



Retirement Living Council

Demand Analysis of Housing for Older Australians 2011 Census Review

Overview

- Australia is ageing. From the ABS ...
 - In 2012, 14% of the population were aged *65 and over*; there were 5,758 persons aged *100 and over*.
 - In 2032, 20% of the population are projected to be aged *65 and over*; there will be 20,122 centenarians.
- Using 2006 and 2011 Census data, MacroPlan Dimasi has tracked the changing location of seniors (65+ years) across capital cities. This research reveals a great deal not only about where older Australians live, but also where the next wave of market pressure for age-specific housing is likely to occur.
- By geographically matching **demand** against **supply**, we infer where the future need for age-specific housing is likely to occur.
 - In other words, we have identified where seniors currently live and placed this in the context of the location of the existing retirement villages
- The key take out is: ***the need for housing choice.***

Executive Summary

- Efficient housing markets thrive on the throughput of housing stock
 - markets require 'churn' of existing product *AS WELL AS* new supply
 - 'churn' is driven primarily by the changing needs and circumstances of households
- Existing housing stock is under-utilised
 - 82% of senior couples (oldest person aged >65) owned their house outright
 - 90% of these households have one or more spare bedrooms
 - 50% seniors' houses have 3 bedrooms, 4 bedrooms (32%), or more (7%)
- The *natural* process of downsizing is being frustrated resulting in market stasis
 - **Confused policy message**—'ageing in place' in age-suitable housing *NOT* maintaining the status-quo
 - **'Worse off' effect**—discouraged by tax and pension provisions

Objective:

MacroPlan Dimasi has provided the Retirement Living Council with economic and social research on retirement village demand and provision in Australian Capital Cities*.

The research sought to:-

- a) Understand the population changes for the *over 65 years* age cohort,
- b) Understand the housing demand profile and drivers of seniors,
- c) Identify the supply profile—where retirement villages are currently located,
- d) Locate areas where demand is highest and compare to the existing supply,
- e) Outline policy responses that could encourage development of retirement villages.

** Excluding Darwin & Hobart*

Summary

Key Findings:

- Analysis of the 2011 Census and movement of the over 65 age cohort suggests strong demand for seniors housing in the middle ring suburbs of most capital cities.
- There is an apparent mismatch of where supply and demand is located for age specific housing (e.g. Retirement Villages) in each of the cities profiled, highlighting areas of under provision in age appropriate housing.
- Between 2006 and 2011 there has been a consistent trend observed across capital cities of the over 65 age group moving further away from the CBD, particularly to urban fringe locations where service provision and support infrastructure is at its lowest. This is a sub-optimal outcome for many older Australians.
- This movement could be due to factors including affordability and (the lack of) availability of appropriate housing options within the areas they have traditionally resided.
- Perth, Melbourne, Brisbane and Adelaide have a large percentage of people aged 65+ living within 10 to 20km of the CBD. Sydney appears to have more people aged over 65 located further than 20km from the CBD; potentially due to the higher cost of living in the area.
- Melbourne, Brisbane and Adelaide have witnessed the most dramatic moves away from the CBD in the past 5 years.

Summary

Key Insights:

- Urban areas experiencing increasing levels of unmet demand for retirement living facilities are observing high numbers of seniors remaining in housing which may not be age appropriate.
- The result is limited age-specific housing options where seniors currently reside meaning they are being displaced and forced to move away from the communities they know.
- There is a mismatch of supply and demand for retirement villages in all capital cities profiled.
- Provision of retirement villages should consider local amenity, such as retail and health requirements.
- **With a rapidly ageing population retirement villages should be a key part of future planning for all capital cities**

What should be done?

- Address the 'worse-off' effect
 - The tax and pension 'penalties' that apply to downsizing the family home.
 - The 2013 Federal Budget announcement of a three-year 'trial' of exempting cash gains of up \$200,000, commencing in July 2014, for those that have owned their home for 25 years is likely to be too restrictive and insufficient to effect real change.
 - Will the Coalition Government stick to this promise or review previously committed outlays?
- Provide housing choice
 - Housing choice and a variety of housing forms ought to be encouraged in all communities. Housing choice for seniors is as important as it is for any other market segment.
 - Allow seniors to remain within their local communities ... where they want to be.
 - The middle ring suburbs, in particular, of our capital cities warrant specific attention.
- Other policy levers
 - Joint ventures (PPPs) on surplus government sites.
 - Other fiscal incentives for retirees e.g. stamp duty exemptions on downsizer purchases.

Summary

Benefits

- Increased supply of retirement housing close to where people want to live;
- Lower per unit costs as a result of:
 - Increased investor / developer certainty - improved access to finance;
 - Bringing sites forward; more development sooner;
 - Innovation efficiencies resulting from good city building outcomes.
- Age-suitable housing reduces the incidence of home injuries and lessens the burden on the medical system;
- Provides dignity, certainty and security to the most venerable in the community, when they need it most.

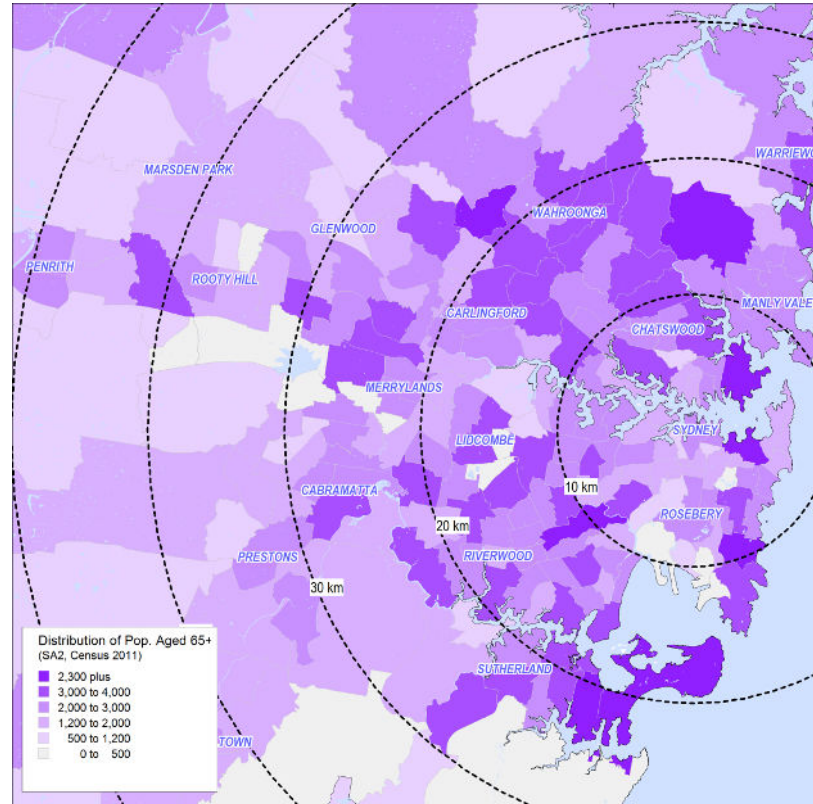
Sydney

Key findings:

- The concentration of people aged over 65 is higher in the Sutherland Shire (south), north western corridor and generally around 20km north of the CBD. Low numbers of residents aged over 65 are observed in the Sydney south region through to Sydney airport.
- An increase in persons aged over 65 has been observed in a band approximately 20 - 30km from the CBD and also to the north from Killara up to Belrose. A decrease in people aged over 65 has been limited to few locations within 10 - 20km from the CBD.
- Within Sydney, approximately 4.0% of people aged over 65 live in a retirement village. Across all capital cities this figure is 5.0%.
- 12.8% of the Sydney population is aged over 65 which equates to 565,275 people. This figure is 12.8% across Australian cities.

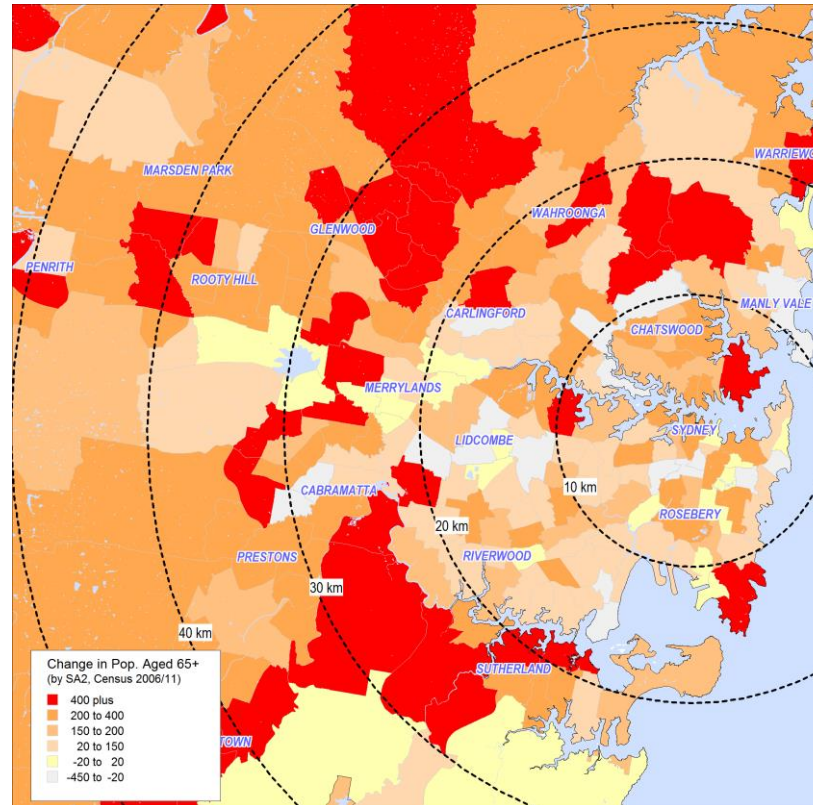
Distribution of 65+ Age Group Sydney

The population aged over 65 is scattered throughout Sydney. The map reflects a higher number further than 10km of the CBD.



Change in Population (2006-2011) of 65+ Age Group

Sydney



Increase in the 65+ age cohort has been experienced across the majority of Sydney.

The greatest increase in people aged over 65 has been in outer urban regions between 20 to 30km from the CBD.

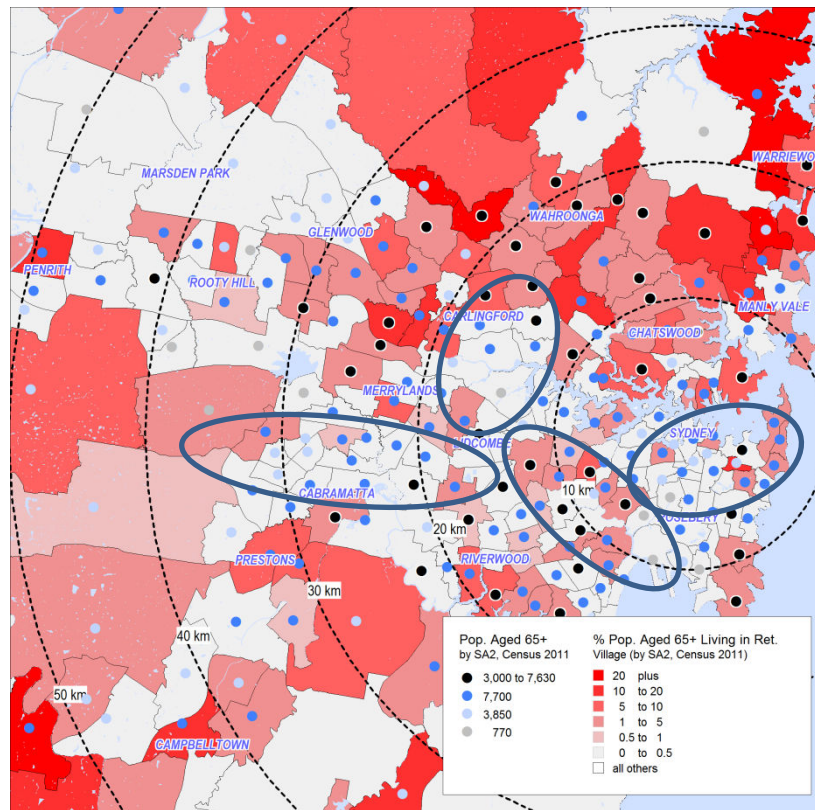
Regions experiencing a decrease in numbers has been minimal.

Supply & Demand of Retirement Villages

Sydney

Definition:

- The analysis is based on statistical regions (called SA2 regions) defined by the ABS.
- The coloured dots represent a larger population of 65+ age group within the SA2 region.
- Brighter red represents where there is high provision of retirement villages in relation to existing demand.



Many of the northern suburbs have high demand and high provision.

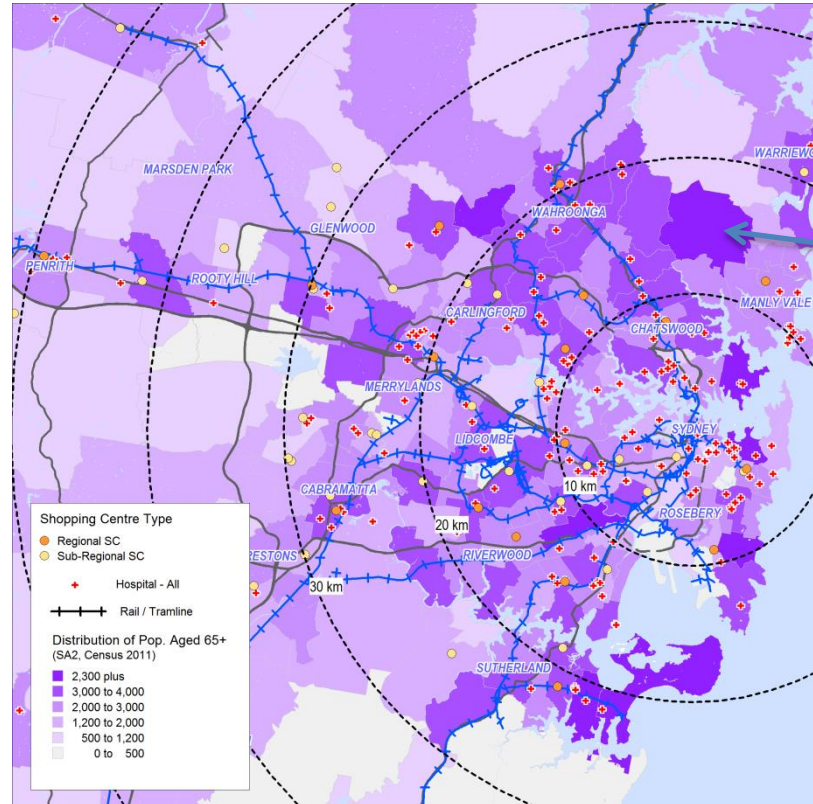
The areas of under supply appear to be south to south west of the CBD.

Affordability within these regions may be a limiting factor of supply.

Amenity Vs Demand for 65+ Age Group

Sydney

The regions of high demand in the south west of Sydney have relatively low provision of hospitals and mid size shopping facilities.



Areas of highest demand have limited shopping facilities.

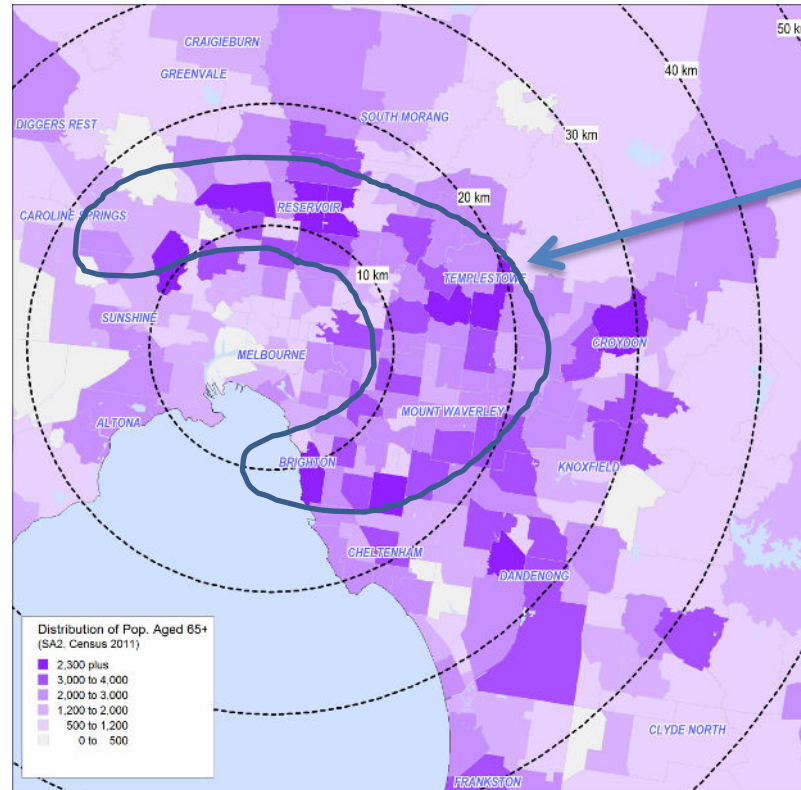
Future demand in the outer west (north and south) is likely to occur in areas of low public transport and hospital accessibility.

Melbourne

Key Findings:

- The concentration of people aged over 65 is highest in a 10 to 20km band from the Melbourne CBD.
- Low concentrations of people aged over 65 are in the Melbourne CBD and also outer-lying newly developed growth areas.
- An increase in persons aged over 65 has been observed in the inner eastern suburbs which are typically more affluent and established. There has also been an increase in outer suburban areas (approximately over 20km from the CBD) such as Point Cook and Templestowe, most likely due to recent development in these locations.
- There has been a consistent decrease in people aged over 65 located approximately 10km north and south east of the CBD. Although the proportion of people over 65 in this area is high, it has not increased in the past 5 years.
- Within Melbourne, approximately 4.0% of people aged 65+ live in a retirement village. Across all capital cities this figure is 5.0%.
- Within Melbourne, 12.9 % of the population, or 515,492 people, are over 65 years. This figure is in line with the 12.8% experienced across Australian cities.

Distribution of 65+ Age Group Melbourne



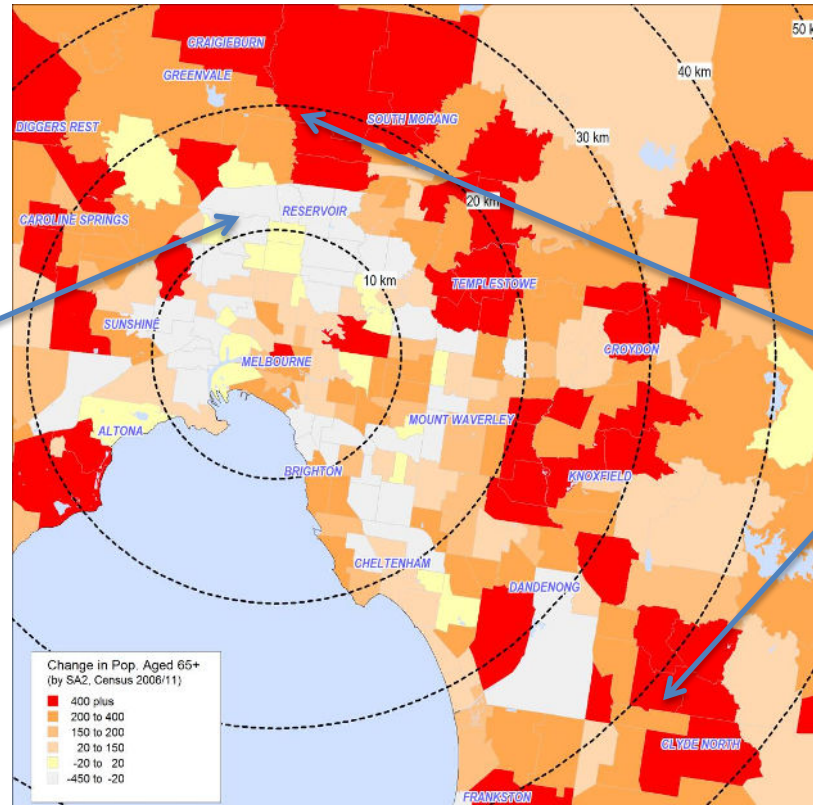
There is a distinct band of people aged over 65 approximately 10 to 20km from the Melbourne CBD.

These locations are typified by larger houses that are less suitable for seniors (house and garden too large to maintain adequately, contains stairs, etc.)

Change in Population (2006-2011) of 65+ Age Group

Melbourne

The areas shaded in grey have experienced a decline in numbers.



There has been a distinct movement of people aged over 65 moving further out from the CBD in the past 5 years.

Being pushed to the urban fringe generates implications such as isolation from family and friends, and a lack of appropriate services.

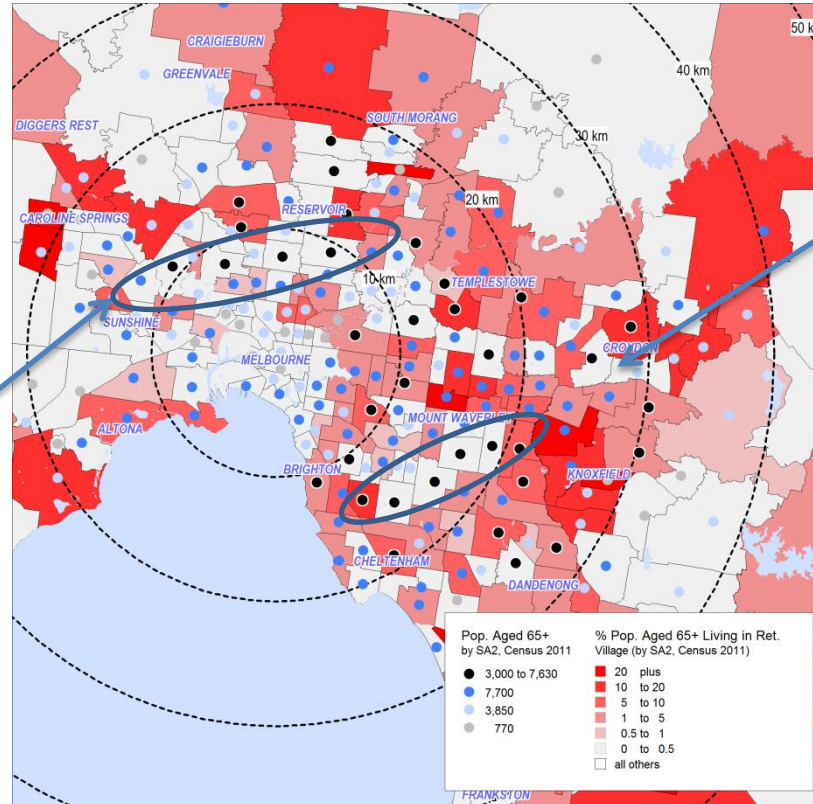
Supply and Demand of Retirement Villages Melbourne

Definition:

- The analysis is based on statistical regions defined by the ABS.
- The coloured dots represent a larger population of 65+ age group within the SA2 region.
- Brighter red represents where high provision of retirement living in relation to existing demand.

Unmet demand in the area spanning from Keilor East through to Reservoir.

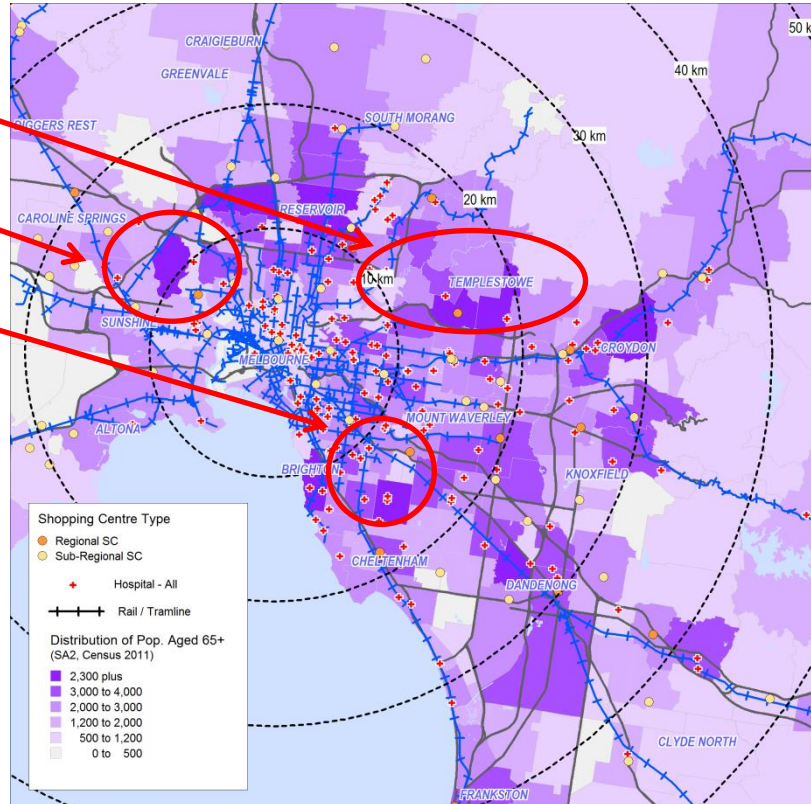
Unmet demand in Bentleigh across to Glen Waverley.



Amenity Vs Demand for 65+ Age Group Melbourne

Regions of high demand in Melbourne typically do not have convenient access to major shopping centres or CBD orientated public transport.

The Keilor East region to the north west of the CBD has high demand but low access to hospitals and shopping centres.



The Templestowe region and the Mount Waverley region have low provision of shopping centres and CBD orientated public transport.

Brisbane

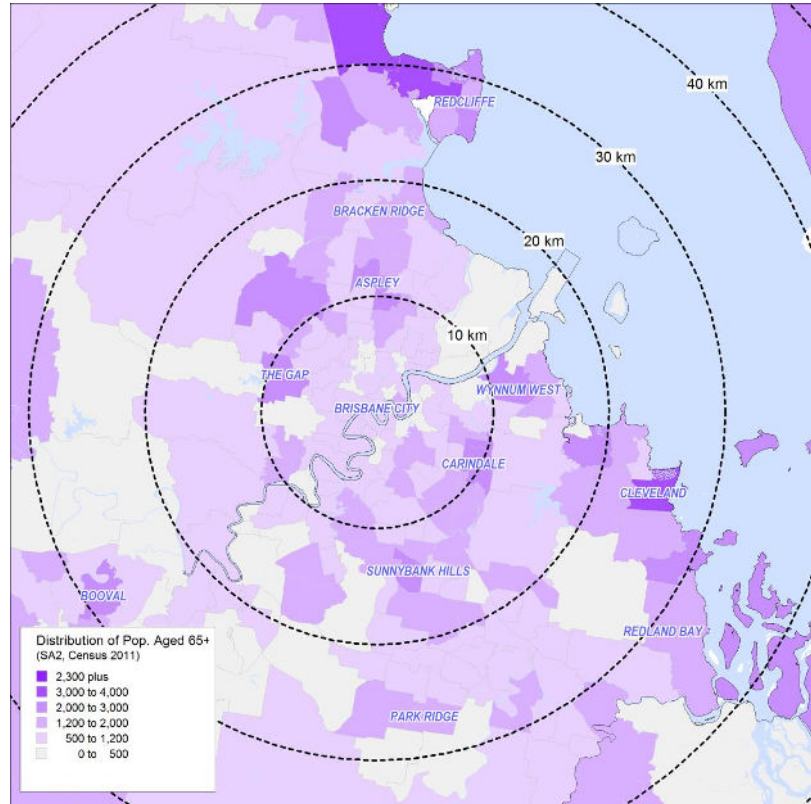
Key findings:

- The concentration of people aged over 65 in Brisbane is highest beyond that 10km radius from the CBD.
- Large increases in people over 65 has been seen in Chapel Hill and The Gap to the east and Carindale to the south east. Increases have also been recorded in the coastal areas of Redcliffe and Redland Bay.
- The area south of the Brisbane River, and to a lesser extent to its north, has a large number of people over 65 without access to age appropriate housing.
- Within Brisbane, approximately 6.6% of people over 65 live in a retirement village. Across the comparison cities this figure is 5.0%.
- Within Brisbane, 11.9% of the population, or 245,586 people, are over 65 years. This figure is slightly below the comparison cities average of 12.8%.

Distribution of 65+ Age Group

Brisbane

There is a small proportion of people aged 65+ living within 10km of the CBD.

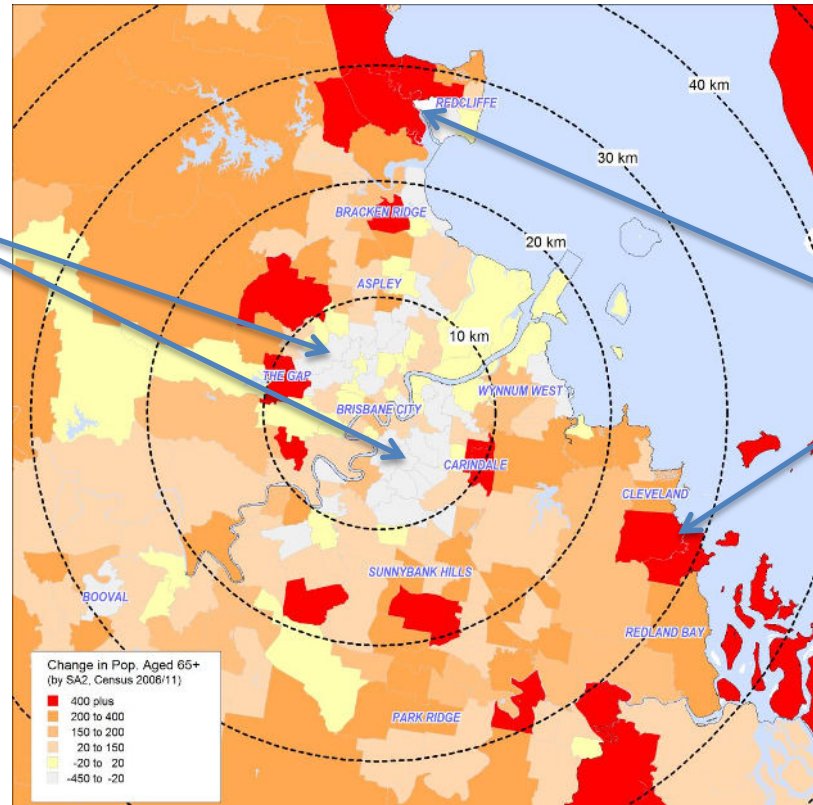


Higher concentration of people aged 65+ is located close to the coastal regions.

Change in Population (2006 – 2011) of 65+ Age Group

Brisbane

Declines in the 65+ age group within 10km of the CBD.



There has been a distinct increase in the number of people aged 65+ moving out of the CBD and towards coastal locations.

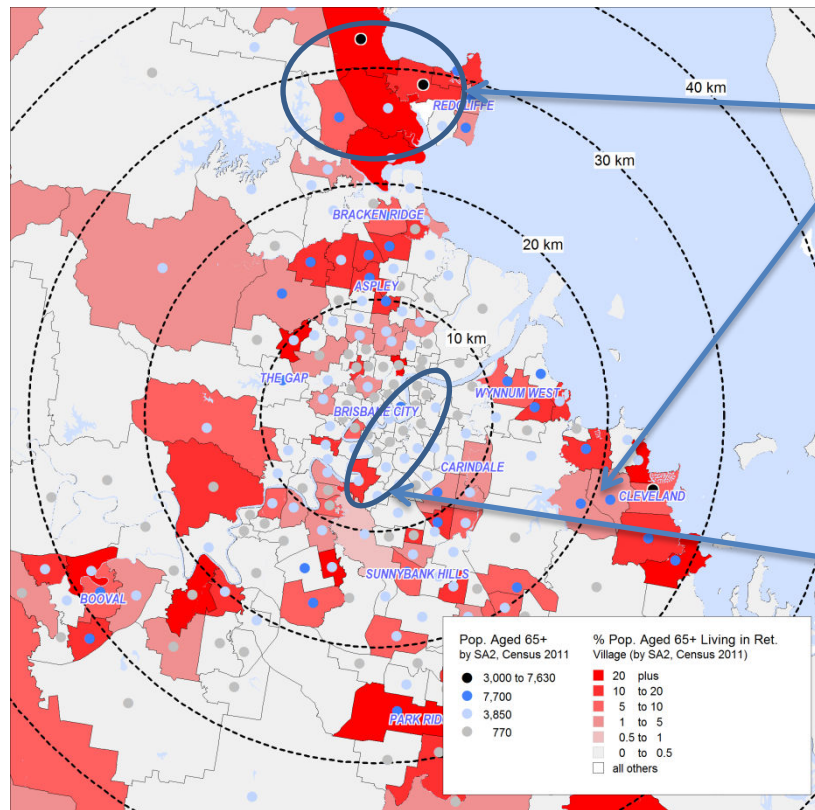
Note: There appears to be a large increase in people over 65 on the Redland Islands to the east. This is because the SA2 region is large and includes both North and South Stradbroke. Therefore the increase in people aged over 65 is spread over a significantly large area.

Supply & Demand of Retirement Villages

Brisbane

Definition:

- The analysis is based on statistical regions defined by the ABS.
- The coloured dots represent a larger population of 65+ age group within the SA2 region.
- Brighter red represents where high provision of retirement living in relation to existing demand.



There is high provision in Redcliffe and Cleveland which are established retirement locations.

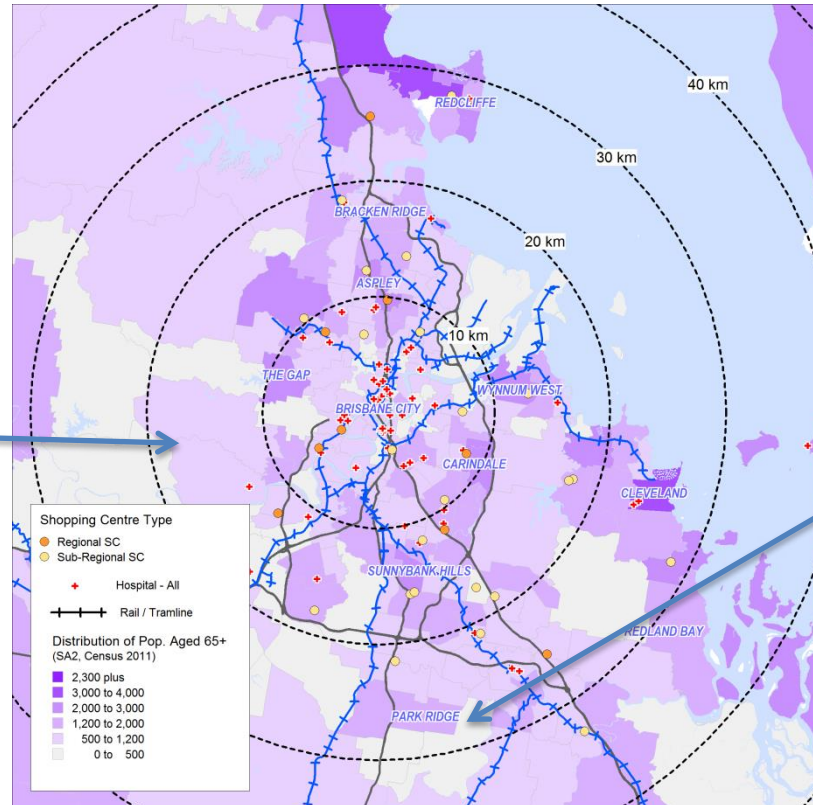
There is clear under provision south of Brisbane City in East Brisbane and Morningside.

Amenity VS Demand Map

Brisbane

Most regions with high demand within the 10km radius have high amenity.

Areas to the south west of Brisbane within the 10 to 20km radius appear to have low provision of shopping centres within easy access.



Park Ridge to the south appears to have low amenity, is situated far from public transport, has no sub-regional shopping centres close by and a lack of medical facilities.

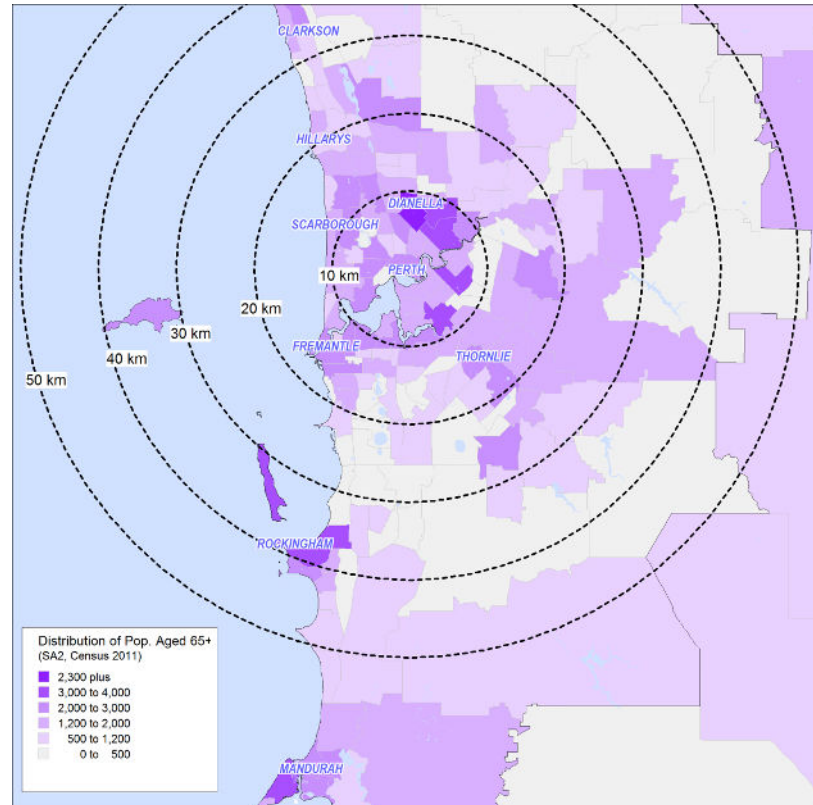
Perth

Key Findings:

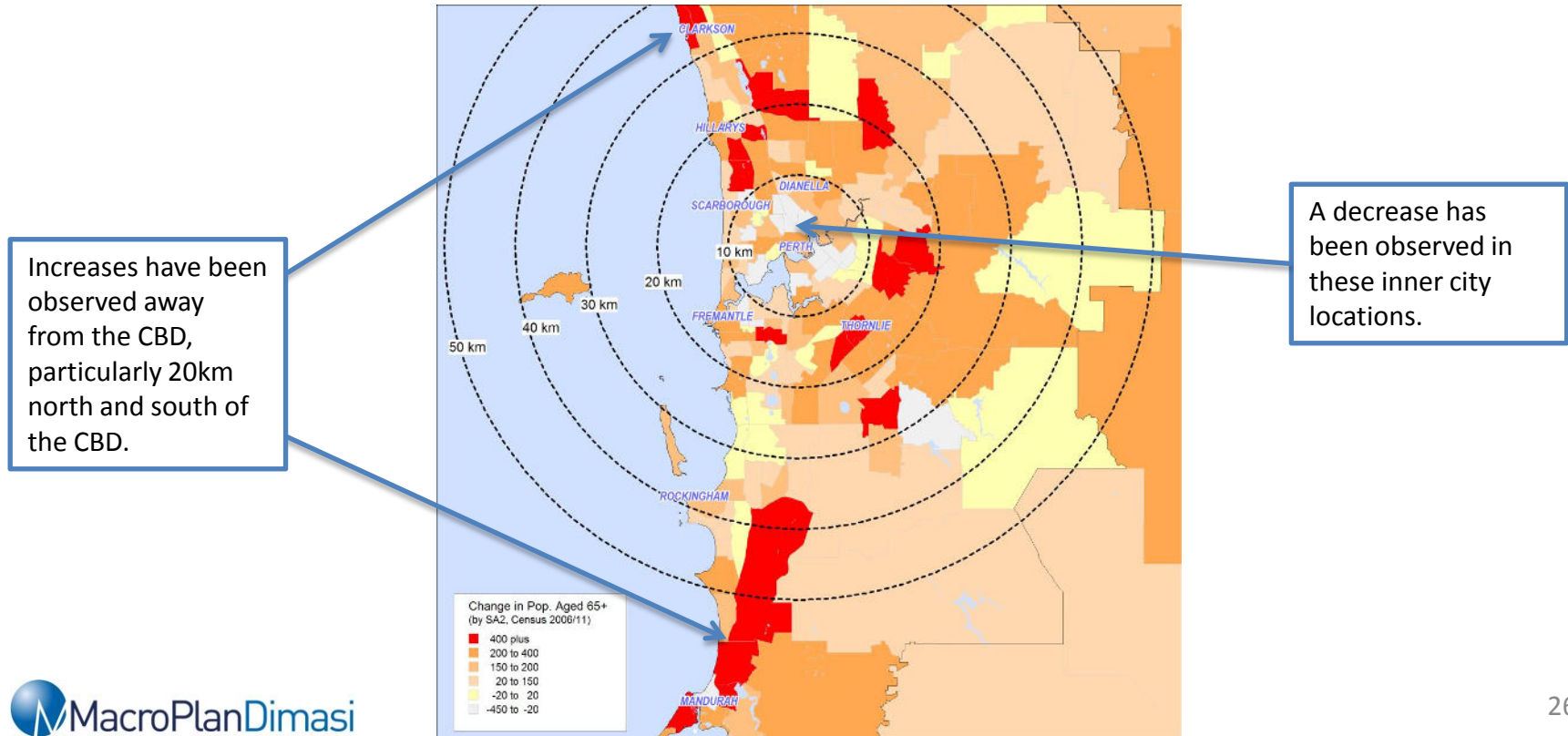
- Concentration of people over 65 is greatest within 10km of the Perth CBD, particularly in the north east. Higher numbers are also observed along the northern coastal region.
- There has been a increase in the number of people aged over 65 within the 10 to 30km radius from the CBD.
- Within Perth, approximately 7.2% of people aged over 65 live in a retirement village. Across all capital cities this figure is 5.0%.
- 12.4% of the Perth population is over 65 which equates to 214,313 people. This figure is 12.8% across Australian cities.

Distribution of 65+ Age Group Perth

There is a distinct band of people aged 65+ living approximately 10 to 20km from the Perth CBD.



Change in Population (2006 – 2011) of 65+ Age Group Perth

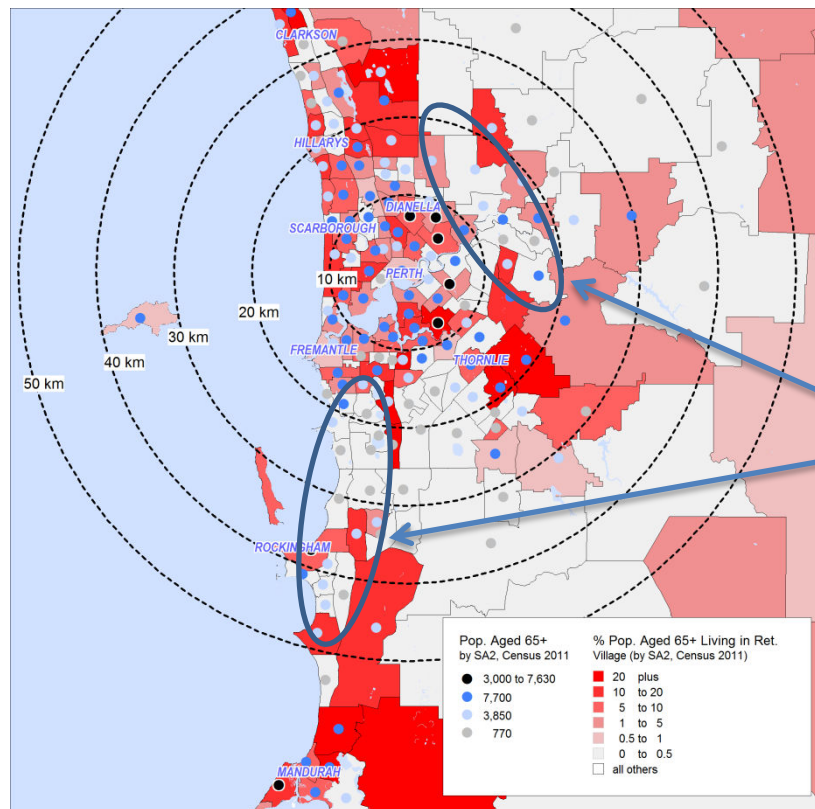


Supply & Demand of Retirement Villages

Perth

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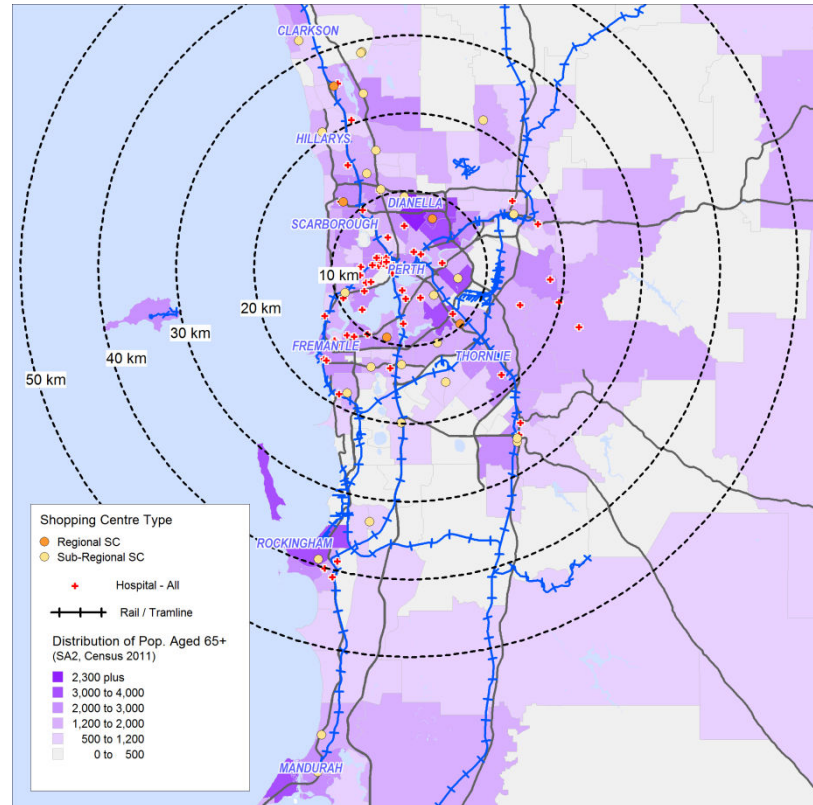


Majority of Perth appears to have a high provision of Retirement Living Communities.

There appears to be some under provision 10 to 20 km north east of the CBD from Beechboro to Kalamunda and south around Rockingham.

Amenity Vs Demand Map Perth

Retail and medical amenity appear to be well located throughout Perth in relation to where people aged over 65 are distributed.



Adelaide

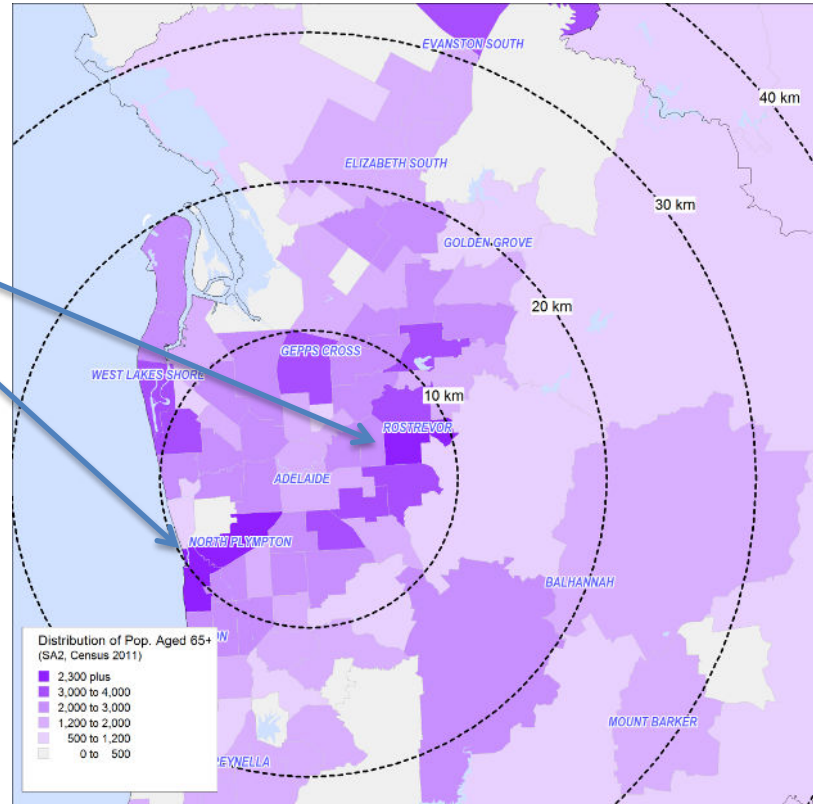
Key Findings:

- Analysis shows a low number of residents aged over 65 within the Adelaide CBD.
- There appears to be larger concentrations of people aged over 65 within a 20km radius of the CBD, especially along the coast line. Golden Grove and Penfield also appear to have a higher number of people aged over 65.
- Within Adelaide, approximately 6.1% of people aged over 65 live in a retirement village. Across all capital cities this figure is 5.0%.
- 15.27% of the Adelaide population is aged over 65 which equates to 187,044 people. This is higher than the Australian average of 12.8%.

Distribution of 65+ Age Group Adelaide

There are high concentrations of people aged over 65 across much of the metropolitan region of Adelaide.

This is mostly within 10km of the CBD, to the east and along the coast to the west.

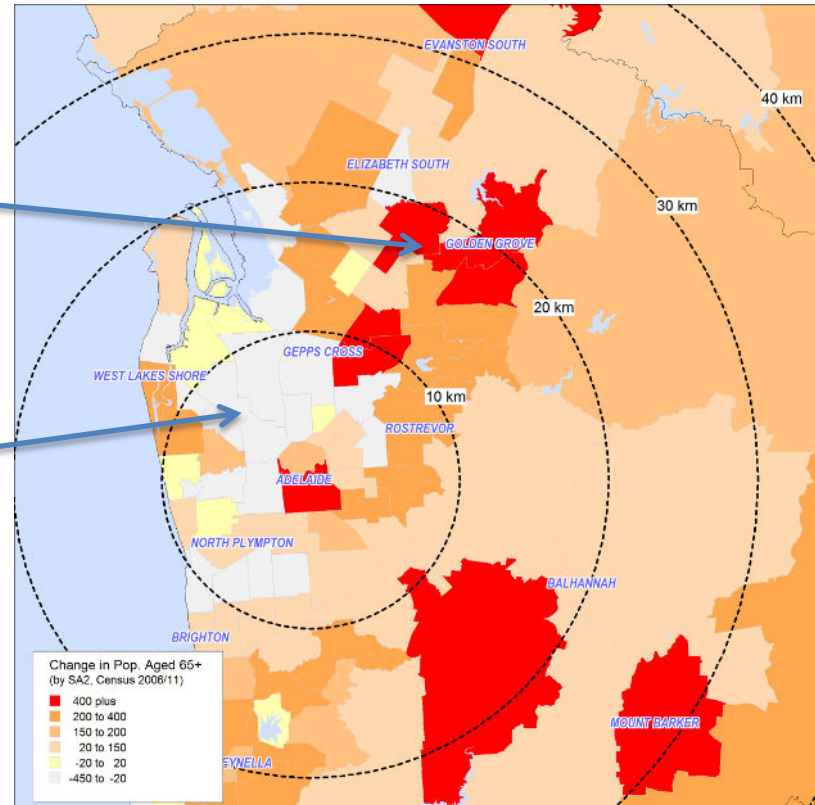


Change in Population (2006 – 2011) of 65+ Age Group

Adelaide

Increases in the over 65 age group have been to more inland locations.

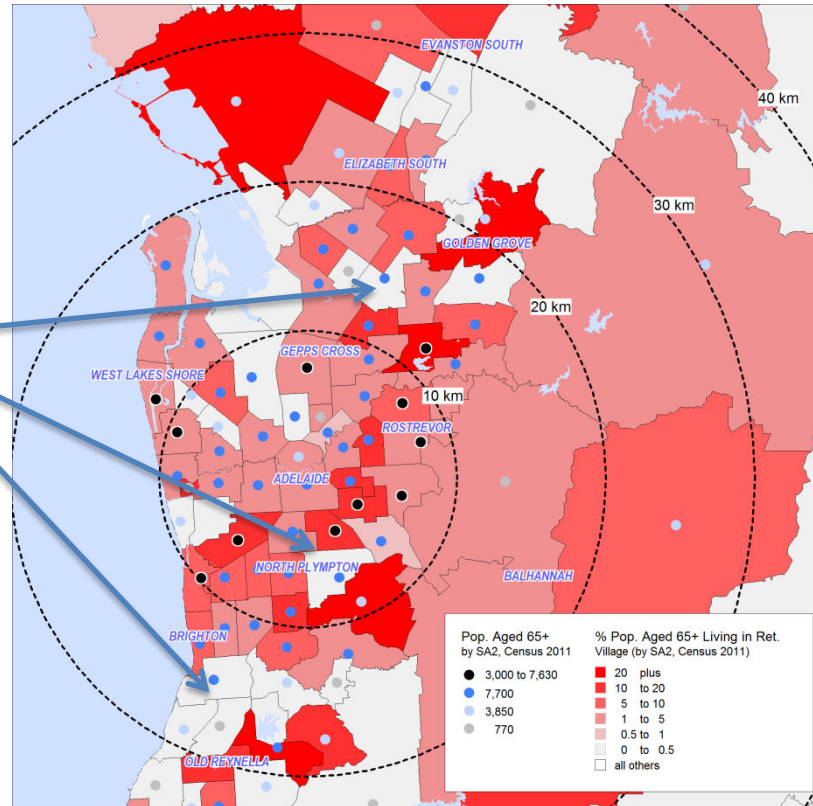
Noticeable region of decline in population aged over 65.



Supply & Demand of Retirement Villages

Adelaide

There is unmet demand to the north of Adelaide in Prospect and The Parks and in Mitcham to the south.



Definition:

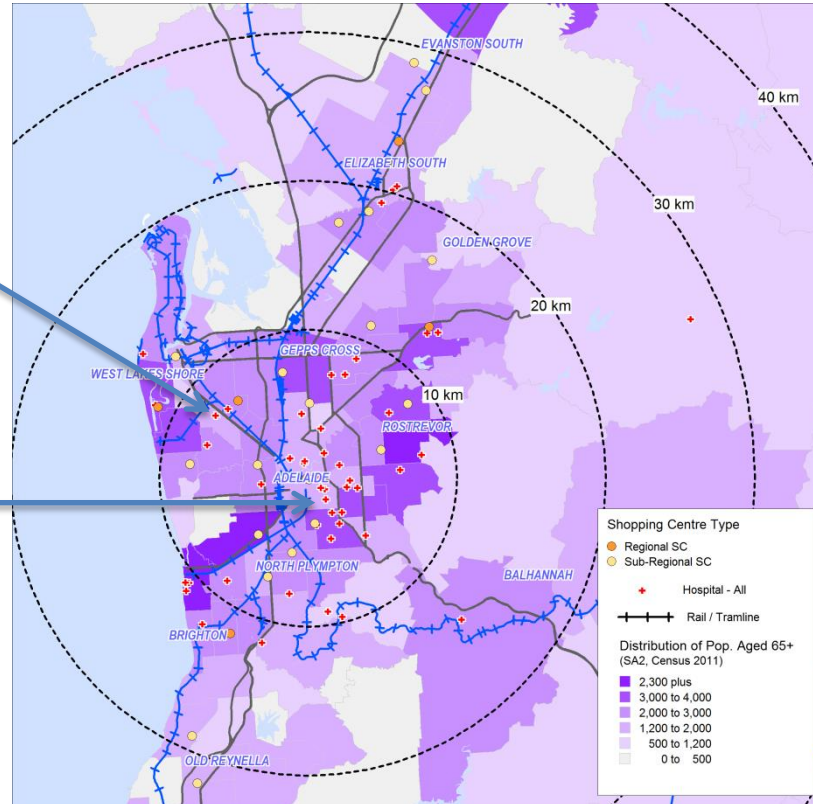
- The coloured dots represent a larger population of 65+ age group within the SA2 region.
- Brighter red represents where high provision of retirement living in relation to existing demand.

Amenity Vs Demand Map

Adelaide

There appears to be high amenity for most areas of high demand within 20 km of Adelaide.

The region to the south of the CBD (from Panorama to Blackwood) appear to have a low provision of shopping centres.



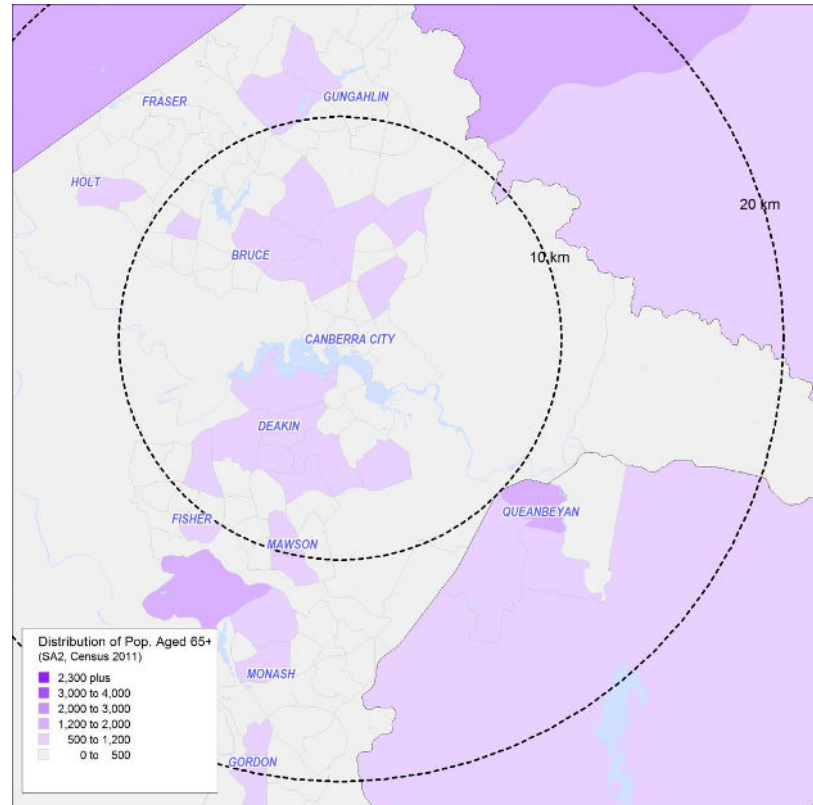
Canberra

Key findings:

- There is a higher concentration, albeit in very low numbers of people over 65, within 10km from the CBD.
- An increase in people aged over 65 has been observed strongest in Kambah to the south west of Canberra CBD.
- Within Canberra, approximately 4.7% of people aged over 65 live in a retirement village. Across all capital cities this figure is 5.0%.
- 10.4% of the Canberra population is aged over 65 which equates to 37,362 people. This figure is 12.8% across Australian cities.

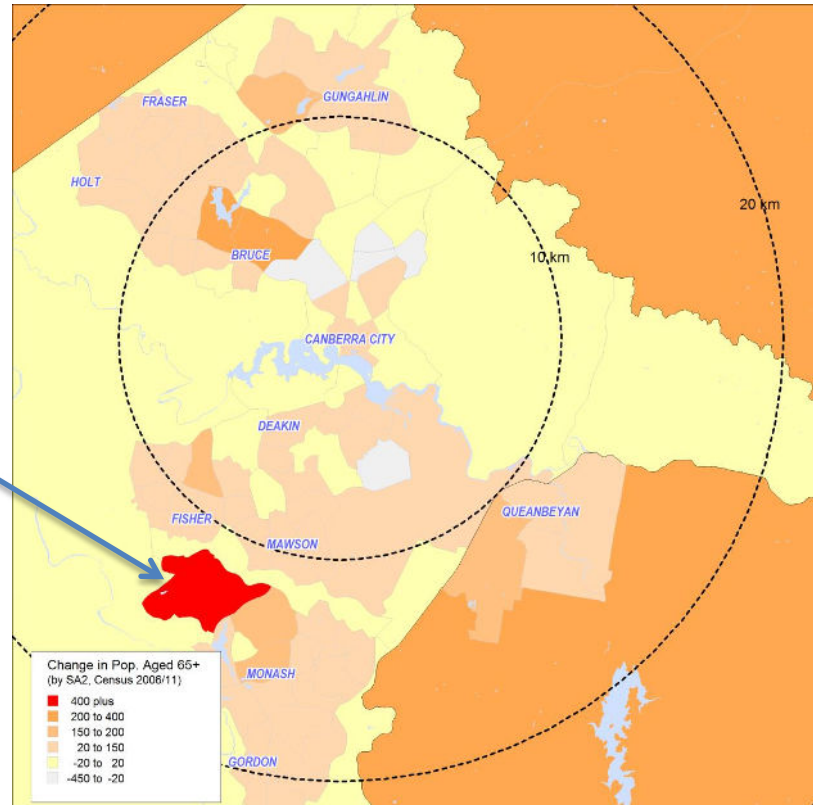
Distribution of 65+ Age Group Canberra

There is a higher proportion of people aged 65+ within a 10 to 20km radius of the Canberra CBD.



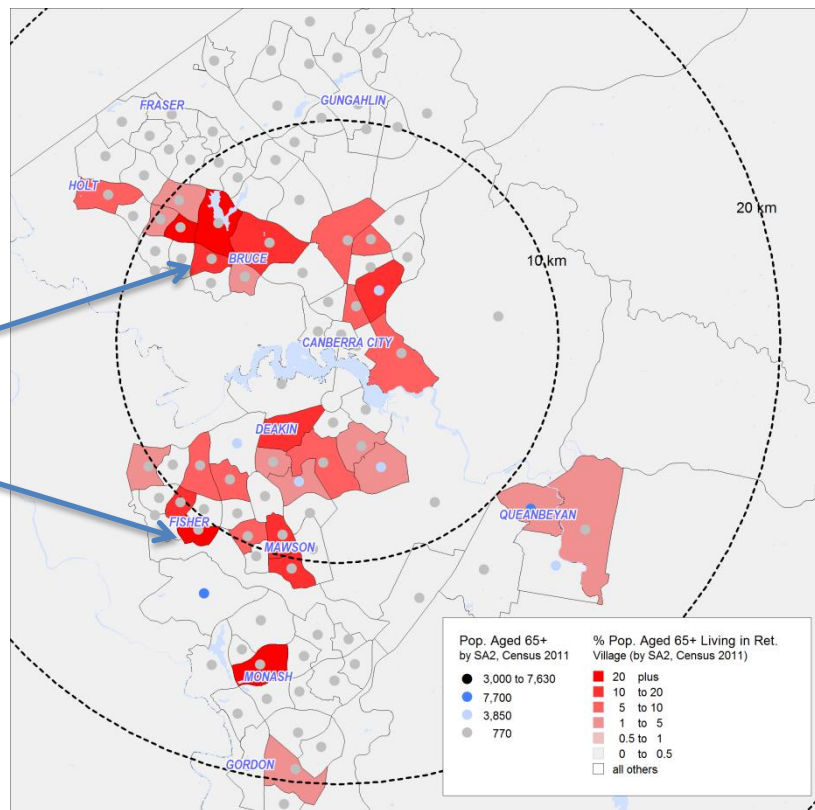
Change in Population (2006 – 2011) of 65+ Age Group Canberra

Kambah has had
the largest
increase in
persons aged 65+.



Supply & Demand of Retirement Villages Canberra

Provision is currently high in areas experiencing highest demand.

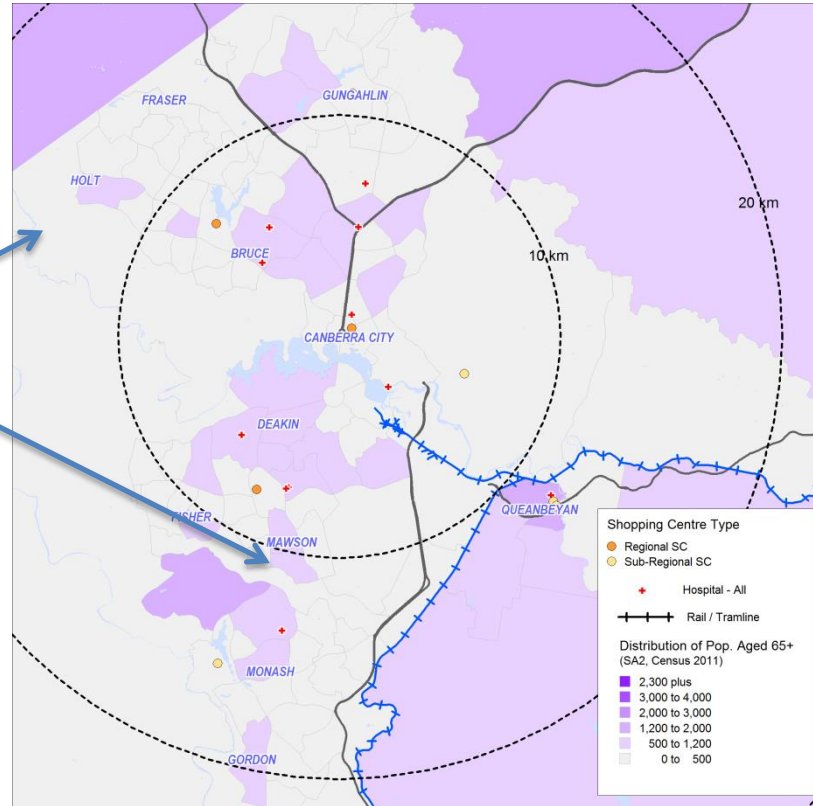


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Amenity Vs Demand Map Canberra

Regions within the 10 to 20km radius appear to have less provision such as Holt to the west and Fisher/ Mawson to the south.



Most locations with high demand within central Canberra appear to have higher levels of shopping centre and medical provision.

Findings and Recommendations

Key findings:

- Analysis of the 2011 Census and movement of the over 65 age cohort suggests strong demand for seniors housing in the middle ring suburbs of most capital cities.
- There is an apparent mismatch of where supply and demand is located for age specific housing (e.g. Retirement Villages) in each of the cities profiled, highlighting areas of under provision in age appropriate housing.
- Between 2006 and 2011 there has been a consistent trend observed across capital cities of the over 65 age group moving further away from the CBD, particularly to urban fringe locations where service provision and support infrastructure is at its lowest. This is a sub-optimal outcome for many older Australians.
- This movement could be due to factors including affordability and availability of appropriate housing options within the areas they have traditionally resided. Site availability is an issue for new villages in areas closer to the CBD combined with issues of land use planning which is an area that needs to be addressed.
- Further planning and action needs to be taken to ensure future retirement villages are located in areas of high demand, particularly in locations closer to the CBDs of major cities in order to ensure older residents are not displaced and forced to move vast distances from their families.