.

Asbestos in leased properties may be found in:

- Casings for electrical wires;
- Ceiling and floor tiles;
- Cement;
- Drywall;
- Paint;
- Plaster;
- Insulation materials;
- Roofing materials.

Asbestos is generally safe until it becomes disturbed during renovations or due to wear-and-tear, but once it becomes airborne, can easily be inhaled and cause mesothelioma.

As a tenant, you have the right to a livable home. As asbestos is a hazardous substance, exposed asbestos must be dealt with by your landlord.

The Occupational Health and Safety Administration (OSHA) has regulations to protect the rights of the tenants by placing duties on the landlord to discover existing asbestos in any building constructed prior to 1981.

**Please text your questions to:
Michelle J. London at
949-397-4506.**

**Your inquiry may be featured
in an upcoming edition of this
newsletter.**

Current Listings



To view our current listings visit our website at

www.rcferesource.com

CURRENT LISTINGS

Fresno - PORTFOLIO - 3 RCFES FOR SALE

- Wonderful Homes and Businesses
- Located close to one another
- All homes have 7+ BDR
- Spacious dwellings - 3,000+ s.f.
- Businesses gross \$780K combined
- Must be sold as a package
- Portfolio \$2.40M

Tustin - RCFE FOR SALE - HOME & BUSINESS

- 7 BDR/3 BA, 3,174 s.f.
- 2-story home
- 4 resident rooms downstairs
- Well-built, nice home
- Home 1.5M, Business 75K

COMING SOON (please call for details)

Roseville - RCFE FOR SALE

- 7 BDR/4 BA, 3,200 s.f.
- Home and business for sale
- Lovely neighborhood

Lake Elsinore - RCFE FOR SALE

- Home and business
- Two story home
- 5 BDR/4 BA, 2,350 s.f.
- Owner's rooms upstairs
- Charming home

Winchester - RCFE FOR SALE

- Home and Business
- Two story home
- 5 BDR/4 BA, 2,500 s.f.
- Owner's rooms upstairs

RCFE MARKET REPORT: THE SKY: NOT FALLING

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and many are calling for an imminent recession.

Only two of the last six recessions negatively impacted housing values here in California, and both were caused by the housing industry. The savings and loan crisis of the 1980's and early 1990's led to a recession and an erosion in homes values that started in August 1990. One of the main reasons for the recession: unsound real estate lending practices. The Great Recession began in 2007 after the March subprime meltdown. Easy credit, pick-a-payment plan, subprime lending, zero-down loans, easy qualifying, adjustable teaser rates, and fraudulent lending all led to the largest downturn since the depression.

When pundits start talking about a potential recession, everyone's collective brains immediately recall the Great Recession and expect the economy and housing to behave just like it did in 2007. They forget about the other recessions where housing values continued to rise. Today's housing has an extremely strong foundation with years of tight lending qualifications, large down payments, fixed rate mortgages, plenty of nested equity, and limited cash-out refinances.

In housing, during a slowdown, demand falls, the active inventory rises, and it takes longer to sell a care home. During the Great Recession there was a glut of homes available to purchase and it was matched up with muted demand. Consequently, care home values plunged. The number of care homes on the market today is far below averages prior to the start of the pandemic.

The housing market has already digested 5% plus rates and there are still plenty of buyers looking to purchase at these higher rates. The recent rise is indicating that demand has indeed become more stable and has found its footing.

What we're seeing from the trenches is that demand is still high for care homes. But care homes can no longer garner "stand on your tippy toes" ultra-premium prices. Fair market value is key here. In the last month alone, over 35% of all listings dropped their prices in the Multiple Listing Service in the county where we reside.

The sky is not falling. Instead, care home housing is in the midst of transitioning from an insane, unhealthy velocity to a much more normal, methodical, "steady as she goes" pace. And premium prices are adjusting slightly to prices closely paralleling fair market values.

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OUR FEATURED LISTINGS

JUST LISTED

FRESNO: MAGNIFICENT PORTFOLIO OF 3 RCFES!!!
THREE LOVELY HOMES AND BUSINESSES FOR SALE
PORTFOLIO PRICE: \$2.40M



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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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