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WelcomeHome

Q2 Benchmark: 2023

Industry average occupancy picked up despite the slow start to the year in Q1, **ending Q2 at 79%.**

IL occupancy added 2 percentage points to occupancy since January, ending Q2 at 84% vs. largely **flat performance for AL and MC**, ending Q2 at ~76%.

The **Northeast continued to lead the pack** on occupancy growth, ending Q2 at **84% occupancy**; the **South & Midwest** saw modest gains vs. **a largely stable performance in the West.**

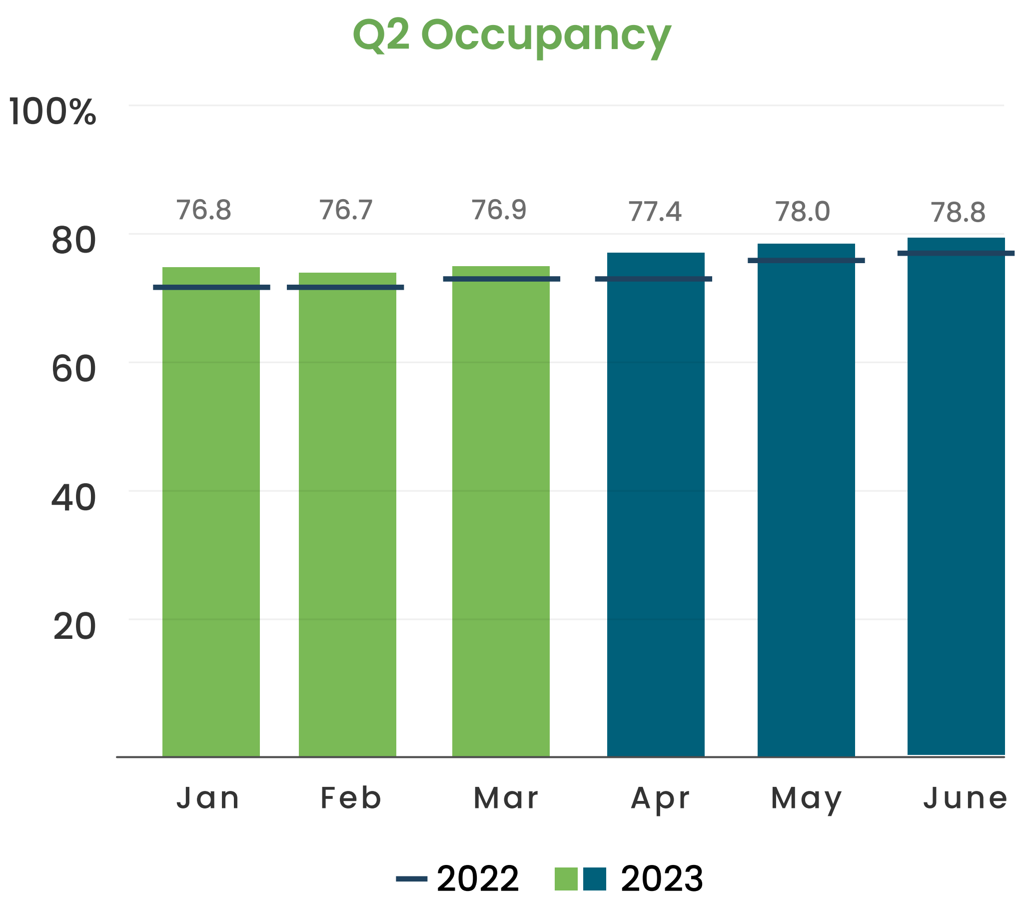
Lead volume has persisted at higher monthly volume compared to 2022 at 42 leads per month / 100 units so far this year, vs. 38 in the same period last year. High volume continues to be driven primarily by an increase in online and aggregator leads.

Lead to move in conversions have remained deflated vs. prior year, driven by increased lead volume, and stubbornly low move in volume (3.2 per month / 100 units vs. 3.8 same time last year).

A deep dive into LOSC data shows that **~50% of prospects who move in do so in the first 2 months.**

occupancy trends

We saw the industry average **occupancy pick up in Q2, adding ~2pts since January.**



Occupancy was flat in Q1 '23, but has ticked up in Q2 '23.

industry standings

Among WelcomeHome communities, the **top 10% of communities were at or above 97%.**

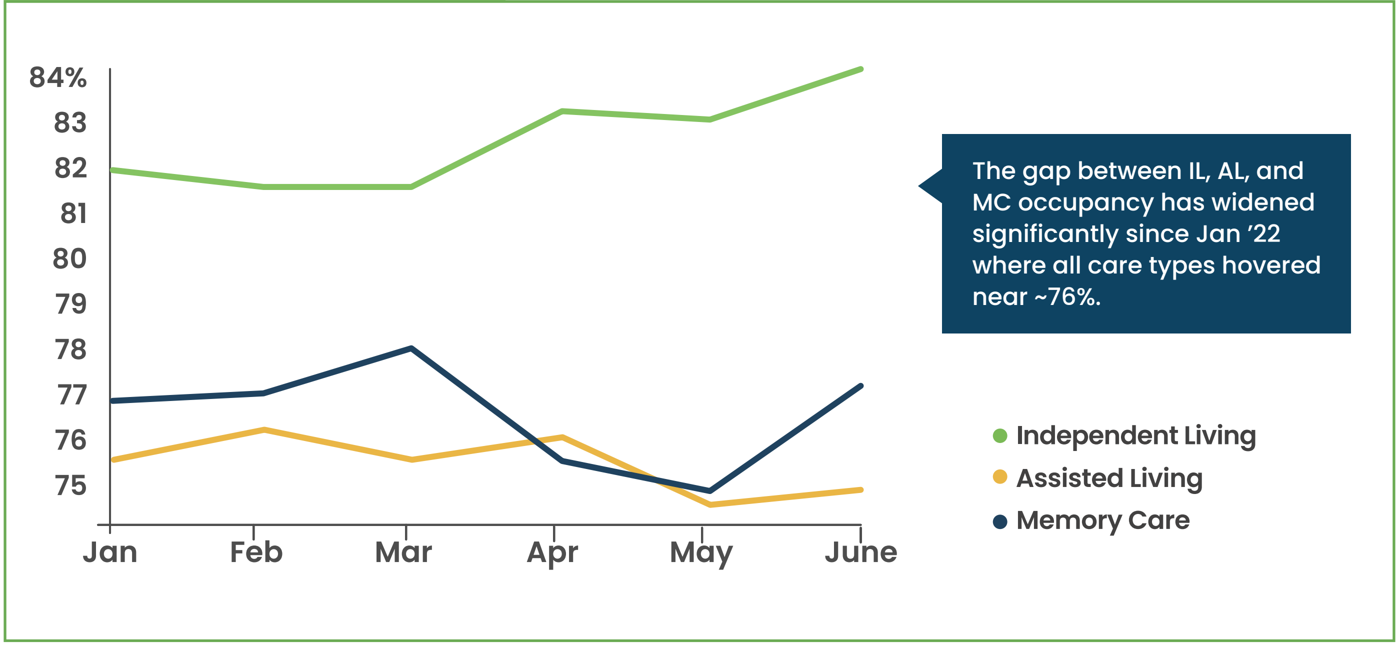
Industry Occupancy Percentiles

90th	97%
75th	93%
50th	83%
25th	71%
10th	57%

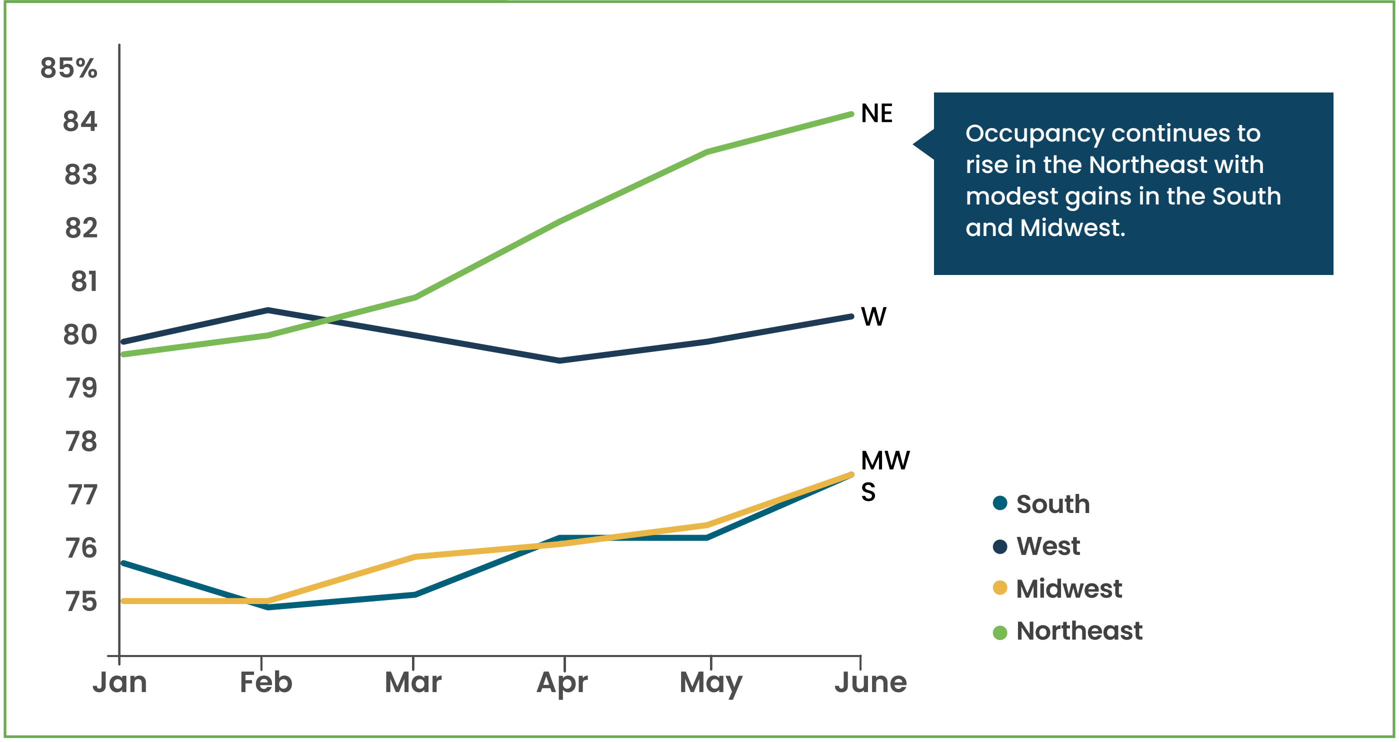
occupancy trends

Occupancy gains were driven primarily by Independent Living vs. a largely flat performance by Assisted Living and Memory Care. **Gains were strongest in the Northeast, Midwest, and South since the beginning of the year, with a largely steady performance in the West.**

Q2 occupancy by **care type**



Q2 occupancy by **region**



Note: Numbers are rounded to the nearest whole number

sales funnel volume

New leads were persistently high, but move ins stayed stubbornly low in Q2. Sticky move outs also translates to lower net gains for the quarter at 0.2 avg monthly MIMO per 100 units.

	Q1 '23 Avg	Apr	May	June	Q2 '23 Avg	Q2 '22 Avg
New leads	43	40	41	41	41	38
Initial tours	11.1	10.7	10.8	11.3	10.9	10.2
Move ins	3.1	3.1	3.3	3.4	3.2	3.9
Move outs	**3.0**	3.1	3.0	2.9	3.0	3.0

Higher lead and tour volume than this time last year indicate healthy levels of demand, but deflated move ins show that **prospects continue to be difficult to win.**

	Q1 '23 Avg	Apr	May	June	Q2 '23 Avg	Q2 '22 Avg
New leads › tour	26%	27%	26%	28%	27%	27%
Tour › move in	28%	29%	30%	30%	30%	38%
New lead › move in	**7.3%**	**7.9%**	**7.9%**	**8.2%**	**8.0%**	**10.3%**

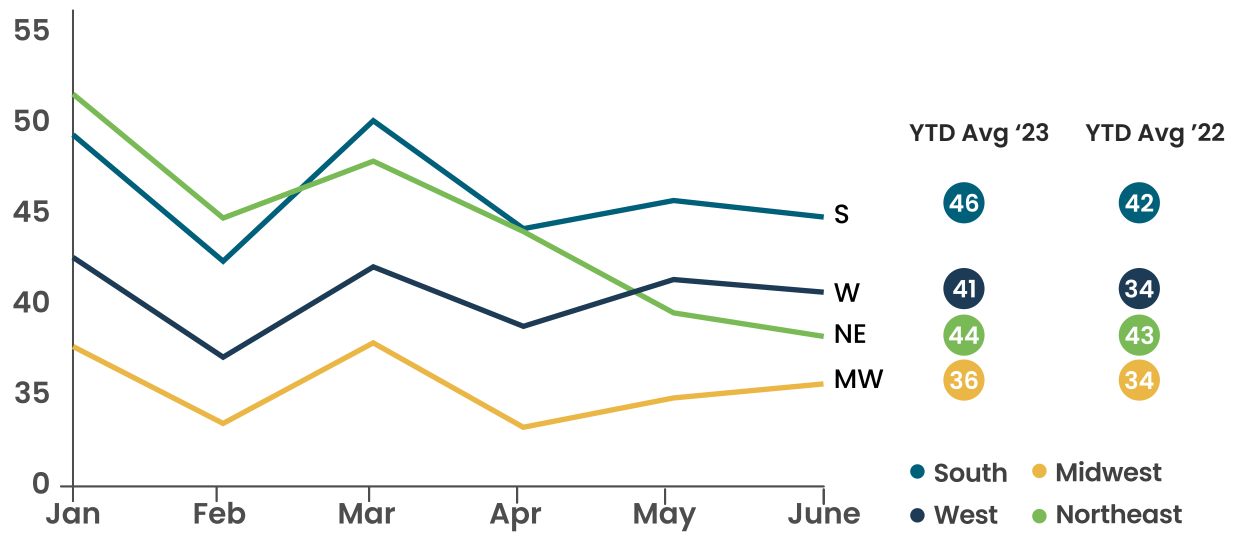
Gradual improvement across conversions may suggest sales teams are adapting to managing increasing online and aggregator leads, but **demand and urgency for move ins are lower than last year.**

Note: Weighted by units; tours = initial tours; move ins = stage advance move ins

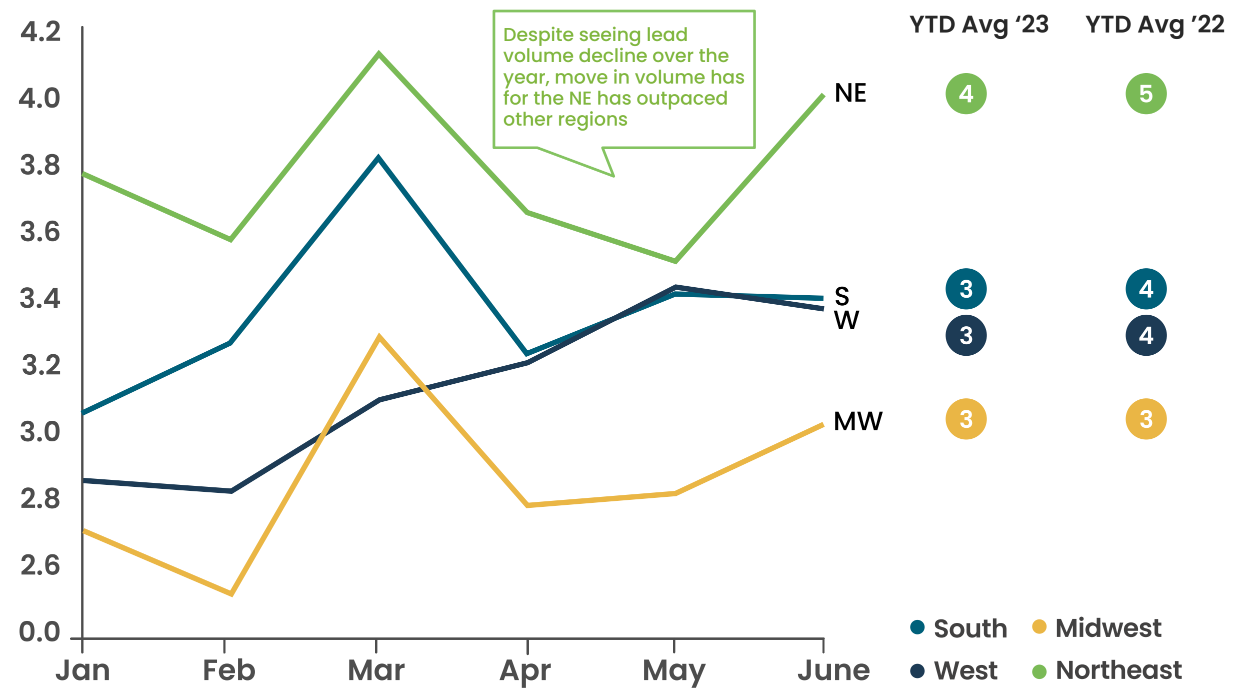
sales funnel

Lead volume has outpaced volume from last year across regions; move ins have dropped across most regions with Midwest holding steady.

Sales funnel by **region**



Move ins by **region**



Note: estimates are per 100 units; move ins = stage advance move ins

length of sales cycle

Understanding length of sales cycle can help set standards for our sales processes. The median LOSC is a more accurate metric to guide benchmarks. Average data at the industry level can give us relative insight; the average is artificially long, driven up a few, very long sales cycles. Operator level, percentile based data on LOSC may be a more helpful tool.

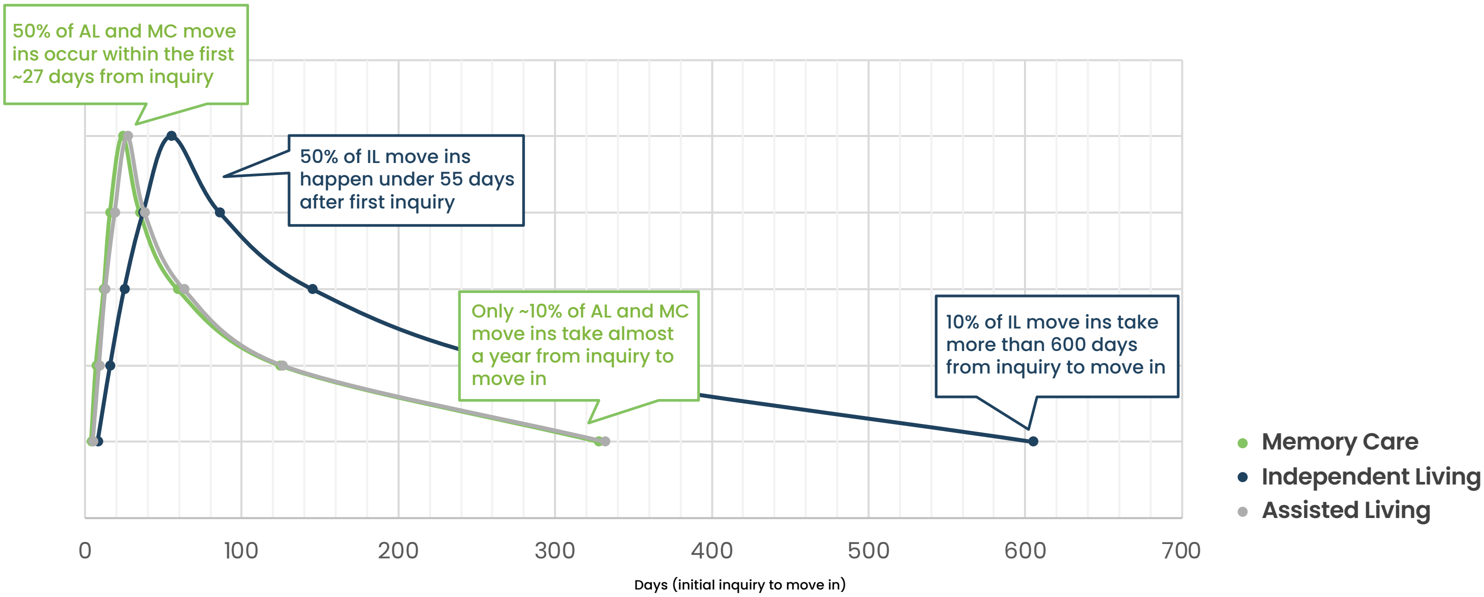
30% of move ins happen within ~2-3 weeks, and **50% move in within 1-2 months.**

The fastest 10% of move ins can happen in <1 week.

	IL	AL	MC
10th Percentile	8	5	4
30th Percentile	25	13	12
Median	55	27	24
70th Percentile	145	63	59
90th Percentile	605	332	328
Average	*211*	*130*	*119*

LOSC distribution by care type

Length of sales cycle analysis suggests that **half of move ins happen quickly, within 2 months across care types.** The other half may move in over a much longer time range; **10% of prospects take over a year to convert.**



Note: LOSC analysis is based on prospects that moved in in 2023

Tactical Takeaways

In Q2, **boosting conversions is top of mind.** As we see the variation in LOSC, the case for having a clear lead management strategy is more pressing. For those prospects who are moving quickly to move in, **speed to lead will be a differentiator.**

Discussion

- Are you seeing these results at your communities?
- Do you have a good sense of how quickly your prospects tend to move in?
- Do you have goals for speed to lead in place today?
- What will you be focusing on in Q3 given Q2 performance?

Questions about the report?

Schedule time with our team.