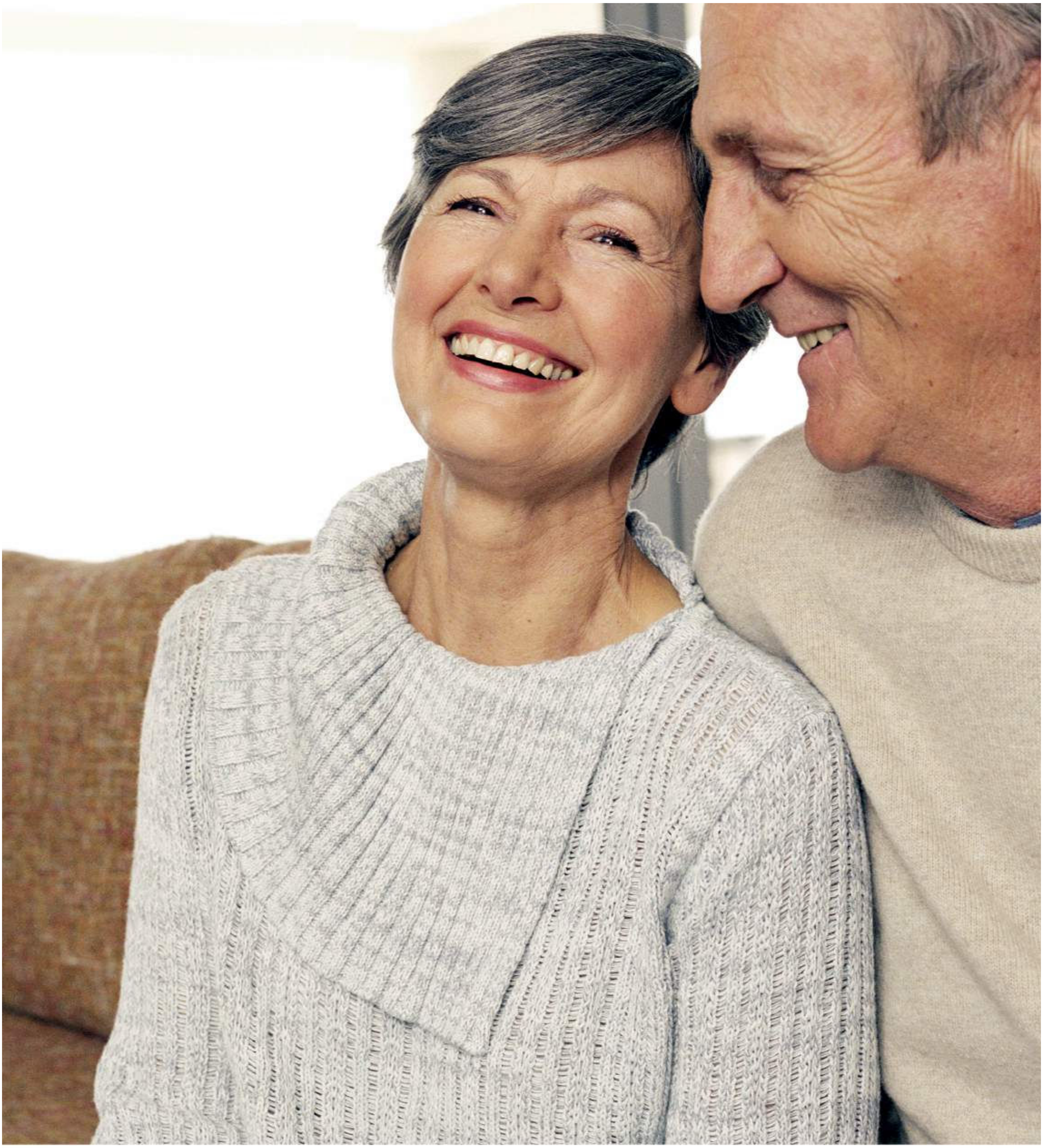

The critical need for retirement living in Western Australia

Property Council of Australia
October 2015

The Property Council of Australia acknowledges the Retirement Village members who provided much of the data and information for this report.

We thank the following members who generously funded the research:

Amana Living

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Mysvista Village

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Ocean Gardens

Peet

RAAFA (WA)

Southern Cross Care

St. Ives Group

St. Louis Estate

Village Solutions

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New challenges need new solutions

Western Australia, like the rest of Australia, is facing increasing challenges in how to effectively house and support people as they age.

However, over the past decade there has been increasing concern across the retirement living sector as to the amount of regulatory burden imposed on village owners and operators that is stymieing development of new accommodation for the ageing population. This regulatory weight on the industry does not appear to be linked to any significant market failure and very few matters have been brought before consumer tribunals.

Anecdotally, the Property Council has become aware from discussions with our WA Retirement Living Committee that development of retirement living communities has stalled in WA. The industry has been in a constant state of Government review for a period spanning more than seven years now. This has delivered increasing uncertainty for the sector, which has a strong commitment to building more accommodation for older Australians.

There is a strong view by members that this legislative interference is driven by 'knee-jerk' policy responses, which add red tape that neither supports the consumer, nor the owner / operator.

Additionally, the majority of policy decisions are being handled from the Department of Commerce, with a disconnect from broader ageing and health policy issues that are critical for the industry and the broader community. As such, the emphasis has been on consumer protection rather than a much needed focus on health, ageing and housing policies.

The Property Council of Australia is keen to open the debate regarding shifting the retirement villages portfolio from the responsibility of the Minister of Commerce to the Minister of Health in a bid to facilitate the supply and management of dwellings for mature aged persons. The ultimate goal being to enable greater focus on consumer protection and long term strategic plans that assist in effective responses to the evolving dwelling demands of the region's rapidly ageing population.

Discussions with Government have highlighted that there is limited understanding of the scope and importance of the retirement village sector, particularly its social benefits to WA's ageing population, service to the community, multimillion dollar contribution to the economy and creation of new jobs.

Chapter 1 – Executive summary

Population ageing

Australia's rapidly ageing population is an "established demographic fact"[1] with people aged 65 and over expected to double by 2050, which means this age bracket will grow to 8.1 million from the current 3.2 million.

Western Australia Tomorrow (2015) population forecasts indicate rapid rates of ageing across the state. WA's population aged 65 and over will increase by 4% per annum over the next ten years so that by 2026 it will make up 16% (516,150 people) of the total population.

Should retirement village housing stock not be available, there would be three clear socioeconomic drawbacks:

- Older people would have to be housed in standard residential stock (that in many cases would be too large, difficult to maintain because of size and age, heighten social isolation and decrease stock available to younger families; and
- Greater need for investment by Government in healthcare, public housing and home-based care to provide the services that would otherwise be provided by retirement villages.

Such a future would serve older people poorly – not only would it limit options in age-appropriate accommodation that meet their physical and healthcare needs but it ignores in totality the individual and community benefits retirement villages can offer.

Key research findings

WA retirement village industry research for the Property Council of WA undertaken by One Fell Swoop (OFS) reveals a critical need for local Government and the retirement village sector to work collaboratively and strategically to ensure the ageing population has access to suitable housing.

WA industry structure

- A good degree of stability is found across the industry with larger operators delivering expertise across multiple locations
- The top 15 operators, which control nearly 70% of all villages, comprise of nine not-for-profit, church and charitable organisations and six private sector operators

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[1] *National overview of the retirement village sector, Grant Thornton (2014)*

Economic impact

- The total construction cost of WA's 230 retirement villages is $4.28 billion
- An average of 63 independent living units is found at each village, which cost $18.9 million to build and have a direct outgoing impact (construction based) of $40.7 million plus 133 local jobs during the construction phase

Social impact

- Retirement villages are designed to enhance the wellbeing of people as they age, addressing common issues around health (including psychological), lifestyle and community engagement
- Many villages offer integrated support and facilities to ensure residents can enjoy life and the company of others, particularly with the onset of age-related problems like loneliness, reduced independence and decreased mobility

Supply and demand

- On the basis that there are 1.3 people per retirement dwelling, an estimated 18,317 people in WA live in a retirement village
- The number of people aged 65 and over needing accommodation in the retirement living industry is predicted to grow from 20,226 to 24,484 in 2016 to 29,421 to 35,614 by 2026
- By 2026, there will be a demand for 22,631 to 27,396 retirement dwellings
- With 14,090 existing retirement dwellings across the state, the deficit in supply is forecast to triple over the next ten years resulting in a shortfall of 8,541 to 13,306 by 2026

Socioeconomic consequences of retirement village stock deficit

- With WA's population aged 65 and over forecast to nearly double by 2026, at least 27,000 residents will be forced to move into a standard residence rather than a suitable retirement dwelling that offers appropriate space, low-maintenance living and integrated community engagement
- Increased pressure on Governments to spend on health and aged care, in-home support and other living services for the ageing population (a lot of which is offered by retirement villages)
- Multimillion dollar draw back in direct and secondary outputs including employment opportunities and investment in construction

The retirement living industry

According to *National Overview of the Retirement Village Sector* (October 2014), a Grant Thornton study commissioned by the Property Council of Australia, Retirement Living Council, a reported 184,000 Australians live in retirement villages, or 5.7% of the over 65 population.

It forecasts that with population growth and an increased penetration rate (7.5%) there will be a need to double the size of the industry in Australia by 2025 nationally.

A significant aspect of active ageing is the need to ensure the health and wellbeing of older people to allow them to participate to their full capacity for longer.

Initially, the industry was (and a number of operators still are) focussed on post retiree markets looking for independent lifestyles including leisure and travel. However, the profile of consumers has gradually changed over the past twenty or so years, as has the corresponding role of retirement villages. People are now moving into retirement villages later in life and often staying for longer periods because many of their care and support needs are met within a village.

Research undertaken by the Retirement Village Association in 2011 highlights that the average age of a resident in a retirement village in Australia is 78 years old and the age at time of entry is 73. This supports broader Government policy in ensuring that people can stay at home and live independently for as long as possible.

Benefits of retirement living communities

Retirement living communities deliver key benefits to residents and play a crucial role in our community's current and future social infrastructure. They are vital to WA's future, given the economic and social benefits they deliver.

These communities do not simply offer small units clustered in an 'enclave' for older people. Rather, they represent a sophisticated range of accommodation choices for older Australians to live in integrated communities, receive flexible levels of care and support and enjoy a better quality of life.

Most retirement villages include some level of onsite amenity that supports or enhances the quality of life of residents. These can range from elaborate community facilities like age-appropriate gymnasiums and swimming pools, to consulting suites for visiting general practitioners, organised social outings, provision of transportation or meeting rooms.

The retirement village industry has already begun to embrace a consumer-directed, service-driven approach to retirement housing. In this current climate of focusing on consumer-directed care options and maximising customer choice, retirement villages are, therefore, already practical examples of housing that embody and enhance freedom of choice, flexibility of choice and choice of lifestyle, whilst enabling residents to establish new social networks.

Fit for purpose

The purpose built and communal nature of these communities means that similar aged and like minded people can live together in a supportive environment that is focussed on their needs. Time and time again, surveys of residents in villages show the beneficial outcomes they bring to people's lifestyles.

The range of social and lifestyle benefits that come from new friendships, supportive management, planned recreational activities and the like are unquestionable and a more effective solution for many people that live isolated at home. Moreover, the provision of support services and site monitoring gives people a greater sense of security than living in the broader community.

Self-funded

Many people who move into retirement living communities are self-funded, hence, they do not rely on any Government funding or other subsidies to the degree that they do in aged care. In many cases, the range of support services and healthcare received in a village contribute to a significant reduction in the reliance on much higher cost publicly funded health interventions. This brings savings to us all.

Health Savings

Analysis undertaken by Grant Thornton has highlighted $2.16 billion in savings to the healthcare system nationally. $1.98 billion of these savings are achieved by retirement villages delaying residents' entry into Government funded aged care facilities. Additionally, there is a potential $177 million saved through residents requiring fewer hospital and GP visits, earlier discharge from hospital, and better mental health. Also, the clustering of aged people into retirement communities will help drive more effective delivery of care services as we move toward more in-home care.

These savings grow as the number of retirement villages increases. However, Government costs will grow if the population increases and ages rapidly while the number of villages doesn't.

Economic impacts

OFS analysis of WA's 230 retirement villages reveals that the total construction cost is $4.28 billion. Each village offers approximately 63 units, which cost $18.9 million to build, hence, leading to a direct outgoing impact (construction based) of 40.7 million and creating 133 local jobs during the construction phase.

Further, retirement villages are often modelled on higher land density and smaller dwellings, which not only provides older people with more appropriate accommodation options but also results in better and more effective land use.

Affordability

A significant misconception of retirement living communities is that they are predominantly available to people who have high wealth levels. Again, Grant Thornton's 2014 report highlights that retirement living communities are an affordable way for people to downsize from the 'family' home and release equity to fund lifestyle and care in the future. Their analysis reveals that 63% of retirement village dwellings are sold substantially below market price for similar sized homes in the local area. Enabling people to sell their homes, pay off debt and / or release capital by moving into lower cost accommodation in a retirement village leverages great social utility.

Barriers to growth

The survey conducted by OFS with retirement village operators in WA has highlighted a significant range of barriers to industry growth, which appears to have stalled development over the last decade – at a time where there is growing need and demand for retirement villages.

The industry is struggling under the weight of increasing legislative and regulatory review and change, which has created undue levels of uncertainty. This lack of certainty has a flow on impact to the financial services sector in funding growth of the industry as an investment class.

In addition, legislation and regulation imposes costs on operators, which affects their ability to deliver sufficient housing at affordable rates to residents (e.g. recurrent operator fees which the operator can only deliver at cost and cannot profit from).

The industry has put a number of safeguards in place, including a national independent accreditation system, to improve consumer outcomes and promote outstanding resident experiences. To assist retirement village managers, a *Policy and Procedure* manual designed to complement a host of other retirement village resources is available to ensure best practice and effective village management systems. On the whole, levels of satisfaction reported by residents highlight these approaches are successful.

Initiatives to drive industry growth

State-wide demand analysis reveals that the WA retirement village sector will need to accommodate an estimated 20,226 to 24,484 persons aged 65 and over in 2016. Should current penetration rates remain the same, this will grow to a forecasted 29,421 to 35,614 by 2026.

This indicates a need for 15,558 to 18,834 retirement independent living units, across the state in 2016, which will rise to 22,631 to 27,396 by 2026.

The ability to grow the supply of retirement living options for the community, which relieves pressure on Government, must be fostered by active support. The current focus by the Department of Commerce on consumer protection does not focus on growing the sector and does not realise its full potential to assist our ageing community.

The industry is struggling to keep pace with demand due to the ever-changing legislative and regulatory landscape that does nothing to assist the sector to grow.

The industry is calling on Government for the following:

- Implement a freeze on legislative and regulatory change to enable the industry to stabilise and deliver more accommodation, which is vital to the WA community;
- Facilitate the creation of an effective consultative committee that has a focus on growing the provision of response accommodation options and actively engages with industry;
- Investigate the creation of incentives (e.g. planning and land release programs) that ensure appropriate accommodation can be developed affordably in areas where people need it; and
- Establish a more effective governance structure that fosters industry growth.

The industry would support the appointment of a Minister with specific oversight for retirement living to ensure the industry grows responsibly and aids the state in addressing the rising costs of an ageing population. This model would include the Minister presiding over a Department that is established under the Health portfolio and seeks to develop policy that supports responsible growth of retirement living. Consumer complaints could still be dealt with in the current manner.

Chapter 2 – Our population

Overview

The following section provides a demographic assessment of Australia and WA through analysis of population growth, ageing, migration, wealth, home ownership and other factors pertaining to the housing needs of mature-aged persons.

Australia's population

According to the Productivity Commission's Research Paper, *An Ageing Australia; Preparing for the Future* (November 2013), Australia's population is forecast to grow and age in a profound way that will vastly reshape our communities.

The report states that Australia's population is projected to rise to around 38 million by 2060 (around 15 million more than the population in 2012). People aged 75 or more years are expected to grow by 4 million from 2012 to 2060, increasing from about 6.4 to 14.4% of the population.

Whilst it is acknowledged that there are some positive aspects of population ageing (primarily, improved life expectancy for us all), there are many impacts such as labour supply, economic output, infrastructure requirements and Governments' budgets that will struggle with the burden of increased health and ageing costs.

The report proposes using some of the annual growth in the housing equity of older Australians, which could help ensure higher quality options for aged care services and lower fiscal costs.

> *"Having individuals contribute even half the annual real increase in their home values towards aged care services could reduce Government expenditures by around 30 per cent (a conservative estimate). An equity release scheme of this kind would still leave older households with an appreciating asset base and provide a means to increase the quality of services provided over the longer term".*

This is precisely what the retirement living industry allows older people to do.

Population growth in WA

WA's mining boom has seen it become the fastest growing state (territories included) since 2007, creating new challenges for urban and service planning[2]. As reported by .id, local Government areas (LGAs) within Greater Perth experienced the fastest growth with Derby-Kimberly, Boyup Brook Shire, Serpentine-Jarrahdale, Armadale, Kwinana and Wanneroo experiencing 5 to 7% growth from 2012 to 2013.

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[2] *Population growth in Western Australia, .id the population experts (2014)*

Strong growth is also found in inner city Perth, which like most major cities across Australia, is expected with the development of high-density apartment projects that draw in young workers looking for rental properties near their place of employment or study. According to .id, new large-scale residential projects are planned for the CBD that will escalate dwelling stock over the next few years.

Western Australia Tomorrow (2015) population forecasts indicate rapid rates of ageing across the state. WA's population aged 65 and over will increase by 4% per annum over the next ten years, so that by 2026, it will make up 16% (516,150 people) of the total population. The following table and map, using mid-band predictions, present an overview of WA's population changes and rates of ageing from 2011 to 2026.

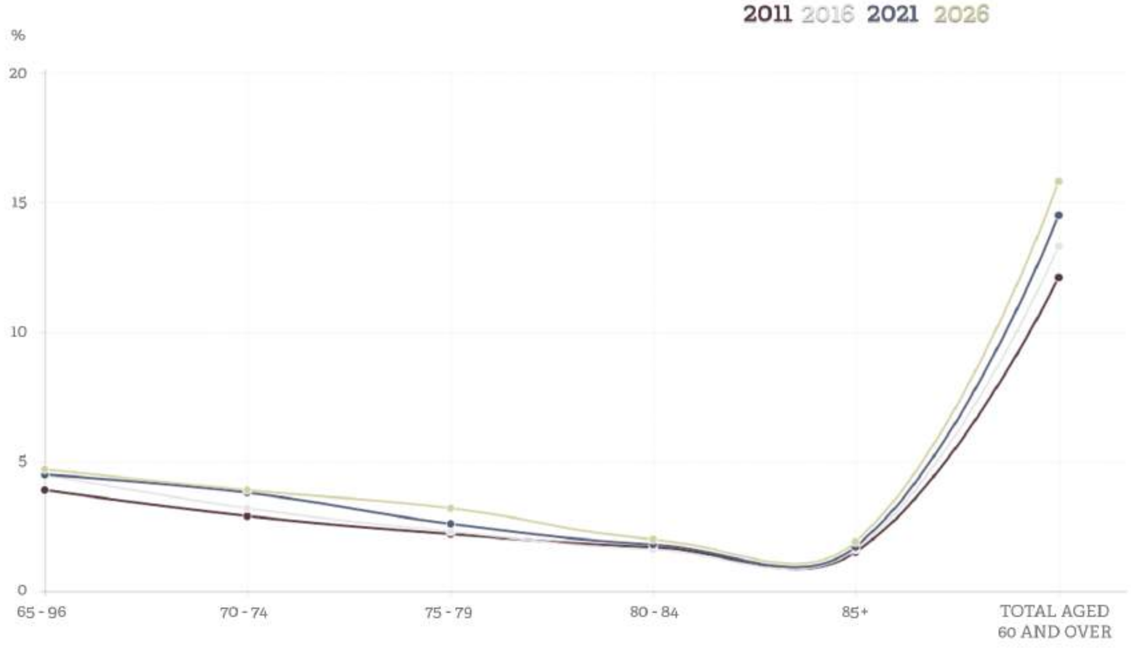
Forecast population growth of WA residents aged 65 and over

Age structure	2011	2016	2021	2026
65 to 69	91,190	120,460	134,980	153,020
70 to 74	68,970	86,170	114,370	128,740
75 to 79	51,640	62,300	78,470	105,070
80 to 84	39,320	42,800	52,460	67,090
85+	34,450	43,110	50,480	62,230
Total aged 65 and over	285,570	354,840	430,760	516,150
Total WA population	2,352,950	2,677,340	2,975,800	3,273,690

Source: Western Australia Tomorrow (2015)

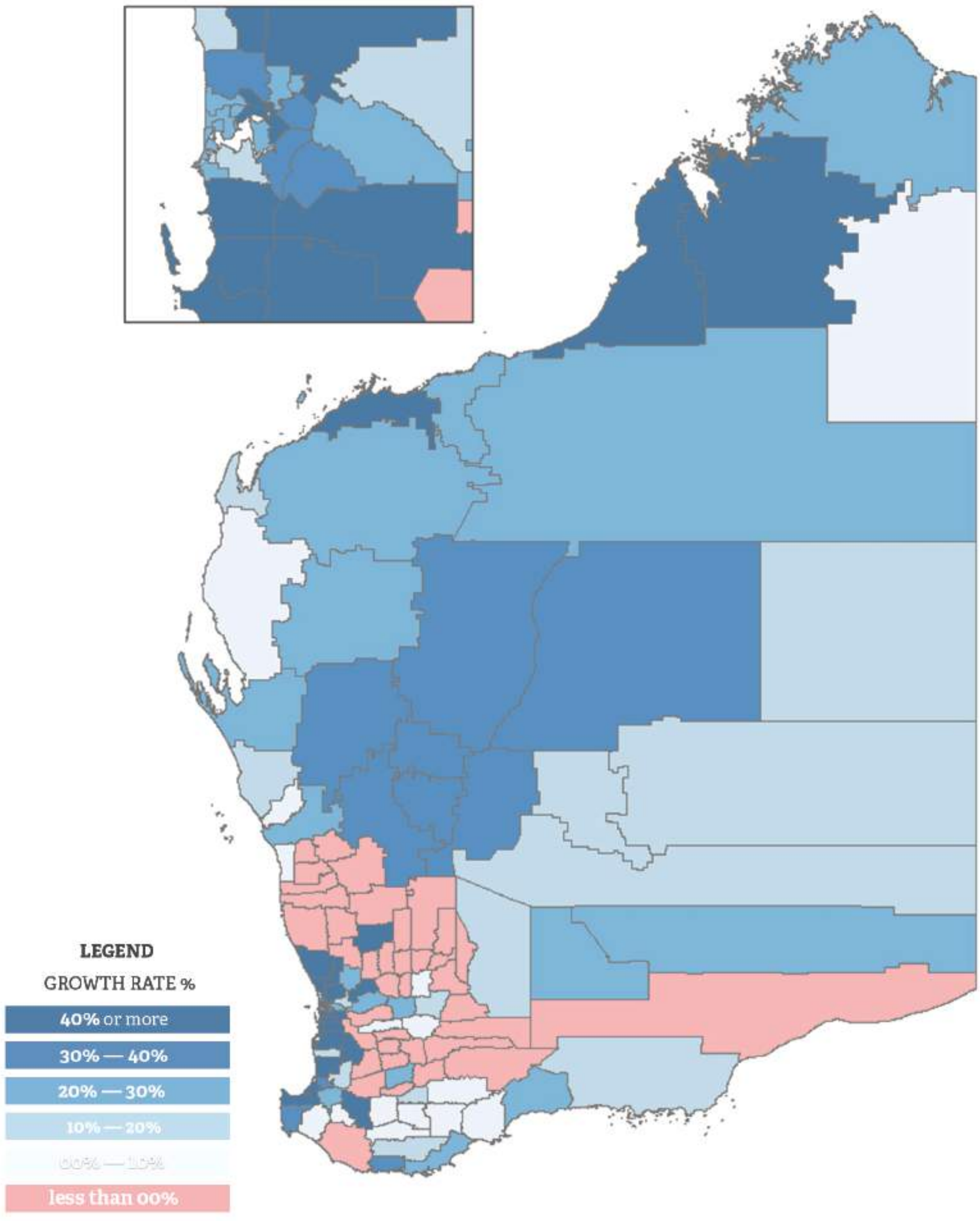
The following graph showing the percentage growth of each of the above age groups from 2011 to 2026 indicates that by 2026, WA residents aged 65 and over will make up more than 15% of the total population.

Forecast population percentage growth of WA residents aged 65 and over



Source: One Fell Swoop (2015)

WA population growth by LGA – 2012 to 2013



Source: Australian Bureau of Statistics and .id the population experts (2014), One Fell Swoop (2015)

Place of residence

Australian Bureau of Statistics (ABS) Census (2011) data shows that a significant proportion of WA residents aged 65 and over live along the coast of Greater Perth with more than a third of this cohort residing in the LGAs of Stirling, Joondalup, Melville, Mandurah, Wanneroo and Rockingham.

Compared to where empty nesters and new retirees (aged 55 to 64) live, it appears many WA residents move to the coast in their later years from areas around the north to north-east and south to south-east fringes of Perth. The top places of residence for this cohort were reported as Joondalup, Stirling, Melville, Wanneroo, Gosnells, Swan and Canning.

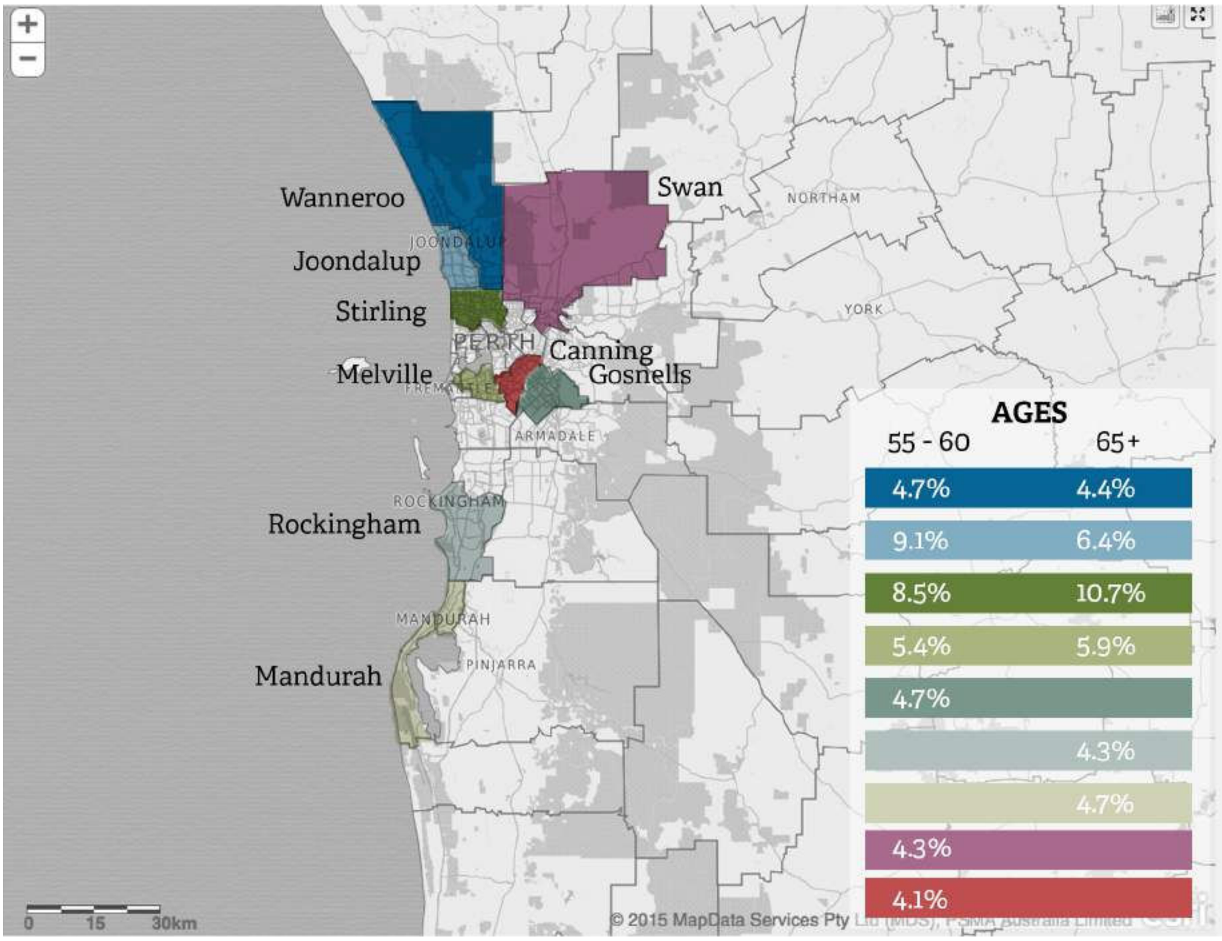
Where WA residents aged 55 and over live

LGA of residence	Empty nester / New retiree (55 to 64)	LGA of residence	Ageing population (65 and over)
Joondalup	9.1%	**Stirling**	10.7%
Stirling	8.5%	**Joondalup**	6.4%
Melville	5.4%	**Melville**	5.9%
Wanneroo | Gosnells	4.7%	**Mandurah**	4.7%
Swan	4.3%	**Wanneroo**	4.4%
Canning	4.1%	**Rockingham**	4.3%

Source: One Fell Swoop (2015), Australian Bureau of Statistics Census (2011)

The following map shows the areas where these age groups reside.

Place of residence of WA's empty nester / new retiree (55 – 60) and older aged cohorts (65+)



Source: *One Fell Swoop (2015), MapData Services, PSMA Australia Limited - in BetaWorks (2015)*

Migration trends

Using ABS Census (2011) data, OFS has analysed inbound and outbound migration from WA for the period of 2006 to 2011. Based on this, a large majority of WA residents have remained within the state with close to 2 million people reporting they continued living here. 2% (45,823) of WA residents moved in from overseas and 1.5% (32,773) came in from other states and territories.

Net interstate migration, considering people moving in and out of WA, shows a loss of approximately 2% (34,336 residents) to other states and territories in this five-year period. The top three states for outgoing migration are Victoria followed by Queensland and New South Wales. While these are also the top three sources of inbound migration, WA comes at a small net loss (under 1%) of residents to each of these states.

Net interstate (and territory) migration of WA residents – 2006 to 2011

State or territory	Inbound		Outbound		Net balance
	Persons	%	*Persons*	%	
QLD	9,348	0.4	18,502	1.1	-9,154
NSW	8,057	0.4	14,107	0.8	-6,050
VIC	7,485	0.3	18,534	1.1	-11,049
SA	2,983	0.1	5,607	0.3	-2,624
TAS	1,590	0.1	4,417	0.3	-2,827
NT	2,469	0.1	3,745	0.2	-1,276
ACT	699	0.03	1,964	0.1	-1,265
Other territories	142	0.01	233	0.01	-91
Total	32,773	1.5	67,109	3.9	-34,336

Source: One Fell Swoop (2015), Australian Bureau of Statistics Census (2011)

Inbound migration of WA's mature-aged residents

Looking at migration from 2006 to 2011, 89.7% of WA residents aged 65 and over have continued living within the state. A notable 3,199 (1.2%) came in from overseas followed by 753 (0.3%) from Queensland, 726 (0.3%) from New South Wales and 566 (0.2%) from Victoria. This highlights that WA is still a strong destination for people over 65 as a place of residence.

Inbound migration of WA residents aged 65 and over – 2006 to 2011

Usual place of residence five years prior	Persons	%
WA	246,603	89.7
Overseas	3,199	1.2
QLD	753	0.3
NSW	726	0.3
VIC	566	0.2
SA	333	0.1
TAS	158	0.1
NT	150	0.1
ACT	65	0.02
Other territories	16	0.01

Source: One Fell Swoop (2015), Australian Bureau of Statistics Census (2011)

Income

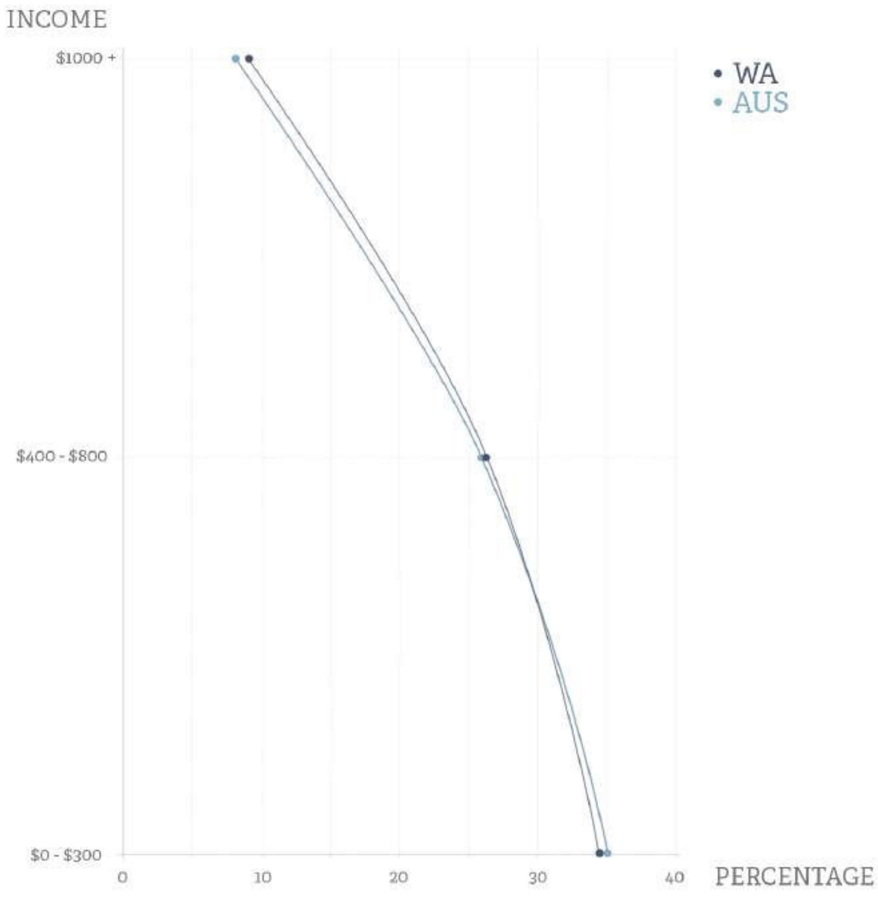
Despite locational wealth, lowered income for many retirees can be a major barrier to ensuring they can continue to afford housing that appropriately meets their ageing needs and enables them to continue living as active members of the community.

Retirement villages, driven by the private and not-for-profit sector, help lift the onus on Governments to address this issue through provision of ageing-friendly dwellings, product diversity and accessibility to people on all levels of income, most often with support and social interaction that have a positive impact on people's lives.

Based on the Census (2011), OFS has found that (weekly) personal income levels of WA residents aged 65 and over are very similar to national rates. 84,690 WA residents aged 65 and over earn under $300.Just over a quarter (64,292) of older residents make between $400 and $800 per week, while 22,342 (9.1%) people report earning $1,000 or more. These trends are reflected across the country with 8.1% of Australian residents aged 65 and over reporting personal, weekly incomes of $1,000 or more, 25.9% on between $400 to $800 and 35% making under $300.

However, WA records a relatively low proportion of Age Pension recipients aged 65 and over at 68.4%. The national rate of pensioners aged 65 plus is 74.6%.

Personal, weekly income of residents aged 65 and over (WA compared to Australia)



Source: One Fell Swoop (2015), Australian Bureau of Statistics Census (2011)

Labour force trends

A recent study by AMP and NATSEM has found that labour force participation rates for people aged 65 and over has nearly doubled in three decades (1979 to 2014), from 6.3 to 12.3%[3]. Compared with other states, WA, NT and ACT have higher labour force participation rates for people aged 65 to 69. In fact, WA holds the second highest labour force participation rate for people aged 65 and over, with 39.7% of men and 22.8% of women still in paid employment.

Tertiary qualifications and socioeconomic status are found to influence how long people remain in the workforce. Older people are more likely to be working if they live in an area with the highest IRSAD ranking (SEIFA index). They are also more likely to undertake flexible and part-time hours to preserve their lifestyle and as a result of the ageing process.

Housing profile

ABS Census (2011) data shows a majority (62.1%) of residential dwellings in WA are owned, either outright (23.2%) or with a mortgage (38.9%). Just over a fifth of residences are rented and 3.9% are public or community housing. National rates are the same for rented dwellings and public or community housing. Home ownership is also very similar with 63.7% of homes in Australia owned either outright (25.6%) or with a mortgage (38.1%).

This highlights that for many older WA residents, the family home is a significant asset that is vital in later life when the cost of accommodation and care escalates.

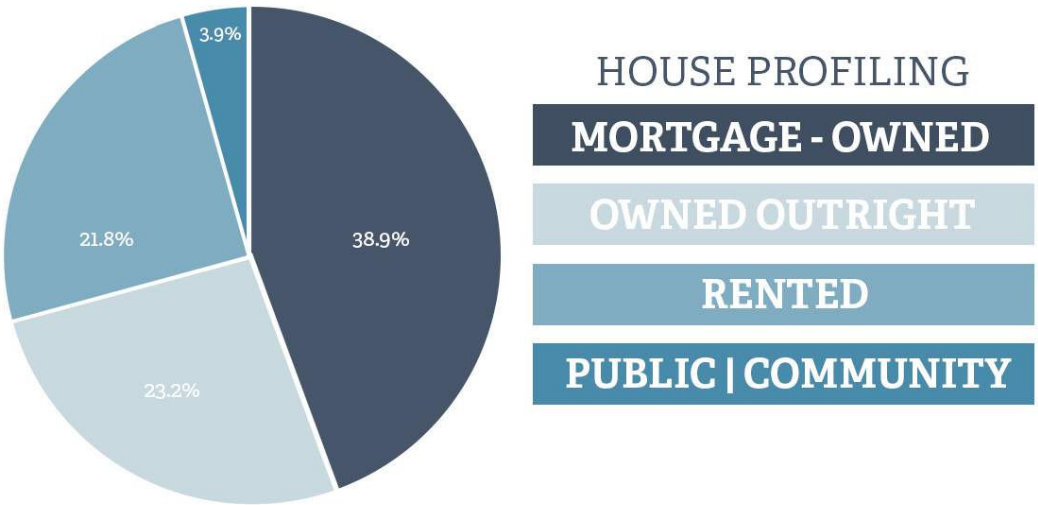
[3] *Going the distance: working longer, living healthier, AMP.NATSEM (2015)*

WA housing profile compared with Australia

	Total home ownership	Owned outright	Mortgage owned	Rented	Public /community housing
Australia	13,844,922	5,558,581	8,286,341	4,663,664	843,317
	63.7%	25.6%	38.1%	21.5%	3.9%
WA	1,415,066	528,891	886,175	496,115	88,771
	62.1%	23.2%	38.9%	21.8%	3.9%

Source: One Fell Swoop (2015), Australian Bureau of Statistics Census (2011)

WA housing profile



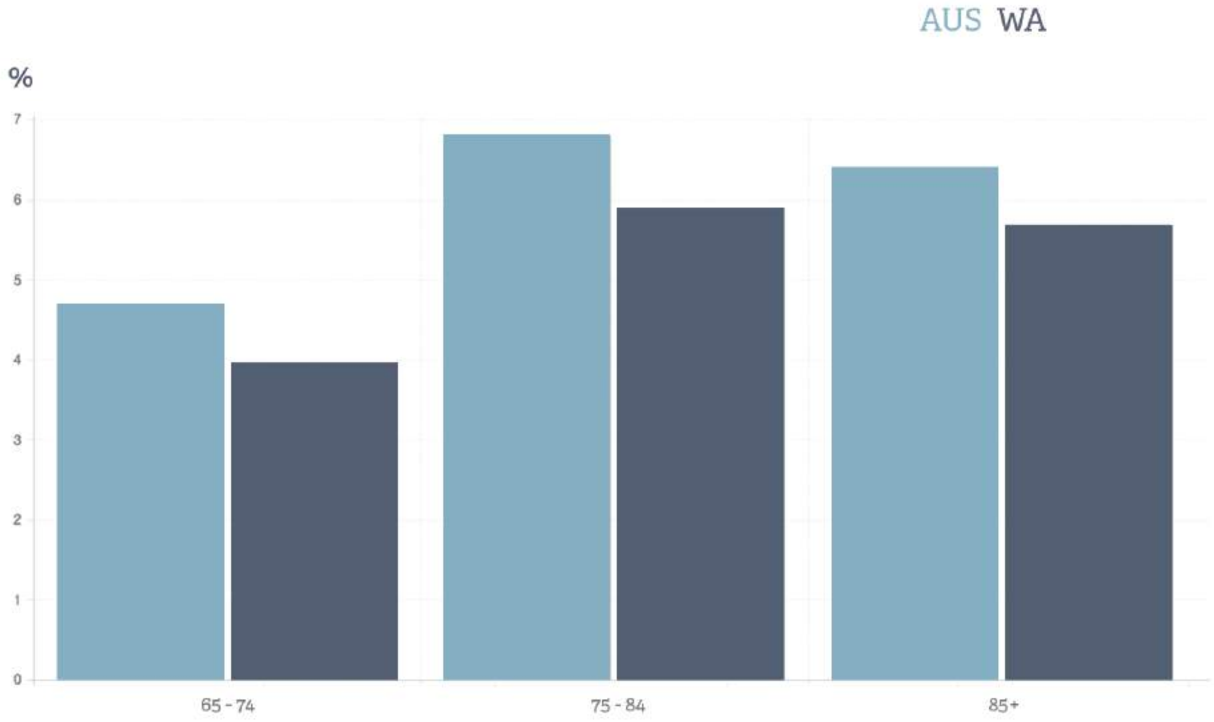
Source: One Fell Swoop (2015), Australian Bureau of Statistics Census (2011)

Need for care

ABS Census (2011) data reveals that nearly a fifth of the WA population aged 65 and over has a profound or severe, long-term disability (or health condition) causing them to need assistance with self-care, mobility and/or communication.

A notable increase in the need for assistance in core activities is found in people aged 75 and above. Similar trends are seen at a national level with the proportion of older people reporting they have no need for assistance with core activities halving from age 75 onwards.

People (aged 65 and over) who need assistance with core activities



Source: One Fell Swoop (2015), Australian Bureau of Statistics Census (2011)

Chapter 3 – Retirement village industry

What is a retirement living community?

Retirement living communities may be described as purpose built residential communities that have multiple dwellings and (often) communal facilities designed for older people (of similar age and interests). For the most part, they have been designed for retired people aged 60 plus but the trend is they are being occupied by people aged 70 and over, indicating that the industry is evolving from providing 'retirement' housing to 'aged' housing. Communities range from ten to 500 dwellings or more and may be highly affordable (which the majority of villages are), whilst some are more premium quality, usually in inner urban areas where land prices are higher.

Communities may be single storey, villa style homes, or multilevel apartment accommodation. In many cases they offer communal facilities and services that are targeted to the needs of older people. They often offer their own roads, walkways and landscaped areas and increasingly offer a range of medical, health and wellness options for residents. Communities may also be serviced by visiting allied health professionals. In some cases, aged care facilities are collocated with retirement village communities.

The Australian retirement village sector

Size and scope

Australia's rapidly ageing population is an "established demographic fact"[4] with people aged 65 and over expected to double by 2050, which means this age bracket will grow to 8.1 million from the current 3.2 million. The impact of this on infrastructure, services and Government is immense thereby signifying the crucial importance of taking a strategic, long-term vision approach to meeting the housing needs and associated living concerns of ageing residents.

In the Grant Thornton study, it is reported that growth of the 65 and over population is leading to a significant reduction (economically) in the ratio of taxpayers to retirees. To address this change and ensure people can continue to enjoy independence, autonomy and choice, the study highlights the critical need for a large-scale increase in the development of purpose-built housing (i.e. retirement villages that offer age-appropriate housing supports).

Current penetration rates

- The national penetration rate is expected to increase from 5.7% (184,000 people currently live in retirement villages) to 7.5% by 2025
- The number of people wanting to live in a retirement village is expected to more than double to 382,000 by 2025

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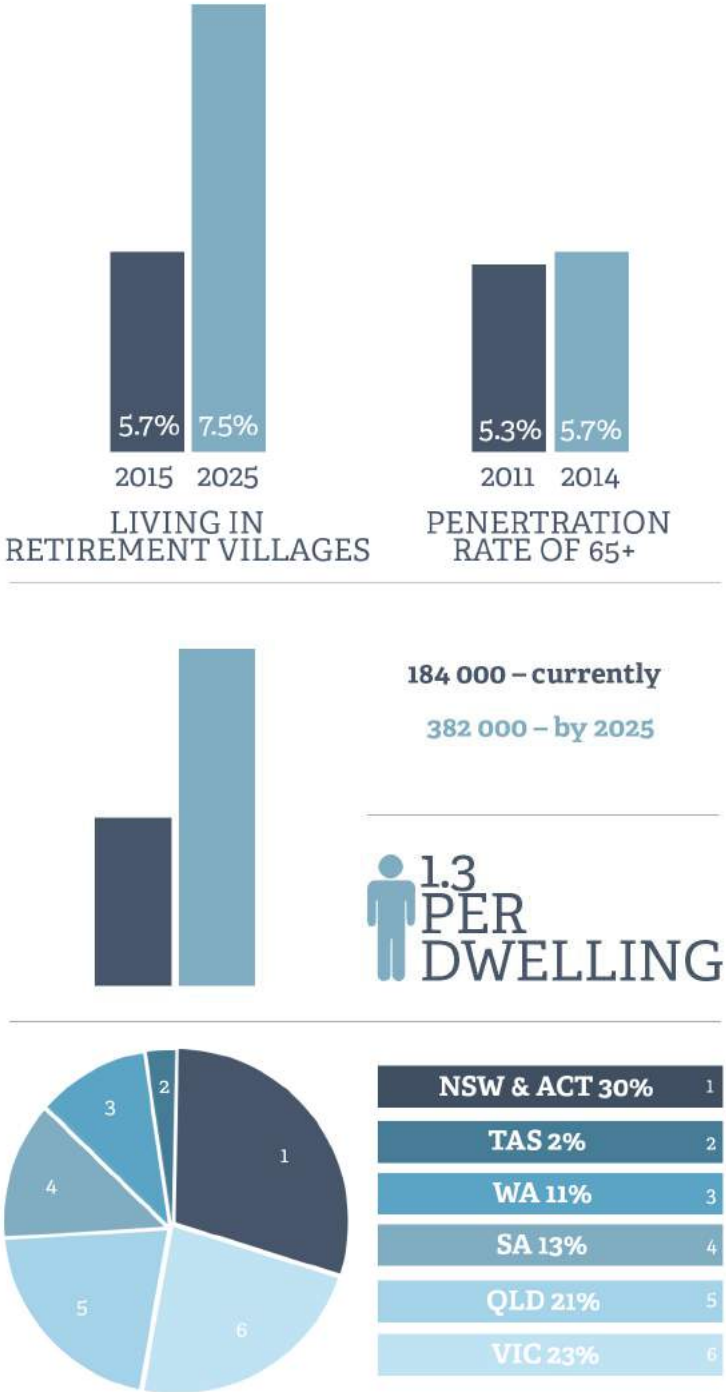
[4] *National overview of retirement village sector, Grant Thornton (2014)*

- The penetration rate for village residents aged 65 and over has increased to 5.7% (2014) from 5.3% in 2011
- On average, there is 1.3 persons living in a retirement village dwelling
- WA, South Australia and Queensland have a higher proportion of older residents living in retirement villages

National retirement village penetration rates



Source: Illustrated by One Fell Swoop (2015), Grant Thornton (2014)

Social benefits

The retirement village industry makes significant social and economic contributions to communities and Governments across the country. Retirement villages have been found to address some of the biggest concerns held by older people as they age. In the largest, independent village survey conducted to date, these are reported as wellbeing issues including loneliness, social isolation, mobility, access to transport, lack of independence and insufficient finances; as well as health problems including dementia, memory loss, mobility, frailty and mental health (i.e. depression)[5].

McCrindle Baynes Villages Census (2013) reveals that a vast majority of retirement village residents across the country are happier now than they were before they moved in with 95% participating in village-organised activities and close to 90% selecting their village for reasons related to safety, emergency support and maintaining independence.

Support and savings for Government

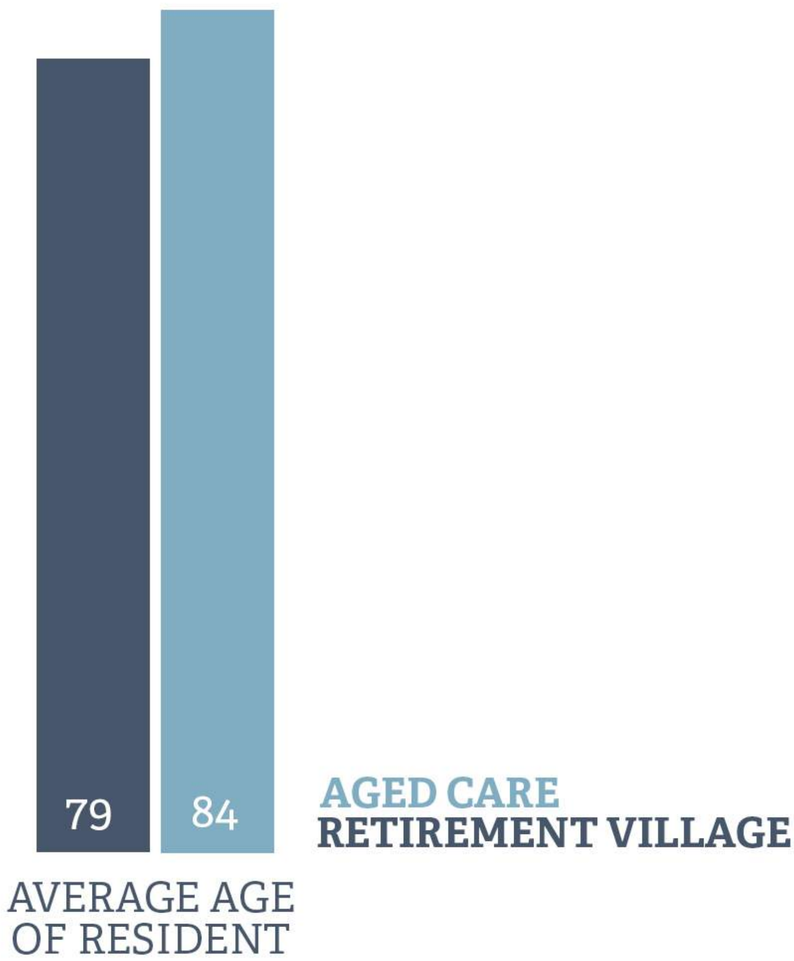
The retirement living sector plays a key role in the provision of affordable homes for older Australians that offer age-appropriate support and services. With many services being self-funded, the pressure on Government health and aged care expenditure, plus resulting expense to taxpayers, is thereby reduced.

Retirement villages enhance the wellbeing and health of residents who would otherwise rely on Government funded support services in health and aged care. A range of key services and facilities at retirement villages assist in prolonging good health, social connectedness and wellbeing of residents. The Grant Thornton study reveals that about 70 to 80% of retirement villages offer barbecue facilities, a personal alarm system, library and community centre. At least half offer meals, house cleaning, medical assistance on call, village bus and community dining.

The retirement living industry is increasingly catering for the care needs of a resident population, which is older. In some respects, retirement living communities have embraced a role of filling the gap left by a diminishing hostel / low-care environment. This can be observed in the narrowing difference in average age of residents currently living at retirement villages and aged care facilities (as indicated in the following image).

[5] *McCrindle Baynes Villages Census (2013) in Grant Thornton (2014)*

Average age of resident in retirement village versus aged care



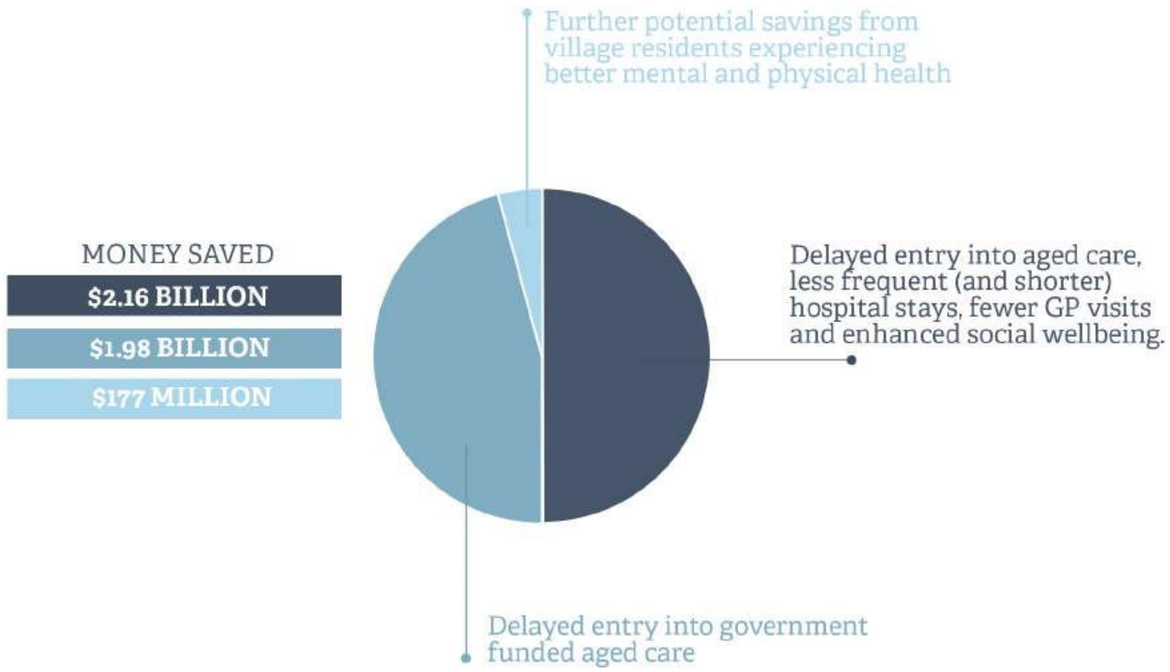
Source: Illustrated by One Fell Swoop (2015), Retirement Village Association (2011)

Contribution to Gross Domestic Product (GDP) and tax revenue

In addition to contributing $2.93 billion to Australia's GDP and $176.2 million in annual tax revenue, retirement villages directly reduce Government expenditure on health and aged care. The following estimated savings were calculated in the Grant Thornton study[6].

[6] *National overview of retirement village sector, Grant Thornton (2014)*

Impact of retirement villages on Government expenditure



Source: Illustrated by One Fell Swoop (2015), Grant Thornton (2014)

The WA retirement village industry

Size and scope

Property Council research conducted by OFS on the WA retirement village industry has found the following:

WA Retirement Village database

Villages	Number of Villages	Number of dwellings	Average units per village
Metropolitan	163	11,067	68
Regional	67	3,023	45
Total	230	14,090	63

Source: One Fell Swoop (2015)

On the basis that there are 1.3 people per dwelling, it is anticipated that there are approximately 18,317 people living in villages in WA.

Demand for retirement dwellings

Based on retirement dwelling penetration rates, OFS is able to model future demand for retirement independent living units. This provides important insights to determine whether current and future market supply will meet the housing needs of residents aged 65 and over.

For this analysis, OFS has used current penetration rates of people living at retirement villages, which have been published in the Grant Thornton study (2014). A conservative demand range has been calculated using the 5.7% national penetration rate (i.e. proportion of population aged 65 and over living in a retirement village in Australia) as a proxy for low level demand; and the 6.9% WA penetration rate (i.e. proportion of population aged 65 and over living in a retirement village in WA) as the proxy for high level demand.

To determine the number of retirement dwellings in demand, OFS includes into its calculations, the national average of persons, aged 65 and over, per retirement village unit. Current industry data indicates that there are approximately 1.3 residents in a retirement village dwelling.

Based on this, state-wide demand analysis reveals that the WA retirement village sector will need to accommodate an estimated 20,226 to 24,484 persons aged 65 and over in 2016. Should current penetration rates remain the same, this will grow to a forecasted 29,421 to 35,614 by 2026. This indicates a need for 15,558 to 18,834 retirement living dwellings, across the state in 2016, which will rise to 22,631 to 27,396 by 2026.

Forecast growth in demand for retirement dwellings WA

WA	**2011**	**2016**	**2021**	**2026**
Population aged 65 and over	285,570	354,840	430,760	516,150
Demand (persons)				
Low estimate	16,277	20,226	24,553	29,421
High estimate	19,704	24,484	29,722	35,614
Demand (dwellings)				
Low estimate	12,521	15,558	18,887	22,631
High estimate	15,157	18,834	22,863	27,396

Source: One Fell Swoop (2015)

Supply and demand assessment

OFS research of the industry indicates there are approximately 14,090 retirement dwellings in WA. Based on current penetration rates and forecasted demand, this reveals an impending deficit in supply of dwellings for older people in the state that will triple over the next ten years should no new stock be added to the market.

Conservative estimates using low and high proxy penetration rates, show a shortfall in retirement dwellings grow from 1,468 to 4,744 in 2016 to 8,541 to 13,306 by 2026.

This highlights a critical need for local Government and the retirement village sector to work collaboratively and strategically toward addressing this need.

Forecast supply-demand balance for WA retirement dwellings

WA	2011	2016	2021	2026
Retirement dwelling demand				
Low estimate	12,521	15,558	18,887	22,631
High estimate	15,157	18,834	22,863	27,396
Retirement dwelling supply	14,090	14,090	14,090	14,090
Supply-demand balance				
Low proxy estimate	1,569	-1,468	-4,797	-8,541
High proxy estimate	-1,067	-4,744	-8,773	-13,306

**No pipeline projects assumed in forecast*

Source: One Fell Swoop (2015)

Structure of the industry

Analysis has indicated that there are just over 60 total retirement village operators in WA. However, the industry is interesting in terms of its structure. There is a prevalence of larger organisations that operate multiple villages and then smaller groups with one or two villages.

15 operators (including the likes of Retirees WA, Armana Living, Baptistcare, Masonic Care, etc.) control 69% of all villages. This highlights that there is a good degree of stability across the industry, with larger operators delivering expertise across multiple locations.

Also of interest is that of the top 15 operators, nine are not-for-profit / church and charitable organisations, whilst six are private sector operators showing a mixed economy of providers.

Chapter 3 - Retirement village industry

Economic impact of WA's retirement village industry

OFS has modelled the economic contribution of WA's retirement village industry. To assess economic and employment impact, OFS has used multipliers developed by customising the Australian Urban Research Infrastructure Network (AURIN) Input Output Model (Economic Impact [Input-Output] Analysis Tool for Regional Infrastructure Investment Projects).

Aurin was established in June 2010, as an initiative of the Australian Government under the National Collaborative Research Infrastructure Strategy (NCRIS) and associated programs. Aurin is led by the University of Melbourne, AURIN, and comprises:

- A collaborative network of leading researchers and data providers across the public and private sectors;
- A one-stop online portal with more than 1,200 multi-disciplinary datasets from 35 different data sources (the AURIN Portal); and
- A suite of open-source tools covering spatial and statistical modelling, planning and visualisation (the AURIN Workbench) AURIN aims to provide urban and built environment researchers with access to diverse sources of data, data integration capabilities, and an e-research capability for interrogating those data.

Input-Output models provide a standard approach for the estimation of the economic impact of a particular activity (e.g. construction of a new infrastructure project).

The tool draws from the Census (2011) industry of employment data and the national input/output table (2009/10) to calculate industry multipliers, which in turn provide estimates of economic impacts of regional infrastructure investment projects.

It is important to note that the economic multipliers have a first round impact that is the product of the total construction activity. There is then second round multipliers that come from indirect activities to include such factors as downstream employment and economic impacts that are generated across other industries.

OFS analysis of WA's 230 retirement villages reveals that the total construction cost is $4.28 billion. Each village offers approximately 63 units, which cost $18.9 million to build, hence, leading to a direct outgoing impact (construction based) of $40.7 million and creating 133 local jobs during the construction phase.

The role of the retirement village sector

As Australia's population continues to age at unprecedented levels, the retirement village industry offers a great opportunity to ensure people continue to enjoy quality of life and affordable housing in their later years.

Retirement villages play an important role in:

- Enabling people to live affordably as they age and to do so in place (where they live or grew up);
- Delivering purpose built communities with access to services and facilities that promote healthy ageing;
- Creating more diversity of stock and contributing to density targets of the housing market; and
- Alleviating pressure on Governments to deliver suitable housing and support for older residents.

With WA's ageing population (65 and over) expected to nearly double from 2011 to 2026, lack of retirement village stock would have dire socioeconomic consequences. These include:

- At least 27,000 residents wanting to move into an independent living unit will have to live in standard residential stock where excess space, maintenance and lack of integrated community engagement would cause increased difficulty as they age;
- Increased pressure on Government to spend on health and aged care, in-home support and other living services for the ageing population (a lot of which is currently offered by retirement villages); and
- Multimillion-dollar drawback in direct and secondary outputs including employment opportunities and investment in construction.

Chapter 4 – Survey of operators

Introduction

The following section provides a detailed overview of the retirement village industry in WA based on a statewide survey conducted by OFS. The aim of this research was to identify the age and nature of existing operators and to gain insights into the challenges and benefits in developing the sector.

OFS developed and distributed a survey to all retirement villages in WA. It was distributed via email, hard copy and online to all identified villages in WA, sourced from the Property Council membership. The survey aimed to gather information regarding the nature and scope of villages and to better understand the opportunities and challenges they are facing in operating their businesses.

The following data is based on the 62 villages that responded (which is around a quarter of the industry in WA). This research is designed for use as an information resource for the industry, particularly as it engages with Government and other stakeholders.

Village Profile

Of the operators who completed the survey, the following is of note:

- There is an estimated 4,806 independent living units that have a median value of $405,000 per dwelling;
- Additionally, there are 615 independent living apartments with a median value of $447,500 per dwelling, five serviced apartments, 520 rental units and 321 aged care beds were co-located with a village;
- This equates to a total accommodation (excluding aged care) of 5,941 dwellings;
- Of the survey respondents, the average number of units in a village is 90;
- About half of WA's retirement villages are fully occupied;
- Nearly 70% have waiting lists; and
- 64% are considered to be in the early stages of development.

Breakdown of WA retirement dwellings from the survey

Type of retirement dwelling	Number of dwellings	Price (median)
Independent living units	4,806	$405,000
Independent living apartments	615	$447,500
Serviced apartments	5	N/A
Rental units	520	N/A
Aged care beds	321	N/A

Source: One Fell Swoop (2015)

Village demographics

In WA, single women make up more than 50% of the retirement village resident population followed by couples (32%) and single men (15%). Based on the total number of retirement village dwellings and reported residents in these villages, there is an average of 1.3 persons per unit, which is consistent with the national average (also 1.3).

On average, the age of entry into a retirement village is 72 and the current age of a resident is 80. This is also consistent with previous surveys conducted nationally and supports the fact that Australia's older residents are keen to enjoy an active, social and community oriented lifestyle.

Whilst responses to the question were somewhat limited (given the personal nature of people's finances), limited survey information shows a majority of residents (as much as 70 to 90% of residents in a village) receive a pension of some description. Only a very small proportion of residents across the villages are fully self-funded and not in receipt of a pension, highlighting that affordability is still a strong issue for people.

Perceptions of the sector

Based on survey findings, confidence in the retirement village market and future growth is split. Respondents were asked how they would assess the current retirement village market for new development. On the whole, respondents were relatively neutral in their assessment of the market (i.e. not clear on whether it was strong or challenging).

Development of retirement villages

The survey highlighted that development of retirement villages has been slow with only 428 independent living units built since 2005, of which only 53 were built in the past five years. 185 independent living apartments were also built since 2010. This is very concerning given the response by 62 villages and indicates a significant stall in the market in terms of development over the past decade. The median price of new units was $445,000.

New units have been planned for construction with 372 independent living units and 135 independent living apartments due for completion by 2020. The median price is $465,000. However, there is no guarantee that these units will proceed.

The higher number of apartments built in the past five years is reflective of the shift toward greater density housing projects. It is important to note the impact this has on village staff to continue to offer high quality service and support to each resident.

Operator responses on barriers to growth

Operators were questioned on what they see are key barriers to growth of the retirement village industry. The most common themes found are financial constraints, both for operators and residents, as well as overregulation and ineffective policy by the Government. The following are key issues of significance:

- Financing development: limited availability of affordable land, reluctance from banks and finance projects, transition in WA's resources sector;
- Financial constraints on older residents: weak economy and "soft" housing market prevent home owners from selling family residence (prime asset) to facilitate shift into retirement village; resident incomes are low, older people are desperate to get housing but unable to afford much on a pension; means test for pension (e.g. sale of family home);
- Government policy: The Act is administered by the Department of Commerce, instead of Housing which leads to overregulation (mentioned multiple times by operators);
- Many people are opting to remain at home longer now with the availability of in-home care and packages, thereby, skipping the village living option and going straight into aged care;
- Retirees are reluctant to move into retirement living units; and
- Unscrupulous operators giving the industry a bad name (which are in the minority).

Government regulation and policy

Operators were asked what they saw as the major Government regulatory / policy barriers to industry. The following key responses were made:

- State legislation encroaching on market forces in retirement living;
- Need to simplify regulation and policies so providers and operators can interpret them more easily;
- Documentation needs to be simplified;
- Continuously “creeping” legislation;
- Onerous legislative requirements result in complicated and lengthy resident agreements that do not easily facilitate the option of fixed or short-term rentals for future development units;
- Industry operators lack sufficient authority;
- Zoning of areas needs to be developed;
- New retirement village regulations designed to benefit consumers should be realistic and practical for providers;
- Difficult to hold to the ideal of enabling older people to age at home until they pass while balancing challenges to providing care (e.g. social needs and logistics) with density of developments;
- Imbalance in framing of policy recommendations (i.e. resident entitled to 100% growth but does not pay recurrent charges after three months of terminating lease);
- Policy lacks in-depth knowledge of the industry from a practical and operational level which could be a result of Government not consulting villages who deal with residents and families on a daily basis;
- Lack of understanding regarding benefits of retirement living;
- Slow state legislation changes are building uncertainty among investors; and
- Lack of incentives for people selling their home who wish to move to a retirement village.

Support required from State Governments

Operators were also asked what the State Government could do to better support the industry’s growth. The following responses are of note:

- Succinct and comprehensible documents highlighting updates and changes to operation procedures;
- Shift responsibility of retirement village sector from Commerce to Housing Department;
- Ineffective Government interference in the retirement living marketplace should cease; its focus on retirement village legislation has caused a major expansion of mobile home parks which “will be a big problem when these people age”;
- Reduce legislative burden;
- Ensure State politicians have a sound understanding of how the retirement village industry works and the need for operators to participate in capital growth of units;
- The possibility of rates being imposed is deeply concerning for residents so there needs to be a total guarantee this will not occur;

- Allow self-regulation of industry;
- Issue local tax incentives for people selling their personal home to facilitate shift into retirement living;
- Ensure State Administrative Tribunal (SAT) representatives understand the industry to properly assess cases presented;
- Identify sites and zones for retirement living;
- Release cheaper land in desirable areas;
- Create Residential Design Code that applies to retirement villages and operators rather than current R-Codes like R30;
- Provide infrastructure support (e.g. transport to enhance accessibility);
- Review planning density requirements for retirement living; and
- Provide rental accommodation for retirees.

Promoting strength of retirement village industry practices

Respondents were asked what the industry (operators) could do to better promote the strength of practices and promote resident satisfaction. Key responses included the following:

- Improve industry image through insightful public relations and advertising that reveal the benefits of retirement living; promote positive aspects of retirement living and share resident testimonies highlighting their contentment with village life;
- Treat the industry like a lifestyle business instead of aged care;
- Consider introduction of industry codes that are designed through cooperation of retirement village operators; this could ultimately lead to a reduction in legislative requirements;
- Need standard accreditation;
- Create a research based toolkit for Government and prospective residents;
- Operators should be more consistent when dealing with residents; and
- Ongoing open communication and consultation with committee.

Perceptions on current state of WA's industry

Respondents were invited to make any further comments on the current state of the retirement living industry in WA. The following is of note:

- The industry is heavily regulated;
- Operators should be open and transparent with information readily available to the public;
- Significant lag in new development over the past five to ten years is well behind theoretical demand;
- Growth is needed to meet the foreseeable demand for people retiring in the future;
- Huge shortage of rental accommodation for ageing population which causes significant difficulty for those who cannot afford to buy a home but also do not qualify for HomesWest housing;

- Conflict between federally funded aged care and individually funded retirees;
- A collaborative approach between industry, Government and the community is needed to create acceptable housing solutions for older people regardless of socioeconomic background;
- Operators generally have a more positive outlook on the industry;
- There is more confidence in assessing the DMF model to standardise and simplify it for the benefit of operators and residents;
- Legislation affecting operating cost options can be particularly burdening for smaller villages that can become vulnerable “in a soft market” by things like recurrent charges;
- The retirement industry is entirely aligned with the general real estate market (village prices have reduced every quarter since 2013 as the median price dropped), however, it is held accountable for this and required to pay recurrent charges when resident units do not sell; and
- Compliance costs increasing 200%, constant interim codes and amendments to regulations are perceived as unnecessary and over-prescriptive.

Chapter 5 - Barriers to growth

Introduction

The survey has identified that a number of key barriers to growth of the retirement village industry are related to the impacts of Government policy and a feeling that there is a lack of support, both for operators and residents.

Another key issue (also linked to the certainty of the industry) is sustainable project financing and land affordability that can ensure operators continue to grow the sector and provide older people with better housing options in terms of affordability and lifestyle.

Key steps need to be taken to bridge the gap between affordable housing and development so operators can work toward meeting the supply for retirement living while older residents can afford to make the transition into a lifestyle that supports ageing through access to care, recreation and community engagement.

Government support

- Create environment that supports the sector to deliver more housing for the ageing population (whilst acknowledged that there is still an important need to protect vulnerable consumers);
- Heavy taxation and administrative structures on the sector, relative to other property investment classes, discourage prospective developers from investing in the industry, making it difficult for operators to effectively drive growth and impacting the attractiveness of investment in the sector; and
- Availability and provision of affordable land in the right locations to service need. This includes facilitating delivery of housing in high demand areas closer to the city and central areas, which are currently quite limited due to site availability and land cost issues.

Regulation

- Overregulation is a common frustration reported by village operators, particularly in terms of legislation being ineffective in a practical sense (e.g. housing density requirements fail to consider impact on providing quality care) and hindering the provision of rental accommodation to retirees who cannot afford to purchase suitable housing; and
- Consult operators to review and establish planning policies that not only safeguard older residents but are also practical from an operational level to avoid damaging trends (e.g. avoidance of retirement village regulation through development of manufactured home parks, which are less regulated).

Operator costs

- Legislation and regulation imposes costs on operators which affects their ability to deliver sufficient housing at affordable rates to older residents (e.g. recurrent operator fees which the operator can only deliver at cost and cannot profit from); and
- Shortage of affordable land, especially in inner-urban areas, where demand for retirement living is generally higher.

Industry-imposed barriers

- Approach the industry as a legitimate solution to quality housing for the ageing population that not only adds great economic value for the Government and local trade, but also creates social benefits by ensuring older residents have an opportunity to enjoy life, remain engaged in the community and live comfortably in age-appropriate housing.

Chapter 6 – Recommendations

Introduction

The retirement village industry plays a great role, both in WA and nationally, in the provision of suitable housing for Australia's rapidly ageing population.

WA has one of the highest penetration rates in the country for people aged 65 and over in retirement villages. This is reflected in the high number of people moving into a village in their later years and indicates a need for good Government policy (and supports) to ensure this demand can be met effectively as the state's population continues to rapidly age.

However, the survey of the industry has highlighted a significant stall in development in the sector, which will mean as the population ages, there will not be enough supply of retirement living options for people.

Based on empirical studies of retirement villages and analysis of the WA sector, the following key recommendations have been made on facilitating the process of turning the industry into a legitimate and long-term solution to meeting the ageing population's housing needs.

Establish retirement village portfolio

Industry would like Government to consider retirement living as a policy issue rather than a regulatory issue. Accordingly, oversight of the industry should be given to the Department of Housing. Given the significant growth in demand for retirement village living, the Property Council believes the industry has reached a point where a portfolio shift is required in order to further strategic growth and development of the sector toward ensuring better village outcomes and housing options for ageing residents.

It is recommended that consideration is given to the appointment of a Minister for Seniors Housing and that the Department of Health take over responsibility of the sector from Commerce so that it can exercise its authority and responsibility in meeting challenges to older people's housing diversity, affordability and supply through collaboration with retirement village operators.

Liaise with retirement village sector to address challenges to housing affordability

Housing prices have surpassed income levels in WA over the past ten years causing people to retire with much higher levels of housing debt. As housing prices continue to escalate, many older Australians who are largely reliant on the Aged Pension are unable to buy into the market and have to turn to social housing, "some for the first time in their lives"[7].

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7 *Housing for seniors initiative outcomes (Extracts from Cabinet Submission)*

In extracts from a Cabinet Submission paper on initiative outcomes for retirement living, it is reported that more than 4,000 WA residents aged 55 and over are on a waiting list for social housing, leaving this group vulnerable to homelessness and stress from waiting for suitable housing.

Aged Pension means tests designed to incentivise older people downsizing so larger family homes can be freed up in the market for younger families have an added effect of significantly lowering equity of the ageing population. Retirees with low incomes and housing equity are, thereby, positioned poorly to respond to unexpected life changes without threatening their current housing situation. This is a key concern as the need for care and chance of critical health problems escalates in these later years of life.

This combined with barriers to new financing (e.g. lenders serviceability requirements, stamp duty and other transaction costs, etc.) cause further strain on older people looking for suitable housing as they age. The resulting impact on people's wellbeing and need for support generally results in a cost to State Government and taxpayers.

"It would take a 65 year old pensioner couple over 17 years to affordably (30% of income) pay off a $107,000 loan at an interest rate of 5.9%, meaning the household would be debt free at 82 years old"[8]

To ensure ageing Australians do have access to affordable housing and at the same time can enjoy active, fulfilled lives, there would be great benefit in the Government working strategically with the retirement living industry to deliver well-serviced communities designed around the evolving needs of ageing residents. This in not occurring at the present time and the focus is wholly on consumer protection, with no regard for supporting industry growth.

The following are some suggestions to facilitate a better outcome for ageing WA residents:

Development facilitation

- Create incentives and tax benefits that level the competition for retirement villages against other development projects so investors feel confident in funding the growth of the sector;
- Establish new zoning codes for the retirement village sector that allow developers to easily locate areas suited for retirement living and promote retirement living projects in high demand areas (e.g. inner urban sites);
- Release / unlock land near transit-oriented or developed areas so people in affordable housing are not marginalised on the regional outskirts of WA where access to urban amenities is limited and comes at a higher living cost; and

8 *Housing for seniors initiative outcomes (Extracts from Cabinet Submission)*

- Guide and enhance energy efficient practices in construction and design to reduce the financial costs of building retirement homes and maintaining them so the flow-on impact on resident upkeep is also lowered.

Strategic engagement and consultation with retirement village industry

Based on industry research, it is also recommended that the Government works in collaboration and consultation with retirement village operators to create, review and implement policy that allows operators to effectively address the growing demand for retirement housing and its associated challenges such as the delivery of sufficient dwellings and age-appropriate support services.

Under the Federal Government's *Living Longer, Living Better* reforms, it headed an engagement process in 2013 with the not-for-profit aged care industry and relevant bodies, which ultimately led to a prioritisation of creating more affordable housing for the ageing population.

Similarly, it is recommended that the WA State Government take a strategic and collaborative approach with the retirement village industry to address the increasing challenge of responding effectively and efficiently to the growing demand for appropriate housing for ageing Australians; noting that this comes from a largely diverse socioeconomic demographic.

To achieve this, the Government will need to take a planned approach to collaborating with the retirement village industry so that review, creation and implementation of relevant policy is based on a strong understanding of the sector, including consideration of operational challenges and ensuring consumer satisfaction. This would require more open communication channels with village operators and access to industry resources. More open consultation of the retirement village industry would shed light on some of the misguided policy creation and implementation that fails to consider operators as well as consumers (older residents); and has ended up being more restrictive on the sector's ability to provide suitable housing for older people with different levels of wealth / income.

OFS research has shown consensus within the sector in ensuring all operators hold themselves to a high level of accountability, service provision and quality assurance. Greater self-regulation under a standard code of conduct and industry-wide accreditation developed and upheld by village operators would be an important step toward growth of the industry in this respect – which the industry already has in place.

To enable the retirement village to effectively address retirement living challenges, the following policy initiatives are critical:

- Facilitate a greater level of self-regulation so industry can take necessary steps toward driving further growth, particularly by freezing legislative and regulatory change in the short to medium term to allow the industry to stabilise;
- Lighten the burden of legislation on operators so that it is not restrictive but supportive of the creation of housing and new dwellings for older people of different socioeconomic backgrounds;

- Ensure policy changes are duly reported in a simple and succinct way so operators can apply them to their practice properly and consider operational challenges, including greater economic assessment on industry impacts; and
- Support the industry's existing accreditation that is developed and upheld by operators in the sector.

Appendix 1 – Project background

Background

The Property Council has identified the need for an evidence-based approach to policy decisions that drive the growth and development of the retirement village sector.

Key issues stemming from the lack of a single department that holds sole responsibility and accountability for this has meant significant Government intervention that has been focussed on protecting consumers in the market, with limited evidence of market failure in servicing the needs of consumers of retirement village lifestyles.

This has also led to the creation of poorly structured policy that fails to nurture and build confidence in investors, developers, owners and managers to grow the retirement village sector into a legitimate solution to the evolving housing needs of mature Australians.

Report scope

OFS was engaged to undertake research and assessment of the WA retirement living market and has authored this report to provide an evidence-based case for the strategic growth of the retirement village industry through well-informed policy decisions and authority of a single Department that takes on sole responsibility and accountability for the sector.

The Property Council and its members are co-funding this research and policy paper to use as tool in communicating with all levels of Government and other stakeholders. The key objective is to present irrefutable evidence of the value of the retirement living community industry in WA and how the industry must be supported to assist growth to meet future demand.

The Property Council intends to use the information gathered from villages to develop a case for greater support of villages and less regulatory interference. It also aims to make new information accessible to its members to assist in how they engage with Government at the local 'grass roots' level by having sufficient tools to do so effectively.

With the aim of outlining key policy options and interventions of the Property Council, this report entails the following key objectives:

- Assess the size, scope and contribution of the retirement village industry in WA;
- Identify the nature of operators and degree of housing they provide for older people through a comprehensive survey of village operators and owners in WA;
- Forecast demand for retirement dwellings based on historical development trends and population growth;
- Articulate the main barriers to growth that can be addressed via good policy intervention; and

- Outline key initiatives and recommendations, informing Government on the support required by the retirement village industry to deliver mature aged housing, address resident needs and improve outcomes for older people.

Key objectives

To address these issues, OFS has undertaken an assessment of WA's retirement village industry and gathered the following evidence:

- Review of relevant data, literature and policy analysis;
- Analysis of socioeconomic and demographic characteristics;
- Forecast demand model and supply assessment;
- Survey of operators; and
- Collation of above data and findings into a comprehensive report including key policy options and interventions by the Property Council.

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Retirement Living