

Changes in Data and Metrics

REVPOR vs. Average Monthly Rate (AMR)

In previous quarters, NIC MAP used REVPOR (Revenue per occupied unit) to measure revenue; however beginning in 1Q09, a new metric called AMR (average monthly rent) will be used in measuring revenue. Through research and analysis, NIC research is confident AMR is a more stable, understandable and transparent metric in reporting revenue. This memo will catalogue the differences in the calculations between each metric and give explanation for differences.

Metric Calculation

- REVPOR measured the average weighted rate and fees per occupied unit, whereas AMR will measure the average monthly rent across all units, regardless of occupancy.
- REVPOR used rates based on private and semiprivate rates, whereas AMR will include only private rates. NIC research determined private rates were more robust and a better measure of increasing revenue.
- REVPOR was previously calculated on a segment basis, including all like units, e.g. all independent living rates and corresponding occupied units were taken into consideration to calculate an average. AMR is calculated for property types, and will use units within the dominant segment, e.g. in majority IL properties, only the IL service units will be taken into consideration to calculate an average.
- Historical data restatement.

Independent Living

- 4Q08 REVPOR was \$2,502 with AMR being \$2,599 across the MAP31.
- AMR is including only IL units within majority IL properties.
- Weighted average of IL units within majority AL and NC properties was \$2,463, which was not being included in the majority IL AMR of \$2,599. This represents 21,081 units.
- Majority IL properties have higher rates in IL than properties that primarily focus on a different type of service.

Assisted Living

- 4Q08 REVPOR was \$3,612 with AMR being \$3,465 across the MAP31.
- AMR is including only AL units within majority AL properties.
- AMR is using only private rates. 4Q08 private REVPOR, as published in the NIC MAP 31 Benchmark, was \$3,518.
- Weighted average of AL units within majority IL and NC properties was \$3,679, which was not being included in the majority AL AMR of \$3,465. This represents 52,142 units.
- Majority AL properties have lower rates in AL than properties that primarily focus on a different type of service. Majority IL properties have the highest weighted AL rates at \$3,784.
- Weighting private AL rates across all property types was \$3,525 in 4Q08, similar to the segment wide private REVPOR of \$3,518.

Nursing Care

- 4Q08 REVPOR was \$229 with AMR being \$249 across the MAP31.
- 4Q08 private REVPOR was \$247, as published in the NIC MAP 31 Benchmark.
- AMR includes short term nursing rates, if excluded 4Q08 AMR is \$247.