

Part 1: Market Assessment

GOLF LIFESTYLE COMMUNITY
TOCUMWAL, NEW SOUTH WALES

Prepared for MHE Development Group Pty Ltd



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In Association with
J&M Growth Pty Ltd

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01 Executive Summary

Executive Summary

This proposal presents a comprehensive approach to conducting a market assessment a for the proposed development of an integrated residential and land lease community at 32 Burma Road, Tocumwal, NSW. The proposed project envisions a 29-block land lease village with residential blocks surrounding the perimeter and a 400-metre frontage to the Tocumwal Golf Course / Club Tocumwal, offering a unique positioning advantage due to its connection to the existing clubhouse.

The club is embarking on \$8 million development to include club, 24-hour gym and pickleball. In addition, it is part of a broader group that has been established to collectively promote clubs along the Murray River (Golf on the Murray), which has over 100,000 members.

The study will provide critical insights as a key input for the broader business case, guiding decisions on development pathways and substantiating market potential. Key areas of focus include:

1. **Forecast Demand:** We will analyse market demand for over-50s living within the defined catchment area, considering regional growth plans and demographic trends. This analysis will inform decisions on community size and staging.
2. **Competitive Assessment:** A thorough evaluation of the competitive landscape will be conducted, analysing both existing and planned supply in terms of unit numbers and market positioning.
3. **Market Positioning and Product Mix:** Recommendations on market positioning will include product offerings, potential yield, and product mix. We will identify key differentiators, such as the site's connection to the golf course, and explore opportunities to extend the catchment to regional areas and into the Melbourne market.
4. **Pricing Strategy:** We will provide product pricing ranges based on market demand and competition, with suggestions for any necessary staging of the project to optimise market entry.
5. **Marketing and Sales Strategy:** High-level marketing and sales approaches will be outlined, leveraging local advantages and addressing competing forces within the region.

It is important to note that this market assessment can be read in conjunction with the Residential Market Assessment conducted in 2024 by Urban Enterprises.

Executive Summary



This report outlines a strategic approach for conducting a site analysis, demand and supply review, and providing recommendations to support the development and marketing of an over-50s living community at Tocumwal, NSW on the Victorian and Murray River border.

The aim of the report is to deliver a comprehensive understanding of key market factors, guiding the project's business case development. The focus will be on identifying opportunities, assessing competition, and delivering actionable insights to optimise sales performance and market positioning taking into consideration the lifestyle opportunity it offers with the adjacency to a significant golf club and its facilities.

The market modelling is a key input to understand future demand and to provide guidance as to the potential sales rate for the project. It can also assist in ensuring that the product is well-positioned and priced to be attractive to the local catchment it serves. This is critical in testing the achievable sales rates that drive results.

These findings will inform the key assumptions driving the project's feasibility model, ensuring an enhanced approach to market entry and long-term success.

Executive Summary

Regional influences

A key factor in a study in an area like Tocumwal that is a regional and comparatively small community, is seeking to understand how it may be developed over time. In that context determining a catchment from where demand may emanate from is more complex, but also presents a significant opportunity. As Tocumwal is a cross border, river centric community with all of the beneficial lifestyle elements this delivers, it is potentially highly desirable as a retirement lifestyle destination.

it is useful to see the development patterns and growth of other similar areas alongt the Murray border including Yarrawonga - Mulwala, Albury - Wodondga, Echuca - Moama, and Cobram. These areas have experienced significant growth due to the proximity to Melbourne and the range of local benefits that make these areas attractive as a place to live. Tocumwal possesses many of these same attributes.

The catchment developed by HT Communities has assessed a range of data for the Berrigan Shire (Local Government Area) as the data parameter (ABS Census Classification). In addition, we have included in our modelling some market share that may come from a secondary catchment, given its appeal as a lifestyle destination. As a part of this study, an extensive survey was undertaken with the Golf Club members to research the potential demand for accommodation in this area (see section 3.).

Executive Summary

Key outcomes - Seniors Living

Outlined below are the key issues for the proposed development that are significant with respect to project success factors.

1 | MARKET GAP

The estimated under-supply in 2021 is from 256 to 295 homes based on the modelling parameters of the high and low growth scenario. Over 10 years (2031), this is forecast to still be undersupplied by as much as 240 - 2863 homes, which indicates a strong market opportunity for new supply of product in this segment.

2 | SUPPLY/COMPETITION

There is limited competition in the catchment and a potential future pipeline of development that will need to be monitored in order to ensure market advantage. The developers can also capitalise on a positional advantage in that there are no offerings that possess the same lifestyle appeal as the site with the adjacent golf resort..

3 | PRICE/POSITIONING

Potential positioning can be at the more premium space in the local market context. Tocumwal has a higher priced offering, given its status in the area, and therefore could facilitate a quality offer with pricing that is above other villages in the region. The median house prices for the area is around \$437,500, but did peak in late 2022 at around \$620,000. there are a significant number of homes on market locally that range from \$900,000 to \$1.1 million showing the the price premiums achieved in the upper end of the local housing market.

Product could be priced from \$500,000 to 750,000 with diversity of housing product and strong marketing.

Executive Summary

Key Findings

The catchment data supports a positive business case for developing additional seniors living accommodation and with respect to the current and future market gap. Of note, is the following:

- Steady population growth - as the catchment is experiencing a significant population growth trend with rising and sustained population ageing.
- There is very limited local supply of quality seniors living product. Moreover, demand is strong which results in a significant market gap for this type of seniors living product in Tocumwal and the region without even considering demand from outside the immediate catchment (secondary catchment areas).
- There is an additional opportunity to consider short stay accommodation, which is in short supply in the area and would support the golf club's activities. This is supported by the primary research survey undertaken as part of this project.
- The local housing market, is affordable, and has trended upwards over the past 5 years and is the standout township for the region. Proximity to the golf club would see a premium price potential.
- The Primary Survey results (which was conducted as part of the project) has highlighted a strong appeal of the area for club members to potentially reside and see the benefits of the club's facilities and services to support a value proposition for both residential and short stay offerings.
- there is good evidence, including the primary survey results that the project would be attractive to purchasers in the broader region, including neighbouring regional communities and stretching as far as the Melbourne suburban market.
- We consider that product be positioned at a premium level to achieve strong prices and positioned significantly higher than current competition, given the site advantages. Positioning can include service opportunities linked to the golf resort.
- If positioned and priced effectively with a strong marketing campaign, it is possible a sales rate of 2 per month with sufficient lead time for marketing (early database build to ensure sufficient lead time) and a strong product offer that is well articulated in marketing.



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02 Project Overview

Project Overview

HT Communities has prepared the following report that seeks to model potential demand and supply in respect to accommodation options aimed primarily at the over 50 year market and including post-retirement age market who are candidate for land lease and retirement village communities.

This group has been identified as a large cohort in this market by Urban Enterprises in its Residential Market Assessment (2024) and candidate for land lease / seniors accommodation product. This market is often seeking down-sizing opportunities that include:

- Smaller homes, units and apartments (often only available in metropolitan areas and larger scale suburban activity centres)
- Retirement villages
- Serviced apartments / assisted living, and
- Land lease communities

This report involves estimating a relevant catchment where the consumer is most likely to emanate from. In this case, given the project proposal and the location (including being adjacent to a significant golf resort), demand is likely to come from a localised primary catchment and a secondary broader catchment (see survey results).

Using these primary and secondary catchment we have been able to model likely demand, and consider any competing supply (relevant units/product).

In addition, it provides information on relevant demographic and socio-economic data and the performance of the property market that is significant to the proposal and commentary on the pricing of the product in the current market environment.

Requirement

This includes assessing demand now and into the future and the impact of any competing development that currently exists, or is planned in the coming years that may impact future sales results.

This is important to guide the potential sales rate for the project and assist in feasibility modelling. This is critical in testing the achievable sales rates that drive results in a project.

Where there is an identified gap in a market, this can support stronger sales rates as the absence of competition enables the project to have a first-mover advantage, particularly in a regional market like Toxumwal.

Scope

Site analysis / environmental analysis

The key objective is to identify key opportunities and constraints associated with the development site, focusing on:

- **Catchment Influences:** Understanding demographic, economic, and geographic factors that affect the local and regional market.
- **Infrastructure Linkages:** Assessment of site access, proximity to essential infrastructure (roads, utilities, services), and connectivity with neighbouring areas.
- **Site Positioning:** Evaluate the site's location in relation to key amenities and projects, with consideration of its competitive advantages.
- **New Projects:** Analyse upcoming developments in the vicinity that may impact market potential or create synergies.

Requirement

Market analysis

Review the range of market factors that can assist in modelling future demand and sales rates for the project, based on relevant market data and industry benchmarks. This will include the following:

- Catchment definition - Define the catchment areas most relevant to the project, with a focus on:
 - Primary and Secondary Markets: Identify and analyze market regions (e.g., regional Victoria and Melbourne) likely to influence demand.
 - Catchment Market Share: Model the potential market share for the project within the defined catchment areas.
- Demand and Supply assessment - Review market factors that inform future demand and sales projections, based on data and industry benchmarks. This will include:
 - Market Health: Assess the local property market, focusing on sales rates, price trends, and market dynamics.
 - Competitive Analysis: Evaluate competition based on product offerings, pricing strategies, and positioning to guide marketing initiatives and optimize business outcomes.
 - Scenario Modelling: Provide pricing and sales rate forecasts using high, medium, and low-case scenarios based on local performance trends, demand-supply balance, and other factors.
- Supply assessment - Analyze current and planned supply to understand its impact on the project, covering:
 - Existing Supply: Assess the number of current units available in the market, as well as their price, product mix, and overall impact on demand.
 - Future Supply: Evaluate planned developments that could introduce competing units or influence future market conditions, which will inform decisions on product staging and differentiation strategies.
 - Review of local property market – to identify the health of the local property market, including sales rates and price trends/movements that are pertinent to the land lease / retirement village market. Secondly, to inform market positioning for the project and inform parameters for feasibility modelling.

Requirement

Scope

Market analysis continued

- Demand Assessment - Evaluation of the target demographics for the over-50s living community, including:
 - Demographic Analysis: Assess factors such as age, homeownership, wealth, ethnicity, and other relevant characteristics of potential residents.
 - Population Forecasting: Use data from sources like the Australian Bureau of Statistics, State Government, and Council forecasts to predict future demand based on population growth and demographic trends.

Outcomes

From the information above, provide a range of supported recommendations that aim to improve overall marketing effectiveness and, ultimately, sales performance for over 50s living and feed into key assumptions that drive the feasibility model. This includes (but is not limited to) the following:

- Future products and mix
- Community/facility/service offer that is viewed favourably by the market or can position the offer more effectively in the context of competition (create a point of difference from local competitive forces).
- Staging and take up forecasting and any opportunities that emanate from the analysis.
- Pricing, in respect to the product mix (based on the findings) and scenario modelling.
- Financial/contract/deal structure - (DMF or leasing offer, fees, etc.).
- High-level marketing / communications advice to assist in de-risking the project and informing business case assumptions that aim to optimise the project's performance.

Site Overview



Proposed Development Site

- Location: 32 Burma Road, Tocumwal, NSW, adjacent to the Club Tocumwal golf course on the eastern fringe of the urban area.
- Site Size: 21.24 hectares
- Development Opportunity: 29 residential blocks are planned around the perimeter, with the scope for additional internal amenities or green spaces.
- The RU5 zone (Village) applies to the majority of the site, with a small portion of RU1 zone (Primary Production) land in the south eastern corner.

The development vision is for a large-scale residential/ seniors accommodation development that integrates a modern living environment with the surrounding natural beauty and takes advantage of the adjacency to the Golf Club. The proposal and masterplan envisages that the outer perimeter will feature spacious residential blocks, offering privacy and community living. The interior of the development can be designed to include parks, recreation areas, or shared facilities to enhance residents' quality of life.

The site is well-positioned within Tocumwal, a growing region with limited competition in the high-end land lease / retirement living community market. The location offers an attractive and affordable alternative to existing options in Yarrawonga, Cobram, and Echuca/Moama, with the added advantage of being in proximity to Melbourne - a key target market for this development.

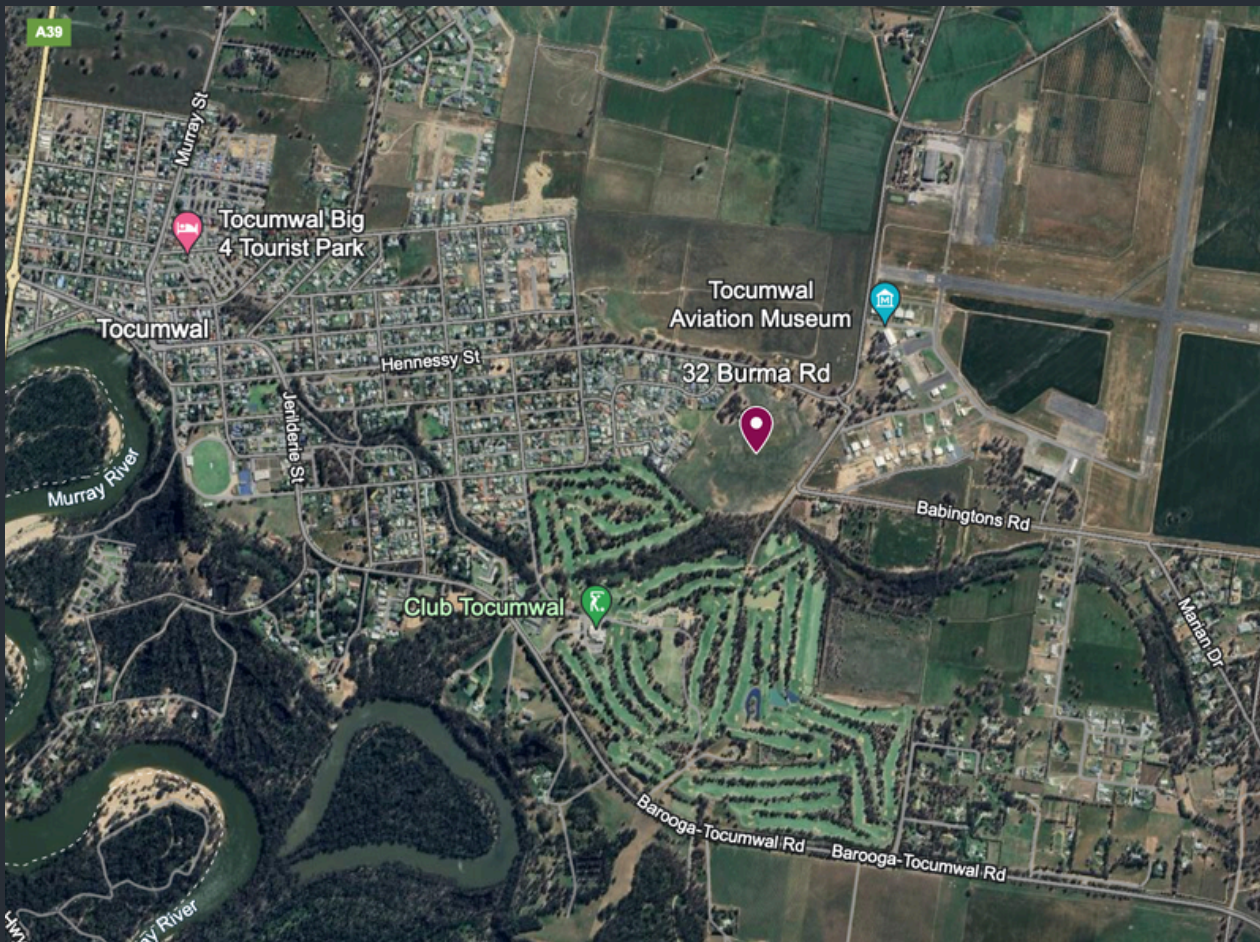
Site Overview

Proposed Development Site (continued)

The development will include a direct buggy path to the golf clubhouse, offering residents convenient access and enhancing the site's attractiveness to prospective buyers. Additionally, the plan includes the construction of a golf netting fence along the boundary to ensure safety and protect the community from stray golf balls, with costs to be shared between the development and the eventual village purchaser.

Site & Catchment

Subject Site - Existing Conditions in Local Tocumwal Context



Strategic Context

Strategic Planning Alignment

It is important to note that the proposed project is consistent with identified Council Strategic Planning. Council is seeking to encourage sustainable housing growth and meeting local needs. The Berrigan Shire Community Strategic Plan 2040 (CSP) outlines the Vision for the Shire's future. Of note outlined in this plan, which was derived from extensive community consultation, is the following:

- Vision - Our diverse population and productive natural landscape fuel a vibrant economy and a harmonious and thriving community.
- The community consultation identified the key strengths of the area were the relaxed and safe lifestyle, enhanced by the area's family- friendly atmosphere and ideal location. The rich culture and strong community spirit, underpinned by a close-knit social fabric and a celebration of arts and heritage, stood out. The beauty of the natural environment, especially the cherished Murray River and Finley Lake, along with plentiful outdoor recreation and leisure opportunities, was also celebrated as a cornerstone of life in the Shire.
- Key concerns and challenges outlined by the community were the rising cost of living and the stress associated with rentals and mortgages. The housing market poses challenges in terms of supply, availability, diversity, and affordability, affecting the Shire's ability to attract and retain residents.
- Council has outlined in its key strategic objectives to develop and promote local attractions and experiences, and to market the Shire as a tourist destination, highlighting the unique rural character, natural environment, culture, and lifestyle.

The subject project proposal presents strong opportunities to take advantage of the identified strengths and also address the housing challenges outlined above, particularly considering the proposed diversity of housing planned.

Industry Overview

Australia's Population Future

Australia's population has been ageing rapidly over the past few decades and this is projected to continue for several decades to come. At the last census (2021) people aged over 55 counted 7.4 million or 29% of the population. Moreover, those in the post retirement phase (65 plus) counted 4.4 million people. This is anticipated to grow over the next 30 years to double (8.8 million) which will represent 22% of population.

This is mainly due to increasing life expectancy: in 2014–16, a 65-year-old man could expect to live another 20 years and a 65-year-old woman another 22 years—7 years longer for both sexes than in the mid-1960s. (AIHW).

The ageing of the community has brought many challenges and opportunities concerning how to appropriately accommodate and care for people as they live longer. This has seen the emergence of new housing options to accommodate the need to downsize and ensure it is affordable for people as they age. the key options include:

- retirement villages, which has grown as a property class over the past 3 decades
- apartments and small units, mainly available in cities, and
- more recently, land lease communities (formerly referred to as manufactured home estates)

Retirement villages, whilst originally marketed as resort-style lifestyle options for over 55's, have catered, in the majority for people between 70 and 85 years. There are over 2000 villages in Australia housing around 190,000 people.

Apartments and smaller unit housing have more often been available closer to major cities and as a result, has been priced at the higher end of the scale and often unaffordable to many older people.

Industry Overview

The Emergence of Land Lease Communities in Australia

Over the past 15 years, the land lease community offers has grown both in size, but also the diversity and quality of the offer. It has grown from tourist-park style offerings (as permanent living in a caravan park, in small drop on 'shed type homes'), to fully developed communities with extensive facilities, services and landscaping.

According to customers who elect land lease communities over retirement villages, they appear more satisfied with the flexibility, contract structure, ability to obtain government assistance and (in the majority of villages) no Deferred Management Fee on exit.

It is understood that in Australia there are some 200 or more land lease communities with growth continuing. In addition, the entry by large Australian based and overseas investors/operators in the sector has seen it emerge as a very popular property class.

Organisations like Ingenia, Lifestyle Communities Australia, Lincoln Place and Homestay are examples of listed companies that have assembled large portfolios of these communities and have had strong performances on the ASX.

The relative affordability, resort-style living and unique homeownership model (where people own the physical home but rent the land it sits on) have proven very attractive to a growing segment of people aged 50 plus and a legitimate competitor to retirement villages.

03 Catchment

Region Overview

Region Overview

Tocumwal is a town in the southern Riverina region of New South Wales, Australia, in the Berrigan Shire local government area, on the Victorian border.

The town is situated on the banks of the Murray River, 270 kilometres north of the City of Melbourne, approximately 3 hours drive north from the CBD. The Shire is home to over 8,600 people, which is expected to grow to a population of 10,000 by 2046, through natural increase and migration.

The area is renowned for its natural environment and rich agricultural lands which come from its proximity to the Murray River. Key townships include Barooga, Berrigan, Finley, and Tocumwal. The main local economic drivers are from sectors such as agriculture, healthcare, construction, and education. There is also a strong tourism sector that draws visitors to this scenic part of Australia.

Tocumwal Overview

Key Features of Tocumwal include:

- **Tourism & Lifestyle:** Tocumwal is renowned for its natural beauty, proximity to the Murray River, and recreational facilities such as the Tocumwal Golf Club. These features make it a desirable location for retirees and individuals seeking a quiet, nature-oriented lifestyle.
- **Local Amenities:** The town provides essential services, including medical facilities, local shops, cafes, and community centres. Larger regional centres are accessible for additional healthcare, shopping, and entertainment options.
- **Infrastructure & Accessibility:** Tocumwal is well-connected by road, with easy access to the Newell Highway, providing links to key cities and towns in both New South Wales and Victoria. The town is also serviced by rail, with connections to Sydney and Melbourne via nearby stations.

Catchment

Tocumwal (continued)

The population growth, primarily driven by retirees and individuals seeking a tree change, highlights the town's appeal to the over-50s market, along with ongoing infrastructure improvements and increasing interest in regional living post-pandemic, positions it as a promising location for residential developments.

Tocumwal is an idyllic town set against the backdrop of stunning red gum forests along the banks of the magnificent Murray River. Known for its natural beauty and rich history, Tocumwal offers a perfect blend of outdoor activities, including fishing, camping, and relaxing by the river.

The town is also home to unique attractions like the Big Murray Cod and the Tocumwal Foreshore Park, making it a popular destination for visitors looking to explore its scenic landscapes and historical sites.

Catchment

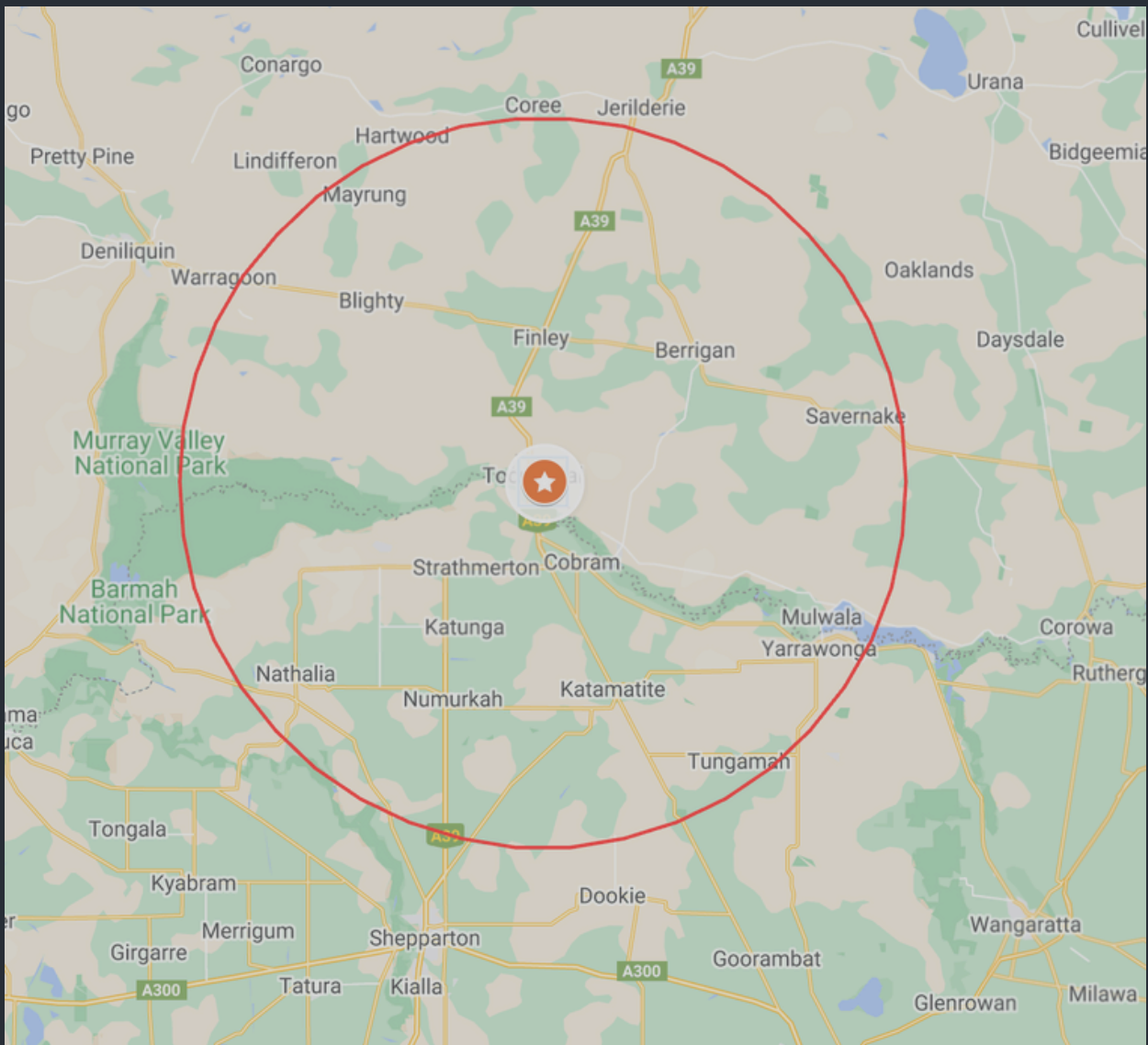
Locational Highlights

- Tocumwal Murray River Water Activities
- Tocumwal Riverbanks
- Tocumwal Foreshore Recreation Area
- Tocumwal Foreshore Walking Tracks
- Tocumwal Aviation Museum (Historical Aircraft)
- Tocumwal Aviation Museum (Educational Exhibits)
- Tocumwal Golf Club 18-Hole Course
- Tocumwal Golf Clubhouse Facilities
- Tocumwal Historic Railway Bridge (Architectural Landmark)
- Tocumwal Blowhole Reserve
- Tocumwal Antique Shops and Local Markets
- Tocumwal Historic Buildings
- Tocumwal Local Wineries and Farms



Catchment

Site - 50 km radius



Source: Google Mymaps 2024

04 Demand

Demand

Overview

This section presents an overview of the resident population, including the key demographic and socioeconomic information relevant to the market assessment in this instance. This includes:

- defining a relevant catchment - where customers are most likely to come from, which provides data parameters,
- demographic composition, and
- current and future population outlook based on independent and government modelling.

Ultimately this will drive estimates on the target market size and prospective demand for senior living products.

Catchment Definition

The first step in any market analysis is defining a catchment where the majority of customers / purchasers are likely to come from. This can vary for different types of housing products and also locationally.

For example, customers seeking housing in inner urban areas may come from a smaller and more defined purchaser area when compared to a regional location, which is likely to have a significantly larger catchment.

This may be influenced by such issues as product choice, travel times, major transport routes, natural or built barriers for customers (eg. river or bridge), but more likely work, family and social connections. This can be analysed at some level by reviewing Migration Data that is sourced from the ABS (movement patterns between Census).

Demand

Catchment Definition (continued)

The geographic region that influences or is influenced by the town. This includes the surrounding localities such as Finley, Berrigan, Lalaly, and Barooga to the north, east, and west, as well as the Murray River and the Victorian border to the south. It encompasses the areas from which Tocumwal attracts residents, businesses, and economic activity.

The catchment area also includes the regions where people travel to Tocumwal for various services, including healthcare, education, and other amenities. It represents the broader zone that impacts and is impacted by Tocumwal's population dynamics, economic interactions, and service provision.

The catchment area of Tocumwal not only reflects the town's immediate influence on nearby regions but also highlights the flow of people, goods, and services in and out of the area. It is a critical factor in urban planning, economic development, and service delivery, providing insights into where residents come from, where they move to, and the economic ties they maintain.

For example, residents from surrounding areas might regularly travel to Tocumwal for shopping, education, healthcare, and employment opportunities, indicating a strong reliance on the town's amenities and infrastructure.

Demand

Catchment Definition continued

Conversely, understanding where people are moving from Tocomwal helps in assessing patterns of out-migration, which can inform strategies for retention and growth. The catchment area also plays a role in environmental management, particularly concerning water resources and land use planning, as it encompasses regions that contribute to the town's natural resources and ecological footprint.

Overall, defining the catchment area of Tocomwal helps to provide a comprehensive view of the town's socio-economic and environmental dynamics, guiding future development and policy-making efforts.

Demand

Primary catchment

The immediate geographic area that most directly influences and is influenced by the town and shire. This area would cover 50 kilometres or more, given the product typology. It typically may encompass nearby localities such as Finley, Berrigan, Lalaly, and Barooga, as well as regions along the Murray River and the Victorian border. It includes the main zones from which Tocumwal draws its residents, workforce, and customers, and it is also the area most likely to utilize Tocumwal's services and amenities, such as healthcare, education, and retail.

The primary catchment area is crucial for understanding Tocumwal's direct economic and social interactions, as it defines the core region where most of the town's daily activities, trade, and community engagement occur.

Secondary Catchment

Refers a larger area within the broader catchment region that have a specific or less frequent connection to the town. This includes outlying rural areas, and smaller communities further away from Tocumwal's central hub, but could also encompass areas towards Melbourne's suburbs.

These areas are typically not the primary sources of population or economic activity for areas like Tocumwal but are important given the rural and lifestyle appeal and as this area is a vacation destination that may have an appeal for some people as a place to settle or retire. This catchment is important for understanding the extended reach of Tocumwal's influence and for identifying opportunities to expand services or improve connections with more distant communities.

Demand

Migration

Another influence that can be studied that can assist in defining catchments is identifying migration patterns from Census periods.

Between 2016 and 2021, the Shire attracted over 1,500 internal migrant arrivals, with 24% originating from Greater Melbourne. This is significant in understand the appeal of the area to a broader (secondary catchment).

The balance of internal migrant arrivals originated from the wider Murray River region, led by Moira, Greater Shepparton and Edward River.

Net internal migration remains consistent in trending upwards, and is the main source of population growth in the region. Importantly, it is evident from township level growth trend that internal migrants to Berrigan Shire are mostly settling in Tocumwal.

Historically, Tocumwal has averaged 16-18 new dwellings per year, growing at an average annual rate of 1.0% - 1.3% per annum. Tocumwal is forecast to need an additional 253 dwellings by 2036, at an average of 17 dwellings per annum or 1.1%. (Source: Urban Enterprise, 2024).

Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Usual Residence Data).

Demand

Demographic and housing trends

Tocumwal residents have a median age of 59 years, which is higher compared with Berrigan Shire and Regional NSW.

Interestingly, the most prevalent service age groups are seniors, retirees and older workers (~55%), followed by young couples and middle aged families. Couples and lone person households account for approximately two-thirds of all households.

The average household size in Tocumwal is 2.18 persons, which is lower than Berrigan Shire and Regional NSW.

Tocumwal's population is projected to grow at around 0.8% per annum to 2036 (+25 residents p.a.). However, the projected growth rate may be considered conservative when viewed alongside historical trends, which highlight the strengthening appeal of Tocumwal as a place to live, and the growing importance of the town's housing role.

Key relevant population forecast trends for the project include:

- 'Seniors' (+66%) and 'empty nesters' (+40%) experienced the most substantial growth in age and lifecycle groups in Tocumwal, representing an older cohort that is consistent with current population (2021).
- Lone person households grew by 20% and couples without children grew by 11%, compared to 4% and 6% respectively in the Berrigan Shire.
- Despite a much higher proportion and growth in older persons and a high provision of smaller households, the most prevalent dwelling types in Tocumwal remain separate houses (with 3+ bedrooms).
- This could imply a misalignment between dwelling types and the dwellings they occupy, and a lack of diversity in housing stock; especially smaller dwellings suitable for downsizing and 'age in place'.

This is important in the context of the proposed project which aims to deliver considerable diversity in dwelling types including smaller and age - specific housing and services aimed at an ageing market.

Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Usual Residence Data).

Demand

Primary Research

In order to better understand the market appeal of the proposed project proposal, HT Communities developed a survey to understand leisure, accommodation and lifestyle patterns of the community.

This was conducted in conjunction with Club Tocumwal given it is adjacent to the site and its membership can be used as a valuable proxy for understanding the catchment and appeal of project to those who are in the primary and secondary catchments.

It is important to note that Club Tocumwal has a membership that has more than 10,000 contacts. Its social media reach is also profound, with outreach of 20-50000 engagements per week.

Analysis of the club's membership shows that the main users are aged 45-65, and live within a 20 – 30 min drive (ie. Wangaratta, Benalla, Shepparton). There's also a large portion of metro members, which gave rise the the survey to better understand the wider market potential of the project.

In October 2024, a survey was conducted with Club Tocumwal's membership dataset to give a primary indicator for land lease, short stay and rental accommodations, which received 506 (374 fully completed) responses, which represented a very good sample size.

Demand

Primary Research (Continued)

The survey was delivered by email to the membership and advertised via the club's social media channels, which contributed to a very strong response rate.

Key findings of note were as follows:

- 73% of respondents stated that they lived in Tocumwal.
- Of the 27% that lived outside of the local area, there was considerable reach into regional markets and Melbourne suburbs. There were over 250 suburbs listed as primary place of residence outside of the local area.
- 60% of respondents were over 55 years of age (a key market for the project).
- 82% of respondents were male, which was high and perhaps a representation of the club's membership and golf participation.
- 75% of respondents were retirees (self-identifying as retired).
- 87% indicated there was some level of appeal in living in a home linked/adjacent to a Golf Club that could also have some membership benefits.
- Over half (210) of the respondents indicated that they had stayed in Tocumwal for a golf-related trip multiple times in the past year. If they stayed in local accommodation, 63% indicated it was in motel style accommodation.
- 79% stated some interest in living in a home linked/adjacent to Tocumwal Golf Club with membership and use of the Club facilities as part of the package.
- 69% would be interested in short stay accommodation primarily to play golf, with 78% saying they would do so a few times a year. This was also supported by the feedback that indicated quality accommodation options for tourists was lacking in the area.
- 65% indicated they had considered making a 'tree change' before.
- 33% of respondents also indicated that they had previously enquired about over 55s living.

The survey highlighted strong levels of demand for the proposed product and highlights the significant appeal of Club Tocumwal to its members locally and further afield.

Demand

Seniors Living

HT Communities has developed a model to assess the potential demand for seniors living (including land lease) based on industry metrics and developed scenarios to inform future planning.

HT Communities has developed a proprietary modelling formula to estimate the demand for the proposed community. It is important to note that there is no available industry-based data that can provide insights into some key modelling parameters, particularly:

- the penetration rate for people in the market segment
- age of entry and age of residents in land lease communities
- average household size for these communities (ie. how many live in each dwelling).

Data does exist for retirement villages and has been used as a guide for the modelling. Moreover, discussions with industry leaders in the Land Lease Community market broadly supports the parameters adopted.

The model has assumed that there will be a small amount of penetration in the 50-60 year age group (3-4%) and assumed household size of 1.8 (given the age of customer and likelihood of couples being attracted to the model).

It has also assumed a larger penetration in those aged over 60 years (6-7%) with a lower household size of 1.4 per household (with the likelihood of more single occupants as they age).

Source: Population and household forecasts, 2021 to 2046, prepared by .id (informed decisions), August 2023.

Demand

Seniors Living (continued)

Based on the most recent ABS Census statistics (2021), currently, there are 8766 people living in Berrigan Shire, which is forecast to grow to over 10000 people over the next 20 years (nearly 15% growth).

There are near 4600 people aged over 50 in the Berrigan Shire Council Area (53% of the total population). 2825 are over the age of 65 years (post retirement), which is nearly 33% of the population. For Regional NSW this is 20.6%.

The median age for Berrigan is 52, whilst for Regional NSW it is 43, indicating a substantially older population than most of regional areas. However. The average for NSW is 39.

Over the the period from 2021 to 2031, the forecast population for the over 50 age group is 32% (4872 persons), which indicates strong and continued population ageing. By 2046, the growth in this cohort is over 20% (5515 persons).

Source: Population and household forecasts, 2021 to 2046, prepared by .id (informed decisions), August 2023.

Demographic Highlights

Relevant influencers



Tocumwal (2021): 2,862 people. Berrigan Shire (2021): Not specified, but for comparison: 0 to 17 years: 19.1% 60 years and over: 41.3%



Aged 0 to 17 years: 16.9%. Aged 60 years and over: 49.2%. Berrigan Shire: Aged 0 to 17 years: 19.1%. Aged 60 years and over: 41.3%



Tocumwal has a lower proportion of people aged 0 to 17 years compared to Berrigan Shire. Tocumwal has a higher proportion of people aged 60 years and over compared to Berrigan Shire.



Increase in Population: 175 people (+6.5%) Average Annual Population Change: 1.27% per year Significant Changes in Age Structure (2016 to 2021): Seniors (70 to 84 years): +212 people Secondary Schoolers (12 to 17 years): +53 people

Tocumwal Population

The population estimate for Tocumwal as of the 30th June 2023 is 2,858. Since the previous year, the population has declined by 0.97%. Population growth in Berrigan Shire was -0.10%.

Tocumwal's growth accounts for approximately one-third of Berrigan Shire's population. Between 2006 and 2021, Tocumwal's population increased by an average of 45 residents per annum, equating to an annual growth rate of 1.8%.

The township population is projected to grow at around 0.8% per annum to 2036 (+25 residents p.a.).

05 Supply

Supply

Assessment of competition - Land Lease communities & Retirement Villages

A review of competitors in the area was undertaken. There is an over 55s community being developed, which is Murray Haven Village, 21 Murray Haven Dr, Tocumwal NSW, Australia.

The current stock is predominantly older style 'manufactured caravan park style' dwellings. Recent advertised product is 2 bedroom and 1 bathroom with a single car space and offered furnished. No pricing was available at the time of writing. There are approximately 40 homes constructed with additional area that could see another 40 homes developed in the future. Recent sales for 3 Bedroom homes are in the range of \$280,000.

In Finley (20 minutes from the site in Tocumwal) there are 6 retirement living dwellings as part of the Alumuna facility. Current homes are being marketed from \$230,000 (2 bedroom) to \$280,000 (3 bedroom). There are 6 dwellings under construction with 42 planned for future stages.

Supply

Local project example: Murray Haven Over 55s



Supply

Local project example: Alumuna, Finley



Supply

Competing supply in Catchment

Villages	Operator	Distance from site	Current supply	Future supply	Pricing	Comments
Alumuna	Finley Regional Care	23km	6	42	\$230,000 to \$280,000	2 and 3 bedroom affordable style dwellings. Early stages of development. May compete to some extent
Murray Haven	Murray Haven	3 km	40	40	3 BR \$280,000	Older style caravan park style development. Considerable development land adjacent. Not viewed as a significant competitor given the product offer.
TOTAL			46	80		

06 Market Assessment

Market Assessment

Overview

HT Communities has developed a model to assess the potential demand for retirement living based product, relying on industry-standard metrics and developed scenarios to inform future planning. This analysis seeks to outline important market indicators that can assist in understanding the demand for retirement living products and test the potential depth of the market for the catchment area. This includes highlighting the key demographics (aged 55+), including:

- How many people living in these areas are within the target market
- How many are currently in retirement villages
- Forecasting potential future needs, and
- Market saturation / gaps or oversupply in product etc.

Population and demand

There are 4,453 people over 50 in the region at 2021. This is approximately 52% of the total population. However, over the next 10 years (2031), the forecast population for this group is approximately 4,872 (projected to grow by nearly 420 persons), which is approximately 10%.

Population projections of catchment

	Forecast	
Catchment	2021	2031
Total population	8612	9181
Target market (persons aged 55 and over)	4453	4872
Proportion aged 50 and over (%)	52%	53%

Market Assessment

Modelling

Estimating demand for seniors living products requires understanding how many people in the catchment who are in the target market elect to take up the opportunity. This is referred to as a penetration rate. This is the percentage of people over 50 (but increases significantly over 65) who are most likely take up seniors living options. We have focussed on people aged 50 and over in the modelling.

National data does exist for retirement villages and has been used as a guide for the modelling. Moreover, discussions with industry leaders in the Land Lease Community market broadly supports the parameters adopted.

The model has assumed that there will be a small amount of penetration in the 50-60 year age group (3%) and assumed household size of 1.6 (given the age of customer and likelihood of couples being attracted to the model).

It has also assumed a larger penetration in those aged over 60 years (6%) with a lower household size of 1.4 per household (with the likelihood of more single occupants as they age).

Once we can estimate numbers considering these factors (using industry or available survey data, for example), we can estimate how many houses are needed for the likely market in the defined catchment (i.e. assessing those couples and singles who would be seeking these options).

The penetration rates vary, as they are provided (via the Census) at a national and state level but can differ from region to region, often due to an appeal of an area to retire or there is more supply.

Market Assessment

Modelling (Continued)

We have modelled demand based on two possible scenarios to enable a high and low parameter, given the complexity of the above mentioned factors.

It is also important to note, that at a localised level (particularly where there is limited supply/competition), there is a possibility that penetration rates can be considerably higher.

A good example of this is in neighbouring Shepparton, where there are in excess of 350 land lease units that have been sold over the past decade. This would represent a penetration rate that is likely to be far higher than 6%.

Market Assessment

Modelling outcomes - Seniors Living

By assessing the population in the relevant age categories and future growth in these cohorts, we can assess the potential demand for seniors living homes in the current context and then develop projections to take into account population growth in the cohort.

Scenario 1 - Penetration Rate low and high

	Population	
Year	2021	2031
Total population	8612	9181
Target market (aged 65 and over)	4453	4872
Dwelling demand (low) - undersupply	256	240
Dwelling demand (high)- undersupply	295	283

It is important to note that the future forecast has lower market gap, due to the impact of future supply that is forecasted to occur in the other villages in the catchment. We have assumed that this doubles over the period and therefore would outpace new demand for dwellings.

It is important to note, however, that there is no certainty that the additional dwellings in the other villages will be delivered in that timeframe and therefore modelling is conservative.

Sources

Sources

Data has been sourced from OneMap, ABS Census of Population and Housing (2016 and 2021), NSW Government Population Projections, Corelogic sales data, Cordell Connect, ID Profile (via Council), RLC/PWC Retirement Living Census 2021 and other relevant industry data and primary market research.

The assessment of competing supply in the catchment was principally sourced from desktop research and industry knowledge.

Thank you



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Places with a human touch

FOR MORE INFORMATION
PLEASE GET IN TOUCH

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