

# Retirees hitting new heights in inner-city vertical villages

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Vertical retirement living has a few people scratching their heads.

It's the latest buzz phrase in aged care for retirees living in multi-storey buildings.

But many companies, such as Australian Unity and Stockland, believe it is the next big thing.

Typically, vertical developments offer independent apartment living with communal areas. Many such developments are linked to aged-care developments, either in the same building or next door, where retirees can transition as they get older and require greater levels of care.

Australian Unity executive general manager for residential communities, Beverly Smith, says vertical retirement living offers retirees something that they tend not to get in standard retirement villages that are typically situated in outer suburbs.

"Many people who have lived in or near city centres want to stay in the area," she says.

"They want to be near friends and families and want more flexibility and choice. People are attracted to inner-city retirement villages because of the vibrancy and the culture of the CBD, which typically will have more entertainment choices than the outer suburbs."

Australian Unity has 19 retirement villages in Victoria and NSW, incorporating 2363 apartments and 711 aged-care suites. The group's three new vertical communities — including Melbourne's Carlton community, which offers co-located retirement in Drummond Place and aged care in Rathdowne Place — are attracting a steady stream of inquiries.

Next year it will complete Melbourne's The Grace, Albert



The key to vertical villages are the connected aged-care facilities

Park Lake, which incorporates 79 apartments in 18 stories. Prices vary from \$650,000 for a one-bedroom apartment to \$1.142 million for a three-bedroom apartment.

Under the Deferred Management Fee model, tenants pay management costs on departure and share in the capital gain when apartments are sold.

The key to vertical villages are the connected aged-care facilities, which mean retirees can move from a retirement apartment into

aged care as their needs grow. Couples can remain close to each other if one needs to move sooner than the other. Clearly, having one parent in an apartment and the other in aged care is not a cheap arrangement, and may be out of reach of many families. Bed availability is another issue.

Stockland is following a similar model with a vertical retirement village at Birtinya, near Caloundra on the Sunshine Coast. The first two storeys of the eight-story

block are reserved for a community centre, gym, wellness centre and salons, while floors three to eight have 140 different-sized independent-living apartments.

## A breakthrough?

Central to this trend for high-rise retirement living is that, to continue to have viable businesses, retirement village operators must continually come up with new ways to attract the ageing popu-

lation. Many people simply don't want to live in a standard "old-style village", which tend to be in suburban and sea-change locations where land is cheaper.

The proliferation of different contracts shows that the retirement village operators have not been able to come up with a financial model that suits everyone (although the operators say that they are trying to give people choice). About 180,000 people live in retirement villages in Australia, a number that does not appear to be growing.

More commonly, retirees are happy to remain in their homes. Let's not forget that there are a lot of people who can afford to fund retirement themselves in their own homes and a lot of people who cannot afford the current retirement village model.

Meanwhile the government,

'People are attracted to inner-city retirement villages'

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AUSTRALIAN UNITY

via its Aged Care Roadmap, has indicated it wants people to live at home longer, reducing the need to support aged care. For the government, retirement villages represent a good halfway house, requiring less funding.

Vertical retirement villages not only give retirees access to central city locations where a multitude of services can be delivered cost-effectively, but they also allow the operators to provide smart technological infrastructure, and updates as they occur.

The prices may limit what sort of people will consider the apartments. It will be interesting to see how many of these are built over time in the outer suburbs and semi-rural areas.

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