

**Relocating for Retirement
Or what makes for a happy retirement?**

Val Kupke
Centre for Land Economic and Real Estate Research (CLEARER)
School of International Business
University of South Australia

Abstract: *This paper reports the preliminary results of a study undertaken to consider the decision-making processes of retirees who have recently located to retirement villages within the Adelaide Metropolitan District. The study recognises that the South Australia population is aging faster than any other state in Australia and suggests that the decision making of retirees both pensioned and self funded are of key interest to those in the areas of housing provision, housing investment and welfare provision. There have been a number of studies undertaken in the US (Marans 1983, Golant 1987, Stimson, 1990) where the environment of retirement villages, the health and "fit" of movers and the push and pull factors relating to relocation decisions have been recognised. However little has been documented about the housing decision process of retirees in Australia and there have been few studies into the location choices of households who have relocated to retirement villages. This study complements ARC funded research currently being undertaken in Queensland by the Australian Housing and Urban Research Institute which has been restricted to the Brisbane region.*

Keywords: retirement village, housing, relocation

1. Introduction

This paper reports on the preliminary findings of a study undertaken to consider the decision-making processes of retirees who have moved recently to retirement villages within the Adelaide Metropolitan District. Adelaide is the state capital of South Australia and has a resident population of 1 million. It is recognised that the population of South Australia is ageing faster than any other state in Australia (Table 1) and so the decision making of retirees both pensioned and self funded is of considerable interest to those in the areas of housing provision, housing investment and welfare provision. This research would not have been possible without the considerable interest and support of the Executive Committee of the SA RVA (Retirement Village Association) and the SA Retirement Housing Committee of ACOA (Aged Care Organisations' Association).

Table 1 Proportion per Age Cohort, State & Territories & Australia, 1996

State/ Territory	% Total Pop 50+ years
NSW	26.5
Vic	26.2
Qld	24.7
SA	27.8
WA	23.6
Tas	26.5
NT	13.1
ACT	18.8
Australia	25.7

(Source: ABS, Cat No 3101.0 from Manicaros & Stimson 1998)

There have been a number of studies undertaken in the US (Marans 1983, Golant 1987, Stimson 1990) where the environment of retirement villages, the health and “fit” of movers and the push and pull factors relating to relocation decisions have been recognised. More recently research has been undertaken in Queensland (Manicaros & Stimson 1998, Manicaros & Stimson 1999) and NSW (Eardley & Birch, 1998). As of 1999 little had been documented about the location choices of households who have moved to retirement villages in South Australia. Nationally it is recognised that as the baby boomer generation enters into retirement Australia will become a more age dependent society (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 Annual rate of increase in population by Age 1986 to 2016

Year	% increase 65+	% increase 80+	% increase Total Pop
1986-1996	2.7	4.4	1.3
1996-2006	1.8	3.8	1.1
2006-2016	2.9	1.9	.8

(Source: Australian Institute of Health & Welfare, 1997)

2. Background to the Research

The research presented here is important in providing information to many in the retirement village industry. Potential and existing owners are looking to ensure returns through better market research. Sales 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 liveable environments for an ever expanding cohort. And finally residents are full of good ideas, which can be documented and passed on to the benefit of existing and future retirees.

Various estimates have been made of the Australian retirement village population. Recent figures suggest that some 44,000 people live in approximately 1700 retirement villages, that is about 5 per cent of Australia’s older population (Crotty 1996). The last official estimate of SA’s retirement village population was 3400 in 1993 (Table 3).

Table 3 Number of Persons in Retirement Villages

State/Territory	Retirement Village Population	Percentage of Retirement Village Population
NSW	19800	49.6
Vic	7200	18.0
Qld	3400	8.5
SA	3400	8.5
WA	5600	14.0
Tas	400	1.0
NT	0	0
ACT	200	0.5
Australia	39900	100

(Source ABS 1993)

According to projections by groups such as the Commission for the Future (1992) the retirement village industry was almost certainly going to double in size up to and beyond the year 2000 based on current population and retirement village take up trends (Table 4). By 2011 the industry could be expected to accommodate around 120,000 residents or triple the current population.

Table 4 Projected Retirement Village Population Australia

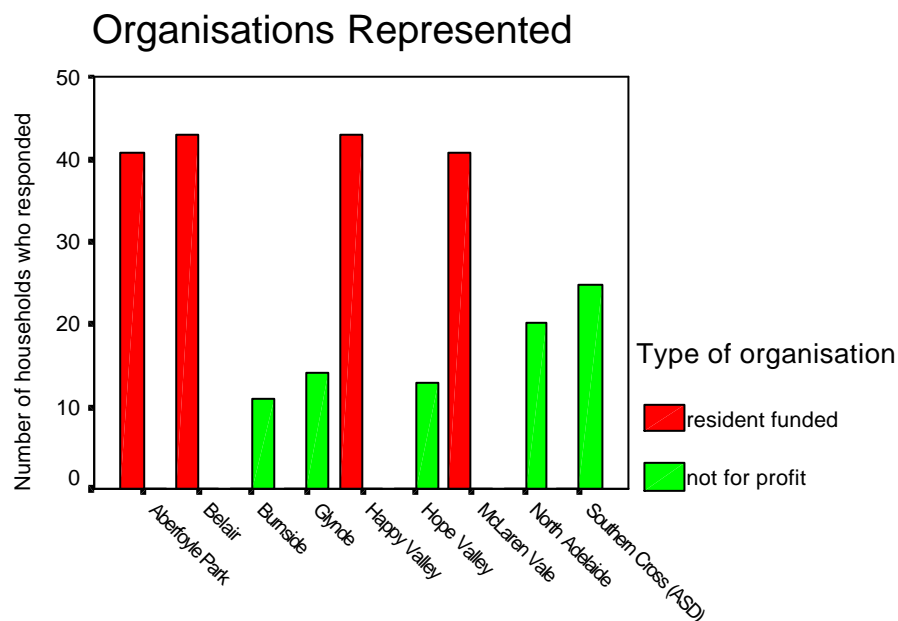
Age Group	1991-2001	2001-2011
60-64	43,400	380,300
65-74	63,000	268,800
75 years and over	253,000	73,000

(Source: Commission for the Future, 1992 from Stimson & Manicaros 1998)

Retirement villages are a special type of segregated medium density housing which offer retirees particular forms of tenure. Tenure arrangements may be based on license or loan agreements, leasehold, strata or company titles. Retirement villages are either resident funded establishments or church of other not for profit establishments. They 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.

3. Methodology of the Research

The study was in the form of a postal survey of a sample of 380 households who had moved into a retirement village within the Adelaide Metropolitan area in approximately the last 10 years. Attaining a sample was predicated on the cooperation of village management and represents those managers who expressed an immediate interest in the project. Participating villages were those represented by managers on the Executive of the RVAA (SA) and the Housing Committee of ACOA (SA). The villages represented five “not for profit” organisations and four resident funded complexes (Figure 1). In this way the sample was quite discrete 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. Out of 380 surveys distributed 255 were returned which was a response rate of 67%. The study included responses from over 250 households representing some 379 individuals, which constitutes an estimated 10% of the retirement village population in SA.

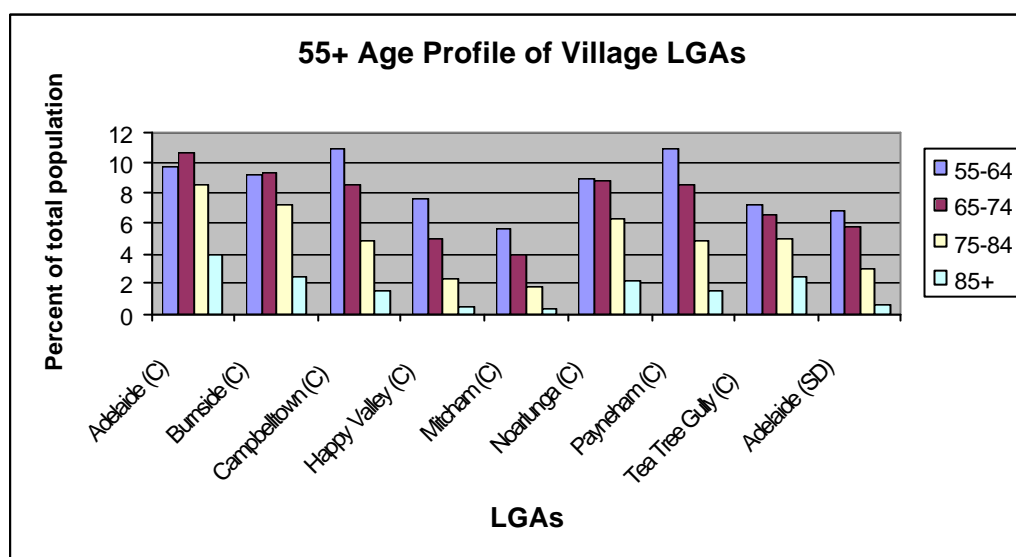
Figure 1

Location of Retirement Village (n = 251)

The response rate was significantly higher than that achieved by other similar Australian studies and reflects the high level of support received by SA managers who advertised in local newsletters, conducted mail outs 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 poorer response rate to those villages where management distributed the survey to every household. Residents could then respond if they wished to. Self-selection has been the sample method for most other studies in Australia.

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. All with the exception of Mitcham have higher percentages of the 55 to 64 age cohort. Adelaide LGA, Burnside, Campbelltown, Noarlunga and Payneham have significantly higher proportions of aged persons for every 55+ cohort than for the rest of the Adelaide Metropolitan area (Figure 2).

Figure 2



(Source ABS Population & Housing Census 1996)

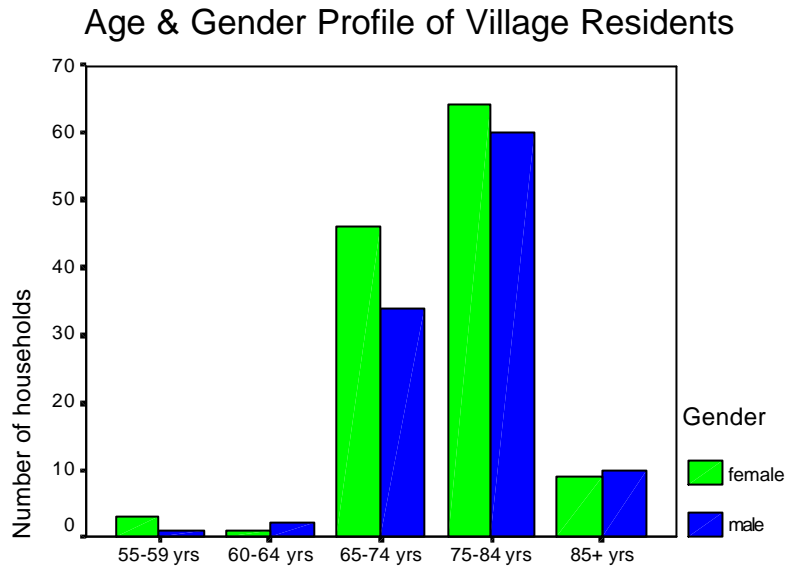
The survey instrument was a postal/self selection questionnaire which had been reviewed by the RVA SA Executive and representatives of ACOA.

4. Results of the Research

Respondents were strongly represented by households made up of couples (52%) and widows or widowers (40%)(Figure 3). Over 70% had been born in South Australia, some 12% in the UK, many of whom would be SA residents, and some 10% 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.

Most of the respondents were at least 65 years of age, women were in the majority and at least 80% had been living in their village for less than 10 years.

Figure 3

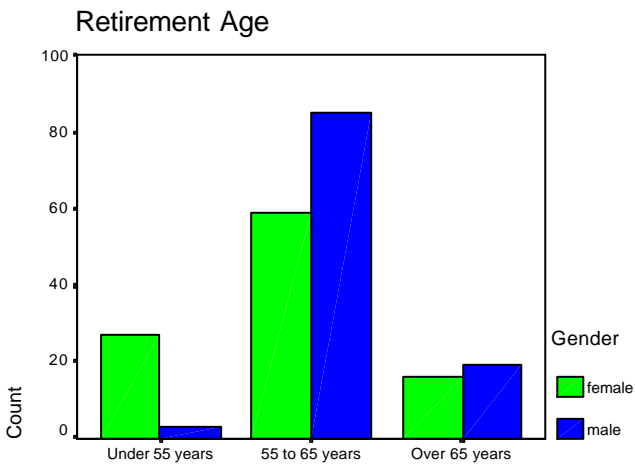


Age Group of Respondent (n = 243)

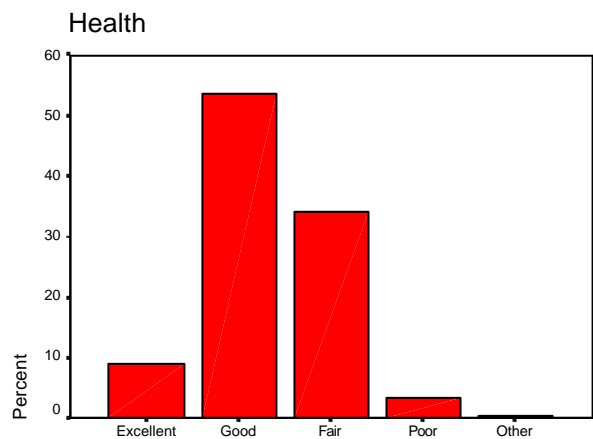
Some 63% of respondents had retired between the years of 55 to 65 (Figure 5). Many had left school at aged 14 to 15 though over 35% had left later and 43% had some form of further education. Over 50% described their health as good with almost 10% as excellent (Figure 5). This indicates a population of 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.

Figure 4

Figure 5



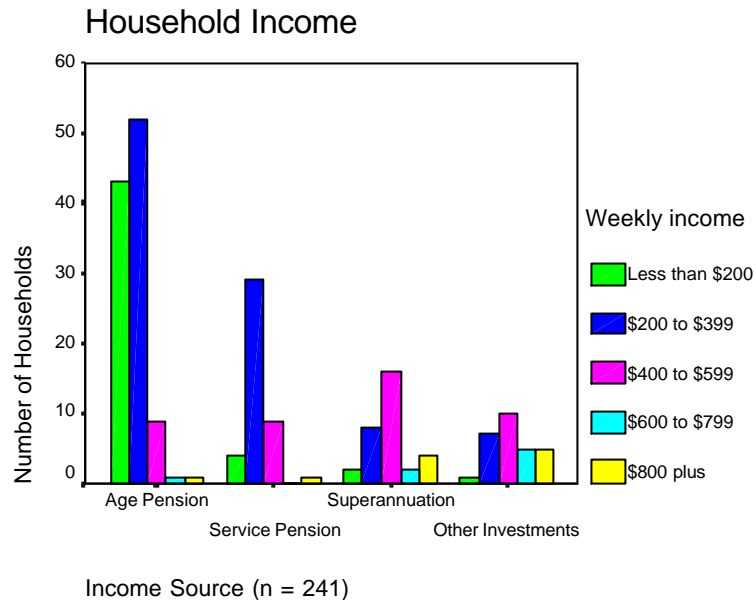
Retirement Age (n = 224)



Health (n = 248)

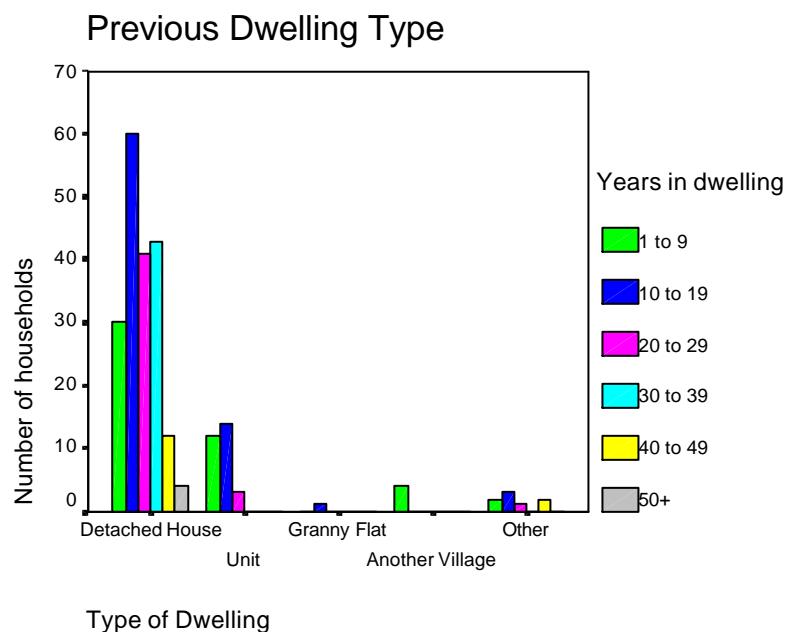
Household income was dominated by the Age Pension and most households with this income source were on less than \$400 per week. (Figure 5). Higher income groups of \$400 plus a week were largely funded by Superannuation or other investment sources. Only 1% of respondents indicated they were still in some form of employment.

Figure 6



Home ownership rates in Australia are traditionally among the highest in the world. At present about 68% of Australian households either own their house outright or are in the process of buying. Almost 90% of survey respondents had previously owned their homes outright. Many had lived for considerable periods of time in detached dwellings before moving into the retirement village (Figure 7). Four respondents had been in their previous home for over 50 years. Only 8% of respondents had used any home based community services before moving into the village.

Figure 7

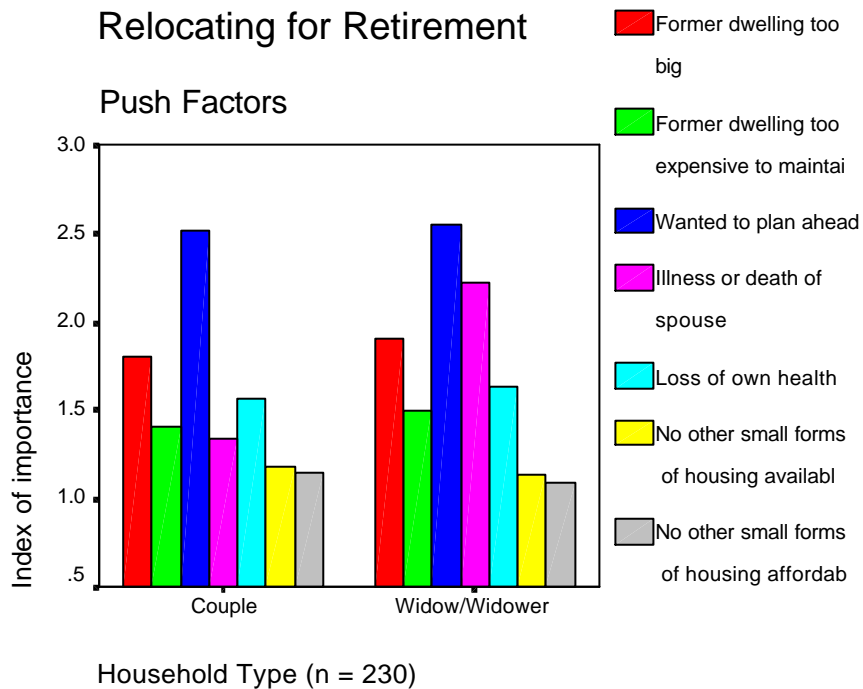


This ties in with previous research findings in NSW (Eardley and Birch 1998) and in Queensland (Stimson 1998) where it has been suggested that the high level of home ownership is not unexpected given the cost to purchase or lease and to maintain housing and care in retirement villages. The results of this survey would indicate that the duration of previous tenure is also likely to be significant in that it suggests that the decision to sell the family home is not taken lightly and that adjustment to life in a medium density complex may be considerable.

A number of push and pull factors have been identified in previous studies (Gardner 1994, Loomis et al 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.

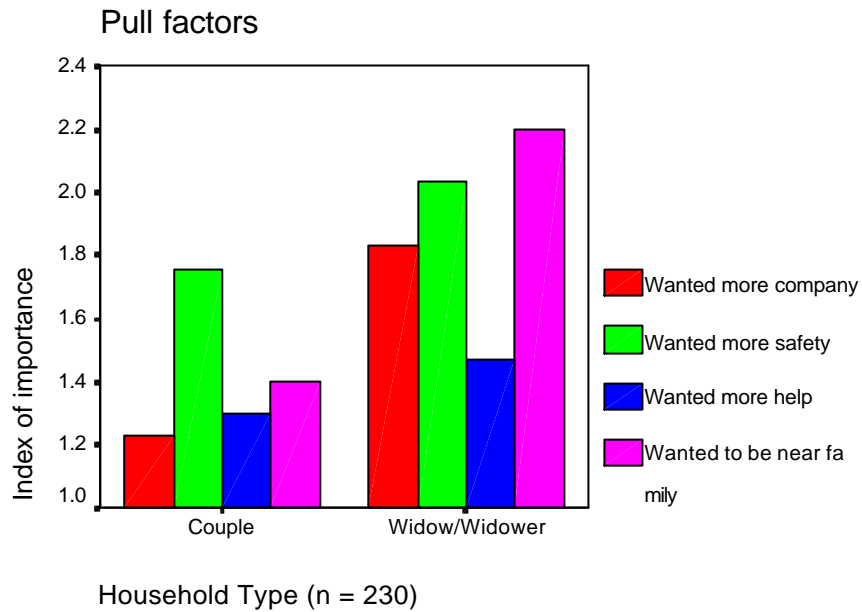
Results from this survey would indicate that as push factors the desire to plan ahead, dwelling size and health issues outweigh any constraints on choice (Figure 8). As might be expected for the widow/widower household loss or death of a spouse can be a very strong incentive to leave their previous dwelling.

Figure 8



A number of pull factors have also been discussed in the literature including the attractive elements of a new home, companionship, security and safety and the availability of ongoing health care (Manicaros & Stimson 1998). For most households in this study safety was of greatest significance with companionship and the desire to be near family especially important for widows/widowers (Figure 9). For couples the desire for extra help and more companionship were not significant pull factors.

Figure 9 Relocating for Retirement



Some interesting results came out when such factors were considered on a gender basis. For example female respondents considered the need for more company a significant attraction of village life while over 50% of the males considered it not important (Figure 10). For most females the illness or death of a partner was a significant motivator while for the majority of male respondents it was not important (Figure 11).

Figure 10

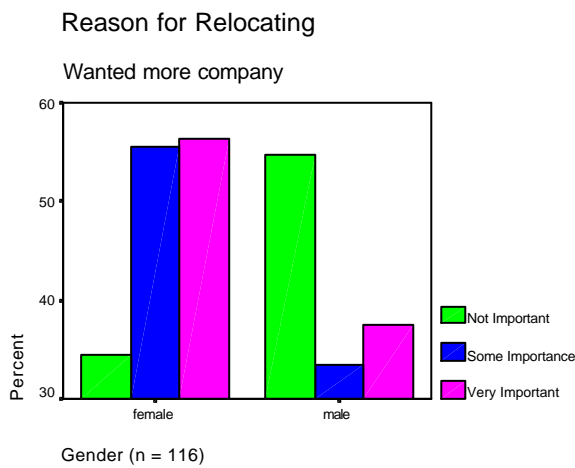
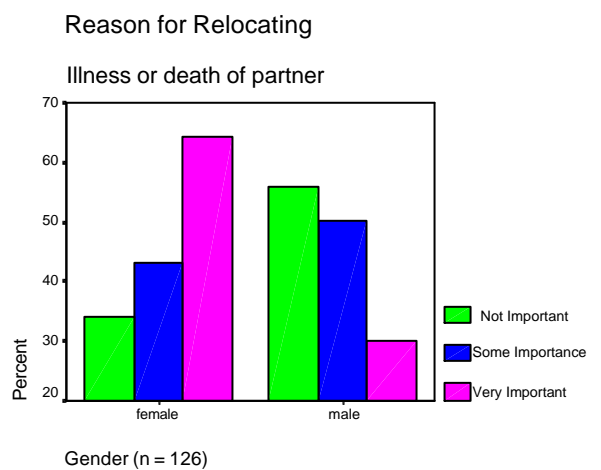


Figure 11



For 30% of retirees the main way they learned about their village was through existing residents; for over 20% through newspaper advertising and for the rest mainly through a variety of other non official sources. Very few had obtained any information through the real estate industry. 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%) had either no delay in gaining a place at the village or waited less than 6 months (30%). Over 80% felt they had settled into village life within 6 months. This suggests that villages are continuing to provide to a niche market and that promotion may need to be quite strategic. Informal rather than formal channels seem to be much more important as a means of communication.

In terms of choosing a particular village, good on site facilities were very important for all categories of household. Ongoing care was more important for the widow/widower household as was the location close by of family and friends (Figure 12). Other location attributes such as shops, transport and parks were not considered important. This ties in with the high level of car ownership and use within the village population with over 60 % 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 12

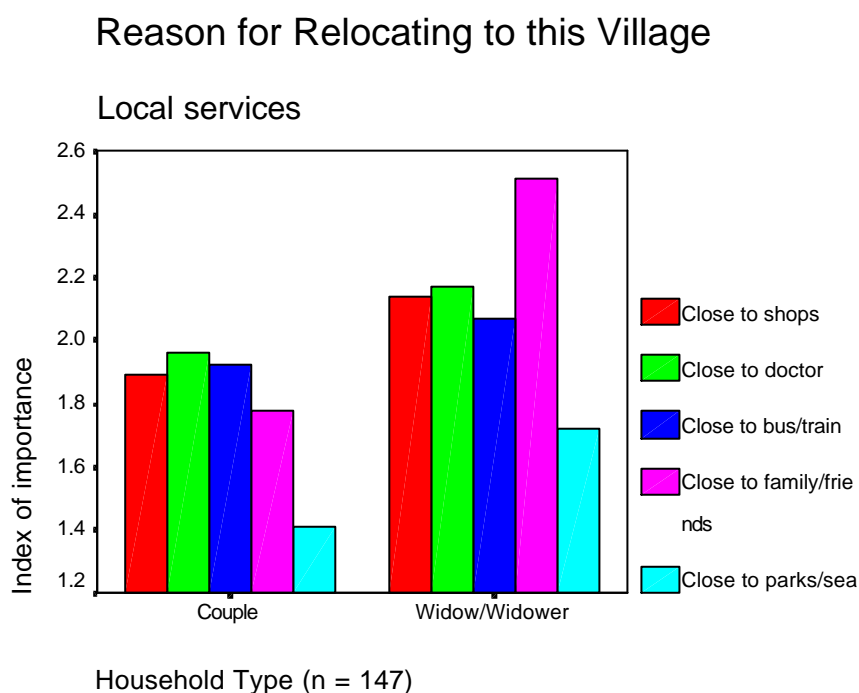
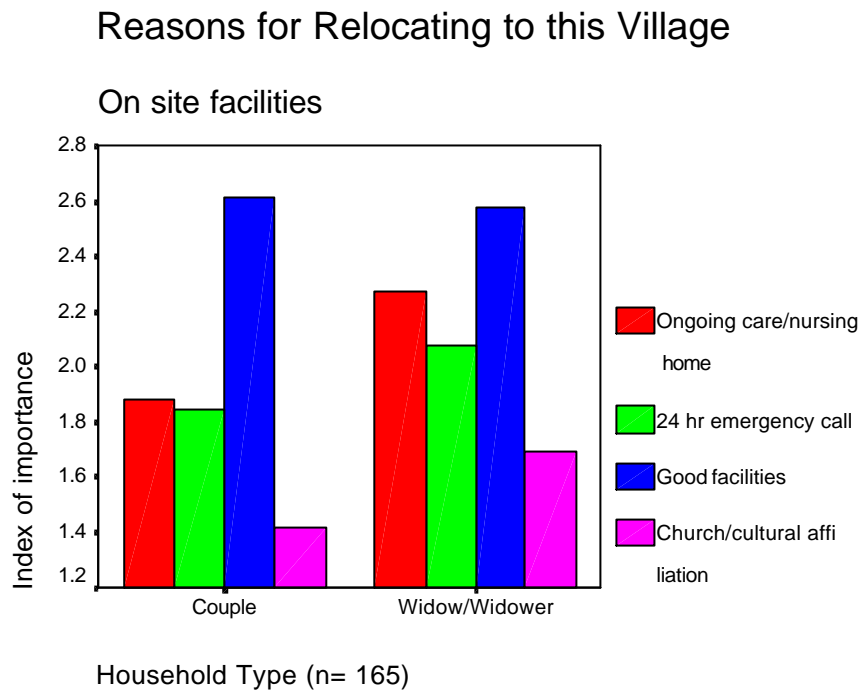
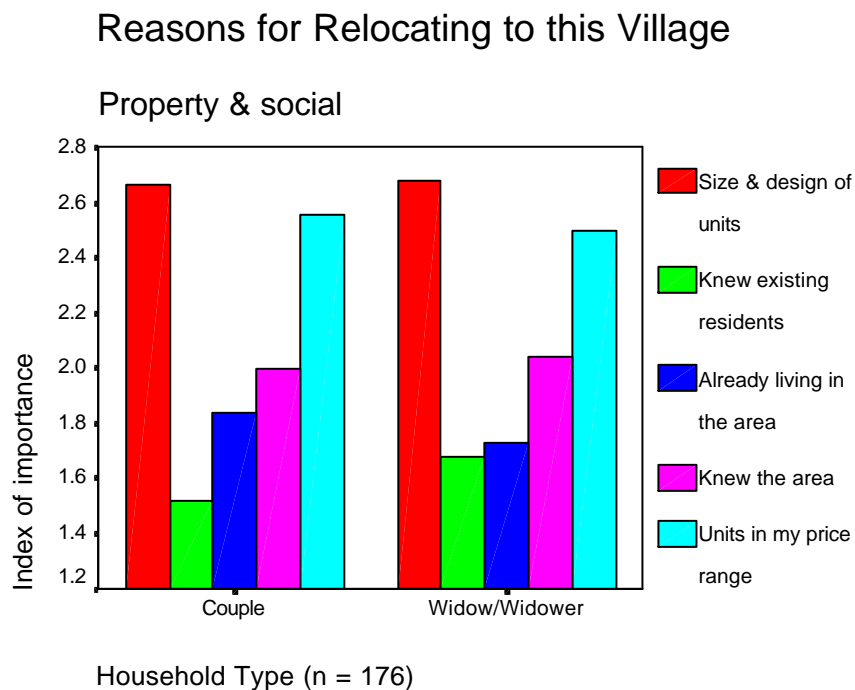


Figure 13



Of major importance to residents in terms of selecting a particular village was the size, design and price range of the units (Figure 14). 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 as particularly important. Neither were church or cultural affiliations. This runs somewhat 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).

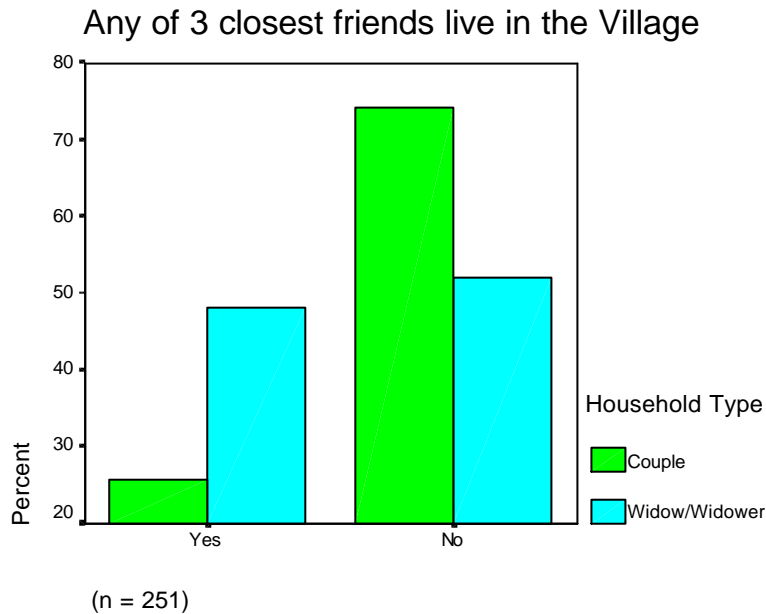
Figure 14



Thus while community may be important essentially the majority of village residents are looking for a home which provides comfort, quality and value.

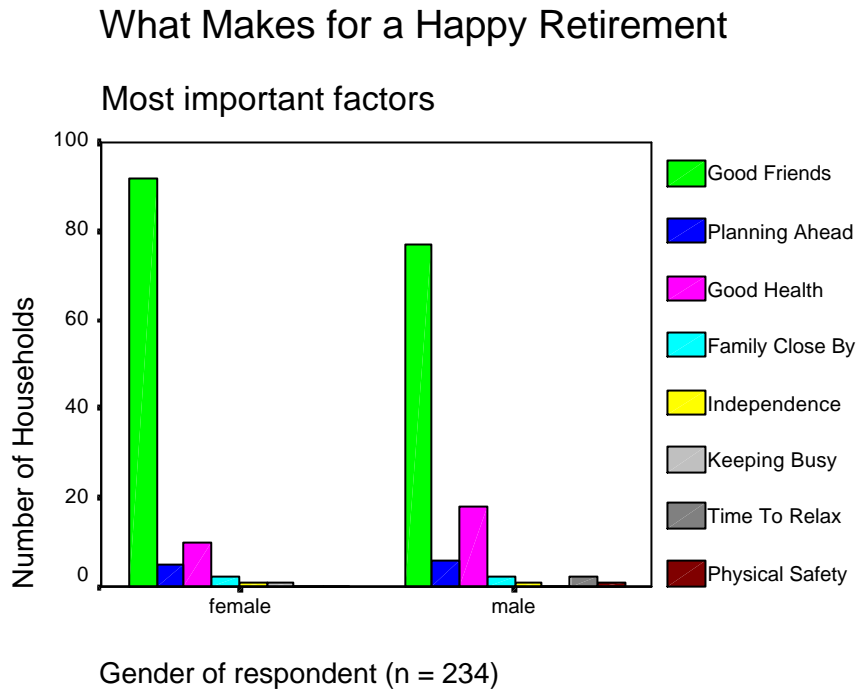
In terms of friendships most couples do not have their closest friends within the village (Figure 15). By far the majority of couples have their closest friends outside the neighbourhood altogether. More single households did count at least one of their closest friends within the village community. Couples are likely to be more independent of the village network and perhaps happy to retain a level of seclusion within the village community. 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).

Figure 15



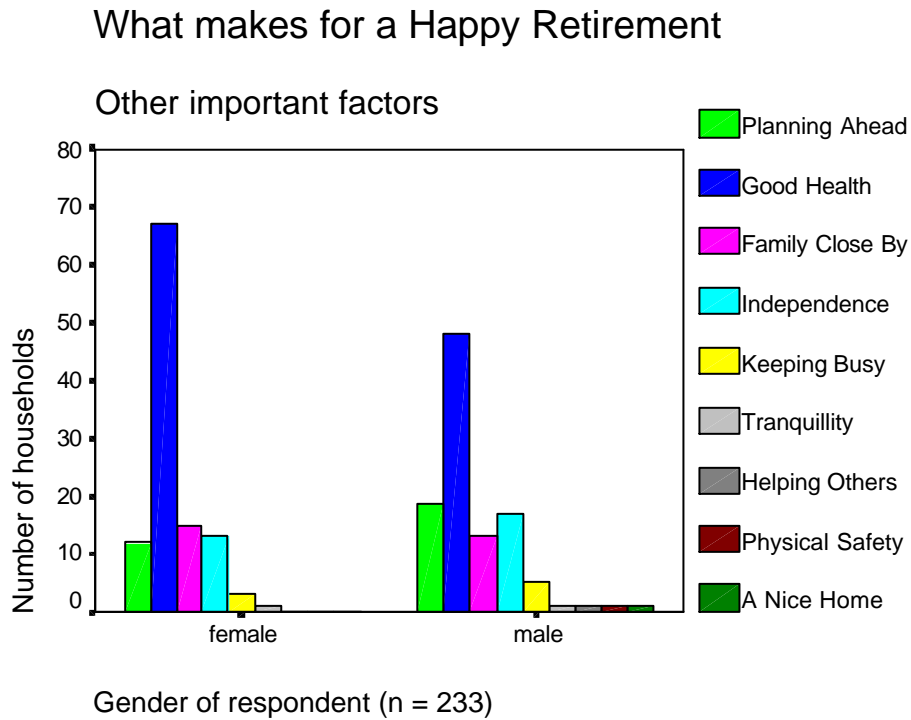
When asked what makes for a happy retirement everyone thought good friends were by far the most important factor with good health also important (Figure 16).

Figure 16



Good friends and good health came in well ahead of financial security, having a partner, physical safety, independence, seeing the world, tranquillity, having time to relax or having a nice home. Results were the same for everyone regardless of age, gender or household type (Figure 17).

Figure 17



5. Conclusion

The results discussed above are only the preliminary findings of the survey. Much qualitative material has yet to be analyzed with respect to what residents miss most about where they lived before, how far they have moved, what they like or dislike most about village life, what helped or hindered them in settling in, their level of voluntary involvement in the village community and what they feel might be improved upon. Much of this material will be particularly helpful in determining what makes retirement village life successful and how best to suit future retirees.

The overall profile of residents within this study is similar to that reported by Manicaros & Stimson (1999), Gardner (1994) and McDonald (1986) in terms of age, gender, and length of time in their previous home. Levels of home ownership are somewhat higher with income sources concentrated more in the aged pension category. The strongest push factor is the size of the former home and the illness or death of a partner. Pull factors are reinforcing the importance of traditional real estate items namely the size, design and price of dwellings. The quality of on site facilities is also important for all residents. For retirees as for most households, housing environments are important for well being and prosperity.

The match between the various housing needs and aspirations of retirees and a market often significantly lagged on the supply side is a considerable planning issue. It is anticipated that the trend towards younger retirement will help to articulate the consumer choice of future village residents. 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 (Casey 1999) 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.

Retirees in SA 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 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.

6. References

- Casey, Clinton (1999) Retirement Accommodation: the Future to Move to Ownership of Title System *Australian Property Journal* Vol 35:6
- Commission for the Future (1992) *Retirement Villages in Australia: the Future Trends and Influences to 2011* A Report to the Retirement Village Association Victoria Inc..
- Crotty, B (1996) *The Private Sector's role in Aged Housing and Related Issues, Housing in an Ageing Society: the Challenge ahead* Housing Choices for Older Australians National Conference, Commonwealth Department of Transport and Regional Development and Health and Family Services, Sydney
- Eardley, T & Birch, M (1998) *Retirement Villages Resident's Housing Costs and Living Circumstances* Social Policy Research Centre, Number 139
- Gardner, LL (1994) Why people move to retirement villages: home owners and non-home owners, *Australian Journal on Ageing* Vol 13, No 1, 36-40
- Golant, SM (1987) Residential moves by elderly persons in US central cities, suburbs and rural areas, *Journal of Gerontology*, 42, 534 –539
- Loomis, L Sorce, P & Tyler, P (1989) A lifestyle Analysis of Healthy Retirees and their interest in moving to a Retirement Village in LA Pastalan (ed) *The Retirement Community Movement Contemporary issues*, The Hayworth Press
- Manicaros, M & Stimson, R (1998) *The Decision to Relocate to a Retirement Village: Evidence from a South-East Queensland Pilot Study* Paper to the Retirement Village Association of Australia 1998 National Convention

- Manicaros, M & Stimson, R (1999) *Living in a Retirement Village: Attitudes, Choice & Outcomes* AHURI University of Queensland
- Marans, RW et al (eds) (1983) Changing properties of retirement communities, in Urban Land Institute, *Housing for a Maturing Population*, Urban Land Institute, Washington
- McDonald, J (1986) Retirement Villages: Segregated Communities *Australian Journal on Ageing* 5, 40-46
- Moran, David (1999) Retirement Villages – Gaining Momentum and Perspective *Australian Property Journal* Vol 35:6
- Stimson, RJ (1990) Ageing retirement communities and villages: US experiences, *Retirement Villages 1990 Conference Proceedings* Sydney
-