

MCC Restaurant Survey #1 Summary – 5/3/21

Background

The Restaurant is an historically important part of MCC. Prior to COVID, it had offered 4 primary services to residents and owners:

1. In-restaurant dining for residents and their guests for dinner only, M-F.
2. Home delivery of meals within the complex for dinner only, M-F.
3. Casual fare from the café (near the Fitness Center and open to all, including outside members of the Fitness Club) - breakfast and lunch 7 days a week; and
4. Community event planning and special events for all residents (e.g. New Year's Eve parties) and catering for arranged events such as weddings - mainly on weekends except holidays.

These services ended in March 2020 with the onslaught of COVID. In May, home delivery and takeout resumed and was extended to include 3 meals, 7 days a week.

This is the 1st survey conducted by a group of concerned MCC Owners. It was distributed via email on December 11, 2020, to 435 owners for whom we have an active email address. In addition, recipients were asked to share it further with renters and members of the Fitness Center and Tennis Club. We requested the survey be disseminated to Promenade residents, but to our knowledge it was not. The survey was left open until January 11, 2021.

The purpose of this particular survey was to clarify what owners think about key aspects of the restaurant's dine-in, home-delivery and café services, including: (a) the quality and price of the food and drinks in comparison to comparable offerings in the area; (b) interest in using each of the services after things return to normal following COVID; and (c) willingness to subsidize the restaurant in the face of significant losses in recent years.

Another follow-up survey may be conducted at some point to get owners' views on additional aspects of the restaurant.

Topline Results

A strong 34% of those emailed responded to the survey, with a good distribution of new and long-time owners. The key takeaways, which are further explained below, are:

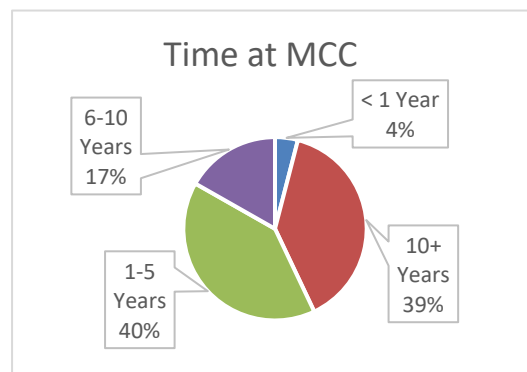
1. Owner Interest: Interest in using the restaurant's services after COVID runs the gamut from no interest, to interest in using at least one service 10 times a month or more, and everything in between. Of note, more than 50% of owners expect to use at least one of the 3 services to some degree.
2. Quality & Price: Respondents who have used one or more of the services generally consider the quality of the food and drinks to be *equal to or better than* comparable offerings in the area, while considering the *prices to be comparable to or lower than* others in the area. Despite the latter, few expressed an interest in significantly raising prices as a way to reduce the need for a subsidy.
3. Subsidy: To keep things simple, owners were asked for their opinion about subsidizing the restaurant as a straight dollar amount per unit. The vast majority of owners want both restaurant

Losses, and therefore subsidies, substantially reduced, including 42% who want *no subsidy* and 22% who want to pay *no more than \$1-25/month*. Only 13% are willing to pay more than \$75/month, which is where the simple average subsidies per unit were in 2018 and 2019.

Detailed Findings

1. Respondent Demographics

- 34% of owners responded, and the results reported here are from owners only.
- The owners who responded represent a good distribution of time at MCC, including a large block (39%) who have been at MCC 10 years or more.



2. Restaurant Usage

The survey asked respondents to recall how often they used the restaurant's Dine-In, Home-Delivery, and Café services before COVID, as well as how often they expect to use these after COVID. The possible answers were "0 Times" (No Use), 1-5 and 6-10 times per month (Mid Use) and 10+ times per month (High Use).

- Expected Usage: 20% of survey respondents indicated that they don't expect to use *any* of the restaurant's services after COVID, while 15% expect to use *one or more* of the services 10+ times per month. Combining those who expressed Mid and High usage shows that 50+% of owners expect to use each of the 3 services to some degree.

Expected Usage	No Usage	Mid Usage	High Usage
Dine-In	34%	56%	10%
Home Delivery	46%	47%	7%
Café	44%	50%	6%
Any/All Services	20%	64%	15%

- Expected post-COVID usage is within the range of self-reported pre-COVID usage, implying that COVID has/will not change behavior dramatically.

Expected Usage	No Usage	Mid Usage	High Usage
Pre-COVID Actual Usage	19%	58%	23%
Post-COVID Expected Usage	20%	64%	15%

3. Quality of Food and Drinks

- Across all services, respondents rated the quality of the food and drinks to be *equal to or better than* comparable offerings in the area.

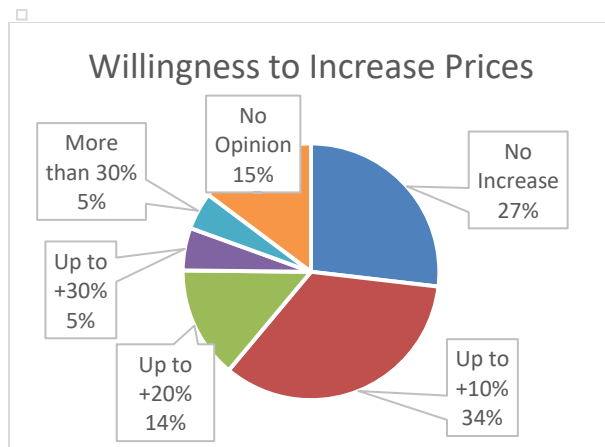
Quality of Food & Drink	Dine-In	Home Delivery	Café
Well Below Average	9%	8%	4%
Below Average	9%	3%	5%
Average	33%	26%	34%
Above Average	19%	21%	22%
Well Above Average	15%	17%	9%
Don't Know	15%	26%	27%

4. Pricing

- Respondents who expressed an opinion on MCC pricing indicated that prices charged by MCC are *equal to or lower than* comparable food and drinks in the area.

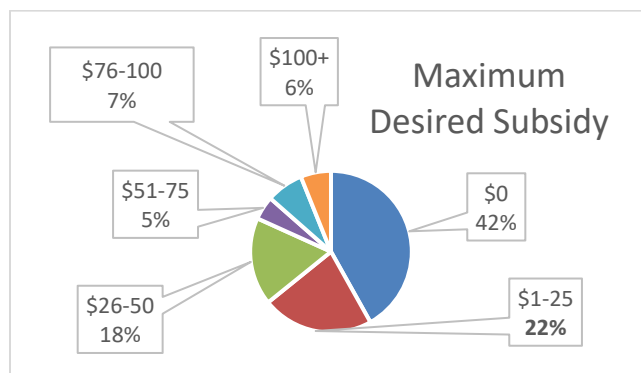


- A significant majority of owners (61%) prefer either no increase (27%) or less than a 10% increase (34%) in restaurant prices as a way to reduce operating losses, despite perceiving them to be lower than or equal to comparable offerings in the area.



5. Subsidies

- By far, the highest percentage of owners (42%) said they don't want to pay any subsidy, and the vast majority (64%) are willing to pay only \$25/month or less. Relatively few (13%) expressed a willingness to subsidize more than \$75/month.



- The willingness to subsidize the restaurant is dependent on how much each respondent expects to use one or more restaurant services. A very strong 96% of those who don't expect to use the

restaurant expressed willingness to pay only \$25/month or less, including 73% who say they are willing to pay no subsidy at all.

Subsidy	Acceptable Subsidy Among Owners Only			
	No Expected Usage	Mid Expected Usage	High Expected Usage	All Owners
\$0	73%	37%	13%	40%
\$1-25	23%	24%	8%	21%
\$26-50	0%	19%	29%	17%
\$51-75	3%	6%	0%	5%
\$76-100	0%	7%	17%	7%
\$100+	0%	3%	29%	6%

6. Additional Observations

60% of the owners who took the survey provided additional thoughts. This included the following:

- The restaurant should be outsourced (8%)
- The restaurant should be kept in-house (15%)
- The restaurant should be closed due to financial losses (11.4%)
- The restaurant should be remodeled (10.7%)
- The menu choices should be updated/offer more variety/better service (14%)