

# Retirement Living Report

October 2025

**Final Version - Adopted by Future Proof  
Implementation Committee – 12 December 2025**



**Future Proof**  
*Te Tau Titoki*

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# 1 Introduction

## 1.1 Background

The Future Proof sub-region is experiencing significant pressures from out-of-sequence development proposals on the outskirts of our urban areas or in un-serviced rural environment for retirement village developments. The public infrastructure costs and rural environment impact of these developments and their implications for the growth of the Future Proof subregion are not well understood.

This project intends to develop a better understanding of the retirement sector demand to help inform future policy decisions on retirement living proposals and whether a bespoke approach is required in the strategy.

The framework will be informed by data relating to sub-regional demand, and policy constraints and will provide developers with the clarity and certainty required for coherent and balanced development, supporting both current needs and future growth in a sustainable manner

### Retirement Sector Study Objectives

1. To understand retirement living preferences (e.g. age in place vs downsized vs retirement village) and needs of the aging population.
2. To assess the current and predicted demand for retirement villages in terms of locality, type, and price point within the Future Proof sub-region over the next 30 years
3. To evaluate the existing supply and market coverage.
4. To determine the suitable locations for retirement living, considering urban vs rural settings.
5. To identify specialised requirements for retirement living within the Future Proof Strategy.
6. To identify any implications for public infrastructure or services such as Public Transport that might assist in guiding future investment in infrastructure or that might limit locations for retirement villages.

The project was led by the Regional Council together with an internal Future Proof project group made up of staff from partner organisations with support from specialist consultants as required.

A multi-phase workstream approach was adopted which included initial policy review, and a literature review then bolstered by qualitative stakeholder and industry surveys, post analysis, case studies and market analysis looking at existing supply and demand within the sub region.

This approach enabled a more holistic overview of the retirement villager sector bolstered by existing trends both in previous consenting regimes and the newly emerging Fast Track proposals submitted in the sub region.

Phases of the study are set out below:

- Phase 1: Review of existing policy settings and literature review
- Phase 2: Stakeholder survey and Initial Industry Meetings
- Phase 3: Population Analytics and Market Analysis

- Phase 4: Case Studies and Regulatory Assessment
- Phase 5: Draft Report and Review
- Phase 6: Final Report and Policy Recommendations

## 1.2 Issue

As we know, the country's population is aging rapidly, according to a recent report Age-Proofing Aotearoa<sup>1</sup>, today around 17 percent of the population is over 65; by 2078, up to one third of the population may be 65 or older.

The same report advises New Zealand already faces a shortage of nearly half a million homes by 2043, and older people will be less likely to own homes in the future. Home ownership among over-65s has fallen from 82 per cent in 2001 and is projected to fall to around 50 per cent by 2040 (Saville-Smith et al., n.d.).

Consequently, there will be a need to plan for and for additional retirement living in the sub-region. However, we do not have sufficient understanding of the current supply and the potential demand for retirement living, and how retirement villages fit into the overall growth picture. This is particularly pertinent where retirement villages are in some instances proposed on highly productive land or in more peripheral locations as the pathway for rezoning land for urban uses is tied to demonstrating demand.

The range of proposals is significant for historic consented sites and current Fast Track legislation with large village developments proposed outside the settlement pattern in Gordonton, Te Awamutu, West Hamilton (Brymer Farms), Matamata and previous consented villages in Tamahere and Cambridge.

To give a sense of scale, the recent preliminary retirement village proposal for the outskirts of Matamata included the development of 500 retirement units and 500 dwellings. More recently a preliminary proposal at Te Awamutu is for over 400 units including a separate aged care facility for 100 units.

This is indicative of the broader trend, where developers are eyeing opportunities to cater to the retirement segment of the housing market, particularly within rural areas which are seen as desirable primarily by virtue of the area of land needed.

Some of the recent proposals are providing a continuum of aged care and lifestyle attraction which are more akin to staged comprehensive residential developments, with multiple facilities and 'in place' amenities.

## 1.3 Discussion

This report will begin with a brief introduction of the background of the provision of retirement housing in the region taken from observation and trends in the Formative market analysis study which is attached in full in Appendix 1. Please see this attachment for more detailed discussion on trends observed and specific ownership models.

This report does not duplicate the Formative Report but rather highlights the key findings as relevant to the wider discussion. The subheadings of this report follow by topic the remaining key workstreams of the study, starting with the supply and demand analysis key findings within the Formative Report, the regulatory and policy framework, service and infrastructure needs, urban

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<sup>1</sup> WSP & HCF-Age Proofing Aotearoa, October 2025

/rural boundary considerations, case studies followed by the completed retirement preference survey and structured interview finding with key operators.

The conclusion section will include final comments on the study findings and provide recommendations for the Future Proof strategy going forward in supporting planning decisions relating to retirement village provision within the sub-region.

## 1.4 Formative Report

### Current Under provision according to Retirement Village Association

The Retirement Villages Association (**RVA**) is an industry body organisation that was formed in 1989 and represents 407 members, approximately 96% of registered retirement villages.

According to the RVA, *“the under provision of retirement living aged care in New Zealand is at a crisis point, with the growing ageing population facing a significant shortage in appropriate accommodation and care options. The problem is immediate, and demographic changes mean that demand for retirement accommodation and aged care will continue to grow”*.

It is estimated by the RVA that there were 41,100 units housing 54,440 residents in 470 retirement villages nationwide in the December 2023 year end.

By 2033 it is anticipated that there will be a shortfall of 8,330 units, increasing to a shortfall of 23,240 units by 2048. Therefore, RVA estimate that at least 10 new large-scale villages will be required across New Zealand each year to keep pace with demand over the next 20 years.

### Retirement living options

The Formative report disaggregates the range of retirement living options available in the Future Proof sub-region currently. While most people aged 65 plus continue to live in their own homes during retirement, there are numerous other options available such as standalone retirement villages (which include independent living units of mixed typologies such as single storey villas, townhouses and higher rise apartments), and assisted serviced apartments.

Then there are more structured 24-hour care facilities within rest homes, hospitals etc. Still available but far less common now in NZ are pensioner housing and independent living within residential homes.

Since the 1990s, Aotearoa New Zealand’s aged residential care sector has been fully privatised, with no remaining government-run facilities.

The RVA estimated that approximately 65% of registered retirement villages had some level of aged residential care. There were 40,350 aged care beds across 672 New Zealand locations in December 2023, with 36% of those beds provided by the Big-6 operators (Metlifecare, Summerset, Ryman, Bupa, Oceania, Arvida), highlighting the role of non-Big-6 companies as providers of aged care facilities. The RVA estimates that approximately 19,300 aged care beds in New Zealand, or 50% of all aged care beds, are a part of retirement villages, with the balance being specialist stand-alone care facilities.

This is a key point as many applications for retirement village would argue they are providing a continuum of care service which is currently not met within the wider structural provisions of aged care facilities within New Zealand.

The recent WSP/HCF Age-Proofing Aotearoa report predicted growth in demand of between 40% and 84% by 2039/40 compared with 2022/23 (Moore et al., 2024). The report concluded that if historic building rates continue, there could be a shortage of almost 12,000 aged residential care beds by 2032.

## 2 Retirement village trends

A key challenge for retirement village developers, which has also come through from many of the structured operator interviews in this study is that large sites compatible with medium to high densities can be difficult to acquire in existing residential locations. The Formative report advises that the average size of retirement villages is indicatively 7-8ha though many of the existing retirement villages in the Future Proof as seen from the case studies are significantly larger than this.

Based on the recent Fast Track proposals this average is far higher ranging from 26-60ha. They are staged comprehensive developments set within capacious grounds with multiple on-site amenities. This emerging trend for comprehensive staged lifestyle villages has led to pressure from the sector to develop on the edges of existing urban areas, typically on rural zoned land which includes Highly Productive Land.

The projected demand by land area (in hectares) used in the Formative assessment will likely be impacted given assumptions of average land area requirements for retirement villages have historically been much lower than what is now observed through Fast Track applications.

What follows below is a summary of the Formative Report which investigates key trends, challenges and opportunities observed within the retirement village sectors throughout New Zealand not just the Waikato. Some of these observations will be compared later in the report with results of stakeholder interviews and resident surveys.

### 2.1 Key Trends

- ❖ The quantity of not-for-profit retirement and aged care units is reducing over time, as the costs of maintenance increase, as evidenced by the sale of all of Hamilton City's pensioner housing stock in 2015.
- ❖ There is growing demand for retirement villages (as opposed to other forms of retirement housing), and supply constraints are meaning that the sector is not building enough places to keep up with demand.
- ❖ Penetration rates<sup>2</sup> in eight of 13 regions have declined over the last three years, although the national average has remained steady at around 14% of retirement aged people living in retirement villages.
- ❖ Waikato is one of the regions that experienced a decline in market penetration over that period.
- ❖ Over the past 20 years, retirement living options have transitioned from lifestyle villages that did not provide care to villages that have a 'continuum of care', for example from independent villas through to hospital and dementia care, allowing residents to age in place once they enter a village.
- ❖ There is a lack of profitability in assisted living and aged care facilities, and while some continuum of care is recognised by the operators as being market-attractive, the lack of profitability appears to be limiting the capacity of these facilities.
- ❖ More operators are building serviced apartments, where residents can move as necessary into and out of care in the facility where their apartment is without having to permanently move from their home, for example by having specialist staff visit them in place.
- ❖ Some providers have started to focus on the provision of social housing as part of their development model although this is the minority.
- ❖ The RVA claims that no new residential care facilities have been built in the last five years, although some existing facilities have been extended.

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<sup>2</sup> % of people in this age group (over 65 yrs plus) projected to live in retirement homes

- ❖ It is unlikely that historic pensioner housing (housing owned by councils, community housing providers and sometimes central government) will continue to be expanded, and numbers of units may instead start to decline.
- ❖ In the year ended December 2023 there were 860 units built in new Big-6 villages, 950 units in existing Big-6 villages and 490 in non-Big-6 villages. Of the total 2,300 delivered, approximately 105 units were converted from retirement villages into aged care, yielding a net increase in units of just under 2,200.

### **2.1.1 Challenges**

- ❖ A weak residential property market is stalling sales and developments. If retirees are unable to sell the family home, they are often unable to fund relocation to a new home.
- ❖ There have been increasing debt levels for retirement villages arising from higher costs and slower (but still increasing) sales levels, primarily due to a softer residential property market, which delays potential buyers from selling their homes and moving into a village. Higher construction, operating, and financing costs, have also reduced margins and slowed sales.
- ❖ A consequence of these financial pressures is that the planned pipeline of national development of 23,000 units by 2033 is likely to stall and a lower number will be provided, meaning that there will be unmet demand.
- ❖ This implies that a deficit of supply is likely toward the affordable end of the spectrum, with financial pressures more readily managed in high price point products.
- ❖ Much of the older retirement housing stock was built to accommodate the pre-World War II generation, and that style of living is likely to be unacceptable to the baby boomer generation.
- ❖ Existing supply is decreasing as older style small and poor-quality aged care homes, which are usually conversions of old houses, close.
- ❖ Building new large villages are more cost effective and can target higher price points, whereas older villages are likely to be smaller and cater to lower price points.
- ❖ Identifying suitable brownfield redevelopment options that are not surrounded by incompatible land uses, for example activities that generate excessive noise or compromise safety and security for residents, is challenging.
- ❖ Obtaining sites that are large enough to support retirement villages may be challenging, and the viability of vertical villages will vary with zoning rules, height limits, and the degree of parcel ownership fragmentation.
- ❖ Retirement villages are attractive to a small market of “relatively high-wealth older homeowners” because homeowners require extra capital and income sufficient to pay ongoing fees.
- ❖ Increasing longevity, which is being driven by advances in medical technology and heightened survival rates from life-threatening diseases, means that there will be more people needing retirement living options.
- ❖ There is likely to be a shortage of aged care beds, because these are typically provided by non-Big-6 providers, and there are few incentives to invest in beds, whether it is through upgrades, building extensions or new builds.
- ❖ Staffing constraints in a tight labour market make it difficult to recruit and retain skilled personnel, especially for specialised care roles.
- ❖ The RVA indicates that it takes approximately 10 years to develop a new village, but that resource consenting can delay projects.

### **2.1.2 Opportunities**

- ❖ Retirement villages serve an important social function by preventing social isolation and improving quality of life through provision of a range of ancillary facilities.

- ❖ Retirement villages are increasingly operating and locating with broader ties to the wider community.
- ❖ Changes to technology, such as remote control of heating and lighting, artificial intelligence that helps detect falls and other health concerns, and access to telehealth consultations mean that incorporating these into retirement villages may make them attractive to a larger share of the population.
- ❖ These changes could also be incorporated into independent housing outside of retirement villages, although capital costs will be a barrier to change, which in some cases can involve expensive structural alterations. Positive design elements would be more easily incorporated into new builds, although again will come with an associated cost that developers may oppose.
- ❖ Growing ethnic diversity amongst resident populations may provide opportunities to tailor villages to specific cultural requirements.
- ❖ However, if such tailoring does not occur, ethnic populations may be less likely to choose to live in retirement villages, meaning that if demand projections do not take this into account, they may overestimate total demand for retirement village space.
- ❖ Women are more likely to move into villages than men and make up an average of two-thirds (or more) of residents in a typical retirement village.
- ❖ In 2022 many RVA member villages had wait lists of more than two years, and the number of villages with wait lists was increasing, indicating opportunities for additional supply was strong.
- ❖ By 2025 that has changed, with increased construction costs and a softer residential property market creating a bottleneck, slowing retirement village sales even as demand remains strong. So, while there has been a recent slowdown in turnover, demand remains strong.

## 2.2 Literature Review

In addition to the trends identified above, as part of this study Regional Council staff undertook a literature review. The full review is attached in Appendix 8.2 with full citation references.

The review looked at the role of retirement villages in the broader ecosystem of housing, health, property markets and regulations to inform councils who are considering, the role of retirement village housing provision in their growth strategies.

Importantly the review considers the role of retirement villages in housing our ageing population in relation to the broader housing market and National policy directions.

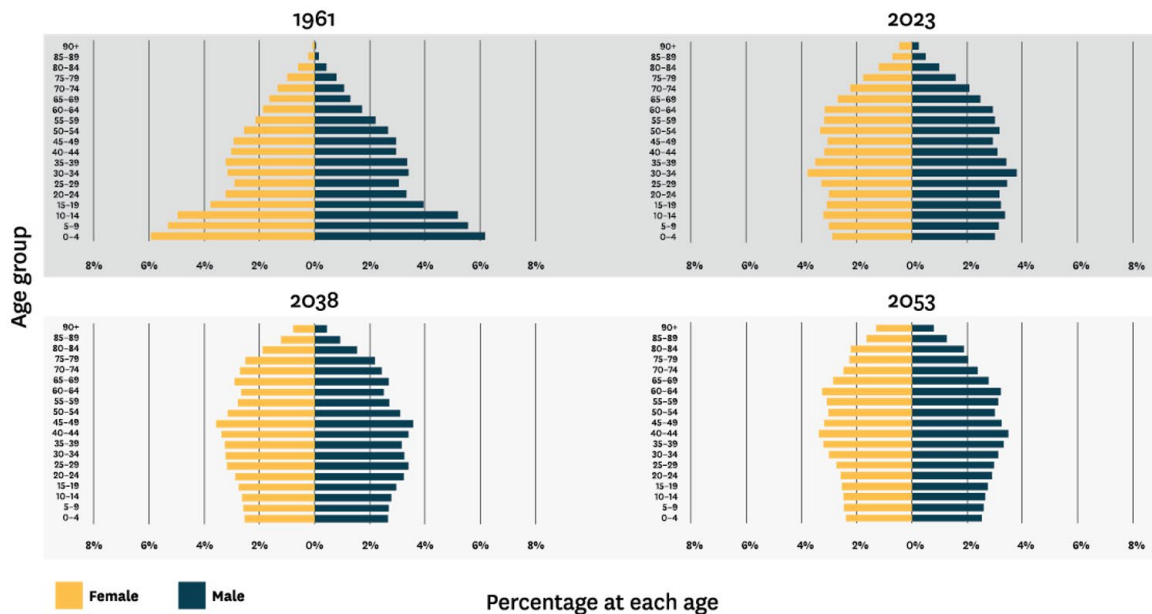
Some of the key themes are outlined below.

### 2.2.1 Structural ageing

Structural ageing refers to the change in proportions by age. The region's ageing population is growing numerically and as a proportion of the total population.

Regions of New Zealand will experience the effects of population ageing in different ways depending on their respective age-structures currently and internal age migration patterns in the future.

The review suggests structural ageing is accelerating and that even excessively high levels of net international migration gain cannot be expected to appreciably reduce future structural ageing. This trend has urgent implications for future growth planning, location of appropriately sized and accessible housing for a growing elderly population and provision of services, health, amenities and rate-based local government infrastructure funding.



**FIGURE 2.1**  
Change in structure of Aotearoa New Zealand's population age cohorts over time (Sources: Stats NZ, 1961 and Stats NZ, 2022)

## 2.2.2 Depopulation

Anticipated demographic trends pertinent to the study question include 'age selective' migration which refers to the way that different age cohorts are migrating internally and how these internal migrations are interacting with the structural ageing of some regions and sub regions.

Age selective migration is already intensifying structural population ageing in some areas in the Waikato and the population projections for Thames Coromandel District are a particularly extreme.

The dynamics of age selective migration, increasing peri-urbanisation and the commuter transport impacts coinciding with dormitory zones, are important considerations for local governments as they increase infrastructure, service and environmental costs.

This study and the Formative demand assessment for retirement villages does not address the regional migration patterns of those seeking retirement inter-regionally. The responses from the residents' survey albeit a small sample do however seem to indicate that ageing in place or staying in the local area is a preference.

## 2.2.3 Ageing in place

Ageing in place policies are implemented through the provision of home support services that provide help around the home and aid with medical conditions and day-to-day tasks provide older residents with practical support to retain their independence while living in their own homes

Ageing in place is socially beneficial as seniors living in their own homes, with support, have better health and social wellbeing outcomes and this in turn reduces pressures on the health system and families, reducing the total social cost of structural ageing for older citizens and up and coming generations.

Lack of appropriate housing opportunities in existing communities due to quantity and/or affordability of housing type and tenure can lead to age migration to more rural settlements.

## 2.2.4 Renting

The review shows there is a counter shift from homeownership to renting. Demand for rentals in the over 65 age group is rising. Increasing numbers of renters are older, growth in renting in later life has increased in all 67 territorial authorities across Aotearoa and the highest proportions of older renters are living in rural areas. Higher proportions of older renters are Māori and Pacific compared to New Zealand Europeans and Asians.

The provision of rental housing would meet demand for increasingly larger cohorts of older residents approaching retirement who either cannot afford, or do not wish to, enter retirement villages.

Despite the rise in renting among older residents few rental properties are specifically designed for older people. From 1986 to 2013, New Zealand experienced a 44 percent increase in renting among those aged 65 and over. This trend has continued and indicates a need for rental stock suitable for older people in the region.

## 2.2.5 Housing tenure and typology mix

An increasing number of older renters need appropriate rental accommodation with more secure tenure than is currently available in New Zealand due to New Zealand's under-regulated private rental sector.

Despite the visibility of retirement villages, the greatest unmet need for housing the region's older residents is for the provision of small accessible two-bedroom homes and rentals in existing communities.

Older people report that finding smaller dwellings was a barrier to downsizing, prompting some older people to purchase into retirement villages. The demand for retirement village units could be attributed to the relative unavailability of other, more preferred, retirement living options, such as small, low-maintenance homes.

## 2.2.6 Retirement villages

Retirement villages are attractive to a small section of *relatively* high-wealth older homeowners. Retirement village living is primarily aimed at homeowners without mortgages because the conditions of entry require extra capital or income sufficient to pay ongoing fees.

According to Te Ara Ahunga Ora Retirement Commission: Annual Report 2024, approximately five percent of people aged over 65 and 14 percent of people aged over 75 live in a retirement village in New Zealand. Average length of stay in retirement village is 5 years and average age of entry is 73 years.

In the Waikato, the number of villages has increased from 27 to 37 in the eight years to 2024. Half of these have between 230-400 units each. In the Waikato, the number of units has increased from 1,628 to 4,303 in the eight years to 2024 (a 164% increase). Most of this growth (nearly 2,000 units) are in Corporate Villages (Retirement Villages Association 2016 and 2024 annual reports).

While many entering retirement villages report their preference for a retirement village was influenced by inclusion of residential care facilities as part of the package, this model is increasingly under pressure, and village providers are beginning to move away from this model due to cost pressures.

The licence-to-occupy model that dominates in the retirement village industry in New Zealand is not affordable for the majority of current retirees and this lack of affordability will intensify for younger cohorts reaching retirement age in the next few decades because younger cohorts are more likely to enter retirement age renting or be homeowners with a mortgage.

The need to house an increasing number of older residents with different financial circumstances and cultural backgrounds indicates the greatest need is for rental housing in existing communities.

Future planning should prioritise housing stock diversification the provision of sufficient smaller (and affordable) homes to rent or own that suit older residents in current communities.

If our cities and townships do not offer appropriate affordable housing options for older residents' then they will seek housing in outlier townships and peri-urban and rural developments which offer housing -but may lack services and place pressure on existing infrastructure. This scenario will invariably increase both the social and individual costs of services, infrastructure and transport dependency.

# 3 Supply and demand

The following discussion is a summary taken directly from the Formative assessment using key paragraphs of their demand and supply assessment. The full Formative study is available in Appendix 1 of this report. This report uses the same Table numbering as the main report for ease of referencing.

## 3.1 Approach

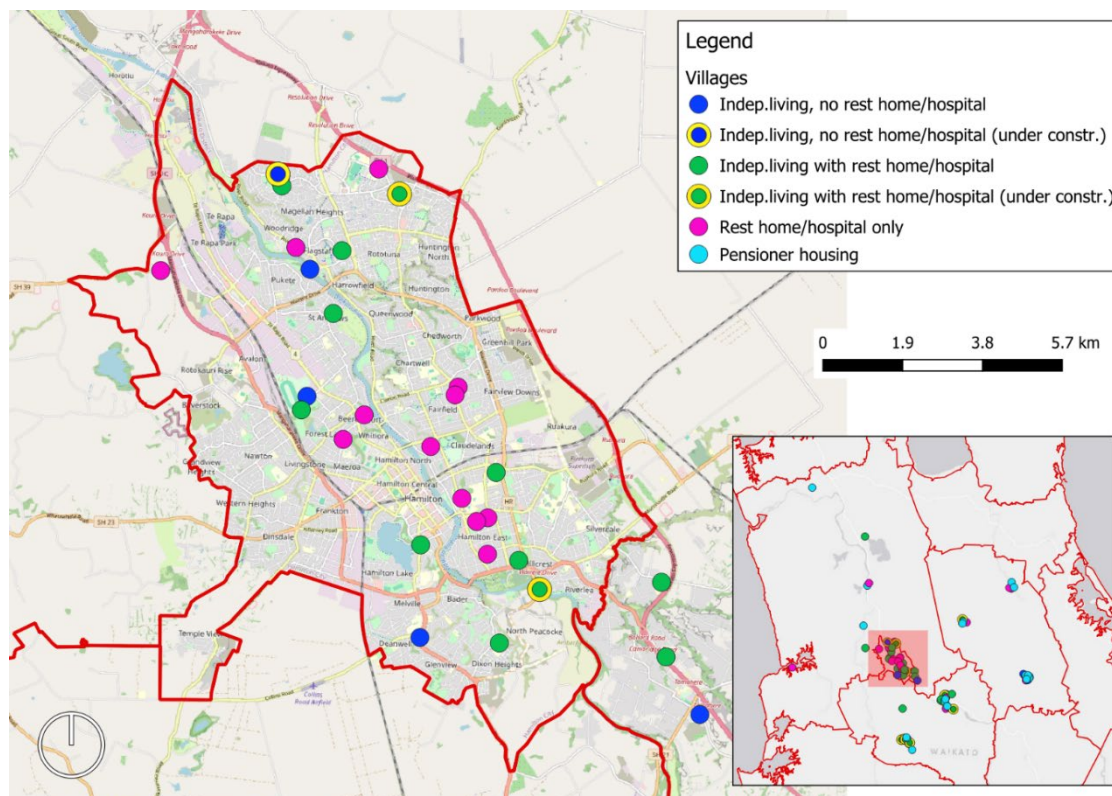
The assessment approach basically follows four steps:

- Step 1) assessment of supply
- Step 2) assessment of demand
- Step 3) sufficiency of supply based on unmet demand and
- Step 4) land requirements based on average densities and land requirements for retirement villages

### 3.1.1 Step 1 Assessment of Supply

Section 3 of the Formative report looks at retirement village supply within the Future Proof area with sections 3.1 to 3.4 providing a separate spatially mapped break down by territorial authority for Waipa, Waikato, Hamilton and Matamata Piako with identified sub categories for retirement living options in terms of independent living villages (with villar, townhouse or apartment typologies) those with rest homes and hospitals, home and hospital care options and where identified pensioner housing available to rent from Council.

The separate retirement living opportunities are mapped for each TA within Section 3 of the Formative report and shown spatially as per below.



### Example from Formative Report Figure 3.1: Hamilton City retirement living opportunities map

Also, indicative pricing, as well as land areas for each retirement facility are identified.

Supply is based on existing units, and those under construction but does not include those in the consenting pipeline or subject to Fast Track. Supply is shown as estimated units across apartment, villas and care beds and then by land area in hectares (ha).

There are currently 37 retirement villages in the Future Proof area. In total, there are an estimated 1,400 apartments, and 3,290 villas at those villages, with 78% of them offering rest home and hospital care beds (Table 3.7). There are an additional 1,330 care beds in other rest homes with hospital care. Pensioner housing provides a small number of units (224) in the Future Proof area.

**Table 3.7: Future Proof Area retirement village living summary**

| Retirement Living Option                               | Number | Land area (ha) | Average Land Area Size (ha) | Estimated total number units |        |           |
|--------------------------------------------------------|--------|----------------|-----------------------------|------------------------------|--------|-----------|
|                                                        |        |                |                             | Apartments                   | Villas | Care beds |
| <b>Independent Living</b>                              |        |                |                             |                              |        |           |
| Hamilton City                                          | 7      | 27.5           | 3.93                        | 111                          | 531    | -         |
| <b>Independent Living, Rest home and Hospital care</b> |        |                |                             |                              |        |           |
| Waikato District                                       | 5      | 65.3           | 13.06                       | 51                           | 554    | 332       |
| Matamata-Piako District                                | 4      | 44.9           | 11.22                       | 18                           | 172    | 159       |
| Waipa District                                         | 11     | 79.9           | 7.27                        | 356                          | 1,236  | 488       |
| Hamilton City                                          | 10     | 48.2           | 4.82                        | 864                          | 795    | 843       |
| Future Proof                                           | 30     | 238.3          | 7.94                        | 1,289                        | 2,757  | 1,822     |
| <b>Rest home and Hospital care</b>                     |        |                |                             |                              |        |           |
| Waikato District                                       | 3      | 4.7            | 1.55                        | -                            | -      | 153       |
| Matamata-Piako District                                | 5      | 6.2            | 2.06                        | -                            | -      | 255       |
| Waipa District                                         | 7      | 3.0            | 0.42                        | -                            | -      | 300       |
| Hamilton City                                          | 9      | 5.6            | 0.63                        | -                            | -      | 620       |
| Future Proof                                           | 24     | 19.4           | 0.81                        | -                            | -      | 1,328     |
| <b>Council pensioner rental housing locations</b>      |        |                |                             |                              |        |           |
| Waikato District                                       | 3      | 2.5            | 0.82                        | -                            | 34     | -         |
| Matamata-Piako District                                | 3      | 2.1            | 0.71                        | -                            | 108    | -         |
| Waipa District                                         | 3      | 3.0            | 1.00                        | -                            | 82     | -         |
| Future Proof                                           | 9      | 7.6            | 0.85                        | -                            | 224    | -         |

### 3.1.2 Step 2 - Retirement living Demand

Table 4.1 summarises the assessment of a range of likely scenarios for retirement village demand out to 2048, considering the ageing population, and assumptions about future market penetration rates.

There are estimated to be 60,530 people aged over 65 years in the Future Proof Area in 2025; with 14% of those in Matamata-Piako, 21% in Waipā, 23% in Waikato and 42% in Hamilton (Table 4.1). By 2048, it is projected that 65+ population will have increased to 101,210 people, representing growth of 67% or 40,570 people, according to the medium growth projections. Under the high projections, the retirement aged population is expected to reach 113,210 people by 2048.

Table 4.1: Future Proof Area retirement aged people (65+ years) (Source: Statistics NZ)

|                           | 2023   | 2025   | 2028   | 2033   | 2038   | 2043    | 2048    |
|---------------------------|--------|--------|--------|--------|--------|---------|---------|
| <b>Medium projections</b> |        |        |        |        |        |         |         |
| Waikato District          | 12,700 | 14,020 | 16,000 | 19,170 | 22,310 | 24,270  | 26,010  |
| Matamata-Piako            | 8,060  | 8,570  | 9,330  | 10,330 | 11,070 | 11,320  | 11,460  |
| Waipa District            | 11,730 | 12,610 | 13,940 | 15,840 | 17,650 | 18,710  | 19,440  |
| Hamilton City             | 23,570 | 25,330 | 27,980 | 32,100 | 36,710 | 40,330  | 44,300  |
| Future Proof              | 56,060 | 60,530 | 67,250 | 77,440 | 87,740 | 94,630  | 101,210 |
| <b>High projections</b>   |        |        |        |        |        |         |         |
| Waikato District          | 12,950 | 14,420 | 16,620 | 20,270 | 23,980 | 26,610  | 29,090  |
| Matamata-Piako            | 8,250  | 8,850  | 9,750  | 11,030 | 12,030 | 12,610  | 13,050  |
| Waipa District            | 12,000 | 13,010 | 14,530 | 16,780 | 19,020 | 20,530  | 21,770  |
| Hamilton City             | 24,100 | 26,110 | 29,130 | 33,970 | 39,480 | 44,140  | 49,300  |
| Future Proof              | 57,300 | 62,390 | 70,030 | 82,050 | 94,510 | 103,890 | 113,210 |
|                           | 2023   | 2025   | 2028   | 2033   | 2038   | 2043    | 2048    |
| <b>Medium projections</b> |        |        |        |        |        |         |         |
| Waikato District          | 12,700 | 14,020 | 16,000 | 19,170 | 22,310 | 24,270  | 26,010  |
| Matamata-Piako            | 8,060  | 8,570  | 9,330  | 10,330 | 11,070 | 11,320  | 11,460  |
| Waipa District            | 11,730 | 12,610 | 13,940 | 15,840 | 17,650 | 18,710  | 19,440  |
| Hamilton City             | 23,570 | 25,330 | 27,980 | 32,100 | 36,710 | 40,330  | 44,300  |
| Future Proof              | 56,060 | 60,530 | 67,250 | 77,440 | 87,740 | 94,630  | 101,210 |
| <b>High projections</b>   |        |        |        |        |        |         |         |
| Waikato District          | 12,950 | 14,420 | 16,620 | 20,270 | 23,980 | 26,610  | 29,090  |
| Matamata-Piako            | 8,250  | 8,850  | 9,750  | 11,030 | 12,030 | 12,610  | 13,050  |
| Waipa District            | 12,000 | 13,010 | 14,530 | 16,780 | 19,020 | 20,530  | 21,770  |
| Hamilton City             | 24,100 | 26,110 | 29,130 | 33,970 | 39,480 | 44,140  | 49,300  |
| Future Proof              | 57,300 | 62,390 | 70,030 | 82,050 | 94,510 | 103,890 | 113,210 |

For NZ, the average market penetration rate for the 75+ age group was estimated to be 15% (i.e. 15% of people in this age group live in retirement homes), and the average retirement unit accommodated 1.25 people.

Market penetration rates are one of a few assumptions when determining retirement living demand and a number of separate economic assessments for recent Fast Track applications have shown different estimates ranging from 15-22% penetration out to 2048.

The RVA assume that market penetration rates will grow as retirement village models match the style of housing that is desired by a more discerning retirement aged cohort. Whether that increasing penetration occurs remains to be seen, and the influence of aging cohorts in which home ownership rates are lower than historic levels will have countervailing influence on this.

The Formative assessment models two scenarios for market penetration in which to assess demand, those being status quo penetration and high share penetration.

Status Quo penetration rates with **High shares in bold**.

- 2% **(5%)** of 65–69-year-olds choose to live in retirement villages.
- The weighted average for 70+year olds matches the current 13.3% **(15.7%)** Waikato Region rate and grows over time to reach 17.2% **(20.3%)** by 2048, driven by the ageing population.

- Propensity to live in retirement villages increases with age, from 4% **(6%)** of 70-74 year olds increasing to 50.0% **(55%)** of 90+ year olds.

Then by applying the market penetration shares to Statistic New Zealand (SNZ's) age projections Formative have produced a set of retirement aged population projections and divided those population projections by an assumed occupancy rate (1.25 people per unit, as estimated by the RVA to estimate the required number of units (Formative Report Table 4.3) below.

The unit projections are provided for the Status Quo and Higher market penetration scenarios, and medium and high population growth scenarios, giving four scenarios of future unit demand.

In the Future Proof area, Formative set out the projections (Demand) of retirement village units as follows:

- Waikato District needs a total of between 840-1,090 units and care beds currently, growing by 2048 to between 2,780 and 3,310 under the medium projections, and 3,220-3,810 under the high projections.
- Matamata-Piako District currently needs between 690-850 units and care beds, growing by 2048 to between 1,430-1,660 under the medium projections, and 1,690-1,960 under the high projections.
- Waipā District currently needs between 790-980 units and care beds, growing by 2048 to between 2,090-2,470 under the medium projections, and 2,380-2,800 under the high projections.
- Hamilton City needs between 1,860-2,330 units and care beds currently, growing by 2048 to between 4,560-5,460 under the medium projections, and 5,290-6,300 under the high projections.

**Table 4.3: Retirement village demand projections (number of units including care beds)**

| Scenario                 | 2023  | 2028  | 2033  | 2038   | 2043   | 2048   |
|--------------------------|-------|-------|-------|--------|--------|--------|
| <b>Status Quo Medium</b> |       |       |       |        |        |        |
| Waikato District         | 840   | 1,130 | 1,510 | 1,930  | 2,350  | 2,780  |
| Matamata-Piako District  | 690   | 830   | 980   | 1,140  | 1,290  | 1,430  |
| Waipa District           | 790   | 1,010 | 1,260 | 1,560  | 1,830  | 2,090  |
| Hamilton City            | 1,860 | 2,230 | 2,760 | 3,340  | 3,950  | 4,560  |
| Future Proof             | 4,180 | 5,200 | 6,510 | 7,970  | 9,420  | 10,860 |
| <b>High Share Medium</b> |       |       |       |        |        |        |
| Waikato District         | 1,090 | 1,450 | 1,890 | 2,370  | 2,830  | 3,310  |
| Matamata-Piako District  | 850   | 1,020 | 1,180 | 1,360  | 1,510  | 1,660  |
| Waipa District           | 980   | 1,240 | 1,540 | 1,870  | 2,180  | 2,470  |
| Hamilton City            | 2,330 | 2,780 | 3,390 | 4,070  | 4,750  | 5,460  |
| Future Proof             | 5,250 | 6,490 | 8,000 | 9,670  | 11,270 | 12,900 |
| <b>Status Quo High</b>   |       |       |       |        |        |        |
| Waikato District         | 860   | 1,200 | 1,630 | 2,120  | 2,660  | 3,220  |
| Matamata-Piako District  | 720   | 890   | 1,080 | 1,280  | 1,490  | 1,690  |
| Waipa District           | 790   | 1,050 | 1,340 | 1,690  | 2,030  | 2,380  |
| Hamilton City            | 1,930 | 2,370 | 2,990 | 3,700  | 4,480  | 5,290  |
| Future Proof             | 4,300 | 5,510 | 7,040 | 8,790  | 10,660 | 12,580 |
| <b>High Share High</b>   |       |       |       |        |        |        |
| Waikato District         | 1,120 | 1,520 | 2,030 | 2,600  | 3,190  | 3,810  |
| Matamata-Piako District  | 880   | 1,080 | 1,300 | 1,520  | 1,740  | 1,960  |
| Waipa District           | 980   | 1,280 | 1,630 | 2,020  | 2,420  | 2,800  |
| Hamilton City            | 2,410 | 2,950 | 3,660 | 4,490  | 5,360  | 6,300  |
| Future Proof             | 5,390 | 6,830 | 8,620 | 10,630 | 12,710 | 14,870 |

### 3.1.3 Step 3- Sufficiency of supply of retirement living units and care beds

In terms of final steps, Formative then look at the sufficiency of supply to assess the level of projected unmet demand (additional supply required to provide for future demand) which is a similar process to that used for existing Future Proof Housing Capacity assessments although without a demand plus margin of 20%.

To do this they subtract assumed current supply (Table 4.4) below from the demand set out in Table 4.3 under the same scenarios to produce a final demand v supply assessment for each TA set out below in Table 4.5.

**Table 4.4: Retirement village supply of units and care beds**

|                         | Independent Retirement Villages | Care Beds at Rest Homes and Hospitals | Total Supply |
|-------------------------|---------------------------------|---------------------------------------|--------------|
| Waikato District        | 937                             | 153                                   | 1,090        |
| Matamata-Piako District | 349                             | 255                                   | 604          |
| Waipa District          | 2,080                           | 300                                   | 2,380        |
| Hamilton City           | 3,144                           | 620                                   | 3,764        |
| Future Proof            | 6,510                           | 1,328                                 | 7,838        |

It is important to note that all existing, planned, consented and under construction units / care beds are counted as available for occupation for the purpose of this analysis.

There is also a temporal fixed point in time assumption on supply for the purposes of reading table 4.5 below. In other words, the Formative assessment is basing the surplus figures (in green) against demand changing over time and current known supply figures at a fixed point in time which is now.

**Table 4.5: Retirement village surplus or shortfall of capacity (number of units including care beds)**

| Scenario                 | 2023    | 2028                                | 2033    | 2038  | 2043  | 2048  |
|--------------------------|---------|-------------------------------------|---------|-------|-------|-------|
| <b>Status Quo Medium</b> |         |                                     |         |       |       |       |
| Waikato District         | - 220   | 70                                  | 450     | 870   | 1,300 | 1,730 |
| Matamata-Piako District  | 140     | 280                                 | 430     | 590   | 730   | 880   |
| Waipa District           | - 1,530 | - 1,310                             | - 1,060 | - 760 | - 490 | - 230 |
| Hamilton City            | - 1,780 | - 1,410                             | - 880   | - 300 | 310   | 920   |
| Future Proof             | - 3,390 | - 2,370                             | - 1,060 | 400   | 1,850 | 3,300 |
| <b>High Share Medium</b> |         |                                     |         |       |       |       |
| Waikato District         | 30      | 390                                 | 830     | 1,310 | 1,770 | 2,250 |
| Matamata-Piako District  | 300     | 460                                 | 630     | 810   | 960   | 1,110 |
| Waipa District           | - 1,340 | - 1,080                             | - 780   | - 450 | - 140 | 150   |
| Hamilton City            | - 1,310 | - 860                               | - 250   | 430   | 1,110 | 1,820 |
| Future Proof             | - 2,320 | - 1,090                             | 430     | 2,100 | 3,700 | 5,330 |
| <b>Status Quo High</b>   |         |                                     |         |       |       |       |
| Waikato District         | - 190   | 140                                 | 570     | 1,060 | 1,600 | 2,160 |
| Matamata-Piako District  | 170     | 330                                 | 520     | 730   | 930   | 1,140 |
| Waipa District           | - 1,530 | - 1,270                             | - 980   | - 630 | - 290 | 60    |
| Hamilton City            | - 1,710 | - 1,270                             | - 650   | 60    | 840   | 1,650 |
| Future Proof             | - 3,260 | - 2,070                             | - 540   | 1,220 | 3,080 | 5,010 |
| <b>High Share High</b>   |         |                                     |         |       |       |       |
| Waikato District         | 60      | 460                                 | 970     | 1,540 | 2,130 | 2,760 |
| Matamata-Piako District  | 330     | 530                                 | 740     | 970   | 1,190 | 1,410 |
| Waipa District           | - 1,340 | - 1,040                             | - 690   | - 300 | 100   | 480   |
| Hamilton City            | - 1,230 | - 690                               | 20      | 850   | 1,720 | 2,660 |
| Future Proof             | - 2,180 | - 740                               | 1,040   | 3,060 | 5,140 | 7,310 |
| Colour legend:           |         |                                     |         |       |       |       |
|                          |         | Surplus supply in TA                |         |       |       |       |
|                          |         | Surplus supply in aggregate FP area |         |       |       |       |

### Sufficiency – Key findings

This table assessment shows (highlighted in green) that there is sufficient supply (including supply under construction) in Waikato, Waipā, and Hamilton now, under most scenarios, with a shortage of supply in Waikato now if market share is higher than the status quo. In Matamata-Piako Districts there is currently a shortage of supply now, and that is projected to remain for the projection period.

The largest surplus of supply is in Waipā District, where current (and in progress) supply is projected to be sufficient to meet demand until around 2040 under all scenarios, and even longer if growth and/or market penetration is less than the high scenario.

At an aggregate Future Proof level, there is sufficient supply through until around 2028 under the highest demand scenarios, and to the mid-2030s under the lowest demand scenario, although choice may be restricted to locations away from where people may currently wish to live.

By 2033, population growth in the size of the over 65yrs cohort means that there will be a shortfall of between 430 units and care beds (medium projection-high market penetration) and 1,040 units and care beds (high projections-high market penetration).

There will be high levels of unmet demand for units and care beds in Waikato District (450-970), and in Matamata-Piako District (430-740). Unmet demand will continue to grow, with only Waipā

District having sufficient supply out to 2048 under the medium projections with status quo market penetration rates, unless additional supply is provided.

### 3.1.4 Step 4 - Land requirements for retirement villages.

One of the objectives of the study was to look at the actual available land that is suitable for retirement villages. A common question posed is whether retirement villages need to be located in peripheral urban fringe locations or if they can be more efficiently located close to or within urban centres, away from highly productive land and otherwise closer to established P/T routes and existing amenities.

Table 4.6 below shows how Formative set out demand (by retirement village units per hectare). They have applied different densities for each of the territorial authorities, based on the range of densities observed in their previous section on supply of existing retirement villages and allowing for increasing intensities in future retirement villages, particularly as apartments become a more accepted dwelling unit.

For example, the demand for an additional 1,730 retirement units in Waikato District by 2048 (as assessed in Table 4.5 above), translates into 87ha of land required to accommodate those units, if the average density achieved is 20 retirement units/ha.

**Table 4.6: Retirement village demand projections (ha)**

| Scenario                                                                                                                                                                                                                                                                                                                                                                 | 2023    | 2028 | 2033 | 2038 | 2043 | 2048 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|------|------|------|------|------|
| <b>Status Quo Medium</b>                                                                                                                                                                                                                                                                                                                                                 |         |      |      |      |      |      |
| Waikato District                                                                                                                                                                                                                                                                                                                                                         | - 11    | 4    | 23   | 44   | 65   | 87   |
| Matamata-Piako District                                                                                                                                                                                                                                                                                                                                                  | 7       | 14   | 22   | 30   | 37   | 44   |
| Waipa District                                                                                                                                                                                                                                                                                                                                                           | - 61 -  | 52 - | 42 - | 30 - | 20 - | 9    |
| Hamilton City                                                                                                                                                                                                                                                                                                                                                            | - 59 -  | 47 - | 29 - | 10   | 10   | 31   |
| Future Proof                                                                                                                                                                                                                                                                                                                                                             | - 125 - | 82 - | 28   | 33   | 92   | 152  |
| <b>High Share Medium</b>                                                                                                                                                                                                                                                                                                                                                 |         |      |      |      |      |      |
| Waikato District                                                                                                                                                                                                                                                                                                                                                         | 2       | 20   | 42   | 66   | 89   | 113  |
| Matamata-Piako District                                                                                                                                                                                                                                                                                                                                                  | 15      | 23   | 32   | 41   | 48   | 56   |
| Waipa District                                                                                                                                                                                                                                                                                                                                                           | - 54 -  | 43 - | 31 - | 18 - | 6    | 6    |
| Hamilton City                                                                                                                                                                                                                                                                                                                                                            | - 44 -  | 29 - | 8    | 14   | 37   | 61   |
| Future Proof                                                                                                                                                                                                                                                                                                                                                             | - 81 -  | 29   | 33   | 102  | 168  | 235  |
| <b>Status Quo High</b>                                                                                                                                                                                                                                                                                                                                                   |         |      |      |      |      |      |
| Waikato District                                                                                                                                                                                                                                                                                                                                                         | - 10    | 7    | 29   | 53   | 80   | 108  |
| Matamata-Piako District                                                                                                                                                                                                                                                                                                                                                  | 9       | 17   | 26   | 37   | 47   | 57   |
| Waipa District                                                                                                                                                                                                                                                                                                                                                           | - 61 -  | 51 - | 39 - | 25 - | 12   | 2    |
| Hamilton City                                                                                                                                                                                                                                                                                                                                                            | - 57 -  | 42 - | 22   | 2    | 28   | 55   |
| Future Proof                                                                                                                                                                                                                                                                                                                                                             | - 119 - | 70 - | 6    | 66   | 143  | 222  |
| <b>High Share High</b>                                                                                                                                                                                                                                                                                                                                                   |         |      |      |      |      |      |
| Waikato District                                                                                                                                                                                                                                                                                                                                                         | 3       | 23   | 49   | 77   | 107  | 138  |
| Matamata-Piako District                                                                                                                                                                                                                                                                                                                                                  | 17      | 27   | 37   | 49   | 60   | 71   |
| Waipa District                                                                                                                                                                                                                                                                                                                                                           | - 54 -  | 42 - | 28 - | 12   | 4    | 19   |
| Hamilton City                                                                                                                                                                                                                                                                                                                                                            | - 41 -  | 23   | 1    | 28   | 57   | 89   |
| Future Proof                                                                                                                                                                                                                                                                                                                                                             | - 75 -  | 15   | 59   | 142  | 227  | 316  |
| Colour legend: <span style="display: inline-block; width: 20px; height: 10px; background-color: #d9ead3; border: 1px solid black; margin-right: 5px;"></span> Surplus supply in TA<br><span style="display: inline-block; width: 20px; height: 10px; background-color: #c7e9c0; border: 1px solid black; margin-right: 5px;"></span> Surplus supply in aggregate FP area |         |      |      |      |      |      |

Table 4.6 shows the land requirements for retirement villages to 2048, and Table 4.7 translates that area into a number of new retirement villages required using the average land area for all Future Proof retirement villages (7.9ha).

**Table 4.7: Retirement village demand projections (approximate number of villages)**

| Scenario                 | 2023   | 2028                                | 2033 | 2038 | 2043 | 2048 |
|--------------------------|--------|-------------------------------------|------|------|------|------|
| <b>Status Quo Medium</b> |        |                                     |      |      |      |      |
| District                 | - 1    | 0                                   | 3    | 6    | 8    | 11   |
| Matamata-Piako District  | 1      | 2                                   | 3    | 4    | 5    | 6    |
| Waipa District           | - 8 -  | 7 -                                 | 6 -  | 4 -  | 3 -  | 1    |
| Hamilton City            | - 8 -  | 6 -                                 | 4 -  | 1    | 1    | 4    |
| Future Proof             | - 16 - | 11 -                                | 4    | 4    | 12   | 20   |
| <b>High Share Medium</b> |        |                                     |      |      |      |      |
| Waikato District         | 0      | 3                                   | 5    | 9    | 12   | 15   |
| Matamata-Piako District  | 2      | 3                                   | 4    | 5    | 6    | 7    |
| Waipa District           | - 7 -  | 6 -                                 | 4 -  | 2 -  | 1    | 1    |
| Hamilton City            | - 6 -  | 4 -                                 | 1    | 2    | 5    | 8    |
| Future Proof             | - 11 - | 4                                   | 4    | 13   | 22   | 31   |
| <b>Status Quo High</b>   |        |                                     |      |      |      |      |
| Waikato District         | - 1    | 1                                   | 4    | 7    | 10   | 14   |
| Matamata-Piako District  | 1      | 2                                   | 3    | 5    | 6    | 7    |
| Waipa District           | - 8 -  | 7 -                                 | 5 -  | 3 -  | 2    | 0    |
| Hamilton City            | - 7 -  | 6 -                                 | 3    | 0    | 4    | 7    |
| Future Proof             | - 16 - | 9 -                                 | 1    | 9    | 19   | 29   |
| <b>High Share High</b>   |        |                                     |      |      |      |      |
| Waikato District         | 0      | 3                                   | 6    | 10   | 14   | 18   |
| Matamata-Piako District  | 2      | 3                                   | 5    | 6    | 8    | 9    |
| Waipa District           | - 7 -  | 5 -                                 | 4 -  | 2    | 1    | 2    |
| Hamilton City            | - 5 -  | 3                                   | 0    | 4    | 7    | 12   |
| Future Proof             | - 10 - | 2                                   | 8    | 18   | 30   | 41   |
| Colour legend:           |        |                                     |      |      |      |      |
|                          |        | Surplus supply in TA                |      |      |      |      |
|                          |        | Surplus supply in aggregate FP area |      |      |      |      |

So, using the example above, the demand for an additional 87ha of retirement village land area in Waikato District by 2048 (as assessed in Table 4.6), translates into 11 villages if the average village is 7.9ha (circled red in Table 4.7 above) . If the average density and/or average land area of new villages differs from that assumed, that will affect the number of villages assessed in Table 4.7.

### 3.1.5 Land supply - Key findings

Based on those projections and assumed densities, current supply will be able to be met across the entire Future Proof area until between 2028 and 2033, although as modelled earlier in relation to the number of units, there is currently unmet demand in Waikato District and Matamata-Piako, balanced out by a surplus in Waipā and Hamilton.

The current unmet demand in Waikato and Matamata-Piako is projected to increase by 2033 to between 23-49ha (3-6 retirement villages) in Waikato District, and 22-37ha (3-5 villages) in Matamata-Piako District.

By 2038, there will be demand for 33-142ha (4-18 villages) in the Future Proof area. This demand will continue to grow to total demand of between 152-316ha (20-41 villages by 2048). This demand is equivalent to 0.8-1.6 new villages within the Future Proof area per annum over the next 25 years

There are important assumptions in terms of land area (Ha) requirements based on historical patterns of development, average site area, density and market penetration rates. Recent Fast Track applications for retirement villages have shown much greater land area ranging from 6ha up to 60ha.

## 4 Regulatory and Policy Framework

One of the key areas of investigation in this study is a review of existing controls in district plans and regional plans to determine whether these limit where retirement villages can locate and whether the current land use zoning, activity class or plan provisions constrains their supply.

The table below is a summary of the policy provisions assessed for each TA in the Future Proof region the example below is for Hamilton only (see Appendix 8.6 for the full table). It is clear from the policy analysis that most retirement living villages are either restricted discretionary, discretionary or non-complying activities in TAs district plans.

| Territorial authority        | Rural activity status | Rural Residential activity status | General Residential activity status                                                                                                  | Medium Density activity status                                                                                                                                                          | Other zones                                                                                                                                                                                 |
|------------------------------|-----------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Hamilton City Council</i> | N/A                   | NA                                | Restricted discretionary activity status.<br><br><u>Matters of discretion:</u><br>B – Design and Layout<br>C – Character and Amenity | Restricted discretionary activity status in Peacocke Precinct.<br><br><u>Matter of discretion:</u><br>B – Design and Layout<br>C – Character and Amenity<br>P – Peacocke Structure Plan | <b>High density residential:</b><br>Restricted discretionary.<br><br><u>Matter of discretion:</u><br>B – Design and Layout<br>C – Residential Amenity<br><br><b>Business:</b> Discretionary |

The policy assessment revealed that most retirement village applications are for a significant number of residential units and accompanying care beds in rural zones and so usually a non-complying activity status would prevail.

Whilst retirement village activity was non-compliant in the Waipa District Council rural zone, they are restricted discretionary activities in residential zones. In large lot residential areas (or rural residential) retirement villages have a discretionary status.

Retirement villages in the Hamilton City Council district plan have a restricted discretionary status in all residential zones, and the central city zones. The business district has a discretionary activity for the retirement villages. There are no rural/rural residential zones in the city.

Retirement villages are permitted in the Waikato District Plan in general residential zones, medium density zones, the Lakeside Te Kauwhata Precinct and are non-compliant in rural / rural residential zones.

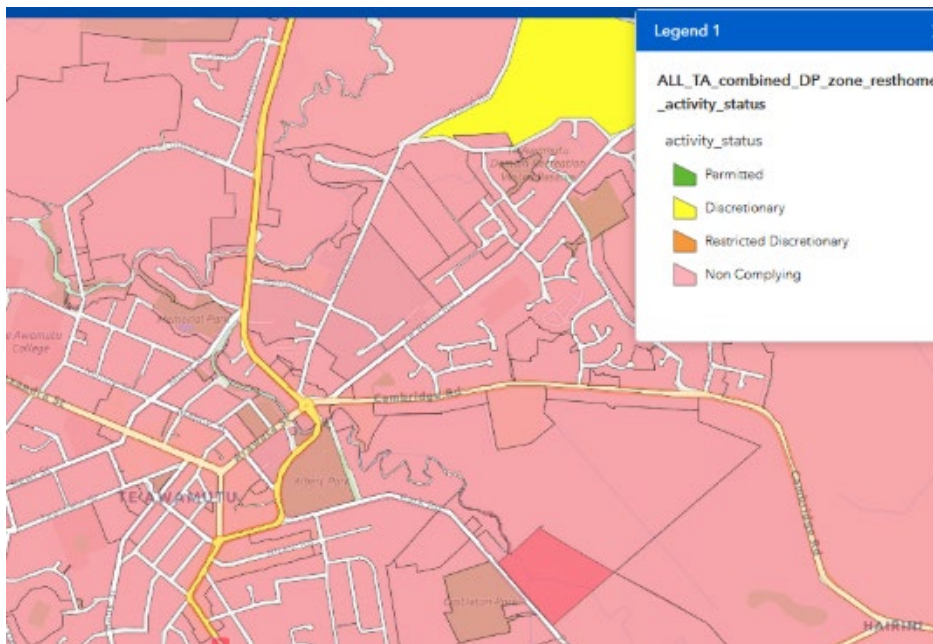
In the Matamata-Piako District retirement villages are discretionary in all zones, with the exception of the Industrial and Kaitiaki Zones, and the Commercial Precinct of the Settlement Zone in Waitoa, where they are non-complying.

As can be seen by this initial stock take, there is already in existence a pattern across districts for a more permissive permitted or restricted discretionary status for retirement villages in residential zones and a non-compliant status in rural / rural residential zones.

What this shows is that retirement villages are already well provided for in most TA's District Plans residential zones yet notwithstanding the non-complying activity status in rural or rural residential zones, operators are still choosing these locations largely because of the land area requirements and lack of suitable larger sites within the built-up residential areas.

It is not unsurprising therefore given the notification and gateway tests that would apply through the usual Schedule 1 RMA consenting pathway that the option to pursue these applications through the Fast Track Approvals Act 2024 has proven popular.

This study also GIS mapped the activity status for retirement villages in the Future Proof TA's, and a snapshot of this example is shown at a more granular scale for Te Awamutu.



**WRC - GIS Zones and Activity status database for retirement villages**

In most cases for locations within rural zones the proposed subdivisions for retirement villages are non-complying activities, being that they fail to comply with the performance standards for subdivision in the TA's Rural Zone.

Again, whilst not an exhaustive list retirement village application would in most instances fail the following District Plan standards in rural zones.

Accommodation Facilities; • Commercial Services; • Medical Facilities; • Retailing (café); • Signage; • Infrastructure & Servicing; • Subdivision; and • Earthworks; • Transport Corridors

Assessment of the relevant applicable provisions will depend on fact and degree of the specific application but in general proposals would ordinarily trigger resource consents under the Operative Waikato Regional Plan (WRP) for the following reasons: Groundwater take, Surface Water Take, Discharge Permits for stormwater, land use – land/ soil disturbance.

Most retirement village proposals would potentially trigger resource consent under the following National Environmental Standards:

- National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health.
- National Environmental Standards for Freshwater Management

The Statutory Planning Framework is also very clear in that the following would be relevant for most retirement village applications

- National Policy Statement for Highly Productive Land

- National Policy statement for Freshwater Management
- National Policy Statement for Indigenous Biodiversity
- National Policy Statement on Urban Development

Given the interplay of the above National Direction applications for retirement villages will have tension between the benefit of increasing housing supply and the social economic benefits of the schemes versus their rural locations which in most cases are located on highly productive land raising conflict with the sustainable management of natural and physical resources including the health and well-being of water bodies and freshwater ecosystems.

## **4.1 Assessment of effects**

The anticipated and known effects of retirement villages are in most cases no different to residential subdivisions or any other consideration of a staged comprehensive residential development. The fact and degree of each will depend on the specifics of each proposal but assessment of retirement villages would include consideration of their effects on:

- Transport
- Infrastructure
- Character and /Amenity
- Landscape
- Cultural considerations
- Ecological impacts
- Construction impacts, earthworks, dust, noise etc

### **4.1.1 Service and Infrastructure Needs**

The infrastructure effects associated with retirement villages will again depend on the scale and specifics of each proposal given some villages range from just 20-40 units while others are ranging upwards of 600 units with associated community and hospital care facilities and likely to be staged over several years.

The Formative study references that the RVA has estimated that it takes an average of ten years to plan for, and construct, retirement villages, so it is important to identify the broad spatial areas ideally in Spatial Plans where there will need to be future provision. At the same time much like for a standard residential development the staged funding and infrastructure requirements can then identified and planned for.

Based on the case studies examined it was clear that retirement living villages are not treated any differently by authorities to other residential subdivisions when it comes to available network capacity within TA's existing networks.

At the time of this study and based on the case studies described below it is clear that for most in terms of infrastructure requirements, these can be accommodated through technically feasible options available to service on site or via connections to existing reticulated network. The final design solution, flow allocations and funding arrangements subject to negotiation, resource consent conditions and or private developer agreements with the respective consenting authority.

For stormwater management again this depends on specific cases but all cases looked at in this study had put forward 'solutions' either as on-site system or piped networks that integrates sustainable, low-impact and ecologically sensitive strategies that provide for water-sensitive urban design, incorporating onsite soakage, rainwater reuse, and where relevant centralised constructed wetlands to provide water quality treatment, flow attenuation, and flood control.

In terms of transport infrastructure, it is a given that by virtue of the marginal urban fringe nature of these retirement living sites there is limited public transport options in the vicinity of the site. However, in granting consent the RMA is an 'effects-based assessment' so first and foremost it will look at the traffic impacts resulting from development of the site rather than whether the site itself is deemed optimal from a P/T or reduced emissions perspective.

In most instances given the nature of 'retirement' it is assumed the residents are not at work and that demands for a public transport offering would be outside of the usual peak commute periods. As such, when demand is sufficient many operators of retirement village have offered up the provision of a private shuttle or alternative transport options for residents. It is not unusual for the nearest centre or supermarket to have dedicated minibuses to and from surrounding retirement villages.

We will see later in this report that it is clear there is not a one size fits all approach to transport infrastructure as it will depend on location, proximity to existing settlements, the village operating model eg; in some cases retirement villages are still accommodating those younger residents in part time work or with a requirement for a double garage.

There are many other considerations as part of an Integrated Transport Assessment such as onsite parking and servicing, visitor parking for families and relatives, pedestrian connectivity throughout the site and connectivity to the wider network and the overall internal site design.

It is often the case that the final determination of retirement villages will put far more weight on the provision of additional housing providing that infrastructure impacts can be adequately mitigated either as part of the application or by way of condition, a transport impact assessment or developer agreement.

#### **4.1.2 Urban, rural boundary locations**

The settlement pattern for the Future Proof subregion is underpinned by a well-established compact and concentrated spatial approach which is largely dependent on rural/ urban boundaries to guide development in appropriate locations. There are several advantages of this approach not least for efficiencies in transport and infrastructure and minimising impacts on high class soils. In most cases the retirement village proposals studied are in peripheral rural zones and outside the rural/urban boundary.

Given this predominantly rural location some retirement villages are inconsistent with the WRPS and established settlement pattern which is embedded in the WRPS and the decisions version of Proposed WRPS Change 1 - National Policy Statement on Urban Development 2020 and adopted Future Development Strategy 2024.

The relevant policy in most cases is:

- *UFD-P11 – Adopting Future Proof land use pattern*

*Within the Future Proof area: new urban development shall occur within the Urban and Village Enablement Areas indicated on Map 43 (5.2.10 Future Proof map (indicative only)).*

At present time, proposals (subdivisions for residential or retirement village) are required to be considered therefore against the 'out-of-sequence and unanticipated developments' criteria (APP13) in the decisions version of Proposed WRPS Change.

Proposals are considered on a range of matters including whether:

- The proposal meets a demonstrated need or shortfall of housing.
- The proposal is considered to contribute to a well-functioning urban environment.
- The proposal is consistent with the Future Proof Strategy guiding principles and growth management directives.
- It has good accessibility for all people, including by way of public or active transport.
- It is otherwise compatible with adjacent land uses
- It is not located on high class soils, highly productive land
- Relevant assessment against Te Ture Whaimana o te Awa o Waikato (the Vision and Strategy for the Waikato River)

In most cases the reasons given by applicants for more rural locations are the availability of land, not constrained by reverse sensitivity issues and the growing need for retirement village to be comprehensively planned over large areas to accommodate all the amenities to be provided in the village.

The latest Government discussion document as part of Package 4 -Going for Housing Growth proposes to remove the rural urban boundary from District Plans as part of its drive for increasing housing supply and competitive urban land markets.

The Future Proof Submission on Package 4: Going for Housing Growth recommended that out of sequence polices in the growth strategy are retained as a first principle for maximum infrastructure investment and P/T efficiencies, with out of sequence only being considered once connections with urban services and infrastructure costs are well understood, ideally with alignment with longer term strategic goals and spatial plans. (See Appendix 8.7 for Out of Sequence Criteria in Future Proof)

The exact policy approach to a more laissez fair settlement structure and removal of urban boundaries remains to be seen in detail under the pending RMA reforms.

## **4.2 Retirement Village Case studies**

As part of the study and regulatory assessment, several case studies have been looked at in terms of the scale, density, number of units, infrastructure requirements and key issues. The table below summarise the main topic lines with a separate brief discussion on each below.

As far as practicable a spread of case studies across the Future Proof region was chosen by the staff working group and those examples that are reflective of the most recent trends in regulatory environment and market conditions for retirement villages.

## Case Study summary table

| Village                            | Size (ha) | Ave Density | District Plan zone | Status | Total No of units | Villas/ duplex | Apart | Care beds/ dementia care | Infrastructure On-site or network connection |
|------------------------------------|-----------|-------------|--------------------|--------|-------------------|----------------|-------|--------------------------|----------------------------------------------|
| Sommerset village - Rototuna HCC   | 6.4       | 26          | Res                | NC     | 307               | 164            | 80    | 63                       | On site                                      |
| Tamahere retirement village Waipa  | 10.4      | 15          | rural              | NC     | 161               | 108            | 23    | 30                       | On site                                      |
| Gordonton country estate Waikato * | 66        | 15-20       | rural              | NC     | 659               | -              | 659   | -                        | On-site                                      |
| Harlow village- Te Awamutu *       | 26        | 15-20       | rural              | NC     | 507               | 327            | 80    | 100                      | Connect/ on-site                             |
| Ashbourne Matamata **              | 47        | 5-10        | Rural/ rural res   | NC     | 288               | 218            | -     | 70                       | Connect/on-site                              |

\*Fast Track application 2025|

\*\* Retirement Village component only

### 4.2.1 Rototuna – Summerset Village

The application site is identified within a Comprehensive Development Plan area of Rototuna Town Centre Zone as part of the Rototuna Structure Plan developed over 10 years ago, - Identified as Residential Medium Density, and Residential High-Density zone. 164 one- or two-bedroom villas, 24 apartments, and a main building complex that accommodates 56 serviced apartments, 43 care beds and 20 dementia beds. An approximate density of 26 dwellings per hectare.

Though as a retirement village it was technically a non-complying activity in the zone, it is appropriately residential in character, in keeping with the anticipated character of the zone.

Three waters infrastructure was dealt with by way of condition of consent for the site. The construction of stormwater management ponds and wetlands provide attenuation for post-development stormwater runoff.

This case study is the outlier of those selected in that it is within the urban area, medium to high density over three stories in height and within an urban area by way of a planned town concept plan. It has an average density of 26 dwellings per hectare.

This villages were seen as essential residential development as part of an early master planned vision sited close to schools, within a walkable catchment of a planned town centres, P/T links and public amenities although ironically retirement centres were not provided for as a discreet activity in themselves.

### 4.2.2 Gordonton – Country Estate

The Minister for Infrastructure referred this project to the Fast-track on in June 2025 as a project of Regional or National Significance.

A staged comprehensive development (over 10 years) of a village/estate style layout, total area of 66ha, with 7 or so 'clusters' of housing. Each cluster is intended to be of approximately 6Ha and having a density of approximately 15-20 units per hectare (approximately 120 housings/ units per cluster) with circa total of 659 units overall.

It is intended to provide on-site amenities/ facilities including a communal facility with the main centre offering typical village amenities, cafe, apartment style accommodation and further health care provision.

The site is zoned as 'Rural' under the Waikato Operative District Plan (ODP) and General Rural Zone under the Waikato Proposed District Plan – Appeals Version

Concerns were raised through submissions that the proposal is inconsistent with the Future Proof Strategy and Waikato Regional Policy Statement which does not identify Gordonton as an area for growth. The Strategy also supports protecting highly productive land for primary production which this proposal would develop.

There is no public transport at all in the vicinity and there are no short- or medium-term plans identified in the Regional Public Transport Plan to provide public transport services.

While this like other retirement village applications under the Fast Track process will increase housing supply in the sub-region, the most recent Housing and Capacity Assessment shows a large net sufficiency for the Waikato District in the medium to long term (2026-2052) with a smaller insufficiency in immediate short term (years 1-3).

In this case one of the issues to be considered by a hearings panel is the cumulative impact of previous consents for retirement villages over the past five years. Including extensions to existing retirement villages, in the Future Proof sub-region.

The proposal is close to Gordonton village which one could argue is good for wider community integration, but Gordonton is also a small village classed as "other rural" by Stats NZ and with very limited services.

In terms of three-waters infrastructure it is maintained by the applicants that the proposal can be appropriately serviced through on-site solutions. Stormwater drainage can be provided, through wetlands, ground water recharge and piped stormwater networks while Wastewater drainage can be via piped networks that will drain to an onsite plant.

Waikato District Council has advised that there is no Council wastewater network located nearby for this subject site to connect into. They have further advised that the site is known to flood.

### **4.2.3 Tamahere**

The retirement village consists of 108 stand-alone villas, 23 apartment units, one advanced care unit incorporating 20 beds, one dementia unit incorporating 10 beds, a club house, café, spa and a bowling green/croquet lawn.

The approximate originally consented site area was 10.4ha and the proposal was a non-complying activity in the rural zone of the Operative Plan at the time. The site was also partially subject to a Tamahere Commercial overlay and just outside the Tamahere Structure Plan area.

The retirement village adjoins Tamahere Drive and has rural residential properties to the east, Airport Road (SHG21) to the west, large rural residential lifestyle to the south and St Stephens Church to the north. Another retirement village (Eventide Home and Village) is located 1.2 km to the northwest of the retirement village.

The assessment at the time clearly acknowledged that the proposal was contrary to the rural and settlement pattern objective of the Operative Plan by virtue of it not being a rural activity, located

outside the established settlement pattern and that the proposal would reduce the amount of high-quality soils and did not support rural activities.

Operative Plan Policy 4.2.19 Retirement Villages was based on consideration within the Urban Environment but included the following provisions:

- Provision of a diverse range of housing types, including care facilities
- Promote visual integration within the street scene and neighbourhood
- Comprehensively designed and manage and offer a variety of accommodation and accessory services that meet the needs of residents, including those requiring care or assisted living
- Integrate with local services and facilities, including public transport
- Connect to alternative transport modes to village, residential or business zones

Notwithstanding the clear inconsistency with the objectives and policies of the plan pertaining to development within the rural zone, the final recommendation came down to an effects based assessment under s10 of the Act where it was considered not to sit within a true 'rural environment' but rather rural zoned land which had already a mix of existing uses including and existing industrial activity.

The proposal was already located on modified soils and was located on the outskirts of towns/villages. The site was considered large enough to accommodate appropriate onsite services to ensure wastewater and stormwater could be managed within the site.

Accessibility of the site was deemed acceptable given the existing proximity to a commercial hub, community facilities, public transport and State Highways 1 and 21.

On balance it was deemed the existing site conditions were sufficiently 'non-rural' as to warrant exception and mitigation of transport and environmental effects on the site by way of conditions.

#### **4.2.4 Te Awamutu - Harlow Lifestyle Village**

Harlow Lifestyle Village is a retirement village and senior living proposal, catering to persons aged over 55. The site is located on the northern boundary of the Te Awamutu urban limits and is bound to the east by State Highway 3. The site is around 26 hectares and is zoned rural under the Waipa District Plan. The proposal provides for 507 dwellings/units, including 203 single-storey houses, 124 duplex units, 80 apartments, and a 100-bed care facility. The development will also feature communal facilities and a neighbourhood centre.

The site is currently used for low intensity pastoral agriculture. Adjoining land uses include horticulture (kiwifruit), dairy farming and residential. The site includes a Significant Natural Area – small kahikatea remnant, nine natural inland wetlands, and a central watercourse which discharges to the west of the site into a tributary of the Mangapiko Stream. The site contains 7.1 hectares of highly productive land (LUC 1 and 2) and low-lying areas with a high probability of Acid Sulphate Soils.

The development proposes to connect to Waipa District Council's water and wastewater reticulation. Stormwater will be managed via an on-site system that incorporates on-site soakage, rainwater reuse and constructed wetlands.

The Regional Council and Waipa District Council have submitted that the proposal is inconsistent with the Waikato Regional Policy Statement (WRPS), the Future Proof Strategy, and the Waipā 2050 Growth Strategy. The proposed area has not been identified for urban growth in either the Future Proof settlement pattern or Waipā 2050. The proposal also fails to meet the criteria for 'out-

of-sequence and unanticipated developments' as outlined in the decisions version of the Proposed WRPS Change.

The most recent Housing Capacity Assessment, which supports the Future Proof Strategy, indicates a projected surplus of housing capacity in Te Awamutu/Kihikihi for the medium to long term (2026–2052).

Transport concerns have also been identified by submitters given the proposal is only accessible via State Highway 3, with no planned future connections to existing or future urban areas. State Highway 3 is classified as a major arterial route.

#### **4.2.5 Ashbourne Matamata**

The Minister for Infrastructure referred this recent project to the Fast-track in June 2025 and the complete substantive application is at the time of writing being considered by the appointed EPA panel.

This is an example of an integrated residential, commercial and retirement living development comprising approximately 520 residential units, public open space a neighbourhood centre and a separate retirement living development of approximately 250 units with aged care and supporting facilities.

The whole site is made up of several land parcels which together form a total area of 125 ha, The retirement living component sits within an area of approx. 24ha as per of a much larger development which also includes two solar farms.

The site is zoned as Rural Residential and Rural Zone under the Matamata-Piako District Plan. Overall, under the Matamata-Piako District Plan, the proposal requires resource consent as a Non-complying Activity.

Like similar retirement living applications in the rural area the application has triggered the need for Regional Consents for matters such a Groundwater take, Discharge, Damming and Diversion permits as well as consent for drainage of wetlands.

Matamata is not identified as an area for growth in the Future Proof Strategy. The Future Proof Housing capacity assessment does show an insufficiency of housing over the long-term (11-30 year) period, but the Regional Council response advised this allows Matamata-Piako District Council sufficient time to identify and rezone suitable land, aligned with infrastructure provision, to meet this insufficiency.

Only the solar farm component of this application was considered of regional significance by the Regional and Matamata Piako.

The land in question is identified as having high class soils under the WRPS. Therefore, the portion of the application that sits in the rural zone needs to consider the relevant provisions regarding high class soils under the WRPS and as highly productive land under the National Policy Statement for Highly Productive Land (NPS-HPL). The project site is further located in a flood plain and needs appropriate consideration of flood hazards by the EPA.

This application meets the transport provisions under the WRPS and Regional Land Transport Plan (RLTP). However, like similar case studies the proposed retirement village will place elderly people at the edge of town, which is not ideal for accessibility to key services or three waters infrastructure efficiencies.

The referral application has sought to demonstrate that the proposal can be appropriately serviced in terms of three waters infrastructure, hence there is not considered to be any significant adverse effects in relation to infrastructure and servicing. It is worth noting that relies on a staged approach with a preference to connect into the existing wastewater and portable infrastructure networks

where possible. Stormwater largely dealt with on-site within the newly formed greenway as part of the wider comprehensive development.

## 5 Retirement living Survey and structured Industry interviews

A key outcome of this study was to conduct a qualitative survey on retirement living preferences, including age of entry into retirement villages and transition to aged care.

A high-level summary of both surveys was presented to the Future Proof Implementation Committee on 12th September 2025. This report now goes into more detail on those survey findings.

The retirement living preference survey took the following approach:

- A stakeholder analysis to identify key industry participants and decision-makers.
- A resident survey, focusing on the general retirement age demographic, on the desired expectations and elements of a retirement village living options.
- Conducting a series of meetings/ structured interviews with industry stakeholders to gather market insights.

Kāinga Ora as part of the Future Proof partnership separately commissioned The Urban Advisory consultants to undertake the resident survey work. Over 1100 residents (over 45 years of age) within the Future Proof region were surveyed over a 4-week period between the end of May and June using an online digital Survey Monkey platform leveraging off local networks to distribute the survey to target audiences to ensure a representative sample for reliable results.

A range of communication channels were used ranging from Facebook campaigns, direct marketing – mail outs to interest groups and direct engagement with community groups.

A series of structured questions were developed which focused on retirement living expectations and individual preferences. Those detailed questions were designed and agreed by the Future Proof staff project working group (See Appendix 8.5).

Further targeted questions were asked in addition to the demographic inputs on age, sex, nationality, household income etc. These included questions on current retirement living arrangements and what the participants expected their future retirement living arrangements might look like and then a ranking of considerations such as:

- Size and quality of housing
- Housing being close to recreational amenities, family or friends
- Close to shops, schools, hospitals etc.
- Housing being in a rural area

Participants were also asked whether they expected to relocate for retirement or stay in their local area.

In addition to the resident's survey, The Urban Advisory also conducted eight in depth structured interviews with leading industry stakeholders (eg Sanderson, Summerset, Oceania, Ryman, Metlifecare) who are operating retirement living villages within the Future Proof region.

The interviews were conducted in July/August 2025. Future Proof would like to thank the interviewees for their generous and honest contributions to this study (A full list of those operators interviewed are attached in Appendix 8.4).

The industry structured interviews went into further detail and focused on a series of questions such as what retirement village operators see as current and future demand, emerging trends and their sale strategies, siting and infrastructure requirements, local integration, median resident occupancy term, average age of residents, housing typologies in their villages and provision of care facilities, future technology and adaptability.

## 5.1 Resident Survey Results

For the resident survey responses, the following key demographic themes arose:

- Most age brackets contained similar sized groups, but the largest group was aged 60 – 64 years old
- Participants were most likely to report living in Hamilton City or the Waikato district
- Nearly three-quarters of the sample identified as female
- Just over three-quarters of the sample indicated that they were New Zealand European
- Most of the respondents reported their annual household income being between \$15,000 and \$124,999
- Over half of the sample said they were not currently retired

In terms of responses to the questions in the survey the following responses were recorded:

- Most participants' current living arrangements were recorded as living in their own home with a mortgage.
- Over half expected to retire between the ages of 65 and 69
- When asked about their expected retirement living arrangement, respondents were most likely to select 'continue living in current arrangement (with access to in-house care when needed) and or 'living in own home but downsizing to a smaller house
- Almost half said they expect to stay living in their current town
- The two considerations that were seen as being the most important (*i.e., marked as 'very important' or 'essential/non-negotiable'*) were 'housing being low maintenance' and 'quality of housing.'
- Participants also considered 'housing being close to shops and housing being close to or including medical services to be very important.
- Over half of participants considered housing for retirement being in a rural setting as Not at all important or only a little important.

Interestingly there were notable differences between those responses from current retirees versus future retirees.

For current retirees, size of housing and low maintenance was seen as very important whereas future retirees seem less critical of size of housing if it was close to family and friends, hospitals and services.

Current and future retirees rated the importance of the following aspects similarly:

- Quality of housing
- Housing being close to recreational amenities

- Housing being close to stores/shops
- Characteristics of the community where the housing is located
- Less concerned with a rural setting

In general, most respondents were of NZ European origin, identified as female and currently living in their own home with over two thirds mortgage free.

Interestingly, despite the context of 'retirement villages as an option' in this study, two thirds of respondents saw themselves as most likely to remain living in their own home but downsizing to a smaller property. Of those currently retired that were surveyed only approximately 12% expected to either live in a retirement village with or without continuing care arrangements.

In terms of geographical mobility, again there appears to be a level of stasis in so far as almost half of respondents expected to stay in their current town which perhaps reflects the previous responses of staying in their own homes.

Over half of those who responded the need for a rural location or setting was not seen as important. This indicates that whilst there is growing demand for retirement villages in the foreseeable future this need not be in rural or semi-rural locations which appears to be the prevalent trend in current retirement village proposals in the region.

The locations for 'rural lifestyle' villages may be more operator induced nature of site, development feasibility, availability of location, size and servicing requirements.

It is acknowledged that given the timeframes the survey was open there are obvious limitations with the diversity and reach of participants surveyed. It is for example noted that over three quarters surveyed were NZ European. Less than 1% of those surveyed were currently living in papakāinga housing and only 2% of current retirees living in social housing.

The limitations of the survey will be discussed in the concluding sections below.

## **5.2 Structured Industry interview results**

The following key themes and interview responses were received from those operators interviewed. The key themes summary provided by The Urban Advisory in Appendix 8.3 attributes particularly operators by name to the summary responses below.

### Current and Future Demand for Retirement Living

- High and growing demand driven by the baby boomer demographic
- The Waikato is attractive for retirees and has age migration due to its central location ("golden triangle"), and more attractive price points compared to Auckland or Bay of Plenty
- The improved transport links, particularly the Waikato Expressway, positively influence the appeal of the region
- While future demand is strong, some catchments in Waikato are currently experiencing oversupply, leading to a "pretty competitive environment"

### Product Preferences and Emerging Trends

- Shifting towards higher quality, more spacious, and amenity-rich living options
- Key emerging trend is the increasing desire for communal living post COVID-19.

### Financial Models and Future Adaptations

- The license to occupy financial model dominates the retirement village sector because it offers the best return on investment for the operator and provides the security that retirees seek.
- Some operators acknowledge declining home ownership rates and increased household leverage will mean smaller cohorts following baby boomers into retirement, which may necessitate adaptations like shared equity or rental options in the next 20 years

#### The Critical Role of Care Facilities

- Provision of integrated aged care is considered an increasingly critical and attractive component of modern retirement villages
- Some villages without onsite residential care (beyond transition to care units) are entering agreements with rest home, hospital and dementia care providers to provide some assurance for their residents
- The government subsidy for aged care is insufficient, leading to a "huge crisis" of undersupply

#### Site Selection and Delivery Requirements

- Ideal sites are typically large (8-60+ hectares), flat, and located with good access to amenities (shops, medical, transport), often on the urban fringe.
- This scale is necessary for financial viability due to high capital outlay for wider range of community facilities and care homes.
- Development contributions in Waikato are considered "out of step" and "a barrier to retirement village development
- Lack of available brownfield parcels in central locations such as, for example, along the Waikato River in walking distance of Hamilton central city.
- Interviewees confirm that construction costs of apartments are also prohibitive especially in satellite towns as the costs versus the sale price cannot deliver a reasonable profit

#### Community Integration and Cultural Accessibility

- Growing emphasis on integrating villages with the surrounding community, though security remains a priority, and catering to cultural diversity
- Some villages enjoyed relationships with iwi, but these were more about the Māori history of their village sites than about attracting Māori residents or Kaumatua

#### Sustainable Practices and Technology Adoption

- Sustainability building trends are attractive they are still subject to cost constraints
- Some operators are incorporating various sustainable practices: drought-resistant planting, solar panels, EV charging, use of timber to reduce embodied carbon, lightweight concrete, reduced reliance on natural gas, LED lights, and designing for climate change.
- More advanced technology, such as motion sensors, fall detection, and AI-driven monitoring, is being explored and implemented within care centres to assist nurses and enhance safety

From the key themes above it is evident there are a range of perceived challenges to the sector, but equally some key opportunities which retirement living providers are holding in their future plans.

### **5.2.1 Challenges**

A broken funding model for aged care is the most significant and frequently cited challenge, with direct implications for the industry's ability to provide essential services.

Beyond the demand generated by the relative size and higher equity baby boomer cohort, the long-term future (beyond 20 years) of the retirement village industry is less certain.

Demand from potential residents to see their residential care needs catered for within the village model has led the retirement village industry to seek out preferential access to existing residential care facilities for their residents and for higher spec villages to increasingly provide license to occupy care suites for those who can afford to pay for them.

The costs involved in offering residential care units and their lack of profitability is both driving demand for retirement village units (with the expectation that residents will receive preferential access) and disinvestment in onsite residential care services in the industry.

It is clear the continuum of care in retirement villages is not guaranteed with retirement units often outnumbering the provision of on-site care beds by a considerable margin.

The potential for repurposing older villages, particularly those without integrated care, is a future consideration, although it presents complex ownership and legal challenges under the current legislation.

There is comment of often high "development contributions" from local councils, particularly in Hamilton, which are seen as a barrier to retirement village development.

The cost and sometimes perceived lack of value from regulatory compliance across various domains (resource, health, fire, etc.) is a source of frustration for operators, detracting from core care provision

Proposed legislation regarding enforced buy-back of Licence to Occupy and sharing of capital gain is perceived to have the potential to have a "major impact on cashflow and cash reserves" and lead to a "sharp decline in the development of new villages"

### **5.2.2 Opportunities**

The expansion of retirement villages across New Zealand offers many retirees security of tenure and home help and care services to meet their day-to-day needs as they age. Integrating retirement villages within wider master-planned developments, offering mixed housing typologies and different tenure models for multiple generations, is seen as a beneficial model for community building and future proofs more resilient developments should the retirement village model fail.

A shift towards developers taking on responsibility for providing their own core infrastructure (water, sewer, stormwater) rather than relying on existing council reticulated services is seen to unlock development in otherwise underserved or unfunded areas

Whilst not an overriding theme there is potential for Iwi, Housing or Council partnerships to develop community living facilities as part of private developments that prioritises social housing over traditional profit licence to occupy model.

## 6 Conclusion

The purpose of this report is to provide a better understanding of the current and future retirement sector demand within the sub-region to help inform future policy decisions on retirement living proposals and whether a bespoke policy approach is required in the Future Proof Development Strategy.

Given the changes to the RMA announced since this study was approved it is likely this work will provide a future evidence base pending policy direction in future Spatial Plans and HCA's that will likely replace the current FDS by 2027

A concluding discussion on the Formative study and Future Proof strategy follows with recommendations where relevant.

### 6.1 Formative Study discussion

The Formative study concluded that at present supply meets demand for retirement units in the wider Future Proof area and is projected to continue to do so until at least 2028, however supply does not match up with demand spatially, and there are currently shortfalls in Waikato District and Matamata-Piako District. Fast Track proposals have been submitted for these areas but there is a likely minimum 3–5-year lead time until these sites are made available to the first occupants.

It is acknowledged that the Formative study is a snapshot in time and does not reflect the emerging trend for growing size requirements in modern retirement villages as seen through the increasing number of Fast-Track proposals this past year and industry responses.

The average site area requirements noted in this study are considerably higher than the 7.9ha assumption which will mean land availability is much less than anticipated.

Whilst it is observed from the case studies that densities are remaining low in the 15-20units per hectare range, land requirements are some 3x greater on average and so if a) greenfield siting remains the norm and b) densities remain low then it could be said that typical requirements of 450ha plus by 2048 will be required which is quite considerable.

The slight mismatch between the location of supply and demand will have implications for the ability of older people to age in place, with concentration of retirement village supply in urban areas, particularly in Hamilton and Waipā, meaning that some older people will need to move away from their long-term homes to be able to access retirement dwelling supply.

Given the nature of retirement villages and their license to occupy model, affordability is difficult to understand accurately from the data available. The Formative Study acknowledges this is a gap.

The licence-to-occupy model that dominates in the retirement village industry in New Zealand is not affordable for many current retirees and this lack of affordability will intensify for younger cohorts reaching retirement age in the next few decades because younger cohorts are more likely to enter retirement age renting or be homeowners with a mortgage.

Some although the minority of retirement village operators interviewed were pursuing a mix of tenure, rentals and freehold occupancy which will mean affordability is easier to monitor. There will also be retirement village maintenance agreements which adds to resident costs.

It is accepted that the traditional HCA only provides a breakdown of supply and demand by household type and household income, neither of those two variables provide a robust basis for making any accurate inferences about residential demand by age cohorts, or for retirement village demand.

The Formative report further notes that the HCA confirms trends that are likely to be primarily influenced by the ageing population, for example the share of single person households is projected to increase from 22% to 25% over the next 50 years, and couple households from 26% to 28%,<sup>3</sup> however this trend will not solely relate to an ageing population.

A recommendation from this study is for future HCA's to provide additional dwelling demand breakdown by age cohort (65 plus), mapped spatially v existing stocktake of retirement living supply as it pertains to the pipeline, consented and existing village and assisted care models.

It is also recommended that an urgent stocktake to accurately assess 'Actual' land requirements given the higher site requirements noted in this study.

The Formative demand analysis work in this study (Table 4.3) signals that market penetration rates among the over 65s is forecast to grow from between 13.3%-15.7% to 17.2%-20.3% as the population ages, demand for the number of retirement units and care beds will increase by between 6,680 and 9,480 between 2023 and 2048 in the Future Proof area.

Approximately 41% of the demand growth will be in Hamilton City, followed by Waikato District (29%), Waipa District (19%) and Matamata-Piako District (11%).

By 2048, (Table 4.6) shows the Future Proof area will require approximately between 152ha and 316ha of land for new retirement villages if current operating models persist.

However, recent trends nationally are showing that market penetration rates under current economic settings and a stalled housing market might be declining as future village occupants no longer have the assumed equity in their family homes.

Some well publicised operators like Ryman Healthcare in Hagley Park<sup>4</sup>, Park Terrace, Christchurch for example have reviewed their land bank and put their site on the market as it cannot sell all its assumed units. Whilst this is not the Future Proof region it may be an emerging trend to watch for locally or signal that there is a need to monitor occupancy rates

The Formative report signals there is potential for increased densification and greater use of apartment typologies, which would increase the ability for new villages to establish in more central urban locations. The trends observed in the case studies would indicate that the predominant model is still rural, low density (10-20dph) and standalone villas or attached apartments.

As the region has seen with the recent Medium Density Residential Standard (MDRS) provisions, planned enabled capacity does not equate to actual feasibility. High rise traditionally has only been built by a select few developers with the skills, finance and expertise which is even more difficult in a challenging market given the development and finance risks associated with three-plus level developments.

Irrespective of future typologies, the Formative work advises market growth by 2048 will equate to 20-41 new retirement villages compared to current supply, or 0.8-1.6 new retirement villages per annum.

Recent numbers of units shown in Fast Track applications would indicate this figure will easily be met and in terms of unit delivery will be front loaded. Proposals of over 500 units in Gordonton and Te Awamutu for example.

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<sup>3</sup> M.E Consulting, Future Proof Housing Development Capacity Assessment, 13 December 2023

<sup>4</sup> [Ryman Healthcare bails on \\$240m Christchurch village, quitting site - NZ Herald](#)

## 6.2 Future Proof Strategy discussion

One of the aims of this study was to come up with policy recommendations and guidelines to provide direction as to how retirement villages can best support the Future Proof vision and purpose.

The Future Proof Strategy vision is comprehensive and seeks to ensure that the sub-region:

- Has a diverse and vibrant metropolitan city centre strongly connected to distinctive, thriving towns and rural communities.
- Is part of the prosperous, dynamic and nationally significant corridor between Hamilton, Auckland and Tauranga that accommodates growth while protecting what is most important.
- Is the place of choice for those looking for opportunities to live, work, play, invest and visit.
- **Provides a variety of housing options that are affordable and accessible.**
- **Is the place where natural environments, landscapes and heritage are protected and a healthy Waikato River is at the heart of the region's identity.**
- **Has productive partnerships with the community.**
- **Has affordable, integrated and sustainable infrastructure, including social and community infrastructure, with a strong focus on a rapid and frequent multi-modal transport network, and enabling three waters services and community facilities.**
- **Has sustainable resource use.**
- Responds to climate change with urgency, building resilience and supporting the transition to a lower carbon economy including through **achieving a more compact urban form and a shift to active modes and public transport.**

Whilst all aspects of the vision are interrelated the author has highlighted in bold above those that are considered more relevant to the consideration of retirement villages.

The implementation of the Future Proof vision is via a set of guiding principles and directives which seek to ensure that communities develop in an integrated manner that responds to change and contributes to the wellbeing of all its people.

The adopted settlement pattern is the cornerstone of the growth management approach in the Hamilton-Auckland Corridor and in the Future Proof Strategy. It provides the blueprint for growth and development in the sub-region.

Future growth areas and housing numbers within the region are predicated on meeting the outputs of the Housing Capacity Assessment (HCA). This is set out within Section B7 of the strategy which identifies the timing and staging of development over the next 30 years for the sub-region.

The strategy directives encourage a more compact urban form around existing settlements. Any departure to this or out of sequence or unanticipated development is then assessed on set criteria APP13 for out of sequence development discussed earlier in this study and RPS Policy UFD-P11. It is this policy that is being challenged as part of emerging Fast Track applications for retirement villages.

### 6.2.1 Future Proof Strategy Directives

The Future Proof Strategy however does not make explicit reference or contain directives for retirement living supply or how to best deal with meeting the demand of an aging community in the sub-region. This is a gap, as reference to affordability and improving housing typology options is too broad a narrative to give sufficient guidance to how best consider this specific sector of the retirement housing market and provision of assisted care units.

Section B7 of the Future Proof Strategy for growth management gives directives which are predicated on a well-functioning urban environment and include the following requirements:

- to meet identified shortfall in housing capacity,
- ability to be serviced
- compatibility with surrounding land uses
- contribute to affordable housing stock and
- addressing identified need for housing type/tenure and price point

The above does not explicitly reference retirement living especially given tenure and price point are very bespoke to the sector and the licence to occupy operating model of retirement villages.

Section B9 Rural Areas – this directs that highly productive land is protected and rural residential development on highly productive land is limited to existing areas zoned for rural lifestyle. This applies to all development including retirement villages.

Section B10 People, Places and Communities – this is considered the most suited place to discuss retirement living in more detail. This section of the strategy is related to housing affordability and choice with specific reference to the elderly being particularly affected as they may be financially strained and seeking smaller affordable options.

There is reference to provision of affordable housing and papakāinga housing through local, regional and national initiatives but little mention of specific implementation measures other than inclusionary zoning and enabling a greater mix of housing types and tenures in all developments.

There are numerous directives within this section of the strategy. Directive 10.7 mentions densities through the settlement pattern and providing for a diverse range of typologies and intensification. Directives 10.8-10.9 mention housing affordability and inclusionary zoning, while Directive 10.10 specifically refers to papakāinga housing. Again, there is no explicit reference to provision of homes for retirement in the sub-region.

Much like for affordable housing it is therefore recommended there is specific mention of meeting retirement living demand within Section B10 and even supply targets by Territorial Authority could be provided in Part D of the strategy.

## **6.3 Assisted Care and Kaumātua Housing**

It is important to note that the study scope was not to address the wider structural and systematic issues in affordable housing or the lack of assisted care units for the wider retirement demographic in general.

The recent WSP/HCF Age-Proofing Aotearoa report advises the under provision of aged care is an emerging pressure point. Demand is rising steeply, with a projected shortfall of 12,000 aged care beds in the country by 2032.

It is clear from the industry operator survey for example that an emerging trend is for greater demand and security of assisted care units on site for their residents to ensure that continuum of care 'in-place', yet because of the lack of profitability in the current system their provision is woefully inadequate and highly competitive for entry.

It is well understood that Kaumātua prefer to remain in their own homes, surrounded by whānau and supported by community-based carers. This co-living approach not only honours their mana and independence but also provides a sense of safety and familiarity, particularly with a noticeable rise in dementia.

The increasing complexity of care needs, combined with the high cost of living and limited income opportunities for whānau carers, is making this model increasingly unsustainable. Licensed residential care facilities, while available, are often financially out of reach for many Kaumātua and do not always align with cultural preferences or values.

The survey undertaken provides a traditional NZ European response to retirement demand (this is reflected in the survey responses with over 83% respondents of NZ European origin) and from the operator models in the case studies highlights the urgent need for affordable, culturally appropriate housing and care solutions.

The scope of this study and surveys undertaken are a balance between efficiency and catering as broadly as possible across the need's spectrum. It is not always possible to allocate more energy, time and resourcing to specific groups after tabulating the results of those who responded.

Retirement Villages may offer opportunities to develop residential facilities for the elderly in the region, but it is crucial that there are other development options that cater for a wider sector of retirement demand include provisions for papakāinga and Kaumātua Care Facilities.

It is worth noting that at the time of this study the published draft GPS-Housing and Urban and Development sets new national direction on papakāinga. The aim of this reform is to better enable Māori communities to build homes for their people on their ancestral land (specified whenua Māori and general land). As part of this, each district plan will be required to establish minimum standards for papakāinga housing.

Under the proposed new Planning Act, the Future Proof Strategy and future Spatial Plan Implementation should be updated to show how it is giving effect to Iwi aspirations in housing delivery through Māori housing through partnership – the MAIHI approach.

## **6.4 Final Comments**

Most applications in the case studies for retirement villages were considered as non-complying activities within rural zones. Nevertheless, TAs are still providing for them in District Plans based on an assessment of listed effects.

The proposed government changes to the RMA presents a paradigm shift away from the established Future Proof settlement pattern with the potential removal of rural urban boundaries. Future developments including retirement villages will likely be assessed on their regional significance and their ability to fund their own infrastructure.

In addition, with the proposed standardisation of plan zones it remains to be seen whether the new Built Environment Act will be more permissive of retirement villages as an activity per se. It is very likely that they will become more permissive with standardised definitions for retirement villages and be considered as a Controlled or Restricted Discretionary activities (with standards) given the latest enabling policy signals from central government.

From the case studies undertaken the anticipated and known effects of retirement villages are in most cases no different to residential subdivisions or any other staged comprehensive residential development. The consideration of effects whether it be transport, infrastructure, impact on soils, highly productive land, landscape, cultural impact etc all remain the same.

The issue for consideration is whether retirement villages as an activity warrant special exemption in rural locations given, they are meeting demand for a certain sector of the market which is an ageing population.

It is a key recommendation of this study that there is no justified exemption for retirement village activities in rural areas, and the existing Out of Sequence Criteria A and B that seek to maximise proximity to existing urban centres, P/T and Infrastructure efficiencies still apply as they would for

any residential subdivision. It is recommended there be additional criteria under Criteria B that retirement villages demonstrate that they are meeting the demonstrable need for retirement living demand for 65 plus years of age cohorts in the region. This is considered justified as given the often 'closed' nature of the typical licences to occupy model of retirement villages there is often little information on housing type/tenure/price point need.

Whilst retirement villages may be meeting a current projected retirement demand there is an issue of equality and whether the villages or developments are only open to a select few who can afford entry and whether they are meeting 'local demand' or need of those elderly in the community. From the literature it is also becoming increasingly unlikely this demand will continue beyond the next 15-20 years.

Retirement housing should be close to services particularly health and public transport. There is an opportunity in the emerging spatial planning system and through the increased use of development levies to better identify suitable locations for retirement living sites, as part of comprehensive planned mixed-use developments with identified infrastructure (community, transport and three-waters) forward planned and funded.

It is recommended through emerging Regional Spatial Planning work, strategic growth area discussions or Fast Track proposals for significant residential or mixed-use schemes, retirement living villages should be considered alongside and integrated as part of these proposals. This would ensure better community integration from the outset rather than standalone isolated villages.

Given the preference for rural locations, flat and much larger sites more than 10ha it is recommended Councils explore the use of regulatory incentives (eg; reduced DC's) to encourage such activities into identified urban locations or brownfield sites. Such urban sites should be identified as Priority Development areas for smaller dwellings or elderly cohorts only.

District Plans or the relevant chapter under the proposed Built Environment Act should encourage site amalgamation specifically for retirement living opportunities either through central city master planning or town centre concept plans. There are ample sites within the extensive Hamilton Central City zone for example that could be identified as retirement village opportunities with good access to hospital care and amenities.

Authorities should produce Non-regulatory 'Age in Place' design guidance (in partnership with others) to future proof residential developments for those that cannot afford to move into retirement villages and provide more options in existing housing stock for universal design to enable whole of life continuum living.

Under the new spatial planning system, community facilities including assisted care facilities and papakāinga housing should not just be identified as spot listings in a plan but shown how they could potentially co-locate with one another in consultation with the relevant agencies strategic plans.

## 7 Adopted Recommendations

1. No exemption for retirement living activities and existing Out of Sequence Criteria A and B in the Future Proof Strategy still apply but with additional criteria under B that retirement villages demonstrate they are meeting a demonstrable need for retirement living for 65 plus year of age cohorts in the region.
2. Future HCAs in the transitional period to include specific (over 65 years) retirement sector demand v supply breakdown spatially for the sub-region. (HCAs are currently being reviewed for next iteration)
3. Urgent stocktake of all historic and Fast Track developments that are consented, under construction or have clear staging plans to accurately assess 'Actual' cumulative supply of retirement villages over next 3 years.
4. Spatial Planning to lead future identification of integrated growth areas for retirement living in Priority Development Areas in conjunction with transport, community planning, assisted care spaces.
5. Partners to identify specific Brownfield site allocation opportunities for retirement living through master planning or town concept planning.
6. Standardised zoning will assist with regulatory barriers but explore additional Incentives by way of DC remissions or height standard exemptions to incentivise urban sites or those applications which make a shift towards smaller typologies and higher density (say greater than 30dph)
7. Draft additional Directives in Section B10 of Future Proof strategy to require more integrated retirement living developments with residential subdivision, greater typology, mix and density to future proof development typologies when baby boomer cycle ends.
8. Develop non-regulatory 'Age in Place' Urban Design and Universally Accessible Housing Design Guidance requirements for all residential developments.
9. Much like for affordable housing, consideration of retirement village supply targets by TA to be provided in Part D of the strategy.
10. Further research (either through Future Proof or Waikato Housing Initiative) on papakāinga housing supply specifically as this study does not address local Kaumātua demand or supply in this sector.
11. Regional Spatial Planning to explore integrated infrastructure and use of new development levy tools to encourage developments in locations integrated with future land use allocations.

## **8 Appendices**

### **8.1 Formative Report**

**8.2 Literature Review WRC**

**8.3    Industry Survey Summary Urban Advisory**

**8.4    WRC Operator Summary**

**8.5    Resident Survey Summary**

**8.6 TA Policy Provisions**

## **8.7 Future Proof Strategy – Section B7 Out of Sequence Policy Criteria A and B**

**8.8 Glossary of Terms and Acronyms in report**