

Summerset Torquay, Victoria

Economic and Social Needs and Benefits Assessment
for Briody Drive West Development Plan Amendment

Aged Care, Retirement Living and Residential

Prepared for Summerset

Ethos Urban acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We acknowledge the Wurundjeri Woi Wurrung people, of the Kulin Nation, the Traditional Custodians of the land where this document was prepared, and all peoples and nations from lands affected.

We pay our respects to their Elders past, present and emerging.

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'Dagura Buumarri' – translates to Cold brown Country, representing Victoria
Liz Belanjee Cameron

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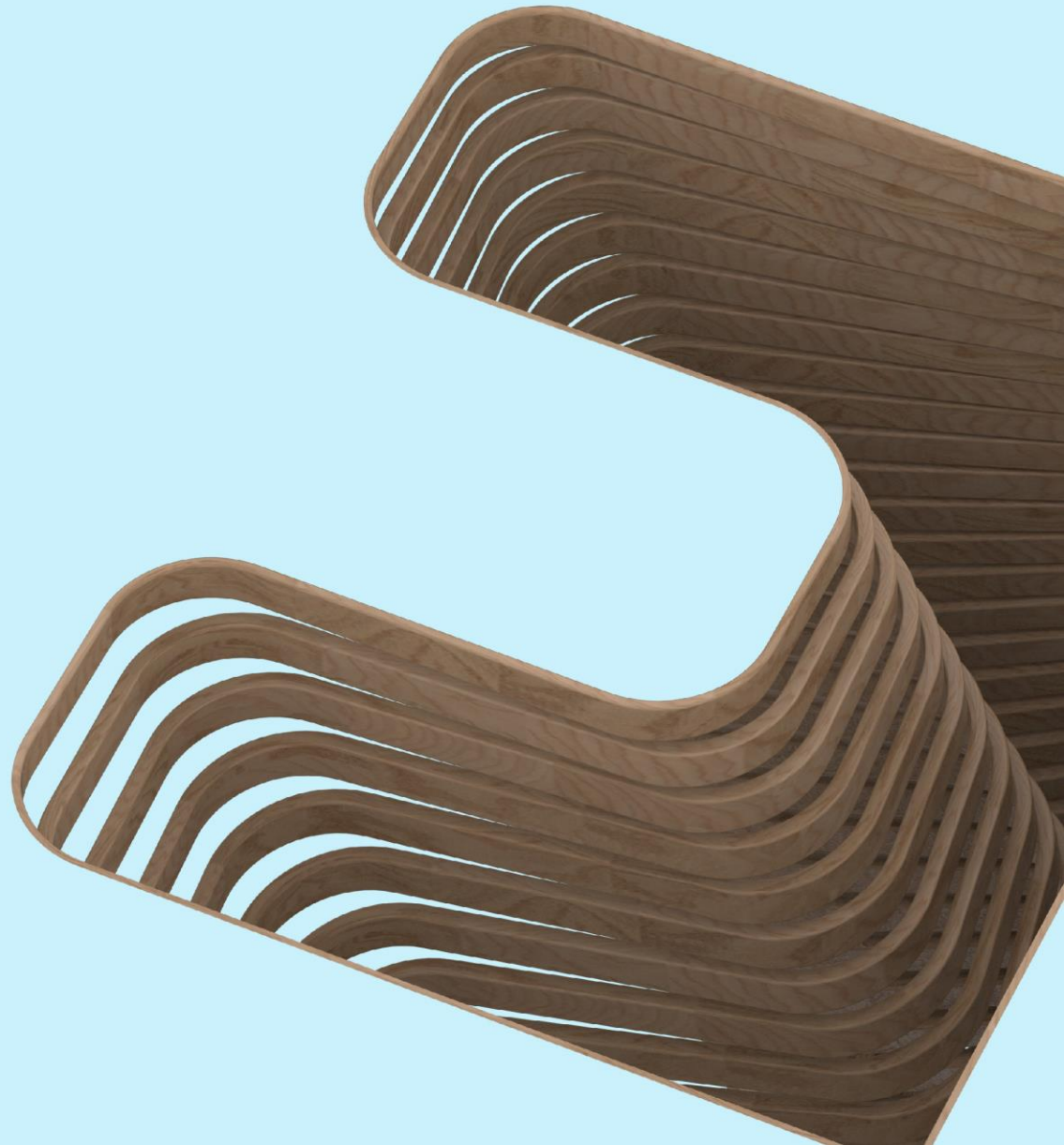
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Executive Summary



Project Background

Background

Summerset is proposing the development of a continuum of care village comprising aged care, serviced apartments, and independent living units (ILUs) as part of the Briody West, Torquay Development Plan Amendment.

The proposed amendment replaces the currently approved development plan that only included a residential component, comprising standard and higher density residential lots. The proposed amendment to the development plan includes a continuum of care village, residential lots albeit at a lower number, and additional upgrades to existing road infrastructure.

Summerset has forecast a capital investment of approximately \$270 million for the proposed development (including land acquisition), which is planned to include an indicative 50 residential lots, 230 independent retirement village units, 80 residential aged care beds and 60 independent and assisted living apartments.

Ethos Urban has been engaged to provide an overview of the proposed development's economic and social needs and benefits.

Summerset

Summerset are developers and operators of **continuum of care** communities.

Continuum of care means Summerset Villages incorporate all levels of care, accommodation and services to meet the needs of the elderly on their ageing journey.

Summerset are Commonwealth approved aged care providers and approved home care providers. This means Summerset have the flexibility to ensure residents needs can be met within a village together with a broader opportunity to deliver services into the Torquay community for those wanting to stay at home.



Executive Summary



The Surf Coast's population is anticipated to age markedly over the next 20 years

Headline Population Figures – Surf Coast



19.6% Population aged 65+ years (2022)



25.2% Population aged 65+ years (2041)



+6,580 persons Aged 65+ years between 2023 and 2041



14,170 persons Aged 65+ years by 2041

By 2041, the combined total demand for **continuum of care** in the Surf Coast is expected to be between 1,520 and 1,930 units. The planned Summerset village at Briody will only meet a small proportion of this need.



+320 to +730 units Estimated increase in demand for **ILUs** between 2022 and 2041



+440 beds Estimated increase in demand for **aged care beds** between 2022 and 2041








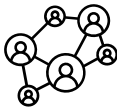


180 to 590 Units Estimated **undersupply** of ILUs by 2041



440 Beds Estimated **undersupply** of aged care bed by 2041

The anticipated shortfalls in ILUs and aged care beds in the Surf Coast in coming years highlight a strong market and community need for the proposed development.

Economic Benefits

		Direct Impact		Indirect Impact	Total Impact
Construction Phase (spread over construction period)					
Construction Employment*		280 direct job-years		880 indirect job-years	1,160 total job-years
Value Added		\$49 million		\$117 million	\$166 million
Operational Phase (annual)					
Ongoing Employment		75 direct jobs		30 indirect jobs	105 total jobs
Value Added		\$8 million		\$3 million	\$11 million

Source: Ethos Urban analysis utilising data from ABS, National Accounts 2019/20; ABS, Consumer Price Index

*Job-years: Number of FTE jobs supported over the construction period. i.e., if construction is over 10 years, 100 job-years is equivalent to 10 FTE jobs per year.

Social Benefits



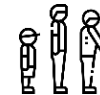
Improved Physical Health

Retirement living and aged care facilities can quickly and easily connect residents to the health care they need.



Reduced social isolation & loneliness

The elderly (+65) are one of the more likely population groups to experience social isolation and loneliness. The continuum of care village will support decreased loneliness and social isolation, through multiple spaces that support connection and socialisation.



Ageing in Place

Many older individuals have formed long-term attachments to their neighbourhoods. Being able to age in place in their own community of Torquay will mean residents can maintain the friendships, routines and support systems they value.



Supports Downsizing

Supporting older age groups to move into high-quality retirement living and aged care aligned with their needs will encourage downsizing from the long-term family home.



Faster Infrastructure Upgrades

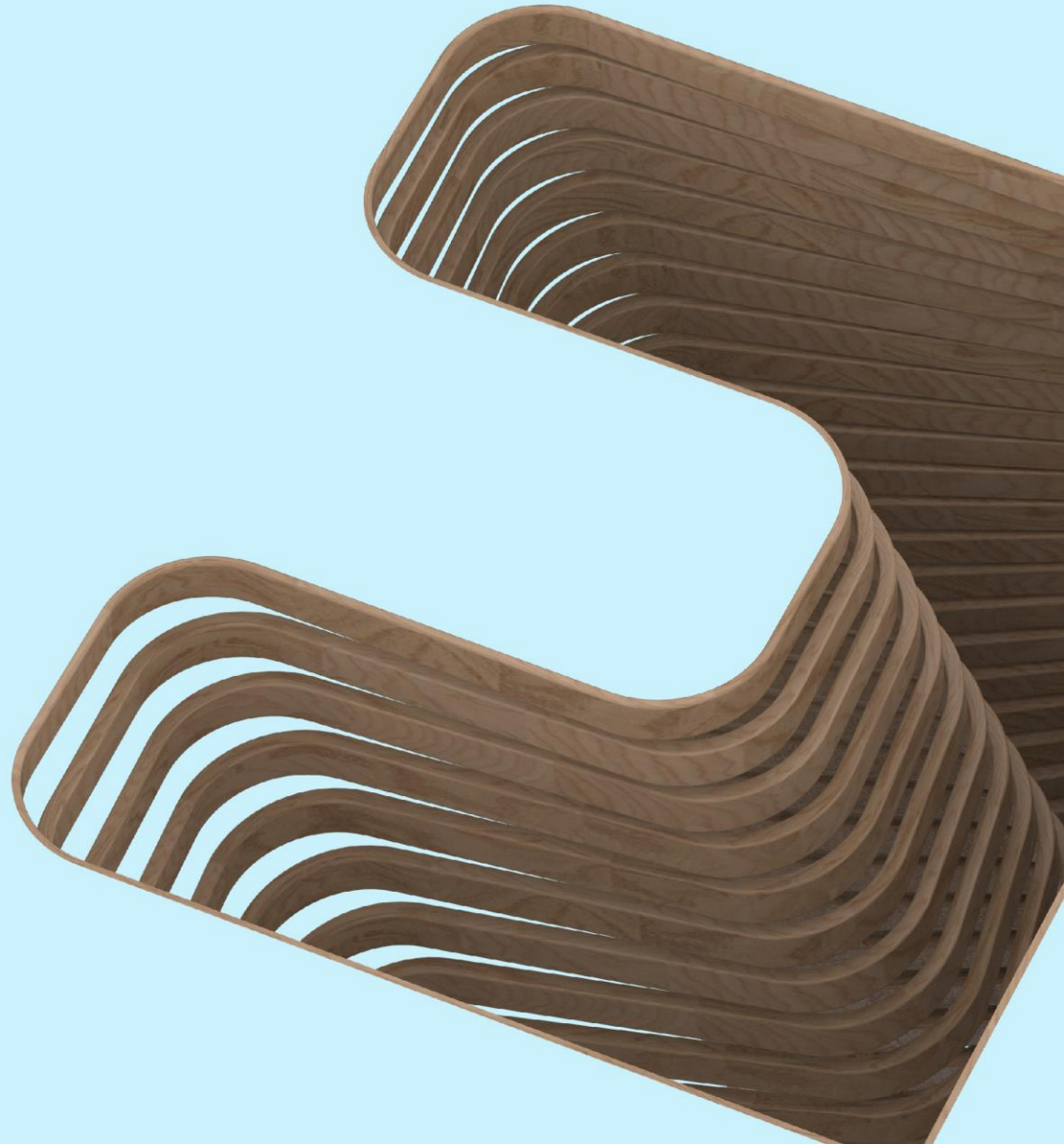
The upgrade of Briody Drive will be delivered faster through Summerset funding the delivery upfront, and later being reimbursed by Council, ensuring road is available to benefit both the Continuum of Care Village and the wider community.



Sponsorships of Local Clubs

Summerset will sponsor local sporting clubs and organisations, up to a total value of \$12,000-\$20,000 pa. Local sporting clubs are critical to the creation of community cohesion, social connection and health and wellbeing for regional communities.

Introduction



Introduction

Background

Summerset is proposing the development of a continuum of care village comprising aged care, serviced apartments, and independent living units as part of the Briody West, Torquay Development Plan Amendment.

The proposed amendment replaces the currently approved development plan that only included a residential component, comprising standard and higher density residential lots. The proposed amendment to the development plan includes a continuum of care village, residential lots albeit at a lower number, and additional upgrades to existing road infrastructure.

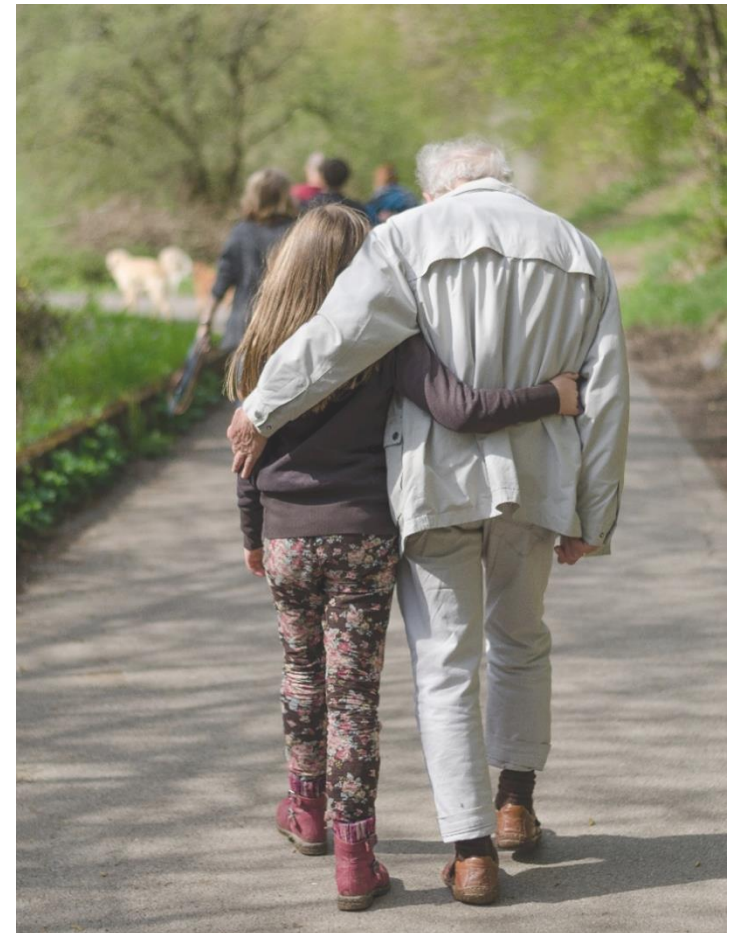
Summerset has forecast a capital investment of approximately \$270 million for the proposed development (including land acquisition), which is planned to include an indicative 50 residential subdivision lots, 230 independent retirement village units, 80 residential aged care beds and 60 independent and assisted living apartments.

Summerset has engaged Ethos Urban to provide a high-level overview of the economic need of the proposed Briody West, Torquay Development Plan Amendment, as well as an assessment of the social and economic benefits associated with the development.

Structure of the Report

This report contains four sections:

1. Introduction
2. National Trends and Future Outlook
3. Market Needs Analysis
4. Social and Economic Benefits



Project Overview

Summerset is proposing a \$270 million development comprising residential lots and a continuum of care village, including an aged care facility and retirement village. The proposed development is part of the Briody West, Torquay Development Plan.

The proposed amendment to the development plan reduces the number of high and standard density residential lots under the currently approved development plan. Under the proposed development, 320 standard residential lots and 20 higher density residential lots are proposed.

The retirement living component will comprise 230 independent living units, including one- to three- bedroom villas and townhouses, and 60 independent serviced and assisted living apartments.

The aged care facility will provide an indicative 80 residential aged care beds, including memory care.

Further upgrades to the existing road infrastructure will also be provided, including upgrading Briody Drive from a dirt road to a sealed asphalt road with bike lines in both directions.

Continuum of Care Model

While the continuum of care model is widely used in New Zealand, the model is only in its infancy in Australia.

The continuum of care model delivers communities that incorporate retirement living options, integrated with serviced apartments, home care services and aged care facilities.

Not only does this model allow residents and their partners to age in place, but it also provides higher quality outcomes for residents.

The **continuum of care** means Summerset villages incorporate all levels care, accommodation and services to meet the needs of the elderly on their ageing journey



Location Overview

Torquay is a highly desirable lifestyle town for Victorians.

Torquay is a coastal town located in the Surf Coast Shire, approximately 80km south-west of Melbourne and 20km south of Geelong. It is renowned for its laid-back lifestyle, beaches, and natural beauty that attracts millions of visitors every year.

Torquay's proximity to Geelong and Melbourne makes it an ideal location for those who want to enjoy the benefits of coastal living while still being close to the city.

Torquay – Jan Juc is designated as a District Town.

Torquay – Jan Juc is a major regional centre with a large, diverse population, employment and housing base with strong relationships with the surrounding settlements.

Nearly two-thirds of population growth in the Surf Coast Shire will be in Torquay.

Torquay is the main urban growth centre of the municipality. By 2041, the population in Torquay is anticipated to exceed 30,000 persons, an increase of +11,700 persons from 2021.

Strategically located Subject Area.

The proposed development is situated on the corner of Grossmans Road and Briody Drive, a short drive Torquay's town centre. The site is accessible to various local retail services, supermarkets, health facilities and beaches.

A new proposed bus route allows the Subject Area direct access to public transport into the town centre.

The 2022/23 State Budget has provided funding to service West Torquay for the first time, linking Grossmans Road to the town centre, and enhancing the overall accessibility of the Subject Area.

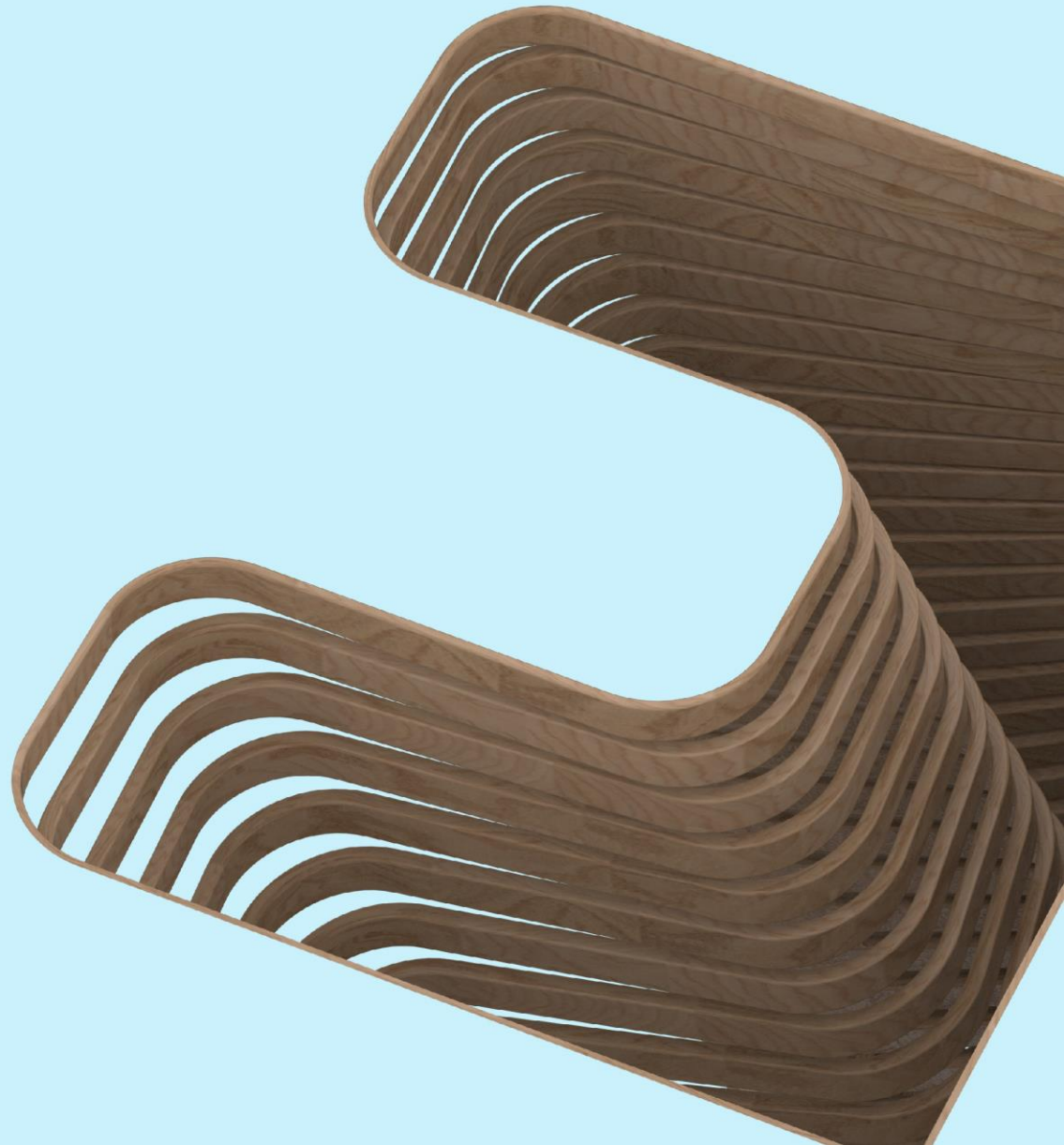
Subject Area of significant scale allows for housing diversity and a greater sense of community among residents.

The Subject Area provides a mix of one- to three-bedroom apartments, villas and townhouses, and a range of village facilities. The proposed development will offer a broad mix of products to meet the needs of a diverse range of residents and help facilitate a strong sense of belonging to the community.



Figure 1 Subject Area

National Trends and Future Outlook



National Trends – Seniors Living

Australia's ageing population underpins rising demand for aged care facilities and purpose-built retirement communities. There are two aspects to this demographic trend – increase in life expectancy through medical advances, and the reduction in the natural birth rate.

Consumer preferences and expectations are changing the face of the industry. Many of the existing villages and aged care homes around Australia are falling short of current consumer expectations. Today, the industry offers a growing number of serviced apartments, vertical villages and integrated villages co-located with residential aged-care facilities designed to provide residents with a continuum of care as they age.

Retirees are seeking purpose-built seniors housing in high value areas, close to where people have always lived, or for coastal resort communities with high quality communal facilities.

Increased public scrutiny from the Royal Commission into Aged Care Quality and Safety has catalysed increased funding pressures, greater compliance and operating costs, and falling occupancy rates in the industry. The Royal Commission argued that Australia's aged care industry is not currently fit for purpose and recommended wide-ranging reforms.

The retirement living and aged care sectors are facing workforce challenges, including shortages of skilled workers and high turnover rates.

Australian retirement living and aged care legislation are not synchronised, and reside in different jurisdictions (state and federal, respectively). This has created a fragmented industry and can lead to stressful and unnecessary obstacles for residents on their ageing journey. Retirement villages can be an integral part of the implementation of solutions arising from the Aged Care Royal Commission.

Smaller operators are being squeezed out of the aged care sector. Consolidation is underway and the future of the industry is likely to be controlled by enterprises with large balance sheets who can sustainably provide a higher quality of care.

Demand for retirement living remains strong in light of the impacts of COVID-19. Examination of population by age indicates that the impacts of COVID-19 on older age cohorts is somewhat limited compared to other cohorts. Many regional areas, like Torquay, experience increased demand and population growth throughout COVID-19.



Future Outlook – Seniors Living

Australia’s population is anticipated to age markedly over the next 40 years, with approximately 23% of the population going to be aged 65 years or older. By 2062, the Centre for Population estimates that there will be 8.8 million persons aged 65 years or over in Australia, a total increase of 4.5 million persons.

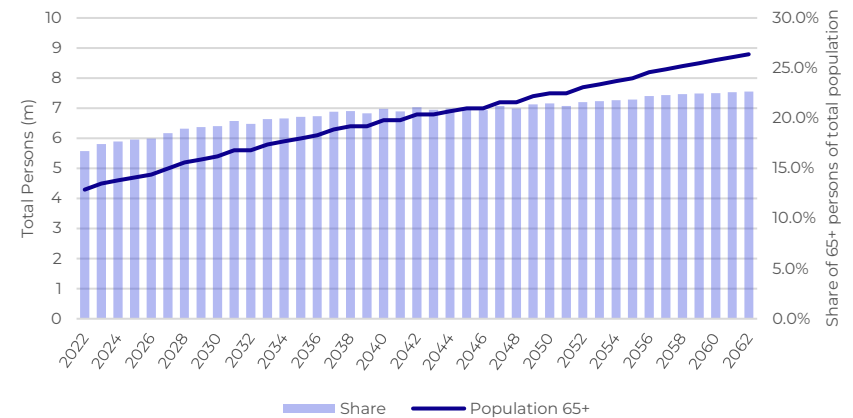
Retirement Village operators stand to benefit from current aged-care system fragilities. There is an opportunity for the Retirement Villages industry to cement its place as a viable, age-friendly and affordable accommodation option.

Many of the existing retirement village and aged care homes are no longer fit for purpose. The future needs and preferences of ageing Australians are changing rapidly, leaving many of the existing retirement village and aged care homes falling short of expectations.

Demand for the continuum of care will continue to increase, allowing retirement village residents independence to age in place. Approximately 39% of new villages under development have a residential aged care facility provided on-site or co-located, higher than existing villages, with 28% providing aged care (PWC, Property Council Retirement Census, 2021).

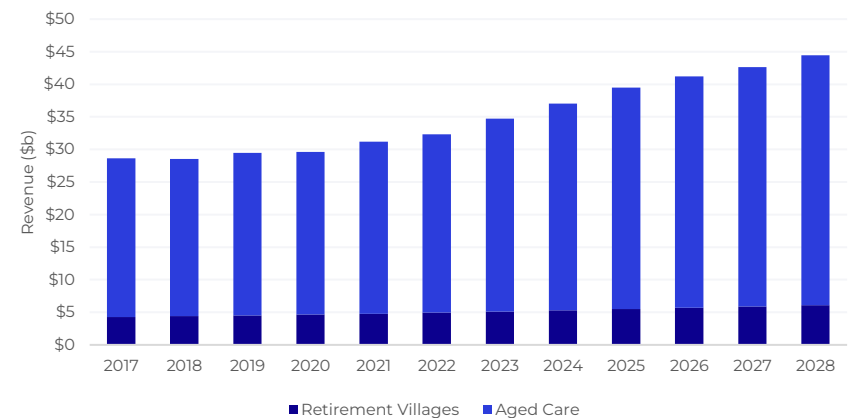
Industry forecasts for the retirement living and aged care sectors remain bullish. Revenue in the retirement living industry will increase at 3.5% pa to \$6.1 billion, while the aged care industry revenue is projected to rise by +5.3% pa to \$38.4 billion over the five years to 2027/28.

Figure 2 Australian Population Aged 65+ years



Source: Centre of Population; Ethos Urban

Figure 3 Retirement Living and Aged Care Recent and Future Revenue Estimates



Source: Ethos Urban; IBIS World

Trends and Future Outlook – Residential

The pandemic resulted in shifts across many parts of the economy, including preferences and demand for housing. Underpinning this movement is the new working from home paradigm, where the value of proximity to the workplace has fallen. Over the first two years of the pandemic, CoreLogic revealed that the top-performing regional areas were all coastal or lifestyle markets generally within a two-hour commuting distance of a capital city.

Regional Australia is going through a period of elevated mobility. The regional movers index (RAI), which analyses the quarterly and annual trends moving to and from Australia's regional areas, reveals that in the December 2022 quarter, national net internal migration to the regions remains 45% above pre-pandemic levels, with regional Queensland and regional Victoria taking the largest share of net outflows from cities to regions at 34% and 33%, respectively.

National housing values remain +14.8% higher than in March 2020, after declines of -7.9% over the past 12 months. Successive interest rate rises, surging inflation, low consumer sentiment and deteriorating affordability drove a shift in the performance of residential real estate in 2022.

Regional markets, particularly coastal regions, have remained more resilient than capital city dwelling markets. In March 2023, regional dwelling values remain +30.7% higher than pre-pandemic levels.

Housing affordability in Regional Australia has become a significant problem. Since March 2020, the difference between the median capital city dwelling value relative to the median regional dwelling value has contracted from 63.4% to 32.3% in February 2023.

The Australian property market appears to have bottomed out, although it remains vulnerable to further interest rate rises. A faster than expected return of immigration has boosted housing demand and has helped contribute to a more sustained upswing in value over the last couple of months.

Overseas migration has fuelled a strong rebound in population growth across Australia, increasing already tight housing markets. In the latest quarterly population data, Australia experienced the largest quarterly net inflow of overseas migrants in the history of the data series, at 106,000 for the September 2022 quarter.

Figure 4 Capital City Net Outflows – Regional Area Net Inflows, CY22

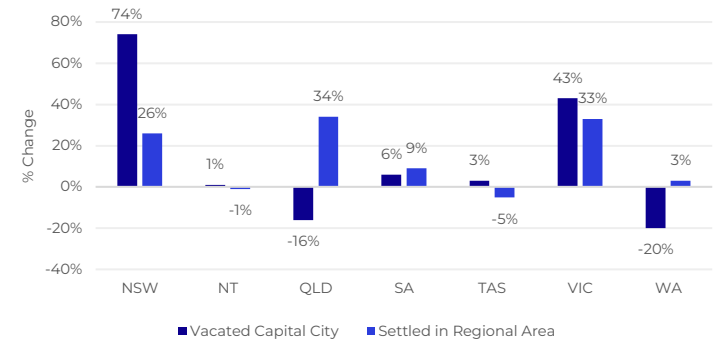
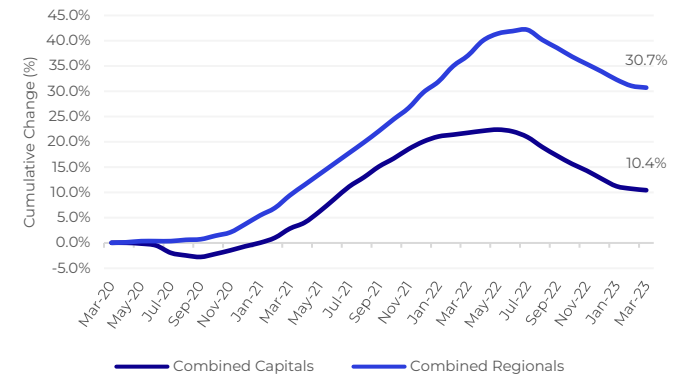
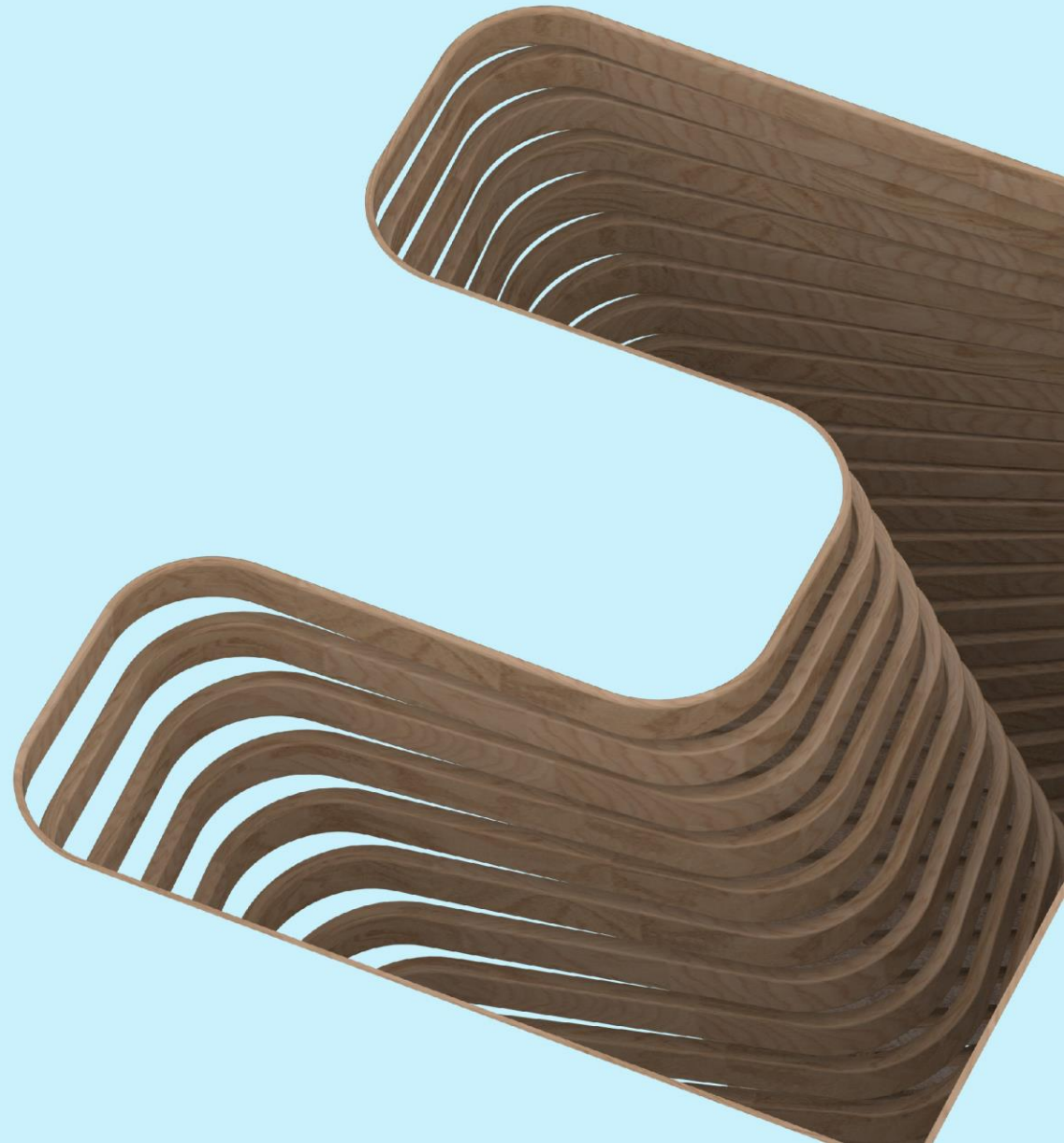


Figure 5 Cumulative Change in Dwellings



Source: Core Logic

Market Needs Analysis



Population and Demographics

Surf Coast is a highly affluent region. In 2021, Torquay had a median individual income of \$52,970 and a median household income of \$119,580, with the Surf Coast recording median incomes only slightly below Torquay. These median incomes are well above the Greater Melbourne and Regional Victorian benchmarks.

Surf Coast residents are predominately Australian born. Approximately 88% of residents in the Surf Coast were born in Australia, compared to 64% in Greater Melbourne and 88% in Regional Victoria. Anglo-Saxons are the largest demographic group driving demand for retirement living products, positioning the Surf Coast to achieve higher market penetration rates than state and national averages.

Torquay is the primary driver of population growth in the Surf Coast. Between 2011 and 2021 Torquay accounted for 74% of total population growth in the Surf Coast. By 2041, Torquay is forecast to reach a total resident population of 30,320 persons, an increase of +11,780 persons from 2021 levels which accounts for 63% of future population growth in the Surf Coast future.

The Surf Coast is forecast to reach a resident population of 56,230 persons in 2041, an increase of +18,610 persons from 2021 levels.

The share of residents aged 65 years and over in the Surf Coast is rapidly increasing. The share of residents aged 65-84 years will increase by +2.1% percentage points and, residents aged 85+ will increase by +3.5% percentage points as a share of the total population in the Surf Coast.

Figure 6 Median Income, 2021

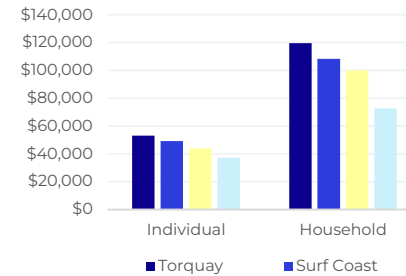
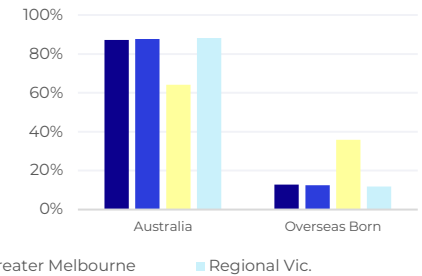
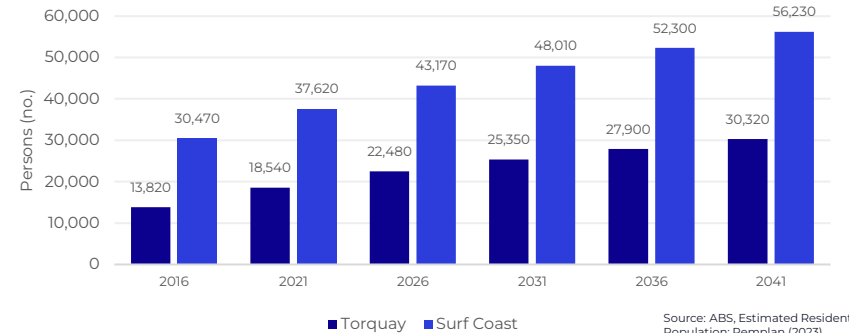


Figure 7 Country of Birth, 2021



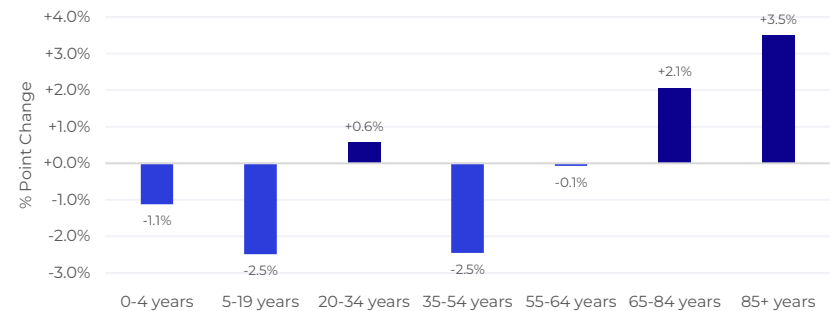
Source: ABS, Census of Population and Housing, 2021; Ethos Urban

Figure 8 Recent and Forecast Population



Source: ABS, Estimated Resident Population; Remplan (2023)

Figure 9 Change in Population Share by Age Cohort, 2021 to 2041, Surf Coast



Source: Ethos Urban; Remplan (2023)

Regional Need for Retirement Living

Surf Coast's population aged 65 years and older will nearly double by 2041.

In 2022, the Surf Coast Shire had a resident population of 7,590 persons aged 65 years and older. By 2041, it is estimated that residents aged 65 years and over will increase to 14,170 persons, representing a total increase of +6,580 persons.

Four retirement villages are in operation in the Surf Coast, three of which are in Torquay.

There are currently four retirement villages in the Surf Coast, totaling 363 independent living units, with 345 units in Torquay. An application for a new retirement village in Torquay on Cypress Lane, comprising 138 ILUs, has been lodged and is awaiting council decision. If the development proceeds, it will add a further 138 units to the existing stock, with an estimated completion date in 2027.

VMCH, Star of the See Retirement Village (96 units) and Kithbrooke Park (220 units) account for 87% of the Surf Coast's retirement village units and are located in Torquay.

VMCH and Lions Village Torquay have adjacent aged care facilities, providing a continuum of care approach in the Surf Coast.

Surf Coast's current market penetration rate for retirement villages is 6.2%.

Assuming 1.3 persons per ILU, it is estimated that 470 persons in the Surf Coast are living in retirement villages.

At this level of supply the market penetration rate for retirement villages in the Surf Coast is estimated at 6.2%. Market penetration measures the share of residents who are 65 years and over that live in a retirement village.

Demand for ILU's in the Surf Coast is considered across two scenarios.

Scenario 1 adopts the current market penetration rate in the Surf Coast, of 6.2%, across the forecast period.

Scenario 2 adopts an uplift in the market penetration rate in the Surf Coast, reaching 10.0% by 2041, increasing at a constant rate across the forecast period.

This assumes future developments meet evolving consumer preferences, are well-located and offer strong amenities. Other market factors, including Torquay's lifestyle attractiveness, housing affordability issues and Surf Coast's anticipated rapidly ageing population, in addition to an overall improved perception of retirement living across Australia.

By 2041, the net demand for ILU's in the Surf Coast is projected to range between 680 and 1,010 ILUs

Under Scenario 1, net demand for ILU's is projected to increase by +320 ILUs by 2041.

Under Scenario 2, net demand for ILU's is projected to increase by +730 ILUs by 2041.

Anticipated shortfalls in ILUs highlight the strong market and community need for the proposed development.

By 2041, there is an estimated undersupply of ILUs between 180 to 590 units in the Study Area, with regard to current and (known) future supply, and estimated demand based on forecast population and market penetration rates.

Figure 10 Population aged 65+ years, Surf Coast

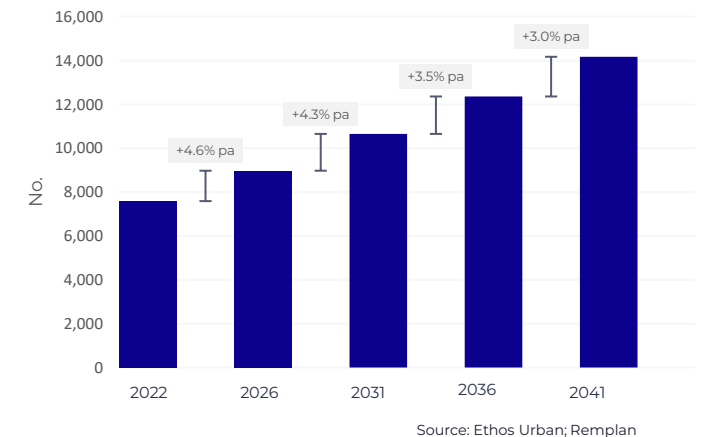
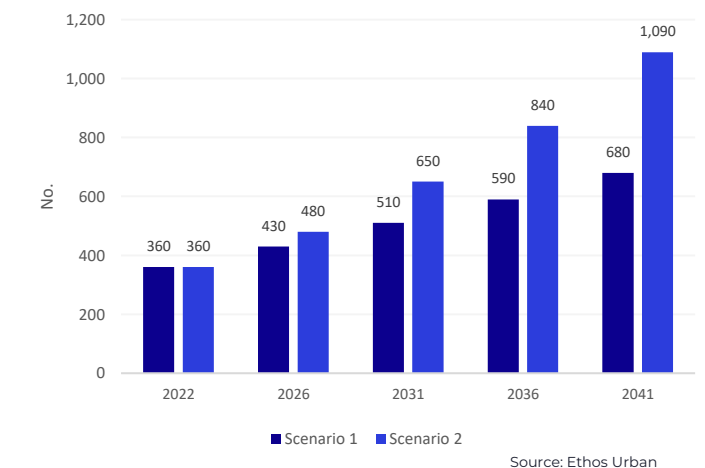


Figure 11 Independent Living Units Demand, Surf Coast



Regional Need for Aged Care

Surf Coast's population aged 70 years and older will more than double by 2041.

In 2022, the Surf Coast Shire had a resident population of 5,190 persons aged 70 years and older. By 2041, it is estimated that residents aged 70 years and over will increase to 10,810 persons, representing a total increase of +5,620 persons.

In June 2022, the Surf Coast Shire had seven aged care facilities with two in Torquay, supporting 408 residential aged care beds.

At 408 beds and a total population of 5,190 persons aged 70 years and above, the total provision of aged care beds in the Surf Coast is approximately 79 beds per 1,000 residents aged 70 years and over.

No new aged care developments are proposed in the Surf Coast.

A critical feature of Summerset's aged care homes includes memory care support tailored for those needing secure dementia care. Dementia is a growing concern in Australia, and providing memory care beds in aged care facilities is crucial to meet growing demand.

Of the seven aged care facilities in the Surf Coast, two provide memory care support services, with one located in Torquay.

The current provision of aged care in the Surf Coast aligns with the national aged care planning benchmark.

Successive Commonwealth Governments have been working towards providing 78 residential aged care beds per 1,000 persons aged 70 years or over by 2021-22.

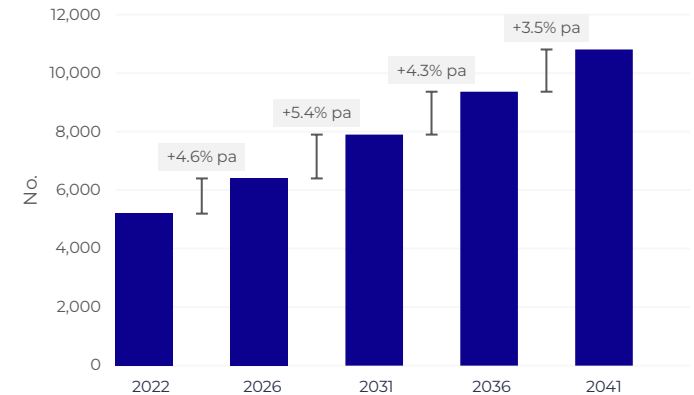
Significant additional supply is required to maintain current provisions.

As the population aged 70 years and above doubles over the forecast period, so will the demand for residential aged care beds.

For the Surf Coast to meet the rapid population growth of residents aged 70 years and above, 90 residential aged care beds are required by 2026.

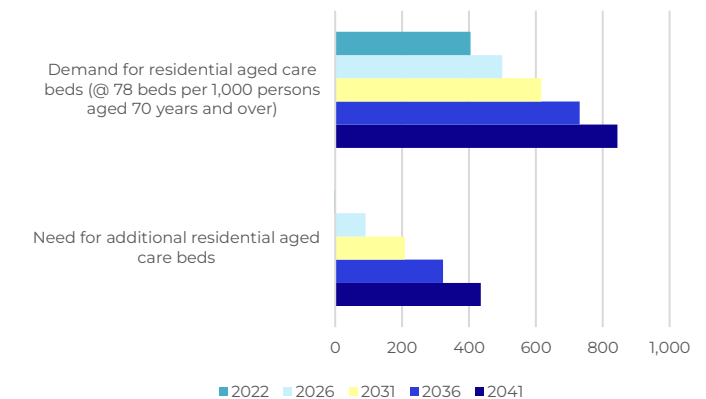
Over the long term, the Surf Coast requires an additional 440 residential aged care beds in the municipality by 2041, this equates to around 4 to 5 new aged care facilities (assuming an average of 90 beds per facility).

Figure 12 Population aged 70+ years, Surf Coast



Source: Ethos Urban; Remplan

Figure 13 Forecast Aged Care Need, Surf Coast



Source: Ethos Urban

Local Context for Residential Land

Planning Context - Residential

Torquay-Jan Juc is recognised in planning policy as a designated growth area in the Surf Coast Shire, taking a significant portion of future population and household growth.

Affordable housing opportunities are front and centre of the objectives in the planning scheme. The Shire also identifies consolidating and strengthening the role of Torquay Town Centre and supporting residential infill in specific locations.

Surf Coast Statement of Planning Policy

The Surf Coast Statement of Planning Policy (SPP) is now operational, guiding the future use and development of land in the Surf Coast declared areas for the next 50 years.

As a result, a significant portion of residential land previously identified as a future growth area in Torquay is no longer available. Under the SPP, new residential development in Torquay – Jan Juc will be directed to residential change areas in accordance with the area’s designation within the protected settlement boundary.

The Subject Area falls under the ‘Incremental Change Area’, defined as an area designated for moderate change where residential development can occur within the context of the existing or preferred neighbourhood character that provides for diverse housing types.

These areas aim to help provide a transition between areas of increased density around Torquay Town Centre and lower-density residential areas.

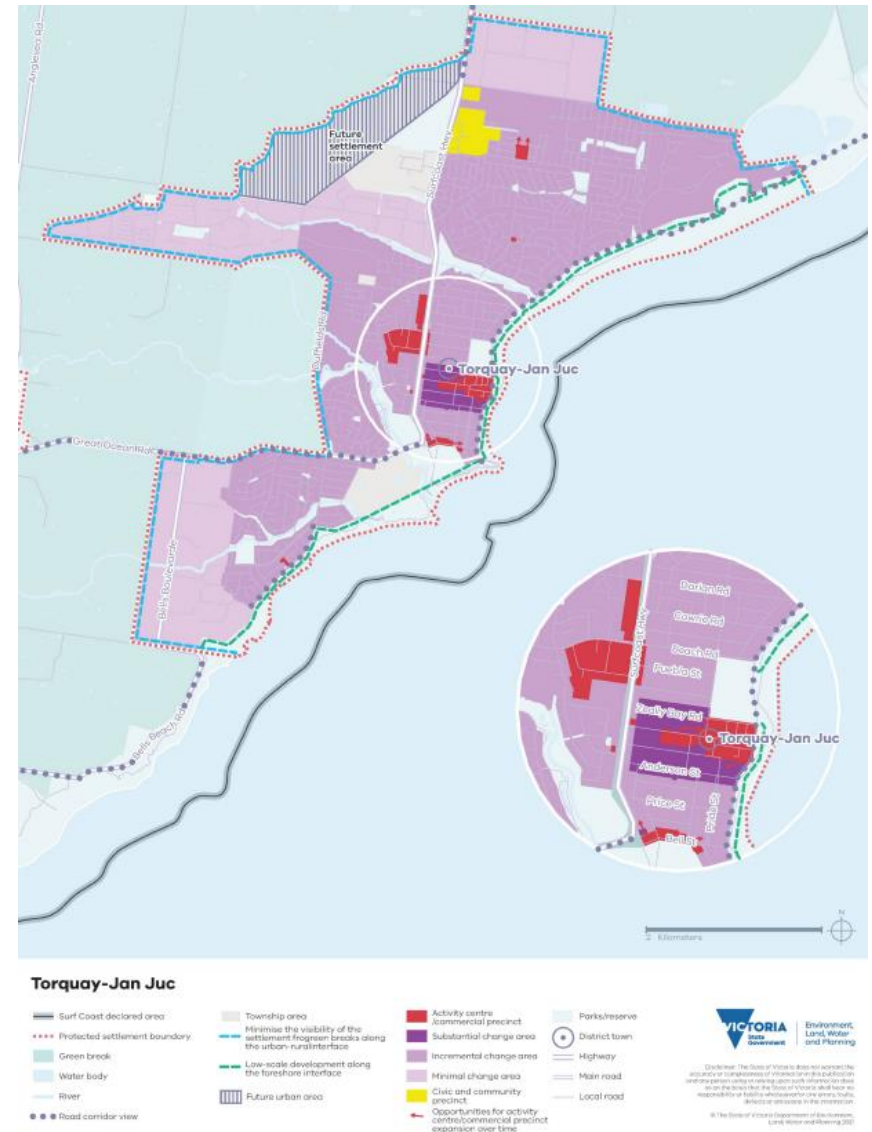


Figure 14 Torquay – Jan Juc Protected Settlement Boundary

Regional Need for Residential Land

Annual residential building approvals have been declining since 2019. Since 2017, total residential building approvals in the Surf Coast have averaged 530 dwellings per annum (pa). Torquay has accounted for approximately two-thirds (or 350 dwelling pa) of total residential building approvals in the shire.

Torquay’s residential building approvals halved in 2022. In 2022, total residential building approvals in Torquay dropped to 170 dwellings from an annual average of 350 approvals pa between 2017 and 2021.

Torquay and the Surf Coast have experienced record price growth in house and land values. Since the end of 2020, median house prices have increased 68%, or equivalently, 19% pa, while median vacant land prices have increased by 62%, or equivalently, 17% pa.

Similarly, median house and land prices have increased significantly in the Surf Coast, increasing by a total of 66% and 41% over the same period, respectively.

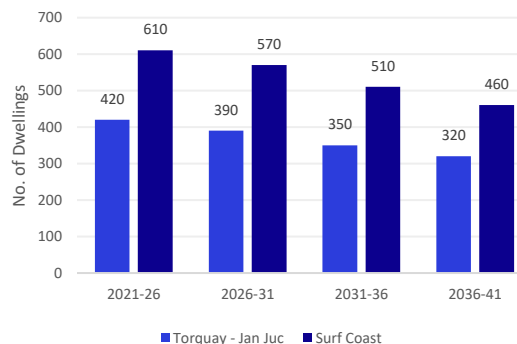
As median prices across Australia have declined over the past year, prices have surged ahead in the Surf Coast. In the year ending March 2023, dwelling values in Regional Victoria have fallen by -5%, while median dwelling prices in Torquay and the Surf Coast have increased by 6%. Land prices have grown stronger over the past year, increasing by 25% and 33%, respectively.

A significant lack of supply is the likely driver of record price growth. The substantial price increases in the municipality reflect historically strong demand in the region, which was further heightened over the pandemic. Now, with shortages in residential land available for development, housing affordability concerns will remain at elevated levels.

To meet underlying dwelling demand, Torquay-Jan Juc requires an average of an additional 370 dwellings per annum between 2021 and 2041. It is projected that the total dwellings in Torquay – Jan Juc will increase to 15,510 by 2041, representing a total increase of +7,390 dwellings.

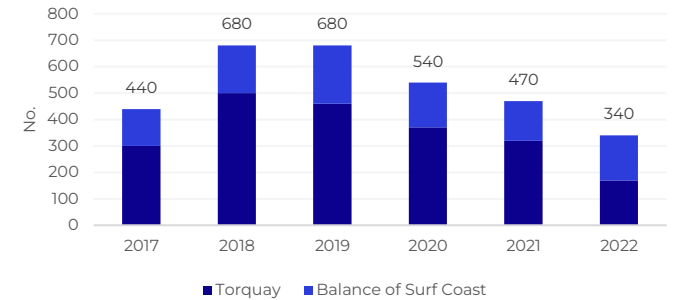
This accounts for approximately 69% of future dwelling growth in the municipality.

Figure 15 Annual Dwelling Requirement



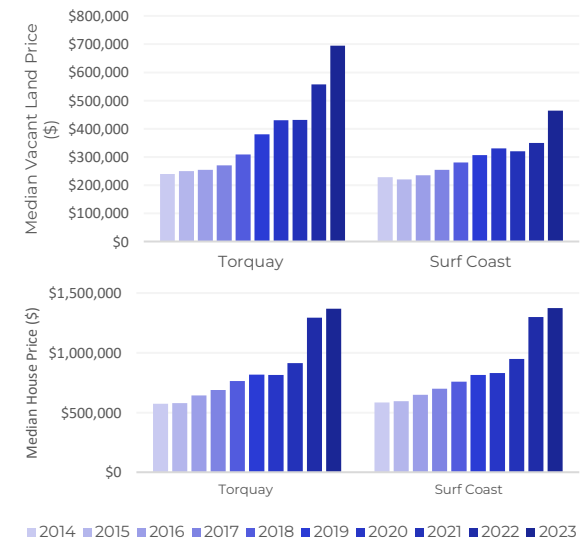
Source: Remplan (2023)

Figure 16 Residential Building Approvals (year ending December)



Source: ABS Dwelling Approvals; Ethos Urban

Figure 17 Median Residential Price (year ending March)



Source: Ethos Urban; Pricefinder

Social Needs of ageing communities

An ageing population is both a global mega trend and a local issue currently facing Torquay.

This long-term shift in demographic will have vast implications for the design and planning of neighbourhoods, including the provision of key infrastructure.

Research into the creation of age-friendly cities has outlined the following factors for consideration for ageing communities:

- **Autonomy and independence:** create walkable environments, ensure access to transport, enable ageing-in-place, provide wayfinding and city information
- **Health and wellbeing:** ensure access to health services, provide space for exercise and recreation, make connections to nature

- **Social connectedness:** fight loneliness and isolation, promote inclusion and civic participation, create intergenerational spaces, provide options for older people to stay in their communities
- **Security and resilience:** prepare for extreme climates, design safe streets and public spaces, promote dementia safety.

These factors should be considered within the design of spaces which cater to an ageing demographic.

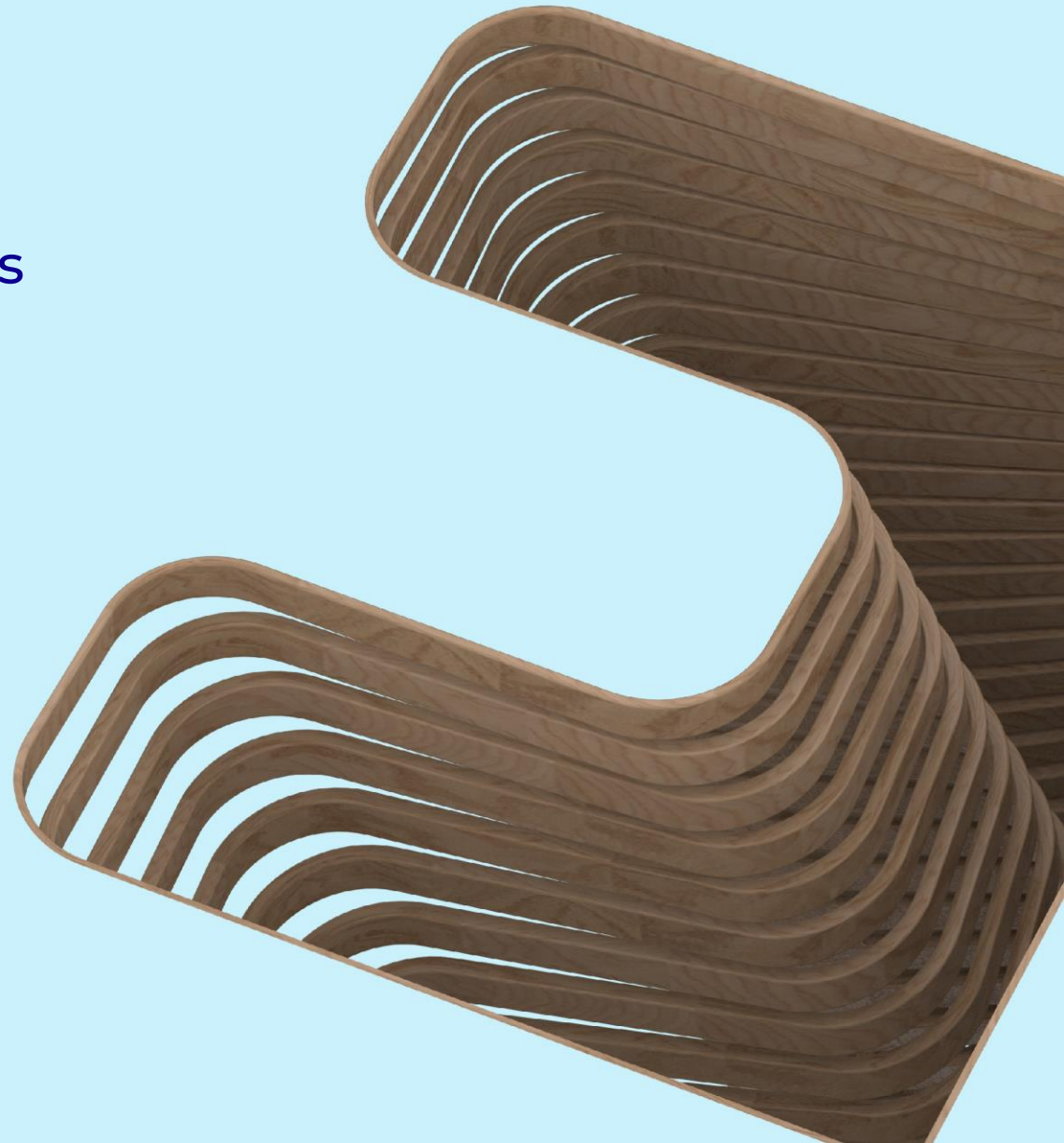
To ensure the mobility and independence of elderly people, features of the public domain should be designed with minimal obstructions, allowing for smooth level surfaces, tapered curbs, and sufficient width to accommodate wheelchairs.



References

Cities Alive: Designing for Ageing Cities, Arup, 2019

Economic and Social Benefits



Methodology and Construction Costs

Investment Attraction

Total construction investment in the proposed development is estimated by Summerset at \$222.2 million. This is a considerable investment and will directly support the local construction industry, and the many industries that indirectly support the construction industry.

To put this into perspective, based on ABS Building Approvals data, this level of construction investment would account for around 58% of the total value of building approvals in Surf Coast in 2021/22 (approximately \$320 million).

Construction Cost Breakdown	Value
Professional Fees	\$10,200,000
Site Infrastructure & Civil Works	\$28,400,000
Villa Construction Costs	\$43,100,000
Townhouse Construction Costs	\$54,400,000
Main Building Construction Costs	\$48,200,000
Ind. Apartment Construction Costs	\$18,300,000
Other Construction Costs	\$4,200,000
Landscaping & Bowling Green Costs	\$10,200,000
Summerset FF&E Cost	\$5,200,000
Total Construction Costs	\$222,200,000
Total Investment Costs (including Land Acquisition	\$270,000,000

Economic Modelling Approach

The estimates of employment and value-added outlined in this report flow from Ethos Urban 's internal input-output model. This input-output model is based on ABS National Accounts data and has been constructed to comply to best practice guidelines.

The modelling provides estimates of the following economic benefits that would result from the proposed scheme:

- **Construction Employment** – the direct (onsite) and indirect (flow-on) full-time equivalent (FTE) job years supported over the construction period.
- **Ongoing Employment** – the direct and indirect FTE jobs supported by the ongoing operations of activities supported by the Subject Area once developed.
- **Value-Added** – is defined as the wages, salaries and supplements plus gross operating surplus (income earned by businesses) required in producing the extra output (construction investment and operating output/turnover).

Estimates of the economic benefits of the proposed development in Torquay are realised across the national economy through investment, supply chain and consumption effects.

Given the scale and diversity of the Victorian economy, a large proportion of these benefits will be realised locally.

Construction Phase Benefits

Overview of Construction Phase Benefits



Employment (job-years)



Value Added

Direct Impact	280 direct job-years	\$49 million
Indirect Impact	880 indirect job-years	\$117 million
Total Impact	1,160 total job-years	\$166 million

1. Creating Construction Jobs

The capital investment of \$222.2 million is estimated to support approximately 1,160 FTE-job years, comprising 280 direct FTE job-years, and 880 indirect FTE job-years.

i.e. if construction is over 10 years, this equates to an average of approximately 116 FTE jobs per year (direct and indirect) supported across the 10-year construction period.

The estimated indirect jobs would result from supply chain and consumption effects (such as onsite worker's daily spending on food and drinks).

2. Generating Value-Added Activity

It is estimated that the capital investment of \$222.2 million would generate approximately \$166 million in total value-added (direct and indirect) over the construction period, including \$49 million of direct value-added.

3. Localised Benefits

The Geelong Region (including the municipalities of Geelong, Golden Plains and Surf Coast) is expected to secure a strong share of this stimulus given their accessibility (to and from the Subject Area) and existing value chains in the construction sector.

Operational Phase Benefits

Overview of Operational Phase Benefits



Employment



Value Added

Direct Impact	75 direct jobs	\$8 million
Indirect Impact	30 indirect jobs	\$3 million
Total Impact	105 total jobs	\$11 million

1. Creating Jobs

The proposed development is estimated to directly employ approximately 75 workers on a full-time equivalent (FTE) basis.

When the multipliers are considered, the total ongoing economy-wide effects for employment is estimated at 105 FTE jobs.

2. Generating Value-Added Activity

On completion of the proposed development, an estimated \$11 million in value added will be generated per annum, including \$8 million in direct value-added.

3. Supporting Local Jobs

Based on ABS 2021 Census data, approximately 2,600 jobs exist in the health care and social assistance industry; this closely reflects the number of Surf Coast residents employed within the industry.

With strong population growth forecast, and health care and social assistance being the largest employing industry in Surf Coast, there is a need to support development that generates jobs within this sector.

4. Supporting Housing Diversity and Affordability

Offering diverse housing options can help improve affordability for people with different budgets. Based on the PCA Retirement Village Census (2021), the average ILU sale price in 2021 was 55% of the median house price in the same postcode.

Summerset's mix of ILU products, including townhouses, villas and apartments varying in size, provides different entry levels for residents helping aid affordability in the region.

Social Benefits of the Proposed Development



Improved Physical Health

Retirement living and aged care facilities can quickly and easily connect residents to the health care they need. Continuum of Care Villages have a constant presence of trained medical professionals who proactively measure resident health. This reduces the likelihood that serious medical issues or accidents at home alone result in life-changing or life-ending health outcomes.

Health outcomes can also be improved through preventative measures. The provision of communal social infrastructure and open spaces - swimming pools, gyms, parks, group fitness classes - encourage physical recreation, which will result in health benefits.

These benefits in turn decrease demands on the emergency health system.



Reduced social isolation & loneliness

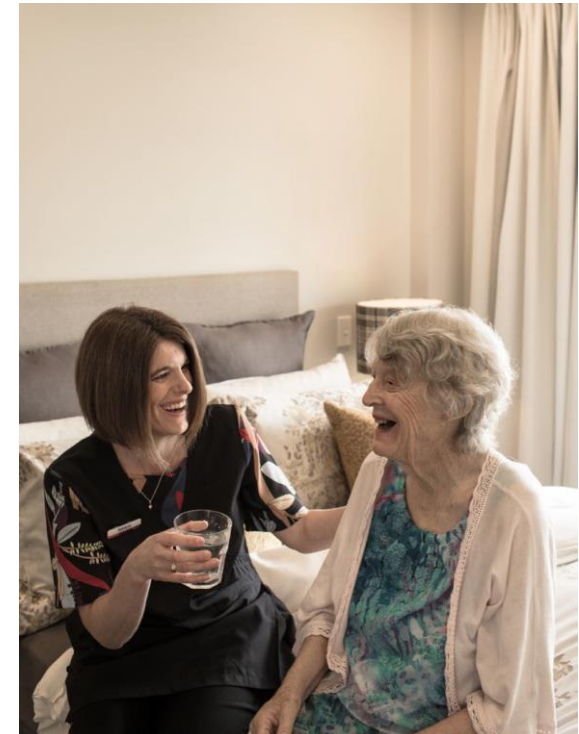
The elderly (+65) are one of the more likely population groups to experience social isolation and loneliness. It can be particularly prominent in widows and those living alone.

Loneliness has been linked to premature death due and poor physical and mental health outcomes. Social isolation has been linked to mental illness, emotional distress, suicide, the development of dementia, premature death, poor health behaviours such as smoking, physical inactivity, poor sleep, and biological effects, including high blood pressure and poorer immune function.

The continuum of care village will support decreased loneliness and social isolation, through multiple spaces that support connection and socialisation.

References

Social Isolation and Loneliness, Australian Institute of Health and Welfare, 2021
Housing Decisions of Older Australians, Productivity Commission, Commonwealth of Australia, 2015



Social Benefits of the Proposed Benefits

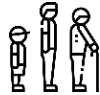


Supports Downsizing

Supporting older age groups to move into high-quality retirement living and aged care aligned with their needs will encourage downsizing from the long-term family home. The elderly can sometimes understandably be reluctant to leave their long-term home, when so many memories and a sense of security go with their place.

With the provision of a high-quality Continuum of Care Village, Torquay locals and those looking for a sea-change late in life, will be supported to 'downsize' to a supported lifestyle choice.

This will support housing to be put on the market to meet the needs of growing families, who are struggling to find a home in the context of decreased building approvals and rising prices on the Surf Coast.



Ageing in Place

Many older individuals have formed long-term attachments to their neighbourhoods, which provide a significant source of security and comfort.

Being able to age in place in their own community of Torquay will mean residents can maintain the friendships, routines and support systems they value, while giving family members the peace of mind that parents have a good quality of life and the support they need.

The ability to continue familiar routines is also critical for those residents experiencing conditions like Alzheimer's or dementia.



Faster Infrastructure Upgrades

The upgrade of Briody Drive will be delivered faster through Summerset funding the delivery upfront, and later being reimbursed by Council.

This will ensure the road is available to benefit both the Continuum of Care Village and the wider community sooner, making it easier to get around.



Sponsorships of Local Clubs

Summerset will sponsor local sporting clubs and organisations, up to a total value of \$12,000-\$20,000 pa. Local sporting clubs are critical to the creation of community cohesion, social connection and health and wellbeing for regional communities.

Over periods of economic hardship, local clubs may struggle to fund the spaces, programs and support systems they need to function. This makes sponsorships such as this critical for their ongoing continuation.

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