



North Tuncurry Development Project: Aged Care and Retirement Housing Study



LANDCOM

Prepared for Landcom

By

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1 Summary

1.1 Objectives of the study

The report is one of a suite of studies for the North Tuncurry Development Project (NTDP) and has been commissioned by Landcom to investigate and report on:

- Demand for seniors' housing and care facilities and in particular for a retirement village, residential aged care facility and associated health care facilities in the locality and its catchment.
- Potential developers and operators and their possible interest in developing and operating these facilities.
- The requirements of potential operators, including factors that could generate market interest.
- Master Plan requirements that would accommodate retirement housing, an aged care facility and associated health facilities, including site specifications.
- Recommendations including timing and staging.

1.2 Methodology

This report is based on analysis of available data, published reports, and consultations, as described in the body of the report.

1.3 Key findings

The most significant findings are:

- The Forster Tuncurry urban area is an attractive location for older people relocating for a sea change, and the area has one of the highest proportions of seniors in its population in Australia. Population growth in the area has for some time depended on inward migration, and most incomers are seniors.
- Consequently, the NTDP site can be expected to be attractive to older people. It may be the case, however, that attracting further significant numbers of older people into the area would not be considered to be a desirable policy outcome.
- Locally generated needs for retirement housing and aged care facilities are currently fairly well met, and the Pacific Cape development by a local organisation (currently underway) can be expected to meet the need for Retirement Village dwellings and residential aged care over the next few years.
- The key need in the area is for “open-market” seniors-friendly housing in the community. The NTDP can certainly assist in meeting this need, and the Master Plan can further

contribute by ensuring that the urban design and facilities of the new community meet the needs of incoming residents including older people.

- The Master Plan is sufficiently flexible to allow retirement village accommodation and care facilities to be provided at some stage in the future, and the site is likely to be an attractive one for developers of such facilities. However, no specific interest in developing facilities in the area in the near future was identified in the study.
- Previous research has noted that there may be an opportunity to develop a seniors' precinct at North Tuncurry, bringing together housing, care, support and health facilities, if appropriate partners can be attracted.

1.4 Recommendations

- Planning for the whole North Tuncurry site should seek to maximise its utility for older people, including providing a safe and attractive environment, and “mainstream” housing options that suit older people.
- Master Planning and zoning should be sufficiently flexible to permit purpose-built retirement housing/an aged care facility/ a seniors' health precinct to be provided at some future date, if the need and demand is found to be strong enough. There does not appear to be a need to allocate specific sites at this stage of planning.
- Should a location be sought for purpose-built facilities (retirement village with residential aged care), an appropriate site would preferably have the following features:
 - The site should be at least 10 hectares and preferably 15-18 hectares. A smaller site could accommodate a more modest retirement village or a residential aged care facility, but scale is sought by most contemporary operators.
 - The site should be level, readily connected to utility infrastructure and should front onto a distributor road.
 - The site should preferably be located within walking distance of shops and open spaces.
 - For feasibility purposes, the site should be valued as a superlot at around 30% below residential value.
- “Upmarket” mainstream housing associated with the Golf Course is likely to be particularly attractive to seniors. To the greatest extent possible, such products should be required to be designed to allow older people to age in place, including a proportion of homes to adaptable/universal design standards.
- As seniors' housing requires access to public transport and local facilities, staging plans should assume that its development will not occur until these are in place.
- It will be necessary to identify interested potential partners for any substantial seniors-specific projects, as most established players do not have a presence in the area. This would apply particularly if an integrated aged care precinct is considered, requiring health, academic and development partners.
- Locally based aged care and seniors' housing developers should be given the opportunity to participate in development where appropriate.

2 Introduction

This report has been prepared by specialist consultants Elton Consulting, and was commissioned as one of a suite of studies relating to the proposed rezoning and development of 615 hectares to the north of the existing Tuncurry urban area. The rezoning proposes a mix of urban and conservation uses. The studies are intended to support a State Significant Precinct submission to the NSW Minister for Planning. The Project, known as the North Tuncurry Development Project (NTDP), is sponsored by Landcom under a Project Delivery Agreement (PDA) with the NSW Department of Industry – Crown Lands and Water which controls the land. The traditional owners of the land, the Worimi and Birpai people, have acknowledged that the NTDP can proceed subject to certain conditions.

The main focus of the study is the potential demand for accommodation and facilities that meet the needs of older people. In particular, the study is intended to help inform planning for the allocation of land uses, and about the development partners that might subsequently be involved in developing these facilities. The study therefore concentrates on the need to deliver appropriate built facilities rather than on detailed assessment of the adequacy of services in the area.

The study was based on extensive research and consultation with stakeholders, including those working at a policy and program delivery level and those working in the industry. This report is a revised version of an earlier report completed in 2014. The revision process did not involve additional consultation with the originally engaged stakeholders. Further consultation with all stakeholders will occur as progress with the NTDP advances.

The industry sectors reviewed in this study are:

- Retirement village developers and operators.
- Housing developers specialising in mainstream housing for independent seniors.
- Residential Aged Care developers and operators.
- Health and support service providers.

The study is in five main parts:

- Chapter 3 examines the current and projected population of older residents in the Forster Tuncurry area and its salient characteristics.
- Chapter 4 presents an overview of the relevant industry sectors, including the products they offer, the types of developers and operators that work in these sectors, and the issues and changes they are dealing with in the market for these products.
- Chapter 5 examines the local situation in the region and in Forster Tuncurry itself, and projected needs into the future.
- Chapter 6 focuses the operators in the aged housing and care sectors, describing their roles and priorities. It then looks at how they select locations and sites for development.

- Based on this analysis, Chapter 7 presents a number of recommendations to Landcom.

3 Older people in the area

AT A GLANCE

The proportion of older people in the Forster Tuncurry population (46% are aged 60 or over) is double the average for NSW. It is projected to continue to grow, in both absolute numbers and as a proportion of all residents.

Population growth is reliant on inbound migration, without which the local population would decline. A large proportion of existing residents migrated into the area, typically after the age of 50. Future population size will therefore be determined by the level of migration.

The income profile of older people in the area shows that most residents are in the low to middle income bands. The proportion of residents with incomes above \$1500 a week is only a third of the NSW average.

The majority of older residents are home owners (70%). However the proportion is falling over time.

3.1 Older people's housing options

Many older people prefer to stay in the home they have occupied for many years, perhaps having raised a family there, and surrounded by established social networks and services. Others, by choice or by necessity, move to housing which is more suitable or which offers better lifestyle options.

Four broad categories of housing are especially suited to older people.

- **Mainstream, open-market homes:** Those moving into an area like Forster-Tuncurry for a sea-change tend to favour houses with easy ground floor access or, increasingly, good quality well-located apartments. To permit ageing in place, Universal Design permits modifications (for instance to accommodate a wheelie or a wheelchair) but this is in limited supply.
- **Age-restricted¹ independent housing in the community:** This is a niche market offering purpose-built seniors' housing within the open market. Supply is extremely limited.
- **Retirement villages:** These offer accessible housing, onsite facilities and a sense of community. In a few villages, limited in-house care services are also offered. Villages are open to anyone aged 55 or over, but on average entrants are aged around 80.

¹ Developments for seniors, approved under *SEPP: Housing for older people and people with a disability*, must be occupied by people aged 55 or more, their dependents, or people with a disability.

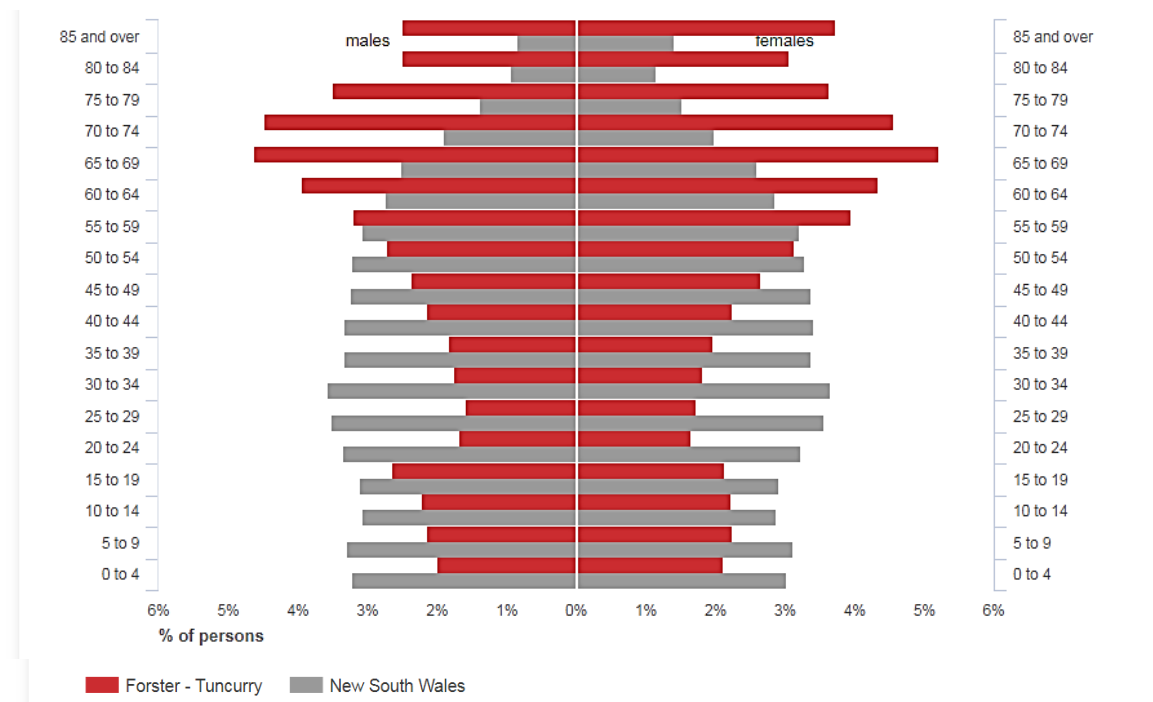
- Residential Aged Care (RAC) facilities: This refers to nursing facilities tailored to people with significant care needs that cannot be met in the older person’s home. Typically residents are aged 85 years or older.

3.2 The size of the older population

Forster Tuncurry lies within the MidCoast Council Local Government Area (LGA) and accommodates over a quarter of its residents. The proportion of residents aged 60 or more in the Council area is one of the highest in Australia, and the median age of residents is 52, compared to 43 across Regional NSW as a whole.

Forster-Tuncurry has a higher proportion than the wider LGA of seniors in its resident population. At the time of the Australian Bureau of Statistics (ABS) Census 2016, 46% of residents were aged 60 years or more (just under 9,400 people out of a total population of 20,500), more than twice the NSW average (22%). This is illustrated in the next Figure, which clearly shows that the age structure of local population is very different to the State average.

Figure 1: Age pyramid Forster Tuncurry, 2016



Source: ID consultants based on ABS Census 2016

Over the coming decades, the population of older people in the MidCoast LGA is projected to continue to increase. Population projections for the period 2016 – 2036 have been prepared for Council², and suggest that while there will be very modest growth in most age groups, the seniors age cohorts will increase in size substantially.

In the period to 2036, the population of the MidCoast LGA is projected to rise by 23% to approximately 113,000. Projections for Forster Tuncurry suggest slower growth with an increase of 14% to 23,900.

² <https://forecast.id.com.au/midcoast?WebID=280> Accessed 14 December 2018

Over this period, seniors are projected to account for almost all the population growth in Forster Tuncurry (2,960 of 3,030), while several younger adult cohorts are predicted to experience a decline in numbers. Note, however, that these projections need to be treated with caution, in particular in the case of Tuncurry, where a small increase in the projected population does not appear to have taken account of the possible contribution from the NTDP.

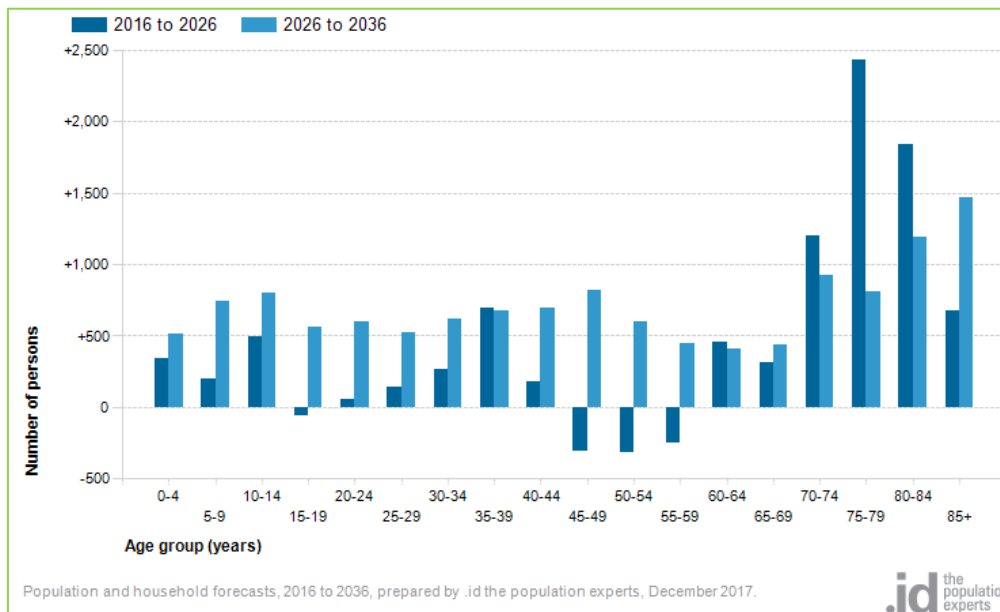
Table 1: Projected older population, MidCoast LGA

Age group	Number 2016	Number 2026	Number 2036	Change 2016 to 2036
60-64 years	7,510	7,968	8,378	868
65-69 years	8,257	8,567	9,001	744
70-74 years	6,846	8,046	8,968	2,122
75-79 years	4,888	7,322	8,135	3,247
80-84 years	3,313	5,150	6,341	3,028
85 years and over	3,379	4,058	5,528	2,148
All ages (0 to 85+)	91,958	100,323	113,147	21,189

Source: ID for MidCoast Council

In Forster-Tuncurry, by far the biggest increases in resident numbers are expected to be in age groups between 70 and 84 years. The number of very old people (85+) is projected to increase by a smaller absolute number but will be large in percentage terms, with a rise of 34% up to the year 2036.

Figure 2 Projected change in age structure to 2036, MidCoast LGA



Source: ID for MidCoast Council

In interpreting population projections, it is important to recognise that they are based on a range of assumptions, some of which may or may not eventuate. For instance, the growth of the oldest age cohorts can be assumed to be mainly a result of the ageing of existing local residents and is therefore very likely to eventuate, while increases in the age groups between 50 and 75 years will depend significantly on the level of inward migration, which will only occur if appropriate

additional housing is available – and the development and construction of this housing will in turn depend on market factors including the state of the wider economy.

Nevertheless, it can be concluded from the data that:

- Over the next 20 years there will continue to be increases in the number of people in the core sea-change retiree age group (60-75 years old), seeking independent housing (i.e. appropriate open market housing);
- The number of people in the core market for retirement village accommodation (age 75-85) will increase significantly; and
- The number of people in the age cohort most likely to need residential aged care (people aged 85 or more) will also increase quite strongly.

3.3 Indigenous and overseas-born seniors

The 2016 Census reported that there were 1,080 Aboriginal and Torres Strait Islander residents in Forster-Tuncurry. Unlike the wider population, they were predominantly relatively young, with a median age of 22. However, approximately 250 were aged 50 years or over.

The overseas-born population in Forster Tuncurry is modest. The 2016 Census found that 10% of residents were born overseas, in most cases born in the United Kingdom or other English-speaking countries. The main non-English speaking birthplaces were Germany and the Netherlands, each accounting for well under 100 residents. Less than 3% of residents said they spoke a language other than English at home and only 0.2% of residents said that they were not proficient in English.

3.4 Migration

Across the MidCoast LGA, persons aged 65 or more accounted for 3,500 of the 14,200 inward migrants in the five years to 2016, and 55-64 year olds accounted for a further 2,700. Population growth in Forster Tuncurry itself is (and is likely to continue to be) driven almost entirely by incoming migration. As a result of its age profile, the local population would decrease without a steady flow of newcomers. Across all age groups, over 40% of residents living in Forster Tuncurry in 2016 had moved to their current home within the last 5 years. Many had moved locally but a large proportion (64%) had moved in from elsewhere, a total of just over 5,000 people. Most (4,425 people) had moved from elsewhere in NSW.

Detailed data on the source of migrants into Forster Tuncurry is unavailable, but data for the wider LGA has been analysed to identify the LGA of origin of seniors moving into the MidCoast LGA during the period 2011-2016. This indicates that a large proportion came from adjacent LGAs, followed by several LGAs in Sydney.

It is notable, however, that inward migration from other parts of the Mid North Coast region and from adjacent Regions was largely counter-balanced by outward migration to these areas (for instance, while 123 seniors moved into the area from Port Macquarie Hastings, 134 moved in the other direction). However there was very limited movement back to Sydney. The LGAs providing the highest net migration into the area between 2011 and 2016 were:

- Blacktown

- Central Coast
- The Hills Shire
- Parramatta
- Penrith
- Northern Beaches
- Canterbury-Bankstown
- Cessnock
- Cumberland
- Liverpool.

Table 2: Top 10 LGAs of origin, inbound migrants to MidCoast LGA, aged 65 or over, 2011-2016

<i>LGA of origin</i>	<i>Number</i>
Central Coast	316
Lake Macquarie	149
Blacktown	137
Port Macquarie-Hastings	123
Northern Beaches	119
Port Stephens	119
The Hills Shire	97
Penrith	97
Parramatta	93
Newcastle	78

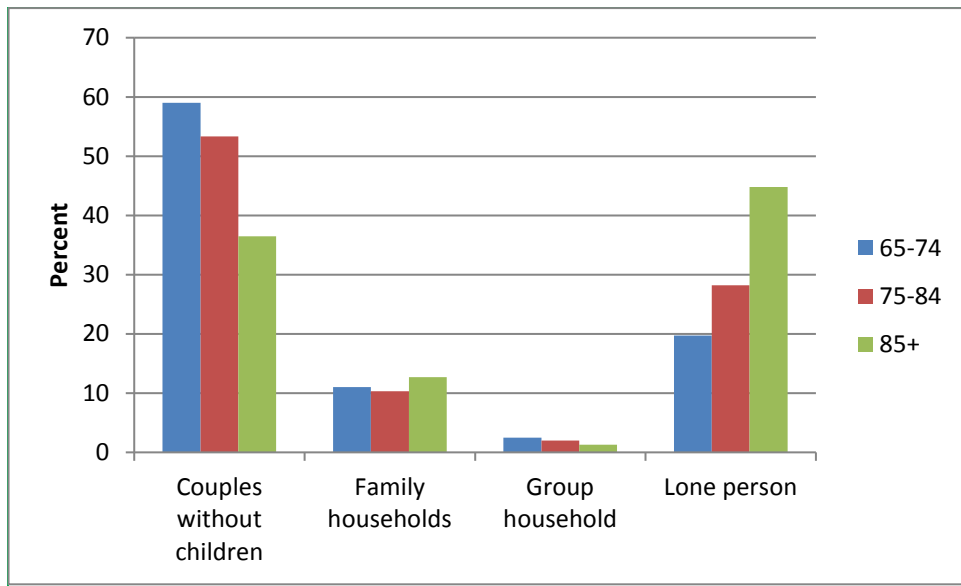
Source: Based on ABS Census data, 2016

The most common age of relocation among those coming from outside the region was 60-69 years, and a majority were aged less than 70. Given the high average entry age for purpose-built retirement housing, this indicates that most moved into mainstream open-market homes.

3.5 Household types

Analysis of the type of private households in which older people live shows that, up to the age of approximately 80, the majority live in couple households. However the proportion of lone person households increases with age, rising from less than 20% at age 60 to over 50% by 45% in the 85+ age group. In all age groups, approximately one in ten seniors lives in a wider family household.

Figure 3: Household type, MidCoast LGA, 2016. Older age cohorts.

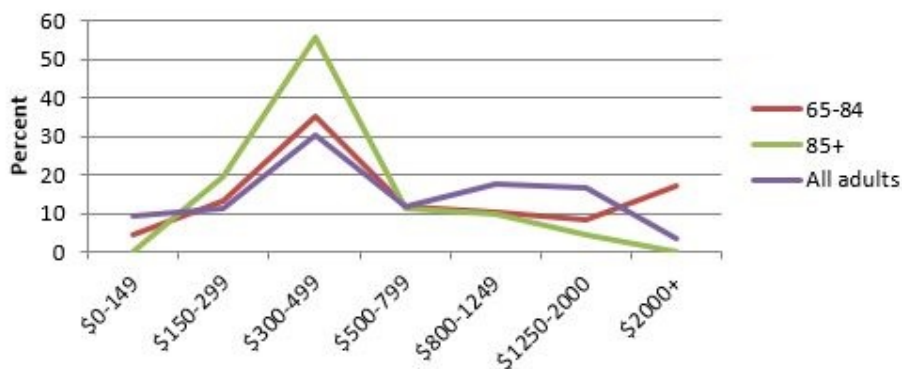


Source: ABS Census

3.6 Income and tenure

Older households generally have lower incomes than younger households. This is often partly offset by lower housing costs. Significantly, however, only a minority of households can afford to move to a more expensive home when they retire, and many cannot afford residential situations that involve significant fees and levies (e.g. strata levies or user-pays service fees). This explains why the established tenure model for retirement villages is to defer management fees and then deduct them when the resident departs.

Figure 4: Weekly individual income, Forster Tuncurry

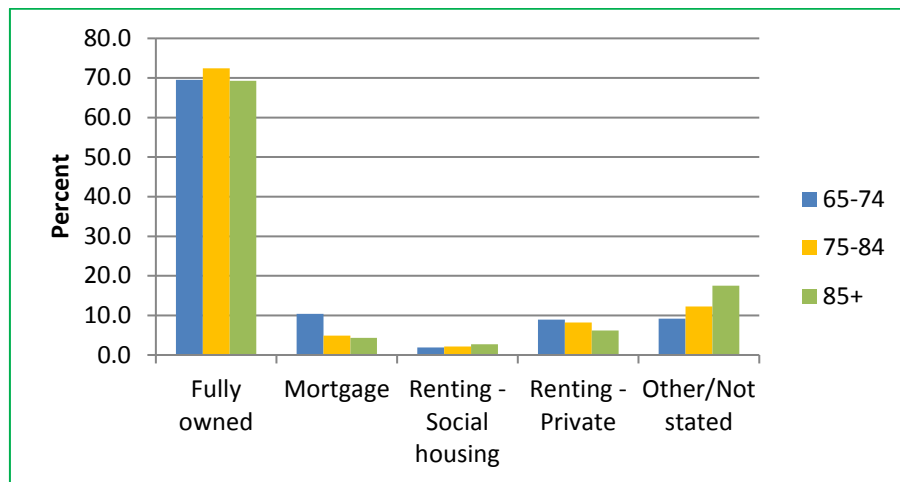


Source: ABS Census 2016

Incomes in Forster Tuncurry are typically low, and at the time of the 2016 Census only 6.4% of residents had a weekly income of \$1500 or more, compared to the NSW average of 17%. By comparison, well over half the seniors in the area had a weekly income under \$500.

The tenure of retired people is predominantly owner occupation, and while 70% of seniors were outright owners in 2016, a significant minority reported that they still had a mortgage, even among people aged 85 or more (4.3%).

Figure 5: Tenure by age group, 65 years and over, MidCoast LGA, 2016



Source: ABS Census 2016

Available data at the LGA level shows that in 2016, 9% of seniors aged 65-74 were private renters, falling to 6% by age 85, while around 3% were social housing tenants (across all the senior age cohorts).

Seniors' housing options in the future will be affected by two current trends:

- Home buyers are paying off their mortgage at a later age, and in future an increasing number of older people will have an outstanding mortgage debt.
- The proportion of middle-aged owner-occupiers and home buyers is falling at the rate of around 1% per year, predominantly due to lifestyle changes and unaffordability. As a result, it is predicted that there will be a sharp rise in the number of private tenants aged 65 and over in coming decades.

4 Overview of the seniors' housing and care sector

AT A GLANCE

There is ongoing demand for additional housing and care for seniors, driven by the expansion of the older population, increased longevity, and expectations of choice which are underpinned by increased affluence (for many but not all older people).

Most seniors live in mainstream housing in the community. Unfortunately this does not always meet their needs as they age, particularly if mobility declines.

Retirement villages meet the needs of a section of the older population, offering security, a sense of community, and access to facilities. New villages are attempting to attract younger and more active seniors by incorporating more recreational facilities. To ensure ongoing financial viability, new villages are often quite large.

Residential aged care (previously known as nursing homes and hostels) are used only by a small minority of seniors. Most residents are very elderly, many have complex high level needs, and over half have dementia. New facilities are being developed to address these factors.

Key future trends include demand for greater choice of housing products (particularly in mainstream market housing), expansion of services providing support and care at home, and a greater emphasis on healthy ageing services.

4.1 Drivers of demand

There are three main drivers that underpin the seniors' housing and care sectors:

- *The ageing population.*
The number of older people in the population is rising rapidly and people are living longer. As a result, there are needs for expanded and new services and facilities including housing, support services, and health and aged care services.
- *Lifestyle and choice.*
The current generation of retirees are accustomed to having choices, and many (but by no means all) older people have the economic resources to continue to exercise choice as they age. More and better housing options are being sought, and spare living space, manageable accommodation and access to facilities (including recreation) are priorities for many seniors. At the same time, markets are becoming differentiated by income, with different products, prices and tenures meeting different needs, tastes and budgets.
- *Care needs.*
Increased longevity and the demand for "ageing in place" are changing the face of aged care. People in their 60s and 70s are healthier than in the past, and most do not require care services, but at the same time the number of very old people is increasing, bringing rapid increases in demand resulting from dementia and other complex health issues.

“Ageing in place” is a policy response to the desire of older people to remain at home for as long as possible and avoid moving into care. It is leading to rapid increases in demand for care and support services delivered into seniors’ own homes, while residential care services become increasingly focussed on very old people needing high levels of care.

At a government policy level, these factors have resulted in extensive review of existing policy settings over the last decade. Two key policies are relevant to the current study:

- *Living Longer, Living Better*
Comprehensive changes to overhaul the aged care policy framework have been phased in by the Federal Government, based on directions set out in the 2013 Living Longer, Living Better policy, and subsequent legislation. Reforms are based around the twin aims of supporting ageing in place and improving the efficiency and viability of aged care. Reforms have progressed well but are ongoing, and include:
 - Integration of existing community care (“in-home” care) programs, and an increased emphasis on community care.
 - Revised financial arrangements for residential aged care, including new formulae for ongoing subsidies and new provisions for charging accommodation bonds to incoming residents who have sufficient assets to pay them.

Residential Aged Care developers say that, in principle, the new system improves the viability of the sector, despite ongoing concerns about the adequacy of subsidies to meet the high level of needs among clients. These concerns have resulted in periodic adjustment to financial arrangements. Changes in the nature of demand and in the calculation of subsidies have led to the closure of older and smaller aged care facilities,

- *“Seniors Living” SEPP*
The State Environmental Planning Policy (SEPP) “Housing for Seniors or People with a Disability” is the state-wide planning policy that facilitates development of housing and care facilities for seniors in NSW. It covers independent housing designed for older people, retirement villages and RACs. In essence, it provides a consistent state-wide planning approach to permit development of such facilities so long as they meet certain standards of design (e.g. accessibility) and location.

On a more general level, wider policy trends that will affect the development of health and aged care facilities in the future include:

- Improved integration of services, often through co-location and shared use of facilities.
- Wider use of communications and information technology, e.g. telehealth and electronic health records
- Increased focus on wellbeing and prevention of ill-health, including the establishment of “healthy ageing” programs and facilities.

4.2 The retirement village sector

4.2.1 Definitions

Retirement villages should be differentiated from age-restricted housing in the community and from residential aged care. They provide self-contained housing for older people who can live independently, and residents are contractually linked to an organisation that is responsible for managing the village, including maintenance of open spaces and village facilities and, in some cases, providing services. Retirement villages are not aged care providers but some offer a limited menu of fee-for-service care and support options, and some villages adjoin a Residential Aged Care facility.

- Residents must be aged 55 or over. In practice, the average age of entry is close to 80, and has been increasing over the last decade.
- Villages normally provide facilities for residents. A community room is the usual minimum, but many modern villages also provide extensive recreation facilities.
- Tenure is in most cases through a “Loan and License” model, under which the resident makes an entry payment (to most intents and purposes a purchase price) and receives a refund on departure, at which point “Deferred Management Fees” are deducted.
- In the past, most villages were operated by charitable organisations, notably church-based agencies. However, during the 1990’s, private sector developers entered the sector on a large scale.
- Research shows that the most common reasons for moving into a retirement village are concerns about security and health: priority issues include a desire for the company of other seniors, and access to care. From a development viewpoint, retirement villages are not subdivided and are therefore built on substantial super-lots. The housing they provide is designed to meet the needs of residents with poor mobility, but private gardens, if provided, are modest, with landscaped communal areas taking their place. Housing forms can be low rise or, increasingly, medium or high rise. Site requirements are discussed in the next chapter of this report.

There are, broadly, four main types of retirement village:

- *“Traditional” retirement villages.* Older style, small villages (up to 40 units) providing modest one bedroom or bedsit accommodation. Many were built in the 1970’s by not-for-profit organisations. They are often seen as unsuitable for modern needs and some are being redeveloped.
- *Care-oriented villages.* Some larger villages adjoin a residential aged care facility, and they may also provide in-home care options to self-care residents. Again, these are mostly provided through not-for-profit organisations.
- *Recreation-oriented villages.* Pioneered by the private sector, most new villages provide mainly 2 or 3 bedroom homes and include extensive recreation options including club houses and swimming pools. Buyers are primarily middle income, although some private sector villages are targeted at the upper end of the market.

- *Rental villages.* Villages offering rental tenure. Doubts over viability mean that this sector has not expanded in recent years.

4.2.2 The retirement village housing market

After an extensive period of uncertainty, the retirement village market has experienced significant growth over the last few years. The sector faces three main challenges:

- Many older style villages were built up 30-50 years ago and are now difficult to market. In such villages, units tend to be small (studios and 1 bedroom) and facilities limited. Upgrading such villages is often impractical due to their small scale, which is insufficient to support contemporary facilities.
- The sector is very sensitive to the performance of the wider economy, and particularly to open market house prices. When house prices are steady or falling, operators often find that demand slumps due to a fall in consumer confidence.
- Concerns arising from media reports of poor service and financial exploitation have affected the retirement village sector as well as residential care providers.

In addition, many operators are seeking to address the fact that the average age of entry to villages has been rising and is now around 80 years. New villages therefore seek to attract a somewhat younger clientele by offering extensive facilities for a more active lifestyle (bowling, swimming pools, bar, restaurant etc).

In summary, current activity in the industry is focussing on the following:

- Redevelopment of older style villages that now offer limited appeal to buyers.
- Construction of new villages in areas of rapid population growth (particularly the fringes of capital cities). In general, developers tend to prioritise areas where they already “know the market” and most are very tentative about projects in regions where they do not currently have a presence.
- In response to contemporary demand, typical new developments offer mostly 2-3 bedroom villa-style homes in landscaped settings with generous communal and recreation facilities. Medium-rise apartment blocks are also found in appropriate locations. To fund and support facilities, new developments tend to be large (over 100 dwellings).

4.3 Mainstream housing options

Most older people live independently in “mainstream” housing. The majority prefer to remain in the home in which they have lived for many years, although a minority prefer to move to a new location (like Forster) for lifestyle reasons. Unfortunately, mainstream homes are often unsuitable in the longer term, for instance if house and garden maintenance requirements become a burden, if the health of residents deteriorates and their mobility declines, or they need support services.

Some developers offer “mainstream” housing products that, while available to any buyer, are particularly targeted to seniors. There are two categories:

- Adaptable or Universal housing, that is designed to be wheelchair accessible and is located on a level site. (Villa-style developments in areas with level topography may also appeal, even if they do not offer Universal Design features.)
- Resort-style developments (and more recently, apartment buildings in prime locations that are popular with retirees).

In addition, some housing is specifically designed and built for seniors. It is sometimes described as age-restricted housing, because it is developed under the rules of the SEPP “Housing for Seniors and People with a Disability” which provides for the construction of accommodation for independent seniors, to adaptable housing standards. It differs from retirement village accommodation in that it is not managed or serviced.

Despite the SEPP, the availability of such housing in regional areas is limited, probably because its main appeal to developers is in high cost areas where the Policy offers scope to increase density.

4.4 Residential aged care

Residential Aged Care facilities (RACs) provide approximately 180,000 permanent places (“bedspaces”) in Australia. RACs were traditionally known as hostels (providing low care) and nursing homes (providing high care). Today, the great majority of residents are aged 85 or more, and most require high levels of care. A large and increasing proportion have dementia. Most older people never need to enter aged care.

RAC places are provided by private and by not-for-profit specialist organisations and are subsidised by the Federal Government which manages supply by allocating a restricted number of places (once known as bed licenses) to each region on a competitive project-by-project basis. Subsidy levels are calculated on the basis of several variables including the level of need of the resident. Access to a residential aged care place is only possible through an assessment process carried out by an Aged Care Assessment Team (ACAT).

Current government policy is to support consumer preferences by expanding community-based care services that can help seniors to avoid the need to go into residential care. However, the growth in the older population and the complex health issues faced by some very old people mean that the number of RAC places required will continue to grow in future.

Most RAC operators are small (a single facility or a local cluster) and the great majority run five facilities or less. About two thirds of facilities are operated by not-for-profit organisations. Among for-profit operators, there are only a handful of large companies with significant portfolios of RACs. This reflects the fact that the industry has been seen as offering a poor return on capital. Small facilities face particular viability problems.

While some private operators have been withdrawing from the sector (e.g. Lend Lease), others have developed business models for more profitable activity, and international provider Bupa is current adding to its portfolio of over 30 RACs around the country.

Some aged care facilities are located in or adjacent to retirement villages. However, they are operated as separate entities and it is currently not permitted to offer village residents the automatic right to a place in an on-site facility, although if a place is available and the resident has been assessed as eligible by the ACAT, entry is often possible. Subsidy rules also make it difficult to use RACs as a base to offer services to self-care residents.

4.5 Health and support services

Integration between accommodation services, care/support services and health services is currently poor, despite the fact that for many older people their needs are interconnected. Integration has been hampered by the involvement of different specialist agencies and in many cases by fragmented government funding arrangements. Improved integration (or at least co-location) of services is however being promoted by policy reforms at government level.

A key step has been taken by the Federal Government in bringing together all forms of community-based support and care under one funding umbrella. More generally, “ageing in place” is supported by all levels of government: its core objective is to allow people to age in their own home rather than having to enter a care facility, and this entails greater demand on community services and facilities that may be needed for by older people living independently. As well as care and support, these include wellness programs, day therapy centres and seniors’ activity centres. Additional built facilities will be needed to accommodate these.

4.5.1 Trends in provision

In addition to medical advances, several trends in health care provision can be noted:

- **Seniors with complex needs**
As the number of people aged 85 and over increases, so does the prevalence of health issues that include dementia and multiple co-morbidities. This affects RACs, which must deal with these complex issues, and community care services, which offer care support and nursing services that are delivered into private dwellings.
- **Wellness and preventative care**
Healthy ageing is a key policy priority and is resulting in an increase in wellness programs targeted to seniors, ranging from hydrotherapy pools and seniors’ “gyms” to falls prevention programs. Walkable and senior-friendly neighbourhoods also have an important role in promoting healthy lifestyles for older people.
- **Clustering of facilities**
The benefits of co-location are becoming better understood. Co-location facilitates communication between practitioners, more efficient use of space, and easier access for patients. It is also more cost effective than dispersed provision.
- **Increased use of technology**
Recent innovations include telehealth and personalised electronic health records. In addition, the ability of doctors to assist patients remotely, over the internet or by video call, is rapidly increasing. Fast internet connectivity is essential for such services.
- **User pays services**
Demand for subsidised health and care services among seniors is continuing to expand faster than supply, and for those who can afford it, private services are increasingly utilised. At the same time, many community-based services are moving to a user pays model, usually on a means tested model.

5 Seniors' housing and care in the local area

AT A GLANCE

There is a limited supply of retirement village housing in the Forster Tuncurry area and most of it is traditional in style, offering villa housing in a landscaped setting, with limited on-site facilities. There is a lack of contemporary lifestyle-oriented retirement village options, although there is a new development underway which addresses this need to some extent.

The range of housing choices suitable for seniors in the area is currently quite limited. Consultations suggest that there is unmet demand for housing in the community that is designed to meet the needs of independent seniors who wish to age in place.

The capacity of health and support services is patchy, in large part due to shortages of staff and funding limitations under government programs.

The projected growth in the local population of seniors will support some additional purpose-built housing/RAC but is inadequate to justify planning large scale projects at this stage. However, an attractive development at the NTDP site can be expected to attract additional older people into the area.

5.1 Retirement villages

5.1.1 Existing provision

The following retirement villages are located in the former Great Lakes LGA.

Table 3: Retirement Villages in the Forster Tuncurry area

<i>Village</i>	<i>Provision</i>	<i>Location</i>	<i>Operator</i>
Golden Ponds Resort Retirement Village	160 x 1-3 bedroom modern villas	Cape Hawke Dr, Forster	Stockland
Pacific Cape	Under construction, part occupied. Will provide 42 villas, 29 x 1-3-bedroom apartments, and a 160-bed RAC facility	Forster	GLAICA ³
Crystal Waters Estate	Manufactured Home Estate for over 55s	Tuncurry	Private
Sunrise Supported Living	50 modern supported living units (Former rental village)	Chapmans Road, Tuncurry	Sunrise Supported Living
Glaica Gardens	14 (New)	Cassandra Street Tuncurry	GLAICA
Glaica Lions Village	25 one bedroom	Lake St, Forster	GLAICA

All these villages are modern or relatively modern. A categorisation of retirement villages in NSW is presented in Chapter 6 and local villages are discussed in this wider context. However, key factors to note are:

³ GLAICA formally stands for Great Lakes Aged and Invalid Care Association but is universally known by its acronym.

- Golden Ponds is the largest, and the only village in Forster Tuncurry owned by a major national operator. It is traditional in style, offering villa accommodation.
- Pacific Cape is still under construction, although villas in Stage 1 and 2 are complete and largely occupied. It has not been widely advertised outside the local area, suggesting that it is mainly targeted to existing local residents. It is proposed to include apartments and a wider range of facilities than other villages, and may attract some younger more active seniors than would otherwise occur.
- Sunrise is a fairly recent market entrant, targeting people who want to live in self-care housing but who require support and assistance services.
- Crystal Waters has sometimes described itself as a retirement village but is a manufactured home estate with limited aged care facilities.

Figure 6: Crystal Waters Estate



Given the size of the resident population of seniors in the area, the provision of retirement village homes appears relatively modest.

Retirement villages do not generally reveal how many current vacancies they have. However most have regular vacancies due to turnover of residents, and at the time of writing all the villages' websites were inviting applications for accommodation.

The local villages are aimed at middle income seniors – for instance, Golden Ponds is currently advertising units from around \$200,000 and villas from around \$300,000 (December 2018).

In addition to the local provision there are several villages in the wider region, as shown in the next Table:

Table 4: Retirement villages in the wider region

<i>Village</i>	<i>Provision</i>	<i>Location</i>	<i>Operator</i>
Tea Gardens Grange RV	190 dwellings	Tea Gardens	RSL Lifecare
The Hermitage Lifestyle Village	280 Leasehold villas	Tea Gardens	Private
Storm Retirement Village	18 Modern 1/2 b villas	Cowper St, Taree	Anglican Care (N/C Diocese)
Bishop Tyrrell Place	19 Modern self care villas	Princes St, Cundletown	Anglican Care (N/C Diocese)
Taree Gardens	Rental Village	Edinburgh Dr, Taree	Garden Villages
Halliday Shores	181 new villas	High St, Hallidays Point	Gateway Lifestyle
Bushland Place	54 x 1/2 b villas	Bushland Dr, Taree NSW 2	Bushland Health Group
Banyula Village	50 modern villas, 8 studios	Medowie Rd, Old Bar	Bushland Health Group
Warrana Place Retirement Village	94 x 2/3 B modern villas (inc 57 being constructed)	Cnr Wingham Road & Marie Avenue, Taree	Bushland Health Group
CC Drury Villa Precinct	33 x 1/2B modern units	Jacaranda Avenue Taree	Bushland Health Group

Of these, by far the largest and most luxurious is The Hermitage Lifestyle Village in Tea Gardens.

5.1.2 Benchmarking needs

According to industry estimates, retirement village market penetration is about 5.5% of over 65's in NSW. In Forster Tuncurry the proportion is only around half of this (excluding Crystal Waters, which is not strictly speaking a retirement village). There is little doubt that further villages could be successfully developed in the area, especially by large regional and state-wide operators which have a limited foothold there at present. Such operators advertise widely and seek to attract buyers from outside the locality, whereas the existing villages are mainly targeted to the local market. It is also notable that existing villages offer a limited choice of price points and facilities, and there may well be market gaps.

The main obstacle to the establishment of new retirement villages, in Forster Tuncurry as elsewhere, is finding suitable sites – that is, sites that are large enough to accommodate a substantial number of homes alongside the necessary associated infrastructure, and that are affordable to acquire.

5.1.3 Future needs

Looking to the future, the growth in the 70-85 age groups within the local population, outlined in Chapter 3, will result in an increase in the benchmarked demand for retirement village dwellings. If the additional older residents seek retirement village homes at current NSW average rates the projected growth in the southern MidCoast area could result in demand for village housing for around 230 additional retirement village residents by 2031. However, this figure is highly tentative, as many retirement villages target markets well beyond the local area.

New local demand currently appears to be met largely by long-established local provider GLAICA (The Great Lakes Aged and Invalid Care Association), and in particular by its Pacific Cape project, which is only partially completed.

Figure 7: Pacific Cape villas under construction



Source: Great Lakes Advocate

In summary, local consultations and benchmarking for this study suggest that, at least in theory, there are potentially two “long term” market opportunities in the Forster Tuncurry area:

- There is a modest but ongoing level of locally-generated demand, including demand from residents of the rural hinterland.
- There is scope for a “destination village” which will attract residents from outside the area. This is likely to be lifestyle oriented with extensive recreation facilities or linked to the golf course – The Hermitage in Tea Gardens is the best comparison in the region.

The NTDP could in principle offer a location for such a village. However, the cost of land would be a critical issue and, from a policy viewpoint, it may not be desirable to incorporate accommodation that attracts yet more retirees into an area that already has a very large older population.

Finally, although affordability has been identified as an important issue for seniors in the area, it should not be assumed that the retirement village sector will be able to respond adequately to those who cannot afford full entry prices. In policy terms, the most significant unmet needs are found among seniors trapped in the private rental market, and it has proved almost impossible to address their needs through open market mechanisms. Entrepreneurs who attempted to build and run affordable rental retirement villages have gone out of business in recent years, including Village Life in Forster. Not-for-profit village operators have attempted to assist such cases, and Government programs (e.g. the National Rental Affordability Scheme) have been tapped in a few cases.

5.2 Independent housing options

The great majority of seniors do not want or need housing that is purpose-built for older people, and this is particularly so in areas like Forster Tuncurry where a large proportion of residents have moved to the area to retire, buying a home where they intend to remain. In some cases, however, this house can eventually prove unsuitable, particularly if the resident’s health or mobility declines. In this situation, level access, a low-maintenance garden, ease of movement around a single storey dwelling and proximity to services become priorities. If they have to move, most

people would prefer to move to a more suitable home and have care services delivered to it, rather than move to a retirement village or go into residential care.

In this area as elsewhere, most mainstream homes do not facilitate easy internal circulation for people with poor mobility or who use a wheelchair, and many homes are not easily adapted. Policy makers recognise the need for more of the mainstream housing stock to be built to “universal” or “adaptable” designs, as recognised in Landcom’s Universal Design Guidelines. However, to date there has been limited response from the development and construction industries. Housing specifically designed for seniors can be built under the state-wide provisions of the SEPP “Housing for Seniors and People with a Disability” which facilitates approval of such dwelling even if they would not be acceptable under local planning codes, so long as they meet a range of standards including accessibility. It appears that limited use has been made of the policy in Forster Tuncurry, although data is not available.

Mainstream housing suited to the needs of seniors in Forster Tuncurry (e.g. villa homes) is reported by stakeholders in the aged care sector to be in short supply, although developers do not necessarily believe that this represents the most profitable market sector. Additional mainstream housing for seniors can be expected to represent a significant ongoing need in the area. Importantly, it can readily be integrated into new residential development.

A key challenge in the region, however, is affordability. Housing prices have risen by almost 50% in the area since early 2014, with median unit prices in 2018 around \$380,000 and median house prices around \$560,000.

5.3 Residential aged care

5.3.1 Existing local provision

Only a small proportion of seniors ever need residential aged care, and most of them are aged 85 or over. There are four existing residential aged care facilities in Forster Tuncurry, providing 527 places.

Table 5: Existing RACs, former Great Lakes area

<i>RAC name</i>	<i>Provision</i>	<i>Location</i>
BCS Kularoo Centre	152 places (inc 30 Dementia), 2 Respite	Forster
Glaica House	146 Places (inc 54 Dementia)	Tuncurry. Adj Glaica Gdns
Estia Health Forster (Barclay Gdns)	100 Places (inc 20 Dementia), 5 respite	Forster
Estia Health Tuncurry	129 Places, 8 Respite	Tuncurry

Source: www.agedcareguide.com.au

In addition to the established facilities, a 160 bed RAC is proposed as part of the Pacific Cape development at Forster, which is currently under construction, sponsored by local aged care and seniors’ housing provider GLAICA.

There are no other RAC facilities close to Forster Tuncurry, the nearest being at Old Bar, Tea Gardens, Stroud, Hawkes Nest and Tea Gardens.

5.3.2 Benchmarking needs

Funding for aged care places in residential facilities is provided by the Federal Government. There are 527 Residential Aged Care Places in Forster Tuncurry with a further 160 in the pipeline.

According to the Federal Department of Health, the wider Great Lakes sub-region (which is essentially the same as the former Great Lakes Council area) currently has 767 approved residential aged care places, of which 615 are operational.

On this basis, the area is close to meeting the benchmark of demand which has in recent years been used to inform planning for aged care funding, which is 88 residential care places per 1000 population aged 70 or over. (Note that this benchmark was developed for the purposes of regional planning and is not intended to be applied at the local level, however its use can still provide a useful insight into the adequacy of local supply).

Consultation with local stakeholders, including the Aged Care Assessment Team, indicates that local facilities are considered to be of good quality, and that the shortfall of places compared to demand, which existed some years ago, has abated significantly. The level of unmet need in the area is therefore currently fairly low.

Information provided by the Federal Department of Health for the purposes of the 2018-19 Aged Care Approvals Round4 shows that the Great Lakes sub-region is classed as Priority 3 for new places (on a scale of 1-6) and that the current outstanding needs are for Dementia places and Respite places.

If the projected population to 2036 eventuates, there will be a need for further RAC places in the future. The facility at the new GLAICA development at Pacific Cape is likely to meet this need for a number of years – it has approval for a new 160-bed RAC and this is likely to be operating within 3 to 4 years.

It is not currently possible to quantify the level of long term need for RAC places, other than to say that additional RAC places will certainly be required to meet increasing demand from around 2025 onwards.

5.4 Health and support services

5.4.1 Current provision

Health Services

Gaps and staff shortages in health services have been a significant concern for many years in the Forster Tuncurry area, although more recently the situation has improved to some degree.

- *Doctors.*
Council reports that the longstanding shortage of medical practitioners, which has existed for some time, has recently improved. However it is still difficult to attract GPs to the area. This is a widespread problem in regional areas.
- *Hospitals.*
Forster Tuncurry has no public hospital although some public beds are provided in Forster Private Hospital. There is no Accident and Emergency Department (A & E), and this lack has been identified as a leading concern for local seniors. Nearest A & E services are at Taree, Bulahdelah, and Gloucester.

⁴ <http://www.health.gov.au/internet/main/publishing.nsf/Content/ACAR-Map2018-19>

- *Hunter New England Health.*
The district health service provides a range of services, mainly through the Forster Community Health Centre. Services include a nursing service and Aboriginal health services.
- *Other health services.*
A range of allied health services (e.g. physiotherapists, dentists, podiatrists) is available in the area, and the number of practitioners has increased in recent years.

Aged Care and Support services

Under Federal Government reforms, aged care and support services, which are particularly important to older people living in their own homes, have recently been brought together under one umbrella to improve integration and facilitate “continuity of care”. In general, this has not led to changes in services to individuals, but it will over time allow a more systematic approach to care delivery. As is found in most areas, services are provided by a wide range of organisations and in some cases demand exceeds supply, although funding is allocated on a population basis to each region.

- *Aged Care assessment.*
The nearest Assessment Team (which assesses seniors for access to Aged Care packages and RACs) is in Taree. A geriatrician and gerontic nurses are based on the same site.
- *Home Care Packages/ Commonwealth Home Support Program*
Packages of care services are available at four levels according to the assessed level of need. They are delivered to eligible seniors at home to avoid the need to go into residential care. There are 9 providers servicing the area⁵ including three based in Forster Tuncurry.

Demand generally exceeds supply for these packages, although this situation is common in many areas.

- *Day Centres.*
Seniors’ Day Care services are operated by Wallis Lakes RSL, by the Community of Christ, and at the Salvation Army Hall. They provide activities for the frail aged and disabled and respite for their carers.
- *Hydrotherapy Pool.*
Funding is in place for a new pool at the Golden Ponds Retirement Village. It will offer access to the wider community.

5.4.2 Current and future needs

Limited local health services are a concern for some older people and those who work with them or care for them. Two key issues, that were identified in Great Lakes Council 2005 study⁶ of aged care in the area, continue to be relevant, particularly in the holiday season, when the population of the area more than triples. The issues are the lack of accident and emergency services and the shortage of doctors. Despite this, health services in the locality have improved over recent years.

⁵ <https://www.dailycare.com.au/in-home-care/nsw/forster>

⁶Retirement and Aged Care Industry in the Great Lakes: A review of challenges and opportunities

Consultations suggest that there are continuing shortages of some other health and allied health professionals, including the following, which are especially important to older people:

- Physiotherapists
- Speech pathologists
- Occupational therapists

In addition, it is proving difficult to recruit aged care staff, as is found in most areas, and there is a shortage of trained nurses.

New development alone will not solve issues of shortages or bring in new facilities, although there will certainly be options to build new premises for practitioners. More ambitiously, the Market Sounding Report, prepared for the North Tuncurry project by the Hunter Research Foundation, suggested that it might be possible to establish co-located and integrated aged care and health facilities on the NTDP site. The report suggested that:

“Retirement villages, residential aged care facilities and out-placement care services (along with associated health services) ... represent the most evident opportunity founded upon rapid increases in anticipated demand. There appears to be an opportunity to create a category-killing location (a cluster) for these services, including independent living units (RVs), residential aged care facilities, care services for those ageing-in-place.”

Partners would be required if this idea is to be progressed, certainly including Council and the District Health Service and probably including a major aged care and retirement housing provider, as well as a university or health research institution.

6 Operator profiles and priorities

AT A GLANCE

The retirement village and aged care sectors were until quite recently the domain of not-for-profit organisations, but the private sector has become increasingly involved over the last 15 years.

Many existing villages and RAC facilities are held by small local organisations. This is especially true in the Forster Tuncurry area, where only one major operator (Stockland) has a presence.

The key priority for developers in the sector is a clear market for their product, which strongly favours areas with a rapidly growing population (e.g. the fringe of a capital city). An existing presence in the area also supports investment confidence.

New RACs and retirement villages must be quite large in order to be viable. They require level sites with easy road access, with a land price below the prevailing level for residential land.

6.1 Classification of operators

Until recently, many of the same organisations have been involved in both the retirement village and RAC sectors, and they are described in this section. In general this is still the case, although private sector operators in particular are increasingly likely to specialise either in RACs or in villages.

6.1.1 Not for profit operators

Aged care and retirement housing was once the almost exclusive preserve of the not-for-profit sector, in particular church-based groups.

- Large not-for-profit providers include Uniting, Anglicare and BaptistCare. These organisations increasingly resemble the “for profit” sector in that they are developing large villages with high-specification homes and a wide range of village facilities, and prices similar to those in the private sector. A large proportion of villages include RAC facilities.
- There are also many small, usually locally-based, not-for profit operators. They provide self-care housing and/or residential aged care, typically in small facilities. Many are facing viability problems due to their small scale. This, combined with the demand for more modern villages, is forcing some to expand using borrowed funds and accumulated assets, or to sell out to larger operators.

6.1.2 For profit operators

The for-profit sector is increasingly diverse and includes a significant number of specialists.

- A number of corporate village operators provide modern villages around Australia. The villages generally offer well-appointed 2 and 3 bedroom homes, landscaped grounds, a residents’ community centre or club, leisure facilities and on-site services (meals,

hairdresser, etc.). These providers are typically financed by a specialist real estate trust and have links to large development companies. Australia's largest village operators include Stockland (300 villages) and Lend Lease (with 150 villages). Although some of these villages include RAC facilities, there has been a trend to divest either the ownership or management of these to other operators.

- As is found in the not-for profit sector, there are also a significant numbers of private, locally based village operators and RAC operators. Some smaller operators have had to sell up due to their lack of scale and decreasing appeal of older facilities, but others are developing large projects, including some "high end" recreation-oriented villages. There are also several successful private RAC operators that are building new facilities.
- A small number of mainstream developers now specialise in open market housing products that are primarily targeted to seniors. These include luxury apartment developments and resort style estates.

6.2 Local operators

The local aged accommodation and care sector is characterised by its relatively small scale and its traditional products, with little evidence of the emerging trends that are seen in some other areas. Services and facilities are also quite fragmented, with limited built infrastructure to support the increasingly large section of the population that is ageing "at home" and that seeks services and facilities in the community.

6.2.1 Not for profit

Large charitable providers have not achieved significant penetration in the Great Lakes area. The exception is RSL Lifecare which bought an existing "upmarket" village in Tea Gardens from the previous private owner. BaptistCare operates an RAC facility in Forster.

GLAICA is a long established local not-for-profit provider, which has taken significant steps to increase the scale of its operations and modernise its facilities. It has a major new development under construction providing a self-care retirement village and a large modern RAC facility. The other key player to the north is the Bushland Health Group, based in Taree, which is a charitable limited company.

6.2.2 For profit

Stockland's Golden Ponds is the only local example of a large village owned by a large corporate investor. The village is described as a retirement resort and has a swimming pool and café. It is pitched towards the middle sector of the retiree market.

Crystal Waters is a manufactured home estate that previously described itself as a retirement village. Despite being relatively affordable, it appears that there is weak demand for established homes for sale on the estate.

Sunrise Supported Living took over some of the assets of a failed rental retirement village. It operates under an emerging model (supported living) specialising in residents who need and can pay for private support and services in their home.

Figure 8: Golden Ponds



6.2.3 Future operators

Many sector players are currently focussing on their internal organisation and internal delivery models rather than on specific developments. This has become a very high priority in the light of recent publicity about abuse of residents, and an ongoing Royal Commission. These challenges come on the heels of a raft of policy changes. The recent downturn in the NSW housing market presents a further challenge. It is therefore possible that there will be further changes in the makeup of the industry, although the current business model, including the focus on lifestyle facilities, is likely to endure for some time.

6.3 Operator priorities

6.3.1 Retirement village developers

Specific priorities will vary between developers but the following are likely to be relevant:

- Market factors
- Developers seek:
 - Localities that are popular with older buyers.
 - Areas of rapid population growth (strongly preferred).
 - Evidence of demand for the proposed style of accommodation.
 - Availability of appropriate services and facilities nearby.

Forster Tuncurry is certainly popular with older home buyers. However, most large developers want to build large villages, to support extensive onsite facilities, and the area may not be seen as a priority location because of the likelihood of modest population growth and (in the short term) the relative lack of evidence of unmet demand for retirement village accommodation. Local operators (e.g. GLAICA) are often aware of market niches, and their view is that their new village will meet local demand for several years. In the longer term, there may also be scope for luxury developments that will attract buyers from outside the area.

- Economic viability

- Developers require confidence about
- Access to a large suitable site at an affordable price
- Ability to sell at a profitable price.
- Access to development finance.
- Potential for quick sales.

In the relatively buoyant market of the last few years, the main barrier has been difficulty in locating suitable, affordable sites for development.

- Knowledge of area
 - Most new retirement villages, especially those built by not-for-profit developers, are built by organisations with an existing presence in the area. This presence provides essential local knowledge and supports confidence in investment decisions. Not-for-profits in particular tend to favour expanding their activities in areas they already service. Currently, no large not-for-profit operators have a local presence. However, some specialist developers, especially individual entrepreneurs, may target an area simply because they believe it has potential, whether or not they are established in that area.

6.3.2 Mainstream housing targeted to seniors

Since the turn of the century, seniors have become identified as a target market for certain types of housing product in locations that are attractive to older buyers. Some forecasters believe that this sector will overtake the retirement village sector in the next decade. To date, the following have been successfully developed:

- Golf Course estates.
- Resort-style projects, particularly in coastal locations.
- Villas and low rise cluster housing in areas accommodating a large population of seniors.
- Quality apartment buildings, particularly when they are located in town centre locations that are popular with older people.

In general, there is an existing need for homes that are designed and located to suit seniors, particularly homes built to adaptable standards.

Despite a lack of high profile projects, much of the recent development in Forster Tuncurry is clearly intended to appeal to older buyers.

In the case of the NTDP, it is probably inevitable that a substantial proportion of buyers will be seniors, particularly given the site's location (adjoining beaches and golf course). Consequently, it will be important to ensure that both housing products and urban design take account of the needs of older people.

6.3.3 RAC facilities

Many RAC developers are focussing on replacing ageing facilities, but this is not an issue in the Forster area. New RACs, within retirement village developments or as stand-alone facilities require:

- Evidence of local need, e.g. waiting lists for existing facilities.
- A “bed license” allocation from the Federal Government.
- In most cases, an established presence in the area, to provide knowledge of local need and access to an appropriate workforce.
- A suitable site (see Section 6.5).

In the Forster Tuncurry area, significant needs are not expected to emerge for several years because of the adequacy of current facilities and the likelihood that the planned new GLAICA facility will address new demand for some years into the future.

6.3.4 Health and support services

The limited integration of health facilities into other services for older people was mentioned earlier. Consequently, health-related services are generally dispersed and often inconveniently located for older people. While there are no established developers of integrated facilities, at a state-wide level two groups are taking steps to remedy this:

- Several large not-for-profit aged care and retirement housing operators are looking to develop new facilities that incorporate housing, RAC, facilities for health professionals, and communal facilities for older people that are open to the wider community.
- Some District Health Services are developing co-located facilities under the OneHealth umbrella. These provide space for a range of service providers, programs and outreach services.

In addition, there is renewed interest in providing more integrated facilities “on site” in retirement villages, in the light of research that shows that a large proportion of seniors consider that the availability of care and support is a key reason to move to a retirement village.

There are several health and allied services that are particularly well used by older people, and which can offer benefits if they are located close to concentrations of older residents. In addition to care and support services delivered the person’s home, many older people, whether living in the community or in a retirement village, may need:

- Community facilities for social, leisure and learning activities and programs
- Recreational facilities, possibly including facilities like seniors’ gyms and pools.
- Day therapy centres and day activity centres.
- Easy access to key practitioners including hairdressers and podiatrists.
- Access to a GP surgery.

- Services provided by:
 - Physiotherapists
 - Speech Therapists
 - Occupational therapists.
- Local administrative and delivery centres for community care services, e.g. meals on wheels or community transport vehicle storage.

It was noted previously that previous local research has suggested that there may be an opportunity for a new aged care service precinct on the North Tuncurry site. A facility offering such a wide range of services would be unique in NSW. However, the interest of universities and major aged care providers would need to be explored.

An example of how the precinct might look is provided at Carlton in Melbourne, where Australian Unity, in partnership with the State Government, is building a large retirement village, an RAC facility and a "Wellbeing Precinct" for older people, including a recreational centre with swimming and hydrotherapy pools, a seniors-friendly gymnasium, library, cafe, beauty salon and activity rooms.

6.4 Local priorities

The most significant unmet local need identified for this report is for certain types of mainstream housing, specifically:

- Villa style homes with level access and no steps or stairs;
- Adaptable homes into which residents with declining mobility can relocate.

Recent development is likely to meet most of the locally generated need for retirement-village dwellings and for RAC facilities, at least for the next few years.

Beyond this timeframe, there will be ongoing demand for all types of housing and care suited to older people. If maximising sales is the key objective from housing development at the NTDP site, there will be a need for distinctive products that can attract their own market from seniors living outside the area. It is recognised, however, that there may be a policy preference to avoid creating a community at the NTDP that is overwhelmingly made up of older people.

To date, Forster-Tuncurry has attracted mostly lower to middle income retirees seeking traditional styles of home. In future, higher priced and more luxurious homes may appeal mainly to people from outside the area, notably from Sydney, where housing prices are such that relatively luxurious homes are often affordable to those relocating to the Mid North Coast. Similarly, a market may develop for good quality coastal apartments for seniors who are downsizing.

6.5 Site requirements

6.5.1 Scale and characteristics of sites

Retirement villages

If a locality is seen as offering strong market potential, operators seek sites that have a number of characteristics:

- *Accessibility.*
Easy access to local shopping facilities, health services, major transport links (especially highways), public transport, and external recreation opportunities are all strongly preferred for retirement villages. If the SEPP is relied upon for development approval, these features are essential.
- *Site size.*
Large for-profit and not-for-profit retirement village operators seek large sites that can accommodate upwards of 100 dwellings plus facilities. Such developments are likely to need a site of at least 5 hectares for the purposes of modest low-rise developments, or more for luxurious projects. There is a strong preference for sites that provide surplus land for possible later development. Smaller local providers may, however, consider smaller sites.
- *Topography.*
Sites should be flat or relatively flat. Developable areas should not be broken up by deep creeks or steep slopes.
- *Surroundings.*
Sites adjacent to industrial or high intensity commercial use are not acceptable. Sites adjacent to bushfire prone areas are not acceptable. Proximity to open water sources (e.g. ocean beaches) is a major advantage for villages that seek to attract residents from outside the area.
- *Zoning.*
Residential zoned land is easier to develop but may not be affordable, and operators will often consider sites that can be approved under the SEPP, that is, urban land or land adjacent to urban zoned land.
- *Servicing*
Services to the site boundary will normally be accepted.

Housing in the community

Purpose-designed housing for seniors must meet the requirements of the relevant SEPP, and must therefore offer the following:

- Flat or gently sloping sites and flat or gently sloping surrounding streets.
- Proximity to local facilities and services and public transport links.

RACs

New residential aged care facilities must be large enough to support the specialist staffing and equipment that are needed to address complex health issues and in particular, dementia.

- *Accessibility.*
Transport links and proximity to major urban areas are priorities for RACs.

- *Site size.*
RAC developers will generally require a site of at least 10,000 square metres or more, in a square or oblong shape. For instance, the proposed GLAICA facility in Forster will accommodate 160 bedspaces in a building of up to four storeys, on a site of approximately 1 hectare.
- *Topography.*
Sites should be flat or relatively flat.
- *Surroundings.*
RAC proposals often generate intense local opposition if they are immediately adjacent to residential areas, often associated with traffic generation issues. Whether or not this is justified, sites within retirement villages or away from adjoining homes are preferred because they are seen as more likely to be approved.

6.5.2 Co-location requirements

Some developers, especially large not-for-profits, may seek to provide for a range of uses on the site, including self-care housing, recreational facilities for residents, RAC, and possibly facilities for shared community use (e.g. community centre, wellness centre, café, shops, health practitioner space, child care centre). Others, however, prefer to specialise, and may wish to develop only a village or an RAC. In these cases, however, the developer may seek to partner with other companies to provide such facilities. (Lend Lease, for instance, no longer wishes to own RACs in its villages, but has partnered with another company to operate them where they are seen to be desirable).

6.5.3 Cost of land and construction

It is not possible to provide definitive advice on costs for development of retirement villages and RAC facilities because these vary enormously depending on a wide range of factors, in particular the target market. If the target market is an affluent one (especially if it mainly comprises owners of high value capital city homes) extremely high costs may nevertheless be sustainable. Nevertheless some general observations may be made:

- In a retirement village or RAC facility, “pre-sales” are not a feasible option, and a range of costly facilities have to be provided up-front - the cost of which cannot be recouped because they will never be sold.
- Retirement village dwellings are generally sold at a lower price than the equivalent housing in the local market (typically 10-20% lower.)
- The feasibility of an RAC facility depends on its long term cash-flow which in turn depends heavily on the level of affluence of the average resident. The only funds available to recoup capital outlays and provide an appropriate return come from recurrent government subsidies, user pays charges and income from accommodation bonds paid by incoming residents.

Nevertheless it is clear that the cost of land is central to any decision to develop, and developers can rarely afford to pay full open market price for residential zoned land. At its simplest, this is because sales prices are lower than for similar size open market housing, and construction costs (which must include recreational and communal facilities) are high.

Construction costs depend on the scale, location and quality of the building and fittings – where the target market is an affluent one, the construction cost of a luxury development be very high indeed.

There is very little published data on project costs for retirement housing and RACs, largely, no doubt, because these vary so much. (One consulting firm specialising in cost estimating notes that costs can vary by over 200% depending on location, standards etc. ⁷). One illustrative cost plan for a midrange RAC facility indicated a project cost for construction and fitout of around \$200,000 per bedspace in 2016, excluding land⁸. For retirement villages, average sale prices in 2018 in NSW were around \$400,000 (much higher in much of Sydney and significantly lower in many regional areas) with construction costs including communal facilities etc. representing around 60% of this amount .

⁷ <https://caulfieldkrivanek.com/wp-content/uploads/2016/09/AgedCareCG0616.pdf>

⁸ *ibid*

7 Recommendations

7.1 Central message

The main message revealed by this study is that the Foster Tuncurry area, and by implication the NTDP site, is very attractive to seniors, especially those migrating for a sea-change in retirement. For the present, planning should ensure that options are kept open for as long as possible. Also, seniors will inevitably be attracted by mainstream housing options at the NTDP and these (along with the overall urban design) should therefore seek to facilitate ageing in place.

7.2 Key risks and opportunities

The North Tuncurry site is well located, and has generally good topography for seniors' accommodation. Several possible opportunities have been identified in this study:

- Incorporation of housing suitable for independent seniors (e.g. villas) into the whole development. This is a priority.
- An integrated aged care, health, and housing precinct.
- Luxury/resort- style seniors' housing, either in a retirement village or as a mainstream development.

The main risks identified in this study are:

- Probable further increases in the proportion of local residents aged 65 and over, putting further pressure on local services.
- The area's perception of being more affordable than metropolitan areas, which may deter some specialist developers.
- The retirement housing market's dependence on wider economic trends. A prolonged downturn in housing prices, in particular, could be expected to dampen demand for retirement village accommodation and reduce inbound migration to the area.

7.3 Recommendations

- Seniors are very likely to comprise a significant proportion of the market for "mainstream" housing at North Tuncurry. Consequently, planning for the whole site should seek to maximise its utility and attractiveness to older people, with a view to delivering a seniors-friendly development. This includes providing a safe and attractive public domain, easy walkability, access to good recreation facilities, and "mainstream" housing options that suit older people (preferably including some homes that offer Adaptable/ Universal Design standards).
- "Upmarket" housing associated with the Golf Course is likely to be particularly attractive to retirees. To the greatest extent possible, such products should be required to be

designed to allow older people to age in place, including a proportion of homes to adaptable/universal design standards.

- Master Planning and zoning should be sufficiently flexible to allow purpose-built retirement housing/an aged care facility/ a seniors' health precinct to be provided at some future date, if the need and demand is found to be strong enough. There does not appear to be a need to allocate specific sites at this stage of planning.

7.3.1 Site issues

- Should a location within the NTDP be sought for purpose-built facilities (retirement village and/ or RAC), an appropriate site would have the following features:
 - The site should be large enough to include at least 1 hectare for an RAC, a further 1-2 hectares for other facilities in the seniors' precinct, and at least 8 hectares (preferably up to 15 hectares) for a retirement village. (This suggests a minimum of 10 hectares and preferably 15-18 hectares of developable land in one piece).
 - The site should be level, not dissected by undevelopable land, readily connected to utility infrastructure and should front onto a distributor road.
 - The site should preferably be located within walking distance of shops and open spaces.
 - For feasibility purposes, the site should be indicatively valued as a superlot at around 30% below residential value.

7.3.2 Timing and staging issues

It would probably be premature to proceed with detailed planning at the current Master Planning stage beyond ensuring that zoning etc. will permit the achievement of potential development outcomes in future.

- As seniors' housing requires access to public transport and local facilities, staging plans should assume that its development will not occur until these are in place.
- The potential to make specific provision for seniors' housing and facilities should be maintained until more detailed overall planning is underway.

7.3.3 Identifying appropriate developers

- Locally based aged care and seniors' housing developers should be given the opportunity to participate in development where appropriate.
- It will be necessary to identify interested potential partners for any substantial seniors-specific projects, as most established players do not have a presence in the area. This would apply particularly if an integrated aged care precinct is considered, requiring health, academic and development partners.

8 Appendix

Principal Sources for this study

Publications and web resources

- Deborah Kuhn—Future of Ageing: Coffs Coast for Great Lakes Council, 2005: Aged care Industry in the Great lakes: A Review of Challenges and Opportunities
- ABS: Census 2016
- Hunter Valley Research Foundation: *Market Sounding Study for the proposed North Tuncurry Development, 2011*
- Department of Health and Ageing: Website data on residential aged care.
- Seniors' Living Web Directories: Listings of retirement villages in the area.
- ID consultants for MidCoast Council. Population Forecasts (Web Version, viewed December 2018)
- McCrindleBaynes: Villages Census Report (2015)
- Grant Thornton 2015: National overview of the retirement living sector
- Productivity Commission, 2011: Inquiry report: Caring for Older Australians
- Websites of local operators and developers

Note: several other minor sources are identified in the body of the report.

Consultations (by telephone)

- GLAICA, Forster
- Anglican Care, Hunter and Manning
- Stockland *
- Lend Lease Retirement Living*
- Uniting
- Urban Development Institute of Australia
- Property Council (incorporating Retirement Villages Association) *
- Great Lakes Council

- Aged Care Assessment Team, Manning Hospital
- Forster Tuncurry Senior Citizen's Association

Note 1: At the time of writing, all the agencies marked * had been contacted on several occasions but had either not responded or had indicated that they were not in a position to comment. This is understood to be due to end-of-financial year pressures and the imminent introduction of major aged care policy changes. Note that the Retirement Villages Association has recently been wound up and incorporated into the Property Council.

Note 2: The main consultations for this report were carried out during the preparation of the original version of this report. Updated information for this revised version (2019) relies primarily on published and internet sources. Further consultation will be carried out as the preparation of the NTDP progresses.