

RCFE Resource

BUY, SELL & LEASE WITH CONFIDENCE

March 2025

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

Care Seller Competition

More care homes are on the market, more homeowners are deciding to sell than in the last couple of years, and more are coming as housing makes its way to spring.



A CLIMBING SUPPLY OF HOMES

The active inventory is at its highest early-March level since 2020.

The cookies have arrived! It is Girl Scout season once again. There are times when there is an overabundance of young Girl Scouts attempting to sell as many boxes as humanly possible. Some go door to door, others pivot to the local grocery store, while many turn to their parents' workplaces to increase their sales count. When too many hit the same neighborhood, the competition amplifies; for some, it is very hard to sell their cookies.

That is precisely what is happening in the real estate market in most of the larger metros in California. Many more sellers of care homes in general and residential care homes in particular are hitting the market, the competition is amplifying, and it is getting harder for some to sell their care homes.

The inventory has been rising due to the higher mortgage rate environment. The Federal Reserve raised the short-term Federal funds rate 11 times from March 2022 through July 2023, and long-term mortgage rates exploded higher from 3.25% in January 2022 to over 7% eight months later in September. They have remained above 6% ever since and have been stuck, for the most part, above 7%

since July 2023. Higher mortgage rates have precluded many care home buyers from entering the market, citing affordability concerns.

More and more homeowners who have placed their desire to sell on hold as they wait for mortgage rates to ease have grown tired of waiting. It has been 30 months since mortgage rates were last under 6%. Everyone is realizing that the higher mortgage rate environment will not go anywhere anytime soon. This has resulted in more homeowners coming on the market compared to the last couple of years. As time progresses, even if rates remain elevated, the number of sellers coming on the market will normalize and return to pre-pandemic levels.

These extra care home sellers coming on the market have been matched with similar demand levels that have not changed much in the last couple of years. When there are more sellers yet similar demand, the extra sellers accumulate, and the active inventory rises. Competition among sellers increases. That is precisely what occurred in 2024. And, with more sellers coming on this year, the inventory will continue to increase as long as rates remain around 7% or higher.

The market time rises when a growing inventory is paired with lower demand. That is precisely why the housing market is at its

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Ask The Broker

STRATEGIES FOR ATTRACTING NEW RESIDENTS

Q: What Are Some Effective Marketing Strategies To Attract Residents To Our Care Facility?

A: As an owner or operator of an assisted living facility or residential care facility, attracting new residents is essential for the success and sustainability of your business. Instead of relying on agencies that charge hefty referral fees, consider implementing effective marketing strategies that can help you connect directly with your community and potential clients. Here are some techniques to enhance your marketing efforts and attract clientele:

1. Build a Strong Online Presence

In today's digital age, having a solid online presence is crucial. Start by creating a professional website that showcases your facility, services, and unique offerings. Ensure your website is user-friendly and optimized for search engines (SEO) to increase visibility. Consider including:

- **Virtual Tours:** Offer virtual tours of your facility, allowing potential residents and their families to explore your space from the comfort of their homes.
- **Testimonials and Reviews:** Share positive testimonials from current residents and their families to build trust and credibility.

2. Leverage Social Media

Social media platforms such as Facebook, Instagram, and LinkedIn can be powerful tools for connecting with your community. Here are some effective strategies:

- **Engaging Content:** Share engaging content, including updates about activities, resident stories, and health tips for seniors. Use images and videos to capture attention.
- **Community Interaction:** Engage with your audience by responding to comments, asking for feedback, and hosting live Q&A sessions about your services.

3. Host Community Events

Hosting events at your facility can help raise awareness and foster relationships within the community. Consider the following:

- **Open Houses:** Invite the community to tour your facility and meet your staff. Offer refreshments and informational materials about your services.
- **Health and Wellness Workshops:** Organize workshops on topics relevant to seniors, such as nutrition, fitness, or mental health. This positions your facility as a knowledgeable resource. Or host a CPR training session for your community.

4. Networking with Local Healthcare Providers

Building relationships with local healthcare professionals can lead to referrals without the high costs associated with agencies. Here's how to get started:

- **Educate Providers:** Reach out to doctors, hospitals, and rehabilitation centers to inform them about your services and the types of residents you serve.
- **Collaborative Events:** Partner with local healthcare providers to co-host events or workshops, expanding your reach and establishing credibility.

5. Utilize Local Advertising

Targeted local advertising can effectively reach families seeking assisted living options. Consider these methods:

- **Community Newspapers and Magazines:** Advertise in local publications that cater to seniors and their families.

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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

CURRENT LISTINGS

**DESERT PORTFOLIO
PRICE IMPROVEMENT!**
**CATHEDRAL CITY: 12-BED RCFE
FOR SALE**
**RANCHO MIRAGE: 6-BED RCFE
FOR LEASE**

- To Be Sold Together Or Separately
- 12 bed: \$950K home; \$220K business
- 6 bed: \$6,800 lease + \$180K business

**EL CAJON: ARF FOR SALE -
LEVEL 4I**

- Vacant But Licensed And Vendored For 4
- 5 BDR/3 BA, 2,120 s.f.
- Lovely home!
- Seller will provide training
- \$1.050M home; \$125K business

**ARROYO GRANDE: 6-BED RCFE
FOR SALE**

- 3 BDR/3 BA, 2,120 s.f.
- On Beautiful Hillside!
- Nice Neighborhood
- HOME: \$1.10K; BUSINESS \$180K

**KERN COUNTY: ASSISTED
LIVING FACILITY FOR SALE - 80+
BEDS**

- ALW COUNTY!
- \$9.5M - REAL ESTATE + BUSINESS
- CALL FOR DETAILS

MURRIETA: RCFE FOR SALE

- 6 BEDS - Highly Upgraded
- Property And Business
- 5 BDR/3 BA, 2,500 s.f.
- \$1.275M HOME AND BUSINESS
- CALL FOR DETAILS

RIVERSIDE: RCFE FOR LEASE

- 4 BDR/3 BA, 1,800 s.f.
- Nice Property
- \$4,800 LEASE
- BUSINESS PRICE TBD
- CALL FOR DETAILS

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

ALF | RCFE | ARF



HEALTHY MATCHA GREEN TEA BLONDIES TO CELEBRATE ST. PATRICK'S DAY

These Healthy Matcha Green Tea Blondies are chewy, moist, and FULL of delicious and authentic green tea flavor! You'd never know they're sugar free, gluten free, dairy free, and vegan!

Ingredients:

- 120g (1 cup) Oat Flour
- 85g (½ cup + 2 tbs) Quinoa Flour (or Sweet White Sorghum Flour)
- 4 tsp Matcha Powder
- ½ tsp Double Acting Baking Powder
- ¼ tsp Salt
- 185g (¾ cup) Unsweetened Applesauce
- 144g (¾ cup) Granulated Erythritol (sugar substitute for baking)
- 56g (¼ cup) Organic Raw Cacao Butter (melted)
- 56g (¼ cup) Coconut Oil (melted; or more Raw Cacao Butter)
- 1/3 cup Unsweetened Vanilla Almond Milk
- 1 tbs Vanilla Extract
- 1 tsp Liquid Stevia Extract
- 1 tsp Natural Butter Flavor
- ½ cup White Chocolate Chips (chopped; optional)

Instructions:

1. Preheat the oven to 350 degrees Fahrenheit and line an 8x8" brownie pan with parchment paper both ways.
2. In a small bowl, whisk together the oat flour, quinoa (or sorghum flour), matcha, baking powder and salt.
3. In a large bowl, whisk together the applesauce, erythritol, melted cacao butter, melted coconut oil, almond milk, vanilla extract, stevia extract and butter flavor. Dump the dry ingredients over the wet ingredients and whisk well. Mix in the optional white chocolate chips, if using. Pour the mixture into the prepared pan.
4. Bake for 35 minutes, or until the center of the brownies spring back when tapped. Let cool, then slice and serve!

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.

MEDICAID CUTS WOULD BE A “WRECKING BALL”

Adapted From McKNIGHT’S SENIOR LIVING DAILY | Kimberly Bonvissuto | February 21, 2025



Republican proposals to cut Medicaid are “unacceptable” and would destabilize essential programs, according to experts at a “Protect Medicaid” event hosted by Caring Across Generations. They argue that cuts endorsed by Trump would have devastating effects on the healthcare system and communities, particularly harming older adults and people with disabilities.

Trump recently backed a House GOP budget plan, combining border security, defense funding, and tax cuts, with \$880 billion proposed cuts to Medicaid. This endorsement came despite his earlier promise not to touch Medicare or Medicaid. Experts emphasize that Medicaid is critical for aging and disability care, covering home- and community-based services that Medicare does not.

Experts warn that federal cuts would shift costs to states, forcing them to either increase taxes or cut healthcare coverage. State budgets would face unprecedented pressure, leading to financial disaster. Medicaid cuts would significantly impact assisted living communities, where approximately 17% of residents are beneficiaries.

Amber Christ of Justice in Aging highlights that Medicaid is the primary payer of long-term care. Cutting Medicaid would strip vital care from over 7 million older adults. Freddy Mejia of the Commonwealth Institute warns that cuts would pressure state budgets, and Anthony Wright of Families USA calls the proposed cuts an “economic wrecking ball” for communities.

Despite opposition, Wright cautions that administrative actions by the Trump administration could further threaten Medicaid outside of congressional engagement.

ROI – DIFFERENT HOME IMPROVEMENTS.

Are you curious how much ‘bang for buck’ you can expect to receive on the sale of a residential care home if you make various home improvements? This graphic provides some sample returns.

Although today’s buyers are seeking fully upgraded homes in turn key condition, the seller must determine if an anticipated upgrade will add to the value of the home substantially enough to be worth the investment. An expert agent can provide guidance.



RCFE RESOURCE MARKET REPORT

More Seller Competition

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slowest mid-February level since 2019. The housing market is about to enter the season when homes come on the market at a higher rate, from March through August, peaking in May.

By mid-March, housing transitions to the Spring Market, the busiest time of the year for demand and the number of new sellers. The number of new sellers outpaces demand, so the inventory rises at a faster pace than in January and February. This is why the inventory typically builds throughout the Spring and Summer Markets and peaks between July and August. However, the peaks have been coming later over the past couple of years because the number of care homes coming on the market has outpaced demand readings into the Autumn Market, which is abnormal.

The Bottom Line: The inventory will continue to build as more sellers opt to sell than in the past couple of years, and housing transitions to the Spring and Summer Markets, ultimately increasing seller competition and resulting in longer market times. More seller competition means sellers must be priced appropriately to secure a successful outcome.

Some sellers will languish on the market without success. This is not a year to “test” the market and stretch the asking price. The best approach is to spend as much time as possible to secure a care home’s Fair Market Value, carefully dissecting all recent comparable pending and closed sales and considering the condition, location, upgrades, and appeal.

Ask The Broker

STRATEGIES FOR ATTRACTING NEW RESIDENTS

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- **Local Radio Stations:** Explore opportunities for radio spots or interviews to discuss your facility and its offerings.

6. Develop Referral Programs

Encourage word-of-mouth referrals from current residents and their families by implementing referral programs:

- **Incentives:** Offer incentives, such as discounts or gift cards, for residents or families who refer new clients to your facility.
- **Recognition:** Recognize and celebrate those who refer new residents, fostering a sense of community and loyalty.

7. Focus on SEO and Content Marketing

Invest in search engine optimization (SEO) and content marketing to improve your online visibility. We can refer you to professionals who can assist.

- **Blogging:** Publish informative blog posts on topics relevant to seniors and their families, such as aging in place, health tips, and facility updates. This can position you as an expert in the field and drive organic traffic to your website.
- **Local SEO:** Ensure your facility is listed on Google My Business and other local directories, making it easier for potential residents to find you online.

Attracting residents to your assisted living or residential care facility doesn’t have to involve exorbitant referral fees. By implementing these effective marketing strategies and techniques, you can build strong connections within your community, enhance your facility’s reputation, and ultimately attract more clients. Focus on fostering relationships, providing valuable resources, and showcasing the unique benefits of your facility, and you’ll create a sustainable pathway to success.

RCFE Resource

BUY, SELL & LEASE WITH CONFIDENCE

March 2025

FEATURED PROPERTY - COMING SOON



ARROYO GRANDE: SAN LUIS OBISPO COUNTY

BEAUTIFUL HILLSIDE RCFE FOR SALE
HOME AND BUSINESS | LICENSED FOR 6 | EXCELLENT NEIGHBORHOOD!

Grosses \$36K/month | \$1.10M Home; \$180K Business

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