

# HammondCare Greenwich Health Campus Summary of Demand

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Prepared by O'Hara Wells  
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# Changed and Emerging Accommodation Products

## Changed and Emerging Accommodation Products for Older Australians

Traditionally the retirement and aged care industry offered the following accommodation products:

- Manufactured Home Parks – traditionally seen as affordable housing attracting persons aged 55 plus;
- Retirement Villages – traditionally seen as lifestyle villages attracting persons aged 55 plus; and
- Aged Care for persons aged 70 plus - “hostels” attracting persons with low care needs and “nursing homes” attracting persons with high care needs.

Over the last ten years (in particular, the last five years), as a result of aged care policy changes, innovation, an influx of private developers, and changing consumer preferences, the above products have changed significantly with all products redefined and new concepts and products introduced such as consumer directed care, assisted living and private aged care. The table below outlines, at a high level only, the traditional products, the reshaped or new products and the primary reasons for change.

Traditional Products	Transition	Changed and Emerging Products	
Target and Features	Primary Reasons for Change	Target and Features	Notable Providers
<p><b>Manufactured Homes (MH Act)</b> Target: 55 plus; home owners; pensioners. Features: privately funded; affordable; fully independent living; basic accommodation.</p>	<p>No longer only seen as affordable housing for lower means; The new lifestyle option replacing traditional RVs; Offering an alternative non DMF financial model to RVs; No pressure on length of stay and therefore able to cater to a wider age range.</p>	<p><b>Land Lease or Lifestyle Communities</b> Target: 65 plus; home owners; pensioners and self-funded. Features: modern accommodation offering mid range to premium homes and large scale communal amenity; independent living with increasing offers of ageing in place through partnerships and RAC onsite; high volume sales and pipeline; fast development; direct competition to seniors living.</p>	<p><b>Notable Providers</b></p> 
<p><b>Retirement Villages</b> Target: 55 plus; home owners; pensioners and self funded. Features: privately funded; broad acre; fully independent living; lifestyle focus; built form not enabling ageing in place (eg steps, narrow doors).</p>	<p>Average entry age is now 75 years with average length of stay being 8 years (Property Council) as a result of: consumers able to access modern land lease alternatives, technology, and home support options; providers responding to higher entry age with care and support options (higher prices and sales); and higher age + shorter length of stay enables realisation of DMFs quicker. Consumers are seeking a home for life at 75 plus.</p>	<p><b>Seniors Living</b> Target: 75 plus; home owners; pensioners and self-funded. Features: modern broad acre or vertical developments offering mid range to premium villas or apartments and large scale modern community amenity; wellness centres; offering ageing in places services (home care, on-site RAC or assisted living / private aged care).</p>	
<p><b>Hostel (Aged Care Act)</b> Target: 70 plus; home owners and non-home owners; pensioners and self-funded. Features: government funded; low care needs; small rooms (12-16sqm) with single/shared bathrooms and minimal communal amenity; resident car parks; not designed for ageing to high frailty.</p>	<p>Low care hostels were removed from funded system and replaced by home care – creating a gap in the market; An opportunity for developers to deliver to care needs as opposed to uncertain planning through ACAR; Positioning for a single aged care system</p>	<p><b>Assisted Living (replacement for Hostel)</b> Target: 75-80 plus; home owners; pensioners and self-funded; persons that can no longer safely (or choose not to) stay in their homes alone, however, are not frail enough for entry to RAC. Features: accommodation, support + care, and financial package (primarily operated under RV Act); 1 to 3 bed apartments in primarily mid-rise or vertical developments.</p>	
<p><b>Nursing Home (Aged Care Act)</b> Target: 70 plus; home owners and non-home owners; pensioners and self-funded. Features: government funded; high frail aged care; clinical focus; Small (10+-14sqm) and shared (up to 4 persons) rooms with single/shared bathrooms; multifunctional spaces; limited variation in design between rooms, wings and providers; clinical feel.</p>	<p>Market not accepting of shared rooms / shared bathrooms; Large entrance by private providers delivering improved modern accommodation (property) and in improved locations; Shorter length of stay, alternative options, and oversupply in major metro locations resulting in competitive pressure on occupancy and RADS.</p>	<p><b>Residential Aged Care</b> Target: average entry ages 82 for men and 84.5 for women; increasing frailty (respite, permanent, specialised care); home owners and non-home owners; pensioners and self-funded. Features: modern homes; single rooms and apartments (22 to 60sqm) + ensuites; large scale communal amenity; technology hotel services; shift to increased marketing and customer service; however, remain crisis driven and task oriented services.</p>	<p>Large range of For Profits and Not for Profits</p> 
	<p>Providers: unable to plan developments due to ACAR; seeking certainty in developments; seeking reduced reliance or avoidance of Government income and regulatory environment; responding to dislike of RAC ‘place of last choice’; and positioning for single aged care system.</p>	<p><b>Private Aged Care</b> Target: alternative for entry to funded RAC; home owners and non-home owners; pensioners and self-funded. Features accommodation, care and financial packages offering a full alternative to funded RAC; superior environment offering apartments + large scale amenity; fee for service care directed by the consumer; and able to live life the way you choose and with your partner.</p>	



# Redefined Service Groups

## Service Groups

The new products offered in the market place today all attract and target distinct groups which can be largely defined by age, herein referred to as service groups. The table below visually identifies the service groups and the products targeting the services groups.

Redefined Service Groups					
Service Groups		Empty Nesters	Retirees	Seniors	Frail Aged
	<b>Generation</b>	Baby Boomers - Jonesers	Baby Boomers - <i>Leading-edge Boomers</i>	Silent Generation	Silent Generation
	<b>Target Age</b>	<b>55 - 64 Years Old</b> (Born 1955 to 1964)	<b>65 - 74 Years Old</b> Born 1946 to 1954	<b>75 – 84 Years Old</b> (Born Pre 1945)	<b>85 Years +</b> Born Pre 1945
	<b>Key Characteristics</b>	Seeking: active lifestyle; companionship; home security; independence. Informed / tech savvy.	Seeking: active lifestyle; companionship; choice; customised; consumer directed services. Informed / tech savvy.	Seeking: ageing in place accommodation + care solution; "a home for life". Proactive decisions + accessing services out of need/crisis.	Seeking: accommodation + specialised care (complex, dementia, palliative, etc). Accessing services in crisis.
Products Targeting Service Groups					
Support/Care Services					
	<b>Matching Platforms</b> Web based platforms accessing the shared economy or individual worker	✓	✓	✓	✓
	<b>Private Home Care (fee for service – FFS)</b> Non-funded fee for service on a consumer directed basis		✓	✓	✓
	<b>Commonwealth Home Support Program (CHSP)</b> Commonwealth funded low level support		✓	✓	✓
	<b>Home Care Packages (HCPs)</b> Commonwealth funded packages of support			✓	✓
Built Form Products					
	<b>Pensioner Accommodation (Typically Residential Tenancies Act)</b> Funded and non-funded dedicated accommodation for pensioners below market rate; may also offer support services		✓	✓	✓
	<b>Land Lease Villages (Typically Manufactured Homes Act)</b> Resident funded villages dedicated to retirees and seniors, increasingly offer support/care		✓	✓	
	<b>Seniors Living Villages - (Typically Retirement Villages Act)</b> Resident funded villages with most offering care and support		✓	✓	✓
	<b>Assisted Living - (Typically Retirement Villages Act)</b> Resident funded frail aged accommodation + support/care; replacing RAC low care			✓	✓
	<b>Private Aged Care - (Typically Retirement Villages Act)</b> Resident funded frail aged accommodation as a replacement for RAC				✓
	<b>Residential Aged Care (RAC) - (Aged Care Act)</b> Commonwealth funded RAC			✓	✓

The age cohorts for the above service groups are supported by the following:

- Home Care Packages: average entry age for men is 80.3 years and for women is 81 years (source: Department of Health) and Stewart Brown survey identifies average age is 84 years.
- Land Lease Villages: providers note that persons are entering from 65 to 80 years and over (source: O'Hara Wells).
- Seniors Living Villages: The 2018 Property Council Census identifies the average entry age is 75 years, the average resident age is 81 years, and the average length of stay is 8 to 9 years. The Stewart Brown survey identifies the average age is 84 years. The older the entry age, the more important it is to provide a product or environment that enables ageing in place.
- Assisted Living Villages: providers note that persons are entering at 75 years and over and closer to 80 years and over (source: O'Hara Wells).
- Private Aged Care: providers note that persons are entering at 80 years and over (source: O'Hara Wells).
- Residential Aged Care: average entry age for men is 82 years and for women is 84.5 years with two thirds of admissions being women (source: department of Health) and Stewart Brown survey identifies average age for RAC is 85 years.



# Impact of Changing Aged Care Policy on Housing Choices

## Aged Care Policy Direction

Aged Care Policy is increasingly moving toward a consumer driven, market based, and more sustainable aged care system, resulting in unprecedented choice for consumers and access to both funding and funded consumers by new and innovative entrants.

In summary, we are incrementally moving toward a single aged care system that removes the distinction between different rigid care at home programs (home care packages, Commonwealth home support program and short term restorative care) and residential aged care with care (permanent care, respite care, and short term restorative care) funding being agnostic to where care is received, including a preference for an increased range of service delivery in the home, including:

- Modern home care coupled with communication, assistive and monitoring technology;
- Specialised home care such as dementia care; and
- Dedicated assisted living environments offering a range of accommodation and scalable services targeted at the varying financial capacity and desires of the local senior community.

Clearly, this trend will result in a greater need for developments such as the Greenwich Health Campus, as people elect to access a range of housing choices that enable them to avoid the need to move again.

The proposed break down of rigid funding silos and the move toward a single aged care system, will have an impact on seniors living (including the proposed development), as outlined below.

- Increasingly more care and support, (and higher levels of care and support), will be available to be delivered in the community (including retirement villages), with only the need for very frail aged care or complex care being delivered by admission into a residential aged care environment. It is noted that the average length of resident stay in residential care is reducing with an increase in services in the home (including seniors living environments) and in the community.
- Retirement facility residents will seek to access higher levels of care and support in their retirement village to enable them to age in place – the care and support will be chosen to suit their needs and in their location - this is scheduled to commence from 2022 under the new Care at Home program.
- Messaging and marketing from both the Commonwealth and industry will promote the ability to remain in the community (including seniors living facilities) and access services – this will not be possible without quality housing options such as the HammondCare Greenwich Health Campus.

- Persons entering seniors living facilities (including retirement villages) will seek to access efficient design and support services to ensure they can enable ageing in place as their needs change and delay or avoid the need for a move to residential aged care. That is, at the age of 75 plus, persons will be seeking a home for the rest of their life through appropriate design and access to care and support services that meet their changing needs in their chosen environment.
- As there may be less funded supply than demand and an increase in user pays, the ability to access modern environments designed for ageing in place with built in services (care, transport, socialisation, technology, etc) and co-location with higher level frail aged and dementia services (funded residential aged care) provides for both a continuum of care and efficiency in delivering services and reducing overall costs to residents. Importantly, older persons and their families will seek solutions for ageing in place as a priority with expected seamless integration and movement between care, accommodation and services.

The proposed development will be a modern housing choice (for those requiring care and support) that enables efficient ageing in place, including access to an increased level of care and support in the residents chosen environment, through:

- Choice in a range of well sized accommodation designed for persons to age in place;
- Communal areas that enable the desired activity and social spaces;
- Access to technology and structured support programs to enable seniors to maintain independence, access support, care, restorative and maintenance services, and age in place;
- Importantly, offer the last move for most of the facility residents through access to appropriate design and services to enable ageing in place;
- Apartment living environment enabling for more efficient delivery of services than on a broad acre site; and
- A service that encourages and enables residents to continue to have control and the ability to partake in activities of daily living in familiar home like (eg household models) and non institutional environments.



# Demand for Aged Care in the Greenwich Location

## Demand for Aged Care in the Location of Greenwich

The proposed development is located at 97 River Road, Greenwich within the Lane Cove local government area (LGA).

The primary catchment area for the Greenwich site is the Lane Cove local government area (LGA) and the surrounding LGAs including Willoughby, Mosman and North Sydney. The furthest suburbs within these LGAs are around 7km drive from the site. The four LGAs are collectively referred to as the Greenwich catchment area.

The review supports the demand for development of further housing choices for the senior and frail aged population, based on the analysis of demand and supply summarised herein.

## Ageing Population

The Greenwich catchment area has a large senior and frail aged population (target 75 plus cohort) with 14,830 persons aged 75 plus which is projected to increase by 4,520 persons over the seven years to 2026 and then further by 6,250 persons over the ten years from 2026 to 2036.

In the Greenwich catchment area, the retiree cohort is and will remain the largest cohort to 2036, however:

- between 2019 and 2026 the largest projected increase is in the seniors cohort (75 to 84 years) followed by smaller increases in the retiree (65 to 74 years) and frail aged (85 years and over) populations; and
- between 2026 and 2036 the largest projected increase is in frail aged cohort followed closely by the retiree and seniors cohort.

This would indicate:

- An increased need for services to all seniors and frail aged cohorts, with a higher need for increased services to the seniors population over the next seven years to 2026.
- There will be a large increased demand for services to frail aged from 2026, however, the seven years to 2026 is more likely to see: ongoing change in the demand for the type of product offered to frail aged, that is, a shift away from or refining of the traditional residential aged care product, including:

- Dementia specific residential aged care of which there is limited availability in the Greenwich catchment area.
- Non institutional residential aged care of which there are no existing sites in the Greenwich catchment area.
- Assisted living, targeting seniors and frail aged (those over 75 years) offering low to high care accommodation and services as an alternative to traditional residential aged care. There are no existing sites offering assisted living with 24/7 care, enabling access for persons with medium care needs, persons with dementia, or persons seeking an alternative to funded residential aged care.

This would support the development of increased housing choices for seniors and frail aged in the form of both assisted living and residential aged care targeting the seniors and frail aged population (those over 75 years).

## Residential Aged Care Supply

In the Greenwich catchment area there are 22 residential aged care sites delivering 1,557 operational aged care bed licences to the seniors and frail aged community.

Based on the Department of Health planning ratios, this would indicate a current shortfall of 269 places which, without further supply, would rapidly increase to a shortfall of 662 places by 2026 or 1,271 places by 2036. To meet this statistical demand, would require the opening of 75 new places each year between now and 2036.

At the current time, there are only 293 provisional and offline allocations (including HammondCare Greenwich) proposed for development. If all 293 allocations were developed and made operational by 2026 this would result in a shortfall of 369 places as at 2026 or a shortfall of 978 places by 2036.



# Demand for Aged Care in the Greenwich Location

## Assisted Living Supply

There is a low supply of assisted living in the catchment area with only 96 dwellings offered across three smaller sites, including:

- The Bougainvillea Bay Club in Neutral Bay – 38 serviced apartments
- Aveo Mosman Grove – 37 serviced apartments; and
- The Manors of Mosman – 21 serviced apartments.

However, the above supply is offered in older and small scale individual accommodation and offers low level services only (linen, cleaning and meals) as a serviced apartment model. Further, all of the above sites are located on stand alone independent living sites and none are collocated with funded residential aged care.

There is only one other proposed dedicated assisted living environment with care planned for this catchment area – that is Retire Australia Lane Cove, and it is unknown if this will proceed as an assisted living site or an independent living site. Even if this site was to proceed as assisted living, HammondCare Greenwich would be the only site:

- Offering a choice in a range of accommodation sizes (apartments and household residential aged care) to suit all care needs in a consumer directed care mode (that is real choice and control) and to suit all financial capacities, varying desires and needs through either dedicated assisted living or funded residential aged care; and
- The only site offering dedicated assisted living as an option for persons with dementia.

