



Oxford Falls Seniors Living Market Appraisal

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Frenchs Forest

PREPARED FOR

Dukor 24 Pty Ltd

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LIST OF ABBREVIATIONS

Australian Bureau of Statistics	ABS
Bureau of Transport Statistics	BTS
Development Control Plan	DCP
Local Environmental Plan	LEP
Local Government Area	LGA
Primary Area of Influence	PAI
Secondary Area of Influence	SAI
Statistical District	SD
State Environmental Planning Policy	SEPP
Social Impact Assessment	SIA

EXECUTIVE SUMMARY

HillPDA was commissioned by Dukor 24 Pty Ltd to undertake a Market Research Study ('the Study') in relation to a proposed development of an aged care estate known as "The Falls Estate". The Falls Estate would provide prestige "aged care living" to wealthy retirees who can afford a superior quality of living and lifestyle options while acquiring specialty medical care. The purpose of this Study is to assess the demand for a prestige aged care facility located on Sydney's North Shore.

The Subject Site (Lot 1113 DP 752038) is located at 48 Barnes Road, Frenchs Forest within a predominantly residential area. It is within close proximity to open space (various parks and reserves) and Warringah Mall shopping centre, allowing future residents of the facility good access to cultural, entertainment, recreational, retail and commercial services of the North Shore area. The site is also in close proximity to the 423 bed Northern Beaches hospital which is due for completion in 2018.

The Subject Site is 33,000sqm which is planned to accommodate 45 assisted living units comprising large single and twin suites together with dining rooms, treatment rooms, gymnasium and heated pool. The proposed development would be a 5-6 star service providing assisted living to seniors.

The purpose of this Study is to assess the likely demand for such a development within the Catchment Area, which has been defined to comprise the Local Government Areas of North Sydney, Mosman, Manly, Warringah, Pittwater, Lane Cove, Willoughby, Ku-ring-gai and part of Hornsby. This is defined as the catchment area where we expect the majority of residents will come from as people generally prefer to retire in the area they are familiar with and have closer proximity to family. Notwithstanding this there may be some residents from outside the Catchment Area due to the prestige quality of the development.

To inform this Study HillPDA have undertaken research into demographic characteristics, state and local government policies and trends into aged care housing. Research sources include the Federal and State Governments, Australian Productivity Commission, Access Economics, Australian Bureau of Statistics and the Australian Institute of Health and Welfare. The following summarises the key findings of the research.

Demographics

- Residents of the Catchment Area tend to be older and wealthier than those living within Greater Sydney. Compared to the Greater Sydney, the northeast quarter of the Sydney region is by far the wealthiest and most asset rich quarter;
- The Catchment Area contains a high proportion of lone person households when compared to Greater Sydney;
- The population of Sydney is forecast to increase from 4,284,300 persons in 2011 to 5,815,550 persons by 2031. This represents an increase of **+1,531,250** persons or **+36%** over the period. Persons aged 65+ is forecast to increase by **+470,700** persons or **+90%** over the same period increasing from 524,850 persons to 995,550. Of the 995,550 persons aged 65 and over in Sydney, **162,350** persons or **16.3%** are predicted to reside within the Catchment Area.

Strategic Policy Context

- The NSW Government recognises the State's population is ageing and identified the provision of sufficient diversity of housing provision such as aged care to meet future needs of seniors or people with a disability;
- Warringah Council also recognises that accommodating the needs of its ageing and disabled population is a key issue that must be addressed. Its Draft Warringah Housing Strategy identifies that the LGA requires "a diversity of housing options through the provision of a greater mix of housing, in terms of type, density and affordability, to accommodate an increasing and diverse population". The Strategy further identifies that the provision of dwellings for the elderly and disabled persons is a high priority for the LGA, with an annual demand for elderly and disabled persons of +67.3 dwellings and a forecast of an additional +1,480 such dwellings between 2010 and 2031.; and
- The 45 suites proposed by the development would only satisfy +3% of the +1,480 HSPD (Housing for the Elderly and Persons with Disabilities) that Warringah LGA is projected to demand between 2010 and 2031. It represents only 82% of one year's growth in demand in the LGA.

Demand for Aged Care Housing

- The Productivity Commission estimates that between 2013 and 2060 the number of Australia's aged 75 and over will increase by about 4 million;
- The Productivity Commission estimates that the number of centenarians will dramatically increase over the coming decades with one person aged 100 years or more for every 100 babies. This will increase to around 25 centenarians for every 100 babies born by 2060; and
- The NSW Government expects the number of people in the State aged 65 years and over will increase to 900,000 by 2031¹.
- Australia's ageing population will increase demand for aged care services significantly, particularly high care facilities;
- The needs of older Australians are expected to become more diverse in terms of their care requirements, income, wealth, cultural background and preferences. This trend will require aged care providers to be flexible and responsive to the changing needs of the elderly;
- Older Australians especially baby boomers will expect higher quality aged care services and greater choice in the services they use. They will also have increased financial capacity to pay for these needs.
- There is a high tendency and desire amongst older Australians to age in place.
- This movement from a large house to a smaller apartment will free up equity for these retirees to spend on lifestyle and health expenditure.

Demand for the Proposed Falls Estate

- The target market is the wealthiest decile of persons aged over 65 living in the catchment, which by 2021 will total around 13,300 people.

¹ Towards 2030 – Planning for Our Changing Population 2008

- These people, with net assets of \$3.5m or more, can afford to live in The Falls Estate for the remainder of their lives without diminishing the value of their net assets.
- The proposed Falls Estate will accommodate around 92 people which represents only 0.7% of the target market. Clearly demand far outweighs supply.

Supply of Existing Aged Care Facilities within Catchment Area

The key findings of the factors influencing current supply of aged care can be summarised as follows:

- The Catchment Area contained approximately 65 aged care facilities of these
 - **25 high care facilities**, these facilities contained 1,541 beds of which 13 were available;
 - **19 low care and supported living facilities**, these facilities contained 1,003 beds of which 5 were available; and
 - **21 facilities** that provide both **high care and low care**, these facilities contained 2,636 beds of which 4 were available.
- Of the 65 facilities surveyed 5,180 beds were provided of which 22 were vacant at the time of the survey, revealing a vacancy rate of 0.42%. This shows that such services are in high demand within the Catchment Area.
- Surveying of the comparative facilities revealed that there was high demand for aged care services with vacant beds experiencing high up-take rates.
- Analysis reveals that 39 aged care and retirement developments within the Catchment Area are in the pipeline. These have the potential of providing an additional **+1,038** places (20% of the current supply of 5,180) when constructed. Despite this, currently only one of the developments is under way providing 10 new places by July 2014.
- Given the volatile nature of developments it is highly unlikely that all of the facilities will be developed. Only 28 of the 1,038 places are in proposed developments that are categorised as “commenced” or “firm”. All other places are described as “possible” or “early”.

Conclusion

This Study found that the proposed Falls Estate would assist in meeting current and future demand for aged care services within the Catchment Area. The Study found that the Catchment Area currently contains an aging, affluent population with aged care facilities already experiencing a high demand for services. This is evident in the high turnover of vacant beds which currently comprise 0.4% of stock. Demand is forecast to increase with persons aged 65+ expected to increase by **+54,450** or **+50%** between 2011 and 2031 within the Catchment Area. If current demand levels are consistent, then the Catchment Area would demand an additional **+2,638** beds by 2031. If demand for aged care services increased and there was no further investment / development within aged care services, there could potentially be an undersupply of 2,759 beds by 2021 with this increasing to an undersupply of -4,520 beds by 2031.

However we believe that current supply levels are already too low based on the above market research showing levels of very low vacancies (0.4%) and long waiting times. According to Aged and Community Services Australia

10.5% of persons aged 70+ years received permanent residential care within Australia (equivalent to 7.9% of the 65+ age population)

If we apply the target rate of 7.9% of the population aged 65 and over then there is a current level of undersupply of around 3,300 beds in the catchment area. This is expected to deteriorate further with the growth and ageing of the population. Assuming all 1,038 beds that are proposed are realised by 2021 (a very optimistic forecast) there would still be a need for a further 4,289 beds at that time.

With only 45 rooms proposed, the development at Oxford Falls will provide only a minor contribution to addressing this demand.

The Catchment Area was found to be significantly more affluent when compared to Greater Sydney with aged care facilities within the area already charging residents upwards of \$134 a day for a high care. There are plenty of affluent residents in the catchment that would be willing and would have the capacity to pay a small level of additional premium for the prestige and high quality of care that the Falls Estate proposes to provide.

1. INTRODUCTION

HillPDA was commissioned by Dukor 24 Pty Ltd to undertake a Market Research Study ('the Study') in relation to a proposed development of an aged care estate known as "The Falls Estate". The Falls Estate would provide prestige "aged care living" to wealthy residents who live within the upper north shore and can afford a superior quality of living and lifestyle options while acquiring speciality medical care. The purpose of this Study is to assess the demand for a prestige aged care facility in Sydney's North Shore and Northern Beaches area.

For the purpose of this report the study area has been determined to comprise the Australian Bureau of Statistics (ABS) geographical area known as Statistical Area Level 4 (SA4)² known as Sydney - Northern Beaches and Sydney - North Sydney and Hornsby. These comprise the local government areas of North Sydney, Mosman, Manly, Warringah, Pittwater, Willoughby, Lane Cove, Ku-ring-gai and part of Hornsby. Due to the prestige and high quality of care that this development proposes to provide, we would also expect some capture from affluent persons living outside the catchment area.

1.1 Site Location

The Subject Site (Lot 1113 DP 752038) is located at 48 Barnes Road, Frenchs Forest (Figure 1). It is situated in a predominantly residential precinct in close proximity to open space (various parks and reserves), shops and services (Warringah Mall and the soon to commence Northern Beaches Hospital). The close proximity of such assets would allow future residents of the facility good access to cultural, entertainment, recreational, retail and commercial services of the North Shore and Northern Beaches area.

² Statistical Area Level 4 - The SA4 level represents the largest sub-state regionalisation of the main structure in the ASGS. Its main purpose is to provide the geographical basis for labour force statistics. In regional areas, SA4s represent a single, or clusters of labour markets, with an average population of between 100,000 and 300,000 people. While in a capital city labour markets will be broken up into sub markets of between approximately 150,000 and 500,000 people based on an analysis of travel to work data.

Figure 1 - Subject Site



Source: HillPDA and Mapinfo 12.5

1.2 Proposed Development Description

The Subject Site on Barnes Road is 33,000sqm. The proposed development is 45 assisted living units on the site of which utilises pre-existing buildings together with dining rooms, treatment rooms, gymnasium and heated pool. The proposed development would be a 5-6 star service providing assisted living to seniors which will be close proximity to the proposed development of the 423 bed Northern Beaches hospital (located nearby on the corner of Warringah Road and Oxford Falls Road) due for completion in 2018.

Dukor 24 Pty Ltd is currently preparing to lodge a new application to Warringah Council for the development of 45 suites. This is sought in order to make the facility financially viable and provide more accommodation. The development would further provide a 5 bed “specialist high care facility” for the exclusive use for guests only.

Figure 2 - Indicative Site Plan



Source: Marchese Partners International Pty Ltd, August 2014

2. DEMOGRAPHIC PROFILE

The following Chapter provides a profile of existing residents within the Catchment Area in order to better understand the employment, socioeconomic, lifestyle and social characteristics of these areas.

As described in Chapter 1, Catchment Area comprises the SA4s of Sydney - Northern Beaches and Sydney - North Sydney and Hornsby (Figure 3). This area includes the Local Government Areas (LGAs) of Manly, Mosman, Pittwater, Warringah, Willoughby, Lane Cove, North Sydney, Ku-ring-gai and part of Hornsby LGA.

The main sources of data used to inform this Chapter are the Australian Bureau of Statistics (ABS) 2011 Time Series Census Data and population projections from both the Bureau of Transport Statistics (BTS) 2012 projections.

The expanded demographic tables can be found in Appendix 1.

Figure 3 - Defined Catchment Area



Source: HillPDA and MapInfo 12.5

2.2 Existing Demographic Characteristics

The analysis below reveals that the Catchment Area has experienced significant population growth of **+51,602** persons or **+9%** over the period between 2001 and 2011, increasing from 561,553 persons to 613,155 persons. Despite this increase in population the area is characterised by an aging population with 21% of the population 60

years and over in 2011, this is compared to Greater Sydney in which persons aged within this cohort comprised 19% of the population in 2011. The Catchment Area has an over-representation of lone person households (23%) compared to 21% for Greater Sydney.

Persons living within the Catchment Area are further likely to be residing within a detached dwelling that they currently own or are in the process of owning. The household structure is likely to be a family with children which has witnessed an increase in proportion over the study period. This is in contrast to the wider Greater Sydney region which has been witnessing a decrease in couple with children. The area is characterised by affluent households that are mainly within “white collar” occupations.

Population Demographic Snapshot

Population

The Catchment Area of Influence's population has increased by **+9%** between 2001 and 2011 from 561,553 persons to 613,155 persons.

**Positive
population
growth +9%**



This is compared to a +11% increase in population recorded for Greater Sydney over the period.

Population composition

The proportion of older persons living in the Catchment Area is considerably higher than Greater Sydney and aging at a similar rate.

Older persons (aged 60 years and over) in the Catchment Area increased from 100,140 in 2001 to 122,560 in 2011 (an increase of **+22.4%** compared to only 9% for the total population). Older persons made up 18.1% of the total population in 2001. This increased to 20.2% in 2011.

Aging population



This is compared to Greater Sydney in which persons aged 60 years and over comprised 15.7% of the population in 2001, increasing to 17.9% by 2011.

Dwellings

Home Ownership

The area is characterised by high levels of home ownership (66% in 2011) which is one percent higher than it was in 2001.

**Homeownership
levels high and
increased**



This is compared to Greater Sydney's ownership levels which have decreased from 63% in 2001 to 62% in 2011.

Household Structure

Family households comprised the bulk of the household structure within the area over the period comprising approximately 69% households in 2011, an increase of **+2%** from the proportion recorded in 2001.

**Strong
representation of
family
households**



In comparison 69% of households in Greater Sydney were comprised of families in 2011, a decrease of -2% from 2011.

The area also contained a large proportion of lone person households, this proportion has remained stable at 23%.

**Large proportion
of lone person
households**



This is compared to Greater Sydney in which lone person households comprised 21% of the household structure in 2011.

Family Type

Couple families with children have increased **+1%** over the period to comprised the bulky of family types in 2011 (50%).

This was in line with that recorded for Greater Sydney (50%) which experienced a -1% decline over the period.

**Couple families
with children
dominate**



Dwelling Type

Detached dwellings comprise the bulk of dwelling types within the area comprising 52% of dwelling stocks in 2011 (**-3%** over the period). This dominance has been challenged by the increase in apartment stocks which increased **+4%** over the period to comprise 40% of dwelling stocks in 2011.

This is compared to Greater Sydney in which detached dwellings comprised 60% of dwelling stocks in 2011, a decrease of 3% over the period, which an increase in apartment and town house stocks has compensated for (27% and 13% respectively of dwelling types in 2011).

**Detached
dwellings have
decreased**



**Apartment and
town house style
dwellings
increased**



Labour Force

Occupation

51% of persons within the area stated they were within "white collar" occupations such as managers and professionals an increase of **+4%** from 2001.

This was significantly higher than that recorded for Greater Sydney at 37% respectively in 2011.

"Blue collar" professions such as labourers have decreased by **-2%** to comprise only 14% of occupations in 2011.

The remaining were within community, clerical and sales occupations (22% in 2011)

**Highly skilled
labour force**

51% white Collar

14% Blue Collar



Weekly Household Income

Weekly household incomes within the area were significantly higher than Greater Sydney.

In 2001 4% of households earned more than \$3,000 per week. This increased to 16% of households by 2011.

This is higher than 9% for Greater Sydney in 2011.

**High earning
potential**

**12% of
household have
a weekly
household
income of
\$3,000+**



2.3 Population Forecasts

The population of Sydney³ is forecast to increase from 4,284,300 persons in 2011 to 5,815,550 persons by 2031. This represents an increase of 1,531,250 persons or +36% over the period. Persons aged 65+ is forecast to

³ This includes the LGAs of Ashfield, Auburn, Bankstown, Blacktown, Blue Mountains, Botany Bay, Burwood, Camden, Campbelltown, Canada Bay, Canterbury, Fairfield, Hawkesbury, Holroyd, Hornsby, Hunters Hill, Hurstville, Kogarah, Ku-ring-gai, Lane Cove, Leichhardt, Liverpool, Manly, Marrickville, Mosman, North Sydney, Parramatta, Penrith, Pittwater, Randwick, Rockdale, Ryde, Strathfield, Sutherland Shire, Sydney, The Hills Shire, Warringah, Waverley, Willoughby, Wollondilly and Woollahra

increase by **+470,700** persons or **+90%** over the period increasing from 524,850 persons to 995,550 persons by 2031. Of the 995,550 persons aged 65 and over in Sydney, **162,350** persons or **16.3%** are predicted to reside within the Catchment Area.

Table 1 - Forecast Sydney (2011-2031)

Demographic Topics	No. of residents 2011	No. of residents 2021	No. of residents 2031	Increase in population 2011-2031	% increase 2011-2031
<15	797,850	979,400	1,105,050	307,200	39%
15-64	2,961,350	3,333,100	3,715,050	753,700	25%
65+	524,850	742,150	995,550	470,700	90%
All ages	4,284,300	5,054,500	5,815,550	1,531,250	36%
Population Increase 65+		+217,300	+253,400		

Source: PI 2013 Preliminary Population Projections

3. STRATEGIC POLICY CONTEXT

The following Chapter identifies the key policies and strategies as they relate to the proposed aged care facility.

3.1 State Planning Policies and Strategies

NSW 2021- A Plan to Make NSW Number 1 (2011)

The NSW 2021 Plan aims to rebuild the NSW economy, provide quality services, renovate infrastructure, restore government accountability and strengthen NSW's local environment and communities.

The Plan comprises five sub-strategies. The main sub-strategy that is of relevance to the Applicant's redevelopment is *Strengthening Our Local Environment and Communities* as it encourages opportunities for seniors in NSW to fully participate in community life. The Plan in particular highlights that over the next 25 years, the population of people aged 65 years and over in NSW is expected to more than double.

In response the NSW Government aims to deliver services that meet the needs of older people in the community, provide assistance and leadership to build evidence-based policy and high quality, diverse and relevant services for older people across NSW. Further, Goal 25 of the Plan stipulates that a whole of NSW Government strategy on ageing will be implemented by 1 July 2012. In addition, the Plan aims to implement standard retirement village contracts. The purpose of this is to allow consumers to better compare costs and conditions between retirement villages.

SEPP (Housing for Seniors and People with a Disability) 2004

The SEPP (Housing for Seniors and People with a Disability) encourages the provision of housing designed for seniors or people with a disability. The overarching aims of the policy are to:

- (a) *Increase the supply and diversity of residences that meet the needs of seniors or people with a disability, and;*
- (b) *Make efficient use of existing infrastructure and services; and*
- (c) *Be of good design.*

The proposed aged care facility is consistent with the aims of the SEPP in that it will increase the number of good quality aged care bedrooms available in the Warringah LGA and the wider North Shore region whilst utilising existing infrastructure. Further, the aim of the proposal is to replace the existing building onsite with an aged care facility with a 5 bed "specialist high care facility" and in doing so the development will be of good design which meets the needs of the aging population of the area.

This Policy applies to land within NSW that is land zoned primarily for urban purposes or land that adjoins land zoned primarily for urban purposes, but only if development for the purpose of any of the following is permitted on the land "dwelling-houses; residential flat buildings; hospitals; development of a kind identified in respect of land

zoned as special uses, including (but not limited to) churches, convents, educational establishments, schools and seminaries, or the land is being used for the purposes of an existing registered club.”

3.2 Metropolitan and Subregional Policies

Draft Metropolitan Strategy for Sydney 2031 (2013)

The Draft Metropolitan Strategy for Sydney sets the strategic direction for Sydney towards 2031. The overarching vision is that by 2031, Sydney will be a more compact, networked city with balanced growth, a more liveable city, increase productivity, improved accessibility and a healthier environment.

The Plan sets out the challenges which are facing Sydney including an ageing population and the demand for more suitable housing to reflect the population's changing needs. More specifically, it states that by 2031, the number of people aged 65 years will be approximately 900,000 persons this will have the impetus for Sydney to develop new more varied housing, social infrastructure and community services.

Of relevance to this Study, is Objective 5 of the Strategy which is to “*Deliver new housing to meet Sydney's growth*”. This Objective identifies that Sydney should develop at least a minimum of **+273,000** additional dwellings by 2021 and **+545,000** dwellings by 2031. In addition to this the Objective further states that new dwelling developments should be encouraged in areas close to existing and planned infrastructure in both infill and greenfield areas. The planned aged care facility within Frenchs Forest/Oxford Falls is in close proximity to existing infrastructure (major arterial roads of Warringah Road and Wakehurst Parkway, Dee Why Town Centre and Warringah Mall) and provides additional dwellings to cater for Sydney's growing population. The proposed aged care facility is consistent with the objectives and policies of the Draft Metropolitan Strategy for Sydney.

Draft Sydney North East Subregional Strategy (2008)

The draft Sydney North East Subregional Strategy focuses on the three local government areas (Pittwater, Warringah and Manly LGAs) that comprise the Area of Influence for this Study. One of the Strategy's actions was to provide *self-care housing for seniors and people with a disability*. The Strategy states that “*projections show that the population within the subregion aged over 65 years will increase significantly by 2031. The ageing population requires a change in housing and service demand.*”

The Strategy further establishes housing targets of an additional **+17,300** dwellings for the subregion, with Warringah LGAs specific target set at **+10,300** new dwellings to 2031. This reveals that the planned aged care development is consistent with the Strategy action of providing specialised housing and services to the region's projected aging population.

3.3 Local Planning Policies and Strategies

Draft Warringah Housing Strategy – May 2011

The Draft Warringah Housing Strategy aims at identifying areas that are suitable to provide additional housing within Warringah LGA to meet Warringah Council's housing targets till 2031. The Strategy was initiated as a response to the Metropolitan Strategy and the Draft North East Subregional Strategy.

In relation to this Study was is the Objective of facilitating “*a diversity of housing options through the provision of a greater mix of housing, in terms of type, density and affordability, to accommodate an increasing and diverse population*”.

Section 4.6 of the Strategy outlines the need to provide Housing for the Elderly and Persons with Disabilities (HSPD). The Strategy estimated that an additional **+1,480** HSPD dwellings would be needed within the LGA between 2010 and 2031. This was determined with an average demand of an additional HSPD's in the order of **+67.3** dwellings per annum within the LGA alone.

This reveals that 45 suites planned by the development would only satisfy approximately 3% of the projected 1,480 HSPD dwellings that Warringah LGA is projected to demand between 2010 and 2031 and only 86% of one year's demand in the LGA.

3.4 Key Findings

The key findings from the policy review are:

- The NSW Government recognises the State's population is ageing and identified the provision of sufficient diversity of housing provision such as aged care to meet future needs of seniors or people with a disability;
- Warringah Council also recognises that accommodating the needs of its ageing and disabled population is a key issue it must address. Its Draft Warringah Housing Strategy identifies that the LGA requires “*a diversity of housing options through the provision of a greater mix of housing, in terms of type, density and affordability, to accommodate an increasing and diverse population*”. The Strategy further identifies that the provision of dwellings for the elderly and disabled persons is a high priority for the LGA, with an annual demand for elderly and disabled persons of **+67.3** and a forecast of an additional **+1,480** such dwellings between 2010 and 2031.
- Analysis the Draft Warringah Housing Strategy finds that the 45 suites currently being sought by the development would only satisfy **3%** of the **+1,480** HSPD dwellings that Warringah LGA is projected to demand between 2010 and 2031 and only 86% of one year's demand.

4. DEMAND ASSESSMENT AND MARKET APPRAISAL

The following Chapter provides an overview of the types of aged care housing and the factors influencing future demand for aged care.

4.1 Types of Seniors Housing and Aged Care

Aged care is divided into two categories – home based (community) care and care provided in residential facilities. What follows is a snapshot of the types of aged care and their associated level of care.

Home Based (Community) Care

Independent Living: this form of accommodation relates to older Australians who are still independent and therefore able to continue living at home but may need some support. Independent Living Communities can be designed for people who are able to live on their own, but desire the security and conveniences of community living. Most communities provide organised social recreational programs and activities. Dining services can be available as well as custom meal plans.

Congregate Living: this form of accommodation is suitable for residents in good health who want independence and companionship. They generally live within their own apartments, share common areas, social activities, dining areas and amenities.

Residential Aged Care

Low Care – Assisted Living: this form of accommodation is suitable for those who can no longer live on their own, but don't require a high level of assistance. Assistance with medications, activities of daily living, three meals a day and housekeeping can be provided in these communities. Residents live in their own private apartments, which often have a kitchen area.

High Care – Continuing Care, Nursing Care, Alzheimer's Care and Rehabilitation: these forms of accommodation provide for older Australians with a range of health and support needs. Twenty-four hour skilled nursing services are available in all of these communities. Residents generally have high care needs and complex medical conditions that require routine skilled nursing, physical therapy and rehabilitation care as well as other ancillary services. This is the type of care provided by the existing and proposed aged care facility at the Site.

4.2 The Growing Demand for Aged Care Housing

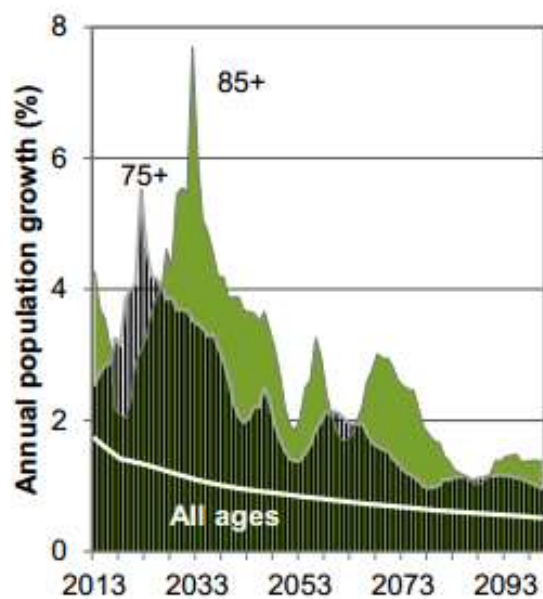
The Australian population is aging and demand for aged care growing:

- The Productivity Commission estimates that between 2013 and 2060 the number of Australians aged 75 and over will increase by about 4 million;

- The Productivity Commission estimates that the number of centenarians will dramatically increase over the coming decades with one person aged 100 years or more for every 100 babies. This will increase to around 25 centenarians for every 100 babies born by 2060; and
- The NSW Government expects the number of people in the State aged 65 years and over will increase to 900,000 by 2031⁴.

Figure 4 - Australian Forecast Population Ageing Until 22nd Century

Growth rates of the oldest is set to dramatically increase over the next 20 years



Source: Productivity Commission Research Paper 2013

Chapter 2 of this Study has identified that over the next 17 years the fastest growing age group in the Catchment Area will be residents aged 60 years and over, by 2031 the number of elderly residents will have increased by **+13,848** persons or **+28%**. This age group contains persons that are typically the main users of high care services. These statistics highlight that Australia's community is rapidly ageing and that demand for aged care services – particularly high care services – is likewise increasing.

4.3 The Demand for Increased Quality and Choice

Another important influence in the demand for aged care amongst older Australians is the expectation of higher quality aged care services, greater choice in the services they use and increased financial capacity to self-fund their retirement needs. The Productivity Commission notes that the next generation of retirees and elderly – the Baby Boomers – represent the wealthiest households in Australia, with a net worth of around \$391,000 which is \$88,500 higher than the average for all Australians⁵. In a 2008 study titled "Trends in Aged Care Services" the Productivity Commission received a number of submissions related to the baby boomers expectation for increased quality and choice of aged care services. A few of these are included in the box below.

⁴ Towards 2030 – Planning for Our Changing Population 2008

⁵ Australian Government Productivity Commission, Trends in Aged Care Services: some implications 2008

Mercy Aged Care:

... already the baby boomer generation have very high expectations for their parent's care – expectations which often cannot be met under the current system. Their requests on behalf of their ageing parents can be extrapolated to their own future care preferences. They will be prepared to pay extra to receive services of superior quality, they will demand greater choice, and they will want to tailor–make services to meet their individual needs⁶.

Catholic Health Australia:

The prevailing view is that the 'baby-boomers' will be more demanding, will expect services to be available when they need them, will expect them to be built around and tailored to their individual needs and will want the choice of where their care is delivered, in their own home or in a residential aged care service. They will want to stay at home as long as possible. They will want a range of different types of residential aged care facilities, will be prepared to pay more for their accommodation, but will expect better services and greater choice⁷.

TriCare:

The expectation of baby boomers, who are currently placing their parents in extra service, is likely to be far greater than the current preference of their parents who came to maturity during the second World War and Great Depression. Baby boomers have extended their asset base from ownership of property to the acquisition of substantial superannuation investments. This has provided them with increased personal wealth and a greater capacity to exercise choice over standards, service and location in retirement⁸.

Despite the overall wealth of the Baby Boomers vulnerable groups in the community remain. For example, Anglicare Australia have identified that older women who have dedicated time to raising families and spent less time in the workforce will have accumulated less savings and superannuation to finance their retirement and aged care needs⁹.

The challenge for the aged care sector is therefore to be sufficiently flexible to provide quality services to those supported by the government while also offering the quality and breadth of services demanded by those with increased financial capacity.

4.4 Ageing in Place

In their 2013 Bulletin the Australian Institute of Health and Welfare (AIHW) found that amongst older Australians (50 years and over) there was a high desire to age in place with location being a major motivating factor when deciding where to live amongst this older age group¹⁰. This reveals a high desire for persons living within an area to remain within that general location long into retirement age.

⁶ Mercy Aged Care, Response to Productivity Commission's invitation to comment for the Trends in Aged Care Services project 2007

⁷ Catholic Health Australia, Response to Productivity Commission's invitation to comment for the Trends in Aged Care Services project 2007

⁸ TriCare, Response to Productivity Commission's invitation to comment for the Trends in Aged Care Services project 2007

⁹ Anglicare Australia, Submission to the Review of Subsidies and Services in Australian Government Funded Community Care Programs 2007

¹⁰ The desire to age in place among older Australians Volume 1: Reasons for staying or moving Bulletin 114 • March 2013

Another factor determining aging in place was found to be the nature of the tenure type, with persons owning the dwelling they resided in scoring highest on “*staying in place*”. This group intended to move less when compared to other tenure types. Owners were the least likely to respond with that they “*could not afford to move*”. This is evidence that persons who own their dwelling actually intend to age in place even though they can afford to move¹¹. As can be seen in Chapter 2 the Catchment area contains a high proportion of dwelling tenure type stated as own or in the process of being owned (66% in 2011). This suggested that persons within the Catchment Area are highly likely to choose to age in place when compared to the wider Greater Sydney Area.

4.5 Older Australians and Downsizing

The Baby Boomer demographic of Australia are now reaching retirement age. This age group is more affluent, have more cumulative assets, will live longer and are more mobile when compared to previous generation of retirees. Chris Johnson Chief Executive Officer from Urban Taskforce Australia has stated that with the aging of Australia’s population and the onset of the retirement of the Baby Boomers, there will be a need for traditional retirement homes as well as a new emerging residential market of downsizers. These downsizers will be moving from large houses to apartments usually in the locality of familiarity, but closer to amenities and transport infrastructure¹².

This movement from a large house to a smaller apartment will free up equity for these retirees to spend on lifestyle and health expenditure. For example the median house price in Warringah LGA in February 2014 was \$1,225,000 with median unit prices in the same quarter being \$583,750¹³. Hence residents downsizing within this LGA could potentially free up \$641,250 and a lot more for higher price homes. Compared this to Greater Sydney in which the median detached house price for the September Quarter 2013 was a lot lower at \$770,000 and unit median price was \$573,000 – a difference of only \$197,000 which is significantly lower than any of the Catchment LGAs.

This analysis reveals that persons downsizing within the Catchment LGAs have the potential to down size and still retain equity in the order of \$430,000 to over \$1m. Persons within these areas are also likely to have other assets which could be transferred into equity latter on in retirement.

¹¹ The desire to age in place among older Australians Volume 1: Reasons for staying or moving Bulletin 114 • March 2013

¹² Urban Ideas, Urban Taskforce May 2013

¹³ *NSW Rent and Sales Report, September Quarter 2013

Table 2 - Potential Net Equity from Downsizing

LGA	Median House Price	Median Unit Price	Net Difference
Warringah	\$1,225,000	\$583,750	\$641,250
Pittwater	\$1,110,000	\$680,000	\$430,000
Manly	\$1,600,000	\$860,000	\$740,000
Mosman	\$1,845,000	\$700,500	\$1,144,500
North Sydney	\$1,867,500	\$870,750	\$996,750
Lane Cove	\$1,500,000	\$682,500	\$817,500
Willoughby	\$1,637,500	\$730,000	\$907,500
Ku-ring-gai	\$1,533,000	\$710,000	\$823,000
Hornsby	\$1,020,000	\$550,000	\$470,000
Greater Sydney	\$770,000	\$573,000	\$197,000

Sources: RP Data Median Price - February 2014

Since 1 September 2013 to 9 April 2014 there were 6,836 houses sold within a 10km radius of Frenchs Forest. The median house price was \$1.3m but the highest quartile price was \$1.73m. The highest decile price was \$2.4m and the fifth highest percentile was \$3.0m¹⁴. A person or couple that owns a \$3m house outright can easily downsize to an apartment or retirement apartment with considerable net equity. Many of these people have other assets as well including equity, superannuation and investment properties.

Asset worth is correlated to income as shown in the table below.

Table 3 - Household Assets by Household Income Quintile (Australia 2011-12) (\$,000s mean values)

Asset Type	Lowest	Second	Third	Fourth	Highest	All Households
Financial Assets (including Super.)	104.1	163.6	215.6	279.0	600.7	272.6
Fixed Assets (including property)	376.4	419.5	488.1	610.3	1,034.3	585.7
Total Assets	480.5	583.1	703.7	889.3	1,635.0	858.3
Total Liabilities	29.8	51.2	105.6	168.2	295.8	130.1
Net Assets	450.7	531.9	598.1	721.1	1,339.2	728.2

Source: ABS Household Wealth and Wealth Distribution, Australia, 2011–12 Cat. 65540DO001_201112, Table 24

As shown above households in the highest quintile household income group have net assets almost double the mean for all households and two and half times more than the third or middle income quintile. Given that 44% of households in the Catchment Area are in Australia's highest income quintile this implies a large proportion of households are very asset rich.

It is generally understood that wealth accumulates with age and tenure type is related to life cycle. Only 23.9% of couples with children own their home without a mortgage. However for couples with or without dependents where the eldest is 45 to 55 years the proportion that own their house without a mortgage increases to 55.1%. At above 65 years it increases further to 82.1%¹⁵. Household assets by lifecycle is shown in the table below.

¹⁴ RPData house sales¹⁵ ABS Household Wealth and Wealth Distribution, Australia, 2011–12 Cat. 65540DO001_201112, Table 23

Table 4 - Household Assets and Liabilities by Selected Life Cycle Groups (Australia 2011-12) (\$,000s)

Family Type / Life Cycle	Financial Assets (including Super.)	Fixed Assets (including property)	Total Assets	Total Liabilities	Net Assets
Lone person aged under 35	74.8	185.1	259.9	99.9	160.0
Couple only, reference person aged under 35	107.4	342.3	449.7	190.5	259.2
Eldest child under 5	163.1	539.1	702.2	243.2	459.0
Eldest child 5 to 14	323.0	711.1	1,034.1	231.1	803.0
Eldest child 15 to 24	440.3	911.2	1,351.5	217.4	1,134.1
Dependent and non-dependent children only	382.1	861.2	1,243.3	223.7	1,019.6
Non-dependent children only	412.0	920.4	1,332.4	158.5	1,173.9
Couple only, reference person aged 55 to 64	548.2	821.2	1,369.4	103.0	1,266.4
Couple only, reference person aged 65 and over	432.8	777.8	1,210.6	21.4	1,189.2
Lone person aged 65 and over	167.6	460.2	627.8	5.3	622.5

Source: ABS Household Wealth and Wealth Distribution, Australia, 2011–12 Cat. 65540DO001_201112, Table 22

As shown in the table above cumulative assets increase with age. Interestingly liabilities would appear to peak with mid-life cycle. Older people have less liabilities and hence stronger net asset levels as shown in the table below.

Table 5 - Household Assets by Age of Reference Person (Australia 2011-12) (\$000s mean values)

Asset Type	15–24	25–34	35–44	45–54	55–64	65–74	75 and over	All Hseholds
Financial Assets (including Super.)	68.3	97.0	212.3	339.3	439.6	363.1	212.1	272.6
Fixed Assets (including property)	96.6	306.7	575.3	708.2	757.9	677.9	580.6	585.7
Total Assets	164.9	403.7	787.6	1,047.5	1,197.5	1,041.0	792.7	858.3
Total Liabilities	49.3	156.6	215.5	174.7	111.1	33.3	5.8	130.1
Net Assets	115.6	247.1	572.1	872.8	1,086.4	1,007.7	786.9	728.2

Source: ABS Household Wealth and Wealth Distribution, Australia, 2011–12 Cat. 65540DO001_201112, Table 24

The table above depicts household assets and liabilities by age throughout Australia. The ratio of Net Assets to Fixed Assets (including property) for the 65-74 age cohort is equal to 1.49:1. Accordingly, the population aged 65-74 years, owning a home within the Frenchs Forest 10km radius which is valued at the median house price (\$1.3m), would have an overall net asset averaging \$1.94m. Similarly, those aged 65-74 years which own a house falling within the top quartile house price (\$1.73m) and top decile house price (\$2.4m) would have net assets averaging around \$2.6m and \$3.6m, respectively.

4.6 The Target Market

The target market for the proposed Falls Estate is the wealthier end of aged persons (say 65+ years) living in the catchment. The capacity to afford to live in The Falls Estate is dependent on the level of net assets of the single person or couple. Appendix 3 provides a number of 20 year cash flow models based on three different scenarios:

- Single person that owns a median valued house in the catchment (\$1.3m);
- Single person that owns a first quartile valued house in the catchment (\$1.7m);
- Single person that owns a first decile valued house in the catchment (\$2.4m);

- Couple with a first quartile valued house; and
- Couple with a highest decile valued house.

Each scenario shows the commencing net asset, capital cost of buying into The Falls Estate, operating fee and interest earned on surplus cash (assumed at 6% per annum). Operating costs are assumed to increase at 3% per annum. The final column is the cash balance. What it demonstrates is that a single person in the catchment area with a median level of net assets can afford to buy into The Falls Estate. However the 6% interest on surplus cash is a little insufficient to maintain the lifestyle over a 20 year period. With a net asset in the first quartile however a single person has ample assets to maintain that lifestyle. Interest on net cash is more than adequate to meet annual costs and other living expenses and hence the value of his/her portfolio continues to increase. A couple however will require a higher level of net assets. Generally their net assets would need to be in the highest decile to afford the proposed resort.

In 2011 there were 108,000 persons above the age of 65 living in the catchment. This is expected to increase to 133,000 by 2021. The proportion of single person households increase with age. Almost half of persons over the age of 85 live alone¹⁶. 26% of these people lived alone and 57% lived with a spouse or de-facto spouse. The wealthiest 10% of couples and the wealthiest 25% of singles can afford The Falls Estate. A conservative estimate of 10% provides 13,300 persons that will be living in the catchment and can afford to live in the proposed resort. This is deemed to be the target market.

Based on 1.7 persons per apartment The Falls Estate will accommodate 76 persons which represents only 0.6% of the target market of 13,300 persons. There is little doubt that demand well exceeds supply.

4.7 Key Findings

The key findings of the factors influencing future demand for aged care can be summarised as follows:

- The Productivity Commission estimates that between 2013 and 2060 the number of Australia's aged 75 and over will increase by about 4 million;
- The Productivity Commission estimates that the number of centenarians will dramatically increase over the coming decades with one person aged 100 years or more for every 100 babies. This will increase to around 25 centenarians for every 100 babies born by 2060; and
- The NSW Government expects the number of people in the State aged 65 years and over will increase to 900,000 by 2031¹⁷.
- Australia's ageing population will increase demand for aged care services significantly, particularly high care facilities;

¹⁶ ABS Census 2011

¹⁷ Towards 2030 – Planning for Our Changing Population 2008

- The needs of older Australians are expected to become more diverse in terms of their care requirements, income, wealth, cultural background and preferences. This trend will require aged care providers to be flexible and responsive to the changing needs of the elderly;
- Older Australians especially baby boomers will expect higher quality aged care services and greater choice in the services they use. They will also have increased financial capacity to pay for these needs.
- There is a high tendency and desire amongst older Australians to age in place;
- This movement from a large house to a smaller apartment will free up equity for these retirees to spend on lifestyle and health expenditure;
- The people who live in the northeast quarter of Sydney Region (the Catchment Area) have high levels of accumulated wealth compared to Australia;
- The level of accumulated net wealth increases with the age of the resident in the Catchment Area;
- The target market is the wealthiest decile of persons aged over 65 living in the catchment, which by 2021 will total around 13,300 people;
- These people can afford to live in the resort without diminishing the value of their net assets;
- The proposed resort will accommodate around 92 people which represents only 0.7% of the target market.

5. SUPPLY ASSESSMENT

This Chapter provides a comprehensive analysis of existing aged care facilities within the Catchment Area noting various attributes such as name, address, contact details, number of rooms and vacancies (where available). Of this audit five facilities that are similar to the proposed development were selected for a more detailed review noting key performance indicators. The chapter further assesses supply of aged care facilities by researching recent and new aged care development within the pipeline.

5.1 Provision of Aged Care Facilities

To better understand demand of the proposed aged care facility it is essential to understand the existing level of provision and capacity of existing residential aged care facilities (high and low care) within the Catchment Area.

As such HillPDA has undertaken a desktop review of aged care facilities within the Catchment Area¹⁸. The detailed list of aged care facilities within the Catchment Area is provided in Appendix 2. From the audit it has been determined that a number of organisations provide residential aged care within the Catchment Area including:

- **25 high care facilities**, these facilities contained 1,541 beds of which 13 were available. Facilities surveyed included:
 - Bupa Roseville, 26 Pacific Hwy, Roseville NSW 2069
 - Turramurra House, 34 Curagul Rd, Turramurra NSW 2074
 - Whitehall Aged Care Facility, 27 Tryon Rd, Lindfield NSW 2070
 - Hall & Prior Caroline Chisholm Aged Care Home, 274 Burns Bay Rd, Lane Cove NSW 2066
 - Hall & Prior Glenwood Aged Care Home, 34 Greenwich Rd, Greenwich NSW 2065
 - UnitingCare Lynvale Nursing Home, 7-9 Lynvale Cl, Lane Cove NSW 2066
 - Bupa Mosman, 18 Bardwell Rd, Mosman NSW 2088
 - Hall & Prior Sirius Cove Aged Care Home, 17 Clanalpine St, Mosman NSW 2088
 - Montana Nursing Home, 36 Harbour St, Mosman NSW 2088
 - UnitingCare Georgian House, 50-52 McLaren St, North Sydney NSW 2089
 - Bayview Gardens Nursing Home, 90-96 Annam Rd, Bayview NSW 2104
 - Mona Vale House, 33 Bassett St, Mona Vale NSW 2103
 - Peninsular Nursing Home, 50 Golf Ave, Mona Vale NSW 2103
 - Principal Seaside, 184 Garden St, Warriewood NSW 2102
 - Aveo Minkara Aged Care Facility, 10 Minkara Rd, Bayview NSW 2104
 - Oceanview Aged Care Facility, 2 Jenkins St, Mona Vale NSW 2103

¹⁸ Desktop review was conducted on the 27/03/2014 and the 02/04/2014, excludes Hornsby LGA

- Seabeach Gardens Lodge, 26 Darley St East, Mona Vale NSW 2103
- Manly Vale Aged Care Facility, Cnr Condamine & Gordon Sts, Manly Vale NSW 2093
- Terrey Hills Nursing Home, 42 Booralie Rd, Terrey Hills NSW 2084
- Austral House, 4 Austral Ave, North Manly NSW 2100
- Palm Grove Nursing Home, 71A McIntosh Rd, Narraweena NSW 2099
- Plateau View Aged Care Facility, 7-11 Veterans Pde, Collaroy Plateau NSW 2097
- Elizabeth Lodge Aged Care Facility, 202 Mowbray Rd, Willoughby NSW 2068
- Chatswood Community Nursing Home, 256-258 Victoria Ave, Chatswood NSW 2067
- Forest View Nursing Home, 2 Tessa St, Chatswood NSW 2067
- **19 low care and supported living facilities**, these facilities contained 1,003 beds of which 5 were available. Facilities surveyed included:
 - Horton House Gordon, 695 Pacific Hwy, Gordon NSW 2072
 - Kopwa Archbold House, 16 Trafalgar Ave, Roseville NSW 2069
 - UnitingCare Kari Court Hostel, 251-257 Mona Vale Rd, St Ives NSW 2075
 - St Peter's Residential Aged Care, 3-5 Felton Ave, Lane Cove North NSW 2065
 - UnitingCare Kamilaroi Retirement Centre, 155 Longueville Rd, Lane Cove NSW 2066
 - UnitingCare St Columba's Retirement Centre, 15 Figtree St, Lane Cove NSW 2066
 - Glengarry, 1A Ellamatta Ave, Mosman NSW 2088
 - UnitingCare Garrison & Killarney Retirement Centre, 13 Spit Rd, Mosman NSW 2088
 - George Mockler House, 99 Elimatta Rd, Mona Vale NSW 2103
 - Pittwater Palms, 82 Avalon Pde, Avalon NSW 2107
 - ARV Marcus Loane House, 6-14 Macpherson St, Warriewood NSW 2102
 - Alexander Campbell House, 51 Cook St, Forestville NSW 2087
 - Pacific Lodge Aged Care Plus Centre, 15 Fisher Rd, Dee Why NSW 2099
 - Wesley Taylor Lodge, 156 Ocean St, Narrabeen NSW 2101
 - Allambie Heights Village, 3 Martin Luther Pl, Allambie Heights NSW 2100
 - ARV Brian Watt Lodge St Davids Village, 45 Cook St, Forestville NSW 2087
 - Dougherty Apartments, 1 Victor St, Chatswood NSW 2067
 - St Paul's Residential Aged Care, 27 Eastern Valley Way, Northbridge NSW 2063
 - Willoughby Community Hostel, 1 Warrah St, Chatswood NSW 2067
- **21 facilities** that provide both **high care and low care**, these facilities contained 2,636 beds of which 4 were available. Facilities surveyed included:

- ARV Roden Cutler Lodge, 10 Edward St, Gordon NSW 2072
- Southern Cross North Turrumurra Apartments, 402 Bobbin Head Rd, North Turrumurra NSW 2074
- UnitingCare Northaven Aged Care Facility Turrumurra, 1322 Pacific Hwy, Turrumurra NSW 2074
- HammondCare Residential Care North Turrumurra, 10 Murrua Rd, North Turrumurra NSW 2074
- Lourdes Aged Care, 95 Stanhope Rd, Killara NSW 2071
- Pathways Killara Gardens, 17 Greengate Rd, Killara NSW 2071
- Thomas & Rosetta Agst Aged Care Service, 1634 Pacific Hwy, Wahroonga NSW 2076
- UnitingCare Wesley Heights Aged Care Facility, 47 Birkley Rd, Manly NSW 2095
- Lansdowne Gardens, 11 Manns Ave, Neutral Bay NSW 2089
- James Milson Village, 4 Clark Rd, North Sydney NSW 2060
- Avalon House, 14 John St, Avalon NSW 2107
- Elizabeth Jenkins Place Aged Care Plus Centre, 8 Homestead Ave, Collaroy NSW 2097
- RSL LifeCare RSL ANZAC Village, 90 Veterans Pde, Narrabeen NSW 2101
- Scalabrini Village Allambie Heights, 167 Allambie Rd, Allambie Heights NSW 2100
- UnitingCare Wesley Gardens, 2B Morgan Rd, Belrose NSW 2085
- Windsong at Manly Aged Care Facility, 5-13 King St, Manly Vale NSW 2093
- Alexander Aged Care, 16 Victor Rd, Brookvale NSW 2100
- Ashley House Lodge, 97 Ashley St, Roseville NSW 2069
- Bupa Willoughby, 71-75 Sydney St, Willoughby NSW 2068
- Willowood Centre, 297 Mowbray Rd, Chatswood NSW 2067
- Pathways Sailors Bay, 170 Sailors Bay Rd, Northbridge NSW 2063

The table below shows that the 65 facilities surveyed provided 5,180 beds of which 22 were vacant at the time of the survey. This reveals a vacancy rate of 0.42% showing high demand for aged care facilities within the Catchment Area.

Table 6 - Aged Care Audit within Catchment Area

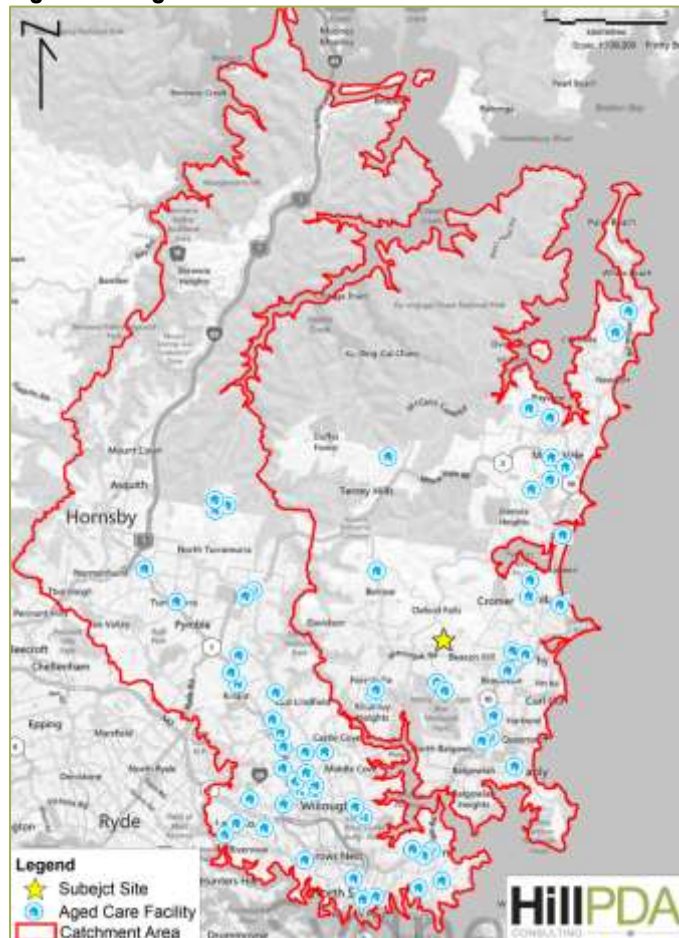
	Number of Facilities	High Care Beds	Low Care Beds	Available bed spaces	Total Beds	Percentage Available
Ku-ring-gai	13	540	559	5	1,099	0.45%
Lane Cove	6	209	209	1	418	0.24%
Manly	6	243	163	3	406	0.74%
North Sydney	3	195	78	2	273	0.73%
Pittwater	11	450	171	6	621	0.97%
Warringah	16	997	756	5	1,753	0.29%
Willoughby	10	341	269	0	610	0.00%
Total	65	2,975	2,205	22	5,180	0.42%

Source: Bupa Care Services, DPS Aged Care and HillPDA, excludes Hornsby LGA

In light of the above, and the expected increase in the number of Australians requiring residential aged care over the next 20 years (Chapter 2), it is unlikely the current provision of such facilities within the Catchment Area will meet future demand. Therefore without a substantial increase in the provision of residential aged care in the area elderly residents of the Catchment Area will not have the opportunity to remain within their local area and in close proximity to existing family and other social networks.

The proposed aged care facility will make a positive contribution towards the supply of modern/best practice residential aged care facilities within the Catchment Area.

Figure 5 - Aged Care Audit within Catchment Area



Source: HillPDA, MapInfo 12.5

5.2 Comparable Facility Case Studies

The following undertakes a more detailed assessment of five aged care facilities from the analysis above. The facilities have been decided upon due to their level of care, facilities and other attributes that are similar to the Falls Estate proposed development. HillPDA has undertaken a desktop review and telephone interviews with the facilities to understand the level of demand, services and fees.

Lansdowne Gardens, Neutral Bay NSW

The Lansdowne Gardens is located in Neutral Bay on Sydney's Lower North Shore. The facility states that it provides high level care to its residents with "*prestige and comfort comparable to the world's top hotels*¹⁹". The facility contains:

- 70 high care beds with double rooms, low care admissions, secure garden, library and specialist services (physiotherapy, aromatherapy, podiatry, gymnasium, massage, aquatic physiotherapy);
- 21 low care beds with aging in place, double rooms, secure garden and specialist services (physiotherapy, aromatherapy, podiatry, gymnasium, massage, aquatic physiotherapy); and
- Other services include a facility bus and hairdressing salon.

Lansdowne Gardens delivers 24 hour clinical and personal care. Experienced clinical staff reinforce this care with clinical expertise in medication administration, wound care, pain management, continence management and if needed, palliative care²⁰. The facility also provides personal assistants that will help with making calls, appointments, writing letters / e-mails, read to residents and take them on outings as well a chauffeur if necessary.

Interviews conducted with the facility found that they had two vacancies. Fees charged for high care beds was quoted at \$123 a day, while bonds on rooms were not divulged.



Source: DPS Guide

Terrey Hills Nursing Home

The Terrey Hills Nursing Home is located in Terry Hills. The operator of the Home is Thompson Health Care a family operated company. Thompson Health Care is stated as being "*a recognised leader and innovator in caring for the aged and over the last 40 years*" creating "*a new standard of excellence in aged care accommodation and resident care*"²¹. At the time of this Study the facility contained two spare beds. The facility provides:

- 102 high care beds with 16 secure dementia beds;
- Large individual and shared rooms all with ensuite bathrooms;
- Air conditioning;
- Flat screen televisions;
- The facility contains its own pets;

¹⁹ DPS Guide

²⁰ <http://www.lansdownegardens.com.au>

²¹ DPS Guide

- A secure garden;
- Aromatherapy;
- Hair salon; and
- A coffee shop.

Interviews conducted with the facility found that they had one vacancy. They commented that demand for places was high for aged care on the north shore.

Fee charged for high care beds was \$135a day, while bonds on rooms ranged from \$250,000 to \$500,000.



UnitingCare Wesley Heights Aged Care Facility, Manly

The UnitingCare Wesley Heights Aged Care Facility is located in Manly on Sydney's Lower Northern Beaches. The facility states it provides a friendly, home-like atmosphere with the residents encouraged to retain their individual identities and values. The facility is in close proximity to medical facilities, recreational areas (Manly Beach), Manly Town Centre with public transport providing quick and easy access to the city. Regular outings are taken to Warringah Mall, Warriewood Shopping Centre as well as local churches, beaches, sporting and social clubs²². The facility provides:

- 60 high care beds with 24 hour nursing; and
- 61 low care beds each with an ensuite.

Interviews conducted with the UnitingCare found that the company is a non for profit organisation as such the maximum daily rate for a bed is \$46.50. They report that demand for high care facilities was high across the North Shore Region and further across the wider Sydney Region.



Source: DPS Guide

Mona Vale House, Mona Vale

²² Source: DPS Guide

Mona Vale House is located within the suburb of Mona Vale on Sydney Northern Beaches. The facility is a family owned and operated business and is stated as creating “a new standard of excellence in aged care accommodation and resident care”. Residents of the facility have 24 hour access to personal medical care with further access to clinical care such as physiotherapy and aromatherapy massages. Room service can also be provided at an additional cost. Residents are also taken on regular outings, daily activities and in-house entertainment²³. The facility provides:

- 63 high care beds of which with 14 beds secure dementia rooms ; and
- The rooms are large private, twin share with en-suites containing air conditioning and flat screen televisions (approximately 16m² or more, excluding ensuite).

Interviews conducted with the facility found that they had one vacancy. Demand for places was high although dependant on the type of accommodation available i.e single bed or shared room.

Fee charged for high care beds ranged from \$100 a day for a single room to \$88 a day for a shared room, while bonds on rooms ranged from \$350,000 to \$500,000. The Representative advised that government subsidies were not provided.



Source: DPS Guide

Elizabeth Lodge Aged Care Facility, Willoughby

Elizabeth Lodge Aged Care Facility is located in Willoughby on Sydney’s North Shore. The facility is stated as having the “reputation of being the premier Extra Service facility on the Sydney’s North Shore”²⁴. The age care facility is a state of the art purpose built design offering comfort, landscaped gardens, large verandas, a library, city views, cable television, weekly outings, in house beauty salon and activities offering music therapy, art classes, dancing, trivia, current affair readings and discussion groups²⁵. The facility provides:

- 74 high care beds of which with 16 beds are secure dementia rooms ; and
- A personal call pendant system for residents needing assistance when not in bed.

²³ Source: DPS Guide

²⁴ Source: DPS Guide

²⁵ Source: DPS Guide



Source: DPS Guide

Market Research Findings

Findings from the market research indicate that there is a high demand for aged care services on the north shore area with all facilities surveyed stating that vacant beds were quickly occupied by new residents. Price points varied from \$88-\$134 a day for high care beds within the private facilities equating to a yearly fee of \$32,120-\$48,910 per room. This is just below that of the proposed Falls Estate daily fee of \$150 (\$54,750 a year) although given the high demand for such services, the exclusivity of the facility, the affluence of residents within the north shore couple with the offering and high quality of care the Falls Estate is proposed to provide, it is likely that there would be high demand for the facility.

Table 7 - Market Research Summary

Facility	High Care Charge per Day	Room Charge Per Year*	Bond on room
Lansdowne Gardens, Neutral Bay	\$123	\$44,895	
Terrey Hills Nursing Home	\$134	\$48,910	\$250,000 - \$500,000
Mona Vale House, Mona Vale	\$88 - \$100	\$32,120-\$36,500	\$350,000 - \$500,000
Elizabeth Lodge Aged Care Facility	-	-	-
UnitingCare Wesley Heights Aged Care Facility, Manly	\$46.50	\$16,973	
Proposed Falls Estate	\$150	\$54,750	

Source: this table has been compiled by telephone interviews with the above facilities. Please note that some information was not divulged by the interviewee as such information was deemed sensitive.

*Calculated by multiplying the daily charge rate by 365 days

5.3 Future Aged Care Provision

This section reviews aged care and retirement development activity within the Catchment Area, and focuses on aged care facilities, retirement villages, aged units, senior units and nursing homes. Please note that all developments that were stated as being completed prior to April 2014 and works relating to additions / refurbishments have been excluded from the analysis.

There are 39 proposed aged care and retirement developments within the Catchment Area (excluding Hornsby LGA). If all 39 of the proposed developments were constructed an additional **+1,038 places** would be available, increasing the current supply of places by **+20%**. This however would be outpaced by the growing demand of such services by an aging Catchment Area and wider NSW population analysed in Chapter 2.

Currently only one of these developments is under construction providing 10 new places by July 2014. It is important to note that the status of the remaining 38 proposed facilities range from firm to possible to early. This highlights the volatile nature of developments with many projects deferring construction or being abandoned.

It is highly unlikely that all these proposals will be realised. Only 28 of the 1,038 places are in proposed developments that are categorised as “commenced” or “firm”. The remaining development proposals are described as “possible” or “early”.

Below is a summary table of the proposed facilities.

Table 8 - Pipeline Aged Care and Retirement Facility Provision

Project Address	Project Council	Places	Completion Date	Status
2129 Pittwater Rd	PITTWATER	10	31/07/2014	Commenced
3 (Lot 6) Fitzpatrick Av West	WARRINGAH	4	26/08/2014	Firm
2079 (Lot 1) Pittwater Rd	PITTWATER	5	24/10/2014	Possible
15-17 (Lot 41 & 42) Heath St	PITTWATER	6	12/12/2014	Possible
9-11 Tristram Rd	WARRINGAH	8	12/12/2014	Possible
5 (Lot 9) Trevor Rd	PITTWATER	4	6/02/2015	Firm
2A (Lot 4) Heydon Av	KU-RING-GAI	3	13/02/2015	Possible
243 (Lot 1) Fisher Rd North	WARRINGAH	9	17/04/2015	Possible
9 (Lot 3) Wonga Wonga St	KU-RING-GAI	10	15/05/2015	Firm
146 (Lot 1) Mona Vale Rd	KU-RING-GAI	3	26/06/2015	Possible
254 (Lot 1) Warringah Rd	WARRINGAH	6	26/06/2015	Possible
2129 Pittwater Rd	PITTWATER	12	28/08/2015	Possible
238-240 Mona Vale Rd	KU-RING-GAI	72	30/10/2015	Possible
1468-1470 Pittwater Rd	PITTWATER	11	20/11/2015	Possible
27-55 Falcon St	NORTH SYDNEY	253	23/11/2015	Early
293 (Lot 90) Mowbray Rd	WILLOUGHBY	40	30/11/2015	Possible
11 & 13 Bernie Av	WARRINGAH	12	19/02/2016	Possible
695 Pacific Hwy	KU-RING-GAI	7	29/02/2016	Possible
21 Shirley Rd	NORTH SYDNEY	12	29/04/2016	Possible
186-200 Boundary St	WILLOUGHBY	26	29/04/2016	Possible
83 (Lot 51) Booralie Rd	WARRINGAH	50	22/07/2016	Possible
6-14 (Lots 3-5) Macpherson St (DP11611389)	PITTWATER	59	21/10/2016	Possible
Lot 203 Middle Head Rd	MOSMAN	93	28/10/2016	Possible
167 (Lot 2411) Allambie Rd	WARRINGAH	98	30/11/2016	Possible
1-7 Carlotta Av	KU-RING-GAI	0	31/03/2017	Early
67-71 (Lot 20) Archbold Rd	KU-RING-GAI	11	27/10/2017	Possible
67-71 (Lot 20) Archbold Rd	KU-RING-GAI	11	27/10/2017	Possible
67-71 (Lot 20) Archbold Rd	KU-RING-GAI	11	27/10/2017	Possible
80 Evans St & 4A Lumsdaine Dr	WARRINGAH	125	27/04/2018	Possible
35-41 Anderson St & 9-9A Kirk St	WILLOUGHBY	67	31/07/2019	Possible
Total		1,038		

Source: Cordells Connect

5.4 Key Findings

The key findings of the factors influencing current supply of aged care can be summarised as follows:

- The Catchment Area contained approximately 65 aged care facilities of these

- **25 high care facilities**, these facilities contained 1,541 beds of which 13 were available;
 - **19 low care and supported living facilities**, these facilities contained 1,003 beds of which 5 were available; and
 - **21 facilities** that provide both **high care and low care**, these facilities contained 2,636 beds of which 4 were available.
- Of the 65 facilities surveyed 5,180 beds were provided of which 22 were vacant at the time of the survey, revealing a vacancy rate of 0.42%. This shows that such services are in high demand within the Catchment Area.
 - Analysis reveals that 39 aged care and retirement developments within the Catchment Area are in the pipeline. These have the potential of providing an additional **+1,038** places when constructed. Despite this currently only one development is committed and under construction providing 10 new places by July 2014.
 - Given the volatile nature of developments it is highly unlikely that all of the facilities will be developed. Only 28 places in the above table are in the “commenced” or “firm” category. All other places are in the “early” or “possible” category. Only 68 places are envisaged to be completed by July 2015 including those in the “possible” category.

6. DEMAND SUPPLY FORECAST

This chapter uses the outcomes from Chapters 2, 4 and 5 to forecast and compare current and forecast supply and demand for aged care facilities to 2031.

The Catchment Area housed 107,900 persons aged 65+ in 2011 and provided 5,180 beds in aged care facilities. This is a ratio of 4.8% of the population over 65 years of age. If this ratio was held constant then the Catchment Area would require an additional +2,638 beds by 2031.

However we believe current supply levels are already too low based on the above market research showing conditions of low vacancies (0.42%) and long waiting times. Furthermore a survey conducted in 2011 by Aged and Community Services Australia found that 10.5% of persons aged 70+ years received permanent residential care within Australia. This is equivalent to 7.9% of the 65+ age population further demonstrating the under supply in the current market. To forecast demand HillPDA has adopted the target rate of 7.9% of the population over 65 years of age.

Table 10 below shows the growth in demand for, and undersupply of, aged care housing in the Catchment Area as forecasted over the next two decades.

Table 9 - Forecast Demand for Aged Care Beds 2011-2031

Years	Population 65+	Current Supply*	Demand**	Over / Under Supply
2011	107,900	5,180	8,524	-3,303
2021	133,000	6,218	10,507	-4,289
2031	162,350	6,218	12,826	-6,608

*Aged Care Audit within Catchment Area (2014). Assumes all proposals (1,038 places are completed before 2021)

** Calculated at a target capture rate of 7.9% of 65+ aged persons.

There is a current level of undersupply of around 3,300 beds based on the target rate of 7.9% of persons over the age of 65.

This is expected to deteriorate further with the growth and ageing of the population. Assuming all 1,038 places that are proposed are realised by 2021 there would still be a need for a further 4,289 places.

With only 45 rooms proposed, the planned Oxford Falls development will provide only a minor contribution to addressing this demand.

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6. This report does not constitute a valuation of any property or interest in property. In preparing this report Hill PDA has relied upon information concerning the subject property and/or proposed development provided by the Client and Hill PDA has not independently verified this information except where noted in this report.
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This valuation is prepared on the assumption that the lender or addressee as referred to in this valuation report (and no other) may rely on the valuation for mortgage finance purposes and the lender has complied with its own lending guidelines as well as prudent finance industry lending practices, and has considered all prudent aspects of credit risk for any potential borrower, including the borrower's ability to service and repay any mortgage loan. Further, the valuation is prepared on the assumption that the lender is providing mortgage financing at a conservative and prudent loan to value ratio.

Appendix 1 - DEMOGRAPHICS OF THE CATCHMENT

Table A1.1 – Population Characteristics (2011)

Catchment Area				Greater Sydney		
Population	2001	2006	2011	2001	2006	2011
Total Population	561,553	577,949	613,155	3,997,321	4,148,574	4,429,035
0-14	18%	18%	19%	20%	19%	19%
15-59	63%	62%	60%	63%	63%	62%
60+	19%	20%	21%	17%	18%	19%

Source: ABS Time Series 2011

Table A1.2 – Household Characteristics (2011)

Catchment Area				Greater Sydney		
	2001	2006	2011	2001	2006	2011
Home Ownership						
Owned or Being Purchased	65%	65%	66%	63%	61%	62%
Rented	28%	27%	28%	30%	30%	30%
Other/Not Stated	7%	8%	6%	7%	9%	7%
Household Structure						
Family Households	67%	67%	69%	70%	68%	69%
Lone Person Households	23%	23%	23%	21%	22%	21%
Group Households	5%	4%	4%	4%	4%	4%
Other Households	5%	6%	5%	5%	6%	5%
Family Type						
Couple family w. children	49%	49%	50%	51%	50%	50%
Couple family w/o children	37%	37%	37%	32%	32%	32%
One parent family	12%	12%	11%	15%	16%	16%
Other family	2%	2%	2%	2%	2%	2%
Dwelling Type						
Separate house	58%	57%	55%	63%	62%	60%
Townhouse	7%	8%	8%	11%	12%	13%
Flat-Unit-Apartment	33%	35%	37%	24%	26%	27%
Other dwelling	1%	1%	0%	1%	1%	1%
Not stated	1%	0%	0%	1%	0%	0%

Source: ABS Time Series 2011

Table A1.3 – Employment and Income Characteristics (2011)

	Catchment Area			Greater Sydney		
	2001	2006	2011	2001	2006	2011
Occupation						
Managers	17%	17%	17%	12%	12%	13%
Professionals	30%	32%	33%	21%	22%	24%
Technicians and trades workers(b)	9%	9%	9%	13%	12%	11%
Community and personal service workers	6%	7%	7%	7%	8%	8%
Clerical and administrative workers	16%	15%	14%	17%	16%	15%
Sales workers	9%	9%	8%	9%	9%	8%
Machinery operators and drivers	3%	2%	2%	6%	6%	5%
Labourers	4%	4%	4%	8%	8%	7%
Unemployment	4%	3%	4%	6%	5%	6%
Inadequately described/Not stated	2%	2%	2%	2%	2%	2%
Weekly Household Income						
\$0-\$399	11%	11%	9%	21%	18%	15%
\$400-\$799	16%	13%	10%	24%	21%	17%
\$800-\$1,249	20%	17%	13%	19%	19%	16%
\$1,250-\$1,999	24%	20%	20%	16%	16%	19%
\$2,000-\$2,999	14%	20%	24%	7%	11%	15%
\$3,000+	4%	10%	16%	2%	4%	9%
Partial Stated / Not Stated	10%	10%	9%	11%	10%	10%

Source: ABS Time Series 2011

Appendix 2 - RESIDENTIAL CARE FACILITIES IN THE CATCHMENT AREA

Table A2.1 – Residential Care Facilities within Catchment Area

LGA	Facility	Location	High Care Beds	Low Care Beds	Supported Living	Total	Available bed spaces	Phone
Warringah	Alexander Campbell House	51 Cook St, Forestville NSW 2087		35		35		9452 5878
Warringah	Elizabeth Jenkins Place Aged Care Plus Centre	8 Homestead Ave, Collaroy NSW 2097	60	66		126		1300 111 227
Warringah	Manly Vale Aged Care Facility	Cnr Condamine & Gordon Sts, Manly Vale NSW 2093	100			100	1	9949 1911
Warringah	Pacific Lodge Aged Care Plus Centre	15 Fisher Rd, Dee Why NSW 2099		59		59		9982 8477
Warringah	RSL LifeCare RSL ANZAC Village	90 Veterans Pde, Narrabeen NSW 2101	300	211		511		9982 6666
Warringah	Scalabrini Village	167 Allambie Rd, Allambie Heights NSW 2100	48	23		71		8977 1600
Warringah	Terrey Hills Nursing Home	42 Booralie Rd, Terrey Hills NSW 2084	102			102	2	9450 1719
Warringah	UnitingCare Wesley Gardens	2B Morgan Rd, Belrose NSW 2085	140	167		307		9452 3022
Warringah	Wesley Taylor Lodge	156 Ocean St, Narrabeen NSW 2101		74		74	2	9913 7040
Warringah	Windsong at Manly Aged Care Facility	5-13 King St, Manly Vale NSW 2093	72	10		82		9951 0400
Warringah	Alexander Aged Care	16 Victor Rd, Brookvale NSW 2100	40	29		69		9938 1514
Warringah	Allambie Heights Village	3 Martin Luther Pl, Allambie Heights NSW 2100		42		42		9975 5800
Warringah	ARV Brian Watt Lodge	St Davids Village, 45 Cook St, Forestville NSW 2087		40		40		8977 8200
Warringah	Austral House	4 Austral Ave, North Manly NSW 2100	35			35		9939 1288
Warringah	Palm Grove Nursing Home	71A McIntosh Rd, Narrabeena NSW 2099	54			54		9971 5389
Warringah	Plateau View Aged Care Facility	7-11 Veterans Pde, Collaroy Plateau NSW 2097	46			46		9982 4138
Manly	UnitingCare Wesley Heights Aged Care Facility	47 Birkley Rd, Manly NSW 2095	60	61		121		9977 7366
Pittwater	Avalon House	14 John St, Avalon NSW 2107	56	24		80	1	9973 0900
Pittwater	Bayview Gardens Nursing Home	90-96 Annam Rd, Bayview NSW 2104	73			73	2	9999 1591
Pittwater	George Mockler House	99 Elimatta Rd, Mona Vale NSW 2103		28		28	1	1800 551 834
Pittwater	Mona Vale House	33 Bassett St, Mona Vale NSW 2103	63			63	1	9910 7900

Pittwater	Peninsular Nursing Home	50 Golf Ave, Mona Vale NSW 2103	70		70		9997 5986
Pittwater	Pittwater Palms	82 Avalon Pde, Avalon NSW 2107		41	41		13 28 36
Pittwater	Principal Seaside	184 Garden St, Warriewood NSW 2102	55		55		9997 4633
Pittwater	ARV Marcus Loane House	6-14 Macpherson St, Warriewood NSW 2102		119	119		9998 3330
Pittwater	Aveo Minkara Aged Care Facility	10 Minkara Rd, Bayview NSW 2104	51		51		13 28 36
Pittwater	Oceanview Aged Care Facility	2 Jenkins St, Mona Vale NSW 2103	49		49		9997 5448
Pittwater	Seabeach Gardens Lodge	26 Darley St East, Mona Vale NSW 2103	33		33	1	9997 6383
Mosman	Bupa Mosman	18 Bardwell Rd, Mosman NSW 2088	64		64	1	9969 2500
Mosman	Glengarry Hall & Prior Sirius Cove	1A Ellamatta Ave, Mosman NSW 2088		44	44		9969 0907
Mosman	Aged Care Home UnitingCare Garrison & Killarney	17 Clanalpine St, Mosman NSW 2088	55		55	2	9960 7555
Manly	Retirement Centre	13 Spit Rd, Mosman NSW 2088		58	58		9960 2100
Mosman	Montana Nursing Home	36 Harbour St, Mosman NSW 2088	64		64		8969 2600
North	Lansdowne Gardens	11 Manns Ave, Neutral Bay NSW 2089	70	20	90	2	9953 0000
Sydney	UnitingCare Georgian House	50-52 McLaren St, North Sydney NSW 2089	66		66		8907 1000
North	James Milson Village	4 Clark Rd, North Sydney NSW 2060	59	58	117		9346 1512
Sydney	Hall & Prior Caroline Chisholm Aged Care Home	274 Burns Bay Rd, Lane Cove NSW 2066	79		79	1	9428 2466
Lane Cove	Hall & Prior Glenwood Aged Care Home	34 Greenwich Rd, Greenwich NSW 2065	56		56		9436 1707
Lane Cove	St Peter's Residential Aged Care	3-5 Felton Ave, Lane Cove North NSW 2065		93	93		1800 551 834
Lane Cove	UnitingCare Kamilaroi Retirement Centre	155 Longueville Rd, Lane Cove NSW 2066		74	74		9418 6088
Lane Cove	UnitingCare Lynvale Nursing Home	7-9 Lynvale Cl, Lane Cove NSW 2066	74		74		9419 7606
Lane Cove	UnitingCare St Columba's Retirement Centre	15 Figtree St, Lane Cove NSW 2066		42	42		9418 3611
Willoughby	Ashley House Lodge	97 Ashley St, Roseville NSW 2069	29	10	39		9412 2451
Willoughby	Bupa Willoughby Elizabeth Lodge Aged Care Facility	71-75 Sydney St, Willoughby NSW 2068	22	22	44		8962 9000
Willoughby	Willowood Centre	202 Mowbray Rd, Willoughby NSW 2068	74		74		9958 8290
Willoughby	Chatswood Community Nursing Home	297 Mowbray Rd, Chatswood NSW 2067	64	26	90		9089 8089
Willoughby	Dougherty Apartments Forest View Nursing Home	256-258 Victoria Ave, Chatswood NSW 2067	52		52		9413 9192
Willoughby	1 Victor St, Chatswood NSW 2067			68	68		9419 3000
Willoughby	2 Tessa St, Chatswood NSW 2067		47		47		9419 7260
Willoughby	170 Sailors Bay Rd, Northbridge NSW 2063		53	63	116		9917 7100
Willoughby	St Paul's Residential Aged Care	27 Eastern Valley Way, Northbridge NSW 2063		40	40		1800 551 834
Willoughby	Willoughby Community Hostel	1 Warrah St, Chatswood NSW 2067		40	40		9417 8443
Ku-ring-gai	ARV Roden Cutler Lodge	10 Edward St, Gordon NSW 2072	55	108	163		9499 1333
Ku-ring-gai	Bupa Roseville	26 Pacific Hwy, Roseville NSW 2069	45		45	1	9412 1437

Ku-ring-gai	Horton House Gordon	695 Pacific Hwy, Gordon NSW 2072		34		34	2	9499 2064
Ku-ring-gai	Kopwa Archbold House	16 Trafalgar Ave, Roseville NSW 2069		58		58		9412 0284
Ku-ring-gai	Southern Cross North Turramurra Apartments	402 Bobbin Head Rd, North Turramurra NSW 2074	25	89		114	1	9790 9400
Ku-ring-gai	Turramurra House	34 Curagul Rd, Turramurra NSW 2074	58			58	1	9144 2444
Ku-ring-gai	UnitingCare Kari Court Hostel	251-257 Mona Vale Rd, St Ives NSW 2075		55		55		9488 5100
Ku-ring-gai	UnitingCare Northaven Aged Care Facility	1322 Pacific Hwy, Turramurra NSW 2074	55	47		102		9449 5644
Ku-ring-gai	HammondCare Residential Care	10 Murrua Rd, North Turramurra NSW 2074	60	86		146		9488 1000
Ku-ring-gai	North Turramurra	95 Stanhope Rd, Killara NSW 2071	63	19		82		8467 4550
Ku-ring-gai	Lourdes Aged Care Pathways Killara Gardens	17 Greengate Rd, Killara NSW 2071	74	31		105		9418 5200
Ku-ring-gai	Thomas & Rosetta Agst Aged Care Service	1634 Pacific Hwy, Wahroonga NSW 2076	29	32		61		9489 5423
Ku-ring-gai	Whitehall Aged Care Facility	27 Tryon Rd, Lindfield NSW 2070	76			76		9416 1767
Total			3,975	2,205	41	5,221	22	

Source: Bupa Care Services, DPS Aged Care and HillPDA

Please note that this data was collected on the 27/03/2014 and the 02/04/2014

Appendix 3 - THE FALLS ESTATE AFFORDABILITY TESTING

Table A3.1 – Single Person in Catchment with Median Net Asset (\$000s)

Age	Net Assets at Start*	Capital Cost	Fee	OLE**	Interest***	Balance
70	\$1,881.8	-\$1,000.0	-\$27.0	-\$3.5		\$851.3
71			-\$55.6	-\$7.0	\$51.1	\$839.8
72			-\$57.3	-\$7.2	\$50.4	\$825.6
73			-\$59.0	-\$7.4	\$49.5	\$808.8
74			-\$60.8	-\$7.6	\$48.5	\$788.8
75			-\$62.6	-\$7.9	\$47.3	\$765.7
76			-\$64.5	-\$8.1	\$45.9	\$739.0
77			-\$66.4	-\$8.4	\$44.3	\$708.6
78			-\$68.4	-\$8.6	\$42.5	\$674.1
79			-\$70.5	-\$8.9	\$40.4	\$635.2
80			-\$72.6	-\$9.1	\$38.1	\$591.7
81			-\$74.7	-\$9.4	\$35.5	\$543.0
82			-\$77.0	-\$9.7	\$32.6	\$488.9
83			-\$79.3	-\$10.0	\$29.3	\$428.9
84			-\$81.7	-\$10.3	\$25.7	\$362.7
85			-\$84.1	-\$10.6	\$21.8	\$289.8
86			-\$86.7	-\$10.9	\$17.4	\$209.6
87			-\$89.3	-\$11.2	\$12.6	\$121.7
88			-\$91.9	-\$11.6	\$7.3	\$25.5
89			-\$94.7	-\$11.9	\$1.5	-\$79.6
90			-\$97.5	-\$12.3	\$0.0	-\$189.4

Note: Calculations for Annual Fee and OLE assume CPI of 3.0%

* Assumes 3% deduction for transaction costs;

** OLE= Other Living Expense; and

*** Assumes and interest rate of 6.0%

Table A3.2 – Single Person in Catchment with First Quartile Net Asset (\$000s)

Age	Net Assets at Start*	Capital Cost	Fee	OLE**	Interest ***	Balance
70	\$2,502.6	-\$1,000.0	-\$27.0	-\$3.5		\$1,472.1
71			-\$55.6	-\$7.0	\$88.3	\$1,497.8
72			-\$57.3	-\$7.2	\$89.9	\$1,523.2
73			-\$59.0	-\$7.4	\$91.4	\$1,548.1
74			-\$60.8	-\$7.6	\$92.9	\$1,572.6
75			-\$62.6	-\$7.9	\$94.4	\$1,596.5
76			-\$64.5	-\$8.1	\$95.8	\$1,619.7
77			-\$66.4	-\$8.4	\$97.2	\$1,642.1
78			-\$68.4	-\$8.6	\$98.5	\$1,663.6
79			-\$70.5	-\$8.9	\$99.8	\$1,684.1
80			-\$72.6	-\$9.1	\$101.0	\$1,703.4
81			-\$74.7	-\$9.4	\$102.2	\$1,721.5
82			-\$77.0	-\$9.7	\$103.3	\$1,738.1
83			-\$79.3	-\$10.0	\$104.3	\$1,753.1
84			-\$81.7	-\$10.3	\$105.2	\$1,766.3
85			-\$84.1	-\$10.6	\$106.0	\$1,777.6
86			-\$86.7	-\$10.9	\$106.7	\$1,786.6
87			-\$89.3	-\$11.2	\$107.2	\$1,793.4
88			-\$91.9	-\$11.6	\$107.6	\$1,797.5
89			-\$94.7	-\$11.9	\$107.8	\$1,798.7
90			-\$97.5	-\$12.3	\$107.9	\$1,796.8

Note: Calculations for Annual Fee and OLE assume CPI of 3.0%

* Assumes 3% deduction for transaction costs;

** OLE= Other Living Expense; and

*** Assumes and interest rate of 6.0%

Table A3.3 – Single Person in Catchment with Highest Decile Net Asset (\$000s)

Age	Net Assets at Start*	Capital Cost	Fee	OLE**	Interest***	Balance
70	\$3,492.0	-\$1,000.0	-\$27.0	-\$3.5		\$2,461.5
71			-\$55.6	-\$7.0	\$147.7	\$2,546.6
72			-\$57.3	-\$7.2	\$152.8	\$2,634.9
73			-\$59.0	-\$7.4	\$158.1	\$2,726.5
74			-\$60.8	-\$7.6	\$163.6	\$2,821.7
75			-\$62.6	-\$7.9	\$169.3	\$2,920.5
76			-\$64.5	-\$8.1	\$175.2	\$3,023.1
77			-\$66.4	-\$8.4	\$181.4	\$3,129.8
78			-\$68.4	-\$8.6	\$187.8	\$3,240.5
79			-\$70.5	-\$8.9	\$194.4	\$3,355.6
80			-\$72.6	-\$9.1	\$201.3	\$3,475.3
81			-\$74.7	-\$9.4	\$208.5	\$3,599.6
82			-\$77.0	-\$9.7	\$216.0	\$3,728.9
83			-\$79.3	-\$10.0	\$223.7	\$3,863.4
84			-\$81.7	-\$10.3	\$231.8	\$4,003.2
85			-\$84.1	-\$10.6	\$240.2	\$4,148.7
86			-\$86.7	-\$10.9	\$248.9	\$4,300.1
87			-\$89.3	-\$11.2	\$258.0	\$4,457.6
88			-\$91.9	-\$11.6	\$267.5	\$4,621.5
89			-\$94.7	-\$11.9	\$277.3	\$4,792.2
90			-\$97.5	-\$12.3	\$287.5	\$4,970.0

Note: Calculations for Annual Fee and OLE assume CPI of 3.0%

* Assumes 3% deduction for transaction costs;

** OLE= Other Living Expense; and

*** Assumes and interest rate of 6.0%

Table A3.4 – Couple in Catchment with First Quartile Net Asset (\$000s)

Age	Net Assets at Start*	Capital Cost	Fee	OLE**	Interest***	Balance
70	\$2,502.6	-\$1,000.0	-\$54.0	-\$7.0		\$1,441.6
71			-\$111.2	-\$14.0	\$86.5	\$1,402.9
72			-\$114.6	-\$14.4	\$84.2	\$1,358.0
73			-\$118.0	-\$14.9	\$81.5	\$1,306.6
74			-\$121.6	-\$15.3	\$78.4	\$1,248.2
75			-\$125.2	-\$15.8	\$74.9	\$1,182.1
76			-\$129.0	-\$16.2	\$70.9	\$1,107.9
77			-\$132.8	-\$16.7	\$66.5	\$1,024.8
78			-\$136.8	-\$17.2	\$61.5	\$932.2
79			-\$140.9	-\$17.7	\$55.9	\$829.5
80			-\$145.1	-\$18.3	\$49.8	\$715.9
81			-\$149.5	-\$18.8	\$43.0	\$590.5
82			-\$154.0	-\$19.4	\$35.4	\$452.6
83			-\$158.6	-\$20.0	\$27.2	\$301.2
84			-\$163.4	-\$20.6	\$18.1	\$135.4
85			-\$168.3	-\$21.2	\$8.1	-\$46.0
86			-\$173.3	-\$21.8	\$0.0	-\$241.1
87			-\$178.5	-\$22.5	\$0.0	-\$442.1
88			-\$183.9	-\$23.1	\$0.0	-\$649.1
89			-\$189.4	-\$23.8	\$0.0	-\$862.3
90			-\$195.1	-\$24.5	\$0.0	-\$1,081.9

Note: Calculations for Annual Fee and OLE assume CPI of 3.0%

* Assumes 3% deduction for transaction costs;

** OLE= Other Living Expense; and

*** Assumes and interest rate of 6.0%

Table A3.5 – Couple in Catchment with Highest Decile Net Asset (\$000s)

Age	Net Assets at Start*	Capital Cost	Fee	OLE**	Interest ***	Balance
70	\$3,492.0	-\$1,000.0	-\$54.0	-\$7.0		\$2,431.0
71			-\$111.2	-\$14.0	\$145.9	\$2,451.6
72			-\$114.6	-\$14.4	\$147.1	\$2,469.7
73			-\$118.0	-\$14.9	\$148.2	\$2,485.0
74			-\$121.6	-\$15.3	\$149.1	\$2,497.3
75			-\$125.2	-\$15.8	\$149.8	\$2,506.2
76			-\$129.0	-\$16.2	\$150.4	\$2,511.3
77			-\$132.8	-\$16.7	\$150.7	\$2,512.5
78			-\$136.8	-\$17.2	\$150.7	\$2,509.2
79			-\$140.9	-\$17.7	\$150.6	\$2,501.1
80			-\$145.1	-\$18.3	\$150.1	\$2,487.8
81			-\$149.5	-\$18.8	\$149.3	\$2,468.7
82			-\$154.0	-\$19.4	\$148.1	\$2,443.5
83			-\$158.6	-\$20.0	\$146.6	\$2,411.5
84			-\$163.4	-\$20.6	\$144.7	\$2,372.3
85			-\$168.3	-\$21.2	\$142.3	\$2,325.2
86			-\$173.3	-\$21.8	\$139.5	\$2,269.6
87			-\$178.5	-\$22.5	\$136.2	\$2,204.8
88			-\$183.9	-\$23.1	\$132.3	\$2,130.1
89			-\$189.4	-\$23.8	\$127.8	\$2,044.7
90			-\$195.1	-\$24.5	\$122.7	\$1,947.7

Note: Calculations for Annual Fee and OLE assume CPI of 3.0%

* Assumes 3% deduction for transaction costs;

** OLE= Other Living Expense; and

*** Assumes and interest rate of 6.0%