

Proposed development at Lourdes Retirement Village, Killara: Overview of social effects

Client:
Stockland Retirement Living

Date:
December 2016 (Updated May 2017)

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Date	5 May 2017
Document name	Social Effects Report 050517 Stockland EC Review.docx
Version	3

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1. Introduction

Purpose of this summary

This report has been prepared at the request of Stockland Retirement Living to accompany the masterplan submission to Ku-ring-gai Council, seeking amendments to planning controls for the Lourdes Retirement Village site in Killara. The application to Council is intended as a first step towards finalising a development proposal to be based on the master plan.

This report presents a short summary of significant social issues arising from the proposal. In particular it describes the evolving demand for retirement village including both the quantum of demand and characteristics demanded. It then outlines community impact issues that may affect future residents and the surrounding community. Finally, it flags several other issues which will be addressed in more detail as planning for the project proceeds.

Key aspects of the proposal

Lourdes Retirement Village currently consists of 108 independent living units and 49 serviced apartments operated and managed by Stockland Retirement Living, and a Residential Aged Care Facility, operated by Opal Aged Care, of 83 beds.

Stockland have reviewed the village, and have concluded that partial redevelopment is required, as the existing dwellings and infrastructure are already experiencing a decline in their useful life and cannot meet the expectations of the emerging baby boomer market, which differs significantly from the more modest demands of previous generations.

An indicative master plan has been prepared for the redevelopment. This is based around a revised structure plan that organises land uses, facilities, site features and circulation in a manner that reflects the findings of a site analysis and an analysis of opportunities and constraints.

Key elements of the master plan include:

- » Approximately 266 new apartments, offering a variety of styles and sizes
- » A new village 'Main Street', Village Green and community events space
- » Existing hall and chapel with new community facilities
- » A new community hub offering a range of facilities for residents
- » A modern, re-sited Residential Aged Care Facility
- » New landscaping and gardens including terraced gardens with relocated Grotto.

The master plan and accompanying design documentation are included with the application to Council, seeking to amend planning controls for the site.

2. Seniors Living: Needs and Demand

Introduction

This section looks firstly at the changing demand for retirement village living both in terms of scale (the quantum of demand) and nature (the characteristics demanded).

It then considers existing housing options at Lourdes and in the wider Local Government Area and at the needs that are emerging there.

Drivers of changing demand

The attitudes and expectations of older people have changed dramatically over recent decades, while numbers continue to increase. Organisations providing services and accommodation have had to respond to three main changes:

- *The continuing expansion of the older population:* The Australian Bureau of Statistics (ABS) projects that the number of people aged 65 or more will increase from 3.2 million in 2012 to 5.8 million by 2032¹. A major driver of this growth is increased longevity: between 1960 and 2013, life expectancy increased by 12 years for men and 10 years for women.
- *Cultural change:* Baby boomers expect choice. They are unwilling to accept the one-size fits all approach that was offered to previous generations, and they are unwilling to have choices made for them by other people².
- *Growing affluence:* A large proportion of older people are affluent enough to maintain their previous lifestyle into retirement. This is in part due to the increased value of their homes, but also to increased assets in superannuation and other investments.

Seniors' living providers are responding to these factors, and in particular seeking to address the demand for:

- Wider choice and higher quality of seniors' housing products
- More space within dwellings, and in particular inclusion of at least two bedrooms
- Access to a wider range of services and facilities, including "lifestyle" facilities as well as those related to health and support.

Changing demand

Retirement villages represent the largest contributor to the supply of "purpose built" accommodation for seniors. In 2014, NSW had approximately 42,600 retirement village dwellings, housing around 62,000 people. This represents 4.9% of the population of people aged 65 and over, which is well below the national average.

¹ ABS: 3222.0 Population Projections, Australia, Series B. 2015

² See for instance Kendig, H. & Neutze, M. 1999. *Housing implications of population ageing in Australia*. Productivity Commission and Melbourne Institute of Applied Economic and Social Research, 435-450.

The retirement village sector has been growing strongly over the last 20 years and if the current rate of growth continues, nearly 7.5% of older Australians will be retirement village residents by 2025 – double the number in 2014.

Like other home buyers, older people insist on products that meet their preferences and their budgets. For the reasons outlined in the previous section, preferences and budgets have changed dramatically in recent years. In many areas (including Ku-ring-gai) a large proportion of the existing retirement village stock was built between 20 and 40 years ago to modest standards of design and amenity, and is priced accordingly. However, many of today's retirees are seeking a more contemporary housing product offering better design, accessibility and layout, providing a setting in which they can maintain their quality of life. As a result, much of the old-style retirement housing is now experiencing falling demand, while demand for contemporary options cannot be met.

In order to address these changes, new retirement villages are being built to meet seniors' expectations about choice, standards, space, facilities and services, while older villages are looking at options for redevelopment to meet these demands. These options must in particular address two priorities:

- **Adequate space in the dwelling.** A desire to move to a more manageable home does not necessarily mean that an older person wants to move to a small one-bedroom unit. Older people typically seek accessible, well laid-out accommodation, and recent research by AHURI has found that most prefer a home with at least one spare bedroom. The research found that, among older home owners, 95% said they wanted at least one spare bedroom, and some said they needed two. The extra rooms were needed for a variety of reasons, in particular for visits by family and friends, space for home based activities (e.g. hobbies, office work, exercise, reading), or simply for storage or to accommodate furniture they did not wish to dispose of.

Purpose built seniors' housing has only recently started to reflect these preferences, and older retirement villages are dominated by small units, often with only one bedroom.

- **Easy access to lifestyle facilities and health and services.** A key issue for many seniors in the broader community is their limited access to health and recreational facilities/ opportunities, and not least to social activities. Retirement villages specifically respond to this need by providing onsite facilities for recreation and socialising, and by providing (or organising access to) services. Contemporary villages face demand from baby boomers for whom sport and recreation facilities, hobbies, social dining, etc. have always been a priority, and who expect that a range of services, ranging from allied healthcare to home delivered meals and domiciliary services, will be available.

Smaller, older-style villages are heavily constrained in their ability to respond to such demand because they lack economies of scale. Lifestyle facilities like onsite clubhouses and swimming pools, and services like domiciliary care provided by an onsite contractor are only viable if the client base is of sufficient scale. Larger villages also offer greater social opportunities and choice. The demand from retirees therefore strongly favours larger scale villages over smaller ones.

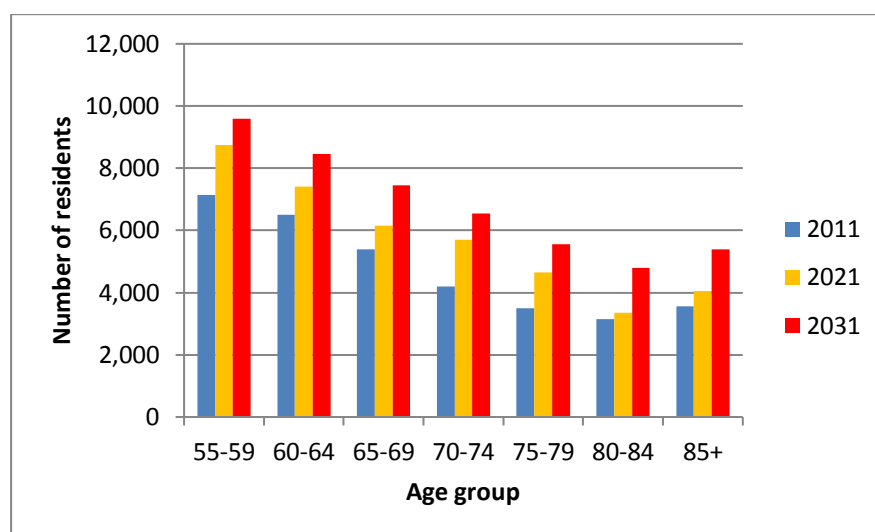
Seniors living needs in Ku-ring-gai LGA

Two characteristics are particularly important when considering the needs of older people in Ku-ring-gai:

- The LGA has a larger than average older population, and that older population is increasing. The NSW Government estimates that there were 21,700 people aged 65 or over in the LGA in 2016, representing 17.3% of the total resident population. Within a decade this is projected to increase by nearly 5,000 to 26,150 (or 18.1% of residents) and in 20 years to 32,300 (20.9%).³

³ All data from NSW Population Projections (2016) prepared by NSW Department of Planning and Environment
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**Figure 1 Projected growth in the older population 2011-2031
Ku-ring-gai LGA**



- The mainstream housing stock in the LGA is overwhelmingly comprised of large detached homes – in 2011, there were over 28,000 detached homes out of a total housing stock of 35,000.⁴ Older people are especially likely to live in large homes: nearly 60% of those aged 65 or over lived in a dwelling with four or more bedrooms in 2011⁵. While these homes clearly suit many older people, there is also a need for smaller and more manageable homes (and in particular, homes that do not have a large garden to maintain), and for adaptable homes, particularly for those with declining mobility. In many cases,

A further factor is particularly relevant to any assessment of the needs of older people in the LGA: the exceptionally high value of local homes. The median sale price of a non-strata dwelling in the LGA was around \$600,000 in the year 2000. In late 2016 it was just over \$1.9 million⁶. Consequently a large number of older people in the area can afford (and will in most cases choose) a high quality home, offering a good lifestyle, if they decide to move into a more manageable dwelling.

According to data from the ABS Census, 1350 people lived in self-contained dwellings in retirement villages in the LGA in 2011. This number represented approximately 5.4% of people aged 60 or over. In general, the likelihood of living in a retirement village increased with age, as the table shows.

**Table 1 Number of people living in retirement villages
Ku-ring-gai LGA, 2011**

Age group	Total in age group	Number living in RVs	Percent
100 years and over	33	3	9
90-99 years	1268	160	13
80-89 years	5294	706	13
70-79 years	7338	370	5
60-69 years	11200	111	0.1

Source ABS Census

⁴ It is noted however that a significant number of apartments have been built since 2011.

⁵ All data from ABS Census 2011

⁶ Source: NSW Government “Rent and Sales Report” No 118
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An internet audit of retirement villages in the LGA indicates that there are approximately 18 villages in the LGA. However, most of these are quite small. There are only six villages (including Lourdes) that provide over 100 dwellings. These villages are located in Turrumurra (Rohini), North Turrumurra (The Landings and Cotswold Village, which is a hybrid leasehold-tenure village), St Ives (Fernbank), and East Lindfield (Lindfield Gardens). With the exception of The Landings, all these villages largely offer traditionally designed dwellings with limited provision of larger units or quality internal fittings, and hence they are often very affordable compared to the local housing market, and include somewhat limited provision of contemporary recreation facilities.

As part of investigations into the future of Lourdes Village, Elton Consulting investigated the housing options available to seniors in Ku-ring-gai and concluded that the following gaps and shortages exist:

- Age-friendly housing options – in limited supply. The local mainstream market is dominated by large detached homes, often with substantial gardens. While popular with many older people, this housing does not meet the needs of those seeking or requiring more manageable or accessible accommodation.
- Unmet demand – demand for seniors' housing is growing faster than supply. Based on projected demand and national ratios, demand generated within the LGA for additional retirement village dwellings will run at more than 40 dwellings per annum, but this is predicated on the products being offered meeting the requirements of the local market.
- Contemporary, high quality design – not offered in dated developments. A majority of retirement villages are based on a dated design template from the 1980s, while recent mainstream apartment developments have in many cases been designed around the needs of younger working people.
- Larger retirement units, with storage and garages – demand greatly exceeds supply. There is, if anything, a surplus of small one-bedroom and studio units in the retirement village sector, while demand exceeds supply of larger units.
- Attractive, master-planned urban design – expected by contemporary buyers. Most retirement villages are landscaped but offer little in terms of high quality urban design or responsiveness to their setting. Mainstream developments of smaller or more manageable housing rarely offer adaptability or good access for people with limited mobility, and are often not located in age-friendly locations.
- Senior's housing that matches the local market – limited opportunities. The majority of purpose-built seniors dwellings are modest apartments located in older retirement villages. In many cases they are highly affordable. However a large proportion of locals can afford, and can be expected to seek out, a better-appointed product.

Based on these findings, the report found that there is strong demand for new retirement village dwellings some of which could be met by new development at Lourdes.

Demand for Residential Aged Care (RAC)

Residential Aged Care facilities were formerly known as Nursing Homes and Hostels.

As part of the master plan for Lourdes, it is proposed to replace the existing Residential Aged Care (RAC) facilities, originally constructed as separate low and high care elements, with an integrated facility to contemporary standards. The RAC will continue to be operated by Opal Aged Care, with whom Stockland has partnered to provide the professional expertise required for a high quality aged care service.

The continued presence of a RAC facility on the site is a core part of the future vision for Lourdes. It will deliver the potential for village residents to age in place even if their health deteriorates to the point where residential care is necessary, whilst continuing to provide access to local people from the Upper North Shore community.

The residential aged care sector is currently undergoing a thorough transformation, driven by major systemic reforms orchestrated by the Federal Government. These reforms aim to ensure that the sector can respond to a future in which most of the demand will come from people with complex or high level needs – while lower level needs are met through home delivered care programs. Consequently many older facilities are becoming uneconomic, because they cannot deliver the wide range of services and improved quality of accommodation that is now required. Redevelopment of the Lourdes RAC can therefore be expected to ensure that high quality care can be offered to the local community for many years to come.

3. Community Impact

Introduction

An increase in resident numbers has the potential to impact on services and facilities in the local area, with resulting effects for future residents and for people in the surrounding community. It is therefore relevant to consider what will be provided on site, and what is available in the surrounding area. Note that, at this early stage of planning, detailed plans for future facilities and services on site have yet to be prepared.

There are currently approximately 220 residents occupying independent living apartments and serviced apartments at Lourdes. This number is likely to increase by up to 250 people as a result of the new development⁷. This excludes residents in the RAC facility: residential care is now accessed almost exclusively by people with high-level needs most of whom will not be capable of leaving the facility itself. The facility will meet their needs and they will not place additional demands on outside facilities.

Transport

Resident needs will be met in three ways:

- Most incoming residents are expected to be car owners and drivers, and the proposal includes 1.5 car spaces per apartment.
- The 556 Bus Service passes through the site providing efficient public transport links.
- The village will continue to provide village buses, used for excursions including shopping trips.

Shopping and related services

There are excellent facilities in the area, notably at Lindfield (2 km away) and Gordon, with local facilities closer by, including an IGA at East Lindfield. A major redevelopment underway at Lindfield will offer improved shopping and community services.

Entertainment, socialising and dining

Residents will have access to good onsite facilities including a café, a range of indoor and outdoor communal facilities including a BBQ area and kitchen, a library, and facilities suitable for theatrical and cinema use. Expanded community facilities including a Community Events Space, are proposed as part of the development. The urban design of the proposal places emphasis on usable communal outdoor spaces that will promote social interaction, including a central “Main Street” and a village green.

Lourdes currently offers an extensive activities program for residents, ranging across hobbies, activity classes and outings. The increase in resident numbers will allow this range to be expanded.

A wide range of dining facilities, cafés and entertainment options (including clubs and cinemas) are also available in the surrounding areas.

Many local restaurants also offer home-delivered meals, ranging from pizzas to gourmet cuisine.

⁷ Based on existing average occupancy levels
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Services for seniors and people with a disability

The village will continue to provide a 24-hour emergency call system in each apartment. It will also offer consulting rooms for health care professionals, and pharmacy deliveries.

At this stage it is not possible to specify the range of onsite services that will be offered in future but the intention is to offer an increased variety, facilitated by the increased client base. It is anticipated that the increase in resident numbers will place limited additional demand upon external services, and that most of this additional demand will be for user-pays services which can expand their operations if demand justifies this. This conclusion is based on the expectation that most incoming residents will have incomes that are too high to access free means-tested services, particularly as current service models increasingly restrict access to these subsidised services, whilst offering increased access to paid services.

Health services in the area are good. Lourdes is located approximately 9km from the Royal North Shore Hospital, and there are large numbers of primary and allied health care practitioners nearby. Lourdes currently offers consulting rooms for onsite medical and allied health providers and will continue to do so.

The Government's My Aged Care website provides comprehensive information on care and support services available in each area. The site identifies the following services available to residents in Killara:

- Domestic Assistance (Cleaning, shopping etc): 55 Service organisations, about half reporting current availability.
- Home Nursing: Four services, one with current availability.
- Home Care Packages (HCP): The previous HACC, CACP and EACH programs have now been integrated as Home Care Packages Levels 1-4. Access is subject to needs assessment by the Aged Care Assessment Team. The great majority of services are government-subsidised and are free to low income seniors, while fees are generally charged to those who can afford them. According to My Aged Care, there are 79 HCP services catering to Killara, and more than half of them with current availability.

Recreation

The village will have a strong emphasis on lifestyle and recreation, with facilities including a swimming pool and spa, café, and community hub. There will be facilities for billiards, crafts and bowls and the existing chapel will be retained. Landscaping and open space will be improved to facilitate walking, including walking for exercise, within the site.

Facilities in the wider area include a golf club.

Conclusions

A good range of services and facilities are currently offered onsite. Resident numbers will increase as a result of the development, with the total number of apartments increasing from around 160 to around 340, and this will support expansion of these onsite services and facilities while having very limited impact on external services and facilities. Lourdes is currently well integrated with its local community thanks in part to the good transport links but also to resident's use of services and facilities in the surrounding area.

Probably the most notable impact will be some increase in demand for Level 3 and 4 HCPs, but this will not occur for a number of years because incoming residents are unlikely to need this level of care until some of them develop reduced mobility and increased disability, both of which become more prevalent with increasing age. Service providers will therefore have time to respond to changing demand, especially as the number of older people in the wider area is expected to increase substantially over the next decade.

4. Other social effects

Impacts on existing village residents

A management plan to minimise impacts on existing residents will be prepared as the project design moves forward. At this stage, it is relevant to note that two important factors will offer significant protection to these residents:

- The Retirement Villages Act 1999 provides substantial legal protection to existing residents affected by redevelopment, including a formal requirement that they should not be worse off financially.
- The staging of the project, which will include retention of some of the existing accommodation, will allow existing residents to be progressively relocated into this retained accommodation.

Construction impacts

Construction impacts will be addressed when detailed design and staging proposals for the project are in place.



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