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Welcome Home

Q1 Benchmark: 2023



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Q1 Highlights



Industry average occupancy remained steady in Q1 and was flat across care types with slight declines in IL.



Occupancy was stable across regions with the largest changes in the NE (+0.8) and the South (-1.1).



Leads per community went up in Q1; but weakened tour to move in conversions drove depressed move in volume.



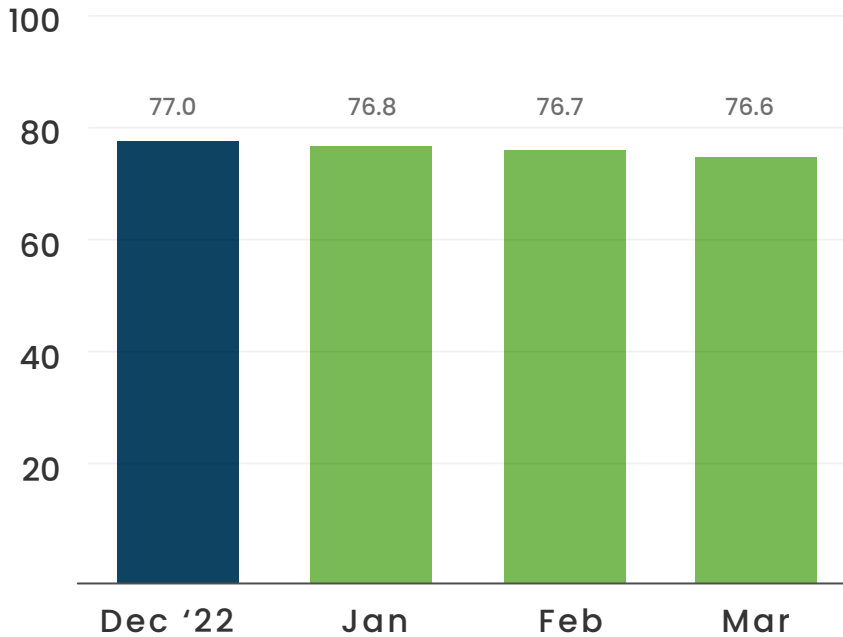
Share of lost leads from financial, location, and level of care have grown, having potential implications for lead strategy.



occupancy trends

We saw **occupancy rebound over 2022 from 72% to 77% by December 2022**. In Q1 2023, we may be returning to normal pre-covid buying cycles as occupancy cooled across the industry.

Q1 Occupancy



Industry occupancy was flat in Q1 with a change in occupancy rate of **-1%**.

Industry Q1 '23

industry standings

The top 25% of communities were above 92% occupancy.

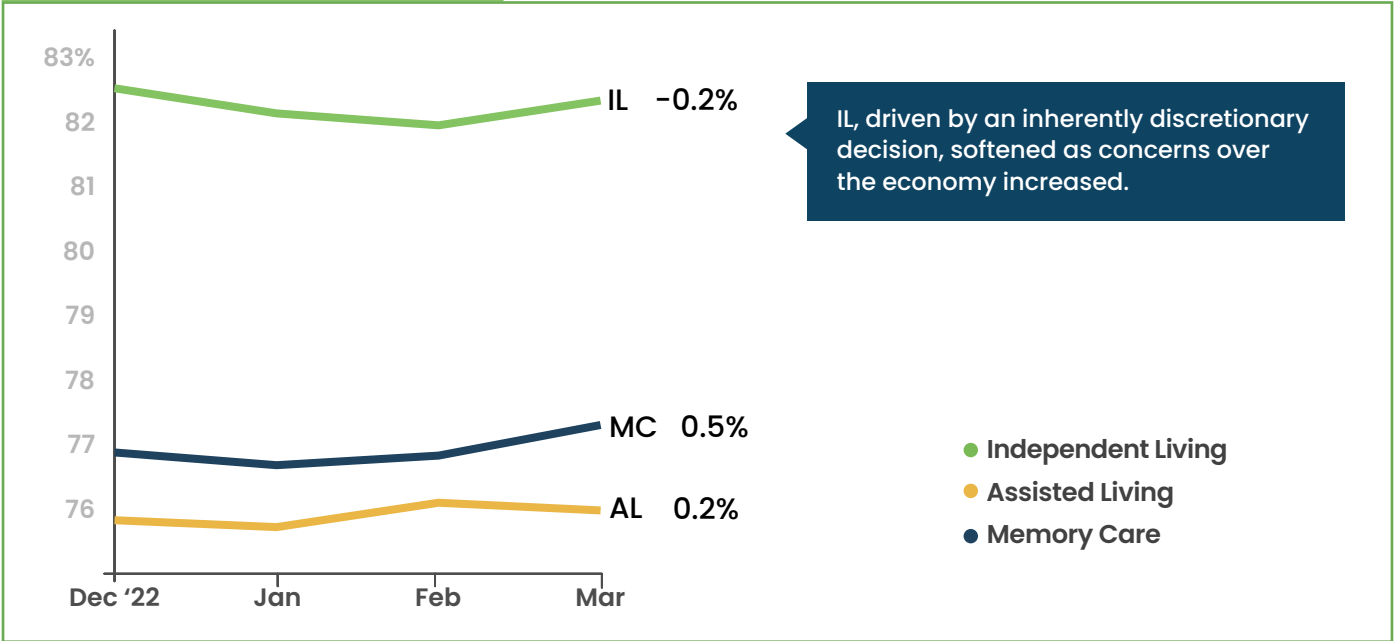
The top 25% of growth saw above 2% occupancy gain in Q1.

	Occupancy	Growth
75th	92%	2%
50th	81%	0%
25th	69%	-1%

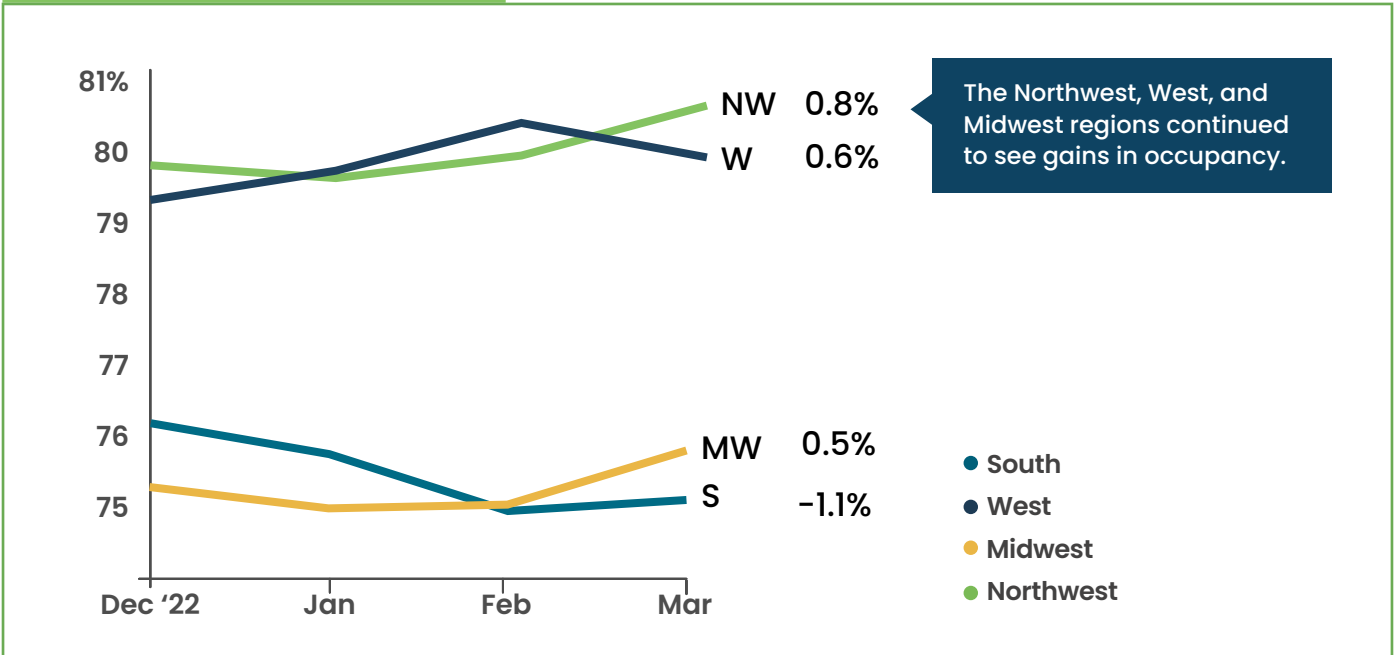
occupancy by care type

Overall occupancy trends were reflected by care type and region.

Q1 occupancy by care type



Q1 occupancy by region



sales funnel volume

New leads, tours, and move ins fluctuated in Q1 but rebounded in March. Specifically, Q1 new lead to move in dropped driven by a significant dip in tour to move in conversion in January and February.

	Dec '22	Jan	Feb	Mar	Q1 '23 Avg
New leads	34	45	39	45	43
New leads > tour	26%	26%	27%	26%	26%
Tour > move in	36%	26%	28%	31%	28%
New lead > move in	9.4%	6.6%	7.6%	7.9%	7.3%

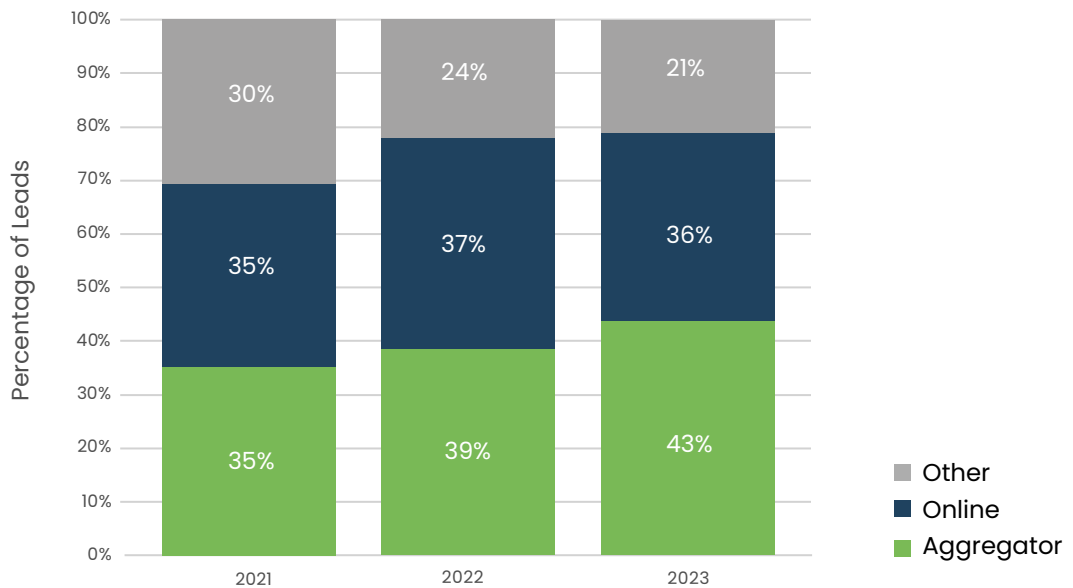
Depressed lead to move in was driven by a drop in tour to move in conversions as communities struggle to increase move ins proportionally with increased lead volume.



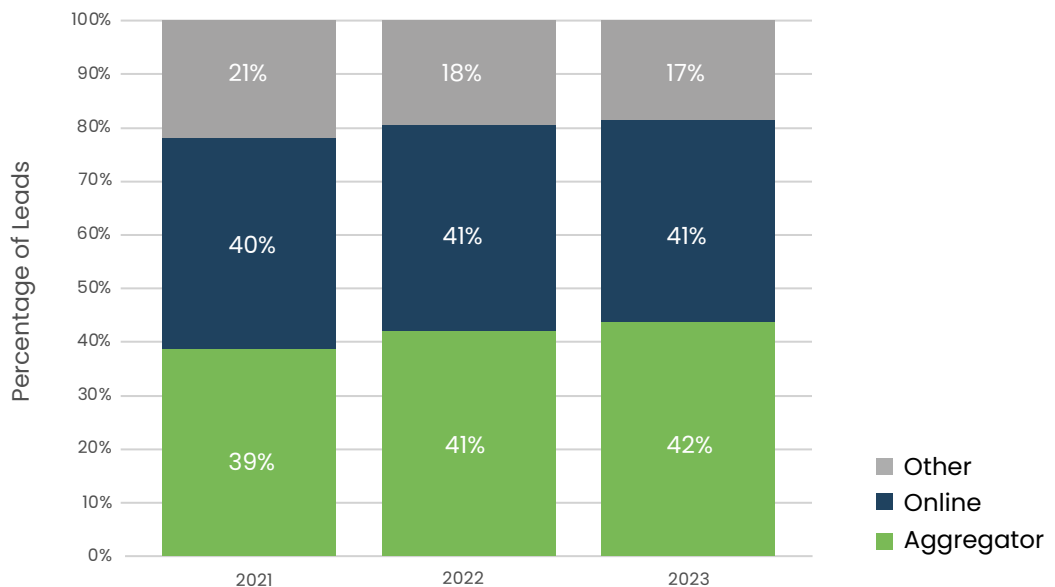
data drop

For the past three years, the industry has heavily relied on the use of aggregators and online lead sources. In Q1 '23, **Online and Aggregators were responsible for 79% of the total leads sourced in the industry.** In the same period, they were also responsible for **83% of the leads lost.**

Online and Aggregator Share of Total Leads



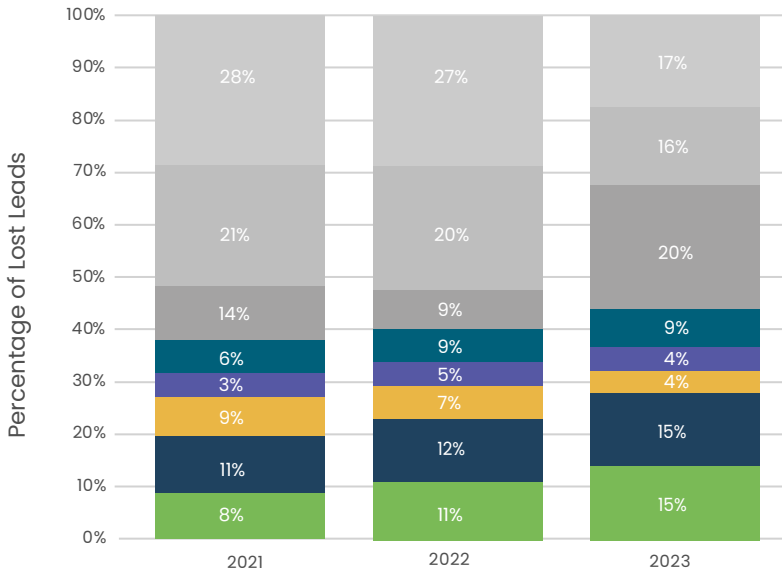
Online and Aggregator Share of Lost Leads



lead analysis

Lost lead reasons have shifted over the past several years. While lost leads from competition and unable to contact have dropped for both online and aggregator leads, financial, location, and level of care lost leads have gained ground.

Aggregator Share of Lost Leads

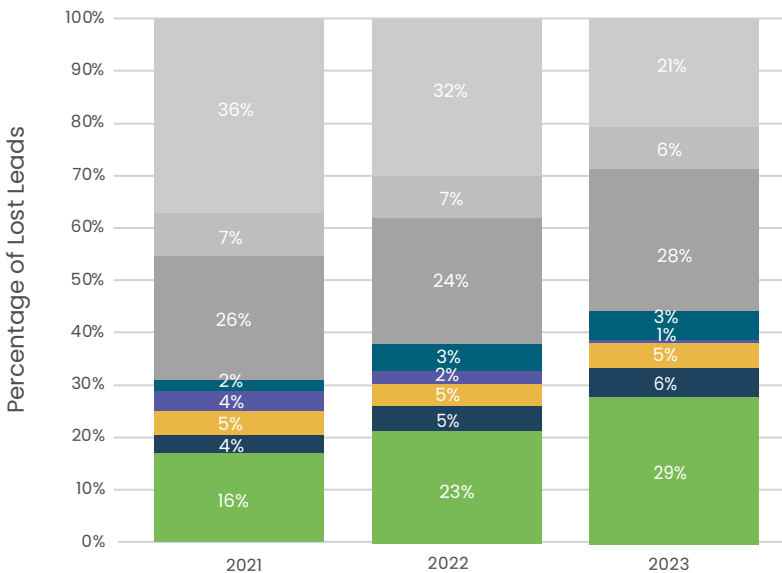


Competition and inability to contact are shrinking as lost lead reasons since 2021; adoption of better sales tools and processes support this change.

Increasing share of leads lost for location and financial reasons may be related to a poor match in prospect-community fit.

- Unable to Contact
- Competition
- Other
- Level of Care
- Home/Family
- Death
- Location
- Financial

Online Share of Lost Leads



Financial is a more meaningful share of lost leads for online leads; without a personal interaction, it's possible that financial limitations and expectations are not transparent, allowing unqualified leads to make it further in the sales process.

- Unable to Contact
- Competition
- Other
- Level of Care
- Home/Family
- Death
- Location
- Financial

Tactical Takeaways

In Q1, a focus on **boosting conversions** is top of mind. Despite an increasing number of leads, **quality and management strategy by lead source** is becoming more important to drive strong conversions. Consider a more deliberate **vetting of online and aggregator leads**.

Discussion



Are you seeing these results at your communities?



What strategies have you implemented with your teams to right-size some of the dip in performance?



What will you be focusing on in Q2 given Q1 performance?

Questions about the report?

Schedule time with our team.