Understanding senior community residents for better construction of retirement villages

Citation:
Liu, Shijing, Ma, Le and Liu, Chunlu 2016, Understanding senior community residents for better construction of retirement villages, in AUBEA 2016: Proceedings of the 40th Australasian Universities Building Education Association Annual Conference: Radical Innovation in the Built Environment, Central Queensland University, Rockhampton, Qld., pp. 525-534.

©2016, The Authors

Downloaded from DRO:
http://hdl.handle.net/10536/DRO/DU:30085270
UNDERSTANDING SENIOR COMMUNITY RESIDENTS FOR BETTER CONSTRUCTION OF RETIREMENT VILLAGES

S. Liu, L. Ma, C. Liu

Deakin University, Geelong, Australia
le.ma1@deakin.edu.au

ABSTRACT

Housing for growing aging population has become a vital issue across Australia. A retirement village is regarded as a supportive home choice for senior people in response to the life transitions. However, only a small proportion of the Australian senior people choose to live in the retirement villages. Therefore, this study aims to identify the barriers against the senior community residents moving to the villages through a case study in Geelong. The empirical findings indicate that the two main categories of barriers are related to the living environment changes and economic pressure. Accordingly, the corresponding recommendations are proposed to overcome the barriers. While addressing the local senior housing issue, this study provides a direction for future research into the affordable and suitable construction of retirement village from a general perspective.

Keywords: barrier, retirement village, senior community residents

INTRODUCTION

The expanding society of ageing population has become a vital topic in Australia. The number of retirees will soar in the next decades as the “baby boomer” generation enters the older age in the nation. A number of life span transitions are faced by the people who are reaching old age. One of the most significant changes is retirement associated with a reduction in income. Moreover, as walking into their old age, people have to experience increasing likelihood of frailty, illness and disability, which may further lead to the widow and living alone. Those life span transitions will eventually lead to different needs of housing and services for the senior people, and thus producing appropriate housing that facilitates healthy and positive ageing has become a desirable priority for both the private and the public village operators. Retirement villages which prove more supportive housing environment can help the senior people respond to these transitions. Howe (1986) argued that moving to retirement villages can be regarded as one option for the senior people to maximize independence and security. A series of following research demonstrated that retirement villages are important housing alternative for the senior
people, which can offer enhanced life style and social interaction while also providing care and community support (Bohle et al., 2014; Erickson et al., 2006; Miller and Buys, 2007). However, the majority of the senior people stay in their existing homes.

In order to maintain a sustainable construction of the retirement villages, recent research focuses on the demand for village living. K. M. Gibler and Taltavull (2010) developed a retirement housing demand model by identifying relationships between homeowner characteristics and housing preferences. Analogue to the life course model of older migration, a logistic regression model was developed to estimate the likelihood an senior people moves to retirement villages (Gibler and Clements-III, 2011; Wiseman, 1980). The developed model was subsequently applied to estimate the senior Americans’ choice to move. The findings suggest that age has a positive relationship with the choice to move, while the other socioeconomic variables are not significant. Moreover, literature identifying the push and pull factors build up a base of the retirement village development model for the industry, especially from the subjective perspective of the retirees (Gardner et al., 2005; Kennedy and Coates, 2008; Stimson and McCrea, 2004). However, whether the retirees are willing to pay for their preferences of the retirement village attributes has not been confirmed by existing literature.

As retirees who live in the communities are prospective residents and this group is the target market of retirement village industry, it is important to gain knowledge of their thoughts of retirement villages to promote the industry. Only addressing the concerns of prospective residents, the retirement villages could be widespread through the senior people. The balance of this paper is organized as follows: next section presents a comprehensive literature review of the push and pull factors that affect the decisions of the senior people; the following section describes the research design and retirement village attributes; then it comes to survey delivery and data collection from senior community residents and the related findings and the final section gives discussion and conclusion.

**LITERATURE REVIEW**

There is large amount of literature investigating the push and pull factors that affect the senior people moving out from their home and into retirement villages. Gardner (1994) highlighted that the awareness of the differences between living in the village and living in homes is one major factor affecting senior people’s decisions. However, the details relating to the differences were not disclosed. A following cross-sectional survey was conducted to three groups of senior people, who lived in two villages and homes in Melbourne respectively, in order to discover the pull and push factors (Gardner et al., 2005). By comparing the living life styles across the surveyed groups, the research confirmed the role of retirement
villages in enhancing the senior people’s quality of life. The research also identified that better living environment in the villages is a major push factor, while the major pull factor is their uncertain of the tenure value of the village units. Another case study into the retirement living in Queensland emphasised the reduction in contact with family is an important factor pulling the senior people away from moving to the retirement villages (Buys et al., 2006). Miller and Buys (2007) conducted a cross-sectional study into the leisure-time activity participations of the Australian senior people living in community and retirement villages respectively. Their findings confirm that the village residents involved more activities than the community residents. Bohle et al. (2014) emphasized the effects of separation and community on retirement housing choices, by conducting a comprehensive interview across the senior people in New South Wales and South Australia. The findings suggest that the needs of support play a role of push factor but the feeling of independence is a pull factor in affecting people moving to the villages. However, the research on senior people’s perspectives of acceptable price for a home in Australia retirement villages is limited.

RESEARCH DESIGN

Questionnaires were used in some previous studies in the field of examining retirement village market, which mainly focused on senior people who were living in retirement villages. Buys et al. (2006) designed questionnaires for the senior people living in a Queensland retirement village who paid assistance or senior people who received instrumental support from family and examined relevant issues with those two groups of people. Xia et al. (2014) conducted questionnaires with senior people living in a Queensland for-profit retirement village and identified sustainable issues influenced their daily lives. Gardner et al. (2005) conducted questionnaires not only with the residents who were living in retirement villages, but also with the a group of senior people who considered moving but remained living in the community and tested their satisfaction levels with the quality of life. For this research, a semi-structured questionnaire was designed in order to identify whether senior community residents would move to retirement villages and relevant reasons.

The questionnaire mainly had two parts (Figure 1), including background information and opinions of respondents on current retirement village market in Geelong. The first part was designed to collect respondents’ background information, including their gender, age, education, income range, current or previous occupation, health condition, and current living status. This information is important to understand whether their background would affect their views of moving to a retirement village. The second part was designed to ask the respondents whether they would move out from present home and move to a retirement village and
relevant reasons. In the second part, a question was designed to collect the respondents’ views of an acceptable price to pay for a home in the retirement villages, which helps to identify whether price significantly affects senior people’s decisions of moving to a retirement village. Also it helps to identify whether current retirement village market price is higher than local senior residents’ affordable prices. All the questions except the last one are provided with multiple choices, which not only help reducing the respondents’ thinking and answering time, but also provide the researchers with advanced measurement scales. The last question which asks the respondents about their imagination of retirement village life style is an open-ended question rather than providing with multiple choices. The answers would not be restricted by choices that the researchers provided, and, it is beneficial for the researcher to receive true answers from the respondents. All respondents anonymously and voluntarily took part into this research, by doing questionnaire.

Figure 1 The Structure of Questionnaire

RETIREMENT VILLAGES IN AUSTRALIA

The retirement village industry has been developing rapidly across Australia. According to the Retirement Living Council of Australia (RLCA), there are 2,160 retirement villages by 2013, which provided over 110,000 independent living units accommodating more than 177,000 Australian senior people (RLCA, 2014). Majority of the retirement villages in Australia offer leasehold and license/loan contracts. RLCA (2014) reported that the for-profit retirement village industry was worth AU$50 billion in 2013 and contributed to the national economy with AU$4.7 billion. As a consequence, the emerging market of independent living units (ILU) in the retirement village becomes an important informative reference for industry practitioners, senior residents, and policy makers. According to
the data report of the PwC/Property Council Retirement Census, the median price of a two-bedroom ILU is AU$385,000 in 2015, which raised by AU$10,000 from the median price in 2014. This research started with a case study in Geelong, Victoria to investigate the current demand for retirement villages among its senior age population. The research selects Geelong as a case study as Geelong is the second biggest city in Victoria where the population over 55 was around 28.8% by 2011 (City of Greater Geelong, 2015) and it is more convenient for the researcher to collect enough completed questionnaires if there were invalid figures collected from the first time fieldwork. Data collection was conducted in ten Geelong Senior Citizens Clubs from October to December 2015. Ethic applications were approved by the Deakin University Human Research Ethic Committee before conducting surveys. Before delivering questionnaire sheets, a “Notice of Participating in a Deakin Research Project on Retirement Villages in Geelong” had been delivered to each club, explaining the research aims and the procedure of doing questionnaires.

SURVEY FINDINGS

Demographic profile of the respondents

The survey provided a response rate of approximately 20% with 39 questionnaires returned. The majority of the respondents are female and had secondary school education or higher level, while one third of them are doing home duties now. Figure 2 summaries age and household income profile.

![Figure 2 (a) Age bracket (b) Household income range of the respondents](image)

Over eighty percent of the respondents are over 60 years old and the largest percentage belongs to those who are over 80. Even though the majority of the respondents are over 60, their health conditions are at or above the average level. Over 60% of the respondents’ household incomes are less than $800 and 27% are over $1300. The respondents
from 70-79 years old seem to obtain the least household income which is less than $400. Most of the respondents’ current income come from pension or superannuation, and those who had secondary school education hold the income less than $800. As regards to the living status, almost all the respondents live alone or with spouse/partner and live in the self-owned properties.

**Barriers against moving to retirement villages**

Most respondents have a strong negative perspective on moving to a retirement village. Table 1 shows discourage factors selected by the respondents, which the top 3 are ‘Too expensive to buy’, ‘Not want to change current community contact’ and ‘Ownership of the land and the unit is unclear’, following by lack of privacy and independence. Most of the respondents who choose expensive purchasing price as the first discourage factor also concern about unclear ownership and future price decrease of the unit. Loss of independence and lack of privacy seem to appear as twins choices. Concluded from the results above, economic pressure and living environment changes (including physical and social) are two main barrier categories hinder the relocation consideration.

**Table 1 Concerns of senior people on retirement villages**

<table>
<thead>
<tr>
<th>Major concerns</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too expensive to buy</td>
<td>13</td>
</tr>
<tr>
<td>Not want to change current community contact</td>
<td>12</td>
</tr>
<tr>
<td>Ownership of the land and the unit is unclear for me</td>
<td>12</td>
</tr>
<tr>
<td>Lack of privacy</td>
<td>11</td>
</tr>
<tr>
<td>Loss of independence</td>
<td>10</td>
</tr>
<tr>
<td>Afraid of future decrease in the price of the unit in retirement</td>
<td>6</td>
</tr>
<tr>
<td>Located far from CBD</td>
<td>4</td>
</tr>
<tr>
<td>Just for older people</td>
<td>3</td>
</tr>
<tr>
<td>Unfriendly staff and residents</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
</tr>
</tbody>
</table>

Economic pressure is the most significant barrier, especially the affordability. For the senior community residents, the most important factor influencing their decisions commonly about the retirement age is ‘financial security’ (Australian Bureau of Statistics, 2014). From the report of Organisation for Economic Co-operation and Development (OECD), compared to median household incomes, basic Australian pension rate is low and one-third of the pensioners are living below the poverty line (OECD, 2015). Moreover, as mentioned before, the median price of a two-bedroom ILU is AU$385,000, which equals to almost 9-10 years’ incomes of most respondents who earn less than $800, and that purchasing cost excludes management fee of the unit. As a result, not surprisingly, the seniors think retirement villages are too expensive to buy. Most of the respondents who answered the question for the percentage paying for the
retirement home prefer to pay only less than 50% of their wealth. Besides, some respondents worry about the unclear ownership and decreasing price in the future. The majority of respondents who choose these two items are less than 80 years old and have good or excellent health condition and they take a retirement village unit as another choice of investment. This part of seniors will face uncertain risk as the units are not their own properties and they cannot calculate the returns. Therefore they prefer stability by staying at current self-owned houses.

Living environment changes have stronger impacts on respondents over 80 years old. Since their health conditions are at average, they prefer more independence and privacy and they feel more comfortable with current familiar contact. So most of them choose ‘loss of independence’ and ‘lack of privacy’ as discourage factors. Also, the location of the retirement villages is another negative factor for them as respondents who choose ‘located far from CBD’ are all over 80 years old. Although most of the respondents do not want to move to retirement villages, some of them still give reasons to move out of home, such as current garden is too big, house is expensive and difficult to maintain, and decreasing driving ability. The results are consistent with previous research. Previous research indicate that delivery of services and facilities environment was an important factor influencing the decision of relocation. Requirements of medical services and home maintenance services contribute to the decisions of the senior people (Crisp et al., 2013; Kennedy and Coates, 2008; Nathan et al., 2012; Stimson and McCrea, 2004).

DISCUSSION

Living environment

With age growing, the senior people may hope for more privacy, therefore the government could cooperate with the industry and social organizations to improve the living environment such as outdoor living space and unit security design. To keep the community contact but not change the characters of retirement villages, the industry may lead the transition of the villages from independent units to part of a mixed-use residential community. Meanwhile, the government needs to lead a collaboration with Retirement Village Association and other industry institutions, such as developers, to deliver enough information to the senior community residents to make them realize the benefits of the retirement villages so that they are attracted to the market.

Economic pressure

Retirement villages are less attractable than traditional communities on account of additional costs and lower returns. Providing the senior people a wide affordable product and a considerable level of return to make a
retirement village a desirable and feasible choice is a challenge faced by the industry (Stimson and McCrea, 2004). On one hand, to improve the affordability of retirement villages, the industry could review the facilities and services in the existing villages and develop simple villages that can meet basic needs of the residents to reduce the construction and operation costs. The government could make vacant land available (especially suburban area), find an acceptable partnership with the industry and reduce regulation constraints such as appraisal time. Part of the project could become social housing for aged care with the remainder for the developer to lease or sell. On the other hand, to help the senior people meet living costs, the government could contribute higher percentage of Gross Domestic Product (GDP) to the pension and similarly the employers to the superannuation.

CONCLUSION

From the data of Retirement Village Association, only 5% of the senior people who are over 65 years old live in retirement villages. A case study has been conducted in Geelong to investigate the willingness of senior community residents to move into retirement villages and to identify the barriers against not moving. The barriers are concentrated on two main categories which are living environment changes and economic pressure. In particular, the high price proves to be the most significant factor. The study provides practical implications for the public sectors and the industry. It is essential to gain an acceptable partnership between the government and the industry to meet the needs of the senior people. Absorbing retirement villages into mixed-use residential communities, delivering enough information to the senior people, improving the level of pension and reducing the development costs of retirement villages are feasible actions to overcome the barriers and attract more senior people as prospective residents. The limitations of the research include the number of respondents is relatively small and the questionnaire design excludes exogenous factors. Further study could take into account these determinants such as economic status and industry competition and find more accurate quantitative methods to evaluate the barriers, especially the economic ones.
REFERENCES


