

RCFE Resource

BUY, SELL & LEASE WITH CONFIDENCE

January 2025

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



RCFE RESOURCE MARKET REPORT

A 2025 Forecast

HAPPY NEW YEAR!!!

Now, what does that mean for California real estate?

THE HOUSING MARKET IS AT THE MERCY OF RATES, SO IT ALL DEPENDS ON THE PATH OF MORTGAGE RATES IN 2025.

Two opposing forces have steered the strength of the housing market: a scarcity of available care homes and care home affordability. The year started with a lack of available care homes. Yet, as mortgage rates eclipsed 7% and remained elevated for much of the year, homes stagnated on the market, and the active inventory grew. Careful pricing was critical as seller competition increased. Care home values accelerated early in the year and then waned during the year's second half. The Federal Reserve telegraphed that they were going to start cutting rates.

Rates dropped below 6.5% in August and remained there for 42 days until October 4th, when a jobs report was released that showed that the jobs market was considerably hotter than expectations. Even though the Federal Reserve has cut the short-term Federal Funds rate by 1% (0.5% in September, 0.25% in November, and 0.25% in December, long-term 30-year mortgage rates have climbed to 7.1% today, according to Mortgage News Daily. That is 1% higher than where they were right before they cut rates by 0.5% in September.

The Federal Reserve projects the economic numbers for 2025 to be hotter than initially anticipated, and the rekindling of inflation is an additional concern. They have indicated they might not cut rates as much in 2025 as originally projected. The United States economy has been resilient, backed by a robust labor market, low unemployment,

and increasing consumer spending. Yet, some headwinds should not be ignored: credit card and automobile delinquencies have risen sharply, and new home housing starts have dropped to 2019 levels, which could lead to layoffs and impact the jobs numbers. The economy is expected to cool, but will it continue to beat expectations? Mortgage rates will drop only with subdued economic readings. The hotter the economic readings, the higher mortgage rates will remain. The economic numbers will dictate the path of mortgage rates in 2025. The forecast has three different scenarios:

Scenario 1 - Resilient, Solid Economic Numbers Starting in the Spring (our most likely case)

- Interest Rates - Look for mortgage rates to bump between 6.5% and 7% with economic readings that illustrate a robust economy in line with Wall Street and economists' expectations. The Federal Reserve will cut its short-term rate only a couple of times.
- Active Inventory - after starting the year with extremely low levels, inventory will slowly grow until peaking in September.
- Demand - buyer demand will pick up during the Spring Market due to a better rate environment compared to 2024. The housing market will heat up, and multiple offers will be the norm. Expect bidding wars during the Spring Market, but only if a care home is priced appropriately. Buyers will not be willing to stretch the price to secure a home.
- Closed Sales - the number of successful closed sales will increase.
- Home Values - home values will rise between 3% to 6% for the year.



Continued on Page 4...



Ask The Broker

UNDERSTANDING THE FED'S INTEREST RATE CUT: WHAT IT MEANS FOR YOU

Q: What Is The Significance Of The Recent Interest Rate Drop?

A: You might have heard that the Federal Reserve recently lowered interest rates by 0.25% in mid-December 2024. But what does that really mean, and how does it affect places like assisted living facilities and residential care homes? Let's break it down in simple terms.

What's an Interest Rate?

Think of interest rates as the cost of borrowing money. When the Fed lowers interest rates, borrowing money becomes cheaper. This can encourage people and businesses to take out loans and spend more, which can help boost the economy.

Why Did the Fed Lower Rates?

The Fed lowered rates because they're worried about rising inflation. Inflation means prices for goods and services are going up, which can hurt your purchasing power. By lowering interest rates, the Fed hopes to make borrowing cheaper, encouraging spending and investment, which can help keep the economy growing without prices rising too quickly.

How Does This Affect Assisted Living Facilities?

Assisted living facilities and residential care homes often rely on loans to fund expansions, renovations, or new construction. Facilities might use loans to upgrade their facilities, hire more staff, or expand services. With lower interest rates, these facilities can borrow money at a lower cost, making it easier to invest in improvements and expand services. This can lead to better facilities and more options for residents.

Looking Ahead

In the near term, lower interest rates can lead to more investment in care facilities, both assisted living and residential. This means better facilities and potentially more options for those in need of care. However, it's important to keep an eye on inflation and the Fed's future moves, as they might adjust rates again if inflation doesn't stay under control.

So, while the Fed's decision might seem like just another financial move, it has real-world implications for places that provide essential services to our communities. It's all about making borrowing cheaper to encourage growth and investment, which can ultimately benefit everyone.

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.

Current Listings



To view our current listings
visit our website at

www.rcferesource.com

COMING SOON
(please call for details)

DESERT PORTFOLIO

12-BED RCFE FOR SALE -

Cathedral City

6-BED RCFE FOR LEASE -

Rancho Mirage

- To Be Sold Together
- Call For Details

Santa Rosa: **RCFE FOR SALE**

- Home And Business
- 6-Bed RCFE
- Call For Details

Rancho Mirage: **RCFE FOR SALE**

- Home And Business
- 6-Bed RCFE
- Call For Details

**PLUS: MORE listings
on the way in 2025!**

**Including:
Diamond Bar
Inglewood
El Cajon**

ALF | RCFE | ARF

NO BAKE PHILADELPHIA MINI-CHEESECAKE WITH EASY OAT CRUST



Ingredients:

PHILADELPHIA CHEESECAKE FILLING

- 10oz / 300g Philadelphia cream cheese
- 1 tbsp honey (or more to taste!)
- 1 tsp vanilla

HEALTHY OAT CRUST:

- 1 cup oats
- 1 tbsp coconut oil, (it's a heaping spoon)
- 1 tsp cinnamon
- 1 tsp honey

Once you've got both the filling and the crust ready, you've got 2 options:

- make a one cheesecake or
- make 8 mini cheesecakes.

Either way, you'll add the crust ingredients first, press them down tightly together until that mixture looks like crust. Add the filling on top and flatten with a silicone spatula or the backside of a spoon can work, too.

If you choose to use silicone muffin cups, as I did for the mini cheesecakes, I recommend you freeze the cheesecakes for an hour, then take off the liners and store the cheesecakes in the fridge or freeze again.

If you make a bigger cheesecake, use a springform pan. You might actually find using parchment paper helpful (I usually don't use it). In that case, leave the cheesecake in the fridge for at least 3-4 hours.

Instructions:

1. Mix the ingredients for the filling in a bowl with a fork until combined.
2. For the crust you can either blend the ingredients or use melted coconut oil (or butter) and ground oats (use your coffee grinder if you don't have a blender) and just mix in another bowl until you get a crumbly, but sticky mixture.
3. Spread the ingredients for the crust in a container of your choice. I decided to make mini cheesecakes, so I separated the crust and filled 8 silicone muffin cups with 2 tsp of crust each. Then press the mixture for the crust down and flatten with a spoon.
4. Spread the filling on top and flatten with a silicone spatula.
5. Freeze for at least one hour and pop the cheesecakes out of the silicone cups then transfer to the fridge (or freeze again*). If you're making a bigger cheesecake, you can make it in a smaller springform and refrigerate for 3-4 hours or overnight. Top with fresh berries.

NOTES: *Allow to defrost for 10-15 minutes before eating!

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

A 2025 Forecast

Continued from Page 1...



Scenario 2 - Economy Cools During the Spring (15% chance)

- Interest Rates - mortgage rates will drop to between 6% and 6.5%, with economic readings illustrating a slowing economy and lower than Wall Street and economists' expectations. The Federal Reserve will cut more than expected, dropping the Federal Funds rate four times.
- Active Inventory - starts slow and ends well below pre-COVID levels.
- Demand - buyer demand will pick up substantially during the Spring Market. The housing market will heat up as rates remain below 6.5% with duration. Multiple offers and bidding wars will prevail, and buyers will be willing to stretch the price to secure a home.
- Closed Sales - the number of successful closed sales will increase.
- Home Values - home values will rise between 5% to 8% for the year.

Scenario 3 - Stronger Economic Numbers, Stronger Jobs Market, and a Rise in Inflation Risk (15% chance)

- Interest Rates - mortgage rates will remain above 7% for most of the year, with economic readings that illustrate a robust economy and a very strong labor market, exceeding Wall Street's and economists' expectations. The Federal Reserve will be forced not to cut the Federal Funds Rate.
- Active Inventory - after starting the year with low inventory levels, inventory will rise modestly, well below pre-COVID levels.
- Demand - buyer demand will be sluggish during the Spring and Summer Markets, with rates stuck above 7% with duration. The Spring Market will feel short as the inventory quickly rises and the market slows, similar to this year. Buyers will be unwilling to stretch the price to secure a home. With more seller competition, proper pricing will be critical to ensure success.
- Closed Sales - the number of successful closed sales will increase slightly above 2024's sluggish market.
- Home Values - home values will be down 1% to up 1% for the year.

Additionally, the housing market will follow a typical housing cycle. Spring is the strongest in terms of demand, followed by the Summer Market, then the Autumn Market, and finally the Holiday Market. Luxury care homes will be at their strongest for the first half of the year and then will become more sluggish with longer market times during the second half. Finally, do not expect a wave of foreclosures and short sales. Distressed properties are still far below pre-pandemic levels, and the housing stock (all homeowners across the country) is the healthiest in U.S. history.

The bottom line is that nobody truly knows the actual path of the United States economy in 2025. Based on monthly economic releases and where they align with expectations, rates will be between 6% and 7.5%. Housing is at the mercy of rates. How hot the housing market gets in 2025 depends upon the economy's strength.

Happy New Year!

FIVE COMMON MEDICATIONS THAT COULD CAUSE DEMENTIA

Adapted From Article By Rebecca Whittaker For MailOnline

Common prescription and over-the-counter drugs might unknowingly increase your dementia risk, a doctor has warned. Dementia impacts millions globally, robbing them of memory and independence. Research suggests 40% of cases could be prevented with simple lifestyle changes. Factors like smoking and drinking can increase dementia risk, as can some medications.

Dr. Zain Hasan, a Los Angeles-based anesthesiologist, informed his TikTok followers that five drugs, including some antidepressants, painkillers, and allergy meds, are linked to dementia. He warned that long-term use of antihistamines and anticholinergics, used for allergies, hay fever, eczema, hives, and conjunctivitis, is associated with dementia.

A 2015 US study found a link between increased anticholinergic doses and dementia among 3,400 participants aged 65+. A 2024 study in the Journal of Allergy and Clinical Immunology found a dose-dependent dementia risk increase in antihistamine users, based on data from Taiwan's National Health Insurance Research Database involving 700,000 patients.

Opiates, like morphine, used for pain relief, can also increase dementia risk with long-term use. Dr. Hasan noted that prolonged sedation from these drugs can lead to dementia. A 2024 study found a 15% higher dementia risk in opiate users among over a million

chronic pain patients.

Long-term use of omeprazole, a common heartburn medication, may also increase dementia risk. A study in Neurology found a 33% higher dementia risk in people using PPIs for over four-and-a-half years compared to non-users.

Benzodiazepines, like Valium and Xanax, used for anxiety, insomnia, and seizures, are believed to raise dementia risk with long-term use. Dr. Hasan explained that these drugs numb the brain, and extended use, especially for sleep, can cause dementia. A study involving 2,000 Alzheimer's patients and 7,000 without found significantly higher Alzheimer's risk with 3-6 months and over six months of benzodiazepine use.

Dr. Hasan also highlighted that tricyclic antidepressants (TCAs) might increase dementia risk. He emphasized that medications affecting the brain, except omeprazole, cross the blood-brain barrier and long-term sedation can lead to dementia. He urged patients to consult their doctors before stopping medications like opioids and benzodiazepines and to discuss dementia risks.

Today, about 6.7 million Americans aged 65 and older live with Alzheimer's dementia, a number projected to reach 13.8 million by 2060. Alzheimer's is the most common type of dementia, affecting 50-75% of diagnosed cases.

HANDWASHING PREVENTS DISEASE

WebMD, Medically Reviewed by Poonam Sachdev | Written by John Donovan

The Centers for Disease Control says hand-washing is like a do-it-yourself vaccine. It's one of the best ways to stop germs in their tracks so you (and others) don't get sick. Wash often and well. Spend at least 20 seconds at the sink for each session. That's about as long as it takes to hum the "Happy Birthday" song all the way through two times.

How to Wash Your Hands

The procedure is:

1. Water
2. Lather
3. Scrub for at least 20 seconds
4. Rinse
5. Dry

A hand sanitizer with 60% alcohol is OK, but soap is better.

Make sure to wash up:

- Before, during, and after preparing food
- Before you eat
- After you use the bathroom (or help a resident)
- After petting a pet
- When you sneeze
- Anywhere, anytime germs may gather



FERMENTED FOODS FOR BOOSTING HEALTH

Adapted From Nourish by WebMD | Medically Reviewed
by Christine Mikstas, RD, LD | Written by Julie Davis

We all want healthy residents. The latest research highlights the importance of the gut microbiome and the essential role it plays in our overall health. This article explores how inclusion of fermented foods in a well-balanced diet may articulate myriad and diverse health benefits.**

Digging Into Fermented Foods Benefits

The clamor over fermented foods is recent, but we've been enjoying them for about 10,000 years. People originally fermented foods to preserve them. Today, it simply adds to their flavor. Think of rich dairy like Greek yogurt, kefir, cheddar and Stilton cheeses, yeasty sourdough bread, crunchy pickles, tangy sauerkraut, spicy kimchi, and drinks like kombucha.

Big Boosts From Tiny Organisms

Besides good taste, fermented foods are loaded with certain strains of good bacteria and yeast. These happen naturally in some foods. Others have cultures added to them. Eating these foods helps balance good and bad bacteria in your intestinal tract. That can boost overall health in ways that science has just started to uncover. Many studies have been small, but results are promising. Here's what we know so far.

Your Gut Reaction

The benefits of fermented foods start in your digestive system -- your gut. The gut is called your second brain because of its powerful influence on many aspects of your health, from mood and behavior to appetite and weight. It even affects your immune system. Feeding it with fermented foods helps give you a better mix of the bacteria known as the gut biome. That boosts gut health and, in turn, all the body functions that your gut supports.

Keeping Blood Sugar in Check

Studies show that yogurt has a link to lower blood sugar. It can also help ward off metabolic syndrome and its serious result, type 2 diabetes. Choose yogurt rich in probiotics over the regular kind for the most benefits. If you already have diabetes, eating yogurt with multiple strains of bacteria and yeast can help keep all your numbers in line: blood sugar, blood

pressure, and cholesterol.

Fermented Foods Fight Obesity

Studies show the gut biome of lean people is very different from that of people with obesity. Having a healthy biome can help to prevent or manage obesity. Besides fermented dairy like yogurt, two popular Korean foods may help you get a healthy biome and ward off weight gain: green vegetable-based kimchi (usually made from Napa cabbage) and chungkookjang, a type of fermented soybean.

Help for High Blood Pressure

You can lower your chances of high blood pressure by eating fermented foods. Top choices are soy foods, like miso and natto. Fermented dairy with multiple strains of helpful bacteria and yeast is also good. They help block an enzyme that has a connection to raising blood pressure. If your blood pressure is already high, eating fermented foods regularly can shave a few points off both the systolic and diastolic readings.

Warding Off Heart Disease

It's possible that fermented foods can help you stay clear of heart disease. A study done in Finland found that people who eat low-fat fermented dairy -- less than 3.5% fat -- had a much lower risk than people who ate other types of dairy or high-fat fermented foods. Research from Sweden and the Netherlands also found this benefit.

Lowering Bladder Cancer Risk

The same studies done in the Netherlands and Sweden that found heart benefits from fermented dairy foods also reported a link to a lower risk for bladder cancer. Again, these benefits weren't seen with regular dairy.

Breathe Easier

The benefits of fermented foods can be very wide-ranging. In addition to offering some protection from diabetes, kimchi might ward off asthma and eczema, also called atopic dermatitis.

Continued on Page 7...

FERMENTED FOODS FOR BOOSTING HEALTH

Continued from Page 6...

Ease Digestive Issues

The gut biome of people with bowel disorders is different than that of healthy people. This is likely due to the inflammation these conditions cause. Fermented foods can help fight inflammation and be part of your plan to manage conditions like irritable bowel syndrome and inflammatory bowel diseases like Crohn's and ulcerative colitis.

Boost Brain Health

Limited research shows that some of the bacteria in fermented foods can jumpstart serotonin, a brain chemical that boosts feelings of well-being. That's because the gut and the brain have a strong connection -- so much so that improving your gut biome can improve the central nervous system. It might also help ease anxiety or depression and boost cognitive function -- your ability to think, remember, and learn.

Lower Your Pain Response

Just as your gut biome can influence your emotions, it can affect how you feel pain. Belly pain, migraine, chronic fatigue syndrome (CFS), and long-term back pain have a strong link to a less-than-ideal gut biome. Studies show that improving gut bacteria -- along with other anti-inflammatory diet changes -- may help with pain sensitivity and other symptoms of conditions like CFS.

Fermented Foods for Oral Health

The benefits of fermented foods can start at the first part of your digestive system: your mouth. Good bacteria can feed the biome inside your mouth and lead to better oral health. That could mean less dental plaque and tartar buildup. It could also help stop cavities and even gum disease.

Help for Your Immune System

Your immune system relies on gut health to function properly. Gut imbalances can throw it off. Feed your gut the healthy bacteria in fermented foods and you can strengthen your immune response. That's your body's ability to fend off diseases.

Choosing Fermented Foods

We don't yet know how well helpful bacteria survive digestion, so it isn't possible to say how much to eat daily. But different fermented foods have different strains, so go for variety. Look for foods with active types of lactic acid bacteria, among the best strains for the gut. But know that not all fermented foods have helpful bacteria. For instance, beer loses them during processing. Baking and canning foods can also make them inactive.

**** Before integrating fermented foods into your residents' diets, we suggest consulting with their physicians to determine whether they are suitable for your residents.**

DID YOU KNOW...?

Listening to music after surgery might help in reducing pain, anxiety, and heart rate, according to a review of 35 studies. The research, which has not been published in a peer-reviewed journal yet, suggests that music could also decrease the need for pain medications like morphine. Dr. Eldo Frezza from California Northstate University highlighted that patients often wake up scared from anesthesia, and calming music could potentially help. Early research points to music's ability to lower stress hormone levels, providing anxiety and pain relief, which might save on healthcare costs if morphine use is reduced.

However, the study did not specify the type or duration of music best for healing. Personalized music therapy, where a therapist tailors music based on individual assessments, shows promise in some hospitals. Dr. Joanne Loewy from Mount Sinai Hospital emphasized the need for more detailed research, noting the complexity of selecting patient-specific music. While music therapy is beneficial, it isn't yet widespread in recovery rooms. For now, listening to your favorite music through headphones or speakers may offer some benefits post-surgery.

RCFE Resource

BUY, SELL & LEASE WITH CONFIDENCE

January 2025

DESERT PORTFOLIO COMING SOON



CATHEDRAL CANYON
CATHEDRAL CITY: LOVELY
12-BED RCFE FOR SALE



ESTRELLA
RANCHO MIRAGE: EXCEPTIONAL
6-BED RCFE FOR LEASE.

MUST BE PURCHASED TOGETHER. CALL FOR DETAILS.

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!**

(949) 397-4506 • www.RCFEresource.com