

RELOCATING FOR RETIREMENT IN SOUTH AUSTRALIA

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ABSTRACT

This paper reports on the findings of a survey undertaken in 1999 into the decision-making processes of retirees who have relocated to retirement villages within the Adelaide Metropolitan District in South Australia (SA). The study recognises that the South Australia population is aging faster than for any other state in Australia and suggests that the decision making of retirees, both pensioned and self funded, are of interest to those in the areas of housing provision, housing investment and welfare provision.

This study identifies the characteristics of retirees who have moved into retirement villages and explores the main push and pull factors, which influence their decision to relocate. This study is important given the concern that has been expressed over appropriate accommodation for an aging Australian population and the lack of systematic canvassing of views within the retirement village population.

Keywords: Retirement village, housing, relocation.

INTRODUCTION

This paper reports on the findings of a survey undertaken in 1999 into the decision-making processes of retirees within the Adelaide Metropolitan District. Adelaide is the state capital of South Australia (SA) and has a resident population of one million. This study is important given the concern that has been expressed over appropriate accommodation for an aging Australian population and the lack of systematic canvassing of views within the retirement village population, despite the increasing development and promotion of retirement villages within the real estate industry. The decision making of retirees, both pensioned and self-funded, is of interest to those in the areas of housing provision, housing investment and welfare provision. As such, this study is useful as both private and “not for profit” organisations are represented. Comparable research within Australia (Manicaros & Stimson, 1998; 1999) has not been able to enlist the cooperation of “not for profit” organisations providing retirement village accommodation.

There have been a number of studies undertaken in the USA (Marans, 1983; Golant, 1987) where the environment of retirement villages, the health and “fit” of movers, and the push and pull factors with regard to relocation decisions have been recognised. More recently, research in Australia has been undertaken in Queensland (Stimson et al, 1997; Manicaros & Stimson, 1998; 1999) and in New South Wales (Eardley & Birch, 1998). However, as of 1999, little had been documented about the

location choices of households who move to retirement villages in SA. The survey results presented are considered useful in providing information to key groups within the retirement village industry. Potential and existing owners are looking to ensure returns through better market research. Sales teams need a sharper focus on the attributes that attract people to this niche market. Management is keen to ensure harmonious living arrangements. Policy makers are anxious to maintain sustainable and satisfactory environments for an expanding cohort. Finally, residents are full of good ideas, which can be documented and passed on for the benefit of existing and future retirees.

The aims of this study are to identify, as of 1999, the characteristics of retirees who have moved into retirement villages within the Adelaide Metropolitan District in the previous ten years and to explore the main push and pull factors which influence their decision to relocate. It also seeks to identify the factors which are important in the selection of an individual village and to examine how well retiree expectations are met after relocation. Finally, the study seeks to explore the implications of the findings for residents and for providers and managers within the retirement village industry.

BACKGROUND

A retirement village is a special type of segregated medium density housing which offers retirees particular forms of tenure. Residents must be persons of at least 55 years who have retired from full time employment. Tenure arrangements may be based on license or loan agreements, leasehold, strata or company titles. In Australia as of 1996 (ABS, 1999), some 41 per cent of retirement village residents owned their homes outright, while another 28 per cent occupied their dwellings under life tenure schemes resembling ownership.

Within SA, retirement villages are defined as schemes under the Retirement Villages Act 1987, schemes which identify complexes of residential units on common land. Under this legislation, most retirement village units in SA are occupied under a lease or licence which confers only the right to occupy, a right which is not transferable, and against which money cannot be borrowed. Alternative arrangements include right of occupation conferred by ownership of shares or purchase from an administering authority subject to repurchase or with restrictions on subsequent disposal. Retirement villages are described more generally as private "resident funded" establishments or church or other "not for profit" establishments. The village complexes usually offer a range of community and recreational facilities, while many "not for profit" establishments offer on-going care in the form of hostel and nursing home accommodation. As of 1999, there were at least 37 resident funded and some 70 "not for profit" complexes within Metropolitan Adelaide. Generally the location of these is linked to already existing high numbers of retired persons within suburbs.

As of June 1998, there were 2.3 million people in Australia over the age of 65 years or some 12.2 per cent of the total population. By 2051, this cohort is expected to account for almost one quarter of the total population (ABS, 1999). As a state, SA has the highest percentage of over 65's (see Table 1) with 14.2 per cent compared to a national average of 12.2 per cent.

Table 1: Proportion in age cohort: 1998

State/ Territory	% Total Population 65+ years in 1998	% Total Population 65+ years in 2051
NT	3.3	9.5
ACT	7.8	20.9
WA	10.5	22.2
Qld	11.3	23.0
Vic	12.6	25.7
NSW	12.7	24.6
Tas	13.1	31.8
SA	14.2	28.9
<i>Australia</i>	12.2	24.2

(Source: ABS 1999, Cat No 4109.0)

Nationally, it is recognised that as the baby boomer generation enters into retirement, Australia will become a more age dependent society as the percentage increase of those 65 years and older in the population grows (see Table 2). This demographic is further strengthened by the earlier retirement of many in the workforce either on a voluntary or involuntary basis.

Table 2: Projected annual rate of increase in population by age: 1986 to 2016

Year	% increase of 65+ years	% increase of 80+years	% increase of total population
1986–1996	2.7	4.4	1.3
1996–2006	1.8	3.8	1.1
2006–2016	2.9	1.9	0.8

(Source: Australian Institute of Health & Welfare, 1996)

Various estimates have been made of the Australian retirement village population. As of 1996, the Australian Bureau of Statistics (ABS) estimated that some 54,000 or 5 per cent of older people in Australia lived in self-care accommodation in retirement villages (ABS, 1999). The last official estimate of South Australia's retirement village population was 5000 in 1996. This was an increase of 1600 over the 1993 estimate (see Table 3).

Table 3: Number of persons aged 65+ in private dwellings in retirement villages*

State	Retirement Village Population Estimate in 1993	Retirement Village Population Estimate in 1996	Percentage of Total Australian Retirement Village Population in 1993	Percentage of Total Australian Retirement Village Population in 1996
NSW	19800	18800	49.5	35
Vic	7200	10200	18.0	19
Qld	3400	11300	8.5	21
SA	3400	5000	8.5	9
WA	5600	7100	14.0	13
Tas	400	900	1.0	2
NT	-	-	0.0	0
ACT	200	700	0.5	1
Australia	39900	54000	100	100

(Source: ABS 1993, 1996) * self care accommodation only

The vast majority of Australia's retirement village population, some 92 per cent, live in semi detached dwellings or flats (ABS, 1999). In 1992, the Commission for the Future predicted that based on the then existing population and retirement village take up trends, the retirement village industry was going to double in size up to and beyond the year 2000 (see Table 4). The Commission suggested that by 2011, the industry could be expected to accommodate around 120,000 residents or double the existing 1992 population (Commission for the Future 1992).

Table 4: Projected retirement village population: Australia

Age Group	1991–2001	2001–2011
60–64	43,400	380,300
65–74	63,000	268,800
75 years and over	253,000	73,000

(Source: Commission for the Future, 1992)

METHODOLOGY

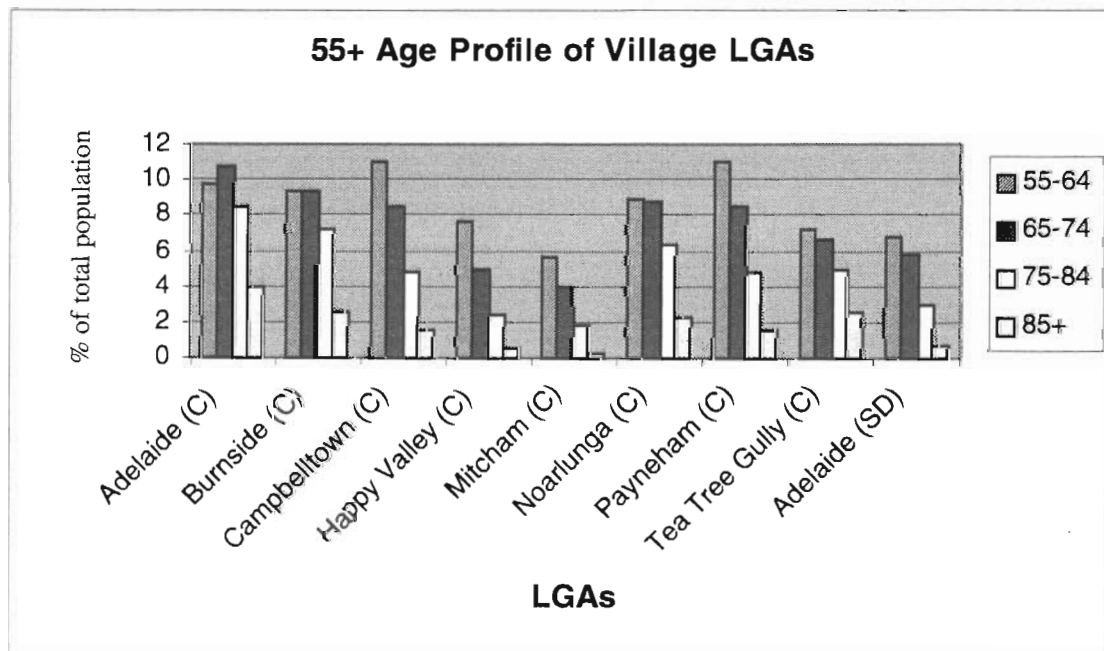
The study took the form of a postal survey of 380 households in 1999 who had moved into a retirement village within the Adelaide Metropolitan District in the previous ten years. Attaining a sample was predicated on the cooperation of village management and represents those managers that expressed an immediate interest in the project. Participating villages were those represented by managers on the Executive of the Committee of the SA Retirement Village Association (RVA) and the SA Retirement Housing Committee of Aged Care Organisations' Association (ACOA). The villages represented five "not for profit" organisations and four resident funded complexes. This was basically a convenience sample, but given the particular nature of the research and the need to ensure confidentiality, it was considered the only appropriate

approach. Similar conclusions have been reached in comparable research based in Queensland (Manicaros & Stimson, 1999).

The Local Government Areas (LGAs) in which the villages were located are spatially representative of the Adelaide Statistical Division (ASD) and in the main contain significantly higher proportions of over 55s than for the ASD as a whole (see Figure 1). All, with the exception of Mitcham, have a higher percentage of the 55 to 64 age cohort. The City of Adelaide, Burnside, Campbelltown, Noarlunga and Payneham LGAs have significantly higher proportions of persons aged 55 years and over than the average for the total Adelaide Metropolitan area (see Figure 1).

The survey instrument was a postal/self selection questionnaire which had been reviewed by the RVA SA Executive and representatives of ACOA. In an effort to make the survey user friendly, most of the questions were not open ended and could be answered by ticking a box, although there were opportunities for additional comment throughout the survey. The questions were organised around the objectives of the research, that is the characteristics of retirees who move into retirement villages, the main push and pull factors which influence their decision to relocate, the factors which are important in their choice of village and to what extent their expectations are met once they have relocated. Questions were asked also about the overall experience of retirement in terms of satisfaction, friendships and levels of activity.

Figure 1: Age village survey profile of Local Government Areas (LGAs) covered by retirement



(Source: ABS Census of Population & Housing, 1996)

Out of 380 surveys distributed, 255 were returned, a response rate of 67 per cent, which was considered a very good result. The study included responses from over 250 households representing some 379 individuals, which constitutes an estimated eight per cent of the retirement village population in SA. The response rate reflects the high

level of support received from village management who advertised in local newsletters, conducted information mail outs within their villages and generally promoted the project. Response at two of the “not for profit” villages was based on a process of self-selection from a central point which resulted in a lower response rate to those villages where management distributed the survey to every household. Residents could then respond if they wished to. The survey data was analysed using SPSS and Excel, with descriptive statistics and tables being the main form of output. The results of the survey are reported below.

RESULTS AND DISCUSSION

Retirement Village Household Characteristics

Respondents were strongly represented by households made up of couples (52 per cent) and widows or widowers (40 per cent). Over 70 per cent of respondents had been born in South Australia, some 12 per cent in the United Kingdom and some 10 per cent interstate. This indicates that in the main, the SA retirement village population has been locally supported and has not had the levels of in-migration experienced, for instance, in Queensland (Stimson et al, 1997).

About 7 per cent of respondents were under 65 years, some 33 per cent aged 65 to 74 years and 59 per cent were aged 75 years and over. At least 80 per cent of respondents had been living in their village for less than ten years. In terms of former employment, some 40 per cent of households had at least one member who had been in a managerial, administrative, professional or semi professional occupation before retirement.

Some 63 per cent of respondents had retired between the years of 55 and 65. A minority (14 per cent) had left school at aged 14 to 15, though over 35 per cent had left later, and 43 per cent had some form of further education. Over 50 per cent considered their health to be good, with almost 10 per cent describing their health as excellent. This indicates a population of fit 65 to 75 year olds who are relatively well educated, have moved into the retirement village environment in the 1990's and are looking to maintain the quality of their lifestyle.

Household income was dominated by the welfare funded aged pension (47 per cent) and most households with this income source were on less than \$A400 per week (88 per cent). Superannuation or other investment sources supported some 15 per cent of households. Some 66 per cent of this group were on incomes of over \$A400 a week. Only 1 per cent of respondents indicated they were still in some form of employment.

Former Dwellings of Retirement Village Residents

Home ownership rates in Australia are traditionally among the highest in the world. At present, about 68 per cent of Australian households either own their house outright or are in the process of buying (ABS, 1996). Almost 90 per cent of survey respondents previously had owned their homes outright. Many had lived for considerable periods of time in detached dwellings before moving into the retirement village. Four respondents had been living continually in their previous dwelling for over 50 years. Only 8 per cent of respondents had used any home based community services before moving into the village. This supports previous research findings in New South Wales (Eardley & Birch, 1998) and in Queensland (Manicaros & Stimson,

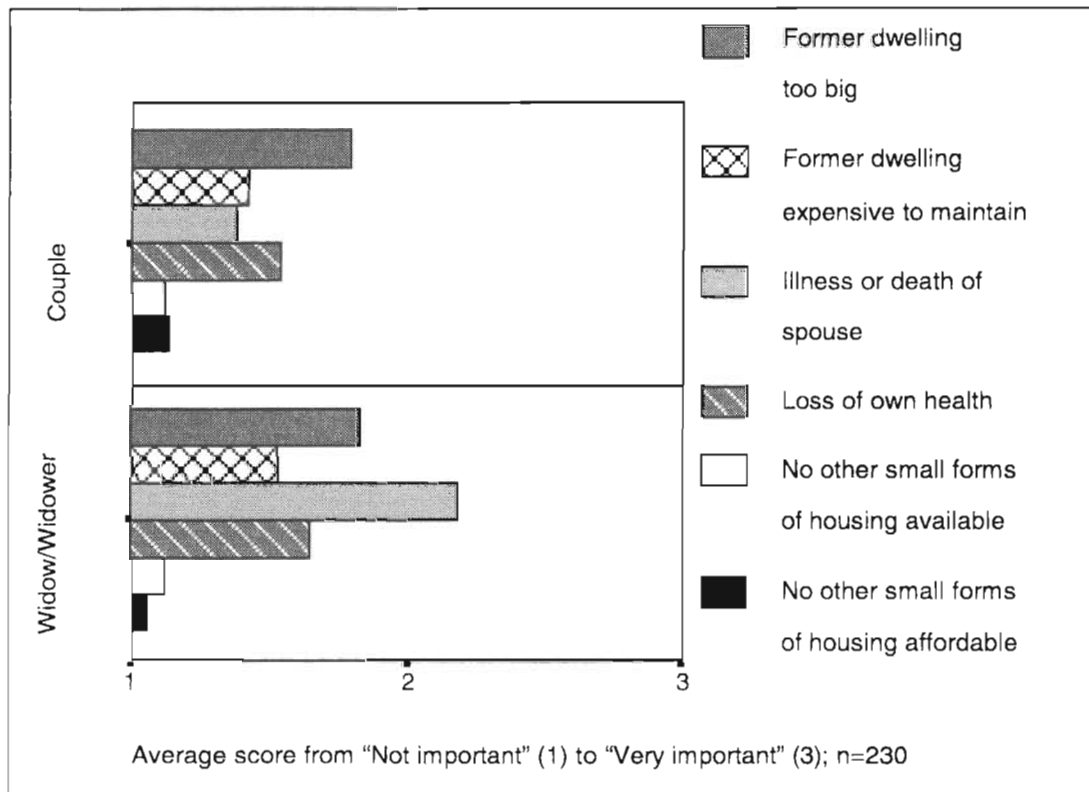
1998), where it has been suggested that the high levels of previous home ownership are not unexpected, given the cost to purchase or lease and to maintain housing and care within retirement villages. However, the results of this survey also indicate that the duration, and not just the type of previous tenure, is likely to be significant. It suggests that the decision to sell the family home is not taken lightly and that adjustment to life within a medium density complex may be considerable.

Push and Pull Factors Influencing Retirement Relocation

A number of push and pull factors have been identified in previous studies (Gardner, 1994; Loomis, 1989) as important in the decision of retirees to move into retirement village accommodation. Typical push factors have included the size and expense of their existing dwelling, loss of health and lack of supply in terms of alternative accommodation.

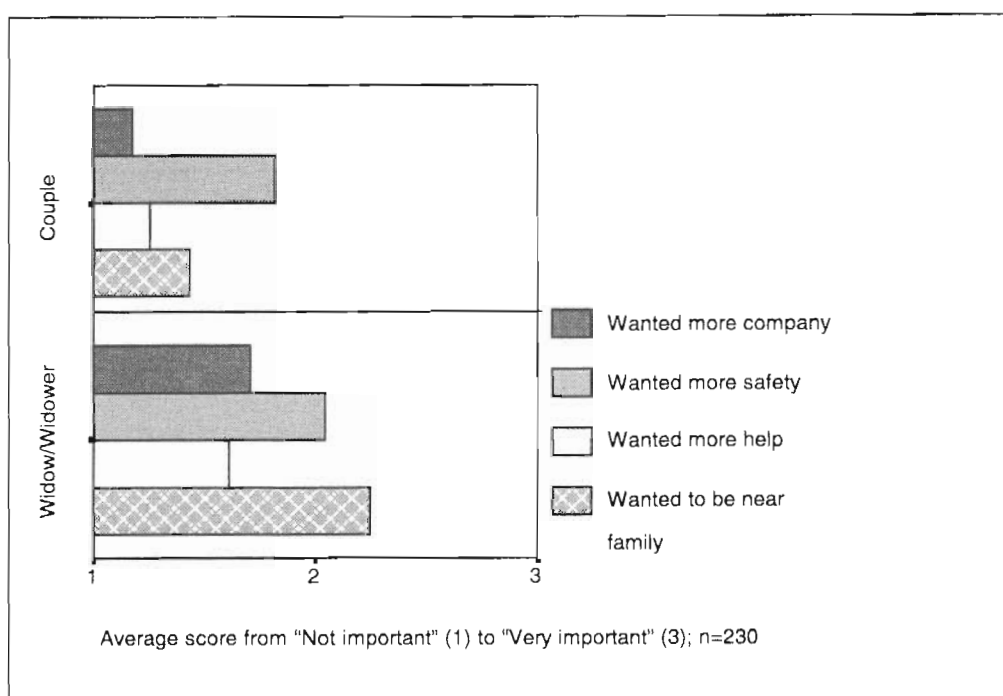
Results from this survey would indicate that the desire to plan ahead, dwelling size and health issues were important to very important push factors for households wishing to leave their existing dwellings to move into a retirement village (see Figure 2). Possible limitations on housing choice in terms of affordability, or size did not appear as significant. As might be expected for the widow/widower households, loss or death of a spouse was a strong incentive to move on from a previous home.

Figure 2: Importance of push factors



A number of pull factors have also been discussed in the literature, including the attractive elements of a new home, companionship, security, safety and the availability of ongoing health care (Manicaros & Stimson, 1998). For most households in this study, important pull factors were safety, companionship and the desire to be near family (see Figure 3). This was especially important for widows/widowers, though for couples the desire for extra help and more companionship were not significant as pull factors.

Figure 3: Importance of pull factors



Some contrasting results came out when such factors were considered on a gender basis. For 55 per cent of female respondents, the need for more company was a very important attraction of village life, while a similar per cent of males considered it unimportant as a pull factor. For most females, the illness or death of a partner was a very important push factor (65 per cent), while for the majority of male respondents (60 per cent), it was not important.

Information Sources on Retirement Villages

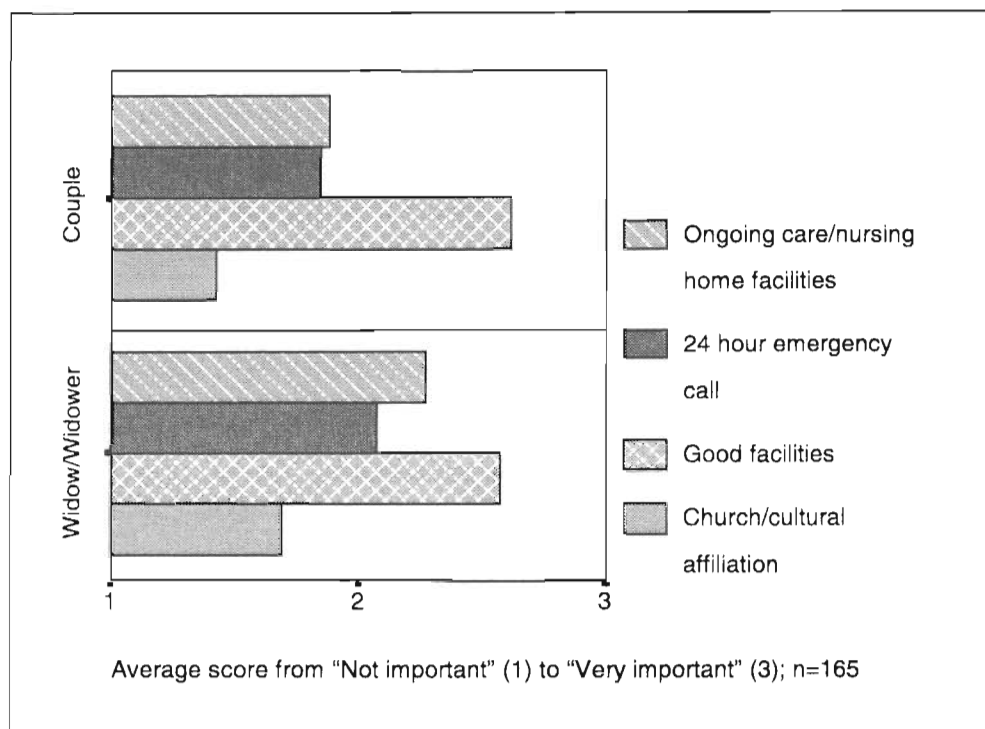
Thirty per cent of retirees had learned about their retirement village through existing residents. Some 20 per cent had found out about the village through newspaper advertising and the rest mainly through a variety of other non official sources, such as relatives or friends or because they were already living in the area. Very few had obtained any information directly through the real estate industry or from organisations such as the RVA. The majority of residents had discussed the move primarily with friends or family or their partner. Only a very few had discussed the move with any institutional organisation such as the Retirement Village Residents Association, the RVA or any existing managers. Most residents (47 per cent) had either no delay in gaining a place at the village or waited less than six months (30 per cent). This suggests that villages are continuing to provide to a niche market and that promotion may need to be more strategic. Informal rather than formal channels seem

to be more important in communicating information about retirement villages as a relocation option.

Important Factors in the Selection of a Retirement Village

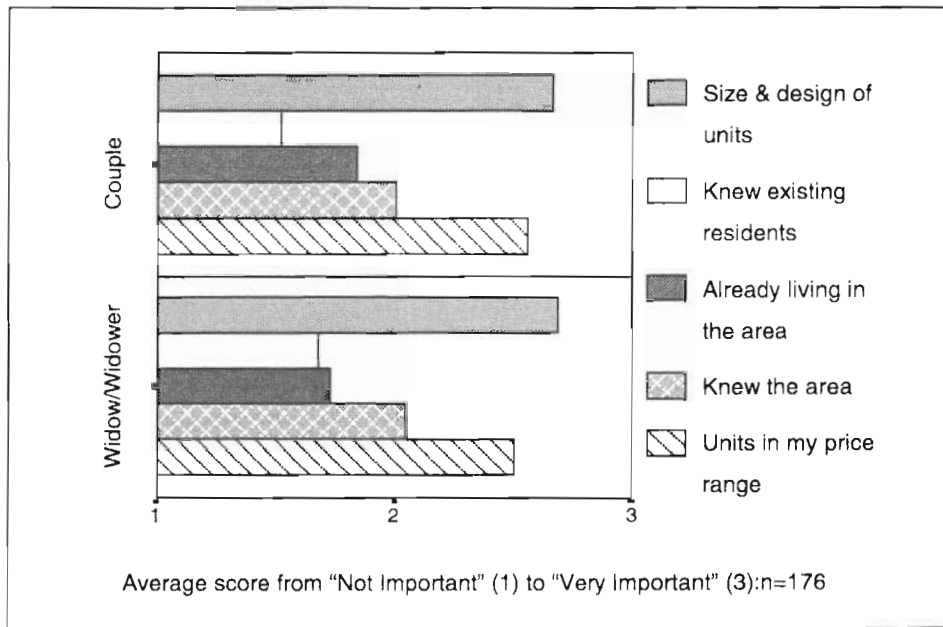
In terms of choosing a particular village, on site facilities such as ongoing nursing home care and community facilities were very important for all categories of household. Ongoing care facilities were most important for the widow/widower household, as was a location close to family and friends; however other location attributes, for instance shops, transport and parks were not considered important (see Figure 4). This ties in with the high level of car ownership within the village population, with over 60 per cent of respondents using their own car for all transport requirements. However, having a doctor close by was important for both couples and single households.

Figure 4: Importance of site factors



Of major importance to residents in terms of selecting a particular village was the size, design and price range of the units (see Figure 5). Some knowledge of the area also helped in making the decision. However, the presence of existing friends or contacts within a village was not considered particularly important. Neither were church or cultural affiliations. This runs contrary to previous findings, which suggested that such factors as existing friends, cultural links and particular organisations were important elements in attracting new residents (Manicaros & Stimson, 1998). While community life may be a consideration, the majority of retirement village residents in South Australia are looking essentially for a sheltered home which provides comfort, quality and especially value.

Figure 5: Importance of property factors



Expectations of Retirement Villages—Adapting to Life Within a Village

Over 80 per cent of residents said they had settled into village life within six months and the majority cited the friendliness of existing residents as an important contributing factor. Other important factors included support from family and friends, helpful and understanding management and feeling positive about the move. Over a quarter of the residents felt they did not miss anything about where they lived before. However, some 10 per cent of residents did miss their former friends and neighbours, while others missed scenery and open space (6 per cent), former shops and services (6 per cent), with some 3 per cent mentioning fruit trees, pets and storage space.

In terms of friendships, almost 60 per cent of couples did not have their closest friends within the village. By far the majority of couples had their closest friends outside the neighbourhood altogether. However, some 55 per cent of single households did count at least one of their closest friends within the village community. Couples are likely to be more independent of the village network and appear happy to retain a level of seclusion apart from the village community.

A significant number of retirees participated in voluntary work both within the village and in the wider community. Almost 30 per cent of households were involved in the Social or Resident Committee, while 12 per cent was involved in helping in the canteen or coffee shop. Activities in the community included Senior Citizens, Country Women's Association, National Trust, computing classes and child care. Some 14 per cent of respondents were involved in fitness or sport, 10 per cent in church activities, and 6 per cent regularly helped as a nursing home visitor.

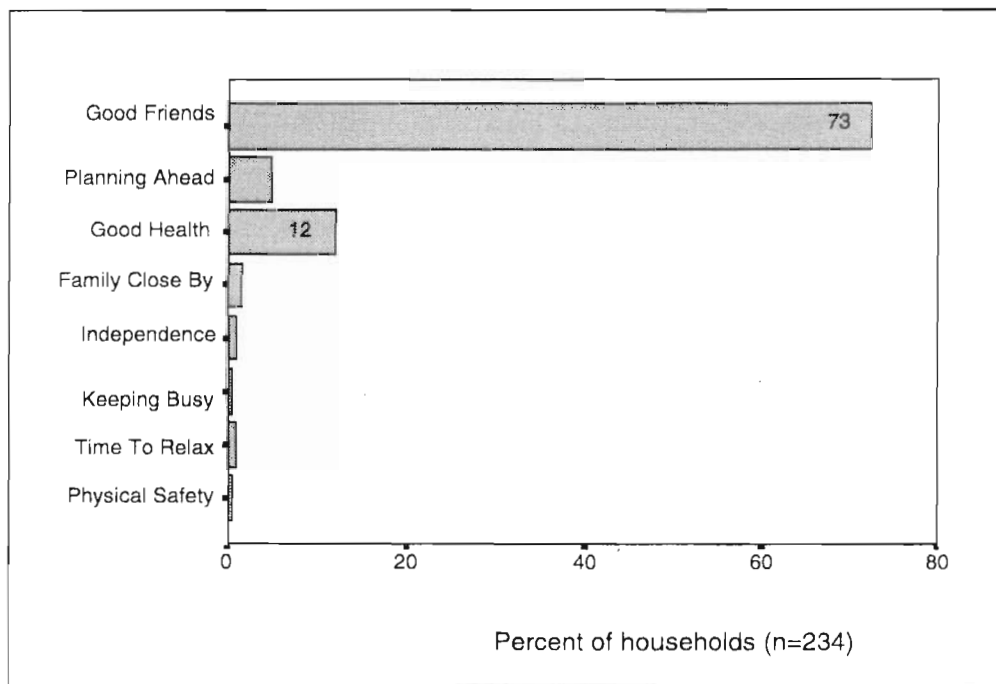
Expectations of Retirement Villages—Suggested Improvements to Existing Villages

When asked about improvements to their existing villages, many residents were looking for the introduction of ongoing care in the form of hostel or nursing home accommodation. Some 35 per cent of residents cited this as most important and believed the expectation of this to be an important factor in their initial decision to move into a retirement village; as such, they were lobbying for the introduction of such care where it did not already exist. Other important issues were improved security including 24 hour emergency call (8 per cent), better liaison with management (7 per cent), more on site facilities, lower fees and improved maintenance. A number of residents mentioned their wish to retain freehold title of their unit, a tenure which is offered by retirement complexes in Sydney and Melbourne. Nine per cent of residents were looking for improved facilities, such as the introduction of a croquet lawn.

What Makes for a Happy Retirement?

When asked what makes for a happy retirement, the overwhelming majority of residents thought good friends were by far the most important factor (73 per cent), with the second ranked factor, good health, considered as the most important factor by 12 per cent of respondents (see Figure 6). Both good friends and good health were more important than financial security, having a partner, physical safety, independence, seeing the world, tranquillity, having time to relax or having a nice home.

Figure 6: What makes for a happy retirement?



CONCLUSION

While this survey was conducted in SA, most of the findings should have implications for the retirement village population throughout Australia. The overall profile of retirement village residents within this study is similar to that reported by Manicaros & Stimson (1999), Gardner (1994) and McDonald (1986) in terms of age, gender, and tenure in their previous home. However, levels of home ownership are higher in SA, the length of time in a previous home longer, and income sources more concentrated in the aged pension category.

The strongest push factors in terms of relocation are the size of the former home and the illness or death of a partner. The pull factors which are important to retirees looking to relocate are reinforcing traditional real estate market items; namely the size, design and price of dwellings. As such, retirees into retirement village are exhibiting typical home purchaser behaviour and are looking for sound investment of their capital. They are behaving as rationally as any other cohort in the residential property market. The quality of on-site facilities is important, but it is the characteristics of the dwelling which are primarily important for well-being and for prosperity. While community life is a consideration, the majority of village residents are looking essentially for a home which provides comfort, quality and especially value.

Most villages were meeting expectations in terms of providing appropriate housing, good recreational facilities, adequate management and a friendly environment. However most residents, both in resident funded and "not for profit" villages, were canvassing for the promised provision of, or improvement to, on going care such as nursing home or hostel accommodation. This was a key item in the selection of individual villages and is an important issue, given the increasing development of villages lacking such facilities in outer suburbs where land is cheap but hospitals are remote. A growing trend within metropolitan districts is to have retirement complexes built in association with new housing development and to be actively marketed to the younger retiree. Such complexes in SA include The Elms at Walkley Heights, and Trinity Green at Mawson Lakes, both in the outer metropolitan area of Salisbury. As such, ongoing nursing care may not be a facility offered or looked for in the short to medium term. However, in light of this survey, it would appear to be a very important selection criteria for both pensioned and self funded retiree groups and significant for the long term viability of new and existing retirement complexes.

Retired couples, both pensioned and self-funded, are likely to be more independent of village networks and inclined to retain a level of seclusion apart from the village community. This is an important finding, as links to the wider community are an important consideration in the future development of retirement villages. There is considerable support for integrating village complexes into the local neighbourhood through shared facilities, wider use of community services and greater participation by local organizations in village life. Concentrations of older people, socially and physically removed from the wider community, may prove detrimental to residents as well as to local neighbourhoods (Manicaros & Stimson, 1999). As the match between the various housing needs and aspirations of retirees, and a market significantly lagged on the supply side is often out of sync, this is an important urban planning issue for Australia.

It is anticipated that the trend towards younger retirement will help to articulate the consumer choice of future village residents (Moran, 1999). Legislative reviews are seeking to further protect the rights of residents, to provide wider choice in purchase agreements and to increase affordability (Moran, 1999). In Melbourne, Retirement Services Australia is initiating the outright ownership and exchange of retirement homes, as it is recognized that residents want continuing access to their assets, including their housing investment (Casey, 1999). While such a move is not being considered for SA, the findings of this survey highlight the need for better dissemination of the advantages and disadvantages of retirement village living in order to retain the confidence and support of an increasingly well educated and informed market. Retirees who enter retirement villages are doing so after some considerable thought. They are positive about their future, keen to retain contacts with the wider community, and in terms of interests and ambitions, are as heterogeneous as any cohort within the general community. In terms of marketing, property development and housing policy, they are providing clear signals of their rationality in terms of choice, their desire for a quality lifestyle and their high expectations of village management.

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