

RCFE Resource

BUY, SELL & LEASE WITH CONFIDENCE

May 2025

Call us **TODAY** for a
FREE valuation of
your care home
and business.
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RCFE RESOURCE MARKET REPORT

Accurate Pricing is Crucial

As sellers encounter the slowest Spring Market since the COVID lockdown in 2020, careful, deliberate pricing is essential to secure success.

REDUCE AND NET LESS

Imprecise pricing results in longer market times, price reductions, and walking away with a smaller net proceeds check.

Time for spring cleaning and garage sales. Many care home owners (RCFEs, ARFs) participating in the neighborhood garage sale quickly realize the importance of careful, meticulous pricing. Most buyer activity occurs the moment items are strategically placed on the driveway. After the first hour or two, the crowds diminish and sellers are left scratching their heads and second-guessing their pricing. After adjusting the price lower, they know that the longer they wait, the fewer shoppers arrive, and the higher the probability they will not be able to move their used merchandise.

Today's sellers are also realizing the importance of careful, meticulous pricing. It does not feel like a typical Spring Market. There is much more seller competition, the market is slowing weekly, and sellers are left second-guessing their price. They realize that the spring clock is ticking. The longer sellers are on the market, the fewer buyer showings, and the more doubt sets in.

Precise pricing is crucial in securing success, especially this year. It sets the stage for immediate buyer interest and is the most critical first impression before a buyer even sets foot in a care home. Today's buyers are educated and understand value after immersing themselves in the available care home market for several weeks. They utilize their favorite real estate app and wait for the next care home to hit the market. They look at every photo and soak in all the

details: gross and net income, bedrooms, bathrooms, square footage, condition, upgrades, location, lot size, amenities, year built, garages, storage, view, etc. **The price is most important.** It is the differentiator between a buyer choosing to see the care home in person or waiting for the care home to hit the market.

After the initial month of coming on the market, most seasoned buyers have seen a care home. Even if they decide not to tour the house in person, they feel as if they have at least completed a "phone tour" and are ready to move on to the next one. The longer a care home is exposed to the market, the less activity it receives. **Many sellers mistakenly expect a giant boost in showing activity after adjusting the asking price lower. When a seller reduces the asking price, it is not typically met with eager anticipation and excitement like when it was initially placed on the market.** For example, in Orange County California, one of the larger metro areas in the State, 33% of all active home listings (which may include RCFE and ARF listings) have reduced the asking price at least once. **Sellers do not get a second chance at the initial first impression.**

Meticulous pricing is the best strategy to walk away with the most money in the least amount of time. Yet, when a seller starts overpriced, requiring a reduction to secure success, the seller walks away with less. The sales price to last list price ratio demonstrates that accurate pricing is crucial. This refers to the final list price before becoming a pending sale. These are averages, meaning there are exceptions,

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Ask The Broker

THE RIGHT REAL ESTATE INVESTMENT CAN FUND YOUR RETIREMENT

Q: Can Investing In Care Homes Enhance My Retirement Strategy?

A: Investing in care home or assisted living facility real estate requires thoughtful consideration. While a low-priced property may attract attention, several crucial factors must be evaluated to ensure a sound investment that positively impacts your financial future. Here are key considerations:

1. Renovation Costs:

A seemingly "good deal" can quickly become a money pit. Assess the facility's condition and anticipate potential renovation costs. Significant upgrades can strain your cash flow, especially if unexpected repairs arise. Understand both immediate and long-term expenses before proceeding.

2. Cash Flow Management:

Ensure you have a robust cash flow strategy to support necessary renovations. A solid financial plan is essential to avoid strain and maintain the viability of your investment.

3. Location Matters:

The right location is vital. Look for expanding neighborhoods with increasing demand for care services. Proximity to hospitals and emergency services is a bonus, appealing to both residents and their families.

4. Market Saturation:

Research local market saturation. A competitive area might indicate demand, but excessive supply could limit your ability to attract residents and impact profitability.

5. Accessibility:

Ensure the facility is easily accessible for residents and visitors alike. Features like ramps and elevators enhance movement and convenience, which are critical factors for families choosing a care home.

6. Growth Potential:

Consider future growth opportunities in the area. Developments such as new hospitals or community centers can lead to increased demand for assisted living services, boosting revenue potential.

7. Quality of Care:

Always focus on delivering high-quality care that meets or exceeds regulatory standards. A reputable facility will become a preferred choice for families, enhancing your facility's attractiveness.

In conclusion, while investing in care homes or assisted living facilities can enhance your retirement strategy, due diligence is essential. Avoid the traps of a seemingly good deal by carefully evaluating each factor's impact on your investment's success. Your diligence today can pave the way for a profitable and sustainable future in the assisted living market.

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

CURRENT LISTINGS

PACOIMA: 6-BED RCFE FOR SALE

- PROPERTY AND BUSINESS
- NICHE HOME - JAPANESE-SPEAKING RCFE
- 7 BDR/6 BA, 2,450 sq. ft.
- FULLY RENOVATED AND EXPANDED
- Home \$1.30M, business \$200K

CATHEDRAL CITY: 12-BED RCFE FOR SALE

- 6 BDR/3 BA, 3,333 sq. ft.
- CONSIDERABLE VALUE-ADD POTENTIAL
- \$900K HOME; \$180K BUSINESS

RANCHO MIRAGE: 6-BED RCFE FOR LEASE

- 6 BDR/4 BA, 2,227 sq. ft.
- GORGEOUS RCFE IN ELEGANT GATED COMMUNITY
- \$6,200 /mo. lease + \$160K business

MURRIETA: RCFE FOR LEASE

- 4 BDR/3 BA, 1,800 s.f.
- NICELY MAINTAINED PROPERTY
- \$5,800 LEASE; BUSINESS \$195K

RIVERSIDE (CITY): LUXURY HOME FOR LEASE - LICENSE AS AN RCFE

- VACANT AND UNLICENSED
- RENOVATED TO LEASE AS RCFE
- BEGIN AND LICENSE YOUR BUSINESS
- OR PERFORM A CHANGE OF LOCATION
- TRULY STUNNING HOME!
- LANDLORD WILL ACCOMMODATE
- \$6800/mo. lease

**PLUS: MORE listings
on the way!**
ALF | RCFE | ARF

STUFFED DATES WITH CHOCOLATE AND NUTS

Here's a delightfully sweet but healthy dessert your residents will love!

Stuffed Dates with Dark Chocolate & Nuts? They're elegant, naturally sweet, and require zero baking.



These little gems are sweet, chewy, crunchy, and velvety all at once—plus, they're a classy, effortless treat with a naturally beautiful presentation.

Ingredients:

- Medjool dates (large and soft)
- Dark chocolate (melted)
- Crushed almonds, pistachios or walnuts
- A pinch of sea salt
- **Optional:** A drizzle of almond butter for extra richness

Instructions:

1. ****Pit the Dates****—Slice them open, remove the pit, and gently stuff each one with crushed nuts. Alternatively, you can add or replace with fruit-flavored cream cheese.
2. ****Dip & Drizzle****—Dip half the date in melted dark chocolate, then place it on parchment paper. If you wish, you may dip the 2nd half in white chocolate.
3. ****Sprinkle****—Add a tiny pinch of sea salt and an extra nut garnish. If you want the dates to look particularly festive, you may add multi-colored or chocolate sprinkles.
4. ****Set & Serve****—Let them chill for 10-15 minutes in the fridge to firm up.

DISCLAIMER: Menu planning in assisted living facilities should be cost-effective, nutritious, and appealing. It's crucial to consult with residents' medical staff for food sensitivities or allergies. Strategies like shopping sales, using a set menu, and incorporating seasonal menus can help manage costs and provide variety.

RCFE RESOURCE MARKET REPORT

Accurate Pricing is Crucial

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but the overall trend is mind-blowing. Accurate pricing means noticeably less time on the market.

Given the increased competition, this year is proving to be a lot harder for sellers. The supply of available care homes to purchase is approximately double over last year and at its highest level since 2020. Buyer demand (a snapshot of the number of new pending sales over the prior month) is approximately the same as last year. Demand is nearly identical to the previous two years, the Expected Market Time (the number of days it takes to sell all listings at the current buying pace) is at its highest level since the pandemic lockdown in 2020. It appears that demand reached its peak in the end of March, about 4 weeks ago, while the inventory will, at the very least, continue to rise unabated through the Summer Market. The market will continue to cool weekly until the inventory peaks much later in the year.

For care home owners about to place their care homes on the market, it is imperative to scrutinize every comparable pending and closed sale and spend as much time as possible, carefully arriving at a care home's **Fair Market Value**. This is true for the home **and** the business.

Business asking prices must be commensurate with the revenues received by the business, and Net Operating Income should be evaluated carefully to determine the appropriate asking price. That does NOT mean adding a bit of cushion for negotiations or "testing" the market to see if a price is obtainable. That amounts to wasting valuable market time and ultimately walking away with less money. For sellers who have stretched the asking price and need to adjust the asking price to secure success, the longer the wait, the slower the market will become.



CARDIAC ARREST: WHAT YOU SHOULD KNOW

Medically Reviewed by Poonam Sachdev | Written by Paul Frysh | Men's Health - WebMD

What Is It? Cardiac arrest occurs when the heart suddenly stops beating, cutting off blood flow to vital organs. It's a medical emergency—call 911 immediately.

Symptoms It happens fast: collapse, unconsciousness, no pulse, no breathing. Beforehand, warning signs might include dizziness, chest pain, or nausea—but sometimes, there are none.

What Happens? The heart's electrical system controls its rhythm. Cardiac arrest occurs when that system malfunctions, leading to a dangerous arrhythmia. The most common culprit is ventricular fibrillation.

Heart Disease Link & Other Causes Coronary artery disease increases the risk. Other triggers include major blood loss, oxygen deprivation, intense exercise (for those with heart conditions), electrolyte imbalances, genetic factors, and structural heart changes.

Not a Heart Attack or Heart Failure Unlike a heart attack, cardiac arrest causes the heart to stop entirely. A heart attack can lead to cardiac arrest. Heart failure, on the other hand, is a gradual weakening of the heart's ability to pump blood.

Risk Factors You're at higher risk if you have coronary artery disease, diabetes, high blood pressure, obesity, or a history of heart issues. Smoking, excessive alcohol, and stress may also play a role.

Emergency Treatment A defibrillator is key—it delivers an electric shock to restore normal rhythm. AEDs (automated external defibrillators) are available in public places and are simple to use—just follow the instructions. Call 911 and perform CPR until help arrives.

Hospital Care & Testing Doctors will diagnose the cause and treat underlying conditions. Tests like EKGs, cardiac imaging, and catheterization help evaluate heart health. Treatments may include surgery, medication, or lifestyle adjustments.

Implantable Defibrillators (ICD) For severe heart disease, doctors may implant an ICD—a small device that monitors heart rhythm and delivers shocks when needed.

Prevention Tips Eat a heart-healthy diet, maintain a healthy weight, manage stress, exercise regularly, and quit smoking. Taking care of your heart can reduce your risk of cardiac arrest.



THE RISING DEMAND FOR MEMORY CARE IN RCFES

As an RCFE operator, you strive for stability—predictable occupancy, steady revenue, and the ability to provide meaningful care. But the evolving landscape of senior living is reshaping expectations, and memory care is becoming essential for long-term success.

With more than 10,000 baby boomers turning 65 each day through 2027, the demand for residential care facilities for the elderly (RCFEs) is already growing. But as the oldest boomers reach 80 this year, the need for memory care will skyrocket.

Consider this:

- More than 6 million Americans currently have Alzheimer's disease, and that number is expected to nearly double by 2060.
- The lifetime risk of dementia after age 55 is about 42%, meaning nearly half of older adults will face cognitive decline.
- By 2030, over 9 million Americans could be living with dementia, and by 2040, nearly 12 million.

Despite this urgent need, the U.S. faces a severe shortage of dementia care specialists. Twenty states already qualify as "dementia neurology deserts," meaning they lack enough neurologists to provide adequate care.

For RCFE owners, this presents both a challenge and an opportunity. Facilities that embrace memory care will not only meet a critical need but also strengthen their business model with longer resident stays and higher revenue potential. The future of RCFEs is clear: Memory care is not just an option—it's a necessity.

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May 2025

IN ESCROW



**SAN BERNARDINO COUNTY -
ARF LEVEL 4i**

5 BDR/3 BA, 2,017 sq. ft.
Lovely and spacious
Huge lot (.6 AC)

IN ESCROW



**EL CAJON -
ARF LEVEL 4i**

5 BDR/3 BA, 2,200 sq. ft.
Warm and welcoming
Great location

To see additional pictures, go to www.RCFEresource.com/listings

For more information, please contact Michelle London at 949-397-4506

THINKING OF BUYING OR SELLING?

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

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