

# RCFE Resource

BUY, SELL & LEASE WITH CONFIDENCE

January 2026

Call us **TODAY** for a  
**FREE** valuation of  
your care home  
and business.  
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## Investment Opportunities in Assisted Living for 2026

Assisted living enters 2026 with rising occupancy, tight new supply, and capital markets cautiously reopening. The winners this year will be operators and investors who move with precision, discipline, and strategic execution.

### OPPORTUNITY LANDSCAPE OVERVIEW

The 2026 environment is defined by:

- Rising occupancy across most markets
- Limited new development due to high construction costs
- Capital availability at higher coupons
- A widening affordability gap for middle income seniors

This creates a rare window where well positioned communities and operational mastery outperform aggressive expansion.

### CAPITAL & RETURNS

#### Debt & Equity Outlook

Capital is flowing again, but underwriting is tighter and coupons are higher. Transactions are increasing as rent growth stabilizes above 4% and occupancy strengthens.

#### Risk Adjusted Returns

The strongest opportunities lie in stabilized suburban assets and light value add projects with clear operational levers. Ground up development remains risky without entitlements and preleasing secured.



# Ask The Broker

## WHY BUY INSTEAD OF LEASE?

### Q: Why Do Smart RCFE Owners BUY Instead of Lease – Even When Interest Rates Are High?

**A:** If you've been hesitating to purchase an RCFE because interest rates are elevated or lending standards feel tighter, let me give you the truth most operators never hear:  
**Wealthy owners don't wait for "perfect conditions." They make strategic moves that build long term power.** And in the RCFE world, **ownership is power.**

Leasing might feel easier today, but it's the most expensive long term decision you can make. Here's why.

#### THE REAL REASON TO BUY: YOU'RE BUILDING AN ASSET, NOT YOUR LANDLORD'S

When you lease, every dollar you pay is gone forever. When you buy, every dollar you pay builds equity.

In California's major metro areas, most RCFEs lease for **\$5,000-\$8,000 per month**. Over a standard five year commercial lease, that means:

Monthly Rent	5 Year Total Paid
\$5,000	\$300,000
\$8,000	\$480,000

That's **\$300K-\$480K** of pure value you hand to someone else.

Let me put it bluntly: **You're paying a mortgage either way. The only question is whose.**

#### OWNERSHIP VS. LEASING – THE STRATEGIC BREAKDOWN

##### OWNERSHIP ADVANTAGES (THE WEALTH PATH)

- **Equity Growth** – Every payment increases your net worth.
- **Appreciation** – California RCFE properties have historically risen in value, especially with demand outpacing supply.
- **Tax Incentives** – Depreciation, mortgage interest deductions, and other benefits that tenants never receive.
- **Control** – No rent hikes, no lease restrictions, no landlord dictating your operations.
- **Improvements Build Your Asset** – Every upgrade increases your property value.

##### OWNERSHIP CHALLENGES

- Higher upfront capital
- Responsibility for maintenance
- More documentation and underwriting

But these aren't obstacles. They're filters. They separate operators who think like tenants from operators who think like owners.

##### LEASING ADVANTAGES (THE SHORT TERM PATH)

- Lower upfront cost
- Flexibility to relocate
- Potentially reduced maintenance obligations

##### LEASING DISADVANTAGES

- Zero equity
- Exposure to rent increases
- Improvements benefit the landlord
- No long term wealth creation

**Leasing is a temporary solution.**  
**Ownership is a wealth strategy.**

#### THE MARKET REALITY: DEMAND IS RISING, SUPPLY ISN'T

California's RCFE market is driven by demographics, scarcity, and long term need. Demand continues to outpace supply, and no major correction is predicted. That means:

- **Your property is likely to appreciate.**
- **Your equity grows while you operate.**
- **Your exit value increases over time.**

This is why sophisticated operators buy early, buy smart, and buy before prices climb further.

#### THE BOTTOM LINE

If you want convenience, lease.

If you want control, wealth, and long term leverage, you buy.

Every month you lease, you're building someone else's fortune.

Every month you own, you're building your own.

The choice is simple:

**Operate like a tenant, or think like an investor.**

*Feel free to reach out with further questions! RCFE Resource is here to guide you every step of the way. We can help you find suitable properties and can refer you to the necessary consultants and agencies who will facilitate your dream of owning an RCFE, ARF or ASSISTED LIVING FACILITY.*

## Current Listings



To view our current listings  
visit our website at

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

## CURRENT LISTINGS

### SANTA ROSA - RCFE FOR SALE

- LICENSED FOR 5
- 4 BDR/2 BA, 2,390 SQ. FT.
- \$925K HOME; \$160K BUSINESS

## COMING SOON

(please call for details)

### EL CAJON - ARF FOR SALE

- REAL ESTATE AND BUSINESS
- LEVEL 2
- 6 BDR/3 BA, 2500 SQ. FT.
- VERY WELCOMING HOME!

### ROSEVILLE - RCFE FOR SALE

- REAL ESTATE AND BUSINESS
- 7 BDR/4 BA, 2900 SQ. FT.
- GORGEOUS HOME

### MURRIETA - RCFE FOR LEASE

- 5 BDR/3 BA, 2500 SQ. FT.
- WONDERFUL LOCATION

### WEST HILLS - RCFE FOR LEASE

- 7 BDR/5 BA, 3700 SQ. FT.
- STUNNING HOME

### TRACY - RCFE FOR LEASE

- 5 BDR/3 BA, 2500 SQ. DT
- LAKEFRONT PROPERTY
- QUIET NEIGHBORHOOD

PLUS: MORE listings  
on the way!

ALF | RCFE | ARF



## HIGH POTENTIAL STRATEGIES FOR 2026

### Middle Market Assisted Living

The most underserved demographic in senior housing. Cost efficient designs, shared services, and transparent pricing will capture demand that is outpacing supply.

### Memory Care Integration

High acuity demand is rising. Communities that expand memory care with disciplined staffing and strong safety systems will capture higher margins.

### Adaptive Reuse & Light Value Add

Underperforming assets offer strong upside. Reposition through unit mix optimization, care model modernization, and technology upgrades.

### Home Like, Small Format Models

Consumers prefer warmth and personalization over luxury finishes. Boutique environments deliver premium occupancy without luxury level capex.

### Operational Excellence as Alpha

2026 rewards operators who master staffing systems, documentation, acuity management, and resident experience. Precision is the new competitive moat.

## OPERATIONAL RESPONSES FOR 2026

- Strengthen compliance systems
- Invest in documentation and interoperability
- Build workforce pipelines and retention programs





# POLICY CHANGES AFFECTING ASSISTED LIVING IN 2026

**Key Regulatory Shifts**  
Converging Oversight & Documentation Standards  
States and payers are tightening expectations around safety, staffing, and record keeping.

**Medicaid Environment Changes (OBBBA)**  
Policy experimentation and fiscal restraint will require stronger infrastructure and interdisciplinary teams.

**Budget Bill Impacts (Starting January 2026)**  
Expect ripple effects across Medicaid expansion incentives, ACA marketplace costs, and health system dynamics.

**Payment Model Adaptations**  
Understanding adjacent models (e.g., PDPM) is essential for managing referrals, acuity, and documentation.

## SIDE BY SIDE PRIORITIES FOR 2026

FOCUS AREA	PRIMARY GOAL	KEY LEVERS	MAIN RISKS
Investment	Deploy capital into demand rich segments	Middle market AL, memory care, adaptive reuse, operational excellence	Higher debt costs, affordability constraints, execution risk
Policy	Maintain compliance & resilience	Documentation, staffing, payer alignment, infrastructure	Regulatory tightening, Medicaid shifts, audit exposure

## PRACTICAL STEPS FOR 2026

- Screen portfolios for strong submarkets and operational upside
- Allocate capital expenditures to safety, memory care, and documentation tools
- Pilot affordability strategies for middle income seniors
- Update standard operating procedures and run internal compliance audits

## OUTLOOK INTO LATE 2026

Occupancy, rate growth, and transaction volume are aligning for stronger performance.

The supply demand imbalance will persist, favoring operators and investors who lean into affordability, compliance readiness, and operational precision.

## DID YOU KNOW?

When it comes to owning or expanding an **RCFE (Residential Care Facility for the Elderly)** or **ARF (Adult Residential Facility)**, most medical professionals don't realize they're sitting on one of the most powerful financing tools available in the United States: **SBA financing**.

And yes – it's available to far more professionals than you might think.

### Eligible Medical & Healthcare Professionals Include:

- Doctors
- Nurses
- Nurse Practitioners
- Physician Assistants
- Physical Therapists
- Occupational Therapists
- Pharmacists
- Dentists
- Chiropractors
- Veterinarians
- Mental Health Professionals
- Social Workers
- Healthcare Administrators

If you're in the business of caring for people – the SBA is often willing to help you own the business itself.

## WHY THE SBA WANTS YOU TO OWN AN RCFE OR ARF

The Small Business Administration (SBA) is essentially a government-backed engine designed to stimulate business ownership, job creation, and economic growth. One of the ways it does this is by guaranteeing loans for qualified buyers – especially in industries that provide essential community services like assisted living and residential care.

And here's what most people never hear:

### The SBA Will Finance:

- Up to 90% of the real estate acquisition for an RCFE or ARF
- 80-90% of the business acquisition (goodwill, FF&E, working capital) for qualified buyers with the right experience

This means you can acquire a multimillion dollar facility with a fraction of the capital traditionally required.

### Understanding SBA Financing (The Basics)

SBA financing isn't complicated – but it is misunderstood. Here are the essentials:

#### Key Points

- Government backed guarantees reduce lender risk, making approvals more accessible.
- Lower down payments allow buyers to preserve cash for operations and growth.
- Longer repayment terms (often 25 years for real estate) keep monthly payments manageable.
- Flexible use of funds covers real estate, business acquisition, renovations, equipment, and working capital.
- Attractive interest rates compared to conventional commercial loans.
- Ideal for first time owners with relevant healthcare or management experience.

But here's the truth most people never hear...

### All SBA Lenders Are Not Created Equal

Just because a bank offers SBA loans doesn't mean they understand the assisted living or residential care industry.

RCFE and ARF transactions are highly specialized.

They require lenders who:

- Understand licensing requirements
- Know how to underwrite census driven revenue
- Recognize the value of caregiver based operations
- Have experience closing RCFE/ARF deals

If your lender doesn't do these transactions in the normal course of business, you're risking delays, denials, or worse – a deal that falls apart after months of work.

This is why serious buyers work only with experienced SBA lenders who specialize in assisted living and residential care facilities.

### Your Next Step

If you're considering buying, expanding, or refinancing an RCFE or ARF, you don't need just any SBA lender – you need the right one.

RCFE Resource can connect you with qualified SBA lenders who understand this industry inside and out.

**Because in business – especially in assisted living – the right financing partner isn't optional. It's the difference between closing your deal... and watching someone else take the opportunity you wanted.**



## REGIONAL PROJECTIONS FOR CALIFORNIA ASSISTED LIVING FACILITIES – 2026 OUTLOOK

Senior living demand across California is entering 2026 with solid momentum. Occupancy continues to rise, new development remains limited, and demographic tailwinds are strengthening. Financing is available—though at a premium—and affordability for middle income seniors remains a persistent challenge. Nationally, assisted living is projected to grow at an estimated 8.7% Combined Annual Growth Rate through 2033, with the West region among the strongest demand centers.

### CALIFORNIA REGIONAL SNAPSHOT: 2026

REGION	DEMAND DRIVERS	SUPPLY & OCCUPANCY	PRICING & AFFORDABILITY	KEY RISKS & OPPORTUNITIES
Northern California	Aging population; high income tech corridors; strong memory care need	Limited new supply; stable to rising occupancy	Higher rates; pronounced affordability gap	Workforce costs; strong value add via care model upgrades
Central California	Growing 65+ cohort; lower cost base; suburban infill	Moderate supply; improving occupancy	Price sensitive; middle market opportunity	Staffing execution risk; efficient design differentiation
Southern California	Large senior population; diverse payer mix; dense submarkets	New supply constrained; occupancy improving	Wide pricing range; acute affordability pressure	Adaptive reuse potential; premium on compliance

## EXPLORING YOUR OPTIONS?

**With monthly insights on pricing trends, buyer activity, and regulatory shifts, we help RCFE and ARF owners make informed profitable decisions. Obtain your FREE data driven valuation TODAY.**

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