

RCN  CAPITAL

**INVESTOR  
SENTIMENT  
SURVEY**

*FALL 2023*

PRESENTED BY:  
C J PATRICK COMPANY

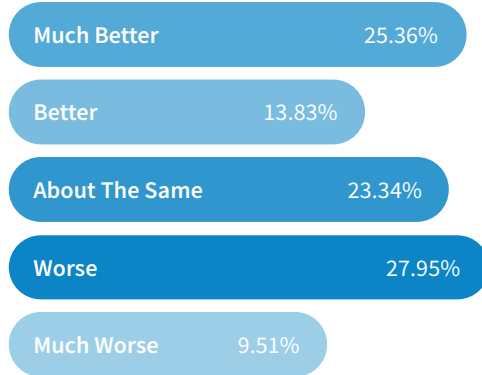
**Based on the results of the Fall 2023 Investor Sentiment Survey**, the second quarterly report from RCN Capital, conducted by market intelligence firm CJ Patrick Company, the future seems bright. Despite investors continuing to face challenges with high financing costs, limited inventory and competition from other buyers, most respondents believe that better times are ahead.

Continuing our efforts to take the pulse of real estate investors across the country, identifying market challenges and opportunities, and getting feedback on current trends and events, it is refreshing to see the optimism that participants expressed. The investor sentiment on the current state of the market improved from the Spring 2023 Survey with 49% saying conditions are better than they were a year ago compared to 30% in the spring. Views on the market six months from now also improved, with 44% believing conditions will improve, up from 30% in the prior survey.

As we continue to conduct this quarterly Investor Sentiment Survey, it will be interesting to observe what trends will emerge over time and, more importantly, what insights we can provide that will help industry professionals navigate through the ever-changing real estate market.

## Q1

How does the environment for residential real estate investing compare to one year ago?



**Overall, investors were more positive about current market conditions in the Fall Investor Sentiment Survey than in the Spring Investor Sentiment Survey.**



49% of participants said things were **better** than 12 months ago, up from 30% a few months ago.



23% of participants felt things were **the same** as 12 months ago, down from 32% a few months ago.



37% of participants said things were **worse** than 12 months ago, the same as a few months ago.

**There were very different sentiments among fix-and-flip and rental investors.**



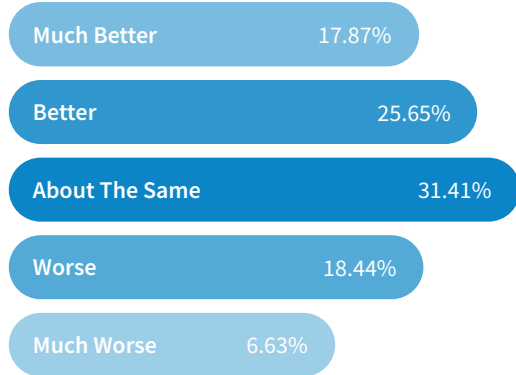
38% of **fix & flip investors** felt conditions today were better than 12 months ago, while 32% thought they were worse.



18% of **rental investors** felt conditions today were better than 12 months ago, while 53% thought they are worse.

## Q2

What's your outlook for residential real estate investing over the next 6 months compared to today?



**Respondents were also a bit more optimistic about where the market is headed.**



44% of participants expect conditions to **improve** over the next 6 months.



31% of participants expect conditions to be **the same** in the next 6 months.



25% of participants expect conditions to worsen over the next 6 months.

**Fix & Flip investors continue to trend more positively than rental investors.**



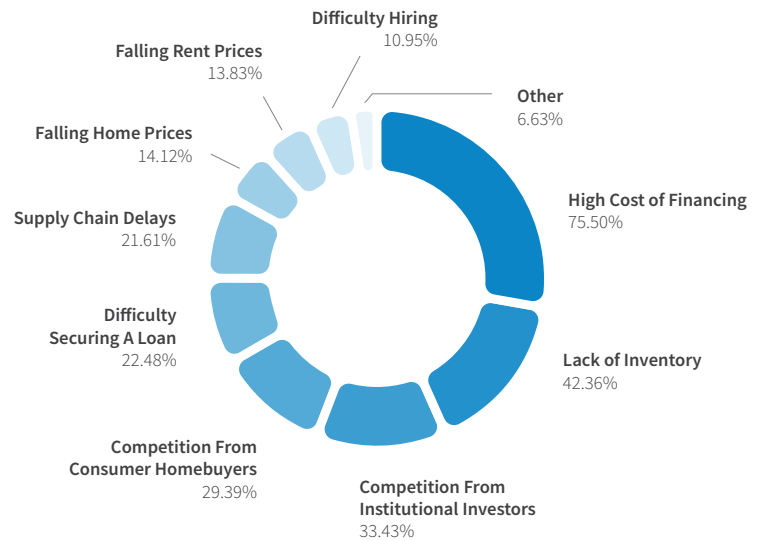
50% of **fix & flip investors** believed conditions would improve over the next 6 months, while 22% expected conditions to worsen.



24% of **rental investors** believed conditions would improve over the next 6 months, while 34% expected conditions to worsen.

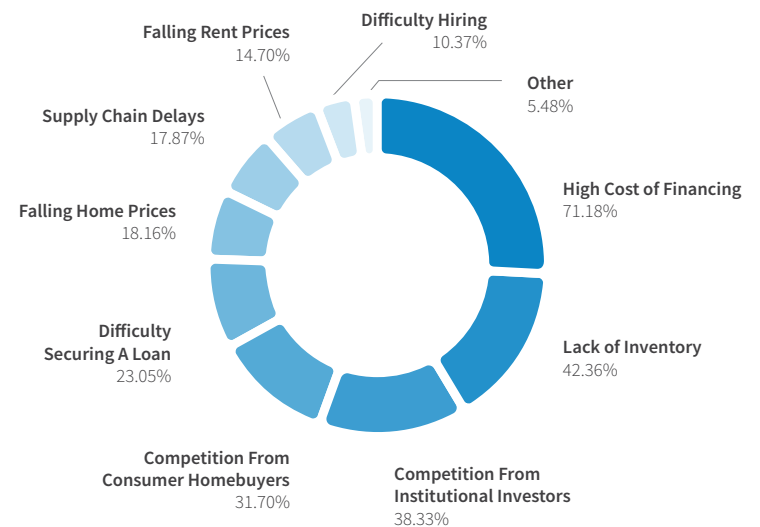
## Q3

What are the three biggest challenges facing your real estate investing business today?



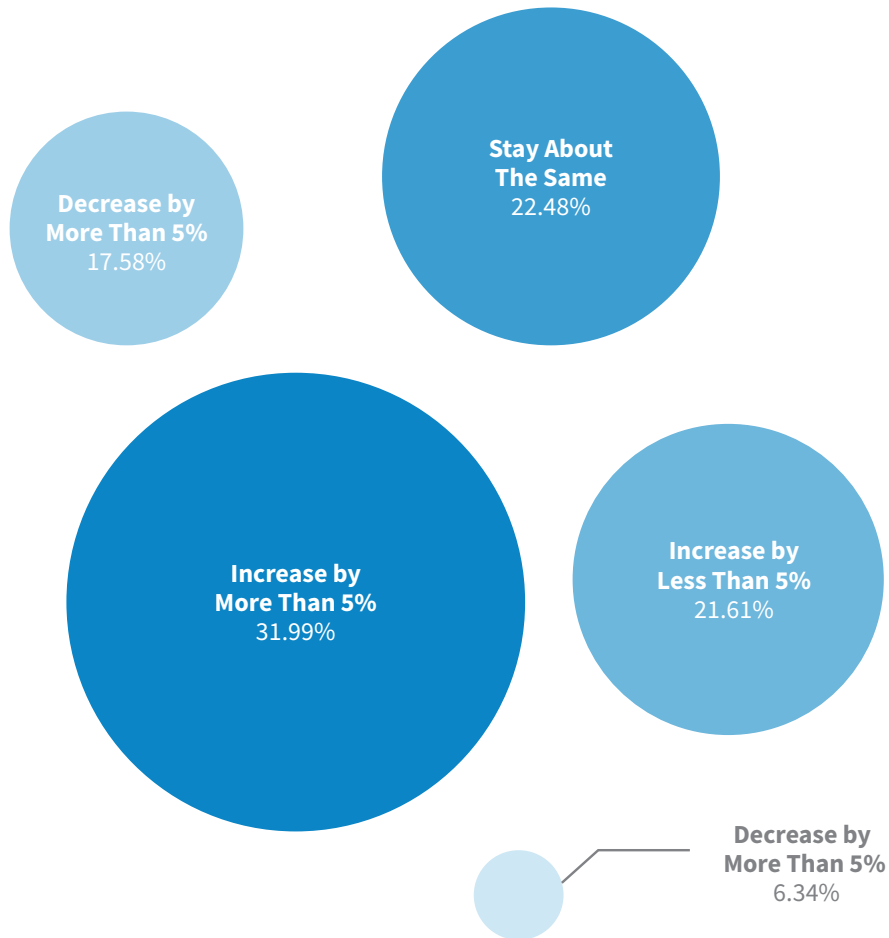
## Q4

What do you anticipate will be the three biggest challenges facing your residential real estate investing business 6 months from now?



**Major challenges for investors mirrored the results of the Spring Investor Sentiment Survey**, citing high cost of financing (76%); lack of inventory (43%); and competition from institutional investors (33%).

**Competition in general appears to be a concern** - 29% cited competition from consumers, making the combined total of "competition-related" challenges about 62%. Almost a quarter of the respondents (23%) also cited difficulty getting a loan.



## Q5

What do you expect home prices to do over the next 6 months?

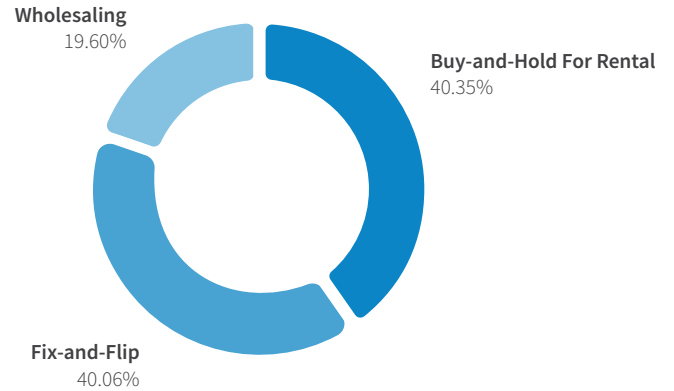


**Investor's divided sentiments were also reflected in price expectations.**

While 77% of respondents believed that prices would either increase or stay the same, almost 2/3 of fix and flip respondents (66%) expected prices to increase, while over 1/3 of rental respondents expected prices to decline.

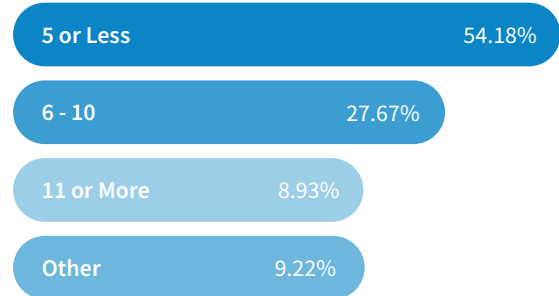
## Q6

What is your primary type of residential real estate investment?



## Q7

How many properties do you plan to invest in over the next 12 months?

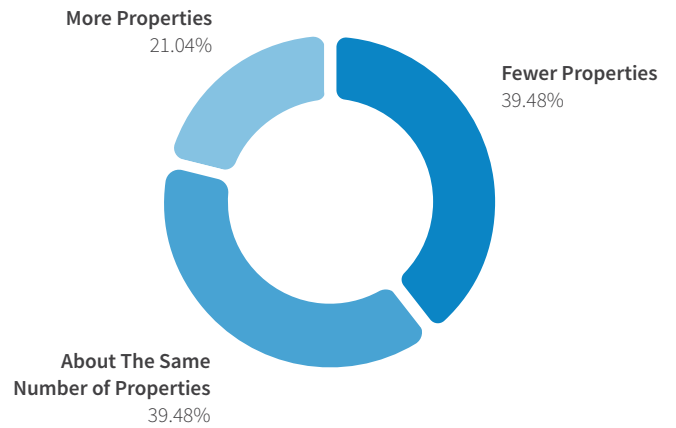


**In terms of the number of properties purchased,** 39% of respondents said they'd be buying fewer properties than a year ago; 39% the same number; and 22% more.

**There were some notable differences between type of investor:** 46% of fix and flip investors plan to buy fewer, and 30% the same number; 31% of rental investors plan to buy fewer and 49% the same number.

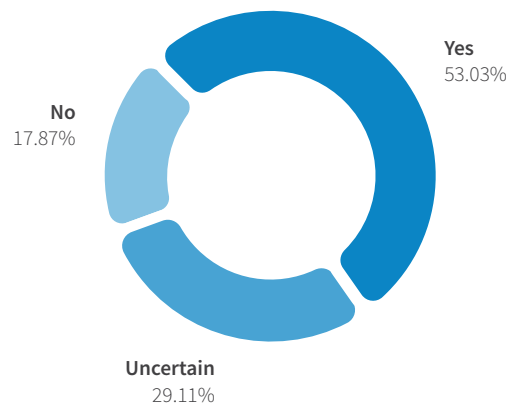
## Q8

How does this number of properties compare to the number of properties you've invested in over the past 12 months?



## Q9

Are you expecting the U.S. economy to enter a recession in 2023 or 2024?

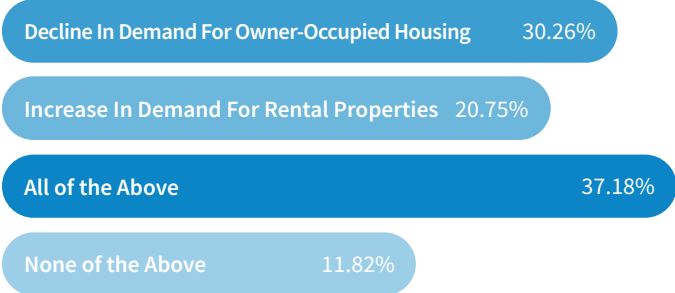


**Over half of respondents (53%) expect the country to enter into a recession,** up from 44% in the Spring Investor Sentiment Survey. But here more fix and flip investors (64%) than rental investors (38%) predict a recession.



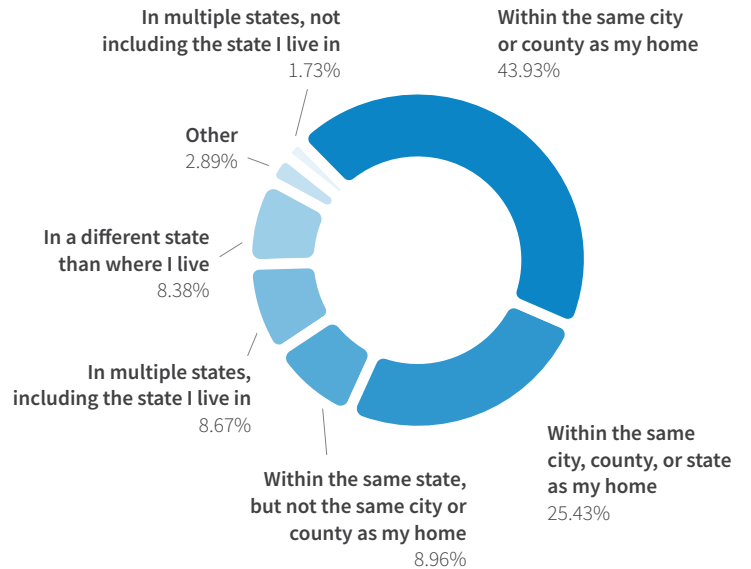
## Q10

What has been the impact of today's higher mortgage rates in your market(s)?

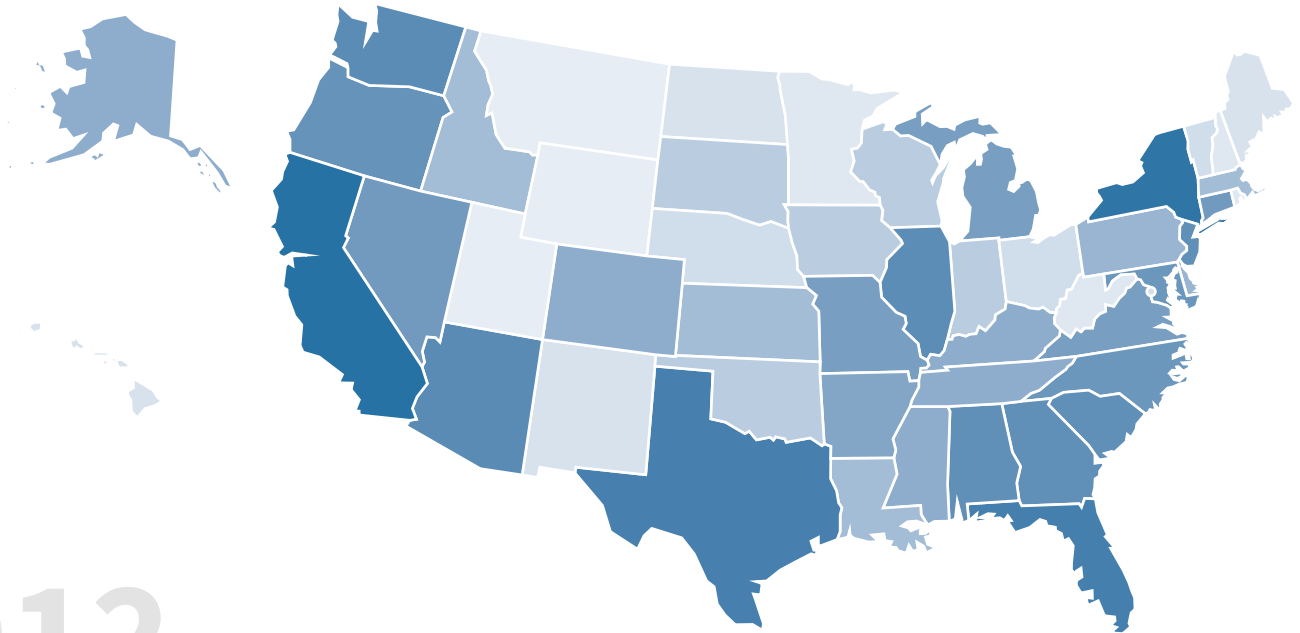


## Q11

How near or far away from your home do you do most of your investing?



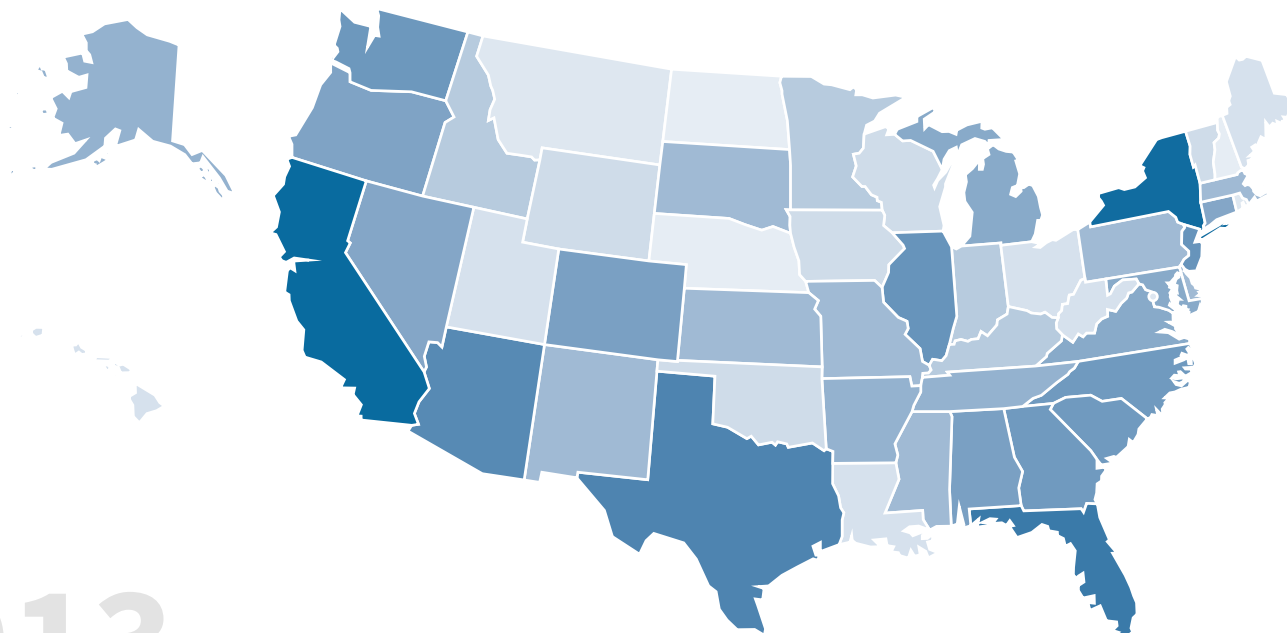
**On the question of distance,** 44% of investors purchase properties in the town where they live and 79% buy in their home state. There were no notable differences between fix and flip and rental investors' sentiments.



## Q12

In which market(s) do you do most of your residential real estate investing?

Alabama	2.88%	Kentucky	2.31%	North Dakota	0.86%
Alaska	2.31%	Louisiana	1.73%	Ohio	1.15%
Arizona	6.05%	Maine	0.86%	Oklahoma	1.44%
Arkansas	2.59%	Maryland	3.46%	Oregon	3.75%
California	20.46%	Massachusetts	1.73%	Pennsylvania	2.02%
Colorado	2.31%	Michigan	2.88%	Rhode Island	0.58%
Connecticut	3.17%	Minnesota	0.58%	South Carolina	4.03%
Delaware	2.02%	Mississippi	2.31%	South Dakota	1.44%
District of Columbia	1.73%	Missouri	2.88%	Tennessee	2.31%
Florida	12.10%	Montana	0.29%	Texas	11.24%
Georgia	4.03%	Nebraska	1.15%	Utah	0.29%
Hawaii	0.86%	Nevada	3.17%	Vermont	1.15%
Idaho	1.73%	New Hampshire	0.58%	Virginia	2.88%
Illinois	5.19%	New Jersey	4.03%	Washington	5.48%
Indiana	1.44%	New Mexico	0.86%	West Virginia	0.58%
Iowa	1.44%	New York	18.44%	Wisconsin	1.44%
Kansas	1.73%	North Carolina	3.46%	Wyoming	0.29%



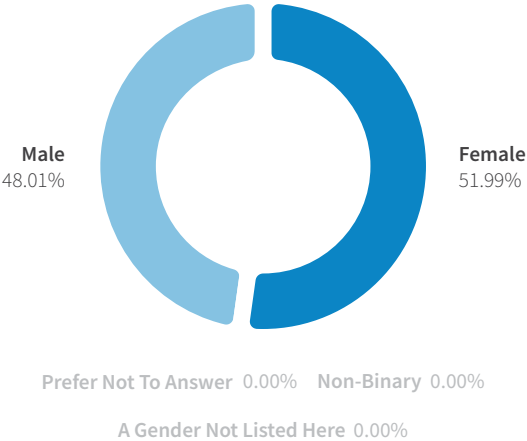
## Q13

In which market(s) do you do plan to do most of your residential real estate investing 6-12 months from now?

Alabama	3.75%	Kentucky	2.02%	North Dakota	0.86%
Alaska	2.59%	Louisiana	1.44%	Ohio	1.44%
Arizona	6.63%	Maine	1.44%	Oklahoma	1.73%
Arkansas	2.59%	Maryland	2.88%	Oregon	3.46%
California	18.44%	Massachusetts	2.31%	Pennsylvania	2.31%
Colorado	3.75%	Michigan	2.88%	Rhode Island	1.15%
Connecticut	3.17%	Minnesota	2.02%	South Carolina	4.32%
Delaware	2.31%	Mississippi	2.31%	South Dakota	2.31%
District of Columbia	2.02%	Missouri	2.31%	Tennessee	2.59%
Florida	15.27%	Montana	1.15%	Texas	9.51%
Georgia	4.32%	Nebraska	0.86%	Utah	1.44%
Hawaii	1.44%	Nevada	3.17%	Vermont	1.73%
Idaho	2.02%	New Hampshire	0.86%	Virginia	2.88%
Illinois	5.19%	New Jersey	5.19%	Washington	4.61%
Indiana	2.02%	New Mexico	2.31%	West Virginia	1.44%
Iowa	1.73%	New York	18.16%	Wisconsin	1.73%
Kansas	2.31%	North Carolina	4.32%	Wyoming	1.73%

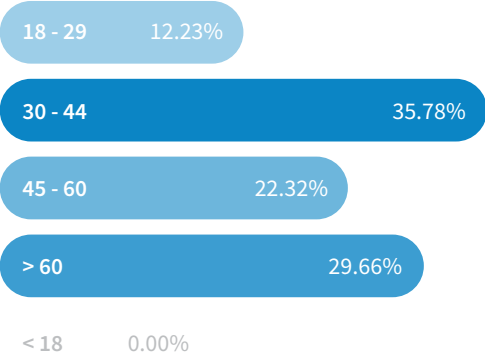
# Q14

What is your gender?



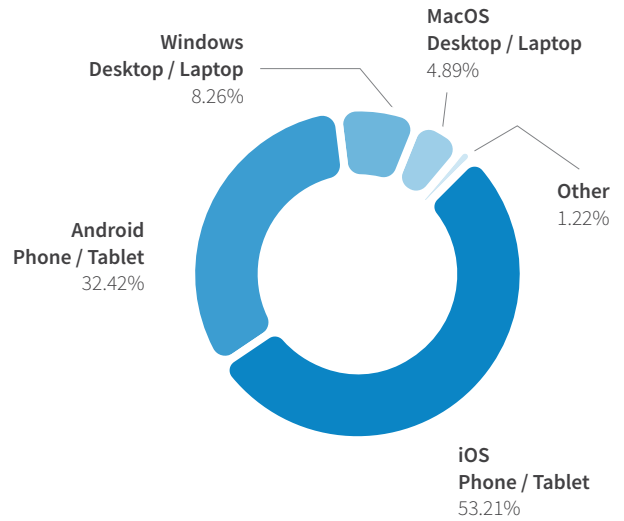
# Q15

What is your age?



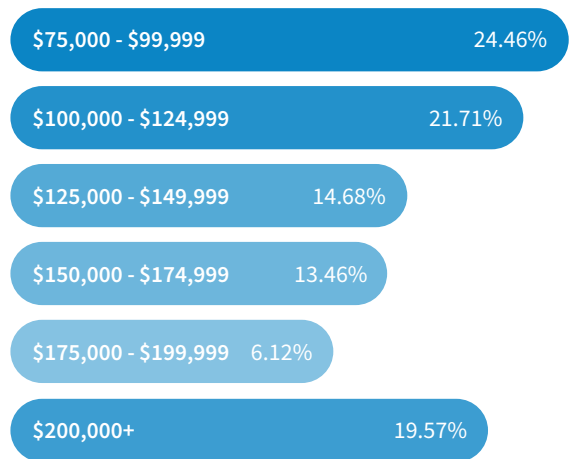
# Q16

What type of device are you using?

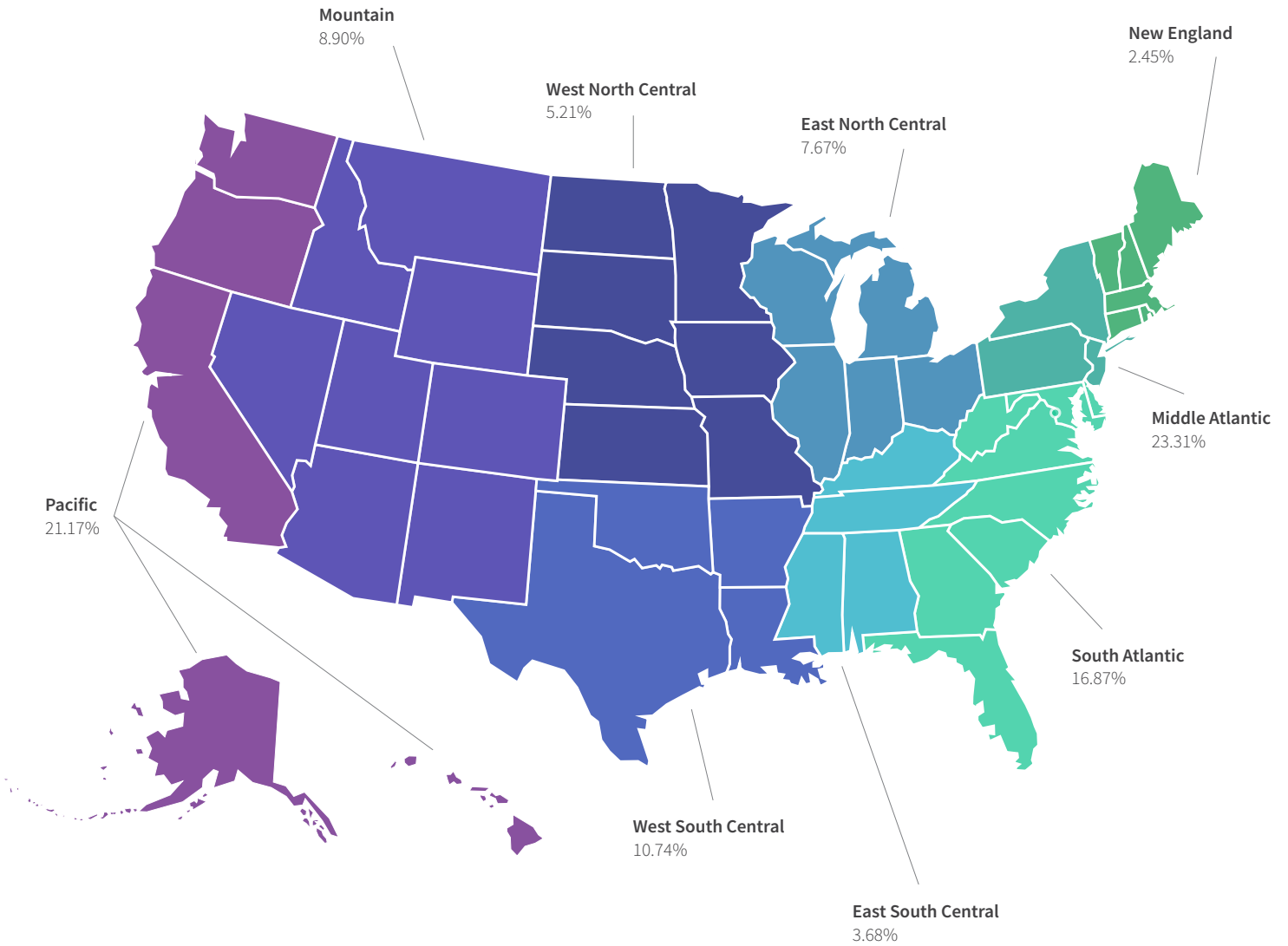


# Q17

What is your household income?







## Q18

In which major US region do you reside?

Pacific	21.17%	West South Central	10.74%	Middle Atlantic	23.31%
Mountain	8.90%	East North Central	7.67%	South Atlantic	16.87%
West North Central	5.21%	East South Central	3.68%	New England	2.45%