

RCN  CAPITAL

INVESTOR SENTIMENT SURVEY

PRESENTED BY:

C J PATRICK COMPANY

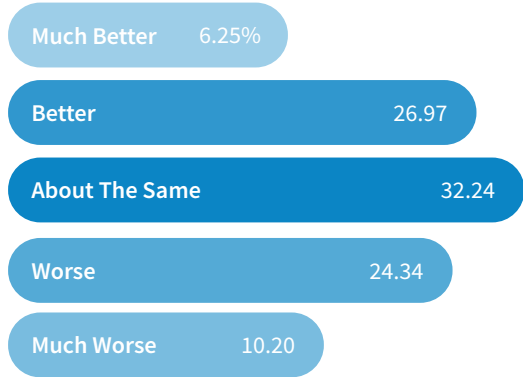
In an ever-evolving real estate market, it is crucial for investors to stay informed and adaptable to seize opportunities and navigate challenges effectively. RCN Capital has partnered with CJ Patrick Company to conduct a quarterly Investor Sentiment Survey polling real estate investors around the country to provide valuable insights into the shifting dynamics and sentiments within the real estate investing landscape.

As the inaugural quarterly report of its kind from RCN Capital and CJ Patrick Company, this Investor Sentiment Survey serves as a crucial pulse-check for real estate investors across the nation. It provides a comprehensive analysis of market challenges and opportunities while capturing the feedback and perceptions of over two-hundred industry professionals regarding prevailing trends and events. By examining the preferences, expectations, and challenges of investors, this survey empowers industry professionals to make informed decisions, adapt to market conditions, and capitalize on emerging opportunities.

We extend our gratitude to the industry professionals that participated in the first Investor Sentiment Survey. Your insights serve as an invaluable future resource for industry professionals seeking to navigate the complex and dynamic real estate market. As the market continues to evolve, understanding investor sentiment becomes even more critical for sustained success. We look forward to participants' future contributions and what information we can glean from this survey over time.

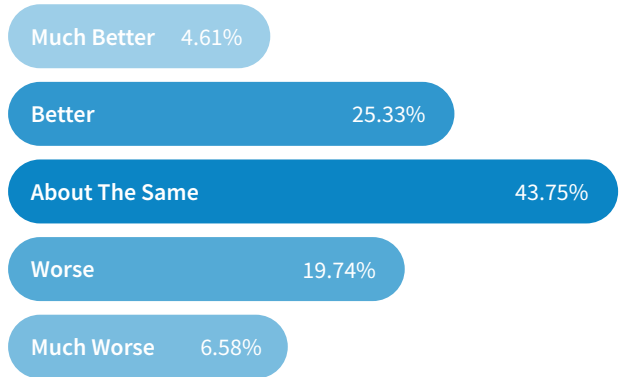
Q1

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



Q2

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



Fix-and-flip investors are more optimistic about opportunities in the coming months than SFR investors.



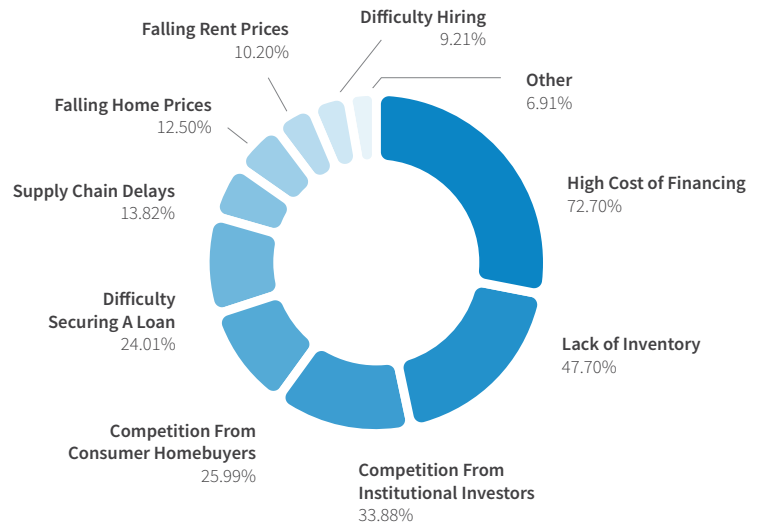
38% of **flippers** believe that conditions will improve, while only 19% believe they'll worsen.



Rental investors believe the opposite - only 19% believe things will get better, while 31% believe they'll get worse.

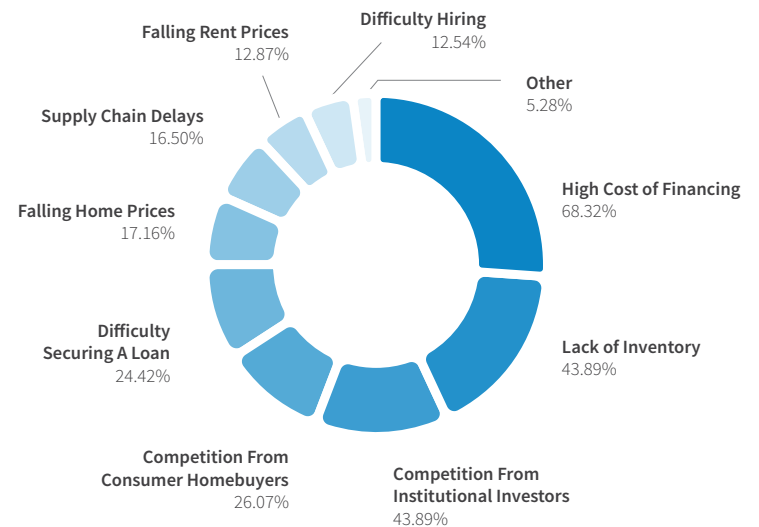
Q3

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



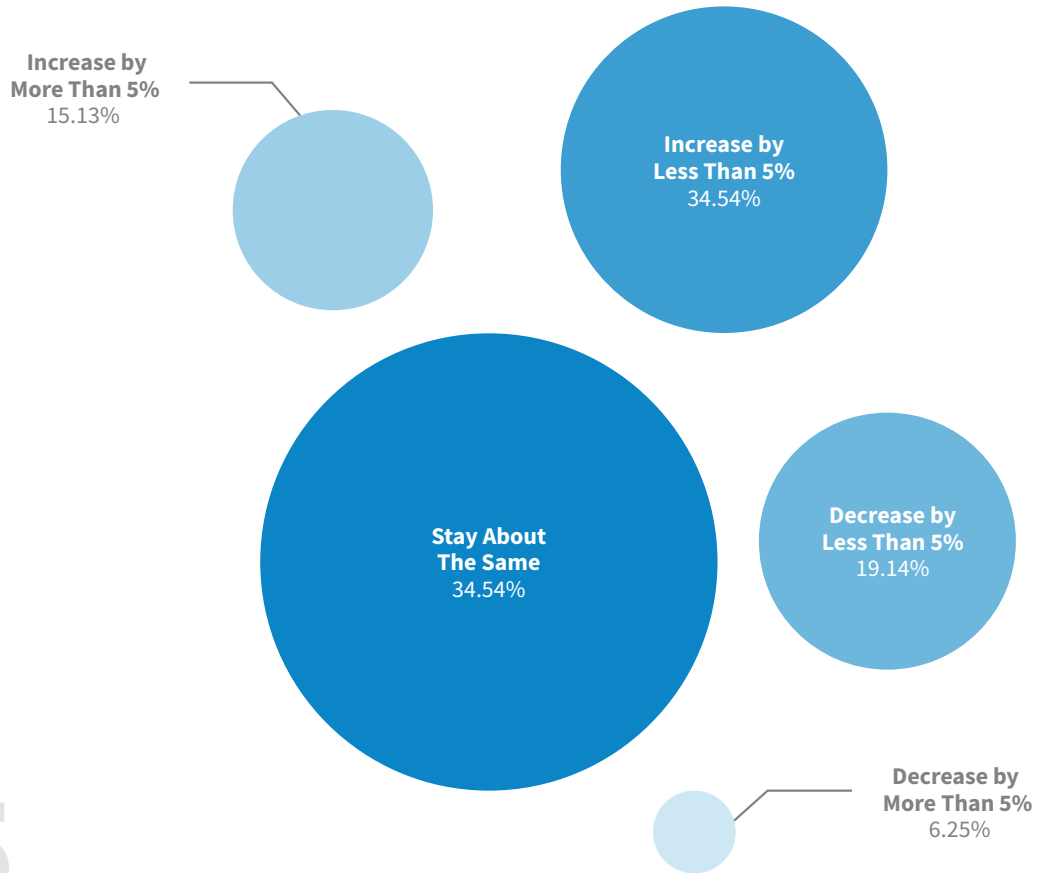
Q4

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



Investors cite today's higher financing costs as the #1 challenge facing their business.

Lack of supply is the second-highest-rated challenge, followed by competition from consumers, competition from larger investors, and difficulty securing a loan.



Q5

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

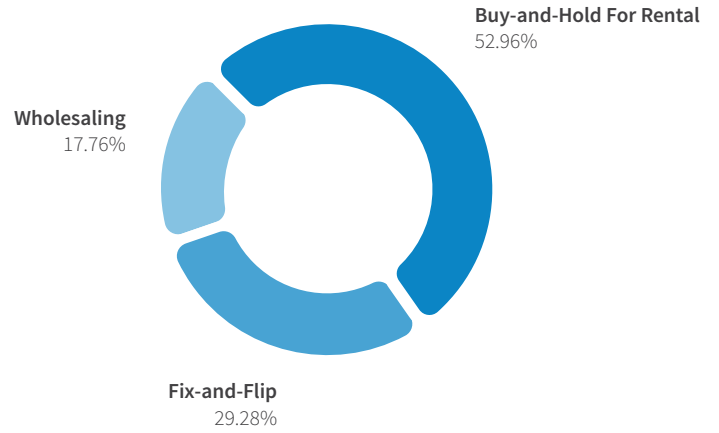


Investors don't expect the kind of housing price crash that YouTube doom and gloomers are predicting.

About 75% believe that prices will remain the same or go up slightly over the next 6 months.

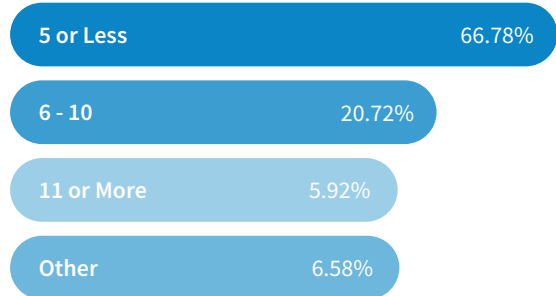
Q6

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?

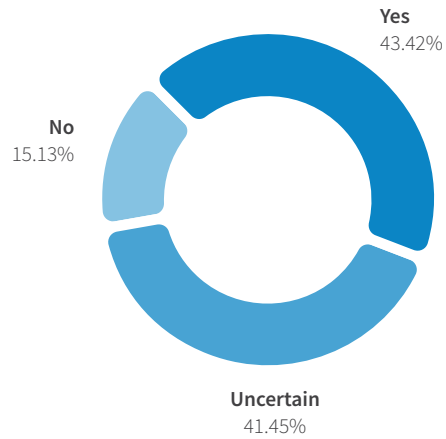


Investor activity appears to be skewed more towards rental properties than fix-and-flip properties for owner-occupants.

53% of the respondents plan to hold properties as rentals, while 25% plan to flip the homes.

Q8

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



Q9

Since mortgage rates doubled in 2022, what has happened in your market(s)?



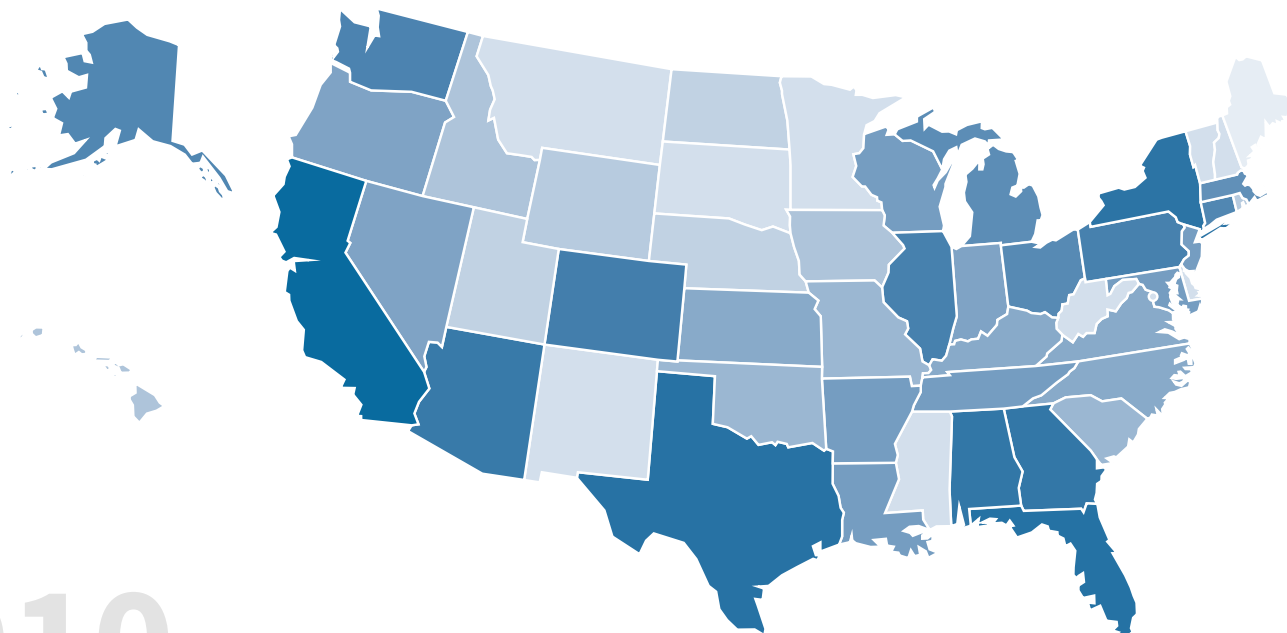
Despite being somewhat optimistic about the market environment going forward:



Almost half of those surveyed (44%) believed that the US would enter a recession in 2023 or 2024.



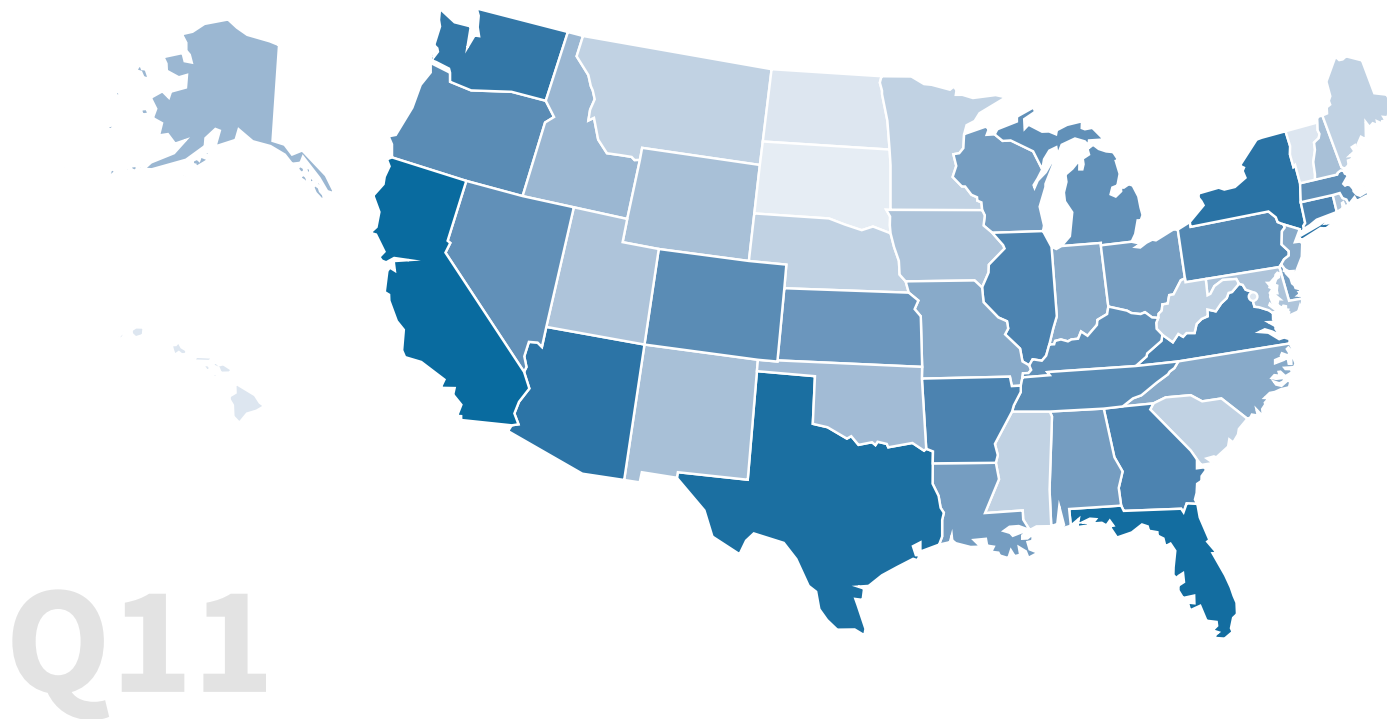
Only 15% said that the country would avoid a recession, while **41%** were unsure.



Q10

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

Alabama	6.60%	Kentucky	2.31%	North Dakota	0.99%
Alaska	4.29%	Louisiana	2.97%	Ohio	3.96%
Arizona	5.94%	Maine	0.33%	Oklahoma	1.98%
Arkansas	2.97%	Maryland	2.97%	Oregon	2.64%
California	18.81%	Massachusetts	3.30%	Pennsylvania	4.95%
Colorado	5.28%	Michigan	3.63%	Rhode Island	1.32%
Connecticut	4.29%	Minnesota	0.66%	South Carolina	1.98%
Delaware	.66%	Mississippi	0.66%	South Dakota	0.66%
District of Columbia	1.98%	Missouri	1.98%	Tennessee	2.97%
Florida	11.88%	Montana	0.66%	Texas	11.22%
Georgia	6.27%	Nebraska	0.99%	Utah	0.99%
Hawaii	1.65%	Nevada	2.64%	Vermont	0.66%
Idaho	1.65%	New Hampshire	0.66%	Virginia	2.31%
Illinois	4.95%	New Jersey	2.97%	Washington	4.62%
Indiana	2.64%	New Mexico	0.66%	West Virginia	0.66%
Iowa	1.65%	New York	9.24%	Wisconsin	2.97%
Kansas	2.31%	North Carolina	2.31%	Wyoming	1.32%



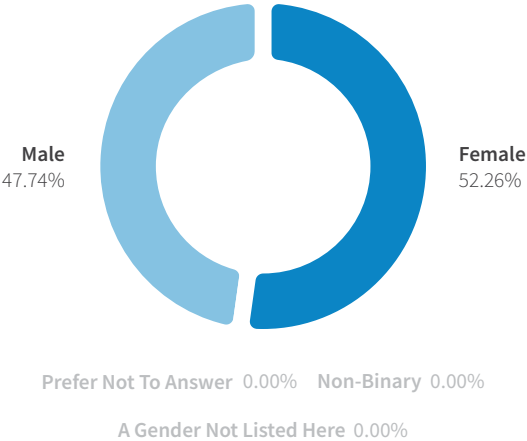
Q11

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

Alabama	2.98%	Kentucky	3.64%	North Dakota	0.66%
Alaska	2.32%	Louisiana	2.98%	Ohio	2.98%
Arizona	6.95%	Maine	0.99%	Oklahoma	1.99%
Arkansas	4.64%	Maryland	1.32%	Oregon	3.97%
California	13.91%	Massachusetts	3.64%	Pennsylvania	4.30%
Colorado	3.97%	Michigan	3.64%	Rhode Island	1.32%
Connecticut	4.64%	Minnesota	0.99%	South Carolina	0.99%
Delaware	2.98%	Mississippi	0.99%	South Dakota	0.33%
District of Columbia	0.66%	Missouri	2.65%	Tennessee	3.97%
Florida	12.58%	Montana	0.99%	Texas	11.26%
Georgia	4.64%	Nebraska	0.99%	Utah	1.32%
Hawaii	0.66%	Nevada	3.64%	Vermont	0.66%
Idaho	2.32%	New Hampshire	1.66%	Virginia	4.64%
Illinois	4.64%	New Jersey	2.65%	Washington	4.97%
Indiana	2.65%	New Mexico	1.66%	West Virginia	0.99%
Iowa	1.32%	New York	7.62%	Wisconsin	2.98%
Kansas	3.31%	North Carolina	2.65%	Wyoming	1.66%

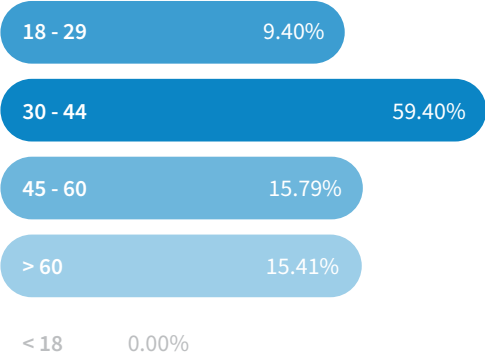
Q12

What is your gender?



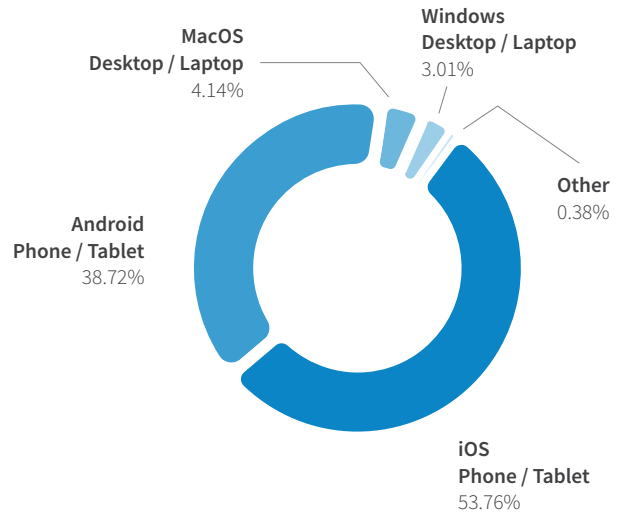
Q13

What is your age?



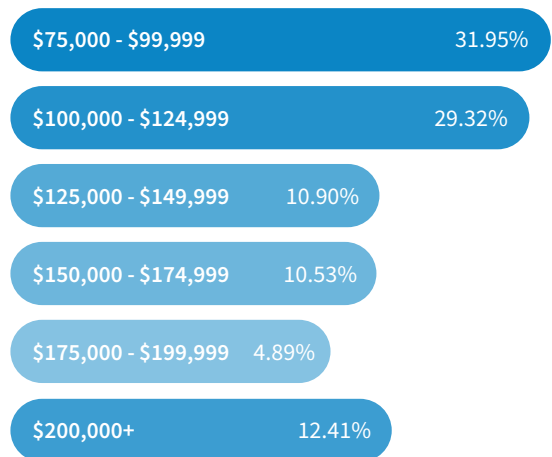
Q15

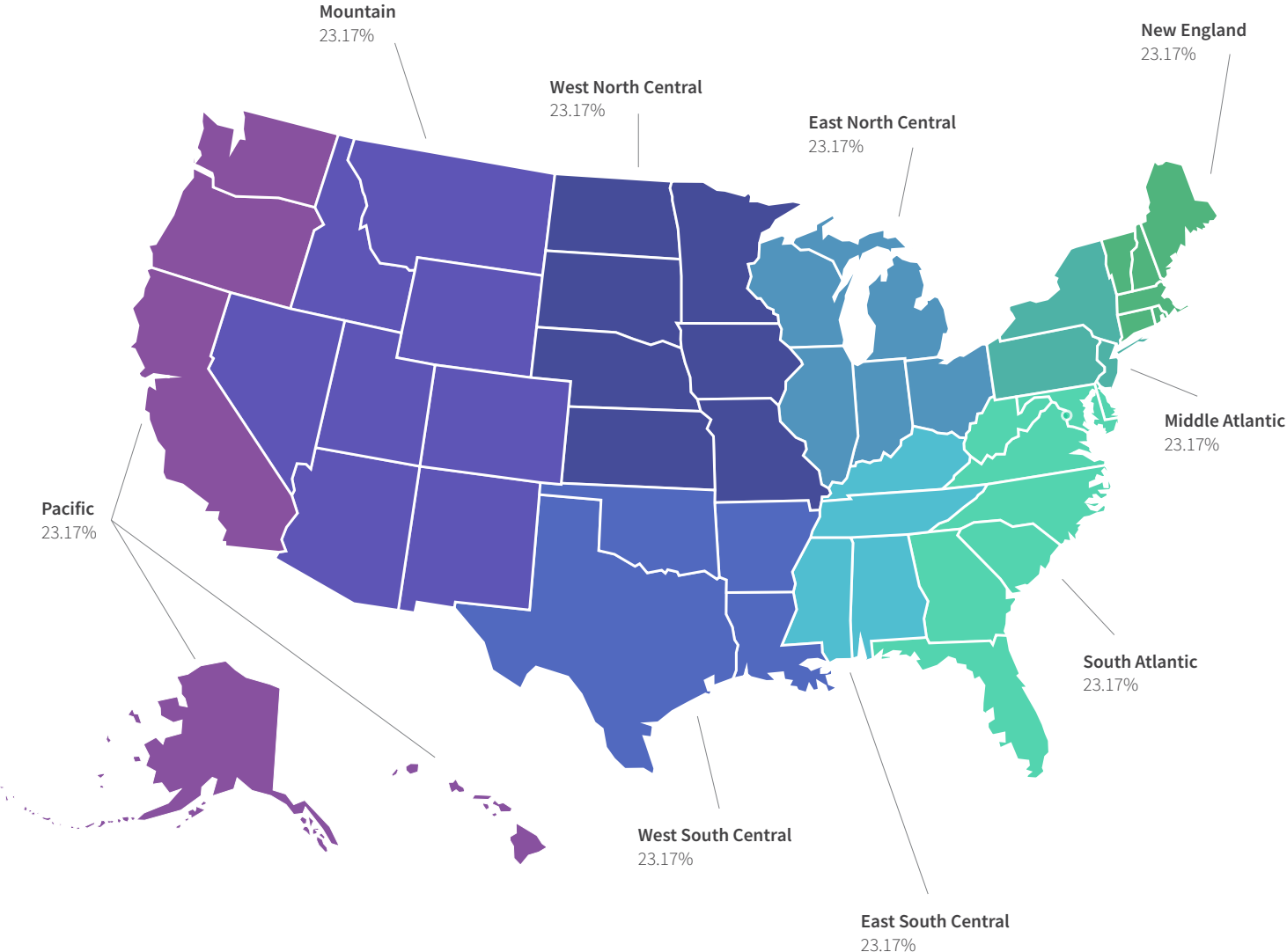
What type of device are you using?



Q16

What is your household income?





Q17

In which major US region do you reside?

Pacific	23.17%	West South Central	12.74%	Middle Atlantic	16.22%
Mountain	7.34%	East North Central	13.13%	South Atlantic	13.90%
West North Central	5.02%	East South Central	5.02%	New England	3.47%

