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Business models, consumer experiences and regulation of retirement villages



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Acronyms and abbreviations used in this report

ABC	Australian Broadcasting Corporation
ABS	Australian Bureau of Statistics
AHURI	Australian Housing and Urban Research Institute Limited
CCRC	Continuing Care Retirement Community
COAG	Council of Australian Governments
CRA	Commonwealth Rental Assistance
HILDA	Household Income and Labour Dynamics of Australia Survey
MHE	Manufactured Home Estate
NSW	New South Wales
RACF	Residential Aged Care Facility
RLC	Retirement Living Council
SIH	Service Integrated Housing
USA	United States of America
UK	United Kingdom
WHO	World Health Organization

Executive summary

- According to a national overview of the retirement village sector, in 2014 approximately 184,000 Australians lived in retirement villages, equivalent to 5.7 per cent of the population aged 65 and over. This rate is projected to increase to 7.5 per cent by 2025 (Grant Thornton 2014).
- The analysis in this report indicates that living in retirement villages saves the health care system \$2.16 billion, with \$1.98 billion of those savings achieved by postponing residents' entry into government funded aged care facilities.
- This project looks at the appeal of retirement villages, as well as the problems that can arise. It draws on a survey of 855 residents in New South Wales (NSW), Queensland and Tasmania, 36 interviews with residents, and 10 interviews with professionals such as lawyers and village managers.
- A significant attractor to retirement villages was the opportunity to join a community formed through informal friendships. Affordability was an important consideration.
- Consumer complaints have included mis-selling, excessive exit fees and unfair buy-back arrangements (Greiner 2018). The survey conducted for this report shows fewer concerns, and many residents expressed positive views about exit fees. However, 25% of respondents either could not understand exit fees or experienced difficulties understanding exit fees. Two respondents felt trapped in a village, and one had been bullied.
- Most residents sought legal advice but did not see this as helpful. Few of the respondents sought advice from families.

- **There is scope for differentiation and innovation within the exit fee model. Some villages offer residents a share in capital growth (although this has led to disputes). Subsidies from government or philanthropic organisations have made social experiments possible, including congregate living in a rental village and a proposed initiative to provide housing for older women with lower savings and income through targeted government support.**
- **Retirement villages could be made more affordable through a financial partnership with government with funds directed at low-income groups through care packages and public housing rather than subsidising wealthy Australians, companies and investors.**

Key findings

7.5 per cent of older Australians are expected to live in retirement villages by 2025 (Grant Thornton 2014). This housing option has health benefits for residents and may reduce the growing pressures on health services caused by an ageing population. The sector does not currently receive direct funding from Commonwealth or state and territory governments, although some local councils have set aside land for new development. This noted, state and territory governments both establish and maintain regulation, and the Australian Government invests in pilot projects that seek to assist low-income groups - including older women (Retirement Living Council 2022).

The project drew on a survey of 855 residents in NSW, Queensland and Tasmania, interviews with 36 residents and also interviews with 10 professionals and advocates for social justice. We investigated four broad questions:

1. What are the benefits and disadvantages of community living?
2. What is the consumer experience, particularly regarding contracts, access to services, and community relations? How do consumers experience difficulties?
3. What business models are employed? What are the current challenges?
4. How can the Australian Government help the sector to expand? How can it diversify provision and support consumer choice?

Question 1: What are the benefits and disadvantages of community living?

There are push factors such as loneliness and ill health, and many pull factors such as the facilities and natural environment, and affordability made possible through the exit or deferred management fee. The strongest attractor was belonging to a community based on informal friendships. There were also, however, negative aspects including being subject to ageism through the perception of segregation from younger age groups.

Table 1: Top 10 most common facilities available at survey respondents' retirement village

	NSW	QLD*	TAS*	Aust
	%	%	%	%
Community room(s)	96	99	91	97
Library(s)	93	96	75	93
A maintained garden(s) (e.g. by a gardener)	93	93	82	92
Organised social activities (e.g. bingo, dancing, movie night)	85	90	76	86
Swimming pool(s)	78	96	29	81
Organised social outings (e.g. short day trip)	67	69	59	67
Other services (e.g. hairdresser)	69	71	29	67
Craft room(s) and materials	63	67	46	63
Private community/meeting room(s) that I can book for private functions	65	62	60	63
Gym	65	68	22	62

* Unweighted results.

Source: Survey.

Question 2: What is the consumer experience, particularly regarding contracts, access to services, and community relations? How do consumers experience difficulties?

Since the 1970s, complaints have been made about the consumer experience in retirement villages. Issues with consumer experience were reviewed recently by a television documentary (ABC 2017). Complaints include mis-selling, excessive exit fees and unfair buy-back arrangements. Legislation passed during the 1990s and in the last 10 years has to some extent addressed the problems. Contributory causes are inadequate provision of legal advice, and a hard line taken by operators under pressure to make profits in a competitive market. The research approach acknowledges the complexity of different stakeholder views. A lawyer, for example, noted that consumers are warned about risks, but do not always employ due diligence:

Look, it's a very difficult space, but I think the consumer protection is inherently a difficult space. They want one thing, they want to buy a load of goods on the one hand, and they really don't want to do their due diligence, but when it's not meeting their expectations on the other, they want to complain about it. How do I approach it as a lawyer? I make sure my client understands, as best as possible, meaningfully, what it is they're buying into.

Although some residents have bad experiences and even feel trapped in villages, surveys indicate that most are happy. Although this may change when they seek to leave.

Table 2: Length of residence in survey respondents' current retirement village

	NSW	QLD*	TAS*	Aust
	%	%	%	%
3 months or less	0	0	4	1
4 months to 1 year	5	3	4	4
Over 1 year, but less than 2 years	5	6	13	6
Over 2 years, but less than 3 years	8	3	22	7
Over 3 years, but less than 4 years	6	5	13	6
4 years or over	76	84	43	77

* Unweighted results.

Source: Survey.

Table 3: Resident satisfaction

Study	n	Response
Stimson 2002 The Retirement Village Industry in Australia	985	75% 'met expectations'
Petersen et al. 2017 Queensland Retirement Village Survey	312	82% 'met expectations'
McDougall and Barrie 2016 South Australia Retirement Village Survey	2,154	84% satisfied
Greiner 2017 Inquiry into the NSW Retirement Village Sector	286	61% felt pre-2013 marketing dishonest
Bradfield et al. 2019 National Survey (Qualtrics)	162	54% 'met expectations'
Malta et al. 2021 Victoria Retirement Villages Survey	950	77% satisfied
Travers et al. 2021 Retirement Villages Survey (Tas, Qld and NSW)	855	72% 'met expectations'

Source: Authors.

Question 3: What business models are employed? What are the current challenges?

Industry insiders believe that the business model is not well understood by government or critics. There is only one model—the exit fee or deferred management fee—that allows residents to live in properties at a reduced entry price. Variations within the model allow different types of tenure and levels of service but no alternative models have been developed. There is an alternative means of renting buildings in Manufactured Home Estates, often confusingly also called villages. This type of housing offers fewer legal protections, but is growing due to government rental support. There are also alternative purchase arrangements that allow a share in capital gains. In addition, some experimental and social initiatives are co-funded in the not-for-profit sector. These include rental congregate villages in which residents eat together to encourage stronger communities.

Question 4: How can the Australian Government help the sector to expand? How can it diversify provision and support consumer choice?

There are different means of providing indirect support, including through planning policies and establishing regulation. However, there has so far been limited support for expansion. Direct support and investment would arguably be needed for villages to house more than 10 per cent of older Australians.

Policy development options

Howe (2003) noted that the growth of retirement villages amounted to policy by default. Governments were happy for the sector to grow without the need for financial support. Today, state and territory governments have been asked to take a larger role through establishing and maintaining regulation. Despite the fact most residents are satisfied, this report demonstrates that more effort and investment is required, such as by funding a specialist ombudsman.

More generally, we have questioned the assumption that government should financially subsidise or support villages. Opportunities for co-funding new initiatives that draw on the experiences of the aged care sectors in the United States of America (USA) and Europe are explored in this report. The challenge lies in offering an alternative to independent living in villages at scale rather than a pilot or experimental scheme. Limited support from Commonwealth, and state and territory governments would arguably be best used in supporting lower-income and vulnerable groups through home-care packages and public housing rather than subsidising wealthier home owners to live in villages.

1. Introduction

- **The growing older population presents policy challenges for the delivery of services and the viability of the welfare state.**
- **Retirement villages are interesting to study as a potential solution. They provide a good quality of life and positive health outcomes, leading to less strain on health services. They warrant greater attention from government.**
- **Drawing on a survey of 855 residents in three states, and interviews with residents and stakeholders, this report considers how retirement villages developed, as well as existing challenges.**
- **The literature on retirement villages in Australia is not expansive, but there are insightful studies about why older people choose to live in villages and consumer issues.**
- **An objective in the study was to answer four broad questions. We hope to interest and engage with different audiences, including the industry, government and campaigning organisations.**
- **We also sought to conduct rigorous quantitative and qualitative research that would have an impact on policy and practice. The survey allows us to make strong statistical claims based on the NSW data. The interviews with residents and stakeholders go further than previous reports in investigating business models, consumer experiences and regulatory issues.**

1.1 Policy context

The growing older population is recognised internationally as presenting major policy challenges not only for the delivery of health services, or provision of housing, but for the viability of the entire welfare state (Beer and Faulkner 2011; Piggott 2016; Slattery 2022). In an ageing society, there will not be enough income from taxation to support the older population. The problems affect different age groups in complex ways, and create policy dilemmas. Most older people remain in their family home (ageing in place) occupying more space than needed in a large family home that is unaffordable for young people. Most older people eventually draw on health services delivered to the home, and a third of older women end their days living in residential care (Byles et al. 2012). Yet, the under-resourced residential care system has been criticised for low standards.

Although it only provides housing to a small number of older people, the retirement village sector is interesting in three ways. Firstly, there is evidence that living in a village delays the health problems that result in admission to residential care (Productivity Commission 2011; Grant Thornton 2014). Secondly, retirement villages offer a way of living communally that deserves attention, and may have lessons for the delivery of welfare services more generally (Stimson 2002). Thirdly, half the retirement village sector is developed and operated by for-profit organisations (Grant Thornton 2014). These receive no subsidies or financial assistance from government.

We consider some of these broader issues in this report. However, in order to do this we first present an overview of the industry. We analysed Australian Bureau of Statistics (ABS) data for 2016 that identifies the proportion of the population in villages, and how this has changed since the 1990s (ABS 2017). We have conducted a survey of 855 respondents in three states, one of the few larger surveys of retirement village residents. In addition, we interviewed 12 residents in each of the three case study states (36 in total), and spoke to 10 stakeholders who provided insights into different institutional perspectives. In the interviews, we focused on the problems of the industry and village living, and the benefits of living in communities. We have tried to deliver a balanced, realistic and constructive view that can inform policy discussions. We also considered the main business model (deferred management fee or the exit fee), including its strengths and weaknesses. Finally, we considered how governments could assist in expanding villages, and the wider lessons that retirement villages present in terms of how governments can respond to an ageing population.

Prior to the 1980s, housing for older Australians was provided by public housing authorities supplemented by not-for-profit organisations part-funded by resident contributions, charities and government (Bevin 2021). Most older people, then and now, remain in the family home, with a small number moving to residential homes at the end of their lives.

The economic and cultural changes since the 1980s, including the role of government, are complex. One interviewee noted that not only were people living longer, but there was less social support from families:

People are lasting longer, potentially. Kids aren't necessarily there to take care of parents like they might have years ago. Tracking this through history, the social construct and the sociology of it all where parents have kids to ultimately help them through. That's breaking down, so there needs to be somewhere, an interim base, where people can have social support, but they don't necessarily need medical or high dependency support. That's why these things are growing and there's a market for it.

Another provider noted that the industry was assisting a new generation of baby boomers:

It's moved from war generation to boomers. The war generation, we're pretty much finished with selling to those guys, so we're now dealing with the earliest of the boomers. They're the first generation to embrace debt, credit cards, so they have a different outlook on life to the war-gen. And so, we've shifted slightly our dialogue, but the principles are the same. That is that people will largely stay in their own home till they just can't be bothered with it anymore, and that's the primary reason people move to villages. It's more acute if you're on your own and if you're a widow, and you don't have any support. But the drivers are still the same.

It should not be assumed, however, that retirement villages were a new development made possible by changes in the family and a new generation of wealthy baby boomers who began to reach retirement age in the 1980s. To some extent it is true that entrepreneurs only established for-profit companies aimed at this market from the 1980s, and this has since been the growth area. However, villages were established and operated by not-for-profit organisations during the 1970s.

Although Bevin (2021) has provided an insightful history of expansion during the 1990s, there are as yet no detailed accounts about particular companies. In general terms, entrepreneurs entered what was seen as a potential market from the 1980s (Hu et al. 2017). Larger companies bought up some of these providers from the 1990s. State and territory governments became involved as regulators during the 1990s, and the legislation has been strengthened in the last 10 years. There has been steady expansion that has overcome challenges during the financial crisis of 2008–09, and the pandemic that started in 2020. The only significant recent development is that some companies have moved into provision of residential care co-located with a retirement village (Retirement Living Council 2022). This is a response to consumer demand but has also potentially threatened the brand image of independent living and exposed the industry to financial and reputational risks.

1.2 Existing research

According to the Retirement Living Council (personal communication), there has been limited research on retirement villages. We found little or no research about many topics in a literature search, such as how business models developed, or on different types of villages. However, a considerable number of studies have been conducted on why people enter villages (for example, Stimson and McRae 2004). In the last 10 years, research in applied projects has focused on consumer issues as part of campaigns for stronger regulation (for example, Greiner 2018). There has been research on communities and facilities from a building perspective (for example, Hu et al. 2020) and about health effects (Nathan et al. 2014a). There have also been reports funded and published by AHURI (for example, Bridge et al. 2011) that review housing choices for older Australians and raise policy questions about assisted living.

1.2.1 Policy issues in the 1990s

It is sometimes suggested by those researching retirement villages that we should focus on current policy issues and developments in the industry in the last 20 years rather than adopting a broader historical perspective (Bevin 2021). In fact, it is illuminating to consider the earlier history of villages for three reasons. Firstly, the studies conducted in the 1990s indicate a substantially lower proportion of older people living in retirement villages than today. This demonstrates that the industry has grown substantially, and it seems likely this growth will continue. The reason is not only because there are more older people, but because more older people are interested in this lifestyle. Secondly, most of the policy issues debated today concerned the industry and government during the 1990s. The regulatory system that has been amended recently was established through Acts of Parliament in the mid-1980s and late 1990s responding to consumer concerns that arose in the 1970s. Thirdly, even as late as the 1990s, it was possible to canvas ideas on government subsidising affordable housing as part of a welfare state. Today, large-scale spending programs are no longer seen as good policy or practically possible (although there are indirect means to assist the sector).

These policy issues were considered in an important collection by Robert Stimson and colleagues. (Stimson 2002, 2004). It is worth noting that these are optimistic texts that discuss general policy issues and contain practical advice for developers and those managing villages. While many recent reports have a bias towards the perspective and experiences of residents, Stimson (2002) is generally sympathetic to providers and highlights some of the complaints about over-regulation that have led some smaller villages to close. Regulatory reforms today, drawing on consultations and academic research, seek to achieve a balance between the needs or rights of residents and operators. However, the terms of the debate have not changed.

The growth of the industry

Stimson and colleagues conducted the first mapping of retirement villages drawing on data from the national ABS surveys in the period 1996–2002. He found that, at this time, very few older Australians lived in retirement villages:

Currently the market penetration of the industry in attracting retirees to live in villages is low. In chapters 1 and 2 it was shown how only just 3 per cent of people aged 65 years and over in Australia have chosen to relocate to live in a retirement village ...

The reality is that both ABS 1996 census and national scale survey data ... indicate that the most common age when retirees choose to relocate to a retirement village is around the mid-70s. The actual penetration rate (that is the proportion of persons residing in an independent-living unit in a retirement village) ranges from just 0.2 per cent for those aged 55 to 64 years to 7.6 per cent for those aged 85 to 94 years, after which it drops slightly to 6.1 per cent for those aged 95 years and over. But the take up rate remains very low at 1.4 per cent for those aged 65 to 74 years, while it increases to 4.8 per cent for those aged 75 to 84 years (Stimson 2002: 203).

Stimson predicted that the demand would increase simply because the proportion of older people in the population would double. He also saw an opportunity for companies that could meet the demand for better quality, age appropriate housing and services. Although it is important to compare like with like statistics, 96 per cent of older people lived in a private dwelling in 1996, and only 2.7 per cent in retirement villages, with the remaining 7 per cent in care facilities (Stimson 2002: 2). Today, most researchers estimate 7.5 per cent of older people live in retirement villages. Given continued growth, optimists in the industry estimate that 10 per cent of older people might choose this lifestyle in the next decade. Even so, it is worth acknowledging that 90 per cent will not live in villages.

Regulation of retirement villages

Before the 1990s, retirement villages had mostly been developed and managed by charitable institutions. The expansion came from for-profit companies offering new products that responded to a demand from baby boomers who had retired for modern houses and better services. Stimson notes that 'the emerging strength of consumerism in the 1970s resulted in the introduction by the states and territories governments from the early 1980s of legislation to protect and clarify the rights and interests of retirees living in villages' (Stimson 2002: 22). We are concerned with three states, NSW, Queensland and Tasmania. In each, Retirement Villages Acts were enacted in 1999 that required villages to supply information to residents and offer procedures to resolve disputes between managers and residents. It would appear, at least from this text, that there were no concerns about exit fees or service fees at this time. One chapter mentions in passing that more hands-on regulation seems likely since 'there have been several instances of bad operators and the industry has failed to adopt a coordinated approach to government and other regulatory authorities' (Stimson 2002: 109).

Affordable villages

Stimson's collection is arguably only of historic interest through having a chapter on 'affordability' issues. This reviews ideas and literature going back to the early 1990s about the practical and financial issues in establishing some 'mixed-tenure' villages. Mixed-tenure means that some residents would have previously been home owners, but others would have rented. One practical issue was that when surveyed, residents expressed negative views about sharing a village with lower income groups. There was also community opposition to developments that would contain 'suburban concentrations of low-income residents' (Stimson 2002: 99). There were also technical (financial and legal) challenges. Some experiments with villages aimed at lower income groups found that a joint-venture model showed promise. The Commonwealth Government could extend rental assistance to older people, and contribute 50 per cent of costs to villages. There would be fewer services, and less attractive housing than offered to people who could afford higher entry fees. One way to understand this is that Commonwealth and state governments would offer subsidies in a similar way that they do to the charities and religious organisations that support not-for-profit providers.

The retirement village sector has not developed in this way. Although, today, older people living in ‘manufactured homes’ receive Commonwealth Government help through Rental Assistance programs (Towart and Ruming 2021). What seems interesting is that the policy community and industry during the 1990s believed that government assistance was desirable and possible. This is no longer the case today. A stakeholder reported that his company received no assistance either as a direct subsidy or to residents. The predictions of expansion made by Stimson (2002) have been realised. Yet this expansion has taken place through the efforts of private companies without public subsidy, or recognition in a national plan.

1.2.2 Why older people choose to live in villages

The most sustained research program has been on why older people choose to live in villages. This is often seen as helping the industry improve in marketing. For example, Bohle et al. (2014) found that those living in villages wanted communal services and activities, but also to retain their privacy. Stimson and McCrea (2004) developed a ‘push-pull framework’ of factors that modelled decisions. There has been research about whether family ties are reduced or strengthened after moving to a village (Buys et al. 2006), levels of satisfaction (Kennedy and Coates 2008), and financial decision-making (Finn et al. 2011). A recent study in the United Kingdom theorised the benefits of village living as ‘social capital’ (Schwitter 2020). These studies were mostly published between 2003 and 2017. One of the best known studies, still used in marketing villages, was Gardner (1994). This identified two types of consumers: ‘planners’ who spend a lot of time researching products and the financial implications, and those who move to villages quickly following illness or the death of a partner.

Recent studies have addressed similar questions but within a ‘sustainability’ framework (Hu et al. 2014, 2017, 2018, 2020). These studies are innovative in considering how thoughtful site and building design can strengthen communities and improve the environment. There have also been recent studies about health effects (Bernard et al. 2007; Buys and Miller 2007; Nathan et al. 2014a; Nathan and Wood 2014b; Walker and McNamara 2013). One study measured the amount of walking by residents in a retirement village, and its purposes. It argues that residents get most exercise when facilities or points of interest are situated relatively near villages. If villages are in isolated locations with facilities mostly available on-site, there will be fewer opportunities for casual exercise (Nathan et al. 2014a).

1.2.3 Consumer issues

Another cluster of studies was published between 2017 and 2021. These studies documented problems that were being experienced by village residents arising either from mis-selling or not receiving adequate legal and financial advice before entering into a contract. There were studies in Queensland (Petersen et al. 2017), South Australia (McDougall et al. 2017), New South Wales (Greiner 2018), and Victoria (Malta et al. 2021), and a national study that analysed a smaller sample (Bradfield et al. 2019). These show that there was some dissatisfaction among village residents. To give an example, the survey of South Australian villages obtained responses from 2,154 residents—a response rate of 12 per cent. The study found that 6 per cent of this sample did not enjoy village life, and a few respondents reported feeling ‘financially trapped’.

The South Australian study did not supply the qualitative data obtained through the survey. It did, however, report ‘there were a number of emotional comments around these questions’, suggesting that some residents had experienced distress or were critical towards the industry. The NSW study is perhaps the most striking; 70 out of 114 respondents to an online survey about pre-2013 contracts (61%) considered that marketing of villages was dishonest. Like any other form of social science evidence, survey findings of this kind can be criticised on methodological grounds. Those who submitted to the NSW survey could, for example, be viewed as a self-selected sample of dissatisfied consumers. In addition, data can be interpreted in a variety of ways. Stimson (2002) understood a 5 per cent response showing ‘expectations not met’ as a positive endorsement of villages. This is because 75 per cent of those surveyed reported that village living had met their expectations, and 17 per cent reported that village living had exceeded their expectations.

We will offer an approach to understanding these surveys in later chapters. For now it is worth noting that the reports, along with written submissions, and evidence supplied to parliamentary committees have formed part of regulatory reviews in each state. As political pressure built up for stronger or clearer regulation, the steering organisation (often Consumer Affairs) commissioned or undertook research. At the time of writing, research studies are being conducted or reviewed in Western Australia and in New Zealand. There has also been research by academic lawyers on contractual terms and regulatory issues (Craddock and Blake 2012; Levine 2015).

1.2.4 The Four Corners documentary

Although it can be criticised for journalistic sensationalism, it is important to appreciate the evidence supplied by the Four Corners television documentary (ABC 2017) that had a great impact at the time. Two claims were made and supported by examples. The first claim was that the financial arrangements for living in a retirement village are often unfair towards residents. This is because there are high 'exit fees' that are deducted when a property is sold. This method of deferring payment of management fees was originally developed by not-for-profit organisations with the aim of making village living affordable (see Chapter 6). But it was now used by some companies to make a profit from 'churning' wealthy residents at the end of their lives. These older people often lose any savings they have amassed owing to a high exit fee and other expenses. Here is an example of how one person fared financially in a village:

97-year-old Ruth Shepherd had a four-and-a-half year stay in an AVEO serviced apartment which she purchased in April 2011 for \$135,000 ... In 2015, after the property had sat vacant for a year, AVEO made an offer to buy back the unit for \$105,400 - 14 per cent below the purchase price despite a booming property market. Once exit fees, ongoing fees and other costs were deducted, [Mrs. Shepherd] was left with around \$48,000. All up, if exit fees, capital loss and years of maintenance fees are tallied up, it has cost [this resident] \$190,000 for her purchase, stay and exit from the retirement village (Ferguson and Danckert 2017).

The Four Corners program argued that companies exploit vulnerable consumers, or their relatives after their death, in getting a good deal from buy-backs. In addition, a second claim made through several examples was that the high fees do not represent value for money. It was claimed, for example, that a resident was left in his apartment for four days following a fall when he was not wearing an emergency button, even though a concerned friend had notified reception. In another case, a resident was charged for each service received (such as repairs to appliances), in addition to the management fee. In a third case, it took two years for a village to address a problem of mould. One relative who had given up and accepted a financial loss for the estate, described retirement villages as a modern 'racket'. A resident complained that villages are motivated by making money rather than caring for older people ('bleed them dry till they die').¹ The company targeted responded to each criticism.

1.2.5 Policy studies

Research and policy reviews have also been conducted through the Australian Housing and Urban Research Institute (AHURI) (McNellis 2004; Judd et al. 2014; James et al. 2019). AHURI research is helpful in providing a framework that recognises not only the importance of villages but also the community sector in providing 'integrated housing support and care' (Jones et al. 2008; Jones et al. 2010). This research contains summaries of the housing provided by different organisations, illustrating a complex institutional landscape. Perhaps the weakness of the report is that there is no discussion of emerging consumer problems. There are also no specific proposals for additional funding by government to make villages affordable. Government is seen as having a monitoring and 'enabling' role:

The final report [presents] an argument for a more pro-active, systematic, evidence-based policy approach to the provision of integrated housing, support and care for Australians in later life. It will suggest some of the roles that the public sector might play in funding, supporting, monitoring, regulating and generally enabling the development of a wider range of integrated housing, support and care services (Jones et al. 2008: 5).

¹ It was claimed that this resident was committed temporarily to a psychiatric hospital on the false grounds that she had dementia (Ferguson and Danckert 2017).

Reports by a second group around the same time are helpful in discussing the policy objectives and responsibilities towards older people (Davy et al. 2010; Bridge et al. 2011). The final report draws on ABS data, a national survey, and interviews with providers and older people receiving services. One lesson that can perhaps be drawn is that there are advantages and disadvantages in asking broad questions about housing provision. A broader approach is helpful in raising questions for national housing policy. However, focusing on one type of housing can achieve more depth in understanding policy delivery and consumer experiences. Another illuminating part of this report are summaries of policy forums in different states, in which officials from different agencies were asked to develop a possible national plan (Bridge et al. 2011). This was an interesting research strategy in that it indicates how those working in state or territory government agencies knew little about retirement villages or other age-specific housing options.

1.3 Objectives

This report has been written to present an overview of current developments in retirement villages. The project brief asked us to consider consumer issues, but also 'what role should retirement villages or other forms of age-specific or service integrated housing play in the mix of housing options for older Australians' (AHURI 2021).

This project will make a significant contribution to understanding how retirement villages meet the housing needs of older people, and how the sector could expand in ways that meet the needs of older people for affordable and appropriate housing. There are four specific questions:

1. What is distinctive about community living in retirement villages?

Living in an age-specific community is an attractive lifestyle, and a model that can support ageing well. The sector also has a distinctive business model that allows residents to free up capital by purchasing a licence, and deferring payment until they leave villages. Many residents have benefitted from living in good quality, affordable accommodation with access to leisure and educational amenities. In this project, we will present case studies of positive consumer experiences as well as housing difficulties.

2. What is the consumer experience, particularly regarding contracts, access to services, and community relations? How do consumers experience difficulties?

Some older people have experienced difficulties with contracts. Contracts are complex, particularly exit clauses, and lack transparency. Although state and territory regulation has gone some way towards protecting consumers, there have nonetheless been legal disputes. There are also difficulties that arise through living in communities, such as disputes with neighbours. Building on previous studies, the research approach is to describe through case studies how consumers make decisions, and some of the difficulties that can arise.

3. What business models are employed? What are the current challenges?

Retirement housing providers include international companies, but also smaller not-for-profit organisations, including religious charities. Most effort is made to attract wealthy consumers through the business model. However, since the sector has not grown beyond 5 per cent of the older population, the industry is reflecting on quality and consumer experiences and considering more affordable products. In this project, we will investigate how the retirement village industry understands these strategic issues.

4. How can the Australian Government help the sector to expand? How can it diversify provision and support consumer choice?

The retirement village sector has been assisted through legislation that establishes standards and regulatory agencies. There are also opportunities for investment by State Housing Authorities to make village living affordable. We will consider broader policy issues and make international comparisons.

The research approach is distinctive in three ways. Firstly, it employs a mixed methods approach, including documentary analysis, a survey and qualitative interviews. This is not itself innovative, but we have collected sufficient quantitative survey data to ensure robust findings can be made, and sufficient qualitative data to investigate some processes and views in greater depth than previous studies have been able to do (see below). Secondly, the project draws on an inter-disciplinary research group in Tasmania, NSW and Queensland. Thirdly, as social scientists we feel it is important to recognise and address different group and institutional perspectives. For example, village residents and village managers understand the nature of a dispute over service delivery differently. The interviews with stakeholders are not comprehensive but give an insight into different perspectives.

1.4 Research methods

This research employed a mixed methods approach, comprising documentary review and secondary data analysis of census data, quantitative research (questionnaire survey analysis) and qualitative research (retirement village resident and stakeholder interviews). Fieldwork was undertaken across three Australian states—NSW, Queensland, and Tasmania—between October 2021 and February 2022.

Combining quantitative and qualitative methods has become almost standard practice in applied policy research. Undertaking quantitative research makes it possible to make stronger and more reliable claims about some population than supplying a few examples. Conducting qualitative research makes possible greater understanding and more detail on processes than is available in a response to a survey question.

We should acknowledge two methodological problems or challenges related to generalisability. The three states were selected partly for practical reasons, since local knowledge in the research group proved valuable in recruiting survey respondents. However, we also initially hoped to make some comparative observations. In fact, the survey revealed few variations in experiences between states. One possible difference at a state level is that there were fewer concerns about exit fees in Tasmania (where there were fewer respondents). This might reflect how regulation has developed in this state. We should also acknowledge that there are very different types of villages: for example, companies face specific challenges in remote areas. The value of a survey that achieves a large number of respondents is that it makes possible general findings. A case study approach examining the characteristics of different villages in more depth would be valuable for making comparisons. We explain the methods employed in this project, and some technical considerations below.

1.4.1 Analysis of Census data

Data concerning individuals' socio-demographics and housing characteristics is accessible from the Australian Bureau of Statistics' Australian Census Longitudinal Dataset 2006–2011–2016, via a subscription to its *TableBuilder Pro* platform. The purpose of Census data analysis is twofold:

1. to provide an overview of the current population that resident in retirement villages in Australia (denoted by the variable *Dwelling Location: Retirement village (self-contained)*²)
2. to provide a basis for weighing the survey responses (see 1.2.7) to improve its overall representativeness.

The socio-demographic and housing variables of those who reside in retirement villages analysed include:

- dwelling location (time series analysis)
- age group (time series analysis)
- region of birth
- Indigenous status

² Correspondence with the ABS (pers. comm. 11 October 2021) confirms that this variable comprises both retirement village (as legally covered under each State and Territory's Retirement Village Acts as well as age-specific lifestyle villages.

- primary ancestry
- level of English proficiency
- religion
- whether core activity assistance needed
- labour force status
- volunteering
- provision of unpaid child care
- highest level of education
- marital status
- dwelling structure
- dwelling size (number of bedrooms)
- household size
- household income
- tenure
- number of motor vehicles owned/in the household.

Specifically, the age group data was used as the basis for weighing the survey. Given the relatively small population of retirement village residents (~1% of the total population), the 2016 age distribution data was not projected using 2016–21 changes in estimated resident population published by the ABS before weighting.

1.4.2 Resident survey

A questionnaire survey was designed to capture the views and experiences of older Australians who currently live in a retirement village in the three case study states of NSW, Queensland and Tasmania. The study was designed to make possible analysis of a stratified sample of residents living in for-profit and not-for-profit villages in the three states.

The survey comprises six sections and 41, predominantly multiple-choice questions (Appendix 1). The questions were designed to collect socio-demographic information about retirement village residents (such as age, region of birth) and their entries into and experiences of retirement village living in Australia.

The survey was hosted on the online platform Qualtrix through the University of New South Wales (UNSW) institutional licence and took approximately 13 minutes to complete according to Qualtrix's built-in artificial intelligence function. A web-based questionnaire survey was chosen for several reasons:

- It is a more cost-effective way to distribute a self-completion survey to a large and geographically dispersed population than a hard copy version.
- It minimises human error during manual entry.
- It simplifies the routing process through an in-built logic functionality based on the respondent's answers.
- The Qualtrix platform automatically optimises the survey for computer desktop or mobile phone display, enhancing user experience.

The survey was first published on the Qualtrix UNSW page on 2 August 2021, with an initial deadline of 31 August 2021. This was later extended to 30 September 2021, and again to 14 October 2021.^{3,4} The survey was advertised on the social media platforms Twitter and LinkedIn. Retirement village operators of different sizes and industry and older persons' peak bodies in the three case study states were also approached to assist in distributing information about the survey to their residents and/or members via electronic communication or through the displaying of a recruitment poster in common areas. A short weblink (unsw.to/RV_survey) and a QR code were included on each of these recruitment materials to facilitate easy access.

71 organisations were approached via email to assist with recruitment, a follow-up mail was sent one week later if no response was received. Table 4 notes the number of retirement village groups (which each run and manage multiple villages), retirement village operators (which each run and manage one village only), and peak bodies approached, as well as their responses to the call for assistance.

Table 4: Organisations approached to assist with survey recruitment

	Approached	Followed-up	Declined	Non-response	Assisted
Retirement village group	31	21	1	26	4
Retirement village operator / manager	36	27	3	30	3
Residents' committee	1	0	0	0	1
Peak body	3	3	0	0	2

Source: Authors.

As Table 4 shows, there was a high non-response rate to invitations. Several groups and individual operators that responded noted their reluctance to assist due to the on-going COVID-19 pandemic, looking to limit their in-person contact with residents despite us seeking electronic communication only.

Over 800 valid completions were anticipated. This was based on an estimation that at least 20 villages in each of the three case study states would assist the research team in participant recruitment. This anticipated sample would exceed the number required for statistically representative analysis for the three states combined.

In all, 855 valid completions were received. These comprised 436 completions from NSW, 348 from Queensland, and 71 from Tasmania. Only the NSW dataset achieved a representative sample at a confidence interval of five at a 95 per cent confidence level (Table 5). As such, only the NSW dataset is weighed by respondent age groups while the Queensland and Tasmanian datasets are presented as unweighted in this Final Report and, therefore, should be read as potentially not representative.

³ Metropolitan Sydney and the state of NSW were under COVID-19 lockdown since prior to and for the entire duration of the survey period. This limited the team's opportunity to administer and manage a hard copy survey.

⁴ Following initial feedback, a definitional note was added to the introduction of the survey.

Table 5: Sample needed for statistical representativeness

	No. of retirement village residents	Confidence level	Confidence interval	Sample needed	Final completions
NSW	62 746	95%	3.5	774	436
			4	595	
			5	382	
QLD	55 029	95%	3.5	773	348
			4	594	
			5	382	
Tas	2963	95%	3.5	620	71
			4	499	
			5	340	
Combined	120 738	95%	3.5	779	855
			4	597	
			5	383	

Source: Survey.

New variables were created by re-coding open-ended responses to existing variables and categorising responses to the open-ended questions. With the focus of the project on retirement village business models, primary survey analysis focussed on state of residence and different types of operators (see Connolly et al. 2021). Due to the sample size and categorical nature of the variables, cross-tabulation was used as the main form of analysis.

1.4.3 Interviews with residents

36 in-depth, semi-structured interviews were conducted with residents of retirement villages across the three states to provide further insights into their experiences of searching, moving to and living in a retirement village. Interviewees were recruited via the online questionnaire survey, with a question included for interested individuals to self-nominate participation. One-quarter (25%, 214 respondents) self-nominated for selection.

Interviewees were selected via a stratified sampling approach, with the type and size of village operators and the residents' residential location as the selection basis (Table 6) reflecting the business model-focus of this project and the questionnaire survey analysis. An initial sample of 12 interviews per state was set.

Table 6: Stratified interview sampling for each case study state

	Large non-profit / religious operator	Large for-profit operator	Small to medium non-profit / religious operator	Small to medium for-profit operator
Metropolitan	2	2	1	1
Regional/rural	2	2	1	1
Total	4	4	2	2

Source: Survey.

The interviews commenced in late November 2021 and continued through to February 2022. Due to on-going COVID-19 restrictions and with participants' and interviewers' safety in mind, the majority of these interviews were conducted via web conferencing (such as Zoom) or by telephone, with four in Tasmania conducted in person.

Interviews lasted between 15 minutes to over an hour. Interviewees were asked to reflect on questions under four themes:

1. reasons for moving to retirement village
2. pre-contractual information and advice
3. contractual understanding
4. village management.

All interviews were digitally recorded and professionally transcribed to aid analysis. Analysis was conducted inductively with the interview schedule as a guide.

1.4.4 Interviews with stakeholders

Ten interviews were conducted with sectoral stakeholders to gain insights into the operation and development of the retirement village sector in Australia. Stakeholders interviewed included representatives from across the three case study states:

- village owners, operators and managers
- sector and older persons peak bodies
- lawyers and regulators.

Interviewees were recruited via open internet searches, the research team's existing contacts, and assistance from interviewees. The interviews focused on the sector's current operations, recent changes, and likely future development in relation to resident profiles and support and service needs, village operations, and regulation. Each interview, mostly conducted remotely via web conferencing or telephone, lasted between 30 and 50 minutes and was digitally recorded.

1.4.5 Analysis of qualitative data

A standard method employed by qualitative researchers is coding transcripts into themes (Richards 2014). This encourages systematic analysis of a data set rather than selecting examples that support a policy argument. For some of the research questions, we had sufficient data to achieve what is known as 'saturation'. For example, we had many examples of disputes that raise similar issues about the role of village managers, suggesting that there was no need for further interviews on this research question. For other questions, we obtained too little data to discuss variations, but the interview still adds to knowledge. Overall, the interviews with residents, mostly conducted using Zoom, provided rich detail and insights that have not always been available to previous studies. In contrast to some studies, we have chosen to illustrate themes in some detail when advancing a complex policy argument.

The second type of qualitative data collected in this project were interviews with executives in companies, social advocates or those with a professional expertise such as lawyers or financial advisors (Appendix 2). Although we hoped for 15, after some effort in approaching organisations we conducted 10 interviews. To give an idea of the practical challenges, we found initially that writing to villages and companies achieved no responses. Although it is difficult to know the reasons, it is possible that organisations are wary of researchers in the light of the Four Corners expose (see Chapter 1). Some of the interviewees gave a general view that was helpful. We were also fortunate in being able to interview the Chief Executive Officer (CEO) of a medium-sized group who provided some insight as an insider into exit fees as a business model. In addition, we interviewed a village manager, and a social advocacy group that represented residents and was knowledgeable about regulation. We were also fortunate in being able to interview a lawyer who was thoughtful and reflective about giving advice on contracts. We draw on some of these interviews in later chapters without endorsing the views expressed.

1.4.6 Comments on methods

The mixed method approach employed for this study was designed to gain broad (via the Census data analysis and questionnaire survey) and in-depth insights (via the resident and stakeholder interviews, and document analysis) into the state of retirement villages in three Australian states in the early 2020s. As the regulation of retirement villages is within state-level jurisdiction, along with their contrasting socio-demographics, the three case study states provide a selective cross-section retirement village living in Australia. As noted above however, the research encountered several challenges that can potentially limit the generalisability of the findings. These include:

- Due to limited resourcing, the resident survey and interviews were conducted in English only. This is reflected in the heavy skew towards native English speakers who completed the survey (Table 13). As such, the findings may not fully represent the culturally and linguistically diverse population of Australia.
- The research team encountered notable challenges in promoting the survey, resulting in only one of the three states (NSW) reaching a representative sample. This was despite working in partnership with a number of large retirement village operators and peak and advocacy bodies to promote the survey through their electronic communications with residents and members. The promotion through a small number of large retirement village operators may have skewed the findings to reflect resident experiences in these villages rather than the sector more generally.
- There are also many age-specific housing forms (e.g. lifestyle villages) that are similar to but legislatively and operationally different to retirement villages. Further, these different forms of age-specific housing are sometimes categorised together as is the case of the Australian Census of Population and Housing. There may, therefore, be conflation on the survey respondents' part regarding their eligibility for participation.
- Conducting the questionnaire as an entirely web-based survey only could have impacted on potential respondents, such as excluding those who do not, or do not regularly, have access to the Internet, and/or those who may be less computer literate.
- Despite broad invitation, the 10 stakeholder interviews conducted may not represent the broader views of the different sectors (retirement village operators, legal and regulators, peak bodies) that we were unable to reach or did not respond to an invitation.

With these limitations considered, however, the study's stratified survey of resident interviewee selection represent one of the more comprehensive approaches to retirement village research in Australia. Therefore, findings could be taken as indicative rather than generally representative.

2. Retirement villages: An overview

- This chapter draws on information collected by the ABS to provide a sectoral overview of the growing retirement village sector in the states of NSW, Queensland and Tasmania.
- In 2016, there were 205,769 retirement village residents in Australia, representing one per cent of the population in each of these states. However, the sector has grown considerably since then. There was a 62 per cent increase between 2000 and 2016. Residents aged 65–74 comprised the largest share (39%) in 2016.
- Our survey received 855 valid completions, including 436 from NSW, 348 from Queensland and 71 from Tasmania. The age distribution was similar to that of the 2016 Census.
- In this chapter, we provide survey data on household size and dwelling type. We focus on socio-economic characteristics. Through a number of measures, we demonstrate how residents are mostly born in Australia with good English proficiency. Most sold their home to finance the move. They have superannuation as their main source of income. Subsidies or government support for retirement villages benefit this relatively affluent group.

Australia has an aged population. In 2016, more than one-fifth (21%) of the Australian population was aged 60 or older, a level similar to that of many other western societies like the USA (ABS 2017; UN DESA 2019). Australia is also projected to catch up with other super-aged societies like Japan, Italy and Germany, where more than one-quarter of its population is aged 60 or older (UN DESA 2019).

Like other aged and super-aged societies, Australia has in recent years faced challenges in appropriately housing its older residents. This is the outcome of unsustainable price growths leading to many housing options becoming unaffordable to people on lower incomes, lack of policy intervention to support accessible and adaptable housing design, a scarcity of appropriately designed and located housing for relocating in later life (James et al. 2020; Judd et al. 2014). It can also be noted that there has been a change in government policies to promote ageing in place—especially ageing within the general community—by encouraging delaying entering specialist institutional care such as residential aged care (Judd et al. 2020; Hu et al. 2017). This is particularly when institutional care is seen as a financially costly option that should be reserved for individuals with higher care needs (Philips et al. 2010). Public sentiments towards institutional care have also waned following notable negative publicity that highlights diminishing quality of care as a result of a lack of appropriate resourcing (RCACGS 2021). As a response, support—whether for health, wellbeing or daily living—is increasingly provided through a set of arrangements that rely on individualised assessments and support packages, including the use of assistive technologies (Bridge et al. 2021; Faulkner et al. 2021).

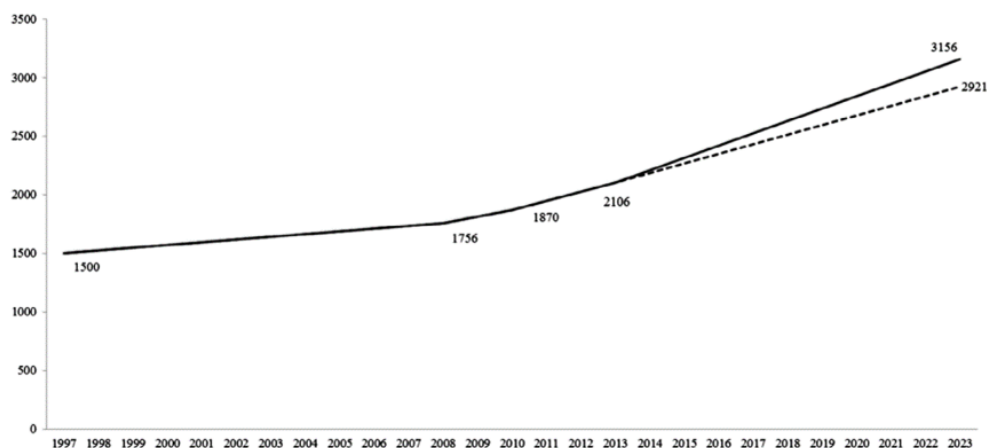
Previous research into Commonwealth Government policies and programs to promote ageing in place include those on reverse mortgages, shared equity and other financing mechanisms (Whelan et al. 2019) as well as encouraging downsizing and vacating larger, detached family homes (James et al. 2020; Judd et al. 2014). In recent years, the promotion of retirement villages as a long-term option for housing older Australians is also beginning to emerge (Finn et al. 2011). Research into this 'alternative' form of housing older Australians, however, is less extensive than studies of residential care.

This chapter provides an overview of the retirement village sector in Australia. It includes a review of existing research on retirement villages in Australia and overseas, a brief overview of the Australia sector based on the latest Australia Census data, and a socio-demographic overview of the respondents to the survey.

2.1 Existing research

Retirement villages are a popular choice for older people in the USA, New Zealand and Australia, and has increasing popularity in the United Kingdom (UK) (Schwitter, 2020). Retirement housing was originally created by non-profit organisations to meet the needs of older people. However, the industry has grown and changed significantly in nature, to the point where more than 60 per cent of retirement village market share is now held by private investors. The number of retirement villages in Australia is increasing, with Hu et al. (2017) predicting the number will reach approximately 3,000 villages by 2023 (solid line, Figure 1), slightly higher than the Retirement Living Council's 2013 forecast (dotted line). According to a national overview of the retirement village sector, in 2014 about 184,000 Australians lived in retirement villages, equivalent to 5.7 per cent of the population aged 65 and over, and the rate has been projected to increase to 7.5 per cent in 2025 (Grant Thornton 2014). The analysis in this report indicates that living in retirement villages saves the health care system \$2.16 billion, with \$1.98 billion of those savings achieved by postponing residents' entry into government funded aged care facilities.

Figure 1: Growth of the Australian retirement village sector



Source: Hu et al. (2017: 111).

International comparative research defines 'retirement villages' under the umbrella of Service Integrated Housing (SIH) (Howe et al. 2013). SIH refers to all forms of accommodation built specifically for older people in which the housing provider takes responsibility for delivery of one or more types of support and care services (ibid). The first retirement communities built in the USA in the early 1960s were styled as resorts to cater for relatively affluent post-war retirees. Many of the Australian retirement villages are classified as 'resort style' and could be viewed as the equivalent of 'leisure-oriented retirement community' in the USA (Stimson 2002), although the term Continuing Care Retirement Community (CCRC) is the primary term for a major part of legislation. In the UK, much the same kind of SIH is called 'sheltered housing', although this is not aimed at the wealthy. The emergence of SIH in New Zealand has many parallels with the development of the sector in Australia, including those offering two or three levels of care by co-location of independent living units with residential care.

In Australia, four types of tenure are typically on offer to retirement village residents:

1. A **loan or license arrangement**, where the resident pays an entry fee that grants them a licence to live in the property. When a resident departs the community, the entry contribution is refunded, less a delayed management fee (sometimes known as a 'exit fee'). The license agreement is not registered with the Land Titles Offices, and provides less tenure security than a leasehold or freehold title.
2. A **leasehold** arrangement that offers the residents a long-term lease (commonly for 99 years) in exchange for a lump sum payment. Leases are registered with the relevant Land Titles Offices, which provides security of tenure but may also attract stamp duties. Residents who leave the village and have their apartment resold are entitled to a lease termination payout based on a percentage of the selling price.
3. As **part of a strata or community scheme**, where the resident pays the agreed purchase price to the unit's owner under a sale of land contract and is then considered as a 'registered interest holder'.
4. **Freehold** and other tenure types (such as company titles and rental villages).

Retirement villages are governed by state and territory legislation in Australia, with each jurisdiction enacting its own set of regulations (Table 7). The legislations govern the contracts signed between operators and residents, define the various tenure types offered by operators, fees payable, cooling off periods, and dispute resolution. Each jurisdiction provides information and advice to consumers and traders on their consumer rights and obligations and also provides guidance on dispute resolution. A state tribunal in each jurisdiction provides independent, low cost and accessible dispute resolution in consumer or tenancy disputes. In 2011, the state-level Retirement Associations merged with the Property Council of Australia, which strengthened the industry's ability to advocate for targeted government policy.

Table 7: An overview of the state and territory legislations and dispute resolutions bodies

State	Statute	Regulation	Dispute Resolution Body
ACT	Retirement Villages Act 2012	Retirement Villages Regulation 2017	ACT Civil and Administrative Tribunal ('ACAT')
NSW	Retirement Villages Act 1999	Retirement Villages Regulation 2017	NSW Civil and Administrative Tribunal ('NCAT')
NT	Retirement Villages Act 1999	Retirement Villages Regulation 2016	Local Court
Qld	Retirement Villages Act 1999	Retirement Villages Regulation 2010	Queensland Civil and Administrative Tribunal ('NCAT')
SA	Retirement Villages Act 2016	Retirement Villages Regulation 2017 Retirement Villages (Fees) Regulation 2017	South Australia Civil and Administrative Tribunal ('SACAT')
TAS	Retirement Villages Act 2004	Retirement Villages Regulation 2015	Director of Consumer Affairs & Fair Trading, Supreme Court
VIC	Retirement Villages Act 1986	Retirement Villages (Contractual Arrangements) Regulations 2017 Retirement Villages (Records and Notices) Regulations 2015 Estate Agent (Retirement Villages) Regulations 2016	Victorian Civil and Administrative Tribunal ('VCAT')
WA	Retirement Villages Act 1992 and Fair Trading Act 2010	Retirement Villages Act 1992 and Fair Trading Act 2010 (Retirement Villages Code) Regulations 2015	State Administrative Tribunal ('SAT')/ Commissioner for Consumer Protection

Source: Smeed (2017: 7–8).

Despite the fact that all jurisdictions require prospective residents to be given specific information, the level of detail and uniformity provided differs (Productivity Commission 2011; Productivity Commission 2015). Previous research indicates that residents prioritise financial and legal duties at the time they consider moving to a retirement village as well as during their residency, and they report confusion over fee arrangements (Petersen et al. 2017). In Malta et al.'s (2021) recent study, only one-third of respondents rated financial or legal advice as very or extremely useful when choosing a retirement village, and they identified standardised contracts as lacking, making it difficult to compare and contrast the terms. 'Transparent fee arrangements' and 'capital gains sharing under contract' have been recognised as two important financial features of 'sustainable' retirement villages framework, given that there are currently different and complex fees for residents (such as entry fee, ongoing service charge, exit fee, and optional fees) (Hu et al. 2017).

Decision-making for the prospective residents can become even more difficult considering that they have difficulty finding legal and financial specialists with experience in this field (Petersen et al. 2017). Contracts involving complicated tenure arrangements, such as leases, licences, company titles, and unit trusts, can be confusing for lawyers unfamiliar with the subject (Smeed 2018). Confusion may also be over the living cost that can heavily impact residents' affordability (Finn et al. 2011; Hu et al. 2017). In Malta et al.'s (2020) study, maintenance was identified as 'ad hoc' and 'sub-par' that engaged residents in ambiguous situations with the managers and owners when it came to fixing different areas. The repercussions of making the wrong decision for customers are magnified by high exit fees (Productivity Commission 2015).

A few Australian researchers have questioned the effectiveness of state and territory regulation of retirement villages and advocated for federal regulation (Latimer 2017; Productivity Commission 2015; Smeed 2018). The lack of consistency between the legislation of different jurisdictions hinders the residents' ability to make comparisons between villages located in different states, and to obtain specialised legal and financial advice (Smeed 2018). For operators, there are two sides to this issue: on the one hand the differences in legislation can inhibit industry investment, expansion and development, by requiring them to establish different contracts for different jurisdictions (Smeed 2018). On the other hand, prescriptive regulations governing the structure of their contracts can limit the industry's flexibility in offering more customised accommodation and service/support packages (Productivity Commission 2015).

The Retirement Living Code of Conduct, an initiative launched in 2019 by the Property Council and Leading Age Services Australia, can improve the industry's capacity to lobby for specific government policies (Property Council of Australia 2019). The Code aims to prioritise fairness in sales practices and marketing, maintain good relationships with stakeholders and residents, and provide transparent processes when residents move out (Property Council of Australia 2019). The term 'Retirement communities' is used throughout this Code to refer to a variety of senior living options, including retirement villages in their various forms. The Code came into effect on 1 January 2020, and more than 46 per cent of retirement village residents are now living in a code compliant community (Jamal 2021).

While existing literature shows that retirement village residents are generally satisfied with their decision to enter a retirement village (Hu et al. 2017; Malta et al. 2020), residents' ambitions for the lifestyle they have chosen may conflict with the business owner and/or operator's desire to maximise profit (Craddock and Blake 2012). Residents generally believe that living in a retirement village is an 'investment in a lifestyle', rather than a financial investment (McCullagh 2014). Although, home equity is typically the last resort they prefer to access when they eventually draw on their wealth (Productivity Commission 2015).

2.2 A brief sectoral overview

This section provides a brief overview of the retirement village sector in Australia and the three case study states of NSW, Queensland and Tasmania. Information about retirement villages is collected by the ABS in the Census of Population and Housing and its Survey of Income and Housing. From the *TableBuilder Pro* platform, it is accessed under the variable 'Dwelling location', which highlights special private dwelling types that may be described as other than 'typical' private dwellings. The four dwelling types included under this variable all reflect a degree of communal living. Specifically, the variable *Retirement village (self-contained)* reflects residence in retirement villages as legally covered under each state and territory's Retirement Village Acts; it also comprises other self-contained age-specific accommodation, sometimes more commonly known as 'lifestyle villages' which are not covered under the same legislations.

Additionally, the ABS also provides information on other age-specific accommodation under the 'Non-Private Dwelling' variable, specifically *Accommodation for the retired or aged (not self-contained)*. It refers to 'hostel type accommodation (with common living and eating facilities) provided for retired or aged persons who are generally in good health and capable of looking after themselves' (ABS 2016). It does not typically include retirement village accommodation, which is generally self-contained. We have, therefore, not included this non-private dwelling variable in the analysis.

This section provides an overview of three Census variables relating to retirement village residents: dwelling location, age group distribution, and dwelling structure.

2.2.1 Dwelling location

Table 8 shows the number of retirement village residents as a share of all Australian residents in 2016 as accounted under the variable *Retirement village (self-contained)*. In 2016, there were 205,709 residents living in retirement villages in Australia. Persons who resided in a retirement village comprised one per cent of the population of each of the three case study states as well as the total Australian population.

Table 8: Share of retirement village residents by selected states in 2016, and 2006–16 change

	NSW	QLD	TAS	Aust
	%	%	%	%
2016 (share)				
Retirement village (self-contained)	1	1	1	1
Caravan/residential park or camping ground	0	1	0	1
Marina	0	0	0	0
Manufactured home estate	0	0	0	0
Other	95	92	96	94
Not applicable	4	5	3	4
2006-2016 proportional change (retirement village residents only)				
Numeric change	+28,006	+22,469	+1,032	+78,848
Proportional change	+81%	+69%	+53%	+62%

Source: ABS 2017.

Retirement villages are a fast-growing housing sector. Between 2006 and 2016, the number of retirement village residents increased by 78,848 people nationwide, equivalent to a 62 per cent increase (Table 8). The majority of these increases were experienced in NSW (+28,006) and QLD (+22,469) while Tasmania (excluding the two Territories) had the lowest numeric increase (+1,032). NSW also saw the largest proportional increase of retirement village residents during this period (+81%) followed closely by the Australian Capital Territory (+80%); Western Australia (+32%) and South Australia (+37%) had the lowest proportional increase.

2.2.2 Age group distribution

In 2016, the majority of retirement village residents in Australia were aged 65 or older, with just 11 per cent aged 64 or younger (Table 9). Residents aged 75–84 comprised the largest share nationwide (39%) followed by those aged 65–74 (27%). This age distribution pattern was also observed across the three case study states with the exception of Tasmania, where residents aged 85 or older comprised the second largest age group.

Table 9: Age group distribution of retirement village residents by selected state 2016, and 2006–16 change

	NSW	QLD	TAS	Aust
	%	%	%	%
2016 (share)				
< 50 years	3	4	2	3
50-64 years	9	9	8	8
65-74 years	27	28	24	27
75-84 years	38	38	38	39
85+ years	24	21	28	23
2006-2016 proportional change				
< 50 years	1276	432	373	275
50-64 years	141	39	84	53
65-74 years	141	77	86	86
75-84 years	39	49	14	37
85+ years	79	98	96	84
Total	81	69	53	62

Source: ABS 2017.

Between 2006 and 2016, the number of retirement village residents increased by 62 per cent nationwide. The fastest growth was observed in the under 50 age group, averaging a 275 per cent increase. This was partly due to their relatively low starting point (only 1,514 residents aged under 50 nationwide in 2006) so that even relatively small increases in number would translate to large proportional increases. The largest proportional increase of retirement village residents aged under 50 was observed in NSW (+1,276%), equivalent to an extra 1595 residents in this age group between 2006 and 2016.

Among older Australians aged 50 or older, the 65–74 years age group represented the largest numeric (+25,492) and proportional increase (+86%) in retirement village residents in Australia between 2006 and 2016. This increase was most notable in NSW (+141%, or 10,030 people), where the 50–64 years age group also saw a significant increase (+141%, or 3,157 people).

2.2.3 Dwelling structure

In 2016, the largest share of retirement village residents in Australia lived in a semi-detached dwelling (44%). Around one-third (31%) lived in separate houses, with one-quarter (24%) in flats or apartments. There was a higher share of retirement village residents in NSW who lived in flats or apartments (30%), while in both Queensland and Tasmania higher shares lived in separate houses (Table 10).

Table 10: Dwelling structure of retirement village residents by selected states, 2016

	NSW	QLD	TAS	Aust
	%	%	%	%
Separate house	29	36	40	31
Semi-detached dwelling	38	43	36	44
Flat or apartment	30	20	23	24
Other	1	1	0	1
Not stated/applicable	2	1	0	1

Source: ABS 2017.

2.3 Survey findings

The survey received 855 valid completions, including 436 from NSW (representative sample), 348 from Queensland, and 71 from Tasmania. As such, the NSW sample was weighed using age group as a basis compared to the 2016 Census of Population and Housing. The unweighed NSW sample (Table 11) included a higher share of completions from retirement village residents in the 65–74 and 75–84 years age groups, with those aged 50–64 years under-sampled. The significance of the responses of these respondents were subsequently weighed to achieve statistical representation.

Table 11: Age group of survey respondents

	NSW			QLD		TAS	
	Survey %	Census %	Weigh	Survey* %	Census %	Survey* %	Census %
< 50	0	3		0	4	1	2
50-64	3	8	3.1	2	9	12	8
65-74	30	27	0.9	31	28	46	24
75-84	49	39	0.8	56	38	31	38
85+	19	23	1.2	11	21	10	28
Total	100	100		100	100	100	100

* Unweighted results.

Source: ABS 2017; Survey.

For the Queensland sample, there was similar over-sampling from the 65–74 and 75–84 years age group and under-sampling in all others. For Tasmania, there was over sampling for the 65–74 years age group only.

Nationally, from the 2016 Census, the largest share of retirement village residents were aged 75–84 years (39%) followed by 65–74 years (27%). This is a very similar age distribution to those in NSW and Queensland. Victoria, South Australia, Western Australia and the Australian Capital Territory all had a higher than national average share of retirement village residents aged 75–84 years (40+%) or older (25+% for all except Western Australia).

2.3.1 Socio-demographics of survey respondents

The majority of survey respondents were born in Australia (Table 12). This is a higher percentage than the 2016 Census (64%), likely a reflection of the survey being only available only in English due to resource limitation. People born in north-western Europe (including the UK and other western and Scandinavian countries) comprised the next highest share of Australian retirement village residents, comparable to the national average (18%) from the 2016 Census. Shares from all other regions of birth were similar to those observed in the 2016 Census, with the main percentage different observed for those who did not state their birth place (excluded from survey analysis; 9% in 2016 Census).

Table 12: Birthplace of survey respondents

	NSW	QLD*	TAS*	Aust
	%	%	%	%
Australia	78	74	77	76
New Zealand and rest of Oceania	2	4	3	3
North-western Europe	17	19	17	18
Eastern Europe	0	1	0	1
Southern Europe	0	0	0	0
North-eastern Asia	0	0	0	0
South-Eastern Asia	0	0	1	0
Sub-Saharan and Southern Africa	1	1	1	1
North America	0	1	0	1
Latin America	0	0	0	0

* Unweighted results.

Source: Survey.

In lieu of more detailed birthplace and migration history, survey participants were asked about their level of English proficiency (Table 13). This was also to gauge their ability to comprehend written and other communications from and with their retirement village operators. The vast majority noted English was their first language, with the remaining noting that they had high proficiency in both spoken and written English. These are comparable percentages to the 2016 Census, where for retirement village residents in Australia 87 per cent spoke English only, four per cent spoke English very well or well, with the remaining either did not speak English well (1%) or state their proficiency level (7%).

Table 13: Level of English proficiency of survey respondents

	NSW	QLD*	TAS*	Aust
	%	%	%	%
English is my first language	98	97	94	97
English is not my first language, but I can read and speak English very well	2	3	6	3

* Unweighted results.

Source: Survey.

2.3.2 Household characteristics of survey participants

The most common living arrangement of survey respondents were with a partner only (Table 14). Across the three sampled states, NSW and Queensland both had above national average share of retirement village residents (46% in 2016 Census) living with a partner. Consequently, in both of these states, there were relatively lower shares of retirement village residents living by themselves (49% in 2016 Census). Only very small percentages of retirement village residents (as observed in the research survey and in the 2016 Census) lived in other household arrangements.

Table 14: Living arrangement of survey respondents

	NSW	QLD*	TAS*	Aust
	%	%	%	%
I live by myself	39	45	52	43
I live with a partner	60	53	46	56
I live with a partner and other family members	0	1	0	0
I live with other family members	0	1	0	0
I live with other non-family member(s)	0	1	1	0
Other	0	1	0	0

* Unweighted results.

Source: Survey

As such, most retirement village residents in Australia live in relatively small (2 people or fewer) households (Table 15).

Table 15: Household size of survey respondents

	NSW	QLD*	TAS*	Aust
	%	%	%	%
1	39%	45%	52%	43%
2	61%	54%	46%	57%
3	0%	0%	0%	0%
4	0%	0%	1%	0%

* Unweighted results.

Source: Survey.

2.3.3 Dwelling characteristics of survey respondents

When asked about the property in which they live, the most common response across the three states was in a small unit with two bedrooms or fewer (Table 16). Unit or apartment living represented around 70 per cent of survey respondents, which is a much higher share than noted in the 2016 Census nationally (24%). Consequently, in contrast, a lower share of survey respondents said they lived in semi-detached dwellings or separate houses (than noted in the 2016 Census (44% and 31% respectively). Of note, however, is that for both of these dwelling types, the majority of survey respondents lived in single- rather than multi-level dwellings.

Table 16: Dwelling type of survey respondents

	NSW	QLD*	TAS*	Aust
	%	%	%	%
A small unit (2 bedrooms or fewer)	41	37	62	41
A larger unit (3 bedrooms or more)	23	27	17	24
A semi-detached single-level dwelling (e.g. townhouse)	13	11	9	12
A semi-detached multi-level dwelling	1	1	0	1
A detached single-level dwelling/house	18	20	9	18
A detached, multi-level dwelling/house	1	1	1	1
Other	2	2	1	2

* Unweighted results.

Source: Survey.

Reflecting that the common dwelling type lived in by survey respondents, most said that they lived in relatively small (2 bedrooms or fewer) dwellings (Table 17). The percentages observed across the three states are comparable to that noted in the 2016 Census (71% nationally). There was, however, a much higher percentage of NSW survey respondents who said their lived in a larger (3 bedrooms or more) dwelling (35%) than observed in the 2016 Census (16%). A similar trend was also observed in Queensland (41% in the survey; 22% in 2016 Census).

Table 17: Dwelling size of survey respondents

	NSW	QLD*	TAS*	Aust
	%	%	%	%
None, it's a studio/bedsit	0	0	0	0
1	7	5	3	6
2	57	55	78	58
3	35	40	19	36
4 or more	0	1	0	0

* Unweighted results.

Source: Survey.

2.3.4 Moving to retirement villages

Around half of survey respondents first moved to a retirement village when aged in the immediately post-retirement age group of 65–74 years (Table 18). Just over one-quarter first moved in the pre-retirement age group of 50–64 years, likely to accompany a partner in the post-retirement age group (see Chapter 3).

Table 18: Age group of survey respondents when first moved to a retirement village

	NSW	QLD*	TAS*	Aust
	%	%	%	%
Under 50	0	0	0	0
50-64	26	29	28	27
65-74	50	50	57	51
75-84	23	20	13	21
85+	2	0	3	1

* Unweighted results.

Source: Survey.

The vast majority of survey respondents had lived in only one retirement village at the time of the survey (Table 19). Three-quarters had lived in their current retirement village for four years or longer (Table 20). This may reflect both the challenges older people experience relocating in older ages as well as the barriers encountered in moving within and out of the retirement village sector (see Chapter 4).

Table 19: Number of retirement villages lived in by survey respondents

	NSW	QLD*	TAS*	Aust
	%	%	%	%
1 this is the first	97	96	97	97
2	2	3	1	3
3 or more	0	1	1	1

* Unweighted results.

Source: Survey.

Table 20: Length of residence in survey respondents' current retirement village

	NSW	QLD*	TAS*	Aust
	%	%	%	%
3 months or less	0	0	4	1
4 months to 1 year	5	3	4	4
Over 1 year, but less than 2 years	5	6	13	6
Over 2 years, but less than 3 years	8	3	22	7
Over 3 years, but less than 4 years	6	5	13	6
4 years or over	76	84	43	77

* Unweighted results.

Source: Survey.

Income and property ownership characteristics of survey respondents

In NSW and Tasmania, superannuation was the main income source of survey respondents (accounting for around half of respondents in these states), with the age pension second, accounting for around one-third (Table 21). The shares were reversed in Queensland, where half of survey participants had age pension as their main income, and one-third superannuation. Very few had other income sources as their main income.

Table 21: Main source of income of survey respondents' household

	NSW	QLD*	TAS*	Aust
	%	%	%	%
Superannuation	50	36	45	44
Age pension	36	50	32	42
Earnings from employment or business	3	0	3	3
Investments (e.g. shares)	2	2	0	2
Other Centrelink/benefit payments	2	3	9	2
My/my partner's part-time salary	2	0	3	1
My/my partner's full-time salary	0	0	1	0
Rent	0	1	0	0
Savings	0	0	0	0
Age pension (overseas)	0	1	0	0
Money given by a family / friend	0	1	1	0
Prefer not to answer	1	3	1	2
Other	1	2	4	2
No income	0	0	0	0

* Unweighted results.

Source: Survey.

More than two-thirds of survey respondents noted that they owned (or owned a share of) the retirement village dwelling that they currently live in (Table 22). Just less than one-tenth continue to own other properties, including their previous residences and investment properties. Less than one-quarter do not, or did not, own property now or prior to moving to a retirement village.

Table 22: Property ownership of survey respondents

	NSW	QLD*	TAS*	Aust
	%	%	%	%
I own my dwelling in the retirement village (or a share in a company title village)	68	76	72	72
I own the dwelling I lived in before I moved to the retirement village	7	6	4	7
I own another dwelling that I did not live in before I moved to the retirement village	2	1	4	2
I own commercial, industrial or agricultural property	0	0	1	0
I do not own any property	23	16	17	20

* Unweighted results.

Source: Survey.

The vast majority of survey respondents (90+%) only used one means to finance their move to a retirement village, mainly selling their previous home (Table 23). Less than one-tenth combined this with the selling of other assets or using their own savings. A negligible number of survey respondents needed to use three or more means to finance their move.

Table 23: How did survey respondents finance their move to a retirement village?

	NSW	QLD*	TAS*	Aust
	%	%	%	%
I sold my home	93	94	90	93
I sold other assets	5	3	4	4
I used my savings	8	10	12	9
A family member or friend paid	0	1	3	1
I did not have to pay to move into the retirement village	1	1	3	1

* Unweighted results.

Source: Survey.

2.4 Policy development implications

In this chapter, we have reported selective findings from surveys conducted by the ABS and the survey undertaken for this project. They are each relevant in providing important background information to policy arguments. For example, we found that most residents come from financially well-off groups who have used the proceeds of their property to live in a village. In later chapters, we will ask critical questions as to whether the Australian Commonwealth Government should address the housing needs of lower income groups, particularly renters, but also property owners from diverse ethnic communities. In the main sections of this report, we will further analyse at why people are attracted to community living, consumer issues and the problem of affordability.

3. What is community living?

- This chapter draws on interviews with 36 residents to explore the push-pull factors behind moving to a retirement village. It draws on concepts such as social capital to scrutinise how retirement villages bond people together but also divide them.
- Push factors included declining health and the hope that maintenance and support would reduce the burden on family members. Residents who experienced loneliness in the general community hoped that villages would provide emotional support and a sense of community.
- Pull factors included: proximity to familiar people; proximity to age cohort; desirability and familiarity of place; availability of services and facilities; safety, security and informal care; lifestyle in the Third Age; and finances and affordability.
- A significant attractor was the opportunity to join a community formed through informal friendships. There are other factors, not always considered in previous literature, including a desire to bond with a natural landscape. Affordability was an important consideration that we consider critically in Chapters 4 and 6.
- There are negative features of villages that can undermine positive experiences. These include having limited financial resources, and perceived conflicts between operators and residents. Residents are also subject to ageist attitudes from outsiders: for example, the view that retirement villages are only for 'old people'.
- Overall, the chapter presents a highly positive view of the perceived and actual benefits. Villages are growing as a housing and lifestyle choice because they offer community living.

3.1 Background

In this chapter, we draw on the voices of residents who live in for-profit and not-for-profit retirement villages in metropolitan and regional locations in Queensland, NSW, and Tasmania to understand the push-pull factors behind their move into a retirement village (Crisp et al. 2013; Stimson and McCrea 2004; Bunce and Reid 2021). In interviews, we asked these participants a range of questions on retirement village living including their reasons and motivations for moving into a retirement village, and their likes and dislikes of retirement village living. We have drawn on concepts such as social capital to scrutinise how retirement villages can bond and bridge people together, as well as divide them. We consider how the image of the 'Third Age' influences how residents perceive where retirement villages fit into physiological and social ageing, and which the marketing of retirement villages often relies upon. We asked participants their understandings of dispute resolution processes, and contractual and financial obligations, which will be covered in later chapters (see Chapters 4 and 5). We provide some insight into quantitative findings that focus on reasons for moving into a retirement village, what information was relevant in informing this decision, and what features make a retirement village attractive to live in. Importantly, push-pull factors reveal that while decision-making might be a personal act, the process is influenced by a range of factors that may be beyond people's control. Notably, the participants mostly recounted pull factors.

3.2 Survey findings: Moving into a retirement village

Survey respondents were asked to rate factors that influenced their decisions to move to a retirement village, for which they could select multiple reasons (Table 24). The response set included a range of push-pull factors: aspects that compel moving into a retirement village (push factor) and those that make retirement village living desirable (pull factor). Survey respondents often selected multiple responses. Across the three states, location of the retirement village was of most importance (pull factor), followed closely by the facilities and services that the village offered (potential combination of push-pull factors). Other factors that were also of importance included safety and security (pull factor), and expanding their social circles (potential combination of push-pull factors).

Table 24: Factors that influenced survey respondents' decision

	NSW	QLD*	TAS*	Aust
	%	%	%	%
Location of the retirement village	77	78	78	77
The village offered attractive facilities and services in the retirement village	61	64	56	62
Feelings of security and safety	43	43	47	44
Making new friends	37	31	30	34
Improved personal financial security	30	35	27	32
My partner wanted it	26	25	22	25
Friend or friends already lived here	14	9	11	12
Needed the support on offer	11	10	9	11
Poor health	6	8	6	7
I did not want to be separated from my partner who was sick	7	6	11	7
I could no longer manage at home on my own	6	6	8	6
My family wanted it	7	4	2	6

* Unweighted results.

Source: Survey.

When asked about where they sought information when deciding to move to a retirement village, more than half of survey respondents noted that they did so through a number of means (Table 25). By far the most common was by having a face-to-face meeting with someone from the retirement village, with two-thirds said having done so. Other common means included looking at the villages' websites and printed brochures, with other means far less common.

Table 25: Where did respondents look for information?

	NSW	QLD*	TAS*	Aust
	%	%	%	%
A face-to-face meeting with someone from the retirement village	64%	69%	76%	67%
Material on the retirement village website	43%	38%	43%	41%
Printed brochure	36%	40%	33%	37%
Advertisements in a magazine or newspaper	16%	12%	13%	14%
Advertisements on television / radio	6%	7%	3%	6%
Friends / family	4%	5%	5%	5%
Drove around / visited in person	4%	5%	5%	5%
Other residents of the village	3%	3%	2%	3%
A seniors' organisation (e.g. COTA)	3%	3%	5%	3%
Expo / seminar	3%	2%	2%	3%
Internet / online	3%	1%	0%	2%
A tenancy organisation	0%	1%	0%	0%
Other	10%	9%	11%	10%

* Unweighted results.

Source: Survey.

Survey respondents were asked to what extent the information they had received about their retirement village met their expectations. Survey respondents generally found information met or exceeded their expectations (Table 26). At least half found that the different means of information met their expectations; fewer (one-quarter or less), however, found that their expectations were surpassed. Meeting someone from the retirement village face-to-face was reported to more likely to have resulted in exceeding survey respondents' expectations about the quality of information received. This is because of the opportunity to ask questions specific to their personal needs. Other means of information (which ranged from other village residents or driving around) were also likely to exceed survey respondents' expectations. When compared across different states (see Table 26), no notable differences were found between the shares of survey respondents who said the information met or exceeded their expectations.

Table 26: Quality of information

	Met expectations				Exceeded expectations			
	NSW	QLD*	TAS*	Aust	NSW	QLD*	TAS*	Aust
	%	%	%	%	%	%	%	%
A face-to-face meeting with someone from the retirement village	48	53	47	50	26	28	33	27
Material on the retirement village website	60	56	49	57	12	15	29	15
Advertisements in a magazine or newspaper	49	62	73	56	18	8	0	12
Printed brochure	59	65	58	61	11	11	24	12
A tenancy organisation	45	39	50	43	8	13	0	9
Advertisements on television / radio	53	58	77	56	11	7	0	8
A seniors' organisation	53	50	63	53	7	12	0	8
Other [^]	49	43	54	47	20	32	23	24

* Unweighted results.

[^] Include recoded variables 'Other residents of the village', 'Friends / family', 'Internet / online', and 'Drove around / visited in person'.

Source: Survey.

3.3 Moving into a retirement village: Push factors

Push factors are circumstances or pressures that persuade an older person to live in a retirement village (Stimson and McRae 2004). They include declining health (the most cited reason), the need to reduce responsibility and maintenance, the need for assistance while not being a burden on families, social isolation and loneliness, and a desire to take control over their future (Bekhet et al. 2009; Crisp et al. 2013a; 2013b; Franco et al. 2021; Stimson and McCrea 2004). Some of these factors could, however, also be interpreted as pull factors. For example, the desire to 'take control over their future' is made possible due to the support offered in retirement villages.

The research project identified two prominent push factors: *health issues, planning and support*; and *social and emotional factors*. It is notable that only two push factors have been identified. Most themes that emerged from the in-depth interviews related to pull factors. Therefore, the participants strongly recounted their proactiveness in seeking retirement village living rather than being pushed into making that decision.

3.3.1 Health issues, planning and support

According to Laslett (1989), the Fourth Age is a time of older age associated with dependency, frailty, ill-health, cognitive and physical decline, and death. In the interviews, it was often apparent that participants believed that they would experience increasing degrees of dependency as they aged even though they are yet to experience this.

The participants separated themselves from the Fourth Age; a process that Higgs and Gilleard (2014: 10) call 'discursive othering'. That is, the participants felt aligned to the Third Age, which involves independence and agency, rather than the Fourth Age that involves dependence and a loss of agency (the Third Age will be examined later in this chapter). This process of discursive othering was often done by talking about their future needs, which they noted people in the Fourth Age were already experiencing. Importantly, participants noted that individuals in the Fourth Age do not belong in a retirement village—retirement village living was 'too late' for such individuals, and the right accommodation for them was residential aged care facility (RACF) where their dependency needs could be met:

... some people come into the village too late. ... Too late [too old], yes. So, therefore, they came in under duress; their sons or daughters helped them make the decision because life has intervened. They have put it off too late. Then now, they have to move out of the big house because they went into hospital, and they wouldn't let them leave the hospital until they came up with accommodation that met the criteria of their needs. They're not well; they're badly ... health wise that they had to go to care, but they no longer can live in that mansion on their own. (Small-medium for-profit, regional TAS)

By locating themselves in the Third Age, the participants separated themselves from the Fourth Age. This self-locating also expanded into what housing options are suitable for those in the Third Age (retirement villages) as opposed to those in the Fourth Age (RACFs). This included an awareness that RACFs are different to retirement villages in the types and levels of service provided to residents. Some participants' partners had needed placement in a RACF due to entering the Fourth Age. The co-location of a RACF with a retirement village was a significant influence on the decision-making of participants whose partners needed residential aged care – they could live in the retirement village with their partner close by in a RACF and therefore they could easily maintain their close and tight bonds. For others, such co-location was a convenience that added to the attraction and convenience of the retirement village, should residential aged care be required:

I actually came across the retirement village by accident in the sense that my husband – I'd been looking after him for 13 years – he was very ill and then he had to go into a nursing home and so I saw that they had the units there on the same site as the nursing home. (Large not-for-profit, regional NSW)

But I had this one call from the place where he [my husband] was in respite, and they said they hadn't seen him for a long time. So, I explained the difficulties. And I said, 'I'm actually looking at units now where we get some support'. So, she said, 'We've actually got some available. Would you like to come and have a look?'. I went to see it, and I must admit I signed on the spot. (Large not-for-profit, metropolitan TAS)

These interview extracts highlight that, as the participants grew older, they were expecting progress to the Fourth Age as they experienced changes in their physical capacity. Indeed, some participants or their partners were currently experiencing some health or mobility issues, which they expected would become more challenging as they grew older.

Older age was associated with needing support, either now or into the future, regardless of whether an individual was in the Third or Fourth Age. As already noted, older age was often associated with growing dependency due to health and physical decline. Therefore, being part of this age cohort means thinking about one's increasing needs, and what will be needed. An alert system in their retirement village residence was seen as an important feature by the participants. This would alert others when they were in need of assistance, and was mentioned frequently by participants during the interviews:

You've got more people here to help you, you've got an emergency call system to call for help. It's a better place to be for older people. (Large for-profit, regional NSW)

Regardless of their health status, participants consistently mentioned that they wanted to make decisions about their living arrangements before being placed in an emergency situation or having decisions forced onto them. For example, retirement village living was seen as inevitable by some participants, who wished to make the decision on which retirement village they would live in proactively rather than wait for an emergency:

... we realised that as we age, we will end up in a retirement village, and we'd rather choose which one than have it put upon us. (Large for-profit, metropolitan TAS)

Some services the retirement village residents expected to need as they grew older included transportation support, and universal, accessible design in their housing as well as their surrounding environs. Low maintenance was key. With many retirement villages having staff (on-site or contracted) who provide maintenance services, this was seen by participants as a way to reduce the physical and temporal demand of maintenance work including minimising the degree to which family members may need to provide help and assistance. By implication, this also meant that living in the broader community was seen as a risk to their health, wellbeing, and quality of life:

I guess the overriding factor was we didn't want to be a burden to our children in our later life. (Large not-for-profit, metropolitan TAS)

We moved in in 2014. My wife had been looking since 2006. We'd been looking at - and we had looked at units and townhouses. Units, unless they've got a lift are just out of the question unless it's on the ground floor and even then, stairs et cetera, are very difficult as you can imagine. (Small for-profit, regional NSW)

3.3.2 Social and emotional

For some survey participants, living in the general community was leaving them isolated and without social connections. While policies focus on ageing in place, living at home in the general community can help deepen social isolation, and be a source of frustration and angst (Jarvis and Mountain 2021). Using data from the Household Income and Labour Dynamics of Australia Survey (HILDA), Relationships Australia (2018) reported, that while loneliness can have an impact on people of any age, it is most commonly reported by people aged 75 years and over. 19 per cent of respondents in this age group reported emotional loneliness. Loneliness can reduce a person's quality and quantity of life due to increased risks of cognitive decline (such as dementia), cardiovascular disease, depression, and premature mortality (including suicide), and increases the risk of elder abuse (Jarvis and Mountain 2021; Relationships Australia 2018; World Health Organization 2021b).

For survey participants the experience of loneliness, or anticipation of it, propelled them into looking at retirement villages to find new social connections:

My husband wanted to move here, and he was much older than I was. ... And he was actually getting lonely in the suburbs. (Large for-profit, metropolitan TAS)

But all the rest of my family is in the UK. ... And I realised, if I'd still been in Kingston, I would probably have been lonely too, in the suburbs. (Large for-profit, metropolitan TAS)

One participant noted that she did not have children or other forms of assistance; a situation that was becoming challenging. This lack of support networks meant she had a strong desire to pre-empt future needs:

It was just very stressful because I live on my own and I don't have children or any help. So that was also a reason [to move into a retirement village], that I would have less to look after and take responsibility for here. (Small-medium for-profit, metropolitan QLD)

In the future, an increasing number of Australians will be entering older age without the informal support of children (Productivity Commission 2011). Older people without children are disadvantaged by ageing in place policies that rely on or presume the availability of informal networks including family, who also 'fill the gaps in service provision' (Prima Foundation 2019). While providing informal support may not be considered a responsibility of retirement village operators, the resident population who require emotional support may increase. Operators may need to consider and cater for this need.

3.4 Choosing to live in a retirement village: Pull factors

Pull factors (or attractors) are what is desirable and appealing about moving into a retirement village, and thus encourages or motivates people to relocate. Previous research has indicated various pull factors including location, familiarity, reputation, security, joining friends, and lifestyle related to care provision and amenities (Bekhet et al. 2009; Crisp et al. 2013a; 2013b; Franco et al. 2021; Stimson and McCrea 2004).

The data analysis revealed pull factors, including:

- proximity to familiar people
- proximity to age cohort
- desirability and familiarity of place
- proximity to and availability of services and facilities
- safety, security, and informal care
- lifestyle in the Third Age
- finances and affordability.

3.4.1 Proximity to familiar people

Proximity to familiar people relates to the closeness of the retirement village to existing social and support networks including family and friends, as well as already knowing people living in the retirement village. These factors are a form of bonding social capital. Bonding social capital refers to people who are closely connected to each other, also known as 'strong ties' (Granovetter 1973). People with strong ties are a homogeneous group or community that shares attributes, characteristics, backgrounds, or other similarities. These intra-group networks tend to be based on established emotional bonds. As such, they are tight relationships of trust and solidarity (Putnam 2000). Bonding social capital is important for the social and psychological wellbeing of older adults who are reported to prefer relationships with others who are trusted and emotionally important (Simons et al. 2019). The powerful emotional attachments and 'strong ties' can be a significant pull factor for moving into a retirement village.

Significantly, having friends and family members who had positive experiences of living in retirement villages but may have since died, was also influential in the decision to live in a retirement village. Participants believed that visiting family members or a friend in a retirement village gave them familiarity and insight into how they run and operate. These past experiences with retirement villages and the people who live there, also influenced the participant's decision-making:

... we had visited it [village] over a period of 30 years, because we had a family related person living here. So, we had a chance to see what the staff were like, what the environment was like. So, that played a significant role, the fact that we'd been familiar with the village. (Large not-for-profit, metropolitan NSW)

The reason we chose – my wife and I had an experience with my mother, who lived to an age of 84 and spent the last 15 years of her life in a retirement village, and was very happy, and a good level of service, and independent and so on and so forth. (Large not-for-profit, metropolitan TAS)

An important factor of retirement village living is how community (a topic that we will return to) is formed through light sociality or flexible and informal friendships. These ties were not dependent upon big emotional disclosures but involved casual greetings (nodding of head and waving hello) and catch-ups (for example, passing greetings or conversations when on the street). Such casual contact appears to provide a balance between the need for social interaction with a desire for privacy. Putnam (2000) would consider these are casual or 'very thin' versions of social capital, as does Granovetter (1973: 1361) who asserted that 'nodding relationships' do not have 'substantial significance' or are 'negligible'. However, as Coleman (1988) notes, social capital is productive as it

creates outcomes that are context specific. Therefore, in the context of retirement village living, light sociality is meaningful because of the friendly feelings it generates in residents. It is clear from the participants that simple gestures and efforts of light sociality create a sense of belongingness and a 'safe' community (to be explored further in 3.4.6 *Safety, security, and informal care*):

You see your neighbour walk past; you wave. If they want something or want to know something, they'll come and knock on your door but they're not knocking on your door 24 hours a day. (Large for-profit, metropolitan, TAS)

Some participants further noted how these informal forms of sociality had translated into stronger friendships:

... people know me, they greet me on the street if I'm going for a little walk. We may even chat sometimes. I know that I can ring somebody and say, 'would you like to come over for a cuppa?' It's like that. We've made a few friends, a few good friends. (Large for-profit, metropolitan TAS)

What is also notable is how such informal friendship networks can begin to form before moving into the retirement village. For example, participants noted the importance of talking to residents in the retirement village before committing to a contract or lease. While this might be done to inform decision-making on whether to live in a retirement village and might be organised by the retirement village operator, these opportunities to meet with current residents provided opportunities for sociality and gaining insights into what it means to live at that retirement village. Therefore, these meetings – whether formally arranged or not – could act as icebreakers to start creating connections:

... before you move in, speak to the residents there. Actually, that's important. Go and speak to the residents, see how happy they are. Most people, they speak to the operator and they do a selling job on them. They move in and then they find out that there are lots of unhappy residents, for instance. It's really important to go and speak to one or two residents to get a true feeling of how things are in the village. A resident will tell them pretty quickly. Don't ask the manager to recommend a resident, you've got to do your own homework and go and find somebody. (Large not-for-profit, metropolitan NSW)

3.4.2 Proximity of age cohort

In addition to family, friends, places, and previous positive experiences of retirement villages, participants outlined an extensive list of features that make retirement village living attractive and which influenced their decision-making. The feeling of living in a community was important for nearly all participants. Community is a broad term that has many definitions. In this project, we have understood community to be a geographical space in which people are connected by co-location as well as aspects of shared identity, belonging, and norms (Greig 2013).

Notably for the participants, living close to other people who are 'like them' was important for developing community. By referring to people 'like them', participants were not necessarily referring to similar hobbies or personal values, but similarity based on age. For these participants, the homogeneous grouping of their age cohort made retirement village living appealing and helped to create a shared sense of community:

So, it was about investing the rest of our lives, and having some opportunity to do the sort of things we liked to do with similar minded people. (Small-medium for-profit, metropolitan QLD)

3.4.3 Desirability and familiarity of place

Family, friends, previous experiences, and homogeneity of the age cohort (as noted above), influence the choice to move into a retirement village. However, it is notable that people not only attach to other people; they are attached to places and locations.

Place attachment refers to human connections with the socio-physical environments. Brown and Perkins (1992: 284) note that place attachment ‘involve[s] bonds that are important for individual or group identities’. Such bonds involve ‘a set of feelings about a geographical location that emotionally binds a person to that place’ (Rubinstein and Parmelee 1992 in Burholt 2006: 1096).

... we decided we'd rather stay in our own community and that's why we decided on this village which was the only one at the time in town. (Large not-for-profit, regional QLD)

So, we did look at a couple, but only briefly. And then this one's just way beyond anything else that's available in Townsville, was available five years ago in Townsville. (Large not-for-profit, regional QLD)

Significantly, the desirability and attachment to place not only relates to connection to a geographical location or familiarity with the services or built environments therein; it also relates to the natural environment. This is a form of physical attachment, whereby individuals have connected or bonded with natural landscape (Aliakbarzadeh Arani et al. 2022). For older adults, the natural environment—which includes greenspaces (such as parks, gardens, and wilderness areas) and blue spaces (including fountains, rivers, streams, and oceans)—promotes health and wellbeing as well as places to socialise with others (Finlay et al. 2015). Such place attachment can also build community identity (Brown and Perkins 1992). Many participants discussed the importance of nature including views from their unit or villa, being in walking distance of a beach, the pleasant weather, gardens, wildlife, trees, and mountain ranges:

The location is absolutely perfect. I can walk to the beach. That's fantastic. (Large for-profit, metropolitan QLD)

... it's beautiful and quiet, the medical services are one minute, two minutes away. The trees, gardens, the space ... Beautiful walks, abundant birdlife ... (Large not-for-profit, metropolitan NSW)

... it's a million-dollar view. What more do you want? Buy something like this in Hobart and you pay a million dollars. (Large for-profit, metropolitan TAS)

3.4.4 Proximity to and availability of services and facilities

The pull of the location not only related to a geographical place or the natural environment, but also to services and facilities that were available in the retirement village or near to it.

Regarding the services and facilities at the retirement village, survey respondents were asked to list the facilities and services available at their retirement village (Table 27). These ranged from exercise facilities such as a gym and a swimming pool, health and medical support such as a doctor or nursing service, and amenities like maintained gardens and community rooms. Reflecting the high importance of facilities and services in decisions about moving to a retirement village, the majority of survey respondents live in villages that offered several of these facilities and services, with at least half living in villages with ten or more such facilities and services. Overall, Tasmanian survey respondents noted fewer facilities and services being available at their retirement village compared to the other two states.

Table 27: Number of facilities

	NSW	QLD*	TAS*	Aust
	%	%	%	%
≤ 3	4	2	18	4
4-6	12	11	16	12
7-9	30	31	40	31
10-12	43	41	25	40
≥ 13	11	16	1	12

* Unweighted results.

Source: Survey.

There were notable differences in the availability of facilities and services by operator type. Survey respondents who live in retirement villages run by smaller operators (whether for- or not-for-profit) typically reported fewer facilities and services being available. Among the larger operators, more facilities and services were available in villages run by for-profit operators than not-for-profit operators. What is not clear, however, is how these differences relate to the entry and on-going fees residents pay to access and/or maintain these facilities and services (see Chapter 6).

The most commonly available facility or service in retirement villages across the three states was a community room followed by a library and a maintained garden (Table 28). There were notable differences across the three states, with swimming pool being featured in almost all Queensland survey respondents' villages while only at one-third of Tasmanian respondent' villages.

Table 28: Top ten facilities

	NSW	QLD*	TAS*	Aust
	%	%	%	%
Community room(s)	96	99	91	97
Library(s)	93	96	75	93
A maintained garden(s) (e.g. by a gardener)	93	93	82	92
Organised social activities (e.g. bingo, dancing, movie night)	85	90	76	86
Swimming pool(s)	78	96	29	81
Organised social outings (e.g. short day trip)	67	69	59	67
Other services (e.g. hairdresser)	69	71	29	67
Craft room(s) and materials	63	67	46	63
Private community/meeting room(s) that I can book for private functions	65	62	60	63
Gym	65	68	22	62

* *Unweighted results.*

Source: Survey.

As can be seen in Table 27 and Table 28, there are a range of on-site services and facilities that retirement village residents have access to. The ease of access of these means those living in retirement villages do not need to seek these out themselves. This reduces the burden of finding such services and activities outside of the retirement village:

There's so much space and it's just absolutely wonderful. They've got so many things like the Men's Shed and everything. (Large for-profit, metropolitan QLD)

The gardens are great. They have quite a number of activities that you can go to. For example, yesterday I was playing ... bocce which is like the Italian or the French version of outdoor bowls where you - and there would have been 10 or a dozen of us there having a glass of wine and a bit of cheese and playing the bocce bowl. The day before I was playing snooker. There is a pitch and putting green here. I have my own vegetable garden. (Small-medium for-profit, regional NSW)

The proximity to available services and facilities also related to those outside of the retirement village. Importantly, this related to the closeness of these services and facilities to the retirement village, or how easy or quick it was to access them through walking or using public transport. Such services and facilities include:

- shopping centres
- postal services
- public transport such as bus stops, routes, and train stations (the latter is not relevant in Tasmania where there are no trains for public transport)
- health and medical facilities
- cafés and restaurants
- dry cleaning services
- local community centres
- clubs (such as boating and bowling).

The overall location of the retirement village in relation its closeness to such services and facilities, as well as how far it was away (for example, 15-minute walk), were key pull factors that added to liveability:

It's close to the shops. Very close to major shopping centres. It's on the bus routes. It's fairly close to the trains - a 15-minute walk to the train station. (Large not-for-profit, metropolitan NSW)

3.4.5 Lifestyle in the Third Age

Increases in life expectancy and improved quality of life means that older adults can enjoy a period of life where they can pursue their own interests without the responsibilities often experienced in and associated with middle age such as paid employment and raising children. This reduction in life responsibilities relates to the concept of the Third Age. The Third Age is considered a period in life encapsulated with personal fulfilment, opportunity, and reward. Retirement villages fit into the Third Age by providing older adults with a different housing option.

Part of the belief of what distinguishes the Third Age from the Fourth Age is health status. In the Third Age, older adults are seen to be relatively healthy and active, pursuing their interests. When it comes to retirement villages, participants therefore framed that there was a 'right time' (Third Age) that related creating new opportunities to socialise and being active and engaged, which they contrasted to when it is 'too late' (Fourth Age), marked by 'slowing down' and a lack of social engagement:

I often say to people looking to live here, 'Don't leave it too late, because if you come to a place like this at a certain time, you've got the opportunity to form a new life and make some new friends and get involved' (Small-medium for-profit, regional TAS)

To facilitate such lifestyle changes and options, however, requires the economic capital to buy into a retirement village and to cover any ongoing costs. This also relates to some criticisms of the concept of the Third Age, as it places too much emphasis on individual agency and overlooks the more problematic social and economic barriers that can impede individual well-being (Gilleard and Higgs 2010).

3.4.6 Security, safety, and informal care

Participants had a high level of trust in their fellow retirement village residents. This reflects a belief that residents have shared norms and values including those of cooperation and reciprocity. The outcome of this is a feeling of safety and security, allowing residents to feel relaxed and more casual than what they felt (or believed they would feel) when living in the wider community. For example, regarding the first extract below, increased crime in their former neighbourhood fractured their place attachment because they no longer felt safe. The feeling of security and safety in the retirement village meant that the participants did not feel alarmed about leaving their doors unlocked:

One of the things that I like about the place is the feeling of security ... I'm quite happy to leave doors unlocked when I'm around. I'm not overly conscious that somebody might come in and I know that even though there are people around, everybody I have found, everybody respects each other's privacy ... (Large for-profit, metropolitan TAS)

In addition, there were informal ways of making sure neighbours were fine. These acts, such as checking on their neighbour or watching to see if the curtains or blinds are open, are informal, mutual monitoring systems where retirement village residents 'watch out' for each other. This may also include performing instrumental tasks including making meals. Participants noted that they could still maintain their privacy, but have the safety of knowing that others were around:

... that part is nice to sort of feel that you can - you have a neighbour that's sort of neighbourhood watch kind of thing. Yes, yes. So, that part is nice. (Large for-profit, metropolitan TAS)

I think this is a totally a little community. If we don't see someone for a few days, we tap on their door, and ask if they need any help. (Large not-for-profit, metropolitan TAS)

This informal monitoring network is an example of generalised reciprocity occurring in small, simple ways – 'We will look out for you if you look out for us'. These unpaid and volunteer forms of informal caregiving were not restricted to humans. That is, when residents were not in the village including when on holidays, they felt safe in knowing the informal 'neighbourhood watch' would keep an eye on their property. This also extended to on-site residential managers and staff who would maintain the properties (for example, garden maintenance) and could check to ensure the property was locked. In this way, the link between neighbours as well as to staff nurtures feelings of reciprocity and fosters links between people (Breheny and Stephens 2009). These interrelationships thus reveal an interdependence between residents:

The fact that you could basically leave here and go and visit people or go on holidays without having to worry about your house being unattended. (Large not-for-profit, regional QLD)

You do go on more holidays and cruises, because you've got the village managers that look after the place for you while you're away ... (Large not-for-profit, regional QLD)

There were limits, however, to these informal care networks. While residents were happy to watch out for each other and keep an eye on each other's properties, providing physical care was seen as too far. Therefore, people who needed care beyond what could be provided by home and community care services were not considered to be the type of residents that retirement villages should permit to live there:

... in fact we've had people coming in who have actually had dementia and should never have come here in the first place, but of course the operator can get their money from them. (Large not-for-profit, regional NSW)

This separation of independent ('us') and dependent ('them') highlights the negativity towards those individuals who need assistance or perceived to be frail (Carr and Fang 2022). Thus, retirement villages were seen as intended for self-managed living, not supported living. Notably, this replicates the divisions between the Third Age and Fourth Age, where the Third Age is for activity and engagement. These Third Agers are what the participants believed to be the population suited to retirement village living and those who retirement villages are for (the 'right' people or 'us'), which is opposed to the frailty and dependence of those people experiencing the Fourth Age (the 'wrong people' or 'them'). For those in the Fourth Age, it was deemed that RACFs were their right place and most suitable environment. This relates back to the *Health issues, planning and support* (push factor). It could also be potentially argued that retirement village operators are reliant on residents being cared for by other residents and, while subscribing to notions (and marketing) of the Third Age, do not restrict the 'types' of older adults who can live in the retirement village.

3.4.7 Finances and affordability

While there are various contractual arrangements and financial obligations of moving into and living in a retirement village (see Chapters 4 and 6), the ability to afford to do so is, of course, crucial. Housing prices in Australia have been growing steadily since the 1980s; up to 2015, house prices grew on average by 7.25 per cent per year (Kohler and van der Merwe 2015). In 2021, price surges were experienced in the property market across Australia's state and territory capital cities ranging from +29.8 per cent (Hobart, Tasmania) down to +13 per cent (Darwin, Northern Territory) (Kelly 2022). Such housing growth is positive for those already in the housing market, including some of the participants. For them, purchasing or leasing a villa, unit or apartment in a retirement village was a very affordable option. However, it is notable that some of the participants were not home owners prior to moving into the retirement village:

And a final one, affordability. The buy-in amount was very affordable. (Small-medium for-profit, regional TAS)

Affordability. I couldn't afford a unit or anything on the open market and because of my age and everything, and I was on the disability pension, I couldn't get a mortgage. But I could afford to buy this unit. So, that was the main reason. (Small-medium for-profit, metropolitan QLD)

For some participants, living in the general community was more expensive (as well as more challenging) compared to the costs of retirement village living. In addition, participants also noted that the range of services and facilities provided in the retirement village increased their dwelling's affordability. There were also a range of expenses that they no longer needed to worry about or budget for, which were covered by financial arrangements with the retirement village. Some participants therefore noted that they saved money living in a retirement village compared to living in the community, and therefore their overall costs of living had been reduced:

So, the family home was on the side of a hill, it was getting too hard for me to look after, and it was also expensive, so it worked out cheaper to go into the retirement village on my day-to-day costs. (Large not-for-profit, regional NSW)

While retirement villages were seen as an affordable option by the participants, it was also noted that the financial arrangements, such as flexible entry fees, were important for allowing diverse populations of older adults the ability to contemplate and access such living arrangements. However, some participants also noted that living in a retirement village meant needing to pay more attention to their finances so they could stay in the retirement village. In addition, it was noted that while living in the village was an affordable option, the cost of doing so was located in the exit fees (to be explored more in Chapter 4):

I'm certainly grateful for that [flexible entry fees] because there's no other way in a million years I could afford to live where I do. (Large for-profit, metropolitan QLD)

I don't have to go out seeking a lot of entertainment, so I feel it is fairly financially secure for me. I can adjust my spending to what I have to spend. (Small for-profit, metropolitan NSW)

In discussing affordability, participants further noted that it was important not to understand their retirement village unit, villa, or apartment as a profit-making investment. Rather, it was an investment in lifestyle:

... it just needed our mind to change in that when we're purchasing a property we're not investing in something. We're buying a lifestyle. This wasn't an investment. This was a lifestyle. (Large for-profit, metropolitan TAS)

No, we knew when we went into the process that we were looking at a lifestyle, not an investment. (Small-medium for-profit, metropolitan QLD)

There are also corporate interests in lifestyle and Third Age as part of a sales pitch to attract buyers. Marketing slogans, such as 'live your way', appeal to ideals of independence and activity. As Lederbauer and Matthews (2004) note, retirement village marketing uses and commercialises 'active and productive ageing' tropes, which (potential) residents consume. Therefore, participant's discussions of retirement village lifestyles align well with marketing campaigns.

There are ways that the political and bureaucratic features of retirement villages can undermine, limit or compromise who can live and thrive in retirement village settings. This necessitates a need to pay attention to how power and inequality inform the decision to move into and live in a retirement village. Limited financial resources restricts the opportunities from outsiders to engage with the lifestyle options that retirement villages can offer.

3.5 Retirement village living: Power, inequality, and disadvantage

3.5.1 Generational inequality

Individuals with more financial resources (that is, economic capital) benefit from more social capital than those with less financial resources (Simons et al. 2019). This means they can access the benefits associated with retirement village living, many of which are revealed through the push-pull analysis undertaken in the research. As Woolcock (2001: 67) states, 'A defining feature of being poor ... is that one is not a member of – or is even actively excluded from – certain social networks and institutions, ones that could be used to secure ... decent housing'. This is particularly pertinent to consider for the changing needs and requirements that people may have as they age, and the degree to which this is supported and provided for in housing options. Retirement village living privileges those with the financial capital to access and sustain living in such environs. Therefore, personal economic capital is significant when considering the accessibility of retirement village living. This point of intragenerational inequality was noted by participants:

Yes, so I went to that [retirement village expo] and picked up lots of information. Most of them [brochures] got thrown out because I didn't have the money for a lot of them, so I didn't even speak to anyone - there was no point. (Large for-profit, metropolitan QLD)

... it's all stacked. As they say, when you go to a casino, it's stacked for the owners of the casino, not for the people spending the - playing the pokies or playing the games of chance. (Large for-profit, regional NSW)

These participants demonstrated awareness that it is only through personal financial assets that they could access retirement village life. Economic capital has provided them with some choice and flexibility amongst limited housing options, and has allowed them to enact change and act on their interests. Of course, the physical location and financial accessibility of different retirement villages may restrict or limit their options. Nevertheless, participants were able to pursue retirement village living as an option. By noting that 'it's all stacked' (the last extract provided above), participants were also aware that financially retirement village living may also not benefit them financially (explored further in Chapter 4).

3.5.2 Hierarchical power relationships and inequality

Generational inequality also related to perceived inequality between retirement village operators, management, and residents, as based on conflicting interests. For example, when it was perceived that on-site management was poor or that management were not serving the interests of the residents, this caused problems. If there was a bad experience with the on-site management, then this negatively impacted on experiences of living in the retirement village:

We had a bad manager before ... and it was terrible, he was terrible, and he did cause – he was the basis for a lot of friction between people here. ... So, you couldn't trust him. He was as slimy as anything. (Small for-profit, metropolitan NSW)

How do you know coming in, how do you know if the management is good or bad and how do you then know it's going to stay that way? I think the whole village hinges on that. If the manager changes and they bring in changes and they do things a different way, the whole climate of your village will alter. We haven't got a good climate - organisational climate here, I can say that with a great deal of authority. (Small for-profit, regional NSW)

Some retirement village residents also indicated that slowness of management to act on required repairs and maintenance caused tensions (see Chapter 5). On a related matter, when operators and management did not seek to meet with and directly engage with residents, it was seen as undermining feelings of belongingness in the retirement village through not seeking to build relationships and understandings. The result is a sense of distrust, and an us (residents) versus them (the owners) divide:

... now we've had a new village manager for a short while, and her focus is on sales. So, none of this is about a focus on the clientele. The CEO has never come to the village just to meet residents. (Large not-for-profit, metropolitan TAS)

The impression that we get is that they don't really know how retirement works and they don't really care. (Large for-profit, metropolitan NSW)

There's nothing, really, to force owners to sit down and talk with the residents' committee or the residents. It's talked about, but it's not a law that if you don't ... You've put out step one. We want to meet with you. They ignore you. They ignore step two. If they ignore step three, then ... but it shouldn't have to get to step three. (Large for-profit, regional NSW)

As noted earlier, retirement village residents noted numerous features that make retirement village living desirable (pull factors). Therefore, when retirement village operators or management made decisions that undermine this attractiveness, the residents felt mistreated or undermined. This was particularly the case when operator or management decisions were seen to compromise the ease of lifestyle associated with retirement village living and of the Third Age. For example, convenient and timely access to the retirement village manager was seen as crucial:

... that's becoming a problem, because when we moved into the village, there was someone in the office all the time. Now there's only people in the office for two and a half days a week. And that's a problem with older people. If something happens, they feel that they haven't got the support that they thought they would have. (Large not-for-profit, metropolitan TAS)

As noted earlier, one reason why people move into a retirement village is because they either currently have health issues or they anticipate this will become an issue in the future. Desirable features in a retirement village therefore include means to access health services ranging from emergency call buttons to on-site healthcare staff. However, some participants noted that changes had been made to such services which, in some cases, they believed had been changed or removed without consultation with residents. In addition, some residents noted that despite such changes, they were still facing the same (or increasing) costs:

We used to have emergency calls that went across to the nurses. When they were shutting the nursing home down, they didn't ask us or anything which they're supposed to and they joined us up with VitalCALL. That cost us thousands a year and most of the residents don't intend to ever use it. That's about it. (Large not-for-profit, regional NSW)

... when we first moved here, they had carers on-site, 24/7, and you'd probably be interested in this later on - in our contract, it says they will provide 24-hour emergency monitoring. So, when we moved here, they had 24-hour carers. So, these were people who were on-site, you could ring them, they would come and help if somebody had a fall, they would come and help. If somebody had to go to the hospital, they would come and make sure the house was locked up, that sort of thing. They got rid of them. (Large for-profit, metropolitan QLD)

3.5.3 Residents create community

Retirement village residents can pay significant sums of money to move into and live in a retirement village community. Following on from the marketing of retirement villages, residents may expect certain services and activities in return. However, participants noted that the absence or weakness of formal social organisation by retirement village operators and managers meant that the lifestyle experience of retirement villages was not provided or promoted; rather, there was a reliance on residents to create the feelings of community and lifestyle. To create an engaged retirement village community, informal forms of organisation are established by residents. This can be seen in residents' committees (see Chapter 5). In other words, residents create the 'strong' and 'weak' ties that can hold together and nurture a retirement village community through volunteering or taking on various social organisational roles. The success or failure of a retirement village community was therefore implicitly their responsibility, even though retirement village operators relied on this sense of community for marketing strategies including appeals to people in the Third Age:

When they're advertising the village, they actually use the social aspect as a selling point but we're [residents] the ones that actually make it work. (Large for-profit, metropolitan NSW)

As far as the management goes, if you looked at the advertising for the village, you would probably get the impression that the management does a lot for the people in the village. But the reality is they do next to nothing. Everything in the village, every function, is organised by the people in the village, the residents. ... Nothing is organised by the management. (Large for-profit, metropolitan QLD)

3.5.4 Stigma and ageism

While retirement villages are marketed on ideals associated with the Third Age, participants noted that how the general community perceive retirement villages can be very different. The social perception of older age equalling dependency and care align strongly with the Fourth Age. These attitudes, which are associated with ageism, impact on what people perceive retirement villages to be. Ageism can be understood as prejudice and discrimination based on age, which is typically influenced by negative stereotypes and myths of ageing and older people (Slattery 2002). Globally, ageism is a problem with one in two people holding ageist attitudes (World Health Organization 2021a). These attitudes are not only found across the general community, but amongst older people too. This highlights a desire to disassociate with the age that older people may perceive within their own age group; they separate themselves from their age. This relates to a stigma that retirement villages are 'for old people' who, due to ageism, are not attractive to live around:

... we didn't straight away think of retirement village, because we felt we were too young. I was 70 and [my partner], 74. So, we felt that it was for old people. (Large for-profit, metropolitan TAS)

P: But it took me a good six months to talk my husband into it.

Q: Is that right?

P: Yeah. He didn't want to move in with a bunch of old people.
(Large for-profit, metropolitan QLD)

3.6 Policy development implications

Irrespective of whether older people are 'pushed' into moving to a retirement village, 'pulled' there by choice, or a combination of both, having services that meet their needs and encourages independence is critical (Eyles et al. 2014; Hu et al. 2017). Studies show that the provision and accessibility of health (for example, visiting medical practitioners), social (for example, leisure activities), and support (for example, security) services are a benefit of retirement villages and improve resident happiness (Yeung et al. 2017; Kennedy and Coates 2008). Specifically, these services reduce social isolation, improve psychological wellbeing, and help with sustaining a physically active lifestyle (Bernard et al. 2007; Schwitter 2020; Carr and Fang 2022). On the other hand, inability to access services – particularly those requiring additional costs (for example, excursions, transport) – reduce happiness and lead to social exclusion, depression, and inter-group conflicts (Lederbauer and Matthews 2016; Bekhet et al. 2009; Carr and Fang 2022). This last point undermines images of retirement villages as places for positive social interaction (Evans 2009).

A popular belief among retirement village providers is that social interactions between diverse residents engender feelings of belonging to a 'retirement community' (Carr and Fang 2022). However, some researchers have questioned the extent of diversity (Schwitter 2020; Evans 2009; Carr and Fang 2022). Although villages attract residents of different ages, backgrounds, and independence levels, connections commonly develop between like-minded or similar individuals (Schwitter 2020). Even when diverse ties do emerge, these are usually of a 'casual, everyday nature' and unlikely to produce a homogenous 'community' (Evans 2009: 209). This scarcity of heterogeneous ties is largely a consequence of conflicts between resident groups. Tensions between new and established residents (Bernard et al. 2012), residents from different socio-economic backgrounds (Evans 2009), residents with different levels of health and/or mobility (Bernard et al. 2007; Carr and Fang 2022), and those who own their village property and those who lease (Kearns and Mason 2008) create divisions that restrict the development of a diverse but cohesive community. Some of these issues have been raised in this chapter, while others will be addressed in coming chapters.

4. Contracts and the exit fee

- The retirement villages industry has received consumer complaints that have led to negative publicity in the media.
- Consumer complaints included mis-selling, excessive exit fees, excessive management fees, excessive refurbishment fees, and unfair buy-back arrangements. While these issues are connected, the exit fees and buy-back practices were seen as most harmful. It was claimed they led to dissatisfied residents being trapped in villages, losing their savings to unscrupulous operators.
- These problems were addressed by a series of inquiries leading to strengthened regulation, including requirements that villages bought back units. More effort was made to give consumers clearer information and require them to obtain legal advice. However, there is still dissatisfaction and mistrust. Villages still face commercial pressures to cut costs and make profits.
- The survey shows fewer concerns about mis-representation than previous surveys. However, many interviewees expressed positive views about exit fees; 25 per cent of respondents either could not understand exit fees or experienced difficulties with them. Two residents felt trapped in a village, and one had been bullied.
- Most residents had sought legal advice but did not see this as helpful. Few of the respondents sought advice from families.
- Although the majority of literature sides with consumers, there is an alternative view in the industry, shared by some advocates. This is that those entering into contracts are not employing 'due diligence'. A village manager and lawyer also expressed the controversial view that some people are unsuited to community living.

- **We conclude that these are difficult problems that cannot be completely addressed by stronger regulation or legal advice. The underlying cause is structural pressure on both for-profit and not-for-profit companies to maintain or increase profits. Although most residents are happy, and few people experience harm, the industry should recognise the problems.**

In the last chapter, we reviewed many positive aspects of retirement villages. Yet only a relatively small proportion of older people are attracted to communal living. There may be a number of reasons why Australians choose to stay in the family home (Crisp et al. 2013). One possibility is that, despite marketing through information days and advertisements in property supplements, they still know little about villages. Many possible consumers still see villages as similar to residential homes where residents are aged, infirm and lack independence. There is a second possibility: that the industry has been tarnished by consumer complaints that have led to bad publicity in the media (what an interviewee described as a ‘public relations’ disaster). This chapter will explore these complaints, while seeking to offer a balanced view of a complex problem.

The chapter starts by summarising the issues raised by consumer advocates and critics (Greiner 2018; Ferguson and Danckert 2017). A series of reports presented a highly negative view of the retirement village industry. The chapter then presents findings from the resident survey and interviews about the extent and nature of consumer complaints. Then we consider an alternative view advanced by industry insiders that to some extent sees consumers who experience problems as responsible for their own predicament. We conclude with some recommendations for reducing the problems, while acknowledging they cannot be completely eradicated either through stronger regulation or better professional advice.

4.1 Issues raised by consumer advocates

Campaigns since 2010 have sought to obtain legal compensation from retirement villages, to introduce consumer safeguards, and to make the problems experienced by older residents a public issue (Cradduck and Blake 2012). There was also a campaign for strengthened regulation, and a class legal action by some relatives of residents who claimed to have suffered financial loss. The class action was either settled or possibly withdrawn if the law firm was ultimately unable to establish there had been a breach of contract (Lenaghan 2019).

4.1.1 Consumer complaints

Complaints about predatory business practices have also been made in a number of reports and inquiries supported by Offices of Fair Trading in different states (for example, Greiner 2017), and in some academic studies about unfair contract terms (Cradduck and Blake 2012). It is worth looking at the criticisms of practices separately. It was claimed that the practices often worked together in benefitting villages financially:

Mis-selling

Many surveys include a question on whether village living met the expectations promoted in marketing brochures. However, it is claimed that mis-selling often went further than this through omitting or concealing important legal details in sales pitches and brochures (Greiner 2016). Many purchasers believed that they had purchased a freehold or leasehold investment property that they could sell for a capital gain. Many relatives benefitting from the estate also believed this (ABC 2017). In fact, the resident consumer had purchased a lease or licence subject to an exit fee. This criticism recognises that there was nothing incorrect or misleading in the contracts (although see Cradduck and Blake 2012). However, many residents were misled by sales materials. The survey and interviews indicate that many residents did not read contracts carefully or consider legal advice.

Excessive exit fees

The incoming price made properties in a good area affordable, and often appeared to give excellent value for money. What was concealed or mis-represented were the excessive fees that were deducted from the sale price at the end of the tenancy. Following regulatory reform, the fees have to be clearly stated in a description provided with the contract.

Management and other fees

Unscrupulous managers, or companies facing financial pressures, could raise fees even though increases had to be reasonable, both as stated in the contract and state regulation. This was cited as a major difficulty for consumers as they are in a weak bargaining position. Consumers can try to hold management to account through residents' associations, often required by regulation. They also have a legal remedy of making an application to a tribunal, but this is often ineffective.

Refurbishment

Many residents will die while living in a village. A minority will move to residential care, either in a co-located facility through the provider or where places are available elsewhere. The bond will be paid for out of the proceeds of sale less the exit fee. In order to sell the unit, there are also refurbishment costs. A resident interviewed for the Four Corners program complained that these costs were excessive.

Buy-backs

Another complaint concerned the time taken to sell properties (transfer to a new lease or licence holder) in a slow market, or when there were delays in refurbishment. There could be a delay of several years before exit fees were released. The difficulty for residents or their estates was that management fees were still incurred up to the sale, further reducing the balance left after the exit fee and refurbishment costs. Aside from the additional deductions, the delay in marketing led to anxiety. It was also claimed that some villages were slow in marketing, or did not apply sufficient effort, partly because they continued to receive large management fees from the outgoing resident.

4.1.2 Remedies - Contracts

There has been some discussion on how to improve consumer experiences through adopting clearer, standard contracts (Craddock and Blake 2012; Greiner 2017). One argument is that the clauses relating to exit fees are unfair, and even 'unconscionable'. However, most reports see the remedy as lying in greater disclosure (Table 29). There is also the problem that some residents did not obtain legal advice, and concerns over the quality of advice provided. One underlying difficulty is that information provision and legal advice are not well-resourced in this housing sector. Stimson (2002) recognised there might be a contradiction between imposing regulatory costs on the industry, while at the same time supporting expansion.

4.1.3 Remedies - Regulation

The principal remedy suggested by campaigners after discovery of these problems in 2010 was to strengthen and modernise the regulation established during the 1990s (Latimer 2016; Petersen et al. 2017; Smeed 2017). This report is not the place for a detailed analysis of these changes in the statutory terms (see Table 29 for a selective summary of disclosure requirements). Regulation has many purposes in addition to prohibiting conduct and creating offences. In this case, the many reports and inquiries raised awareness of the issues and supplied or supported best practice in the retirement villages industry (Greiner 2017; Department of Housing and Public Works 2017; Law Reform Commission of Tasmania 1994). Specific requirements to disclose information before a consumer entered into a contract were introduced. Requirements for companies to buy-back properties were negotiated between the villages and residents and required by the amended legislation. Table 29 provides details of examples of amendments as a result of these negotiations.

Table 29: Disclosure

Amendments to legislation	Section	
Retirement Villages Act 1999 (Tas) as amended 17 December 2004	s19(1)	The operator of a retirement village must, within 10 business days after a reasonable request by a resident, provide the resident with c. a statement of the amount to which the resident would be entitled, by way of repayment of ingoing contribution, if the resident were to cease to reside in the retirement village.
	Schedule 3 - Check list	You should read this document carefully. Entry into a retirement village usually involves a significant capital commitment and may change your lifestyle.
Retirement Villages Act 1999 (Qld) as amended 20 October 2021	s84(1)	A scheme operator must not enter into a residence contract for the village with a person unless ... the scheme operator has given the person a copy of each of the following documents - a. the residence contract; b. the village comparison document for the scheme; c. a prospective costs document for the residence contract. Maximum penalty - 200 penalty units.
Retirement Villages Act 1999 (NSW) as amended 2 March 2022	s18(1)	The operator of a retirement village must provide a person with a general inquiry document within 14 days after becoming aware that the person is a prospective resident ...
	s33(1)	If a disclosure statement is not provided in accordance with this Act, or if the information in it is false or misleading in a material particular, the person to whom ... it was provided may, within 3 months after occupying residential premises in the village, apply to the Tribunal for an order allowing the person to rescind any village contract to which the person and the operator of the villages are parties.

Source: Authors.

Another proposal was for consumers to have better access to legal and financial advice. One difficulty is that many older people did not see the advice as valuable (Malta et al. 2021). It is viewed as an unnecessary expense, and companies will not alter what have become standard conditions (Greiner 2018). In addition, it was felt that many lawyers had a limited understanding of the retirement villages industry. One solution proposed was for the industry to sponsor training courses and to pay for lawyers (personal communication), but this has not so far happened.

4.1.4 Has the exit fee problem been addressed?

At this point, it may help to separate the issue of excessive management fees (Chapter 5), from the complaints about delays in selling properties that arguably created most dissatisfaction and even hardship. Residents' associations in Queensland and NSW argued that villages should take on the financial risks by agreeing to buy-backs of six months.⁵ This was achieved and became part of legislation after some negotiation. The industry argued that it would have to borrow money to cover buy-backs. This would further increase management fees, and affect their capacity to expand.

Since the underlying problem is a power imbalance between village management and residents, including access to legal advice, these important and valuable changes to regulation have not solved all the problems. One tactic employed by some unscrupulous operators is to offer deceased estates at a reduced price before the required date for a buy-back. In practice, deceased estates do not have the resources or time to protect their financial interests. The continuing problem for residents, not addressed by the buy-back rules, is that they cannot move from a village:

⁵ The buy-back period in Tasmania was made six months by the 1999 Retirement Villages Act (Tas).

The age group we're dealing with, they don't want to fight ... That was in the time when there was a Four Corners program in 2017 followed by the Greiner Inquiry and we're all trying to get change within the village and nothing has happened. Absolutely nothing for residents and many see it that way, that it was a waste of time and I would agree with that.

We want to get out but of course with the way things are, we have the same problem. Where do we go and how do we go about it? Of course, with the house market exploding and the exit fees, our financial situation is that if we were to go today, he would charge \$560,000 for this villa. We would get of that about \$320,000. The rest goes in exit fees ... but when you do the calculations that's what you end up with, and we really couldn't buy anything that would suit us for the money. (Large not-for-profit, regional NSW)

4.2 Findings from a consumer survey and interviews

Complaints about exit fees were made in the mid-2000s, and resulted in legislation intended to guide or constrain operators in changes to legislation after 2017. A series of surveys on consumer satisfaction was conducted before then (see Table 30 for a summary of findings). Most respondents in NSW claimed to have been subject to misrepresentation when entering a village (Greiner 2018). Given great efforts have been made by regulators and the industry to improve information in response to these criticisms, we should expect the research survey conducted in 2021 to show that residents understood the financial arrangements better than they might have done in the past. The survey results show that for most residents what was offered lived up to expectations. However, it should be acknowledged that none of the surveys has asked how the consumers felt at the end of a licence or lease. The only question specifically about exit fees was whether the clauses in contracts are difficult to understand. Only 25 per cent of the representative survey of 800 residents reported a problem with understanding exit fees. It might be that those experiencing problems with exit fees are least likely to complete a survey owing to their age or illnesses. Nor did we survey executors of deceased estates.

This omission illustrates that it is difficult to design questions that capture views and experiences in a consumer survey. The 12 interviews conducted with residents who had previously completed the survey were also about current and previous experiences in villages rather than at the end of a contract. It is also possible that in selecting interviewees from the respondents in NSW and Queensland at random, we have over-looked some cases where residents are affected by exit fees. The approach to sampling offers greater objectivity than those of studies that employ a 'convenience sample'. Despite this self-imposed constraint in sampling, we interviewed a few residents who complained about being trapped in villages. We describe a disturbing case of bullying below.

4.2.1 Did consumers understand contracts?

When asked if they encountered difficulty when reading their contract, around two-fifths of survey respondents reported that their contract was clear or very clear, and easy to understand (Table 30). Another quarter noted that their contract was slightly clear and easy to understand. This means that there was still one-third of survey respondents who experienced some degree of difficulty when reading their contract.

Table 30: How clear did survey respondents find contracts?

	NSW	QLD*	TAS*	Aust
	%	%	%	%
Clear or very clear and easy to understand	42	35	68	7
Slightly clear and easy to understand	26	24	19	35
Slightly unclear and difficult to understand	17	24	5	24
Unclear or very unclear and difficult to understand	13	15	5	19
I didn't read the contract	2	2	3	8

* Unweighted results.

Source: Survey.

When comparing the experiences of those who live in retirement villages run by different operator types, there was an observable difference between those run by for-profit and not-for-profit operators. Higher percentages of survey respondents who live in retirement villages run by not-for-profit (including religious) operators, irrespective of the operator's size, reported that their contracts were clear or very clear.

When asked about the clarity of their contracts regarding fees specifically, there were also notable differences in clarity across fee types (Table 31). Survey respondents noted that clauses regarding entry and ongoing fees were a lot clearer than those regarding the exit fees, with only around half stating that clauses regarding exit fees were clear or very clear.

Table 31: How clear did survey respondents find the contracts regarding fees?

	NSW	QLD*	TAS*	Aust
	%	%	%	%
The entry fees (how much it cost to become a resident)	82	74	86	79
The ongoing fees (service and maintenance fees)	72	66	81	70
The exit or leaving fees	51	51	73	53

* Unweighted results.

Source: Survey.

Survey respondents who live in retirement villages run by different operator types did not identify these fees-related clauses as being unclear or difficult to understand. The only observable difference was that survey respondents reported clauses regarding ongoing and exit fees were comparatively clearer for not-for-profit and religious operators than for-profit operators.

4.2.2 Views of exit fees

In contrast to previous reports, we found that many residents understood exit fees, and welcomed the opportunity to defer payment. They saw themselves as getting a good financial deal in buying a property (the right to live in a property) that would be unaffordable without the exit fee:

Q: What encouraged you actually to move into a retirement village?

A: In my case, it was very simple. The entry price was so low that even though I knew I would lose money at the end - there was an exit fee - the entry price was so low that it was almost too good to miss up an opportunity. It allowed me to retire in fact.
(Large for-profit, regional NSW)

Q: Let me just turn to the issue of the contracts then. When you were entering into it, you were given information and you were given a contract. One question is whether you understood it, and secondly, did you need advice to understand it?

A: No. It was fairly easy to understand, as a matter of fact. Yeah. And especially the financial side of it. That was set out to us, and it was explained to us.

Q: So, as I understand it, you pay less when you go in, you get a kind of license to live there. I believe you pay an exit fee that's -

A: Yes, you do pay an exit fee. You're paying an exit fee of the deferred - there's a deferred management fee, first of all, yeah, which is 5% per year for the first five years. That's 5% of the original purchase price. And then there's 3% for the next five years. Now, when you sell the villa, that's when they take the money out. So we lose then the 5% and the 3%, plus the difference between what we bought the villa and what we sold the villa, they take 50% of the difference.
(Large not-for-profit religious, regional, TAS)

Q: Are you in a contract where you pay less, and you get an exit fee?

A: Yes, yes. So, it's a leasehold arrangement, and they draw down 9% per annum for the first four years, so 36% is the deferred fee that you pay when you exit.

Q: And so, the reason why it's cheaper is because of this deferred exit fee?

A: Yes, I suppose you could say that. Yes, that's right.

Q: Have you calculated how much you need to pay in the exit fee when you leave eventually?

A: Well, it's 36% of the total sum – Yes, I have, yeah. And when looking at the options in this village, I chose an option which would leave enough to pay for one of us to go into aged care, so I'm hoping it maintains that value.

Q: It's very difficult to make those kinds of predictions and choices.

A: Yeah, absolutely.

(Small medium not-for-profit, regional QLD)

The variety of exit fee arrangements will be considered further in Chapter 6. The survey indicates that over half the residents had adequate information about exit fees, and were not going to be surprised by refurbishment costs or other expenses. There may be residents who did not complete the survey who had different expectations, or were subject to mis-selling, perhaps seeing villages mistakenly as an investment opportunity.

4.2.3 Getting trapped in a village

Although few who completed the survey wished to leave their village, it is worth noting two cases. The extract in section 4.1.4 came from the first case. This resident was generally happy with services, the location of the village and the quality of accommodation. But he had become frustrated with what he understood as poor management. He wanted the freedom to move, even to a similar property in a less convenient or attractive location. But this was not possible owing to what he viewed as a high exit fee. Like many residents, he was forced to stay in a village. He noted that when meeting friends the first part of the conversation concerned the many shortcomings of this village and how it was managed (which in his view created a 'toxic' environment), before they moved onto happier topics.

The second case was someone who had lived in a village for several years. She described a 'culture of bullying':

From the day I moved in, there was a group of people, a clique who just had it in for me. It made it very difficult for me for the last four years. There's a culture of bullying here and I'm one of the targets. Not all of them of course. But there's a group of say, eight people who dominate everything. I don't like living here at all. But I can't afford to leave. (Small-medium for-profit, regional QLD)

Although this resident did not wish to leave a village, she might have been happier elsewhere or if she was not living in a community. What prevented her moving was the exit fee. She had not considered the effects of the imposition of this fee when she entered the village even though full information had been supplied in the contract and statutory summary.

4.2.4 Obtaining legal advice

A finding from the survey was that most people had seen a contract and obtained advice from a lawyer. Through state and territory regulation, villages now require this in order to protect themselves from complaints over mis-selling (Table 29). Many of those interviewed saw this professional advice as having little value since the average lawyer knew little about villages. But in retrospect, some interviewees could see that they had received advice to think carefully before entering a contract:

Q: So, were you happy with the kind of advice you were getting from the lawyer?

A: Look, I don't think there's a lot of them that know enough about the retirement living sector, to be able to give a lot of good advice. His biggest issue was, 'Do you realise this isn't an investment?' (Small medium not-for-profit, regional QLD)

We had a conveyancer look at it and I had several conversations. She would say to us, 'Are you really sure that you're going to go into this? That was all. I said, 'Well you know, do you think we should?' 'Oh, I can't say that. I can't give you that advice but I can say that you've got to be clear on what you want.' She pointed out that there were the problems, particularly with the exit fees.

She did say to us and I'm sorry I didn't listen harder to her, that if you want to leave it, you are not going to be able to. This is a decision you're in and you're caught. I said 'Oh well, yeah, but we'll be right.' I should have had more sense because not everyone is going to be friendly and caring. You're going to get frictions. You're going to get different points of view. That should be explained to people ... (Small medium for-profit, regional NSW)

Most lawyers are unfamiliar with the specific problems that can arise after moving to a village. To give an example, one resident was surprised to find that she was responsible for maintenance and replacement of household goods such as washing machines, cookers and air-conditioners. The lawyer had approved a contract without drawing attention to these possible additional expenses. It should, however, be added that companies normally refused to change standard terms. In practice, the only remedy for a consumer was to withdraw from a preliminary expression of interest, and to seek better terms from a different provider.

The survey and interviews also found that very few older people consulted their families before making a decision to sign a contract. Some explained to family members the effect of exit fees, and families were happy if residents spent their savings on themselves. In many cases, respondents reported little contact with family, and did not wish to consult them about a consequential decision. However, it is possible that the survey responses should not be taken at face value. The strong negative responses in response to the question about whether they had consulted their family may be a way for older people to affirm their independence in the face of stereotypes that portray them as lacking competence. It seems unlikely there was no consultation of any kind with children, and this conflicts with research showing that residents maintain family ties (Bohle et al. 2013).

4.3 An alternative view

The majority of literature on exit fees and contracts sides with the consumer. Those who choose to live in villages are seen as victims of predatory practices. The companies face pressures to make profits in a competitive market, and they do this through taking advantage of vulnerable older people who will rarely contest unfair contracts or excessive fees. The most difficult cases are those who are bullied or very unhappy but cannot afford to leave. However, this places all the blame on 'bad apple' providers. In the stakeholder interviews, we came across a hard-headed view, perhaps common in the industry, that blames the consumer for having unrealistic expectations. Some interviewees even argued that a proportion of residents were psychologically unsuited to communal living and generated many spurious complaints.

4.3.1 The buyer beware principle

The industry professionals we interviewed accepted there might be unscrupulous or unethical village managers ('bad apples'), but for the most part they saw contracts as entirely fair and believed that information on exit fees was fully disclosed. The problems arose because consumers did not exercise 'due diligence' and sometimes wanted to believe that they were buying a freehold despite being advised this was not the case by village managers and a lawyer.

A lawyer felt that consumers were partly to blame for not considering what it would mean living in a village:

Look, it's a very difficult space, but I think that consumer protection is inherently a difficult space. They want one thing, they want to buy a load of goods on the one hand, and they really don't want to do their due diligence, but when it's not meeting their expectations on the other, they want to complain about it. How do I approach it as a lawyer? I make sure my client understands, as best as possible, meaningfully, what it is they're buying into.

This lawyer advised consumers to visit villages, observe communal activities and speak to residents about their views on the services and management. If they were not satisfied, they should consider buying a unit in a strata complex rather than making a financial commitment to a higher level of services in a village.

4.3.2 Suitability for community living

Another difficulty for the industry was that some older people who entered into contracts were later viewed as unsuited psychologically for village living. It was suggested by a policy expert that a willingness to live communally and work with others was necessary to get the most of villages, and those unable to adapt would become unhappy:

There are some people who just cannot live in community. If you have always been a very insular individual, I think individuals who have always connected with their community previous to moving into a village, you know, they've been involved in the Lions or the Scouts or they coached or they had some community connections, will settle into a community much more than those who have not spoken with their neighbours and are not engaged. So emotionally there are some people I believe should just not move in.

There was no robust procedure that would identify suitability for community living (although there was usually a six-month try-out period when it was possible to withdraw without penalty).

4.4 Policy development implications

This chapter has reviewed the difficult issue of consumer complaints and possible remedies relating to the exit fee incurred when leaving villages. Although any survey is imperfect, we hope to have shown that most consumers were happy with this financial arrangement at least until they exited villages (see Table 32). Following regulatory reforms and industry action taken in the last five years, there is now adequate disclosure by most villages. These changes are reflected in the difference in responses to questions about mis-selling in the Greiner Inquiry survey and the survey (admittedly there are methodological differences that make it difficult to compare responses). However, it should also be noted that some residents continued to feel they were trapped in villages and treated unfairly. This may not affect the growth of the village sector, but should be a cause for concern for housing providers and village managers.

Like other commentators (for example, Greiner 2016), we believe that practical measures can be taken to address consumer difficulties. There should be stronger, better-resourced regulation and perhaps funding for professional development for lawyers and others who advise prospective residents. Although we do not have direct evidence, it would seem that commercial pressures to make profits lie behind tough responses and rigid policies on such issues as buy-backs and refurbishments. We were told that residents are generally happier in not-for-profit villages, although we cannot demonstrate clear differences from the stratified sample. It would require more research, and support from the industry, to understand and address these problems. We expect there will be further consumer complaints, even though most residents report that they enjoy village living.

Table 32: Resident satisfaction

Study	n	Response
Stimson 2002 The Retirement Village Industry in Australia	985	75% 'met expectations'
Petersen et al. 2017 Queensland Retirement Village Survey	312	82% 'met expectations'
McDougall and Barrie 2016 South Australia Retirement Village Survey	2,154	84% satisfied
Greiner 2017 Inquiry into the NSW Retirement Village Sector	286	61% felt pre-2013 marketing dishonest
Bradfield et al. 2019 National Survey (Qualtrics)	162	54% 'met expectations'
Malta et al. 2021 Victoria Retirement Villages Survey	950	77% satisfied
Travers et al. 2021 Retirement Villages Survey (Tas, Qld and NSW)	855	72% 'met expectations'

Source: Authors.

5. Disputes

- This chapter goes further than existing research in demonstrating the high proportion of residents who are involved in disputes with operators, the nature of disputes, and the shortcomings of remedies available through tribunals.
- Approximately two-thirds of survey respondents reported that they were in dispute with their villages. One third concerned fees, and there were many disputes about service quality.
- Village managers were often perceived as adopting a tough stance in interpreting statutory codes of conduct in regulation. Poor dispute management, including perceptions of favouritism, could result in disharmony within villages.
- One tenth of survey respondents reported disputes with other residents. Some chose not to socialise to avoid coming into contact with cliques.
- Resolution of disputes was the responsibility of village operators. A good manager often played a pivotal role in preventing and managing conflicts. The tribunal process, encouraged by regulation, was viewed as expensive, slow and favouring operators. Many residents placed their hopes in government funding for an ombudsman who would be familiar with the retirement village industry.

5.1 Existing research on disputes in retirement villages

A significant volume of research on retirement villages focuses on the socio-spatial aspects, specifically the interaction of residents with the facilities and services provided and with other residents of a similar age cohort. Evidence suggests that these socio-spatial interactions contribute to positive health and wellbeing outcomes and feelings of safety and security for older people (Grant 2007; Nathan et al. 2013; Holland et al. 2017).

However, contract conditions and the daily operation and management of retirement villages can be an area of dispute between residents and operators in the Australian context, as outlined by Hu et al. (2017). Similarly, a consistent theme of dispute between residents and operators emerged from this research.

An analysis of the limited existing research investigating the nature and cause of disputes in Australian retirement villages revealed the following themes:

- High entry, ongoing and exit fee regimes that may leave some older people without the financial capital for a subsequent dwelling should they wish to leave a retirement village (Hu et al. 2017; Petersen et al. 2017)
- Disputes with village management about ongoing costs and maintenance issues (Hu et al. 2017; Malta et al. 2018)
- Inequitable financial terms and conditions and a lack of transparency in contracts (Productivity Commission 2011; Smeed 2018)
- The negative influence that complex, inconsistent and changing regulatory and financial obligations have on older residents' wellbeing and the experience of living in a retirement village (Petersen et al. 2017)
- Inequitable dispute resolution processes that place older people at a significant disadvantage when in dispute with a village operator (Malta et al. 2018)
- The need to implement a nationally consistent approach to regulate retirement villages and provide mechanisms to ensure procedural fairness and greater consumer protection and advocacy for older residents (Smeed 2018).
- Section 5.2 provides an overview of retirement village legislation for the jurisdictions in the scope of this research: Queensland, NSW and Tasmania.

5.2 Retirement village legislation

Retirement villages are regulated by state and territory government legislation, which allows for considerable variance between jurisdictions, including codes of practice or conduct, and how disputes are managed. Table 33 provides an overview of the instruments of retirement village legislation in Queensland, NSW and Tasmania, including statutory provisions for operator codes of conduct (where applicable) and the state dispute resolution body.

Table 33: Retirement village legislation, dispute resolution bodies in Australia

State	Act	Regulation	Dispute resolution provisions	Code of practice provisions	Dispute resolution body
QLD	Retirement Villages Act 1999	Retirement Villages Regulation 2018	Part 9 of the Act, Dispute resolution. No regulatory provisions.	Part 8, S135 of Act, Scheme operator to respect rights of residents. No regulatory provisions.	Queensland Civil and Administrative Tribunal (QCAT)
NSW	Retirement Villages Act 1999	Retirement Villages Regulation 2017	Part 8 of the Act, Disputes. No regulatory provisions.	Division 5A of Act, S83B; Schedule 3A of Regulation; Rules of conduct for operators of retirement villages.	NSW Civil and Administrative Tribunal
TAS	Retirement Villages Act 2004	Retirement Villages Regulations 2015	Part 5 of the Act, Dispute resolution; No regulatory provisions.	No statutory provisions for the conduct of operators.	TAS Director of Consumer Affairs and Trading

Source: Authors.

As indicated in Table 33, all jurisdictions include a section of the Act on disputes in retirement villages. However, analysis of the legislative instruments reveals significant variation between whether and how operator conduct is prescribed. For example, the NSW *Retirement Village Regulation 2017* details *Rules of conduct for operators of retirement villages* at Schedule 3A of Regulation. The schedule provides extensive detail on operator conduct, including but not limited to the development and management of village dispute resolution process, mediation and tribunal processes, and training for key staff on how to engage with older people and elder abuse.

Similarly, the Queensland *Retirement Villages Act 1999*, Part 8 covers the rights and obligations of scheme operators, residents and others, with subsequent parts of the Act detailing dispute resolution, tribunal hearings and mediation. Comparatively, the Tasmanian *Retirement Villages Act 2004* provides limited detail on dispute resolution processes, mediation or operator conduct. The Director of Consumer Affairs and Trading is nominated as the arbitrator of formal disputes between operators and residents.

Sections 5.3 to 5.4 outline the nature of disputes that emerged from this research and residents' experiences of dispute resolution processes.

It should be noted that, while it is not possible to trace precisely how the village/resident contracts inform each of the respondents' views they do, nonetheless, provide indicative insights into how disputes might arise in retirement villages.

Further, it should be noted that in the survey, participants were invited to select as many options that were applicable to describe the nature of their dispute(s). This means that there may be some overlap in how residents indicated the nature of their dispute(s) in the survey and how these disputes were discussed during interviews.

5.3 Disputes between residents and operators

Approximately two-thirds of survey respondents reported that they had encountered disputes with their retirement village operator; the remaining respondents either had not encountered disputes, or were unsure if they had (Table 34). When compared across operator types, a slightly higher proportion of survey respondents living in retirement villages run by smaller operators had entered into disputes with their operator.

Table 34: Whether survey respondents entered into disputes with their retirement village operator

	NSW	QLD*	TAS*	Aust
	%	%	%	%
Yes	68	67	75	68
No	13	13	6	13
Unsure	18	20	19	19

* Unweighted results.

Source: Survey.

Of the survey respondents who had encountered disputes with their retirement village operator, around one-fifth concerned fees or the financial management of their village (Table 35). The next most common issue encountered concerned their retirement village's management and service quality. Finally, around one-third of survey respondents who experienced disputes with their operator had resorted to a consumer tribunal or law court to resolve the dispute.

There were notable differences across the states, with almost two-fifths of survey respondents in NSW (38%) taking this step compared to one-fifth (20%) of their Queensland counterparts, while no one from Tasmania noted that they had done so. Across operator types, it was more common for survey respondents who live in retirement villages run by smaller operators (whether for- or not-for-profit) to have involved a tribunal or law courts in resolving disputes with their operators.

Table 35: Nature of survey respondents' disputes with their retirement village operator (% of survey respondents who had encountered disputes)

	NSW	QLD*	TAS*	Aust
	%	%	%	%
Fees / financial management	25	18	0	22
Village management and services	10	20	50	11
Maintenance and repairs	11	8	50	12
Building standards / not sold what was promised	7	23	0	14
Other	8	13	0	10

* Unweighted results.

Source: Survey.

5.3.1 Disputes about fees and financial management

Disputes with the village operator about fees and financial management were the most significant reason for disputes among NSW respondents (25%) and the third highest among Queensland respondents (18%).

In interviews, participants indicated that while they understood that they were contractually obligated to pay ongoing costs each month, in many cases, increases on the fees levied on residents were above Consumer Price Index (CPI) increases and fees were becoming increasingly unaffordable. They reported that statements for ongoing costs provided by the operator in many cases were not itemised. Some residents said that on further investigation into the cause of increases to ongoing costs, such as insurance, it was revealed that corporate and operational charges were being levied on residents:

We've had a couple of issues quite recently, where one of our residents actually had tried for mediation with our scheme operator, the reason being that over the past two years, we've had quite a marked increase in our monthly contributions. And they were all put down to the increased cost of insurance following the bushfires. We were arguing that Queensland was hardly affected by bushfires, and our area certainly wasn't. But because our operator uses a blanket policy for all their villages, and then apportiones the cost to each village according to the amount of residents, we ended up with an insurance increase of – I think it was 37%, when the Insurance Council of Australia only recommended a single-digit increase. So, we went a long way with that dispute, but nothing really came of it. Our committee is still waiting for a decisive meeting with the authorities. (Large not-for-profit religious, regional QLD)

Residents also indicated that they had limited visibility into exactly what they were being charged for in ongoing monthly charges as this is usually an operational decision made by the operator. One participant indicated that queries and disputes frequently arose due to a lack of clarity on the costs that are the responsibility of residents and the costs that are the responsibility of the operator:

... it's an unusual situation where you don't own your unit but it's managed for you, but the cost of managing it, you pay for, and you really have no say over how the money is spent other than when you vote for the budget. What happens from day to day, it's up to the management to spend that money and you don't have a big say in it. So, there are lots of opportunities for clashes between operators and residents. (Large not-for-profit, metropolitan NSW)

Another resident observed the corrosive nature of poor dispute management on social capital within the village:

... certainly there are people who will bring up that so-and-so got this and that wasn't given to us. There is an enormous amount of disharmony in this particular village. The management style here is what we would say is power coercive. Information flows down- they don't like information flowing upwards. That's just the nature of the animal but there is a group in the village who are the sort of people that you would not like to deal with and so people disassociate. (Small for-profit, metropolitan NSW)

In one example shared by a participant, a retrospective surplus from overcharging ongoing costs was redistributed back to existing residents. However, this was not returned to all of the residents (or their estate) who had initially incurred the cost:

Well, it was \$100,000 they retained, and the problem is that a lot of people who had been overcharged by that amount in the previous year, '18, '19, had either died or left the village, so they never got their money back, and it was put into the budget two years on, so new residents actually got cheaper fees because of the money being paid by the previous lot. (Large not-for-profit, regional QLD)

5.3.2 Disputes about village management and services

Survey responses indicated that disputes with the operator about village management and services were one of the most significant reasons for disputes among Tasmanian residents (50%), the second most significant reason in Queensland (20%) and the third most significant reason in NSW (10%).

There were correlations between complaints about village management and services and maintenance and repairs; they were frequently mentioned together in interviews. One resident in Tasmania indicated that village management and services were significantly below expectations and resident complaints about capital and garden maintenance, at an individual and collective level, were not being acted on by management:

... it's a hopeless maintenance service due to the competence of the person they employ and the amount of maintenance jobs waiting to be done. They've reduced that person's time from five to four days a week. So it's just a standing joke about how long it'd take for something simple like a front doorbell to be fixed. (Large not-for-profit, regional TAS)

One participant noted that in some cases, disputes or dissatisfaction with the operator arose from a change in the initial services provided. However, as these services did not form part of the contract, residents were often left without recourse besides expressing their viewpoint. These changes impacted on the lifestyle, wellbeing and care needs of residents and in some cases, were considerations that influenced their initial decision to select the village:

When I moved in here, there was a village bus and a carer on duty 24/7. Because I've got a dog I thought, 'Oh, I'll be able to get on the village bus with the dog and go up to the village entrance' because across the road is a dog park. I thought I could do that when I couldn't drive. But then, of course, they suddenly said you can't take dogs on the village bus, because people are allergic. So, I lost that. They had a vote among residents about the carers, and however they asked wasn't very well worded, and everyone said 'Let's get rid of the carers.' And a lot of people are couples, so they don't care about single people like me who might need a carer. (Large for-profit, regional QLD)

5.3.3 Disputes about maintenance and repairs

Survey responses indicated that disputes with the village operator about maintenance and repairs were one of the most significant reasons for disputes among Tasmanian residents (50%), the second most significant reason for NSW residents (11%) and the least significant reason for Queensland residents (8%).

Participants indicated that complaints and disputes frequently occurred over the time it took to complete routine maintenance and repairs. There did not appear to be a standard of service for residents on turnaround times for repairs and maintenance as part of the operator's contractual obligations. This was despite the fact that, in some cases, lack of attention to repair and maintenance tasks may present risks to resident safety or mobility:

... my shower door doesn't close properly. There's a disgusting old shelf in the shower area which had some black foam put around it because the previous occupants, previous owners of that one, were both in wheelchairs, so they would hit their heads on this stupidly placed shelf. Now it's loose and it's got the foam around it, and I inspected the apartment initially in October last year and come by the time when I'd had a whole raft of issues to put together, it had still not been attended to. (Large not-for-profit, regional TAS)

Other residents indicated that it was not clear how monthly ongoing fees were used to replace and repair capital items, and felt residents had no control or influence on operational decisions about how the funds should be used:

... we recently had an experience in the village where we had been paying to replace the air conditioning unit in the leisure centre. Now, under the Act, they have what they call a quality surveyor who comes around and he predicts when things are going to wear out, when they should be replaced. So, we were under the impression that it would be replaced, I think the start of this year, and so we had been paying - through our monthly dues, we're paying to the capital replacement fund, and we had got quotes to do the replacement and everything, and all of a sudden, the general manager turned around and said, 'No. Company policy now is that we don't replace anything until it's worn out.' (Large for-profit, metropolitan QLD)

5.3.4 Disputes about building and facility standards

Survey responses indicated that disputes with the village operator about building standards and not receiving what was promised were the most significant reason for disputes among Queensland residents (23%) and the least significant reason for NSW residents (7%).

Residents highlighted some concerns about the building quality and repairs of some retirement villages and suggested that they might put at risk the personal safety of residents.

... another issue we have in our garage downstairs - which is a basement garage - we have nine metres of cracks in our garage alone, when we park our car, and water comes up through that whenever it rains. So, basically for six months of the year, we've got to walk through water to get to our car and our belongings. (Large for-profit village, Metropolitan QLD)

One resident observed that some of the building standards were below expectations in terms of preserving privacy and ensuring that residents have quiet enjoyment of their residence - and potentially, to minimise disputes between residents:

No soundproofing. So, when we have an annual survey, it says, 'Do you feel at home?' And I say, 'No.' I can never feel at home when I'm concerned about my neighbours hearing me, and me hearing my neighbours. My neighbours below, they play instruments. And fortunately, I like the ukulele. I'm not so keen on the guitar and the singing. I don't mind her playing piano. I've got an electric piano, I put headphones on. You know, I've got the headphones. But it's - yeah. That is a problem. And I never thought about it, because the only unit I've ever lived in Calgary was so soundproofed, and I kind of assumed every unit would be soundproofed, but they're not. (Large for-profit, TAS)

In terms of disputes concerning not being sold what was promised, some residents indicated that different information was provided to prospective residents at sales information sessions than what was provided once they moved in. As these facilities or services were not indicated in the contract, residents had no recourse to the operator on the facilities and services that were promoted as benefits of selecting that village:

... I was told by the sales people that the whole of the ground floor of the building would be public space. But when the building opened, that was not the case, there were four units on the ground floor. So, where we were told there was going to be a theatre and a games area, that had been taken from the community space and they made four apartments and sold them. So, that was very disappointing. (Large for-profit, metropolitan NSW)

5.4 Disputes between residents

Just over one-tenth of survey respondents reported disputes with other retirement village residents. When asked how they approached resolving such disputes, the most common responses involved informal and formal complaints to the retirement village operators in the first instance. The operators then talked to the other residents on the survey respondents' behalf (Table 36). Around one-seventh of survey respondents noted that they involved their retirement village operator, but no formal or informal actions were then taken by the operator. More serious actions, such as organised meetings or mediation, were less common approaches to resolving the disputes.

Table 36: How survey respondents approached resolving disputes with other retirement village residents

	NSW	QLD*	TAS*	Aust
	%	%	%	%
I made an informal complaint and they talked to the other resident(s) on my behalf	12	20	43	18
I made a formal complaint and they talked to the other resident(s) on my behalf	14	18	14	16
I involved the operator/manager but no action was taken	19	14	0	15
I made a formal complaint and they acted as a moderator between the other resident(s) and me	7	7	14	8
I made a formal complaint and they issued a formal letter to the other resident(s)	7	7	14	8
I made a formal complaint and they organised a meeting between the other resident(s) and me	10	5	0	6
I made an informal complaint and they organised meeting between the other resident(s) and me	5	0	14	3
I made an informal complaint and they acted as a moderator between the other resident(s) and me	5	2	0	3
Other	45	30	0	34

* Unweighted results.

Source: Survey.

When residents were asked about disputes between residents in interview, most indicated that disputes occur, both formally and informally, between residents from time to time. However, residents also observed that community living is 'not for everyone'.

For example, some residents indicated that they are courteous and polite with their neighbours, but choose not to socialise with them to minimise the risk of disputes:

When I moved in, an old girlfriend who lives in Sydney said to me, 'When you see your neighbours you always wave and say 'hello'. And if there's an emergency, of course you will help. But you don't go into them for a cup of coffee and you don't have them in to you for a cup of coffee.' And that was really good advice. (Large for-profit, metropolitan QLD)

Other residents reported how cliques in some villages can have a significant negative effect on the wellbeing and experience of other residents (see 4.2.3). Across these examples, a continuum of dispute resolution approaches was adopted: intervention or support from the operator; intervention and mediation by a residents' committee; and intervention and mediation by the manager or operator. The analysis of interviews with residents established the importance of: village operators both providing clear information; and being willing to engage with resident committees when disputes arise.

In terms of disputes between residents, this was usually the responsibility of village operators. From interviews with residents, it appears that this was managed with varying degrees of success between villages and operators.

In disputes with village operators, interviews with residents indicated that in some cases, village operators did not deal fairly with residents who had a dispute with them. Many did not pursue further action as they viewed the tribunal process as too costly and onerous.

One resident described how he accessed and followed the village operators' dispute resolution process to resolve a significant issue with their building, but was not assured that the operator was acting in accordance with its own dispute resolution process:

So, I got from them a description of the dispute resolution process that you go through. I tried to use that to get them talking to us again. So, I wrote down what was wrong and sent it off. Now, under that dispute resolution process, there's a very strict process which they should go through. But they didn't follow it at all. All I got was a phone call from the manager saying, 'You need to open your garage, we're having engineers inspect it on Thursday morning,' and this is in the dry season, by the way. There's no water there. So, the engineers came and about two weeks later, I got a copy of the engineer's report, which the management described as 'Independent and impartial!' So, I then found out that the engineers who wrote the report were the same engineers who designed the building, supervised its construction and still worked for the operator. So, there is no way that they are independent or impartial. So, they're lying to us. I then looked at the report and told them that it was total rubbish. I have a doctorate in engineering, so I have a background in this. (Large for-profit, metropolitan QLD)

It was also noted through interviews that the village manager plays a pivotal role in dispute resolution as the initial point of contact, responding to questions and concerns from residents and managing formal and informal disputes within the village.

Some participants indicated that there was a negative culture around raising issues with village management and services. Participants observed that this culture left some residents reluctant to break 'cultural norms':

Then there's the group of people that the manager favours because they go along with her, so she gives them favours. Then there's about the same amount of people that she's horrible to because we speak up or question. So, most people in a retirement village they're older, they don't want to think about these things and you can't expect them to. They don't want to. They just want to pretend it's all wonderful. Even if they are being treated badly and taken advantage of. That would be the majority. (Small-medium for-profit, metropolitan QLD)

Other residents shared positive accounts of how the village manager influenced the culture in the village by working collaboratively with residents to help them understand some of the complexities and considerations relating to increasing ongoing costs and worked through their options for the next budget:

... if you're a good manager, you've got happy staff and you've got happy people living here and working together. We did have with our residents committee, when the new budget came through, we were told that you're going to have to have an increase because of this, this and this. Or we can cut this, this and this out. So, she worked through all of that with us, and we had a new budget come through. (Large not-for-profit religious, regional QLD)

I've actually had a full roundtable negotiation with management, and things have settled down. So it was a new manager came in, which I thought would be a good opportunity because the last one was not helpful at all. (Large for-profit, regional QLD)

Of the residents who had experience of a dispute with their village operator, many indicated that the Act, the Regulation or the optional (industry developed) retirement village code of conduct did not provide any assurance or support to residents as consumers. It is evident that in their view that, in some instances, the sector is not monitored, infringements were not enforced and older residents did not have the energy, lacked financial resources or were too intimidated to pursue the dispute:

... they haven't signed up to the retirement village code of conduct. If they had of, I could have taken it to that. But they haven't signed up and I think the reason is because they don't want people to make any complaints about them. (Small-medium for-profit, metropolitan Qld)

... the existing legislation for retirement villages in New South Wales, it's very strong legislation that protects the interests of residents and operators and it's pretty clear and it's basically been there for over 20 years now, but it's just not enforced. (Small-medium not-for-profit, metropolitan NSW)

Some residents reported helping other older, more vulnerable residents with their disputes as they did not have the capacity or the support to pursue it alone:

I think that residents definitely need someone to look after them - look after their rights because a lot of them are old and they're not computer literate and they don't know where to go for help (Resident interviewee).

5.4.1 Residents experience of the tribunal process

Participants who had pursued a dispute with the retirement village operator to a tribunal body for resolution consistently indicated in interviews that tribunal bodies were inadequate and ineffective in supporting older people to have their matter heard fairly and equitably.

Participants who had pursued their matter through a tribunal process indicated that they had limited support to understand and participate in the process. This left older residents to fend for themselves legally and financially against the village operator's legal team.

QCAT is the only resource for residents to go and finalise a dispute with the body corporate, but that's a very long-winded process, extremely difficult for anybody who doesn't have a computer or who is beyond writing a reasonable letter to put their case forward. Plus in the first instance to lodge a complaint with QCAT, you have to pay a lodgement fee of \$345 and if there is an error in your lodgement, they reject it and tell you to correct it and then pay another lodgement fee with a corrected application. (Freehold dwelling, metropolitan QLD)

I think an ombudsman is the way to go. Obviously, you would need to go through the normal dispute resolution processes within the village, and if you weren't then getting anywhere, you could refer to an ombudsman. (Large not-for-profit, regional QLD)

5.5 Policy development options

5.5.1 What are the key questions the research answers?

It is a recommendation of this report that dispute resolution processes require consistent policy intervention at the national level to ensure that current and future retirement village residents have protection. We would recommend:

- More affordable housing solutions for older Australians.
- Greater transparency into ongoing charges for retirement village residents.
- Better standards of service including turnaround times for repairs and maintenance.
- Building standards that ensure retirement village operators are responsible for providing accessible, universally designed residences and facilities.
- The provision of ethical and impartial dispute resolution processes for retirement village residents.
- Access to a national ombudsman for aged care disputes to assist, support and advocate for older people who may not be able to navigate the tribunal system to get a fair hearing.
- Regulation of the financial management practices of retirement village operators.
- Repositioning of retirement village contracts as a financial product, instead of a housing investment product, and ensuring greater consumer education and protection.

5.5.2 Final remarks

It will require greater collaboration between the Australian Government and state and territory jurisdictions to implement national regulatory mechanisms to protect the consumer rights and advocacy needs of older people. The need for regulatory intervention has been recognised as far back as 2007 through a Commonwealth parliamentary enquiry. More recently, it was acknowledged again by the Australian Government following the media investigation by the ABC Four Corners report in 2017, and an investigative series in *The Age* in 2017. The need for investigation into regulatory reform of the retirement village sector was further supported by the Australian Competition and Consumer Commission, the Age Discrimination Commissioner and the Legislative and Governance Forum on Consumer Affairs (comprising ministerial representatives from the Commonwealth, Australian states and territories, and New Zealand) (Smeed 2018).

In some jurisdictions, these changes are beginning. In Queensland, the 2019 amendments to the *Retirement Villages Act 1999* will implement changes to regulations about general charges. The amendments to Queensland regulations to implement these changes commenced in 2021, and include:

- a requirement for operators to create a separate fund for general services charges
- tighter restrictions on increases to the total general services charged.

While these regulatory changes signal the potential to improve a major area of dispute for retirement village residents around transparency of ongoing costs, more needs to be done to ensure that older people can access a fair tribunal hearing, should they need to pursue it.

Interview participants, who had experienced the tribunal process, felt it unfairly prejudiced retirement village operators, who have significant resources and legal expertise to navigate the process. Participants indicated that they felt intimidated, under resourced and poorly supported throughout the process. Pursuing a dispute to a tribunal hearing also came at a significant personal, financial and emotional cost and provided limited outcomes for the resident to resolve the issue.

To this end, it is a recommendation of this report that a national ombudsman be established to support and advocate for the rights of older people navigating disputes with retirement village operators.

6. Business models and current challenges

- There is a perception that villages are only affordable by wealthy home owners. However, the industry insiders who were interviewed complained that few outsiders, whether journalists or civil servants, really understood the business model or the diversity of the industry.
- The exit fee, also known as the Deferred Management Fee, is the main business model. Although, there are many variations. The model was developed as a means of making housing affordable to home owners by reducing the entry price and recovering fees when residents leave villages. The high turnover of residents results in profits that are used to upgrade properties to meet the demands of baby boomers, and build new villages by leveraging bank loans and investment.
- Manufactured Home Estates (MHEs) are another type of housing (confusingly also often called villages) that has grown out of caravan parks in recent years. These estates have a different business model, and legal basis, since residents purchase usually modest homes while renting land. A manufactured home differs from a caravan because the average cost is \$100,000, while a more expensive unit in a village might cost \$400,000. Investment has been leveraged against government subsidies for rental payments (not available to the wealthier market segment living in retirement villages).
- There is scope for differentiation and innovation within the exit fee model. Some villages offer residents a share in capital growth (although this has led to disputes). Subsidy from government or philanthropic organisations has made social experiments possible, including congregate living in a rental village and a proposed initiative to provide housing for older women with lower savings and income through targeted government support.

- **There have also been initiatives to integrate housing and medical services. Residents in some villages are offered co-located care in later life. This is unpopular because it has been used to justify fee increases. In addition, many residents are committed to the ideal of independent living (positive ageing).**
- **Our policy argument is that villages could be more affordable through a financial partnership with government.**

The brief for this project asked us to consider possible alternatives to exit fees as a business model (AHURI 2021). These alternatives might allow the retirement village industry to address two problems: consumer dissatisfaction arising from exit fees leading to the need for regulation (that adds to costs); and the perception that villages are only affordable by wealthy home owners. Although each problem can be exaggerated, they remain significant challenges. In the case of affordability, the only solution at scale would have to come from government funding, as it seems unfair to ask villages to supply affordable housing without this support. However, matters are more complex than this. The industry insiders interviewed complained that few outsiders, whether journalists or civil servants, really understood the business model or the industry (which has developed over a long period of time without central planning). The aim in this chapter is, therefore, to explain how the business model works and consider alternatives that already exist or are being canvassed.

6.1 The exit fee model

The exit fee model, also known as the Deferred Management Fee, is a means of funding retirement housing that is distinct to Australia. It was initially made possible due to a partnership between religious charities, philanthropic institutions and government to assist low-income groups (Bevin 2018). As the proportion of wealthy older people in the population increased, the model was ideally suited as a means of down-sizing from owning a home to living in a village (Judd et al. 2014). At the same time, the philosophical assumptions that informed aged care also changed. The current emphasis is on positive ageing through independent living, in contrast to management and supervision in a care home (Slattery 2022). These philosophies inform the services offered and communal facilities in the modern villages, and the improved design of houses and apartments.

6.1.1 What is a business model?

Many types of tenure are offered by the retirement villages industry, including different sources of funding and different types of services. These could each be viewed as distinct business models. However, in this chapter we take the view that the exit fee model is the main business model, despite the variations in how this is applied. The exit fee model is how business models were understood by the stakeholders interviewed, including the CEO of a medium-sized company and the Retirement Living Council. There are also implications of this model for policy. If we accept that continued growth depends on the exit fee model, we also have to expect more negative consumer experiences. Although, these experiences can be reduced by the measures suggested in Chapter 4 and Chapter 5.

6.1.2 Origins in Australia

Bevin (2021) supplies an informative history about the development of villages. She notes that in the mid-20th century retirement accommodation on a smaller scale than today was provided by not-for-profit organisations with support from government.

Older persons' housing policy measures included the first federal government provision of pensioner rent assistance ... [and] subsidies for the not-for-profits that built units for pensioners of modest means. The Aged Persons Home Act 1954 (Cth) subsidised this housing from 1955 to the 1970s. An agreement between federal and state governments (the Commonwealth State Housing Agreement - CSHA), provided capital (initially matching dollar for dollar) to not-for-profits for housing that enabled 'independent living' to be constructed on land provided by local government and community groups, often supplemented by resident contributions (Bevin 2021:87).

When government support ended during the 1970s, not-for-profit organisations developed a new business model based on exit fees.

Resident-funded retirement housing providers developed a long-term lease tenure model that encouraged retirees to move by reducing the initial cost of entry and by offering benefits of secure community living. The residents purchased a leasehold with a lump sum that was below market rate, paid ongoing maintenance costs, and shared in the costs of refurbishment, resale and capital gains of the housing at the end of their tenure. The intricacies of the model evolved incrementally in an ad-hoc way during the 1980s through various contractual arrangements (Bevin 2021:88).

During the 1980s, for-profit companies discovered this model had potential to provide housing to retiring baby boomers (Bleby 2019). Since then there has been almost continuous expansion of the industry, and often a convergence between the type of housing and services supplied in the not-for-profit and for-profit sectors (to the extent that consumers often have difficulty to distinguish between them). The only significant financial change is that some large multi-nationals have bought villages as part of their property investment strategies (interview with CEO). What has remained constant is that the retirement villages industry as a whole has only received limited government funding since the 1980s.

6.1.3 Exit fees and affordability

As the for-profit retirement village sector has grown, there has been a differentiation between villages offering luxury accommodation and services (what are called 'lifestyle villages') and those aimed at a lower segment of the market. The poor image of retirement villages at present partly arises because they are seen as meeting the housing needs of wealthy baby boomers only. In fact, there are older people relying on Centrelink pensions in many villages (interview village manager). The group who cannot afford to live in a village are those Australians who rent and do not have substantial savings from superannuation. As we will see below, even those in this group with modest or no savings can afford to live in what are called rental villages with government support. The lowest income groups are eligible to live in public housing, although there are long waiting lists for this. Vulnerable groups are at risk of homelessness (see below). However, village living is affordable to most people who own their homes, approximately 70 per cent of the population.

A: The basis of the model is simple. Pay less now to get into something that you couldn't afford if it was retail. That's it. So then, how the mathematics works can move around, and we can offer choice when we do. That doesn't change the fact that most people just want the lowest price to get in. So if your house is worth \$10 and a villa's worth \$12, well, you can't get in. You don't have the money, and family won't help. So [.] is saying, 'The villa costs \$12. Sorry, your house is worth \$10. We'll sell you the villa for eight dollars.' Happy days. They move in and they ... Everything happens. The model hasn't 'changed in 50 years.

Q: The model's not changed in 50 years.

A: The basis of the model hasn't changed. Sure, I can make the exit fee a little bit smaller or a little bit bigger. But if I do that, then I need to move the purchase price, because it's just maths, right? I'm in business like anybody else.

Q: I can see that. The government is saying, 'Are there alternatives to the model?'

A: Well, the alternatives of the model are in the model. The model is completely flexible to meet the needs of the people. So, it already is flexible.
(CEO, medium sized company)

This interviewee argued that the profits made were modest since service fees were subject to regulation. However, it is generally acknowledged that considerable profits can be made owing to the relatively short period that many residents stay in a village ('churning of residents'). In most companies, profits are used to upgrade properties to meet market demand, and to build new villages by leveraging bank loans and investment. This is how villages have expanded from 3 per cent of housing for older people in the 1990s to around 10 per cent, and why a target of 20 per cent by 2050 seems realistic. Industry insiders do not view the exit fee model as a problem, but the main reason for expansion, along with a growing potential market, given limited funding from charities or government.

6.2 Manufactured homes

The exit fee model has arisen to meet the needs of many providers, over a long period of time. Because of this, there are different forms of tenure including leasehold, licences and strata title in freehold properties. There are no standard contracts, and consumers, regulators and others often struggle with the technical details. Despite the surface variations, there is a central economic and legal constraint for companies: there is no financial subsidy from government for residents. Villages are entirely self-funded from the sale proceeds of their properties. This means that only home owners, without debts, can afford to live in villages.

Nevertheless, complaints about lack of affordability can be misleading. This is because there is an additional housing sector, known as Manufactured Home Estates (MHEs), whose housing developments confusingly are often also called villages. MHEs have some similarities to retirement villages, but are aimed at a segment of the market with lower assets. An important difference is that government subsidises rental payments. These villages are affordable, but there may be limits to growth and potential risks.

6.2.1 Origins and affordability

It is difficult to obtain information about the proportion of older people in different types of housing. The most recent survey commissioned by the Retirement Living Council estimates that 72,000 plus nationally live in retirement villages. Towart and Ruming (2021:7) estimate that 'there are 2,500 MHEs and caravan parks with permanent residents in Australia, home to over 70,000 residents'. A manufactured home differs from a caravan, not least because the average cost of houses is about \$100,000. The origins of this type of housing for older people were caravan parks owned by small businesses. However, for a variety of reasons, and without central planning or government oversight, parks have developed into a new type of housing with a distinctive business model. Towart and Ruming (2021:7) identify five drivers:

... a growing ageing population; their relative affordability compared to residential and retirement villages; significant financial support for residents from government; the investment potential of MHEs enabling comparatively higher returns for lower capital investment; and planning policies permitting development on a wider (and often cheaper) range of sites.

We would need to conduct more research through interviewing industry insiders to understand some claims made by these authors (who seem to be inviting as well as reporting investment in these companies). For example, it is difficult to estimate and compare rates of return in capital investment. It is not entirely clear why manufactured villages get access to cheaper land than retirement villages. The key difference between retirement villages and MHEs is that residents of the latter own their manufactured homes (often quite modest), with the upfront purchase price often paid for from a combination of assets and a bank loan. They pay rent for the land, but can obtain financial support from the Australian Government (in the form of Rent Assistance). The result is a relatively cheap form of housing, affordable by those with modest savings and attractive to investors.

6.2.2 A sustainable model?

While MHEs might seem to be a distinctive form of housing, it seems important to recognise that there are similarities and overlaps with villages, and some convergence in business models. As we will see below, there are some rental villages in which residents receive support from government. There are also MHEs that offer a deferred management fee. Nor is it correct to see MHEs as offering only modest accommodation. Just like not-for-profits they seek to establish some profitable enterprises to support their core activities. There are luxury apartment blocks owned by these companies in addition to upgraded caravan parks (interview with RLC marketing officer).

MHEs are different from retirement villages in giving residents few protections under light touch regulation. Some argue that there are two potential dangers of this model. Firstly, operators can raise fees for services and communal facilities, without residents being able to contest these charges. Secondly, if there is a bankruptcy or take over, regulation offers little protection to residents and, more fundamentally, because the MHE owns the land. Interestingly, while there have been many complaints about village management, there has not so far been a public scandal or calls for greater regulation of MHEs. Given that this sector has only recently expanded through attracting outside investment, business failures may happen in the next decade.⁶ Towart and Ruming (2021:17) view MHEs in Australia as 'a form of housing where potentially significant returns are generated by investor-operators and risks and ongoing costs are transferred to residents'.

6.3 New initiatives from within the industry

Amongst the key findings in this report is that there is only one business model in retirement villages: the exit fee. However, there is also some scope for innovation both through adjusting the financial product, and through changing how services are provided by villages. Some of the following examples are responses to consumer demand, while others are best understood as local policy experiments in partnership with charities and government.

6.3.1 Sharing in a capital gain

One concern expressed by those campaigning for change after 2010 was that under the standard exit fee model residents obtained no capital gain from selling the property. The village itself made its profits from a turn-over of residents, and from rising property values. But residents with a lease or licence were encouraged to see their stay in the village as a 'lifestyle choice' rather than an investment. The response of many villages to this concern was to offer residents the option of a share in the capital gain that could reduce the exit fee. However, an interviewee who had designed contracts that attempted to realise this concept, acknowledged there were several problems with it. One was that residents were unwilling to pay for what villages saw as fair costs of refurbishment, which were needed to realise the gain:

When you go to a capital growth model, which is what the tenants want, that's what they think they want when they buy in, the problem with that is if you go to a capital growth model you as a tenant get a slice of the capital growth. You can't get a slice of the capital growth if the cost of refurbishment is not proportionately borne by you. It is part and parcel. If you want a capital growth model then to have any integrity in it you have to contribute to the cost of refurbishment, of which you will then get your gain because it will be more saleable than one that isn't so refurbished. It goes around like that (legal expert).

Another problem is that the housing market could fall as well as rise. There were criticisms of villages during the 2007–08 Global Financial Crisis for mis-selling when, in fact, people had lost money in speculative investment.

⁶ Residents in retirement villages are protected, to some extent, from the effects of business failures.

Now, you can at any point, in most of these, or the ones I've seen, say you can sell it for not much if you want, but then they get no capital gain and then they're equally upset because they don't get enough return. Ultimately, it's a cheap blaming of the operator, when really the problem was they signed up to a capital gain model in the first place which had these inherent integrity issues in it, and they don't like the result at the end of it (Legal expert).

The problems here arise through combining the purchase of services and facilities with making an investment indexed to a market. Despite the potential risks, the capital gains model is popular with consumers who may still believe that they have purchased a property rather than a lease or licence to live in a village. It is not, however, an alternative but a variation within the exit fee model.

6.3.2 Rental villages (congregate living)

Although there are only a few rental villages, they exist as an alternative business model. Rental villages do not attract complaints about mis-selling, or lead to arguments over exit fees and capital gains. We understand that some high-end villages employ this model. However, it is most used in social housing experiments supported by charities and government agencies that offer distinctive approaches to village living.

An example we came across in Tasmania is a 'congregate' village (see Eyles et al. 2014). The philosophy that informs the provider of this village is that there should be lifestyle options between independent living and moving to a residential care homes. Many intermediate options are available to older people in the USA and Europe (see Chapter 7), and perhaps this is a way forward in Australia. What makes congregate villages distinctive is that residents eat together and ideally form a stronger community based on self-help than occurs in a standard village. We have been unable to assess the strengths and weaknesses of this model in this report. It seems to be a genuine alternative both financially and as a therapeutic lifestyle.

6.3.3 Housing for older women

The boldest proposal for a new business model in recent years has come from the Retirement Living Council (RLC), the industry association. This new business model has some similarities with attempts to put low-income groups in villages funded by a partnership with government during the 1990s (Stimson 2002; see also Darab et al. 2018). It is, however, distinctive in designing a program that is aligned with current policy concerns about domestic violence and would be supported by a number of government agencies. A report by the Retirement Living Council (2022) highlights the risk of homelessness faced by many older Australian women who have to contend with rising rents, and also expenses associated with relocation when they are forced to move. Many in this cohort are unable to access public housing since they fall above the means test threshold or have the financial resources to join a rental village because of the costs of entry.

The RLC (2022) notes that there have already been some innovative responses to this problem by social entrepreneurs in the property industry. One that has received some publicity has involved building a small village housing 10 women using the latest thinking in participatory design. The village is entirely funded and sustained by residents' savings and other assets. This is possible because there are communal areas for cooking and leisure that make smaller units possible. Yet this experiment in communal living only assists a few people. The RLC has instead proposed that government and the industry make village living affordable to older women with limited means. This would become possible if they were allowed to receive Rental Assistance, and a loan from a public fund to enable them to afford the purchase price. There is also a proposal to amend regulation to enable women to share accommodation (after a screening process for compatibility). Government would benefit because this is a cost-effective means of helping older women at risk of homelessness. Villages would benefit because some have spare capacity (RLC 2022), and would receive an indirect subsidy from government.

6.3.4 Independent living plus care packages

A fourth example of innovation has involved changing the product offered by villages to include medical and care services in later life. Previously, villages were marketed as places for independent living. There were, for example, not even communal dining areas. Residents who became infirm or ill would move to separate facilities (residential homes) operated by different companies or organisations. By contrast, the new products offered a smooth transition between independent living and residential care. Residents would have the assurance that they would receive care when needed. Villages would benefit under complex arrangements from receiving government grants and integrating services.

Although providing medical and care services is in part a response to consumer demand, we found that it is contentious and has led to considerable anxiety. To give an example, when Queensland residents were surveyed, we were criticised for appearing to confuse retirement villages and residential homes. Without conducting more research, it is difficult to know why the proposals seem to generate both fear and anger in these respondents. One possibility is that some companies see offering co-located residential care as a justification for increasing the exit fee beyond 30 per cent (the current limit allowed by regulation). This was an issue raised about Aveo villages by the Four Corners documentary (ABC 2017). Another is that residential homes have a terrible reputation and are associated with business failures (the concern being that the village would be subsidising residential care). A third is that village residents are committed to the ideal of independent living (positive ageing). They are highly sensitive about changes in terminology that suggest they are in need of support.

6.4 Prospects for industry-led reform

This chapter has explained how the business model for retirement villages developed, and considered some alternatives or variations. One question that informed the brief was whether consumer complaints could be reduced through adopting a different model (AHURI 2021). This is an interesting question because it would appear that fewer complaints have been made about MHEs and rental villages. We can think of two possible reasons that could be investigated. The first is that residents of limited economic means are less equipped to protect their rights than wealthy baby boomers. The second is that regulation itself may lead to disputes by encouraging residents to form associations. A second question or concern seemed to be that retirement villages could become more affordable. We have shown how this interests the industry, but to help low-income Australians would require a partnership with government. The attitude of government and the extent to which it can fund social housing and respond to an ageing population is a key consideration. We consider the broader policy issues raised by this study in the next chapter.

7. The Australian Government and retirement villages

- **Currently seven per cent of older Australians live in retirement villages. Although the sector is growing, there will be no substantial expansion without considerable investment and support by Commonwealth or state and territory government agencies. As Howe (2003) and more recent commentators have noted, government has primarily targeted efforts at those wishing to remain in their own homes.**
- **Despite lobbying by the industry, there is no evidence to suggest that governments will put more resources into retirement villages. We would argue that subsidies benefit higher income groups, companies and investors. Government should instead direct limited resources to assist low-income groups through public housing, and improve services in the wider community.**
- **Internationally, there are a number of approaches that may offer a cost-effective alternative to retirement villages. These include sheltered housing and age precincts in the UK, and Apartments for Life in the Netherlands. These types of housing are subsidised by government and often seek to combat age segregation.**
- **The financing and organisational environment in Australia is diverse and fragmented. Smeed (2018) has made a case for a national regulation that would make possible greater clarity in contracts and meaningful comparisons between the provision of services. More generally, there will be increasing pressure on governments to provide health care to an ageing population. A national ageing strategy that considers how health services and housing can best be delivered is worthy of consideration.**

In this penultimate chapter we revisit policy options first outlined in previous research on retirement villages and, where relevant, make comparisons with the financing and operation of villages in comparable nation states. We also explore whether different tiers of government could collaborate in establishing common regulatory practices and planning protocols that could serve as templates for each state and territory. Finally, we re-visit arguments, first set out in the early 2000s, for a national ageing strategy that commits to deliver a more positive experience of ageing in place.

Currently, seven per cent of Australians reside in retirement villages. The major providers active in the retirement village industry are for-profit companies who market their product as a 'lifestyle choice' to entice wealthy Australians to purchase accommodation (Bosman and Jacobs 2022). There is little prospect that small not-for-profit organisations will expand their retirement provision without significant government funding. There has been some growth in the sector, but this may falter without further financial support from governments in the form of tax breaks, subsidies and the reform of the legal frameworks that state and territory governments have put in place to regulate provision.

As earlier chapters have pointed out, most retirement village residents have sufficient funds to meet the costs of their accommodation and health care needs and there is only a small proportion of households with limited incomes living in not-for-profit villages. These households with limited incomes receive a subsidy for their health care in the form of 'Commonwealth packaging' (Gilbert et al. 2020:25). The most problematic housing concerns are to be found amongst those who are required to rent in the private sector. Whilst many receive Commonwealth Rental Assistance to meet their housing costs, we can anticipate that they will remain vulnerable to age-related health challenges and poverty. Currently there are limited options for this cohort other than to rely on the support provided in their home or move to publicly funded aged care retirement homes when they are unable to remain at home. Currently, waiting lists for individuals eligible to move into an aged care home is around 6 to 9 months (Department of Health 2021).

Australia has an ageing population and industry lobbyists continue to extol the benefits for government and retirees of new retirement villages. However there has been no considered investigation as to whether an increase in retirement villages is desirable. Earlier studies, for example Stimson (2002) and Stimson and McCrea (2004), assumed that an ageing population guaranteed that consumer demand for retirement villages would increase. They examined the capacity of not-for-profit and for-profit agencies to meet this demand and found that there was only limited capacity. Stimson's (2002) research is useful when considering the industry capacity and the reasons as to why many wealthy retirees assume that retirement villages are a good accommodation option.

A useful overview of government options is provided by Howe (2003). In her view, government action regarding retirement villages is an example of 'policy-making by default' (Howe 2003:4). And whilst a handful of initiatives were undertaken by state and territory governments during the 1980s and 1990s to enhance care provision for elderly households, these initiatives were primarily targeted at either households who wished to remain in their home, or those individuals who were moving into aged care homes. Amongst Howe's main arguments is that governments can do more in providing 'affordable' housing for older people, and the best option would be to steer more funds to the not-for-profit sector for innovation and growth. In addition, Howe called for less restrictive planning protocols, and more effective regulation by states and territories to ensure standards are maintained

Another relevant study is Jones et al. (2010). They provide an overview of government funding for elderly Australians' accommodation. They observed that, although capital grants for independent living were available from the 1950s, the attention of the Australian Government mainly focused on aged care in the form of home and community care and residential aged care homes. Capital funding by governments has been withheld and any development 'since the development of retirement villages since the 1980s has occurred largely without direct public sector funding or provision' (Jones et al. 2010: 121).

Jones et al.'s (2010) study confirms the findings of earlier research investigations (such as Stimson 2002; Howe 2003) and it remains relevant since any substantive increase in the capacity of retirement villages to accommodate less wealthy Australians will require considerable ongoing financial subsidy from governments. However, the Australian Government has not invested funds in subsidising the industry or initiated policy reforms for the sector (Grant Thornton 2014).

7.1 Future funding options?

Asking whether additional government funds should be spent on assisting large commercial operators to manage retirement villages in Australia raises a set of secondary questions. First, is there justification for the current status quo? To answer this question requires some understanding of the historical context to how welfare provision is targeted in Australia and the challenges of addressing the health and housing needs of an ageing population. As we explain, the decision made by some elderly households to move to retirement villages is often predicated on the perceived lack of alternatives and the difficulties of accessing health provision. And whilst there is a strong pragmatic case for prioritising funds to support elderly households it should be expended on boosting the supply of public housing so that fewer low-income households are reliant on the private rental market.

As Hu et al. (2017) noted in their review of retirement villages, Australian industry lobbyists have worked vociferously to encourage the Australian Government to take a more active role in supporting retirement villages. The main agency that lobbies for additional Australian Government support is the Property Council, which has merged with state-based retirement associations (Smeed 2018). However, there is no evidence to suggest that the Australian Government is even considering putting more resources into retirement villages. Funding priorities of the Australian Government remain targeted on assistance for individuals to live in their home and, since the Royal Commission's findings, the residential age care sector. The paucity of government funds to help expand retirement villages has effectively meant that assistance to the sector remains limited to initiatives undertaken within each state and territory. The Property Council, which represents the for-profit sector, has for this reason been active at state and territory tiers of government and advocated that planning controls need to be less onerous for supply to increase. As noted earlier in this report, the capacity of regulation to address problems in the sector largely depends on the resources set aside for investigation and remedial action.

Budgetary decisions in welfare provision require governments to prioritise their expenditure plans. Whilst government policy in Australia privileges those who own their home (Yates 1989; Pawson 2021), there is a broad consensus within the academic community that if it is financially and politically possible, government expenditure on housing should be targeted at increasing the supply of public housing, and certainly affordable housing. Currently, many households living in private rental accommodation have had to endure higher rental charges that are not fully covered by Commonwealth Rental Assistance and whilst state and territory governments have regulatory frameworks, in practice a lack of funds often limits remedial action to deal with rogue landlords. This lack of support for renters contrasts with the generous tax arrangements that enable owner-occupiers and landlords to reap large profits from rising house prices. The Australian housing system in its current form privileges well-off households over and above those who are less well off. In short, private renters are unable to secure the financial benefits that accrue to home owners and landlord investors. Elderly households in the private rental market are the cohort who require more assistance from government.

In the light of this inequity, there is a rationale for not directing any new or additional financial support to the retirement villages sector; especially when we know that residents who live in this type of accommodation are mostly more well-off Australians. We must also be cognisant that the demand for living in the retirement village sector has been created and managed by the for-profit sector, which has been actively campaigning for more government subsidies to fund further extension (see Bevin 2018). This is not to argue that the demand for retirement villages is entirely constructed. As the survey provided by residents indicates, many older people report that they are happy in their retirement village. This noted we must be mindful that the appeal of retirement villages depends on the advertising narrative that aims to promote villages as idealised locations for retirees (Bosman and Jacobs 2022).

As discussed in Chapter 2 of this report, surveys have shown that many older Australians wish to remain in their homes rather than move to residential aged care facilities. The marketing of retirement villages is premised on the expectation that residents can maintain privacy in their new home and access good quality care. Those who choose to live in retirement villages find the appeal of a positive lifestyle with opportunities for leisure and communal activities a costly alternative but preferable to remaining in their homes. Whilst industry advocates have relentlessly promoted the positive features of retirement villages, some academics have been critical of

retirement villages. An example is Gilbert et al. (2020) who in their report for the Royal Commission on residential aged care, point out that the location of many retirement villages effectively isolates residents from younger cohorts and so extends the generational divide. They noted that many retirement villages are located on urban fringes and are therefore not well equipped to enable ageing residents to live in place successfully. Gilbert et al. (2020) identified co-housing as an alternative model that could provide more opportunities for elderly households to experience social connectedness and engagement.

7.2 International comparisons

So far in this chapter the focus has been on Australia, but are there models in other nation states that might have relevance? Overseas, the priority for governments is to enhance affordable housing options for people who may not be able to live independently but wish to avoid moving to residential aged care accommodation. Consistent with this goal in nation states such as the UK, US and NZ, retirement villages are seen by policy makers as 'residential real estate rather than an aged care facility' (Hu et al. 2017: 103). Only in the US has the supply of retirement villages substantially increased. It is estimated that as many 20 per cent of older people in the US are living in retirement villages (Osei-Kyei et al. 2022).

In the US, the type of accommodation varies considerably from resort type villages near holiday locations to small collections of buildings in more modest settings. The resort type villages are mostly located in Florida, California and Arizona (Croucher et al. 2006: 22). Residents in the US often fund their accommodation in these retirement communities through private insurance payments during their working lives. As in Australia, it is mostly wealthy residents who can afford a move to a retirement village. Researchers have raised some concerns about the long-term implications of these developments. Fishman (2010) for example, has highlighted how these retirement developments accentuate social polarisation and lead to policymakers bowing to pressure from organised elderly residents to prioritise their needs over and above those of other cohorts.

In Canada, the term used to describe retirement villages is 'congregate housing' or 'campus model' housing. Recent government policy has sought to encourage partnership arrangements between government and commercial and not-for-profit sectors. The policy issues in Canada are not dissimilar to those in Australia, namely, that the for-profit retirement villages cater only for wealthy retirees because of the high entry costs; and government subsidies are probably best targeted at providing support for retirees who pay high rents in the private rental market.

Independent academic research on retirement villages is small compared to research commissioned by industry organisations who advocate for more government funds to expand retirement villages. These commissioned publications claim that demand will increase as the population ages, that retirement villages extend consumer choice and address the aged care crisis. What is missing from the industry funded research is any acknowledgement (though Bevin 2018 is a notable exception) of how the appeal of retirement villages is contingent on both the continued underfunding of both home-based care and residential aged care homes (Bosman 2015).

As stated, Australia is one of the nations where there has been a push by large corporate developers to market retirement villages as a 'lifestyle' choice. Some of these for-profit businesses are seeking ways to extend their market in different nation states (Bevin 2018). This noted, a point of difference can be identified in the UK and Canada where there remains a larger welfare mode of provision for aged care (Croucher et al. 2006: 18).

In all nation states, the major factor that acts as a brake on increasing supply is the large capital investment required to purchase land, maintain provision and pay taxation. In practice this has made it very difficult for smaller providers to develop their portfolio. Increasingly, the costs of development are paid for by new residents through the high charges for services and property fees. The retirement village industry in comparable nation states has pushed for a form of public private partnership that, in practice, entails taxpayers funding private sector businesses to extend their commercial activities. The model often advocated is that government agencies offer tax deductions or funds

for the purchase of land to stimulate market activity alongside a regulatory framework. Developers then use their resources to build and manage retirement villages (Osei-Kyei et al. 2022). A recent example is the Winton Group's plans to build a NZ\$250 million luxury development in Northbrook Otago. It will house 92 independent units and 13 serviced apartments (Cook 2022).

The term 'sheltered housing' is often used to describe accommodation for elderly households who remain independent but may require some assistance from a warden. Sheltered housing often takes the form of small units within a large block of flats. Retirement villages in the UK house around 75,000 people (0.6% over the age of 65), the majority of which are in England (51,000), with just 3,500 units in Scotland and 2,500 units in Wales (ARCO 2022). Many of these units (66%) are let out at affordable or social rent. One of the most successful arrangements in the UK is those properties managed by Abbeyfield, which provide sheltered housing to many residents who are not able to purchase a retirement home. Kartupelis' (2020) explains the financial model that enables residents to receive government funding to pay for the rent and care provided. A feature of the Abbeyfield model is that residents live independently but can receive lunch and dinner in a communal setting. There is also an on-site warden to deal with any issues that arise. There is evidence that in the UK, investment companies who have financed the growth of retirement villages are now identifying inner city locations for new developments. In the UK, Retirement Villages, a French owned investment company, recently announced a £2 billion proposal to develop 5,000 retirement apartments over the next 10 years. Their investment marks a shift away from separate 'gated' community villages in coastal regions towards a more integrated development within city centres (Kellowe 2021).

Research undertaken by Gilbert et al. (2020) also considered alternative models such as 'aged care precincts' that offer retirement living and care in-situ near to amenities and community facilities. This accommodation model originated in the Netherlands to address a lack of integration in retirement accommodation. Another initiative popular in the Netherlands is 'Apartments for Life'. These residencies enable retirees to move into units that also accommodate younger households. There are shared communal spaces for socialising across the generational divide and medical treatment is provided for residents in these apartments (Jones 2008). Other options include small co-housing arrangements where residents cooperate with architects at the design stage, but these have proved difficult to establish with government support as banks have been reluctant to lend funds for this form of housing. There are international examples of co-housing in nations such as Denmark where low-income households rent their units in accommodation that also accommodates owner occupiers (Gilbert et al. 2020).

Some advocates in the aged care sector have called for co-designed housing developments that are integrated across the generational divide to ensure villages do not operate as a separated enclave. In practice, this would require new developments to provide housing for elderly residents so that they could live in closer proximity to neighbours of all ages. There are examples of integrated housing schemes in the Netherlands and Denmark that have achieved this (Kleinhans et al. 2018; Parole. 2018; Arentshorst et al. 2019). There may be merit in adapting state and territory planning laws to incentivise integrated housing models developments. In Australia, there are examples of collaborative living projects such as the Narara Ecovillage on the central coast of NSW. The ecovillage has accommodation for 250 households and the land is owned by the cooperative. Other examples include the South Hobart tenants' cooperative which is much smaller (just 12 homes), and the Nightingale for-profit development in Melbourne (Cunningham 2022).

Some mention should be made about current options for some low-income households who choose to live in what are known as MHEs. They are also known as villages. As explained in Chapter 6, subsidies are available for residents who live in MHEs that are touted by their advocates as being an affordable option for low-income households as an alternative to residential aged care. Robinson et al. (2017) report that as many as 90 per cent of owners of homes in these settings are on a state retirement pension. In contrast to retirement villages, the resident occupies their homes on land that is leased (so operating within rules within residential tenancy legalisation). The residents own their own accommodation which is far cheaper than other forms of new build, ranging from \$80,000 to \$300,000 (Robinson et al. 2017). Residents are required to pay rent for having their accommodation on the land. Often, these homes are on land that may also include tourist accommodation and/or caravan parks. The most recent research on this type of accommodation is by Towart and Ruming (2021). The authors argue that commercial investors are attracted to this form of accommodation as it requires far

less capital investment than retirement villages since many households who own accommodation can receive either the (partial or full) age pension as well as other government benefits. Investors and owners of this style of accommodation are also subjected to simpler operational and regulatory structures than those who manage or reside in retirement villages. However, there is concern that the high cost of land has led to new developments being located on sites that are at greater risk from the effects of global warming. There is also concern that regulatory protection under existing arrangements is inadequate to prevent leaseholders raising on-site charges unreasonably. It is difficult to make a compelling argument for greater government investment in this form of accommodation even though the residents are on lower incomes than those living in retirement villages. As Towart and Ruming (2021:16) conclude, the retirees who decide to move to MHEs change their tenure status from owner-occupier to private tenants to take advantage of the Commonwealth Rental Assistance (CRA) available to tenants. Since this CRA is not means tested and takes no account of the value of the property, it is the investors who are effectively being subsidised.

Agencies representing community housing organisations and public housing have proposed that government subsidies should be targeted at not-for-profit agencies. The UK provides an example of how the Australian Government might proceed with large loans (at preferential interest rates for social housing development) and rental income subsidised by government assistance to residents. There is, as set out in the conclusion to this report, a compelling case for more substantive investment in social housing. However directing funds or subsidies to retirement villages would not be warranted as it would both disproportionately advantage better off Australians and source the profits of commercial operators.

A recent report that sets out some of the innovative options to support elderly Australians who wish to remain in their own home is provided by Faulkner et al. (2021). These options can include: modifying accommodation to take advantage of healthcare technologies and providing more opportunities for households to connect with their neighbours. Two of the options explored in their report are cooperation between public landlords and residential aged care facilities and integrated service provision that brings together agencies delivering services to households ageing in place. Faulkner et al. (2021) argue that there is insufficient funding to put into operation many of the innovative models that could greatly assist households age more successfully in place.

As Bevin (2018, 2019) has noted, over the last 40 years or so, the retirement villages industry has become increasingly corporate; large for-profit companies are responsible for new supply, in addition to traditional not-for-profit or small providers. There have been large advertising campaigns to convince relatively wealthy Australians that retirement villages provide households with the opportunity to live out their old age in an environment that caters for leisure, companionship and access to health services. Above all else, the promotion of retirement villages stresses the opportunities for personal freedom. Large investment agencies and property developers clearly see the sector as a vehicle to generate profits and have been lobbying to persuade governments to provide greater subsidies to fuel further expansion (Bosman and Jacobs 2022).

It should come as no surprise that for-profit agencies continue to make a case for government funding to boost the supply of this model of housing. Nearly two decades ago, Stimson (2002) and Howe (2003) highlighted how the financing and organisational environment is diverse and fragmented. As they both noted, innovations are largely driven by local initiatives, and there has been no initiative either by the Australian Government or state and territory governments to streamline planning issues for new development or establish generic contracts for those who are considering moving to a retirement village. As has been identified in this report, there is an absence of uniformity that makes it difficult for agencies to operate retirement villages. As Smeed (2018) explained, it is difficult to make comparisons between providers in terms of the charges and services on offer, or for legal experts to provide specialised advice. Smeed points out the limitations under Constitutional law have meant that the Australian Government has no specific power to regulate the retirement villages. Amongst Smeed's suggestions for reform was for the Council of Australian Governments (COAG) to take the lead for harmonisation across state and territories. Smeed (2018) also suggests that retirement village contracts should be distinguished from real estate contracts and treated as a financial product. This legal separation could be progressed if the definition of a financial product under Australian consumer law included a resident's investment in a retirement village home.

7.3 Policy lessons?

What policy lessons can be gleaned from the investigation? We can identify six key points. First, as the proportion of the aged population increases, there will be pressure on government to meet the costs associated with delivering health care. In all the nation states that have a similar demographic profile - such as US, Canada, UK and NZ - the proportion of the overall budget spent on aged health care is expected to rise significantly. This will place additional pressure on other welfare expenditure such as education, social services and housing. In Australia and overseas, surveys indicate that most older people wish to remain in their existing homes rather than move to residential aged care. Individualised care packages are likely to remain the Australian's preferred option for Australian retirees who require assistance to meet their health and aged care needs. A national ageing strategy that considers how housing and health costs can best be delivered 'in place' is worthy of consideration. Currently, there is a risk that government policies are not sufficiently integrated, and expenditure is not always targeted at providing assistance to those with the most acute needs.

Second, it is older people who are reliant on the private rental sector for their accommodation who will remain amongst the most disadvantaged cohorts. Housing welfare lobbyists such as Shelter have campaigned for additional financial assistance for low-income households who rent their home from private landlords. Whilst this is understandable, especially at a time of rising rents, it should be noted that subsidies for individual renters in the form of Commonwealth Rental Assistance flow directly into the bank deposits of private landlords. An alternative to subsidising private landlords is for expenditure to be switched to build public housing so that more low-income tenants are less dependent on renting in the private market.

Third, in Australia and similar nation states, retirement villages have been subject to mergers and conglomerations. Large for-profit sector agencies have taken over smaller not-for-profit agencies and the general trend is for national and international companies to supply new development. It is likely that many of these developments will be marketed to 'well off' households.

Fourth, whilst we would not advocate government funds should be expended to add to the supply of retirement villages, there are policy options that merit consideration. These policy options include establishing a national regulatory framework that makes it easier for both developers and residents to understand their contracts. It would be beneficial if state and territory governments committed resources to bolster regulators' capacity to intervene when disputes arise. As an immediate step the Australian Government should assist states and territories to establish common consumer legislation specifically focussed on retirement villages.

Fifth, in nation states such as Denmark and the UK, government funds directly support residents to live in integrated models of accommodation. The Abbeyfield developments in the UK all cater for low-income households who would not be able to buy private accommodation in villages. These residents are renting their accommodation and pay for health support through aged care government assistance. In Denmark and the Netherlands there are examples of housing that cater for all age groups and are designed specifically to maximise opportunities for older residents to socialise with other cohorts. This type of housing is popular and research suggests it enhances individual and community wellbeing.

Finally, it is evident that much of the marketing for retirement villages is predicated on lifestyle choice, community and better access to health care. What is generally absent in the information provided by advocates of retirement villages is that the appeal of this form of accommodation is contingent on alternative forms of provision remaining under-funded. In short, the demand for retirement living would decrease should there be more adequately funded provision delivered by not-for-profit and government services in people's homes and in residential aged care settings.

8. Policy development options

The policy issue considered by this report is how to support retirement villages. Seven per cent of older Australians currently live in villages, and it is estimated that this proportion could rise to 10 per cent given investment and support by government. As happens in many areas of policy, the options or choices that arise depend on how the facts are understood, and the values and priorities that one holds. In this conclusion, we will draw out some of these difficulties and contested issues by reviewing findings on four general questions and themes (see Chapter 1). We will advance three recommendations in the final remarks.

8.1 What are the key questions the research answers?

8.1.1 What is distinctive about community living in retirement villages?

There is sometimes a lack of appreciation in the policy literature on how retirement villages offer a distinct lifestyle and why they are so popular and in demand. The survey of 855 residents and 36 interviews allowed us to provide an in-depth understanding of push and pull factors that operate in the decision to move to a retirement village (Chapter 3). A main finding was that many older people like living in these communities. The services and activities provided confer benefits to residents' health and wellbeing. A critical question might be why so few older people choose to live in villages (Chapter 1). However, a more positive view is that participation is projected to double in the next 20 years (Chapter 2). We hope this research help shed light on experiences that will assist the industry and those considering a move to this distinctive type of housing.

8.1.2 What is the consumer experience? How do consumers experience difficulties?

Our discussion of contracts and regulation (Chapter 4) addresses some difficult issues. Most of the literature concerns vulnerable consumers who are exploited by a rapacious industry. While recognising the value of regulation, particularly in relation to buy-backs, we also show that there are two sides to the debate. The industry is seeking light-touch or self-regulation because it sees government intervention as potentially damaging to expansion (Chapters 1 and 4). It was also suggested that consumers do not assess or recognise the risks even when there is full disclosure and they have access to legal advice. *We are not endorsing such views, and do not see them as justifying negative consumer experiences.* However, it seems important to recognise the complex nature of consumer experiences when addressing these difficult problems.

8.1.3 What business models are employed? What are the current challenges?

Our report supplies a short review of business models employed by the retirement village industry, based on interviews with Senior Executives in companies and the Retirement Living Council (Chapter 6). Insiders complained that these business models were not always understood by government. A key finding is that the exit fee or deferred management fee is understood as the main financing model. However, the model is flexible. It allows for different pricing, different types of services, and different ways to share capital gains (Chapter 6). In addition, there is scope for experimental initiatives, such as rental villages that offer congregate living, supported by government and charities. However, these initiatives only benefit small groups in particular areas. The main model that permits possible expansion of the industry without government support is the exit fee. This business model has also been responsible for poor experiences among vulnerable consumers, as discussed above (Chapter 4).

8.1.4 How can the Australian Government help the sector to expand? How can it diversify provision and expand consumer choice?

The main way in which government has assisted the industry, other than through making available land for development, is the establishment of regulation that protects consumers by state and territory governments (Chapter 5). The interviews with residents suggests that regulation could go further. Firstly, the mechanisms to resolve disputes, such as tribunals, are viewed as inadequate and under-resourced. There was widespread support for establishing a specialist ombudsman. Secondly, it is claimed that companies ignore the regulation that exists, and there is no enforcement by over-worked departments of consumer affairs. The underlying problem is that neither government nor the industry has the resources to support effective regulation.

More generally, we have advanced a policy argument that government should direct limited resources to protect vulnerable groups through rental subsidies and public housing (Chapter 7), since any support for villages mainly assists companies and investors. We have also argued that one reason why community living is attractive is because health and aged care services in the wider community are under-funded. These economic realities tend to be hidden in debates on how governments should support the expansion of retirement villages (Chapter 7).

8.2 Final remarks

Our research questions lead into complex debates about the role of government (Chapter 7). They also often suggest the need for more empirical research, such as on the nature of community living and regulation. There has been relatively little research on retirement villages (Chapter 1), and the research that does exist often asks narrow questions. In comparison, we have tried to present the findings in a broader context. To give an example, there is a lot of discussion internationally about positive ageing. The survey and interviews offer a realistic view that recognises the importance of disputes within communities.

While as academic researchers we recognise and seek to address complexity, we can also make three specific recommendations in this area of government policy:

1. While government should continue to support retirement villages in a variety of ways, it should recognise its obligations to assist low-income groups through rental assistance and public housing (Chapter 7).
2. Given the vulnerability of some consumers, and the power imbalance between residents and village operators, regulation should be further strengthened (Chapters 3, 4 and 5). In particular, mechanisms to resolve disputes should be improved. We would recommend research on tribunals because interviewees expressed many concerns about them.
3. Although this might be seen as creating bureaucracy rather than addressing problems, we would recommend re-visiting Howe's (2003) report which argued it would help to have a national ageing strategy that considers how housing and health services can best be delivered. Research could contribute to policy making, and better relations between stakeholders, including housing providers, residents and government agencies (Chapter 7).

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Legislation

Retirement Villages Act 1999 (NSW)

Retirement Villages Act 1999 (Qld)

Retirement Villages Act 1999 (Tas)

Appendix 1: Retirement village living in Australia – questionnaire survey

Introduction

We invite you to complete a survey about retirement village living in Australia. In you live in a retirement village in Tasmania, NSW or Queensland, we cordially invite you to participate

You can find out more information about our project – funded by the Australian Housing and Urban Research Institute (PRO 41275) – from our project information statement [here](#).

PRO41275 Project Information Statement

By clicking on the green consent button below, your consent to participate in this survey is implied. This indicates that you understand the information provided above and you wish to complete the survey. If you do not wish to participate, you can exist by closing this window.

We care about the quality of our data. In order for us to get the most accurate measures of your experiences and views, it is important that you thoughtfully provide your best answers to each question in this survey.

Thank you for your participation!

1. Are you currently living in a retirement village?

- Yes No [Exit]

2. Which state do you live in?

- NSW QLD Tasmania Other states/territories [Exit]

3. What is your postcode? [enter postcode]

About you

4. How do you identify?

- Woman Man Non-binary
 Prefer to self-describe _____ Prefer not to answer

5. Which age group do you belong to?

- Under 50 50-54 55-59 60-64 65-69
 70-74 75-79 80-84 85-89 90+ years

6. Where were you born?

- Australia
- New Zealand
- The Pacific Islands (e.g. Fiji, Tonga, Vanuatu)
- North-western Europe (e.g. the UK, Germany, Scandinavia)
- Eastern Europe (e.g. Poland, Czech Republic, Serbia)
- Southern Europe (e.g. Italy, Greece)
- North-eastern Asia (e.g. China, Japan, Korea)
- South-Eastern Asia (e.g. Indonesia, Malaysia, the Philippines)
- Southern Asia (e.g. India, Pakistan, Sri Lanka)
- Central and Western Asia (e.g. Afghanistan, Georgia, Armenia)
- the Middle East (e.g. Iran, Israel)
- North Africa (e.g. Morocco, Sudan, Algeria)
- Sub-Saharan and Southern Africa (e.g. South Africa, Republic of Congo, Nigeria)
- North America (e.g. the USA, Canada, Mexico)
- Latin America (e.g. Brazil, Argentina, Peru)

7. Is English your native language?

- Yes
- No [Go to Q7a]

7a. With English not being your native language, which of the following best describes you?

- I can read and speak English very well
- I can speak English well but cannot read very well
- I can speak English a little but cannot read very well
- I can speak English a little but cannot read at all
- I cannot speak English very well

8. What is your **highest** level of education?

- Year 10 or lower
- Year 11
- Year 12 (i.e. completed high school / secondary education)
- Vocational certificates (e.g. TAFE)
- Undergraduate degree
- Masters degree
- Doctoral degree

About your household

9. Which of the following best describes your living arrangement?

- I live by myself [Go to Q10]
- I live with a partner [Go to Q10]
- I live with a partner and other family members (e.g. parent, dependent child) [Go to Q9a]
- I live with other family members (e.g. parent, dependent child) [Go to Q9a]
- I live with other non-family member(s) [Go to Q9a]
- Other, please specify: _____ [Go to Q9a]

9a. How many people live in your current household? _____

10. What is your household's **main** source of income?

- Age pension
- Other Centrelink payments
- My/my partner's full-time salary
- My/my partner's part-time salary
- Other household member(s)' salary
- Superannuation
- Rent
- Earnings from employment or business
- Money given by a family member or friend
- Prefer not to answer
- Other, please specify: _____

11. What other income do you also receive? [Select all that apply]

- I don't have another source of income
- Age pension
- Other Centrelink payments
- My/my partner's full-time salary
- My/my partner's part-time salary
- Other household member(s)' salary
- Superannuation
- Rent
- Earnings from employment or business
- Money given by a family member or friend
- Prefer not to answer
- Other, please specify: _____

12. Do you own property? [Select all that apply]

- I own my dwelling in the retirement village (or a share in a company title village)
- I own the dwelling I lived in before I moved to the retirement village
- I own another dwelling that I did not live in before I moved to the retirement village
- I own commercial, industrial or agricultural property
- I do not own any property

About your retirement village

13. How old were you when you first moved into a retirement village?

- Under 50 50-54 55-59 60-64 65-69
- 70-74 75-79 80-84 85-89 90+ years

14. Which of the following best describes your home?

- A small unit (2 bedrooms or fewer)
- A larger unit (3 bedrooms or more)
- A semi-detached single-level dwelling (e.g. townhouse)
- A semi-detached multi-level dwelling
- A detached single-level dwelling/house
- A detached, multi-level dwelling/house
- Other, please specify: _____

15. How many bedrooms do you have?

- None, it's a studio/bedsit
- 1
- 2
- 3
- 4 or more

16. How many retirement villages have you lived in?

- 1, this is the first
- 2
- 3 or more

17. How long have you been at this retirement village?

- 3 months or less
- 4 months – 1 year
- Over 1 year, but less than 2 years
- Over 2 years, but less than 3 years
- Over 3 years, but less than 4 years
- 4 years or over

18. Who operates the retirement village you're currently living in?
- A large non-profit organisation (e.g. HammondCare)
 - A large for-profit organisation (e.g. Ingenia)
 - A large religious organisation (e.g. Anglicare)
 - A small-medium non-profit organisation (e.g. Blue Haven)
 - A small-medium for-profit organisation (e.g. Teman)
 - A culturally-specific non-profit organisation (e.g. Greek, Italian, Chinese etc)
 - Other, please specify: _____
19. Approximately, how many units are in the retirement village you currently live in?
- 10 or fewer
 - 11-25
 - 26-50
 - 51-100
 - More than 100
20. Which of the following facilities does your retirement village have? [Select all that apply]
- A swimming pool(s)
 - A library(s)
 - Community room(s)
 - Craft room(s) and materials
 - Sporting facilities (e.g. bowling lawn)
 - Gym
 - Other exercise equipment
 - Private community/meeting room(s) that I can book for private functions
 - Organised social activities (e.g. bingo, dancing, movie night)
 - Organised social outings (e.g. short day trip)
 - Nurse(s)
 - A full-time doctor
 - A doctor who comes once or a few times a week
 - Other services (e.g. hairdresser)
 - A maintained garden(s) (e.g. by a gardener)
 - A community garden(s) (i.e. maintained by volunteers/residents)
 - Other, please specify: _____

21. How did you finance your move into the retirement village?

- I sold my home
- I sold other assets
- I used my savings
- A family member or friend paid
- I did not have to pay to move into the retirement village

About your retirement village experience

22. In deciding to move into **this** retirement village, how important were the following reasons?

	Extremely important	Very important	Moderately important	Slightly important	Not at all important	Not applicable
Improved personal financial security						
The village offered attractive facilities and services						
Location of the retirement village						
Making new friends						
Friend or friends already lived here						
Needed the support on offer						
Poor health						
I did not want to be separated from my partner who was sick						
I could no longer manage at home on my own						
Feelings of security and safety						
My family wanted it						
My partner wanted it						

23. Where did you look for information when deciding whether to move into a retirement village? [Select all that apply]

- Material on the retirement village website
- Printed brochures
- Advertisements on television
- Advertisements in a magazine or newspaper
- A face to face meeting with someone from the retirement village.
- A seniors' organisation (e.g. COTA)
- A tenancy organisation (e.g. Shelter NSW, Tenants' Union)
- Other, please specify: _____

24. To what extent does your experience match your expectations based on the information provided in the marketing material?

	Well above Expectations	Above Expectations	About what you expected	Below expectations	Well below expectations	Not applicable
Material on the retirement village website						
Printed brochures						
Advertisements on television						
Advertisements in a magazine or newspaper						
A face to face meeting with someone from the retirement village.						
A seniors' organisation (e.g. COTA)						
A tenancy organisation (e.g. Shelter NSW, Tenants' Union)						
Other						

25. Did you visit the retirement village before you signed the contract?

Yes No

About the contract with your retirement village

26. What is the basis of your tenure (your right to live) in your home in the retirement village?

- A long term lease
 Loan and licence
 Strata title / owner of property
 Unsure
 Other, please specify: _____

27. When did you receive a copy of the contract?

- I saw it *before* I had made the decision to enter the retirement village
 I saw it *after* I had made the decision to enter the retirement village
 I haven't seen a copy of the contract

28. Does your contract contain a confidentiality clause?

(A confidentiality clause is a clause that would prevent you from revealing any information about the terms of the contract)

Yes No Unsure

29. Did you ask anyone for advice before you signed the contract to enter the retirement village?

Yes [Go to Q29a] No

29a. Who did you ask for advice? [Select all that apply]

- Someone who works in the retirement village
- A marketing person
- Spouse / partner
- Children
- Other family members
- Friend(s)
- Lawyer
- Accountant or financial adviser
- Other, please specify: _____

30. How clear and easy to understand did you consider the contract to be:

- Very clear and easy to understand
- Clear and easy to understand
- Slightly clear and easy to understand
- Slightly unclear and difficult to understand
- Unclear and difficult to understand
- Very unclear and difficult to understand
- I didn't read the contract

31. In the contract, to what extent were the following fees clear and easy to understand?

	Very clear and easy to understand	Clear and easy to understand	Slightly clear and easy to understand	Slightly unclear and difficult to understand	Unclear and difficult to understand	Very unclear and difficult to understand	I didn't read the contract
The entry fees (how much it cost to become a resident)							
The ongoing fees (service and maintenance fees)							
The exit or leaving fees							

About living in your retirement village

32. Is there a formal process to resolve disputes between residents and the operator of the retirementvillage?

- Yes
- No
- Unsure

33. Have you been involved in a formal dispute with the operator?

- Yes [Feel free to provide details about your experience] _____
- No

34. 34. Have you been involved in a dispute with other residents of your retirement village?

- Yes [Go to Q34a] No

34a. How did the operator of your retirement village assist you with these disputes?

- I made an informal complaint and they talked to the other resident(s) on my behalf
- I made an informal complaint and they organised meeting between the other resident(s) and I
- I made an informal complaint and they acted as a moderator between the other resident(s) and I
- I made a formal complaint and they talked to the other resident(s) on my behalf
- I made a formal complaint and they organised meeting between the other resident(s) and I
- I made a formal complaint and they acted as a moderator between the other resident(s) and I
- I made a formal complaint and they issued a formal letter to the other resident(s)
- Other, please specify: _____

Final thoughts

35. Is there anything else that you would like to tell us about your experiences living in a retirement village?

Please use the space provided below, or sign up to an in-depth interview that we will be conducting later in this project in the next question.

36. Would you like to ... ? [Select all that apply]

- Enter the prize draw to win 1 of 4 \$50 gift vouchers?
- Get information about the findings of this research via email?
- Speak with us in more detail about your experiences of living in a retirement village in an interview?

37. Please provide your name, email address and/or telephone number below.

(These details will only be used to contact you for the purposes you have selected)

- Name: _____
- Email: _____
- Telephone: _____

38. What is your preference for the interview? Please rank in order of preference:

- In person, at my retirement village
- Over the telephone
- Via video chat (e.g. ZOOM)
- No preference

We thank you for your time spent taking this survey.

Your responses have been recorded.

Appendix 2: Stakeholder interviews

1. CEO Peak Body
2. Chair, Positive Ageing Group, local council
3. Executive Officer, Retirement Living Council
4. Marketing Officer, Retirement Living Council
5. CEO, medium-sized for-profit company
6. Executive Officers, Residents' Association
7. Legal advice agency
8. Legal practitioner specialising in retirement villages
9. Village manager, medium-sized village
10. Social justice advocate



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