



RETIREMENT COMMUNITIES WORLD
Australasia 2008
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Does the future of retirement villages lie in
becoming aged care providers?

By
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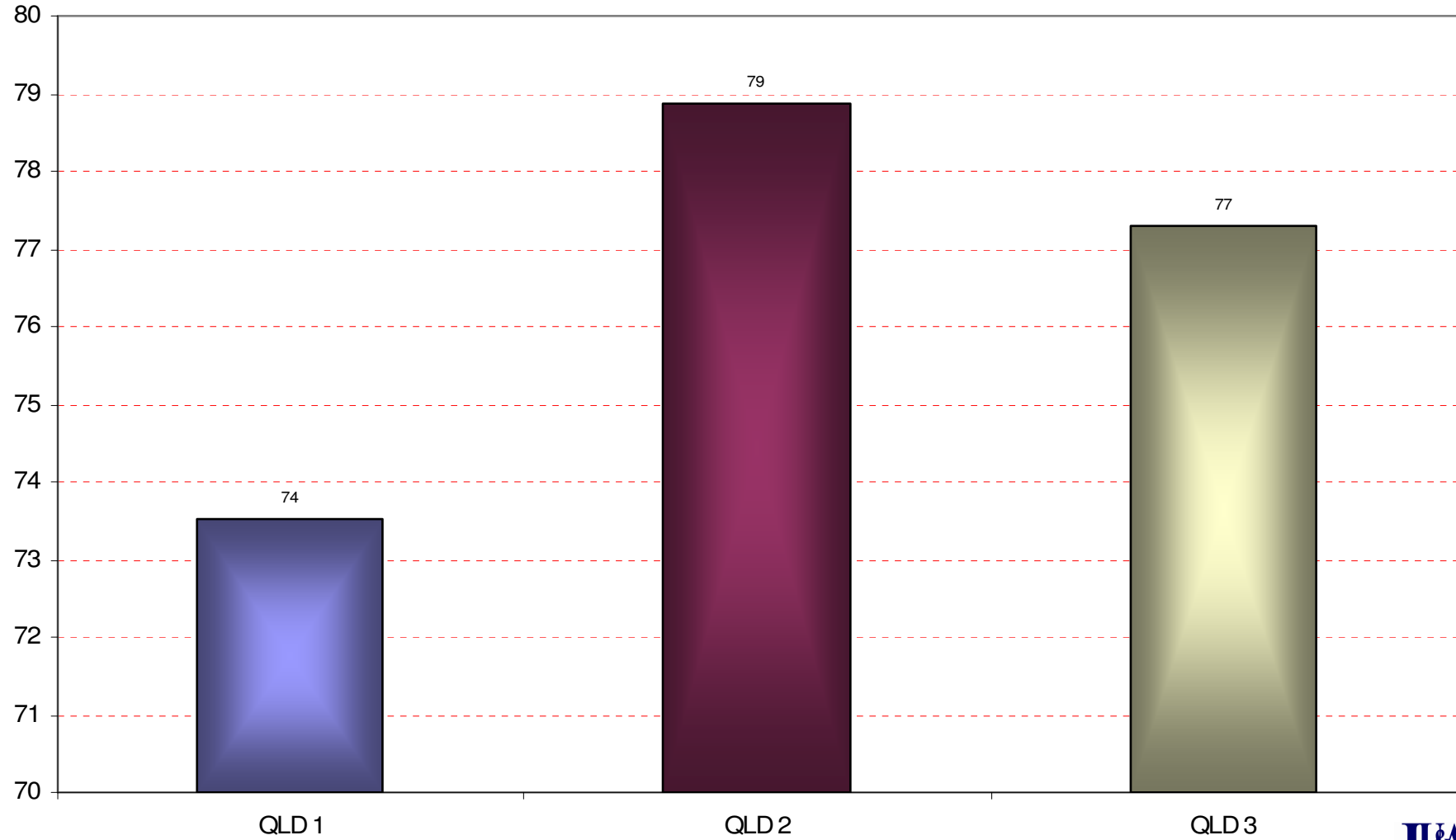
1. Results of research across a retirement village group – What do residents want?
2. Can we deliver what residents want and also be successful?
3. Can a village also be an aged care facility?
How to make the exit fees the same for both
4. Self-funded care
5. “Apartments for Life”



1. RESULTS OF RESEARCH ACROSS A RETIREMENT VILLAGE GROUP – WHAT DO RESIDENTS WANT?

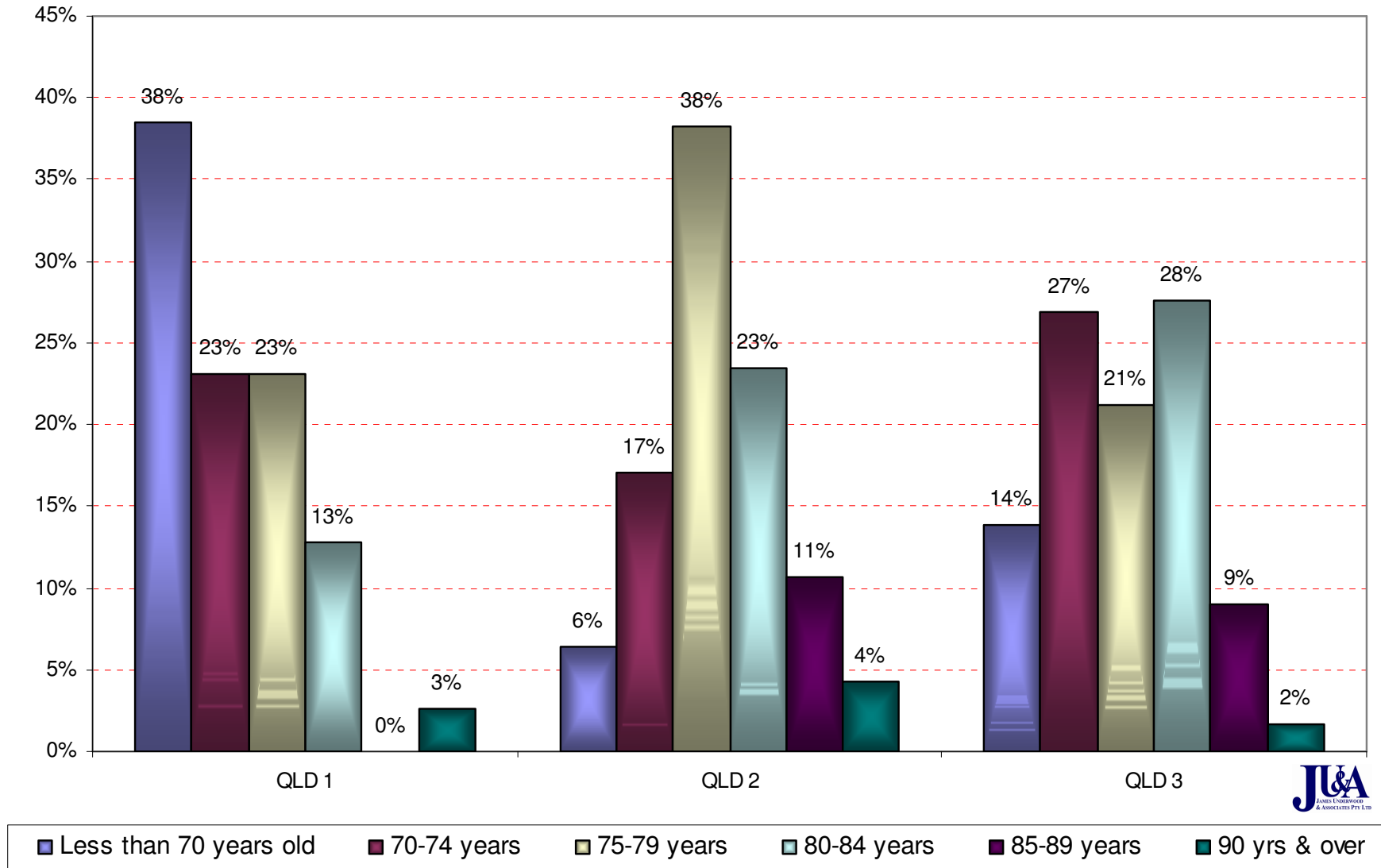


AVERAGE AGE OF RESIDENTS QLD RETIREMENT VILLAGE RESPONDENTS - 2006





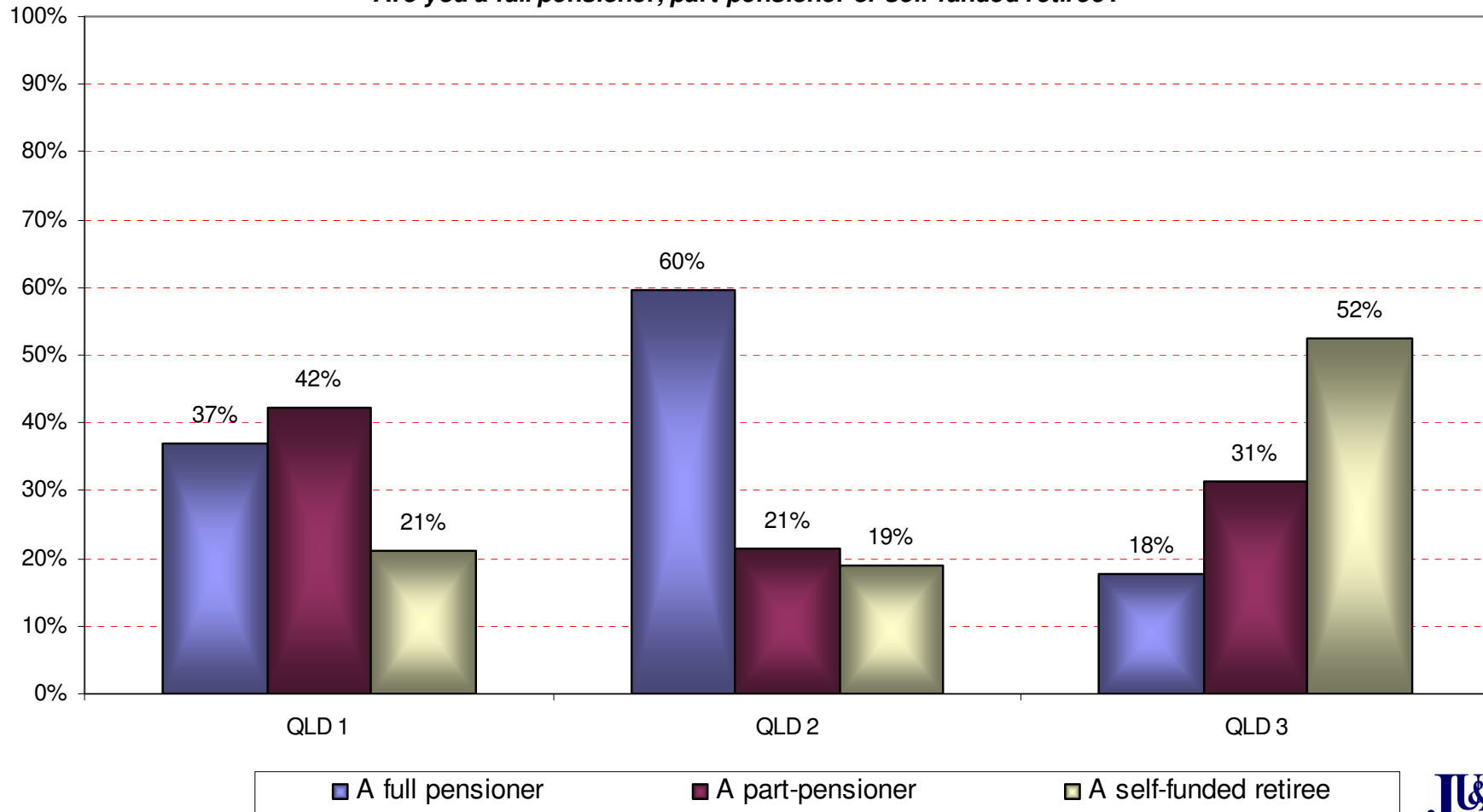
AGE OF RESIDENTS QLD RETIREMENT VILLAGE RESPONDENTS - 2006





FINANCIAL STATUS QLD RETIREMENT VILLAGE RESPONDENTS - 2006

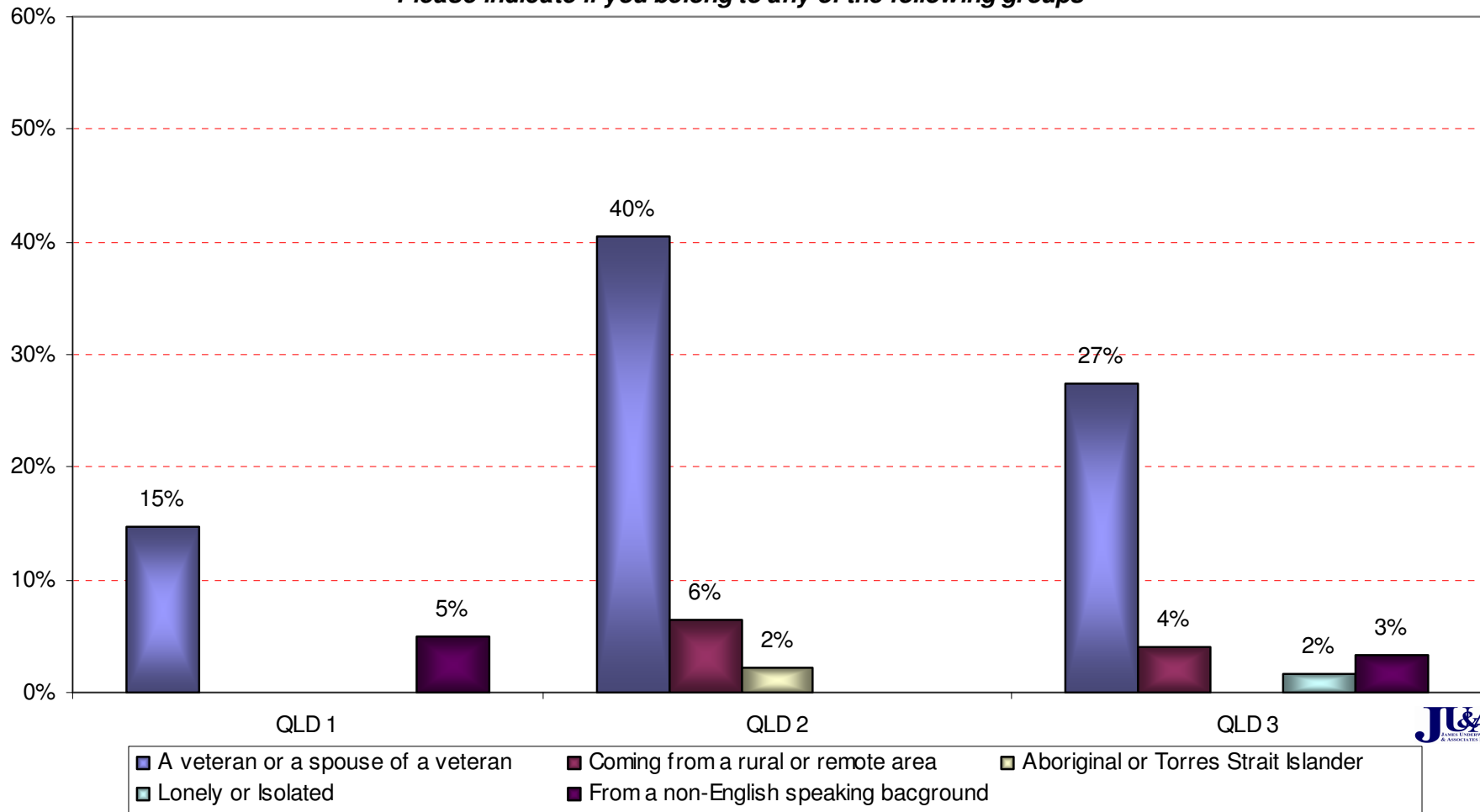
"Are you a full pensioner, part-pensioner or self-funded retiree?"





SPECIAL NEEDS GROUP STATUS QLD RETIREMENT VILLAGE RESPONDENTS - 2006

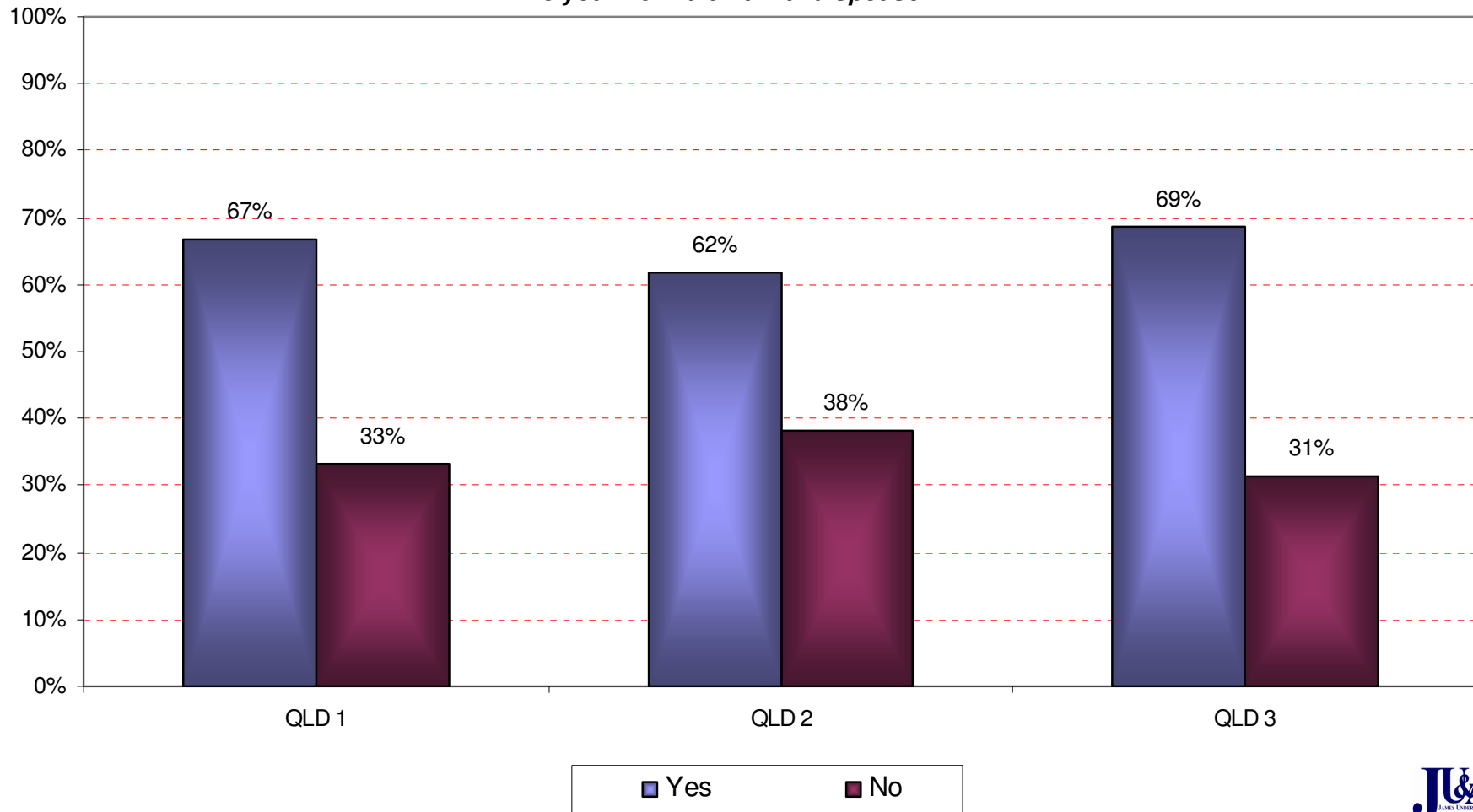
"Please indicate if you belong to any of the following groups"





PROPORTION OF UNIT RESIDENTS LIVING WITH SPOUSE QLD RETIREMENT VILLAGE RESPONDENTS - 2006

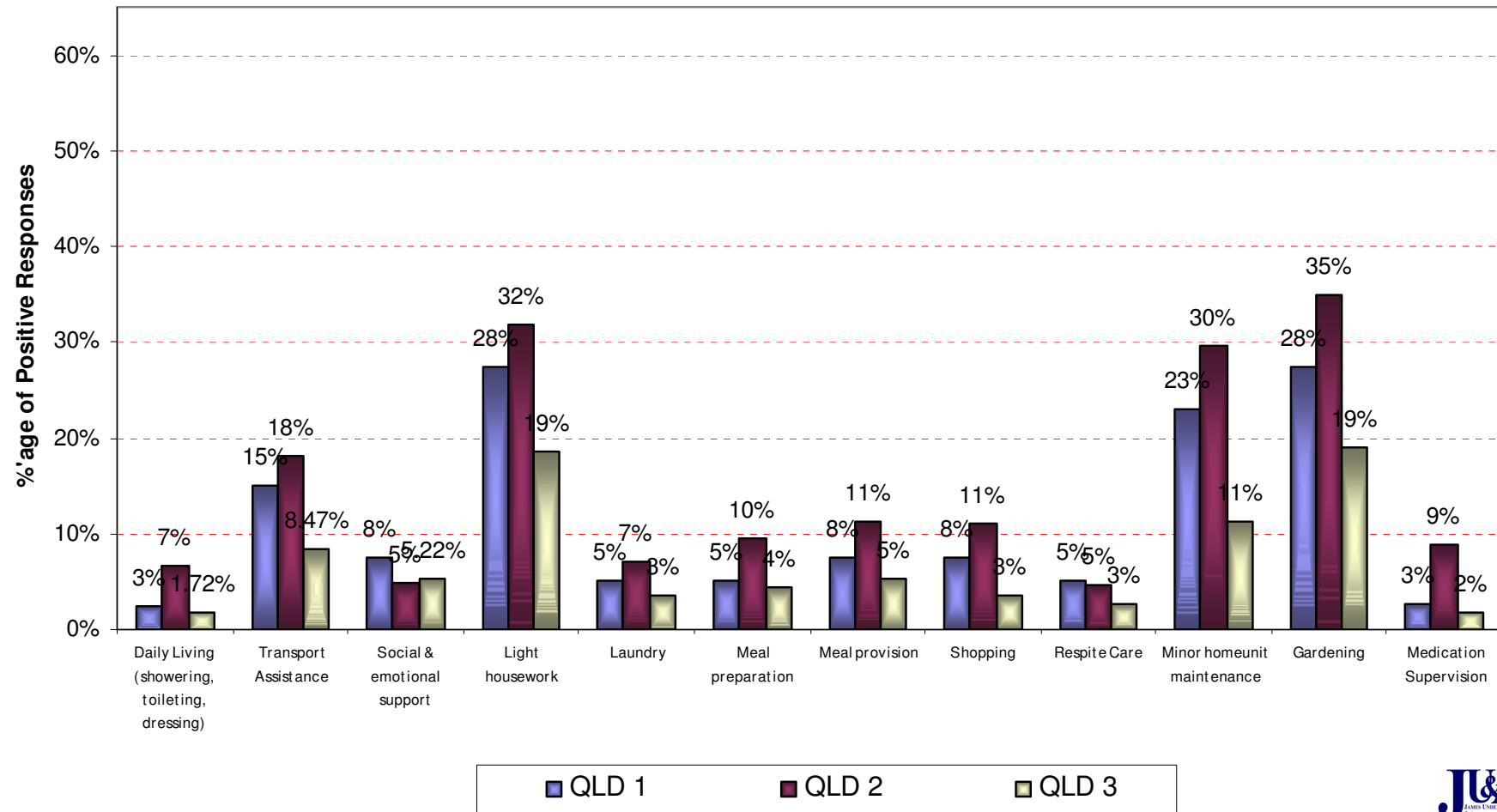
"Do you live in a unit with a spouse?"





RESIDENTS' CURRENT NEEDS QLD RETIREMENT VILLAGE RESPONDENTS - 2006

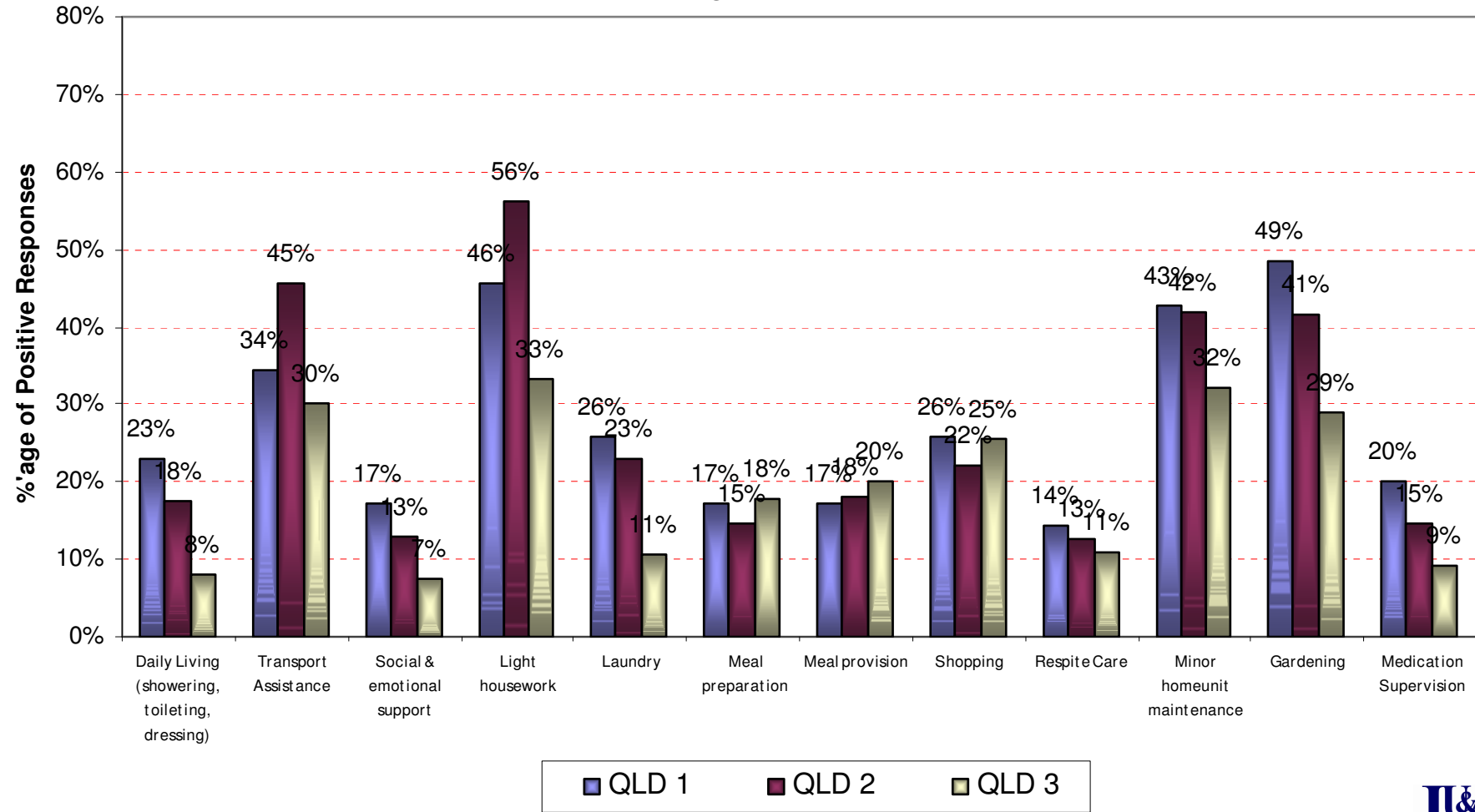
"Do you currently have a need for daily assistance with any of the following activities?"





RESIDENTS' ANTICIPATED FUTURE NEEDS QLD RETIREMENT VILLAGE RESPONDENTS - 2006

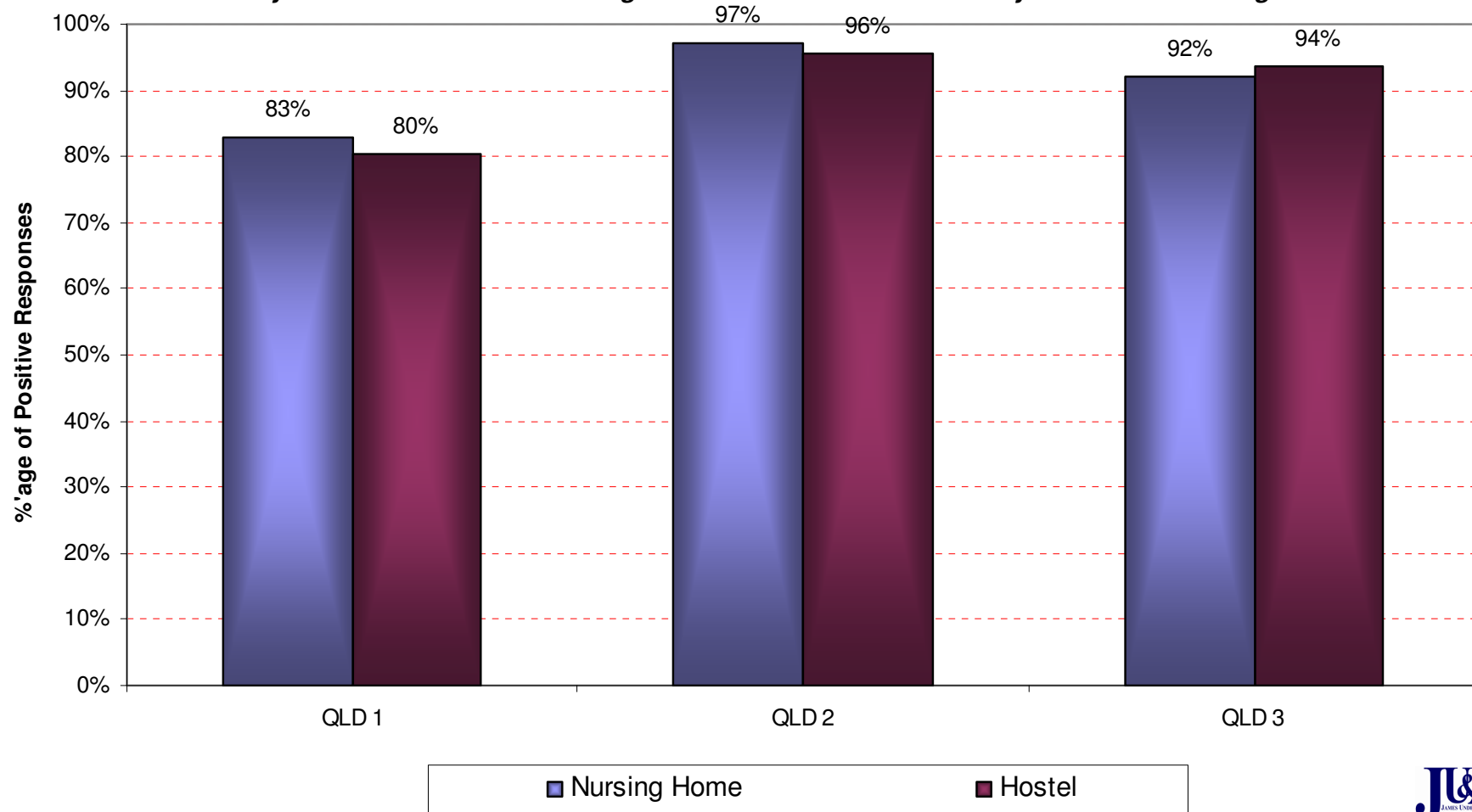
"Do you anticipate a possible need in the next three years for daily assistance with any of the following activities?"





CO-LOCATED SERVICES QLD RETIREMENT VILLAGE RESPONDENTS - 2006

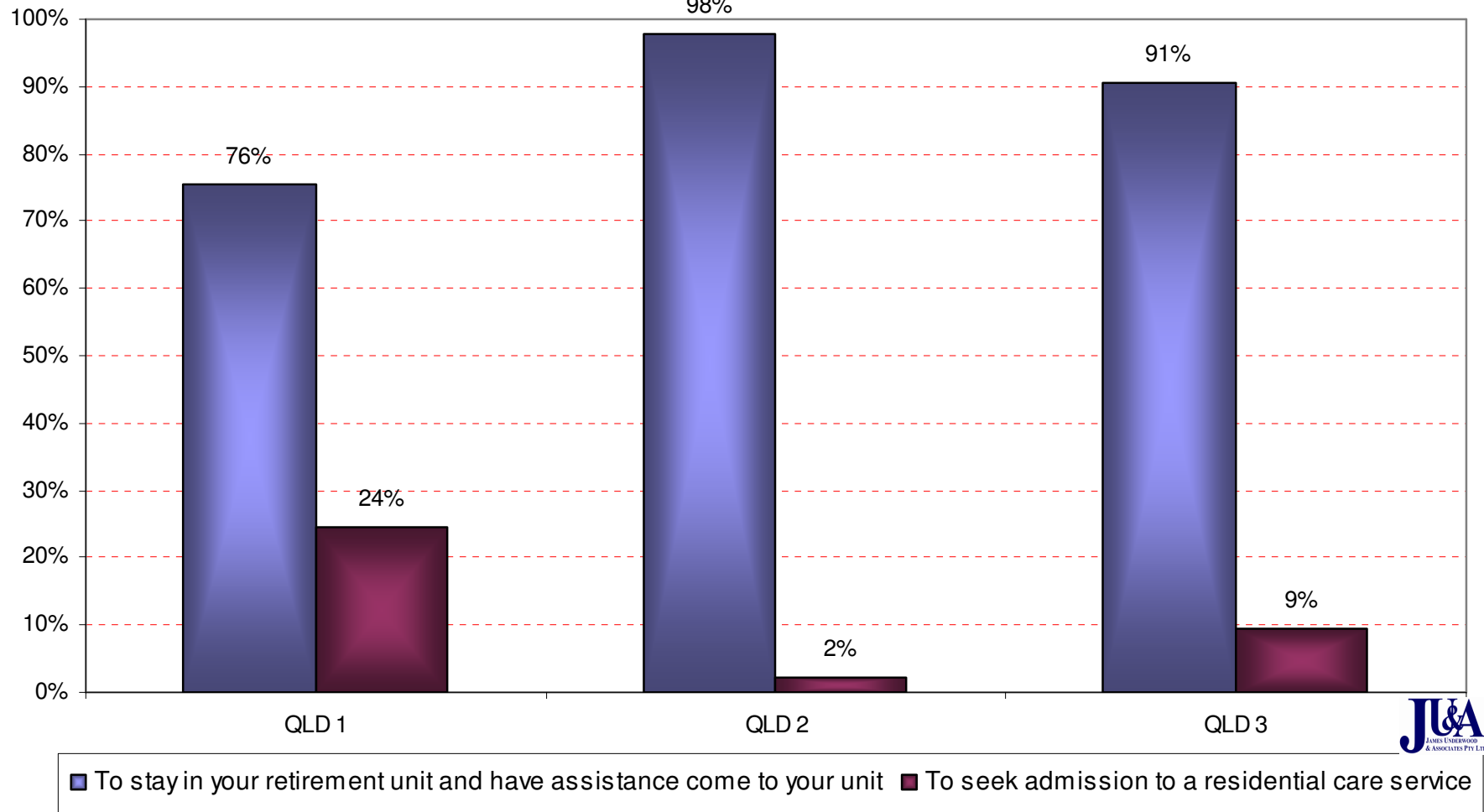
"Would you like to see either a nursing home or hostel co-located with your retirement village?"





FUTURE CARE PREFERENCES QLD RETIREMENT VILLAGE RESPONDENTS - 2006

"If your care needs increase to a residential care level, which is your preference?"





**2. CAN WE DELIVER WHAT
RESIDENTS WANT AND ALSO BE
SUCCESSFUL?**



CARE IN RETIREMENT VILLAGES

- CACP's, EACH's, HACCC, resident-funded
- Increase in value of ILU **with care**
- Older villages attractive to older entrants
- The “unsaleable” one-bedroom ILU
- Use own “packages” or help to access other “packages”. (ACAR 2007 and 2008)
- Augment with enhanced on-site care



CASE STUDY 1

Laguna Retirement Village, Noosaville, Qld

- Older facility; 169 ILUs & 37 Serviced Apartments
- Poor sales and occupancy greatly reduced by the introduction of **care services**
- 100% occupancy reached for first time in 18yrs
- All care services provided by external providers (eg. Blue Care nursing; CACPs; EACH; HACCC) **at resident cost**
- Contracted Blue Care RN/EN “sleep over” nurse provides 24hr on-site emergency care – all residents contribute to the cost of this position
- Half-day doctor’s clinic weekly; home delivery service by local pharmacy



CASE STUDY 2

Ocean View, Banora Point, Tweed Heads, NSW

- New facility, 36 one & two bedroom apartments
- Part or fully-assisted living packages available inc. meals, cleaning, personal care, nursing – **at resident cost**
- Four Certificate III trained staff to assist with ADLs
- RN on-site clinic **5**hrs/day, 5 days/week. 24hr emergency call. High level of DVA pkges
- Respite available for stays of up to 1mnth. \$75/day – RN 30mins; cont. in-room breakfast; 2 meals; 2 linen changes week; comp. transport to outings; CRC funding



If hostels can look like Retirement Villages

- Moline

and even nursing homes look like Retirement Villages

- Colton Court

then Retirement Villages can look like hostels

- Laguna
- Banora Point

or even become hostels

- SCC Broken Hill
- St Ives, Eldercare, Myaree
- St Joseph's Villa Monastery Annex



3. CAN A VILLAGE ALSO BE AN AGED CARE FACILITY? HOW TO MAKE THE EXIT FEES THE SAME FOR BOTH.



USING PERIODIC PAYMENTS TO OFFER EQUIVALENT EXIT FEES – RETIREMENT VILLAGES & ILUs

1. One-bedroom ILU suite in Retirement Village

| | | | |
|----------------|------------------|-----------|------------------------|
| Ingoing: | \$290,000 | | |
| Exit Fee: | Year One | 8% | \$23,200 |
| | Two | 7% | 20,300 |
| | Three | 6% | 17,400 |
| | Four | 5% | 14,500 |
| | Five | <u>4%</u> | <u>11,600</u> |
| Total Exit Fee | | 30% | <u>\$87,000</u> |

2. One-bedroom Suite in Residential Care Service

| | |
|----------------------|-----------|
| Bond Lump Sum: | \$290,000 |
| Lump Sum Equivalent: | \$146,000 |
| Interest Rate: | 9.62%p.a. |

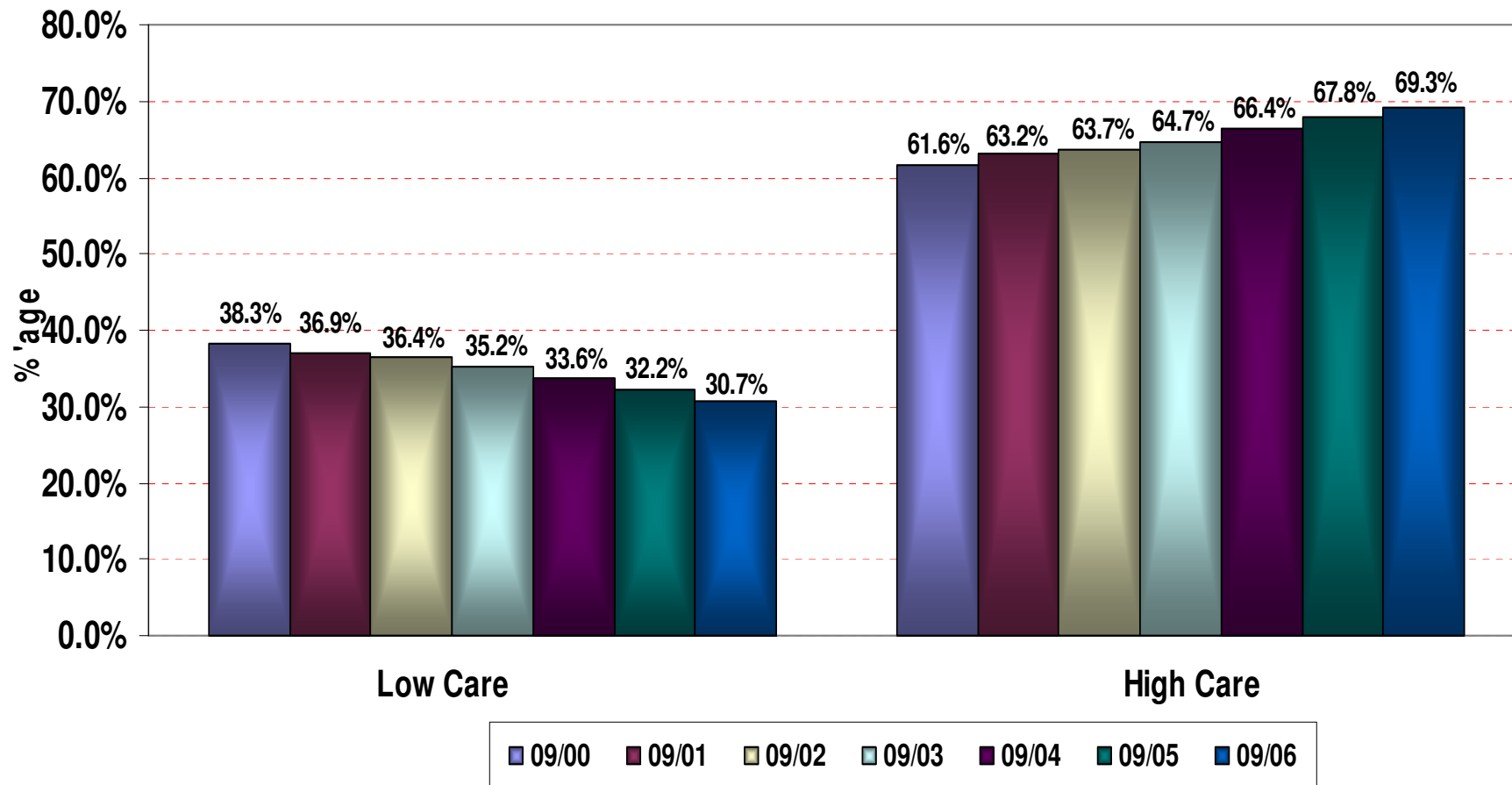
| | Retention (\$) | Accrued P.P. (\$) | Total (\$) |
|-------------------------|---------------------------|------------------------------|-------------------------|
| Year One | 3,360 | 14,045 | 17,405 |
| Two | 3,360 | 14,045 | 17,405 |
| Three | 3,360 | 14,045 | 17,405 |
| Four | 3,360 | 14,045 | 17,405 |
| Five | 3,360 | 14,045 | <u>17,405</u> |
| Total "Exit Fee" | | | <u>\$87,000+</u> |



4. SELF-FUNDED CARE

- Impact of reverse mortgages
 - (Note: ILU security is generally not currently acceptable)
- Aveo example – Adelaide
- OneCare Tasmania

WHO'S PROVIDING ACCOMMODATION FOR LOW CARE PEOPLE NOW?



Movement in Low Care & High Care Resident Levels as Proportions of All Australian Residential Aged Care Residents Sep 2000 to Sep 2006



5. APARTMENTS FOR LIFE

- Tall Trees
- Retirement Plus
- The “Goodwin” DMF.