

# RCFE Resource

FOR ACCURATE RCFE HOME AND BUSINESS VALUATIONS

Call us **TODAY** for a **FREE** valuation of your care home and business.  
**(949) 397-4506**



## Michelle J. London

MBA, CPA, MICP, BROKER

Acquisitions and Sales

DRE# 01971087

Phone: **(949) 397-4506**

michelle@RCFEresource.com

## Melvyn D. Richardson

Acquisitions and Sales

DRE# 01318955

Phone: **(949) 500-3630**

melvyn@RCFEresource.com

[www.RCFEresource.com](http://www.RCFEresource.com)



## RCFE MARKET REPORT:

# Housing Starting to Flex

After an extremely slow end to 2022, buyers are returning to the housing arena, demand is already up sharply, and market times are plunging fast.

### BUYER DEMAND COMING BACK

*Pending sales are surging higher as housing bounces back from very low levels.*

Getting to a movie theater early, sitting in the pews of an empty church with plenty of time until the service begins, and being seated immediately at a popular restaurant before the dinner rush are all examples of moments in time where it seems as if very few are going to show up. Yet, in the blink of an eye, the theater is packed, the church pews have been filled, and there is an hour-long waitlist at that favorite restaurant. That is precisely what is occurring right now in housing. A month ago, showings were light, and there was little real estate activity as everyone's collective brains were still in a holiday fog. Seemingly overnight, buyers have returned, demand has surged higher, and market times have plunged.

It is crucial to keep in mind that demand is still at shallow levels for this time of year. Due to affordability constraints, the high mortgage rate environment still precludes many would-be purchasers from isolating a care home. Demand would be much stronger if rates dropped to the mid-5s. Demand is also muted due to the lack of available care homes to purchase. Fewer sellers mean there are fewer pending sales.

The current trend shows increasing demand, matched up against few available care homes to purchase. As a result, market times are decreasing from their highest levels, seen in the 4th quarter of 2022. For buyers in



the trenches, the change is palpable. Suddenly, care homes are selling a lot quicker. When a care home is appropriately priced according to its Fair Market Value, considering location, condition, upgrades, amenities, and age, it will acquire plenty of immediate attention and will sell relatively quickly. As market times drop, buyers are losing some of the momentum developed over the past six months. That does not mean that buyers are willing to stretch and pay over the asking price. Housing is not back to the heydays of the pandemic years of 2020 through the first half of last year. It does mean that the increased competition will slow the pressure on falling care home values.

### A WARNING TO SELLERS: Care Home values are NOT climbing right now.

Overpricing a care home in this market will result in a lack of success and waste valuable market time. Until rates fall considerably from here to at least the mid-5s, care home values will not rise.

### A WARNING TO BUYERS: Lowball offers to purchase and looking for a "deal" will be an exercise in futility.

Due to the high mortgage rate environment, the market has lined up in favor of buyers up to this point. That advantage is diminishing with the significant drop in market times. Sellers are not desperate and are not panicking to sell, unable to afford their monthly mortgage payments. Instead, carefully arriving at an offer to purchase based on a home's Fair Market Value is a winning formula for acquiring a care home.

## Ask The Broker

### CAN AN HOA PROHIBIT AN RCFE FROM THEIR COMMUNITY?



**Q:** I own a 6-bed RCFE in Rancho Mirage, California that's located in an HOA. Yesterday I received a letter from the HOA stating that I must discontinue my business because, per HOA rules, operation of a business is not permitted. Are they correct?

**A:** In a word, NO! Similar to "family day care homes" and "alcohol or drug abuse recovery or treatment facilities" (i.e., sober living homes), restrictions in an association's governing documents (i.e. in its CC&Rs) that prohibit the non-residential uses of properties may not be used to prohibit a "residential care facility" that services six (6) or fewer persons:

"For the purposes of any contract, deed, or covenant for the transfer of real property executed on or after January 1, 1979, a residential facility which serves six or fewer persons shall be considered a residential use of property and a use of property by a single family, notwithstanding any disclaimers to the contrary." (H&S Code § 1566.5.)

#### "Residential Care Facility" Defined

A residential care facility is defined under the **California Community Care Facilities Act** as:

"...any family home, group care facility, or similar facility" determined by the Director of Social Services that provides "for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual." (H&S Code § 1502(a)(1).)

The operation of such a facility is considered to be a "residential use of a property and a use of a property by a single family." (H&S Code § 1566.5).

So, to recap, an RCFE of 6 or fewer beds is permissible in **any** HOA, as long as the home abides by all of the association's other rules and regulations. A facility of 7 or more beds is considered a commercial use of the property, and different regulations as to zoning apply. Such facilities cannot be located in an HOA, which governs **residential uses** of the homes included in the association.

**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](http://www.rcferesource.com)

## CURRENT LISTINGS

### Riverside County - PORTFOLIO - 4 RCFCES FOR SALE

- All located within 2 blocks
- Value-add opportunity!
- RCFE 1: \$740K home, \$70K business
- RCFE 2: \$840K home; \$70K business
- RCFE 3: \$4,300/mo. lease; \$100K business
- RCFE 4: \$4,400/mo. lease; \$70K business
- Seller financing available
- Call for more details

### Mission Viejo

- 5 BDR/3 BA, 2,300 s.f.
- Nice location
- Grosses \$24K/mo.
- Home \$1.2M; business \$150K

## COMING SOON

(please call for details)

### MISSION VIEJO - RCFC FOR SALE

- 6 BDR/3 BA, 3,100 s.f.
- Nice area

### LAKE FOREST - RCFC FOR SALE

- Beautiful location!
- 5 BDR/2 BA, 2,200 s.f.

### SACRAMENTO - RCFC FOR LEASE

- 6 BDR/3 BA, 2,800 s.f.
- Good neighborhood

### LOS ANGELES - RCFC FOR SALE

- 7 BDR/4 BA, 2,950 s.f.
- Highly desirable Miracle Mile location

### FRESNO - RCFC FOR LEASE

- 5 BDR/3 BA, 2,100 s.f.
- Grosses \$34K/mo.





## WHAT YOU DON'T KNOW ABOUT C. DIFFICILE COULD KILL YOU

*Excerpted From AARP Health | By Melissa Stanton*

### **What heals you can make you sicker**

Although antibiotics are healing and lifesaving, they can, at times, do damage by killing off the good gut bacteria that keep our GI systems working as they should. Once that happens, the *C. difficile* bacterium, which is generally present in our bodies as inactive spores, grows and takes over.

A special report published in June 2022 from the Centers for Disease Control and Prevention (CDC) notes that high levels of antibiotic prescription use put patients at risk for antibiotic-resistant infections, including *C. diff*, that are difficult to treat. Rochelle P. Walensky, M.D., the director of the CDC, writes that "more than 3 million Americans acquire an antimicrobial-resistant infection or *Clostridioides difficile* infections (often associated with taking antimicrobials) each year."

The CDC categorizes *C. diff* as an "Urgent Threat." According to "Antibiotic Resistance Threats in the United States," a 2019 CDC report, "nearly 223,900 people in the United States required hospital care for *C. difficile* and at least 12,800 died in 2017." More than 80 percent of the deaths associated with *C. diff* occurred among Americans age 65 or older, with 1 of every 11 older patients dying within 30 days of diagnosis.

Since *C. diff* is contagious, it is easily spread in health care settings such as hospitals or nursing homes, often due to poor hygiene and the susceptibility of immune-compromised patients.

In many cases, the simple instruction from a doctor to use a probiotic while taking antibiotics could make the difference. Better treatments are needed, and several promising cures are in the works.

### **Disabling diarrhea and, too often, death**

Then there's the far-reaching impact that a *C. diff* infection can have. First, there's the unrelenting diarrhea, which has a very particular and unusual look, consistency and sickeningly sweet smell. In short time comes dehydration and the inability to eat or drink. That leads to mental confusion and brain fog, which results in an otherwise healthy person quickly becoming fearful of being too far away from a toilet and bedridden due to exhaustion.

### **Diagnosis, treatment and a 'transplant'**

*C. diff* is sneaky.

Some people who are carriers of infectious *C. diff* germs might never fall ill. In medical terms, they are described as being "colonized." These individuals don't need treatment, but they can spread the infection. And since many people don't test positive for *C. diff* even though they have it, experts say a diagnosis based on symptoms and a medical exam rather than lab results sometimes needs to be proof enough.

The challenge of receiving an accurate diagnosis is sometimes easy compared to the challenge of finding an effective treatment. Since several *C. diff* treatments are experimental or new, health insurers often won't cover the costs – or will only do so during a hospitalization or after other efforts, such as the GI-targeted medication vancomycin, have failed. Some include expensive medications or employ treatments such as monoclonal antibodies.

When other treatments fail, doctors sometimes use a fecal microbiota transplantation (FMT), which is exactly what it sounds like. The still-experimental procedure involves delivering healthy fecal microbes from a carefully

*Continued on Page 4...*

# WHAT YOU DON'T KNOW ABOUT C. DIFFICILE COULD KILL YOU

Excerpted From AARP Health | By Melissa Stanton

Continued from Page 3...

screened donor into a patient via a colonoscopy. The goal is to repopulate the gut's good bacteria. Although the treatment typically works, there are no uniform standards for the fecal matter, the "elements" of which vary based on what's in the sample.

## 4 Ways to Help Prevent C. Difficile Infections

Awareness is a first step toward protecting oneself from acquiring a C. diff infection. Other ways health care providers and individuals can reduce the risk:

### 1. Good hygiene

Proper handwashing and the cleanliness of shared spaces (especially bathrooms) protects against countless infections. C. diff spreads quickly in health care settings, among both staff and immunocompromised patients, in part due to lax hygiene.

### 2. "Antibiotic stewardship"

This means not insisting on receiving a prescription for every ailment. (Remember, antibiotics are only effective against bacterial infections, not viral ones).

### 3. Allergy awareness

Individuals who are – or believe they are – allergic to penicillin and similar narrow-spectrum antibiotics are usually prescribed a broad-spectrum antibiotic instead. Such antibiotics, which can target many types of bacteria, tend to have more side effects, including an increased risk of developing infections like C. diff.

### 4. Healthy eating and a daily probiotic

Bananas, rice, applesauce, toast and yogurts with high live-culture counts are well known as gut-healthy foods. Fermented foods and beverages – such as kimchi, sauerkraut, tempeh, kombucha and kefir – are considered good C. diff preventers. Vitamin D deficiency, which is common among Americans and especially among older adults, is a risk factor for C. diff, so a supplement and/or diet that includes D-rich foods are smart steps. In addition, use a high-quality probiotic when on an antibiotic – especially look for one with at least 1 billion colony forming units and containing the genus Lactobacillus, Bifidobacterium or Saccharomyces boulardii.

# 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!**

Call us **TODAY** for a **FREE** valuation of  
your care home and business.

**(949) 397-4506**

# OUR FEATURED LISTINGS

## MARCH 2023

### MURRIETA - PORTFOLIO OF 4 RCFEs FOR SALE!

THIS FABULOUS OPPORTUNITY INCLUDES:

- 2 Homes for Sale; 2 Homes for Lease
- Four (4) RCFE Businesses for Sale

ALL RCFEs LOCATED WITHIN 2 BLOCKS!

RCFE #1



5 BDR • 3 BA • 2,701 SF • \$740,000

RCFE #2



5 BDR • 3 BA • 3,023 SF • \$840,000

RCFE #3



5 BDR • 3 BA • 2,701 SF • \$4,300/mo.

RCFE #4



6 BDR • 4 BA • 2,954 SF • \$4,400/mo.

**ALL 4 BUSINESSES - \$310,000**

Seller will offer seller financing on the businesses

**TO BE SOLD AS A PORTFOLIO.**

**CALL MICHELLE J. LONDON of RCFE RESOURCE AT 949-397-4506 FOR DETAILS.**

# RCFE

# Resource

**FOR ACCURATE RCFE HOME AND BUSINESS VALUATIONS**

## **ASK THE BROKER WEBINAR SCHEDULE**

RCFE Resource is happy to invite you to our monthly "Ask the Broker" updates.

Each month, we will present topics of interest to the RCFE and ARF communities.

**We will email you a link to register.** Hope to see you there!

|                           |        |                                                                                |
|---------------------------|--------|--------------------------------------------------------------------------------|
| Tuesday, March 21, 2023   | 1:00PM | GUEST: How SBA Financing Can Help You Buy Your Next Care Home<br>*Rebecca Wang |
| Tuesday, April 25, 2023   | 1:00PM | "The Importance of Maintaining Accurate Financial Statements"                  |
| Tuesday, May 23, 2023     | 1:00PM | Not All Insurance Is Created Equal - GUEST - Blake Thompson                    |
| Tuesday, June 20, 2023    | 1:00PM | "Selling Your Business"                                                        |
| Tuesday, July 25, 2023    | 1:00PM | BUYING AN EXISTING RCFE vs CONVERTING A HOME                                   |
| Tuesday, August 22, 2023  | 1:00PM | GUEST - Obtaining An Assisted Living Waiver Can Increase Your Net Profits      |
| Tuesday, Sept. 26, 2023   | 1:00PM | "THE IMPORTANCE OF CONTROLLING EXPENSES"                                       |
| Tuesday, October 24, 2023 | 1:00PM | GUEST Matt Meader - The Many Benefits of Assisted Living Software              |
| Tuesday, Nov. 28, 2023    | 1:00PM | "PERFORMING YOUR DUE DILIGENCE WHEN BUYING A HOME"                             |

## **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!**

**(949) 397-4506 • [www.RCFEresource.com](http://www.RCFEresource.com)**