

6 November 2023

## **Greater Adelaide Regional Plan**

### **State Planning Commission**

Retirement Living Council's Response to Discussion Paper

#### **About the retirement living industry**

Retirement communities offer a unique housing option that enhances wellbeing and lifespan for older Australians. Importantly, these communities can delay entry into residential aged care, and in some cases can even prevent it entirely.

Independent data shows that residents in retirement communities are on average happier, healthier (both mentally and physically) and are more socially connected and active.

Importantly for the aged care and health sectors, research helps inform industry and government that residents in retirement communities have reduced interactions with GPs and hospitals and delayed entry into aged care. This results in significant cost efficiencies for governments by reducing pressure on the aged care and health sectors.

As a result, there is great potential to increase these benefits to governments if the retirement industry is provided the requisite support to evolve and grow to meet the increasing needs of Australia's ageing population.

When older South Australians are able to rightsize, they not only improve their quality of life but also contribute to societal, economic and environmental benefits for our state. It also brings with it the added benefit of freeing up traditional housing stock for young people, couples and growing families.

#### **About the Retirement Living Council**

The Retirement Living Council (RLC) is the national peak body for Australia's retirement living sector, championing policies that deliver age-friendly homes and better services in retirement communities.

The RLC sits within the Property Council of Australia's national advocacy team and is the most powerful voice of the sector, representing national retirement village and seniors living community operators, including for-profit and not-for-profit providers.



## Response to Discussion Paper

The RLC welcomes the opportunity to respond to the State Planning Commission's discussion paper on the Greater Adelaide Regional Plan (the plan).

As the successor to the 30-Year Plan for Greater Adelaide, it is imperative that this new plan provides for adequate and diverse housing solutions for South Australians at all phases of their lives.

It is no secret that Australia, South Australia in particular, is undergoing a major demographic change. The *2023 Intergenerational Report* identifies that there are currently 4.6 million people aged over 65 today, growing to 7.1 million by 2043.

There are currently 166,000 South Australians over 75 today, growing to 256,000 in 2040. This means there are 256,000 reasons to ensure that ageing remains a strategic priority for the State Government.

While the discussion paper does make reference to the 19.3 per cent of South Australians over 65, this is the extent of discussion about our ageing demography. This sits in contrast with the 2017 update of the 30-Year Plan for Greater Adelaide (30-Year Plan), which acknowledged:

"Our baby boomers (who represent a quarter of our population) are either moving into retirement or are already retired. Many wish to downsize and move into accommodation that better suits their needs and lifestyles."<sup>1</sup>

At the heart of its submission, the RLC notes that retirement communities meet the needs of the ageing population by providing an environment where older Australians are able to maintain their independence and lifestyle, with ready access to health, wellbeing, care and support services.

Across the country, the retirement living industry's market penetration of over-75s is 12.6 per cent, meaning this purpose-built housing type is doing important work for both consumers and governments.

Therefore, more emphasis needs to be placed on the diversity of housing options available to ageing South Australians, like retirement communities, including a **reinstatement of 2017 references to 'downsizing' or 'rightsizing' into future decision-making around accommodation for older South Australians.**

---

<sup>1</sup> The 30-Year Plan for Greater Adelaide, 2017 Update, p 152



**What do you think of the four outcomes guiding how Greater Adelaide should grow? Are there any other outcomes the commission should consider?**

The Guiding Outcomes, particularly as they relate to “A more equitable and socially cohesive place” and “A greater choice of housing in the right places” should be expanded to highlight the need for a diversity of age-appropriate housing types.

South Australia’s Plan for Ageing Well 2020-2025 sets a strategic theme to investigate “Models and options for creating homes that suit the diversity of needs and aspirations” for older South Australians.<sup>2</sup> Action 27 of the 30-Year Plan required the development of a “policy framework to support projects that provide for aged care and retirement accommodation to meet growing demand.”<sup>3</sup> The RLC submits **the reintroduction of this action item in the Greater Adelaide Regional Plan would positively signal consideration of these housing options for ageing South Australians.**

**What other major trends and drivers might shape the future of Greater Adelaide? How should a land use plan address these trends and drivers?**

Addressing the supply pipeline

Retirement units across South Australia (particularly in metropolitan areas) are effectively at full capacity, however despite this, the 2022 PwC/Property Council Retirement Census indicates that there are only 181 units scheduled in the supply pipeline until 2025.<sup>4</sup>

While the Planning and Design Code does provide for ‘retirement facilities’ to feature as deemed-to-satisfy items in certain planning applications, more can be done to incentivize the development of retirement communities to ensure a steady supply pipeline into the future.

One way of ensuring housing diversity and the freeing up of older stock is to **establish minimum land allocations for retirement communities in new greenfield developments.**

Greater access to land for retirement communities through minimum land allocations in under-supplied areas, similar to targets placed on social and affordable housing can ensure suitable options for the ageing population, as well as address housing supply issues. **The RLC is also advocating for the inclusion of retirement facilities under the Housing Australia Future Fund as a key delivery component of achieving South Australia’s supply target.**

Dwelling suitability

The 2017 update of the 30-Year Plan for Greater Adelaide identified that 62 per cent of households have fewer than three residents but 72 per cent of dwellings have three or four bedrooms.<sup>5</sup> In 2021, nearly three quarters of people aged 75 and over were living in dwellings where they have one or

---

<sup>2</sup> South Australia’s Plan for Ageing Well 2020-2025 p 30

<sup>3</sup> The 30-Year Plan for Greater Adelaide, 2017 Update, p 70

<sup>4</sup> 2022 PwC Property Council Retirement Census p 7

<sup>5</sup> The 30-Year Plan for Greater Adelaide, 2017 Update, p 152



more bedrooms spare. This represents more than 1.4 million older Australians that are residing in dwellings that are oversized for their needs.

This inefficient use of space also adds pressure on existing housing supply challenges. Due to slow supply, Australia is expected to see a shortage of 101,400 dwellings between 2023 and 2030. Freeing up housing stock can work to address these challenges. The Greater Adelaide Regional Plan is targeting 300,000 new homes for South Australia by 2051 alone.

At the same time, one in five Australians over 65 also require assistance with domestic tasks, including property maintenance (20 per cent) and household chores (16 per cent). These needs rank second and third only to healthcare.

This suggests that the majority of older people are not rightsizing, and many are requiring extra supports to continue living in their family home. Larger dwellings can also increase health risks as people age, with most cases of falls in older people occurring at home. Features such as stairs without railings, clutter or poor lighting can create hazards for older people.

#### Affordability

Addressing the 'missing middle' requires a diversity of housing options that enable affordable living. Retirement living is designed to provide an affordable rightsizing option, with entry prices for an average 2-bedroom unit in metropolitan Adelaide being 44 per cent lower than the median house price in the same postcode. Outside metropolitan Adelaide, units across the rest of South Australia are 36 per cent more affordable.

Across Australia, the average two bed Independent Living Unit (ILU) price grew by 6.6 per cent over the 18 months to December 2022, while national house prices over the same period rose by 26.2 per cent indicating a less volatile retirement market than what has been experienced in South Australia in the recent past.

#### Increasing density with more care and support services

While a conventionally single storey housing proposition, there has been an increase in the development of vertical communities, which better enable these communities to be developed in high-density areas, allowing residents to better access the resources and amenities of their broader, local area.

Additionally, 53 per cent of new villages under development have indicated that a residential aged care facility will be provided on-site or co-located.<sup>6</sup> While retirement communities already enhance residents' health through onsite access to healthcare professionals, the co-location of offerings such as aged care allows a more supportive environment as residents requirements change.

---

<sup>6</sup> 2022 PWC Property Council Retirement Census p 7



### Energy efficiency

Rightsizing can allow a more efficient use of energy by households, therefore reducing the overall annual energy consumption for older Australians by around 35 per cent.

Energy usage is driven by the size of the dwelling and number of occupants residing in it. Larger spaces require more operational energy driven by temperature regulation, such as cooling and heating. A larger number of occupants also drive energy usage of a dwelling, mainly due to more frequent usage of temperature regulation, appliances and electronic devices.

When rightsizing occurs, a retired couple is assumed to move into a retirement dwelling, allowing a family of four to move into the vacant dwelling. While this leads to a 17 per cent increase in energy consumption of the family, despite this, rightsizing results in a net reduction of 7 per cent.

### **In Conclusion**

The RLC appreciates the opportunity to share our leading industry insights with the State Planning Commission. The Greater Adelaide Regional Plan is an important document to set the tone for development priorities in the future.

While the RLC remains agnostic on many of the themes explored in Part 2, 'Where should Greater Adelaide grow?', we agree that housing availability and affordability will remain a key driver for South Australians for years to come.

At present, the Greater Adelaide Regional Plan does not give the same consideration to age demographics and the housing types required to service these demographics that the 30-Year Plan did, which we request is addressed in future iterations.

A balance between government funding, consumer choice, and industry innovation is essential to create an inclusive, adaptable, and effective housing landscape.

Essentially, we believe that success is achieved through empowering consumers with choice, supporting innovation, and delineating appropriate roles for both government and private investment which will drive the evolution of housing across Australia.



**Daniel Gannon**

Executive Director  
Retirement Living Council