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Retirement Living – Emerging Trends

Australia's ageing population is contributing to an upsurge in new development of retirement communities nationally. This newsletter highlights some of the emerging trends identified in a seminar hosted earlier this year by *The Urban Developer*.

Key themes included:

- The shift to six storey plus villages;
- The shortage of rental options;
- Increased integration with the outside community;
- Use of environmental and energy efficient features; and
- The take-up of higher priced products first.

To set the scene, Kylie Newcombe of Urbis provided an understanding of the demographics driving demand for specialist retirement communities. Among the points she noted:

- The largest markets for retirement village units are in New South Wales and Queensland;
- Dominant age groups 70-89 years;
- In South East Queensland, the Gold Coast and Moreton Bay Regional Council (RC) have penetration rates of those aged 65 years plus exceeding 10% (compared with 6.7% for Queensland);

- Of the population aged 75 years plus, Queensland (11%) and South Australia (10.2%) had the highest penetration for those living in retirement village units;
- With close to 33,000 existing retirement village units in South East Queensland, supply could potentially increase by over 50%, based in identified proposed developments;
- Both existing and potential future supply is concentrated in Brisbane City, the Sunshine and Gold Coasts and Moreton Bay RC; and
- Of the facilities approved post-2017, 65% are in mid-high rise buildings.

Gold Coast Mid-High Rise Projects

The emergence of mid-high rise projects in retirement living is not new to the Gold Coast. The Grand Pacific Broadwater at Southport, developed in 2008, now operates as the Henley on Broadwater retirement village and aged care facility.



Artist's impression of Aura Holdings' The Pavilion North Kirra

A New Generation of Retirement Villages

Victoria Towers in the Southport Central Business District, with its freehold title, was developed by Korean developer City Plan Partners, in 2011. It includes an aged care facility on its lower levels. Competing directly with nearby apartment towers, there are still a handful of its 220 developer units still for sale.

The new generation of Gold Coast mid-high rise retirement villages illustrate some of the themes identified in the seminar, including choice of lifestyle locations offering water or golf course views; integration with the outside community; and products that address the demand for luxury apartments.

An example of this is Aura Holdings' The Pavilion North Kirra at 59 Golden Four Drive, on the corner of Lang Street, within 100 metres of the North Kirra Surf Life Saving Club and the beach. The pet-friendly village will include a retail/cafe area open to the outside community.

Extensive Facilities

It also has the full range of resident facilities, including a billiards room and bar, wine room, rooftop garden, dining and function area, gymnasium, yoga and pilates area, library, arts and crafts room and barbeque area. There will be 68 independent living units (ILUs) in the ten storey building in Stage One, with a further 73 apartments proposed in an adjoining building at 59a-63 Golden Four Drive. Stage Two includes a pool.

Stage One of The Pavilion North Kirra includes 8 x one bedroom units of 86 m² facing east; 41 x two bedroom units, typically of 102-114 m²; and 19 x three bedroom units, with typical units in the north-eastern and south-eastern positions, having areas of 130-149 m². Somewhat larger sizes are available on the ground floor and the top floor.

Prices range from \$495,000 for a one bedroom unit to over \$1 million for the three bedroom units. This would reflect prices of \$5,756/m² gross to around \$8,500/m² gross.

Given the median house price in this beachfront locality is around \$1 million, with resale beachfront houses priced >\$3 million, these prices are not excessive.



Artist's impression of the view from the living area at The Pavilion North Kirra

On a rate/m² basis, the prices at The Pavilion are not dissimilar to beachside apartment projects in the southern Gold Coast region.

Marketed from mid-2019, already 70% of the Stage One ILUs at The Pavilion North Kirra are reported presold. In keeping with the reports from developers at the seminar, this includes all but one of the higher priced three bedroom units. Stage One is under construction for completion in March 2021.

Aura Holdings was founded in 2016, by directors, Tim Russell and Mark Taylor, after the 2014 sale of RetireAustralia, founded by Tim a decade before. As a young company, Aura Holdings is focused on creating communities that enable residents to live independently, ageing in place.

For example, residents have access to the Eevi Life emergency response system and the developer has partnered with Five Good Friends, who can assist residents with daily tasks, as needed. Residents may be eligible for a Home Care Package to assist with the cost of such services.

Design features at The Pavilion North Kirra include wide corridors, walkways and doorways to facilitate mobility equipment. Other features include temperature-regulated hot water.

Rental Demand

In reviewing retirement village options from the consumer's perspective, speakers highlighted the lack of rental options, with numerous phone calls to retirement communities seeking rental accommodation. The need for rental options, perhaps through a build-to-rent model, is indicated by the 15.7% of Australian households with reference person aged 55-64 years in the private rental market - source: Australian Bureau of Statistics (ABS), *Household Income and Wealth, 2017-18*.

There are some indications too that a high proportion of proposed ILUs are two and three bedroom units. This tends to result in higher price points, generally \$300,000 plus. It also may not cater sufficiently to those with lower incomes; and the 51.7% of those aged 75 years plus in lone person households – source ABS data.

Dementia Need

The Urban Developer seminar focused on design issues related to dementia in aged care facilities. Frank Ehrenberg, of Marchese Partners, Architects, has personal experience, having worked as a volunteer in a dementia unit in Germany from 1989 to 1991.

He highlighted the fact that one in ten Australians aged 65 years plus are living with dementia; and that 52% of those in residential aged care facilities have dementia.

He indicated the different sensory interpretations of those living with dementia and that they are very sensitive to physical environments. Among the design principles he advocates are ease of accessibility, familiarity and legibility. He said those with dementia can successfully interact with the outside community, provided they are given the right support.

Environmental Awareness

Ryan Rathborne of the Clean Energy Finance Corporation (CEFC) spoke about the Greenway Views Seniors' Living Village in Canberra, being developed by LDK and the Cromwell Property Group. The project involves recycling of office buildings. The 380 apartments will be protected from "bill shock", due to sustainability outcomes being funded by the CEFC. They include 700kw of solar PV over rooftops; energy-efficient lighting; use of heat recovery systems; improved insulation; and high-performance window glazing.

Proposed Gold Coast Lifestyle Villages

Among the high profile retirement villages proposed on the Gold Coast are the following:

- RetireAustralia's The Verge at Burleigh Golf Club. It is expected to include three x six storey buildings with 145 ILUs and 32 assisted living units (ALUs);
- The Aveo Group's 16 storey village of 96 ILUs at Labrador, close to the Broadwater;
- Tricare Limited's redevelopment of the close to one hectare site of its existing aged care facility at Marine Parade, Biggera Waters, opposite the Broadwater. It is addressing renewal of a facility it has owned since the 1970s. The first of four buildings will include 45 ILUs and 30 ALUs in a 14 storey building;
- Aura Holdings' staged development of 233 ILUs adjoining the Parkwood Golf Club;
- At Hope Island, GreenFort Capital and Hong Kong-based Gaw Capital are proposing to redevelop the 3.4 hectare Village Square site, which has canal frontage. A total of 348 ILUs are proposed in five x eight storey buildings, plus retail and resident facilities; and
- Property Solutions' redevelopment of the old hospital site at Southport. The mixed-use Queen Street Village is proposed to include two retirement towers of 144 ILUs and 40 ALUs, plus an aged care facility of 72 beds.

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