

# Fill rate fundamentals

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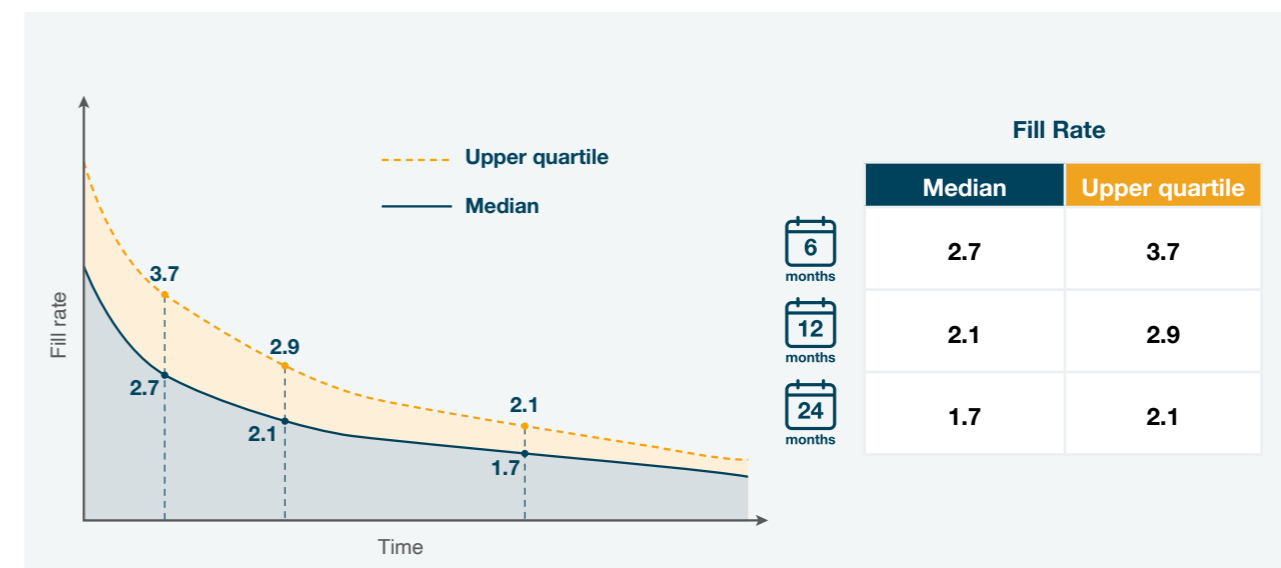
# What does it take to fill a care home in today's market?

In our latest research, powered by Carterwood Collab, we've worked to uncover the drivers that really matter. Pre-COVID, the average net fill rate (that being occupied beds divided by the number of months operational) within the first 12 months of operations was around 3 per month. However, **our data reveals that build-up of trade has been slower in a post-pandemic landscape**, with many operators now seeing average fill rates closer to 2 per month over the same initial 12-month period.



“ *The right market analysis is important for a successful location but there is never a perfect site and we work toward successful fill with correct focus on marketing, high quality staff and most importantly the quality and design of our care homes*

Naz Nathani | Director at Macc



Fill rate refers to the net occupancy growth of a care home from the point of opening, usually expressed on a per month basis.

Fill rates tend to be strongest in the first six months of a care home's operation. During this initial period the "shiny and new" factor plays a significant role, attracting early interest from residents and their families. Homes that launch with a clear marketing strategy and well-executed operations often see rapid growth during this critical phase.

However, as a home matures, fill rates typically slow. This is partly due to the natural turnover of residents; as a home's lifespan extends beyond the average length of stay, operators face the challenge of maintaining growth in occupancy levels while balancing resident departures. On average, we estimate it currently takes between 2.5 to 3.25 years to fill a new 70-bed home, with a home of this size having to attract 2-3x its registered capacity to reach mature occupancy.

How quickly a care home is able to fill can make or break the viability of a new scheme. While a huge amount of time is often spent estimating fee rates, the same attention isn't always given to fill rate, and that's a mistake. The impact of an additional year of slow fill on internal rate of return (IRR) can be dramatic, putting pressure on both financial and operational outcomes. For example, a home filling at the median rate of 1.7 per month in the first 24 months of operation could lose out on as much as £780k of revenue by the end of this period when compared to a home filling over the same period at the upper quartile rate of 2.1 per month.

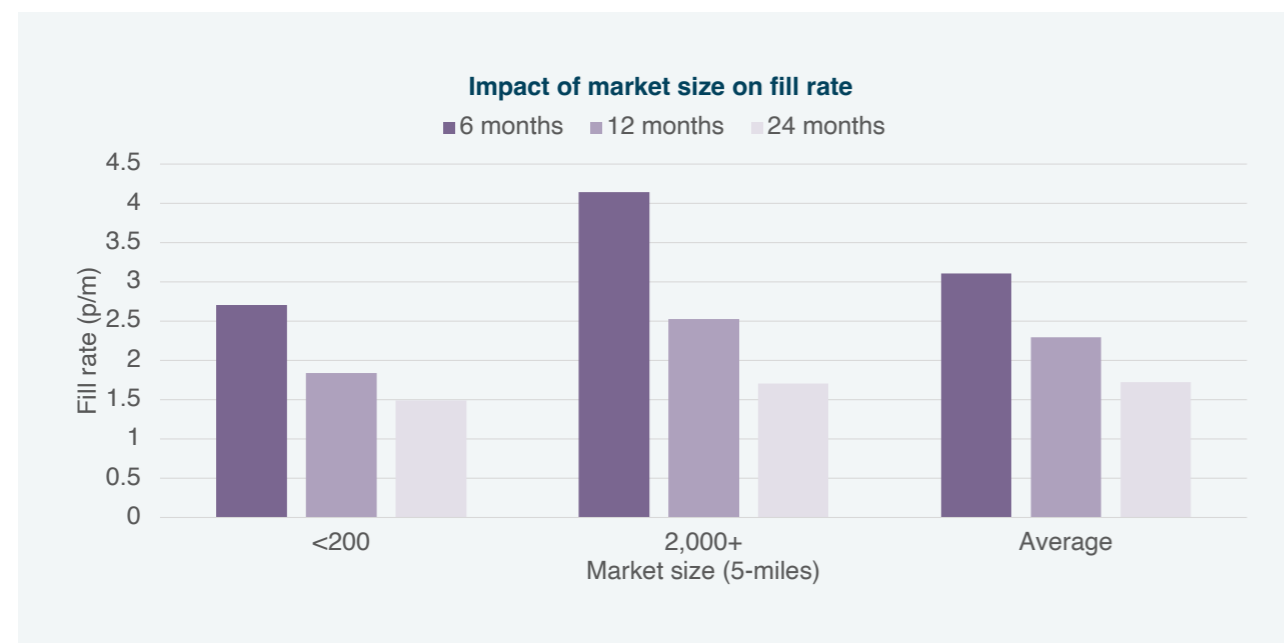
Fill rates are influenced by a complex range of interconnected factors, making it difficult to pinpoint causality to any one variable, especially as not all factors can be quantitatively measured. For example, the impact of an exceptional manager and staff, or a creative marketing approach cannot be understated. That said, digging into the data, we've uncovered some of the critical factors (relating to market, asset, and operations) that set apart the care homes that fill well.

# Market - setting the scene

When it comes to care home fill rates, where you build is just as important as what you build. Here's what the data tells us about how location impacts fill rate trends.

Market size matters: unsurprisingly care homes in areas with significant demand for beds tend to outperform their peers. However, it's not just about volume of demand. Our data highlights that markets with stronger

wealth profiles are also more likely to sustain higher fill rates, particularly within the first 6 months of operation. Stronger wealth profiles appear to be giving operators an edge in attracting a higher proportion of private fee-paying residents, who are more able to make choice-based decisions.



Beyond overall demand, an undersupply of beds also plays an important role. Markets with a greater shortfall of wetrooms consistently perform better, as full wetroom en-suites are increasingly seen as a baseline expectation for new developments and for families looking for placement options. Shortfalls of beds with an en-suite

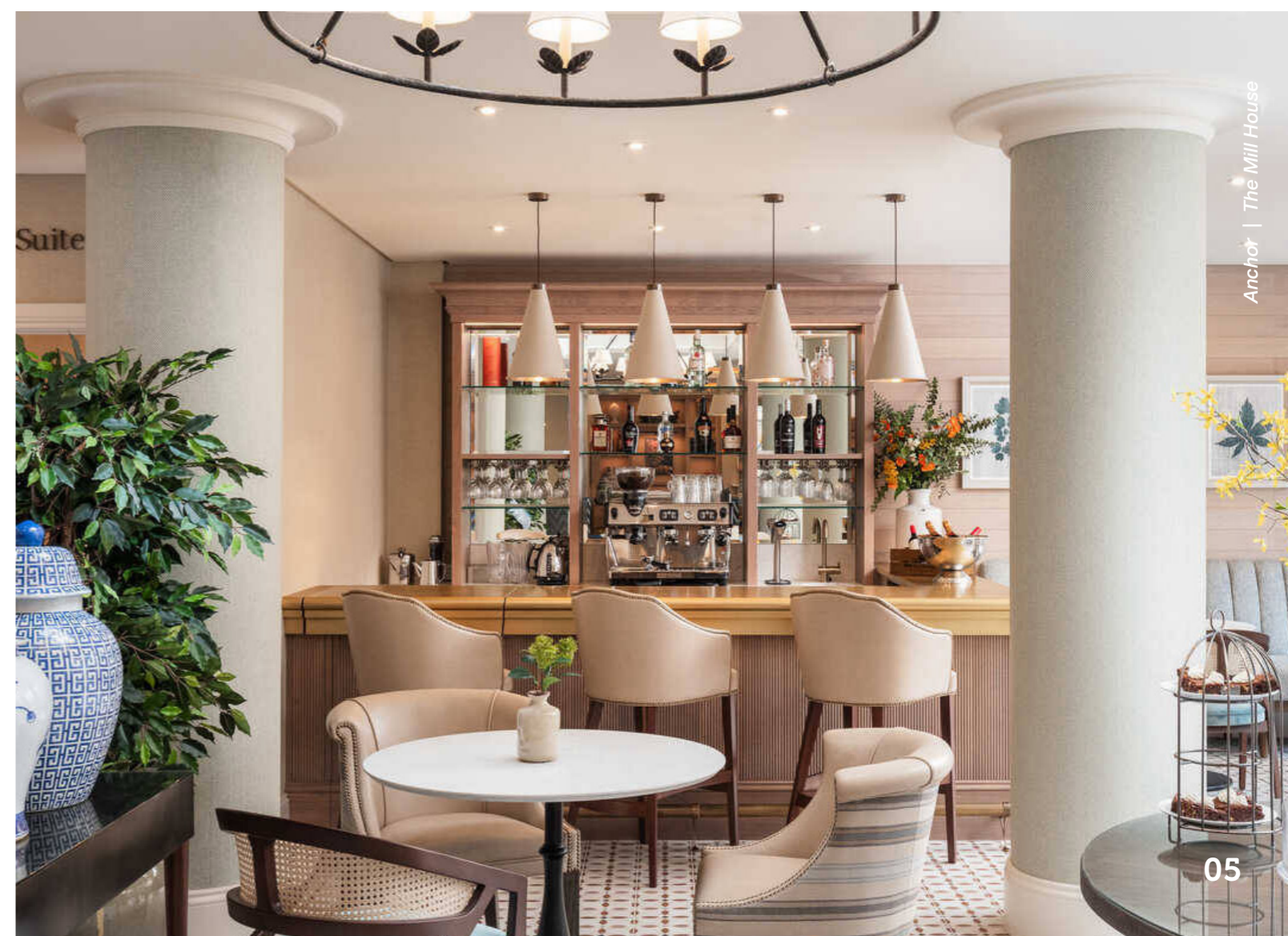
WC and wash hand basin also has an impact, though to a lesser extent than an undersupply of wetroom beds. There is opportunity to achieve stronger rates of fill by identifying development locations which combine a large overall market size with a lack of existing high-quality provision.

**“Community engagement is one of the most important factors in driving fill rates, but the quality of care is equally critical. When residents and families trust the care being delivered, they share their positive experiences and help to build a strong reputation in the community.”**

Caryn Ferguson | Community Partnership Manager at Anchor

When considering micro-location, anecdotal evidence often suggests that prominence onto a main road can improve scheme visibility to the local market, and therefore performance. However, our analysis shows little measurable difference in fill between care homes located

on A-roads versus those situated off minor roads. So while micro-location certainly plays a role, its impact appears to be more nuanced than the market-wide drivers above.



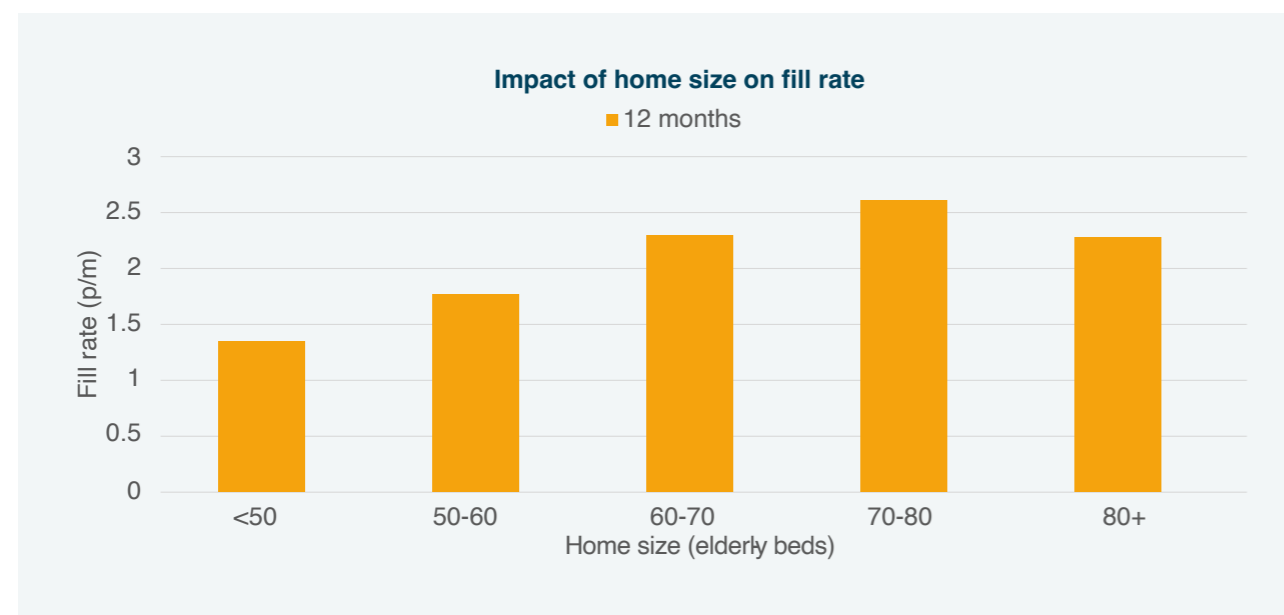
Anchor | The Mill House

# Asset - the role of facilities and fit

As resident and family expectations evolve, asset quality is becoming more important than ever. Here's what our analysis reveals about the impact of facilities and design.

Larger care homes with 70-80 registered beds perform best when filling, striking the right balance between

operational efficiency and resident appeal. This sweet spot allows operators to maximise economies of scale while still delivering the personalisation and service quality that residents expect.

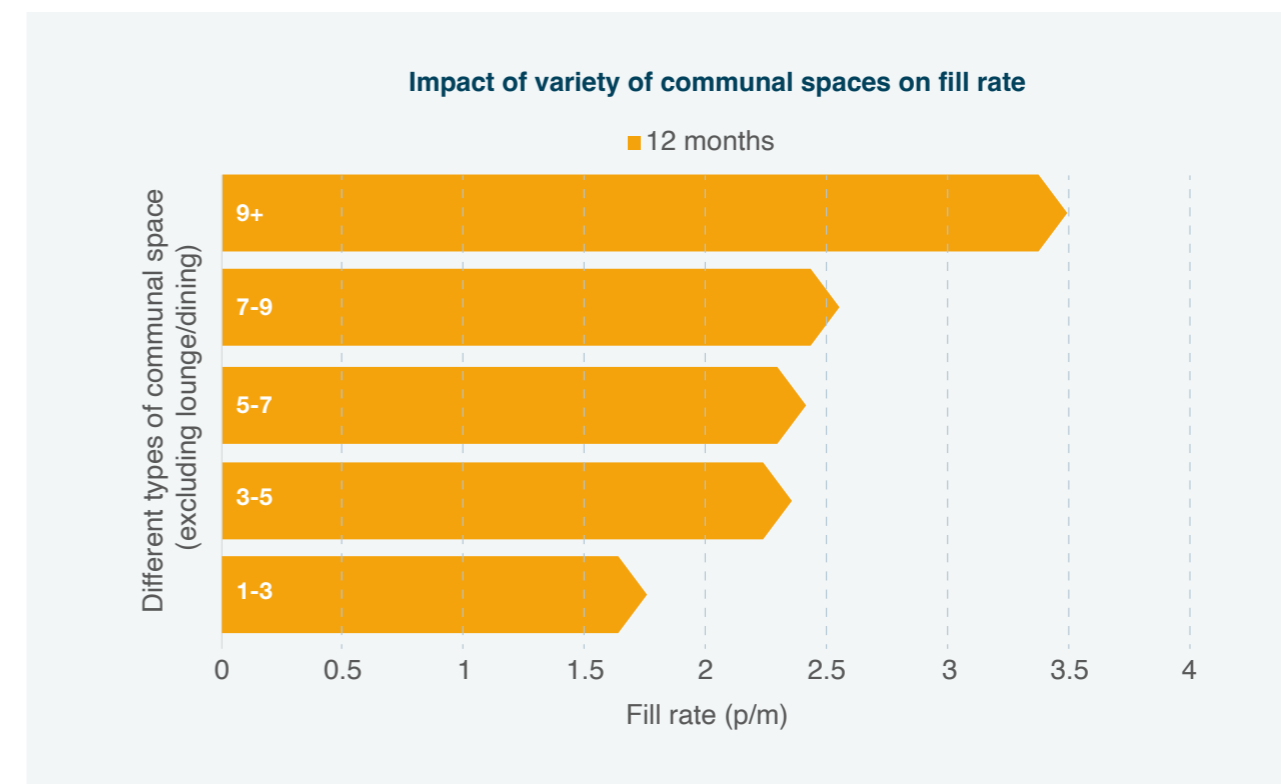


Another key driver is the variety of lifestyle offerings. Homes offering a wider range of communal spaces, beyond that of the traditional lounge and dining spaces, attract new residents more effectively. Families and prospective residents are increasingly looking for environments that feel vibrant and flexible, rather than rigid or limited in options.

Interestingly, while variety in communal spaces is critical, the overall size of the building (as measured by total GIA per bedspace and communal GIA per bedspace) has no noticeable impact on fill rates. This suggests that prospective residents value what's on offer, rather than the sheer amount of space available.

**“ Used strategically, respite beds can be a powerful tool for growing long-term occupancy, but they need careful management. If you rely too heavily on them, you risk a cycle of short stays rather than real growth; however with strong conversion rates, they can be a valuable pipeline for long-term residents. ”**

Cillian Hennessey | Chief Executive Officer at Meallmore



The takeaway? Successful assets focus on functional space that enhances the resident experience rather than simply adding square footage. It's about designing

spaces that create a home residents want to live in, not only a building with more room.

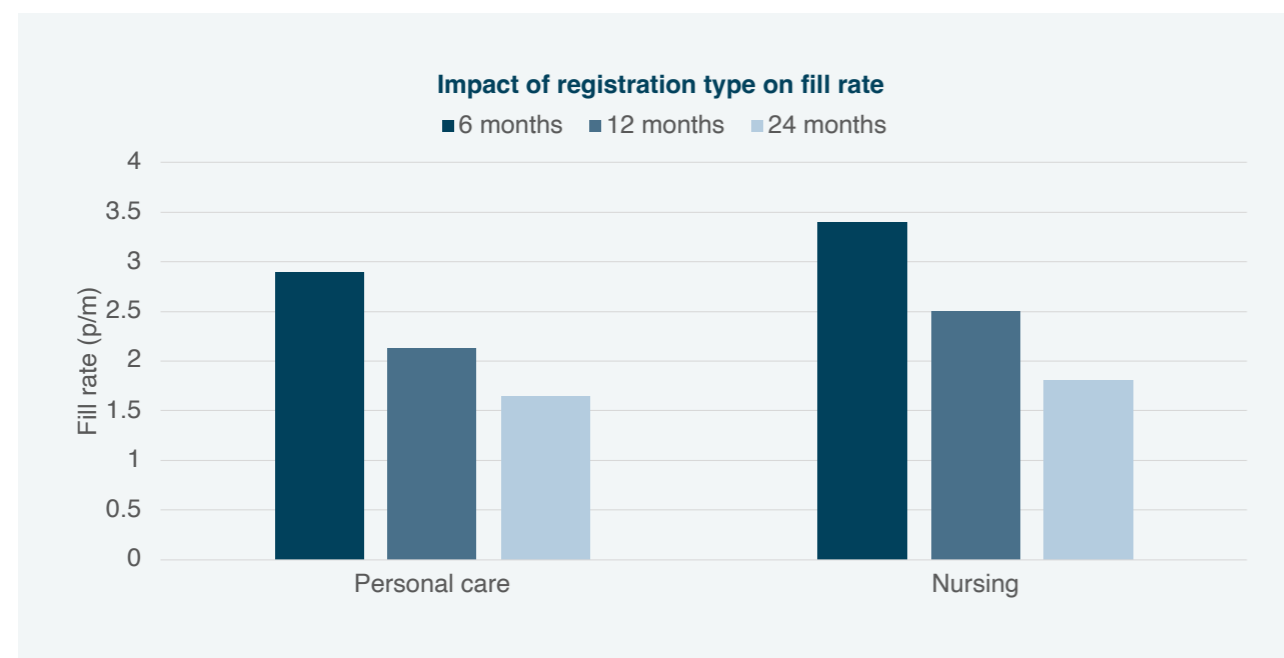


# Operational – strategies that shape success

Even the best-located and best-designed care homes can struggle without strong operational performance to back them up. Here's what the research uncovers about the impact of operations.

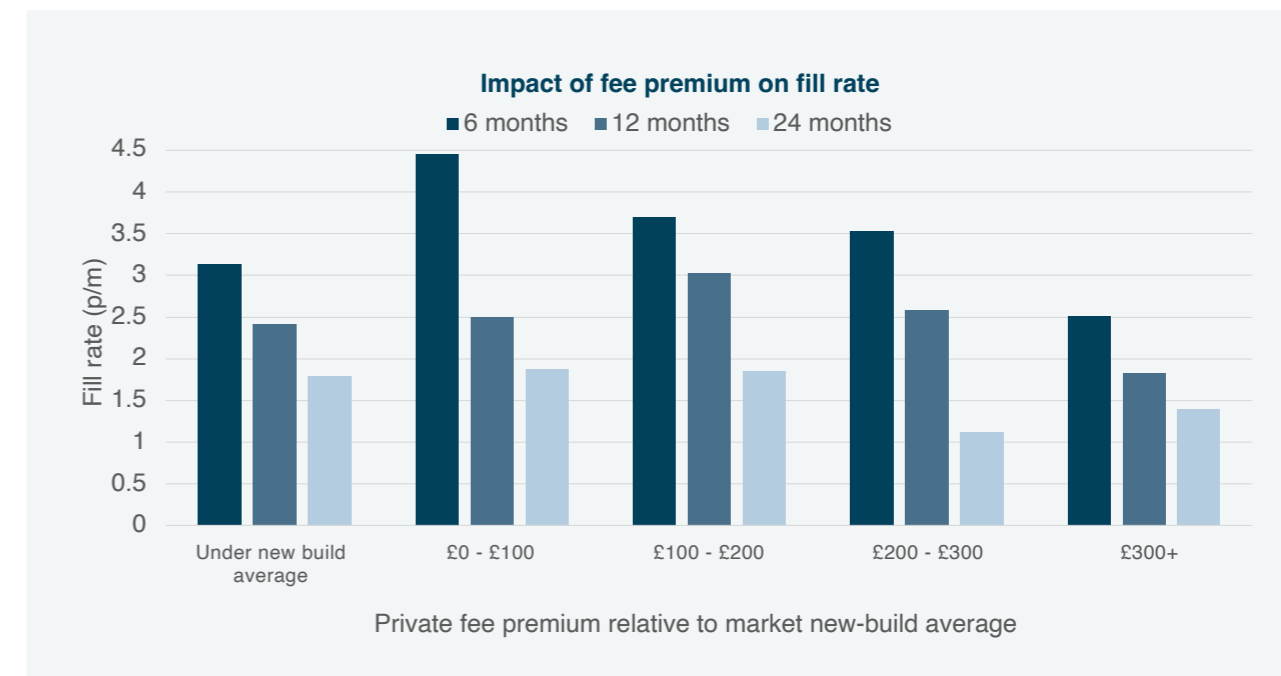
Nursing homes often offer more flexibility to cater to a wider range of care needs, allowing them to target a larger pool of potential referrals, particularly in markets where demand for higher acuity care is unmet.

On average, homes registered to provide nursing care fill more quickly than those with a personal care registration.



Timing also matters. Homes opening in the new year or the autumn months tend to fill faster than those opening in July or August, where demand typically slows during the summer period. Launching at the right time can give operators a crucial head start on achieving a strong initial fill.

Pricing is another critical factor. Homes that charge private fees near the current market rate without underpricing perform best, ensuring affordability for residents without undercutting the business. That said, there's room for market-makers (those homes with no modern competition nearby) as there's evidence these homes can successfully charge well above-market fees without compromising fill rates.



For new care homes, accurately assessing quality of care can be a significant challenge, particularly in the early stages of operation. A key issue is the delay in receiving a CQC (Care Quality Commission) inspection and rating, which can leave prospective residents and their families with little formal guidance on the home's performance.

This lack of early, reliable quality indicators can make it harder for new homes to build trust and attract residents in their critical early months. For operators, it underscores the importance of proactive marketing, strong word-of-mouth, and a visible commitment to high standards from day one.

While platforms like Google, online care home directory/marketplaces, or other online sources can provide some insight, they often come with limitations. Reviews may be biased (skewed towards either highly positive or highly negative experiences) and they rarely reflect a comprehensive or balanced view of the overall quality of care.

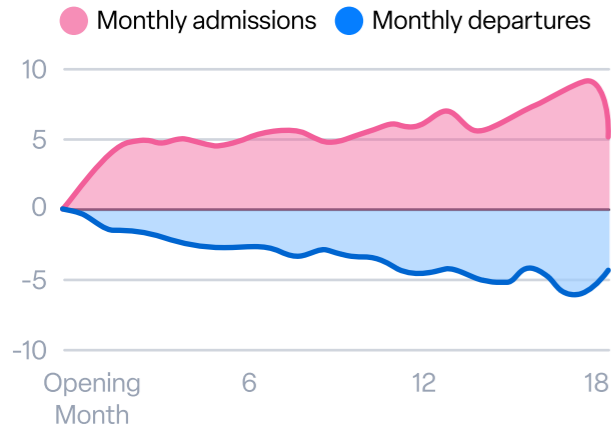
To explore these questions further we've partnered with Lottie, whose data offers a unique and complementary perspective, focusing on care-seeking behaviour and what influences families' decisions.



# The Importance of Digital Marketing for New Care Homes

Data from new developments opened between 2021 and 2024 (131 care homes)

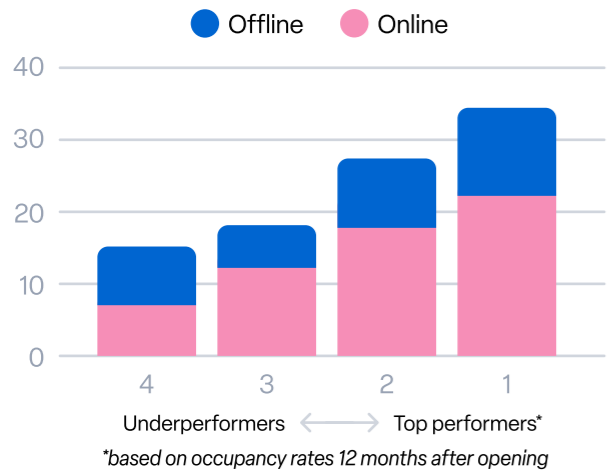
## Admissions and Departures



As highlighted by Carterwood's fantastic analysis, care home net fill rates peak in the first 6 months after opening, but tail off thereafter.

Anonymised data from Lottie reveals this is due to the gradual departure of those initial admissions, which drives down net fill rates.

## New Enquiries per Month

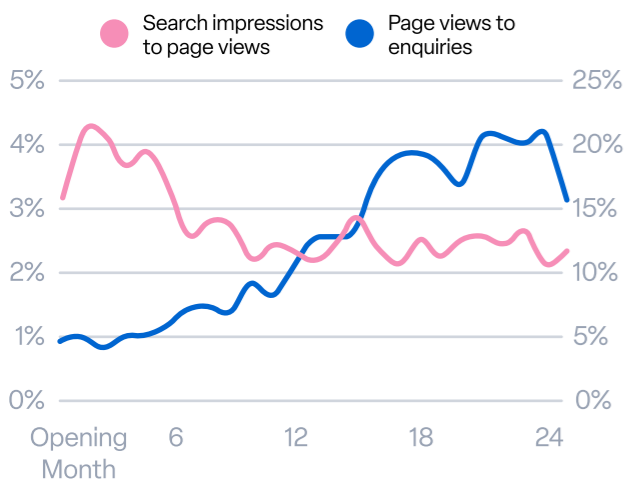


Occupancy levels in new care homes vary widely, with top performers exceeding 60% occupancy within 12 months, whilst under performers can struggle to reach 20%.

A key differentiator is enquiry flow, particularly the use of digital marketing channels.

Lottie's anonymised data shows that high-occupancy homes not only receive more enquiries overall, but also rely more heavily on direct online channels (Google, Social Media, etc.) and top online care directories (such as Lottie). This underscores the importance of early investment in digital lead generation to maximise long-term occupancy.

## Conversion Rates



A strong online presence is key to high occupancy, and small details can significantly boost enquiry conversions. Our marketplace data shows that new care homes see high click-through rates from appearing in search results to visiting their specific care home listing page. This is driven by the appeal of fresh, high-quality media assets and initial fee discounts.

However, care seekers are significantly less likely to make an enquiry thereafter. This trend lines up with the lag it takes to achieve a regulatory rating, which is usually issued anytime after the first year of a care home operating, and plays a crucial role in care seekers' decision-making.

# What's Next? Putting the data to work

From market factors to operational excellence, our research highlights that care home fill rates are influenced by a complex web of variables. Some of these factors are hard to quantify - such as the word of mouth reputation of a home or the exceptional service provided by care home managers and their

teams - these require experience, expertise and excellence in execution to get right. Market and asset characteristics can however be measured, so if you're looking for insight into how those factors will contribute to shaping your home's fill-rates, put Carterwood's data to work.

Get in touch via [info@carterwood.co.uk](mailto:info@carterwood.co.uk) or 01454 838038

## Background/methodology

- Pre-COVID, we assessed fill rates using publicly available spot occupancy data within CQC reports, which provided a national-level view but lacked detail on how individual care homes fill from opening to maturity.
- The sample reflects care homes opening during or just after the peak of the COVID-19 pandemic, meaning fill rates may be uniquely impacted by both the crisis itself and its lingering effects.
- Now, using Carterwood Collab data, we can track fill rates across the entire fill period of a new home on a month-by-month basis, offering a much deeper understanding of how fill rates evolve over time. This enables us to link occupancy trends with Carterwood's unique supply and market data to investigate the key drivers of fill rates with unparalleled accuracy and insight.
- We aim to continue updating this research as the sample grows, providing an even broader perspective over time and helping to assess how the impacts of the pandemic evolve and diminish. Despite these challenges, this research represents a significant step forward in understanding care home fill rates, offering actionable insights for operators, investors, and developers.
- Our data collection period relates to occupancy levels from Q1 2021 to Q3 2024 for homes during their first 36 months of operation. While robust the sample remains relatively small, capturing over 150 new care homes that have entered the market since the start of 2018, and is weighted towards the southern regions of England.
- For the purpose of this research, we have excluded homes from the dataset as "mature" once they reach 90% occupancy.

**Sector specialism**  
**Data quality**  
**Innovation**

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