

'Strong demand' for luxury over-55s living

By Michelle Bowes.

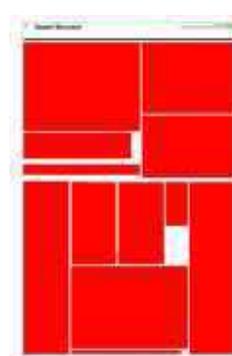
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Retirement lifestyles Rooftop pools, plush libraries, cinemas and bars – it's nothing but the best for cashed-up Boomers, writes **Michelle Bowes**.

From libraries and rooftop pool clubs to temperature-controlled wine cellars and tasting rooms, retirement living isn't what it used to be. You could be forgiven for thinking you were in a boutique hotel rather than an over-55s residential development.

But for all the bells and whistles featured in Shane Moran's luxe, high-end retirement developments – and there are many – Moran, the founder and chief executive of Retirement by Moran, says the most valuable is community, or the ability for well-heeled residents to live among "like-minded people".

"It's really all about the community," he says, painting a picture of a lonely senior who finds a new social circle and a second lease on life through a carefully curated and co-ordinated community that offers activities ranging from wine clubs to pilates after moving out of the family home.

The former chief executive of Moran Health Care Group – a family business founded by his parents that pioneered aged care living in Australia – Moran launched Proventus Care in 2001, carving out a niche in boutique, luxury aged care. Moving down the retiree age scale, Retirement by Moran is his latest venture to ride the tailwinds of Australia's affluent ageing population.

The first residents of Sage, Moran's boutique Cronulla beachside development, have just begun to move into this eight-storey development of 37 two- and three-bedroom apartments. The art-deco-meets-coastal-chic building – which almost sold out off the plan – will house about 70 residents.

What awaits them are Coco Republic-designed interiors replete with balconies, stone benchtops, wool carpets, premium appliances and wine fridges.

Communal facilities include a library, cinema, gym, infra-red sauna, art studio, workshop, wine cellar, rooftop heated pool, club and bar, residents' lounge, electric car chargers, cafe and onsite management. The

whole place is pet-friendly.

Sage joins The Rose, Moran's first foray into upmarket retirement living in Wahroonga on Sydney's north shore. Opened in 2021, The Rose is home to about 50 residents living in 33 two- and three-bedroom apartments, who enjoy a similar range of amenities.

A third location will soon be added after Moran recently settled on a 10,000-square-metre site near Sydney's Narrabeen beach.

He describes the site – which will be home to Indigo by Moran, a \$220 million development that will house 120 to 130 retirees – as "one of the best I've ever seen".

Moran concedes admission to his residences is "not inexpensive", with apartments at Sage starting just below \$2 million and ranging up to almost \$5 million for the penthouse. Additionally, a monthly fee to cover the communal services and utility bills "in the hundreds" is charged, the amount varying according to apartment size.

As is standard in the retirement living industry, an exit fee – or deferred management fee (DMF) – is charged when residents leave. Moran says this is up to 30 per cent of the sale price, with a sliding scale calculated on the length of residency.

Jessica Kinnear, a special counsel for legal firm Moores, says people moving into retirement communities should be aware of the legal and financial commitments involved.

"The traditional DMF model involves the resident receiving the capital gain less the

DMF upon resale, but there is a trend towards offering different payment options to give consumers choice," she says.

"For example, residents may also have the option of paying a discounted DMF upfront. Increasingly, 'non-participating' models are being sold, where the resident does not participate in any capital gain upon resale, and they pay a DMF.

"However, there are often trade-offs such as guaranteed buybacks and no reinstatement costs, which provide greater certainty to the resident regarding how much money they will receive upon exit, and when that money will be paid.

"There are also bond contracts being offered where the resident pays a premium on the purchase price and gets the whole amount back with no DMF."

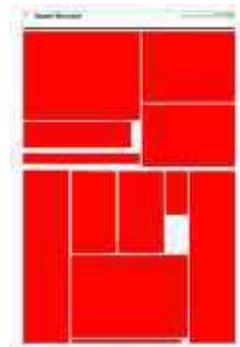
Moran says the built-up wealth of Australian retirees is "creating very, very strong demand for this sort of product". The company is looking at development opportunities in Melbourne and also sees potential in the Brisbane market. "With the retirement headwinds that are coming, demand will outstrip supply for many, many years to come," he says.

Retirement by Moran is not the only company targeting affluent retirees. Among other offerings from the big names in Australian property development, Keyton, which rebranded from Lendlease Retirement Living last year, has four properties under its ultra-premium brand, Ardency.

Three are in Sydney, at Greenwich, Elizabeth Bay and Yowie Bay. Keyton's latest property – and the first the company has built rather than acquired – is Kennedy Place in Melbourne, in inner-city Richmond.

Keyton chief executive Nathan Cockerill says facilities at the Bates Smart-designed development include a full-time concierge, cinema, library, gym, heated pool, wellness centre, restaurant, workshop, billiards room, hair and beauty salon and roof terrace. An entry-level apartment in Kennedy Place costs about \$750,000, and the penthouse sits at \$3 million. Similar to Moran's offerings, a monthly service fee covers running costs and an exit fee is payable on departure.

A key point of difference between retirement living and aged care is that care services are not included. There is a heavy emphasis on health and wellbeing facilities to stave off the need for care and prolong the



stay of residents. But both executives say residents can bring in their own care services if required.

Cockerill says that while retirement living is aimed at those over 55, “a lot of people at this age are still working”. Rather, the average age of residents at Kennedy Place is around 65. Moran puts the average age in his developments in the mid-70s. “At the premium end of the market they come in a little bit later,” Cockerill says, something he attributes to wealthy retirees having the means to buy in the help they need to maintain their family homes for longer.

Because of this, the family home remains one of the key competitors to upscale retirement developments. “My challenge is how do I get people to see retirement living as an option for them when they’re thinking about their retirement and planning for their

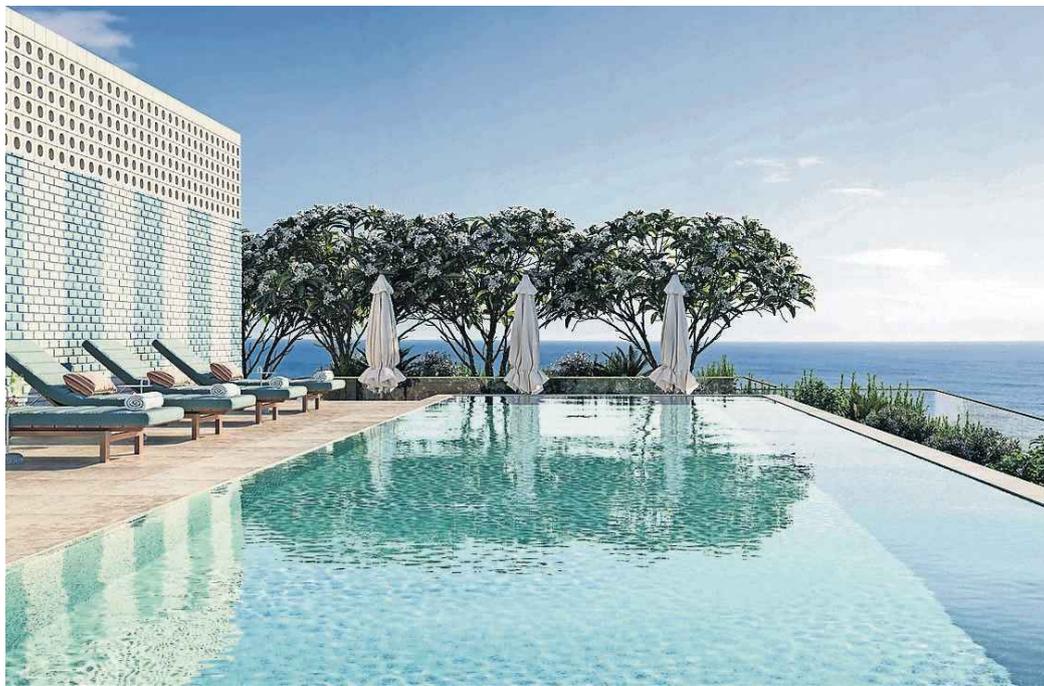
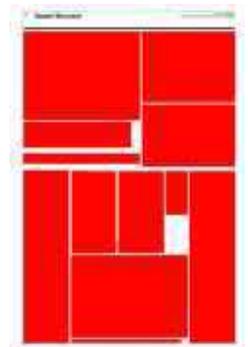
retirement, rather than purely just focusing on the financial outcome,” Cockerill says.

Moran adds that while luxury apartment developments without age limitations may be seen as an option for downsizing retirees, the difference is the community. “This cohort can downsize into top-end apartments that have a lot of these features, but your neighbours can be anyone. They can be owners, renters or even Airbnb guests.” **SI**



Retirement by Moran founder Shane Moran (top left) says his “not inexpensive” developments are “really all about community”. Nathan Cockerill (inset, left), CEO of Keyton, says residents at Ardency projects like Baytree in Greenwich (above) tend to be in their 70s.





The rooftop pool at Retirement by Moran's Sage development in Cronulla, where apartments start at \$2 million.