

MOUNT WAVERLEY

HOUSING FOR RESIDENTS AGED 55+

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PREPARED FOR PACE DEVELOPMENT GROUP

URBIS

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EXECUTIVE SUMMARY

This research has been prepared to understand the need and demand of housing for residents aged 55+ in Mount Waverley and the City of Monash. The research considers the location attributes, market demand and supply as well as benefits of providing appropriate housing for residents to age in place.

Local Strategic Context

The policy objectives in Plan Melbourne, the Monash Housing Strategy 2014 and Age Friendly Monash A Positive Ageing Plan 2015-2019 each recognise the strategic contribution of housing choice, diversity and affordability in the right locations. Specifically meeting the needs of senior residents is to be supported and enhancing the flexibility to enjoy the benefits of aging in place.

Site & Location

The subject site at 554 High Street Road in Mount Waverley would be expected to appeal and offer many benefits to residents seeking a more affordable, convenient and secure housing option, given:

- St Clair Crescent Reserve to the rear of the site offers open space, a pleasant outlook and community engagement opportunities
- Bus services along High Street Road and Blackburn Road and rail links via Syndal station provide low cost transport and connections
- Convenience retail, food and beverage and services such as hair salons, medical centres, a post office and a church are all within walking distance.

Demand Drivers

The 55+ cohort is a major market of 10,000 people in Mount Waverley and 51,200 in the City of Monash and will grow at a faster rate than the overall population in the next decade to 11,500 and 60,000 respectively in 2026.

High levels of home ownership in detached housing with high house prices presents significant opportunities to release equity and take up alternative accommodation options and age in place.

Housing Supply and Choice

The current range of options is limited by a low volume of independent living units and aged care beds in Mount Waverley, where provision lags far behind the LGA average. Aged care proposals cater primarily to the 80+ year old market, meaning more options are required for younger cohorts gearing up for retirement or seeking independent or assisted living.

The analysis in this report indicates there is likely to be a shortage of future housing options for the growth in residents over 55 in both Mount Waverley and the City of Monash. The scenario modelled indicates that even with planned supply approximately 250 additional dwellings are needed in Mount Waverley while almost 1,000 additional dwellings are needed to support future residents aged 55 and above in the City of Monash to the year 2021.

Providing greater supply and choice promotes benefits of ageing in place, extending independence and avoiding a larger gulf between supply and demand in future.

Key Findings

This analysis leads us to believe there is good capacity for development that targets apartments at the 55+ market in Mount Waverley. From a market appeal perspective, the location scores well for convenience and offers the prospect of maintaining local connections on public transport as well as pedestrian access to key services.

The market demand conditions are favourable with high house price home owners ageing in the suburb, while the supply response has not yet sufficiently materialised to tap into changing attitudes and expectations of this segment of the market.

In conclusion, the location characteristics, supply and demand balance and characteristics of demand highlight an opportunity that is expected to grow over time. Expanding and improving the housing stock to enable ageing in place makes sense from a strategic, economic and social perspective.

INTRODUCTION

This research is required to inform need and demand for accommodation that is appropriate and appeals to the 55+ market in Mount Waverley and the City of Monash more broadly. This will be used to inform the development options of the subject site at 554 High Street Road in Mount Waverley.

Therefore, to understand the market demand, any identifiable shortcomings in supply, as well as touching upon other factors that will be useful in understanding a requirement or benefit from providing over 55+ independent living apartments, we consider the evidence as set out below.

Our approach considers underlying demand, scale of supply, project based evidence to highlight the gaps in the existing offer as well as opportunities to add a desirable choice to the market for this growing cohort of residents.

The remainder of this report is set out as follows:

- Section 1 – Local Strategic Context
- Section 2 – Site & Location Context
- Section 3 – Catchment Demand Drivers
- Section 4 – Housing Supply & Choice
- Section 5 – Key Findings

1. LOCAL STRATEGIC CONTEXT

A review of relevant literature in the City of Monash reveals that providing greater diversity of housing choice that is accessible, affordable and appropriate to an ageing population aligns strongly with local economic objectives.

For example, **Age Friendly Monash A Positive Ageing Plan 2015-2019** observes that:

- *“Monash continues to have an ageing population..... it is forecasted that by 2031 there will be approximately 56,161 people over the age of 55. Overall, the over 55's will comprise of one in three residents, which will pose challenges for services, programs and health provision in the future for all levels of government.”*

The document also observes that: *“As Seniors, we aspire to have secure, affordable housing options close to family, friends, social groups, shops and health services”*

Within this plan, **Actions 3.3 Housing Options** sets the specific objectives to:

- *“Identify and progress applications for the development of affordable and accessible housing opportunities in Monash” and to:*
- *“Support the efforts of organisations seeking to increase housing options for seniors in Monash”*

Key directions from **Plan Melbourne** relevant to Monash in developing an updated Housing Strategy are as follows:

- *Understand and plan for expected housing needs*
- *Reduce the cost of living by increasing housing supply near services and public transport*
- *Identify and plan for smaller Neighbourhood Centres, which may have potential for housing development however their main focus is to maintain a local scale and meet the needs of the local community*
- *Deliver housing close to jobs and transport*

The Monash Housing Strategy 2014 notes that the City of Monash should:

- *“focus on improving the diversity, affordability and accessibility of housing stock to meet the needs of the key student and older populations. This will require advocating for the provision of smaller scale housing that is affordable, well located and easily accessible”*

The Monash Housing Strategy identifies the following objectives that are particularly relevant to the opportunity at 554 High Street Road in Mount Waverley:

- *To provide accommodation for a diverse and growing population that caters for different family and lifestyle preferences and a variety of residential environments and urban experiences.*
- *To encourage the provision of a variety of housing styles and sizes that will accommodate the future housing needs and preferences of the Monash community.*
- *To recognise and provide for housing needs of an ageing population.*
- *To encourage efficient use of existing physical and social infrastructure.*
- *To revitalise Monash's activity centres by supporting higher density residential and mixed use development.*
- *To ensure that housing in Monash is accessible and safe.*
- *To ensure appropriate and affordable housing is available to suit the social and economic needs of the community.*

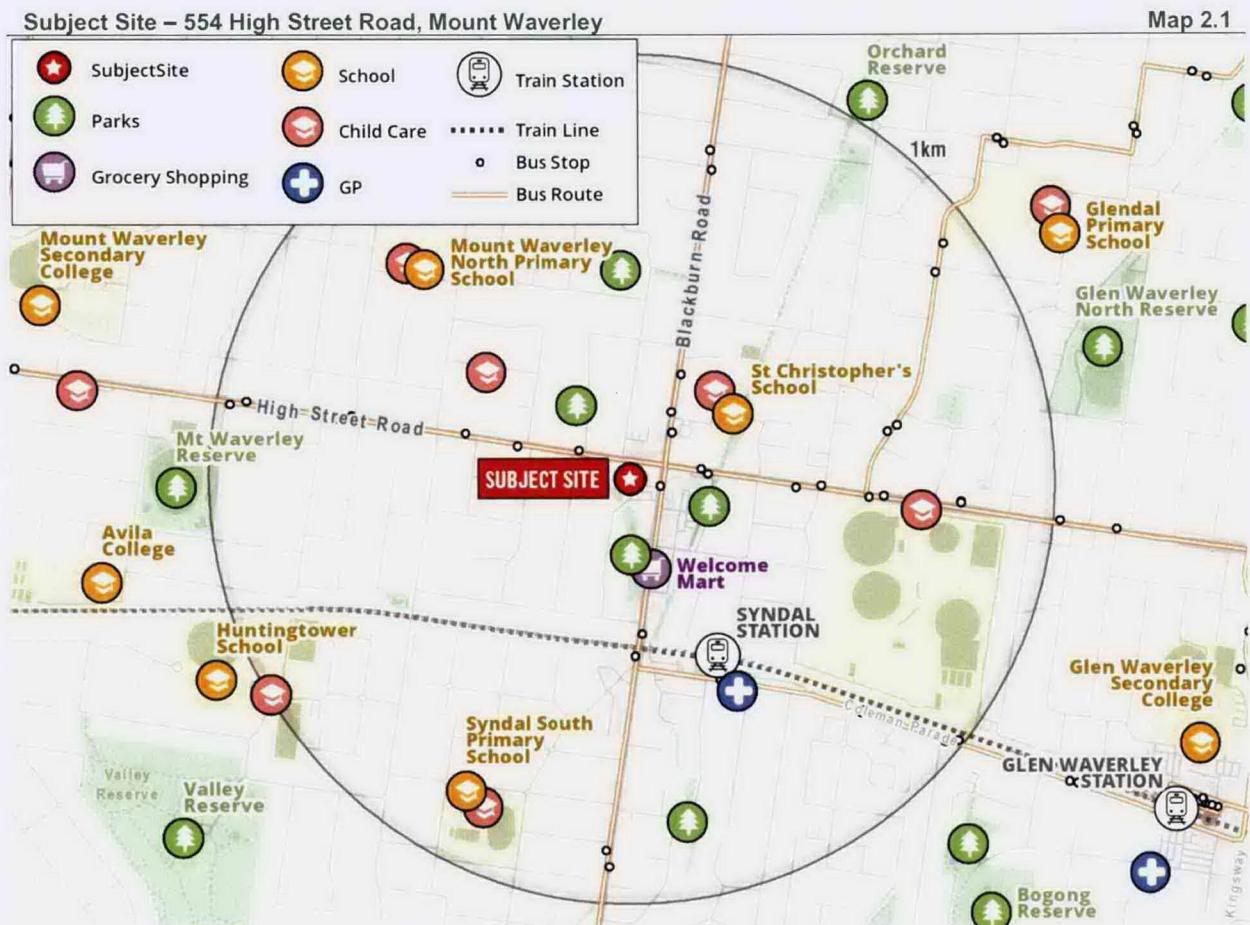
The policy objectives above recognise the strategic contribution that providing housing choice, diversity and affordability in the right locations can make. Specifically meeting the needs of senior residents is to be supported and enhancing the flexibility to enjoy the benefits of aging in place.

2. SITE & LOCATION CONTEXT

The subject site offers a number of advantages for apartments targeted at residents aged 55+, namely:

- St Clair Crescent Reserve to the rear of the site offers open space, a pleasant outlook as well as opportunities to engage with a wider surrounding community of residents.
- Bus services along High Street Road and Blackburn Road as well as rail links via Syndal station offer low cost public transport options which keep costs of living down and connect to surrounding communities.
- Convenience retail, food and beverage and services such as hair salons, medical centres, a post office and a church are all within walking distance close to the junction of High Street Road and Blackburn Road.

Therefore, this site location would be expected to appeal and offer many benefits to residents seeking a more affordable, convenient and secure housing option in their local area.



3. CATCHMENT DEMAND DRIVERS

3.1. CATCHMENT AREA DEFINITION

The catchment area refers to the area of greatest relevance in assessing demand and supply of housing options for residents aged 55 years or above.

The size and scale of catchment areas can vary due to the geographical context of the community in question and key factors influencing migration. Factors that influence the definition of a catchment area include:

- Attractiveness of the locality, development or facility
- The proximity, composition and quality of competing offer
- Access to services
- Accessibility including the road and transport network
- Physical barriers such as freeways, rivers/lakes and bushland that can impact drive times.

To test the catchment area, we have reviewed historic 55+ migration patterns between the 2011 and 2016 ABS Census periods.

Aside from people moving within the suburb of Mount Waverley itself, the analysis showed that the greatest level of migration into Mount Waverley was from Glen Waverley, Ashwood, Chadstone and Wheelers Hill. These suburbs all fall within the City of Monash.

Beyond these areas, suburbs surrounding the City of Monash and along the corridor of the Monash Freeway made up the next highest source of in-migrants.

Although most residents or residential customers identify areas along suburb or corridor lines, many of the policies affecting housing are set at a local government area level. Therefore, it makes sense that the relevant catchment area for this study includes the suburb of Mount Waverley, as well as the City of Monash Local Government Area (LGA). This is important to contextualise local needs as well as the wider market.

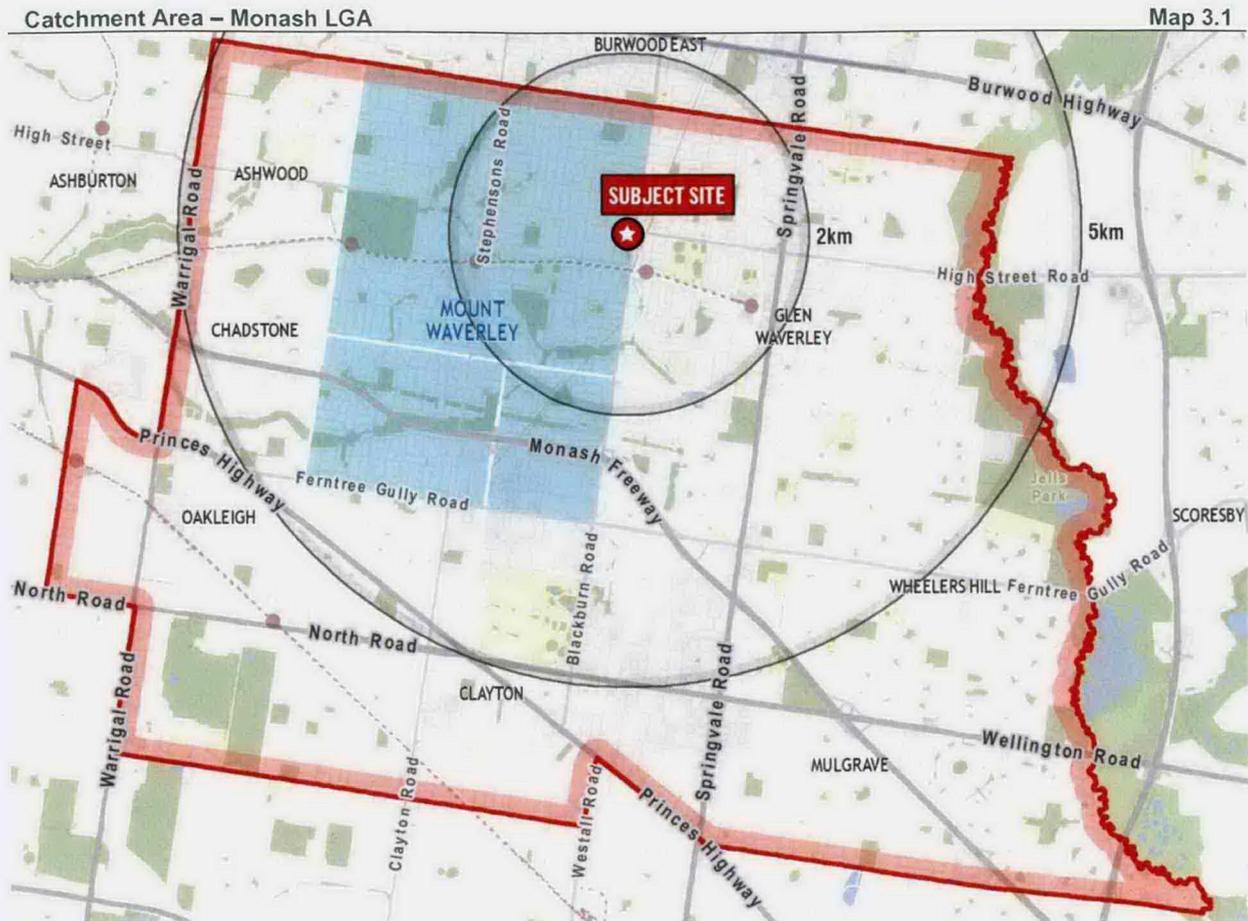
3.2. SIZE OF THE 55+ MARKET

The ageing population in Australian cities is well documented and established communities such as Mount Waverley are going to experience rapid growth in older resident cohorts in the years to come. The size of the 55+ market in Mount Waverley in 2016 was 10,000 residents or 29% of the total population. This compares to a market of 51,200 in the City of Monash or 27% of the LGA population.

Therefore, this group will play a major role in the housing market in years to come, especially as the number of residents aged 55+ is expected to grow to 11,500 by 2026 in Mount Waverley and to 60,000 in the LGA.

To put this into context, while the overall population of Mount Waverley is projected to grow at a rate of 0.8% between 2016 and 2021, the population of residents aged 55+ will grow by a rate of 6.0%. A similar pattern is visible for the City of Monash, projected to grow by 3.5% overall and substantially higher for the 55+ cohort at 6.6%.

In no uncertain terms, this is a growth market in this location.



3.3. MARKET DEMAND CHARACTERISTICS

Having established that this is a significant growth market it is important that we understand the characteristics and what this means for delivering appropriate housing options. Detailed demographic and market analysis in Table 3.1 identifies that:

- Most residents aged 55+ own their own home (73% in Mount Waverley and 69% for the City of Monash LGA), while around one fifth of households is still paying off a mortgage and one in ten households in this age cohort rents their home.
- Median incomes and household wealth at this stage of life indicate an average capacity to afford of \$1.3 million in Mount Waverley and \$1.1 million in the City of Monash, both slightly below the median house price of \$1.4 million and \$1.2 million respectively.
- However, this masks differences that would be felt across different bands of income distribution. For example, 65% of residents aged 55+ have a personal income less than \$41,600 per annum in Mount Waverley, increasing to 70% for the City of Monash LGA.
- Therefore, at \$851,000 in Mount Waverley and \$685,000 for the City of Monash, units present a more affordable proposition.
- Even so, separate houses remain the dominant dwelling type in both Mount Waverley (71%) and City of Monash (73%), which is even more acute for residents aged 55+ at 97% in Mount Waverley and 96% in City of Monash.
- The combination of high house prices (accumulated equity) and diminishing income, as well as different expectations of staggered retirement and leisure pursuits, is encouraging the current and next generation of retirees to think differently about how to fund and enjoy their retirement.

Market Size & Characteristics – Mt Waverley as % of City of Monash

Key Statistics of Residents in Mount Waverley & City of Monash

Table 3.1

	Mount Waverley		Monash		Mt Waverley % of Monash
	No.	%	No.	%	
Population Total					
2016 Pop.	35,431	-	192,850		18%
2016-21 Pop. Growth	275	0.8%	6,493	3.4%	4%
2021-26 Pop. Growth	664	1.9%	5,394	2.8%	12%
Population Over 55 years of age					
2016 Pop.	10,362	29%	51,232	27%	20%
2016-21 Pop. Growth	621	6.0%	3,381	6.6%	18%
2021-26 Pop. Growth	517	5.0%	5,423	10.6%	10%
Personal Income Distribution 55+					
\$0	699	7.5%	3,804	8.7%	18%
\$1-\$20,799	2,487	26.7%	12,897	29.5%	19%
\$20,800-\$41,599	2,907	31.2%	13,740	31.5%	21%
\$41,600-\$77,999	1,799	19.3%	7,689	17.6%	23%
\$78,000-\$155,999	1,125	12.1%	4,401	10.1%	26%
\$156,000+	313	3.4%	1,148	2.6%	27%
Household Tenure 55+					
Owner	6,750	73%	29,480	69%	23%
Purchaser	1,710	18%	8,350	20%	20%
Renter	820	9%	4,870	11%	17%
Dwelling Structure - Overall					
Separate House	8,294	71%	43,071	73%	19%
Semi-detached and units	928	8%	8,709	15%	11%
Apartments	2,489	21%	7,423	13%	34%
Over 55 Dwelling Structure					
Separate House	6,426	97%	35,660	96%	18%
Semi-detached and units	208	3%	1,382	4%	15%
Apartments	2	0%	99	0%	2%
Penetration Rate for 55+					
Retired & Aged Care	113	1.1%	1,917	3.7%	6%
Independent Living Units (ILUs)	33	0.3%	1,059	2.1%	3%
Total	146	1.4%	2,976	5.8%	5%
Retirement Dwellings					
Retired & Aged Care	134	81%	991	53%	14%
Independent Living Units (ILUs)	32	19%	875	47%	4%
ILU % of Total Dwelling Structure	0.3%	n.a.	1.5%	n.a.	n.a.
Median Pricing					
House Price	\$1,399,000	n.a.	\$1,230,000	n.a.	114%
Unit Price	\$851,000	n.a.	\$685,000	n.a.	124%
Over 55+ Capacity to Afford	\$1,307,400	n.a.	\$1,147,300	n.a.	114%

Source: ABS, Forecast ID LGA Profile, Cordell, Urbis

- Despite changing attitudes, the options for this age cohort to access choice on the housing spectrum as they age remains limited. This is made abundantly clear by the low supply of independent living units and other retirement and aged care facilities in Mount Waverley (reportedly housing only 1.4% of residents aged over 55 in the 2016 Census). This level of provision is far lower than the City of Monash overall (5.8%) and suggests that Mount Waverley could see additional up-take of retirement targeted living if it were to come forward.
- An emerging option on the dwelling spectrum is apartments. Until recently apartment development has been primarily delivered targeting younger home buyers and investors catering to the rental market. This, along with policy, has driven development in high activity zones close to jobs, transport and entertainment that appeal to young purchasers or tenants. As recently as 2016 less than 1% of the 55+ market lives in an apartment in the City of Monash. This lags the level for Greater Melbourne where 4% of residents aged 55+ live in apartments.

- In the last two years the dynamics of the apartment market have been shifting. Owner occupiers are increasingly represented, with demand widely reported from empty nest or downsizing households. Considering this trend, high levels of home ownership and high house prices we see significant opportunity to tap into the 55+ market seeking equity release, security and convenience as well as low cost living close to transport and services.
- In social terms, this product can also serve as a better bridge between the large family home and retirement village accommodation which assists residents in planning for and funding their retirement as well as extending their independence. Setting up options to enable aging in place can offer numerous benefits, namely:
 - Many residents would prefer to stay in the comfort and familiarity of their own home and live an independent lifestyle for as long as possible;
 - Choice over the level of care, who provides it and when it is provided should not be overlooked, as it forms part of maintaining an independent schedule as well as choice;
 - Staying in your own home can sustain and extend a social network, by remaining close to friends, family and connections and retaining the ability to host social functions.
- Given the benefits of aging in place as well as the relative under provision of ILUs in Mount Waverley this offer on the housing spectrum becomes increasingly important.

Our view is that in the coming decade there will be continued change in the way people shift through dwelling typologies and a convergence of built form between residential apartments, independent living apartments and assisted living which enables the flexibility of ageing in place, maintaining independence as well as opening up more options for funding and enjoying retirement. This view stems from the following key drivers:

- Population forecasts indicate significant growth in the number of people approaching retirement age within the catchment area. This same trend is predicted across Australia as the Baby-Boomer generation reaches retirement age.
- However, these retirees are likely to be more demanding than those who have gone before them. Retirement developers and operators need to be innovative to meet these demands and therefore achieve market penetration.
- Housing affordability, a tighter price gap between apartments and ILAs, longer life-spans, and some retirees with limited superannuation are all issues that face this aging generation. Therefore, the Deferred Management Fee (DMF) model, which has been the mainstay of financial models in retirement industry, may now need to change and/or other alternatives come to market.
- Opportunities should present in the form of both purchase and rental accommodation for retirees and other alternative forms of financial model.
- A rental model (essentially Build-to-Rent) is the main model for retirement operators globally, but has had little traction in Australia. This model appeals to a market where retirees have not built as much equity in their home and therefore need something more affordable than an outright purchase. For the City of Monash, this type of model may not be as widely required given the high levels of home ownership and high house prices offering equity to a large portion of the market.
- Strata ownership and land-leasing are other models that could have application but may not meet the current development requirements for Mount Waverley as well as ongoing control in the case of strata.

Whilst there are many options demonstrating potential to grow, for the future residents aged 55 and above in Mount Waverley, their options are currently limited by the existing housing stock and low volume of supply or choice when it comes to dedicated retirement accommodation.

4. HOUSING SUPPLY & CHOICE ASSESSMENT

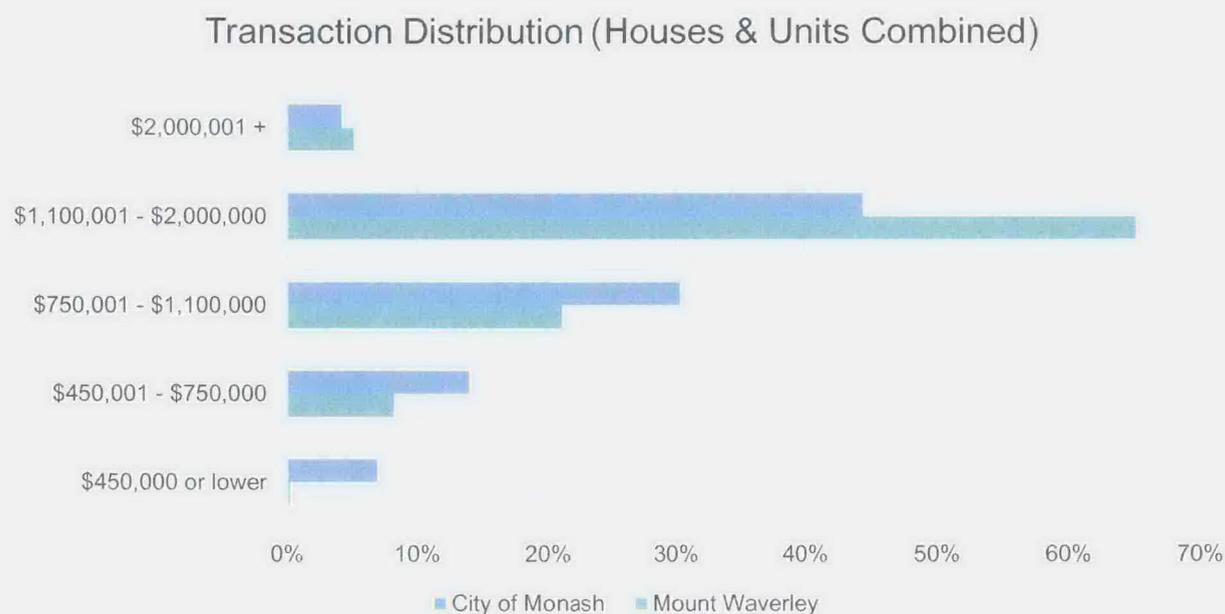
The section above notes the prevalence of separate houses and high house prices in the study area. The chart below illustrates very clearly the limited offer of affordable options in the housing market in Mount Waverley, where around 70% of transactions are above \$1.1 million.

Residents seeking housing at the more affordable end of the scale would be forced to move elsewhere in the City of Monash or further afield, where there more, albeit limited, options. The risk is that local need in Mount Waverley will be diverted outside of the suburb and community residents have identified with.

Housing Offer

Price Distribution of Houses and Units in Mount Waverley

Chart 4.1



Price isn't the only factor driving housing decisions, but it is the reality check that intersects location choice, product supply and demand and naturally affordability. We have seen that the demand conditions support a requirement to cater to the needs of the growing cohort of residents aged 55 and above and that the more targeted options available in Mount Waverley remain limited by existing provision of retirement living and aged care accommodation and apartments primarily occupied by younger residents.

Looking ahead, the pattern of supply does not look to be radically changing. To understand current and future supply of retirement style living options for those over the age of 55 years, we have reviewed the following:

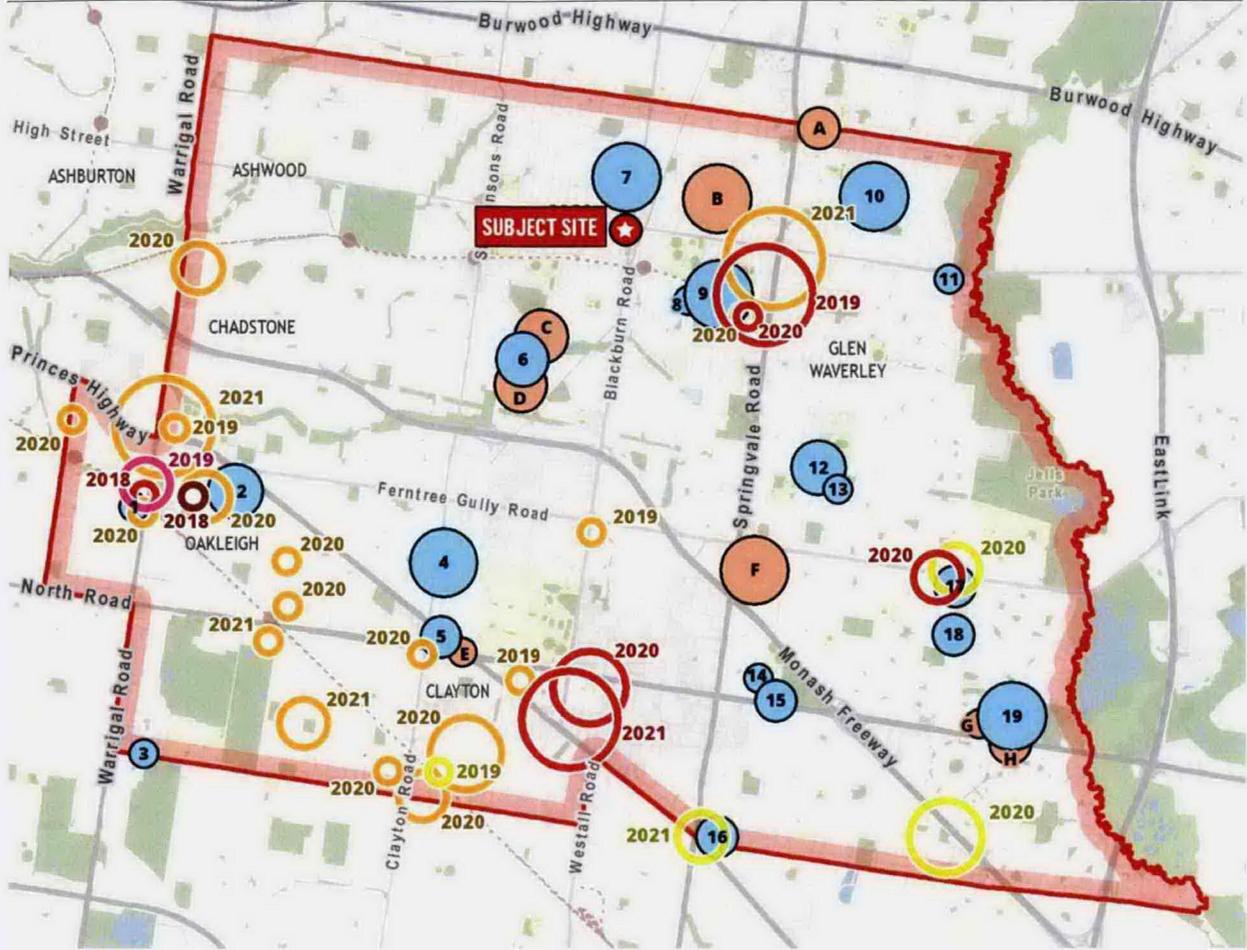
- **Current offering of retirement villages.** This has been identified by the operator, type and size of offering – aged care (RACs) or independent living units (ILUs).
- **Future supply of retirement villages.** This has been identified from recent development applications, approvals and construction contracts. As for the current offering, this has been broken down to understand the scale and type of offering per development project.
- **Future supply of off-the-plan apartments.** These have been identified from Urbis' Apartment Essentials publication, covering development applications, approvals, presales and projects under construction. To an extent, this apartment supply would provide accommodation for those aged over 55, although this group has not historically been the primary target market for apartment developers.

The following map highlights the current and future supply pipeline of retirement living and aged care within the catchment area as well as major apartment project activity.

Retirement Living & Residential Projects

Current and Future Supply – Catchment Area

Map 4.1



COMPETITIVE SUPPLY

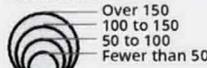
Map	Name	RACs	ILAs
1	Oaklea Hall (MACG)	46	
2	Grant Street Retirement Village (Churches of Christ Care)	134	6
3	Cameron Gardens	49	
4	Corpus Christi Village (VMCH)	121	46
5	The Alexander (Premier Aged Care)	90	
6	Scotchmans Creek (Blue Cross)	134	
7	Strathdon Community (Uniting AgeWell)	167	32
8	Grace Gardens	24	
9	Campbell Place (Australian Unity)	102	54
10	Highvale Village (Lend Lease)		178
11	Menarock Life	49	
12	Aveo Oak Tree Hill (Aveo)		146
13	Freedom Aged Care (Aveo)	4	46
14	Monash Gardens Village (Royal Freemasons)		39
15	Monash Gardens (Royal Freemasons)	97	
16	Hannah Village (VMCH)	74	
17	The Willows (Lifeview)	60	
18	Weary Dunlop Retirement Village (Ryman)	80	
19	Whalley Drive Aged Care (Cumberland View)	255	

FUTURE SUPPLY

Map	Name	RACs	ILAs	Completion Date (est.)	Stage
A	Japara Pty Ltd	60		2018	Construction
B	Waverley Valley Aged Care	156		2018	Construction
C	Japara Healthcare	126		2019	Development Approval
D	Bluecross	115		2019	Development Approval
E	Platani Pty Ltd	41		2018	Construction
F	Ryman Healthcare	199	340	2020	Development Approval
G	Cumberland View	5		2018	Construction
H	Cumberland View		77	2020	Development Approval

RETIREMENT LIVING

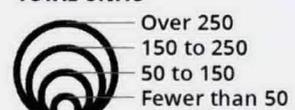
TOTAL BEDS



- Blue circle: Competitive Supply
- Orange circle: Future Supply

RESIDENTIAL DEVELOPMENTS

TOTAL UNITS



STATUS

- Red circle: Built
- Orange circle: Development Approval
- Red circle with border: Under Construction
- Yellow circle: Development Application
- Pink circle: Presales

The following table summarises this supply of product within the catchment area. The table demonstrates that:

- The supply of retirement (ILU and ILA) and aged care accommodation in Mount Waverley remains limited.
- The future supply across apartments, retirement units and aged care units is concentrated outside of Mount Waverley, around Glen Waverley, Clayton and Oakleigh.
- Excluding the subject site, the current potential apartment pipeline in Mount Waverley is limited to a total of 89 apartments to 2021 and a total of 3,958 in the City of Monash.
- It is important to note that two thirds of this apartment pipeline are not yet actively selling, which means it will likely take longer to be delivered.

Supply of Retirement Product for over 55's and Apartments

Catchment Area

Table 4.2

	Mount Waverley	Ashwood	Chadstone	Clayton	Glen Waverley	Hughesdale	Mulgrave	
Current Retirement								
RAC	134			211	155	46	171	
ILA	32			46	448		39	
Total	166			257	603	46	210	
Future Retirement (2018 - 2021)								
RAC	241			41	216			
ILA								
Total	241			41	216			
Future Apartments (2018 - 2021)								
Development Application	57	10		26			221	
Development Approval	10		114	443	622	103		
Presales						72		
Under Construction	22			815	308	46		
Built								
Total	89	10	114	1,284	930	221	221	
					Oakleigh East	Oakleigh South	Wheelers Hill	City of Monash
Current Retirement								
RAC								991
ILA								875
Total								1,866
Future Retirement (2018 - 2021)								
RAC							5	503
ILA							77	77
Total							82	580
Future Apartments (2018 - 2021)								
Development Application					12		133	459
Development Approval	32	64	548	34	122			2,092
Presales								72
Under Construction							106	1,297
Built			38					38
Total	32	64	586	46	122	239	239	3,958

Source: Cordell, Local Councils, Developers, Urbis

Note: Figures captured are projects with 10 or more units

A more detailed list of apartment developments is included below. Whilst completion dates are estimated based on developer intentions, it is important to note that there is no guarantee of delivering these projects within the intended timeframe. For example, larger projects that are not yet selling would be expected to take longer to acquire funding and reach the appropriate presales thresholds to progress to construction. This raises questions about the ability to deliver the planned pipeline within the short term.

Future Residential Apartment Pipeline

Apartment Developments – Catchment Area

Table 4.3

Project Name	Address	Suburb	Stage	Est. Completion	No. of Dwellings
179 Carinish Rd	179 Carinish Road	Clayton	Development Application	2019	26
149 Hansworth St	149 Hansworth Street	Mulgrave	Development Application	2020	167
2315-2319 Dandenong Rd	2315-2319 Dandenong Road	Mulgrave	Development Application	2021	54
855-869 Ferntree Gully Rd	855-869 Fern Tree Gully Road	Wheelers Hill	Development Application	2020	133
Collins & Bates	72 Batesford Road	Chadstone	Development Approval	2020	99
14-18 Irwin St	14-18 Irwin Street	Clayton	Development Approval	2019	39
1413-1417 Centre Rd	1413-1417 Centre Road	Clayton	Development Approval	2020	57
193-195 Clayton Rd	193-195 Clayton Road	Clayton	Development Approval	2020	30
22 Burton Avenue	22 Burton Avenue	Clayton	Development Approval	2020	21
29 Browns Rd	29 Browns Road	Clayton	Development Approval	2020	221
50 Montclair Ave	50 Montclair Ave	Glen Waverley	Development Approval	2020	38
Sky Garden	227 Springvale Road	Glen Waverley	Development Approval	2021	555
568 Neerim Rd	568 Neerim Road	Hughesdale	Development Approval	2020	25
93 Warrigal Rd	93 Warrigal Road	Hughesdale	Development Approval	2020	22
1 Stafford St	1 Stafford Street	Huntingdale	Development Approval	2020	32
636-638 Blackburn Rd	636-638 Blackburn Road	Notting Hill	Development Approval	2019	34
16-18 Dalgety St	16-18 Dalgety Street	Oakleigh	Development Approval	2019	34
229 Huntingdale Rd	229 Huntingdale Road	Oakleigh	Development Approval	2020	26
Alke	89 Atherton Road	Oakleigh	Development Approval	2020	95
Oros	807-811 Warrigal Road	Oakleigh	Development Approval	2021	348
10 Alvina St	10 Alvina Street	Oakleigh South	Development Approval	2021	88
2-4 Grange St	2-4 Grange Street	Oakleigh South	Development Approval	2021	34
Hue Apartments	37 Warrigal Road	Hughesdale	Presales	2019	72
1-13 Renver Rd	1-13 Renver Road	Clayton	Under Construction	2020	155
M-City	2107 Dandenong Road	Clayton	Under Construction	2021	640
Galleria Glen Waverley	52 O'Sullivan Road	Glen Waverley	Under Construction	2019	267
The Kingsley	54 Montclair Avenue	Glen Waverley	Under Construction	2020	41
Paramount	59-63 Warrigal Road	Hughesdale	Under Construction	2018	46
Bellenden	820-830 Ferntree Gully Road	Wheelers Hill	Under Construction	2020	106

Source: Urbis

By quantifying both the supply and the demand identified for housing aimed at residents aged 55 and over, an analysis of future housing can be assessed.

- In assessing the future supply for both retirement and a generous 33% allowance for residential apartments (given that only a small proportion of local residents aged 55 and over live in strata housing) a forecast supply for housing can be estimated. This equates to an estimated 270 dwellings in Mount Waverley and 1,886 dwellings in the City of Monash.
- In conjunction, dwelling demand projections for residents 55 and over have been prepared with the assumption of an average household size of 1.2. This identifies an additional 517 dwellings in Mount Waverley and 2,817 dwellings in the City of Monash as the demand for housing.
- Under this scenario there is likely to be a shortage of future housing options for the growth in residents over 55 in both Mount Waverley and the City of Monash. Based upon the assumptions and figures, it is anticipated that approximately 250 additional dwellings are needed in Mount Waverley while almost 1,000 additional dwellings are needed to support future residents aged 55 and above in the City of Monash.
- It is worth noting that a shortage persists even when modelling larger household sizes at 1.5+ persons per household and that there are no guarantees that the current pipeline of apartments will progress as quickly as intended. All of this suggests that the demand side will continue to build for residents aged 55+ and that the supply of homes, especially more affordable homes, will lag behind.

Housing Over Supply / Deficit Assessment

Mount Waverley & City of Monash

Table 4.4

	Mount Waverley	City of Monash
Future Apartment Supply	89	3,958
Future Apartment Supply for 55+ (Assume 33% of future dwellings)	29	1,306
Future Retirement & Aged Care Supply	241	580
Total Housing Supply for 55+	270	1,886
2016-21 Population Growth for 55+	621	3,381
2016-21 Population Growth for 55+ (Assume Household Size of 1.2 for 55+)	517	2,818
Housing Shortage	-247	-931

This analysis leads us to believe there is good capacity for a well delivered development that targets apartments at the 55+ market in Mount Waverley. From a market appeal perspective, the location scores well for convenience and offers the prospect of maintaining local connections on public transport as well as pedestrian access to key services.

The market demand conditions are favourable with the depth of high equity high house price home owners ageing in the suburb, while the supply response has not yet materialised to tap into changing attitudes and expectations of this segment of the market.

In conclusion, the location characteristics, supply and demand balance and characteristics of demand indicate this is an opportunity in today's market, that looks set to amplify over time.

5. KEY FINDINGS

This section summarises key findings from our research into the market for housing targeted at residents aged 55+ in Mount Waverley and the City of Monash more broadly.

Strategic Local Contribution

The proposed development of apartments catering to the 55+ market aligns strongly with a number of strategic policy objectives in the City of Monash.

For example, *The Monash Housing Strategy 2014* notes that the City of Monash should **“focus on improving the diversity, affordability and accessibility of housing stock to meet the needs of the key student and older populations. This will require advocating for the provision of smaller scale housing that is affordable, well located and easily accessible”**

Similarly, *Age Friendly Monash A Positive Ageing Plan 2015-2019* observes that **“As Seniors, we aspire to have secure, affordable housing options close to family, friends, social groups, shops and health services”**

Within this plan, *Actions 3.3 Housing Options* sets the specific objectives to:

- *“Identify and progress applications for the development of affordable and accessible housing opportunities in Monash” and to:*
- *“Support the efforts of organisations seeking to increase housing options for seniors in Monash”*

The proposed development aligns with these objectives in the following ways:

- Provision of apartments in a secure complex of comparable demographic offers residents a relatively more affordable, manageable, social and secure place of residence. Furthermore, at this location, the retail shops on Blackburn Road are within a short walk offering convenience retail, food and beverage options, not to mention services such as a post office, hair salons and a number of local medical practitioners nearby.
- Proximity to Syndal train station and the local bus network, including route 734 which connects Glen Iris and Glen Waverley via High Street Road, ensures residents have access to a variety of lower cost public transport options. These enablers of lower cost living and accessibility will be important in maintaining both independence as well as engagement as residents age in place in this location.

Depth of Demand & Characteristics

The 55+ cohort is already a major market of 10,000 people in Mount Waverley and 51,200 in the City of Monash. These numbers will grow at a faster rate than the overall population in the next decade to 11,500 and 60,000 respectively in 2026.

The combination of high levels of home ownership in detached housing with high house prices presents significant opportunities to release equity and take up alternative accommodation options and age in place. However, the income distribution of 55+ year old residents and the expectation that income will diminish through staggered retirement indicates there is a requirement to provide a wider range of housing options and pricing that meet the needs of this market.

Housing Supply & Choice

The current range of options are limited by a low volume of independent living units and aged care beds in Mount Waverley, where provision lags far behind the LGA average. Whilst there are proposals to provide more aged care beds, this caters primarily to the older age cohorts 80+. Therefore, more options will be required for age cohorts that are either gearing up for retirement and seeking more affordable residential apartments, or are seeking independent living units/apartments or indeed assisted living within a more dedicated complex.

To date, the exposure to apartment living has been limited for the 55+ cohort, with 97% of this group in Mount Waverley living in a detached house, compared to 96% in the City of Monash. New development does offer opportunities to redress this balance somewhat, especially given the higher rate of take up that is occurring in Greater Melbourne. The pipeline of new apartments is largely concentrated outside Mount Waverley in Clayton, Glen Waverley and Oakleigh, which does little to tackle the current distribution of price points transacting in the Mount Waverley market (where 70% of all transactions are above \$1.1 million).

For the pipeline in City of Monash, it is clear that only a minority of projects in the pipeline have progressed to construction thus far and even fewer have officially launched in presales. This raises serious questions about the ability to deliver within the period developers had originally planned. It is likely that a share of this pipeline will be delivered over a longer timeframe. This means that we cannot necessarily rely on the apartment pipeline to boost the quantum or choice of dwellings to the 55+ market in the short term.

Taking an optimistic view of the volume that comes forward in the next three years and how much is taken up by residents aged 55+ still delivers a housing shortage when compared to demand growth projections.

Key Conclusion

This analysis leads us to believe there is good capacity for a well delivered development that targets apartments at the 55+ market in Mount Waverley. From a market appeal perspective, the location scores well for convenience and offers the prospect of maintaining local connections on public transport as well as pedestrian access to key services.

The market demand conditions are favourable with the depth of high equity high house price home owners ageing in the suburb, while the supply response has not yet sufficiently materialised to tap into changing attitudes and expectations of this segment of the market.

In conclusion, the location characteristics, supply and demand balance and characteristics of demand indicate this is an opportunity in today's market, that looks set to amplify over time, with a chance to expand and refocus the housing stock to meet the future needs of this group.

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