AGED CARE NEEDS ASSESSMENT

UNDERWOOD

10 DECEMBER 2019
PREPARED FOR VIMG

URBIS

URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

Director	Paul Riga
Senior Consultant	Monique Fenn
Project Code	P0012128
Report Number	V1

© Urbis Pty Ltd
ABN 50 105 256 228

All Rights Reserved. No material may be reproduced without prior permission.

You must read the important disclaimer appearing within the body of this report.

TABLE OF CONTENTS

Executive Summary 4
1. Report Format 5
2. Subject Site Location and Context 6
2.1. Catchment Area Definition 7
3. Population and Demographics 9
3.1. Catchment Area Resident Population 9
4. Demand Analysis 11
5. Supply of Aged Care Facilities 12
5.1. Existing Aged Care facilities 12
5.2. Future Supply 13
6. Net Demand Assessment 15
6.1. Demand Versus Supply 15
Disclaimer 16

EXECUTIVE SUMMARY

VIMG has requested Urbis to provide an Economic Needs Assessment Report which addresses the need for an aged care facility located at 1667 Beenleigh Road, Underwood. Our findings on each of these matters are summarised below.

1. The potential impact of the development upon the viability of other existing aged care facilities in Logan

As shown in Table 5.1 of this report, there are just two aged care facilities within the identified catchment area (being the immediate surrounding areas, including Underwood, Runcorn, Eight Mile Plains, Kuraby, Rochedale South and Priestdale). Via primary qualitative research it is understood that both of these existing facilities are subject to low vacancies.

In our view the Proposed Development is unlikely to have any significant impact on the current level of demand for the existing retirement living facilities in the catchment. This is based on the strong growth expected in the ageing population, coupled with the expected increase in penetration rates for this dwelling type. There is therefore likely to be an ongoing undersupply of aged care beds in the catchment area through to 2026 and beyond. Further to that, given the strong existing demand, we expect that vacancies at the existing facilities in the catchment will continue to remain low, whether or not the Proposed Development is constructed.

Therefore, the resultant demand for the subject development is likely to be in addition to current levels of demand rather than at the expense of the demand for the current facilities.

2. Whether there is sufficient demand in the immediate area to warrant an aged care development

There are a number of factors which indicate there is sufficient demand in the catchment to warrant the Proposed Development on this site. These factors include:

(a) **Strong +65 growth in the catchment** - Growth in the proportion of aged persons is expected to be much higher than the overall growth of the catchment population over the 10-year period (2016 – 2026). The number of 65+ residents is expected to reach approximately 8,169 persons by 2021 and approximately 9,129 by 2026. This five-year growth is therefore recorded at a rate of 3.7% per annum – higher than the overall growth rate of 0.9% per annum. With such a high growth in the mature age groups, it is expected the demand for dedicated housing will increase.

(b) **Increasing penetration rates** – The Underwood Catchment features a lower penetration rate for aged care beds. With a rate of 18.17% it is lower than both Brisbane LGA, and Logan LGA. This level is expected to be a measure of supply, with both facilities seeing low levels of vacancy. Therefore, this is expected to increase alongside supply.

(c) **Undersupply of aged care beds through to 2026** - The demand for, and supply of aged care beds for the total catchment area over the period 2016 to 2026 is detailed in Table 6.1 of this report. As mentioned, the Catchment has a very low supply of beds, which is further exuberated by a lack of future supply. At the current penetration rate, there is forecast to be a demand of 173 beds by 2026. Should the penetration rate increase to that seen within Brisbane LGA, there is potential demand of up to 313 beds. Furthermore, these net demand figures only consider the population growth of +65 residents in the catchment area. To the extent the Proposed Development attracts residents from outside these areas, then the net demand for aged care beds in the catchment only increases.

Therefore, there is an immediate need for aged care beds within the catchment, with the forecast demand for this product outweighing supply both in medium term.

1. REPORT FORMAT

Following the Executive Summary, the report comprises five sections as follows:

Section 2: Subject Site Location and Context – considers the Underwood area in terms of its location and access and likely catchment area for the proposed retirement facility.

Section 3: Catchment Area Population – presents catchment area population trends and forecast both in total and for the elderly population. This section will also identify the current demographic characteristics in the catchment area.

Section 4: Demand Analysis – provides an overview of the factors which impact on the propensity of aged care and considers demand for care facilities in the Underwood Catchment.

Section 5: Supply Analysis – presents an analysis of the existing and future supply of facilities in the Underwood Catchment.

Section 6: Net Demand Assessment – provides an assessment of the net demand for additional aged care beds across the Underwood Catchment.

2. SUBJECT SITE LOCATION AND CONTEXT

Located at 1669 - 1677 Beenleigh Road, Underwood the subject site spans approximately nine hectares. The site currently houses the Australia Post processing facility, with operations expected to cease late 2019.

The site is positioned adjacent the Underwood Marketplace Shopping Centre and bordered on the south and west by residential uses. Access to the site is via Beenleigh Road with limited street frontage.

Additional surrounding retail amenity includes Aldi, a vast array of major bulky goods and F&B options. The Centro Springwood Shopping Centre and new Bunnings are an approximate 5 minute drive to the south, with IKEA being 10 minutes away.

Transport infrastructure servicing the site includes Logan Road approximately 200 metres from the site, as well as close proximity to the Pacific Motor way, Gateway Motorway and Kuraby Train Station.

The nearest hospitals are Logan Hospital, a 19 minute drive, and Sunnybank Private Hospital, a 13 minute drive. A medical centre is located within the adjacent Underwood Marketplace Shopping Centre, as well as within a 5 minute drive near Aldi.

2.1. CATCHMENT AREA DEFINITION

The Catchment refers to the area in which an existing or proposed facility is likely to draw its future residents from.

The size and scale of the Catchments vary due to the geographical context of the community in question. Factors that influence the definition of an area include:

- The proximity, structure and quality of competing facilities
- The strength, range and appeal of the area
- Access to various services and amenities
- The accessibility of roads and public transport
- Physical barriers such as freeways, rivers/ lakes and bushland which can impact drive times.

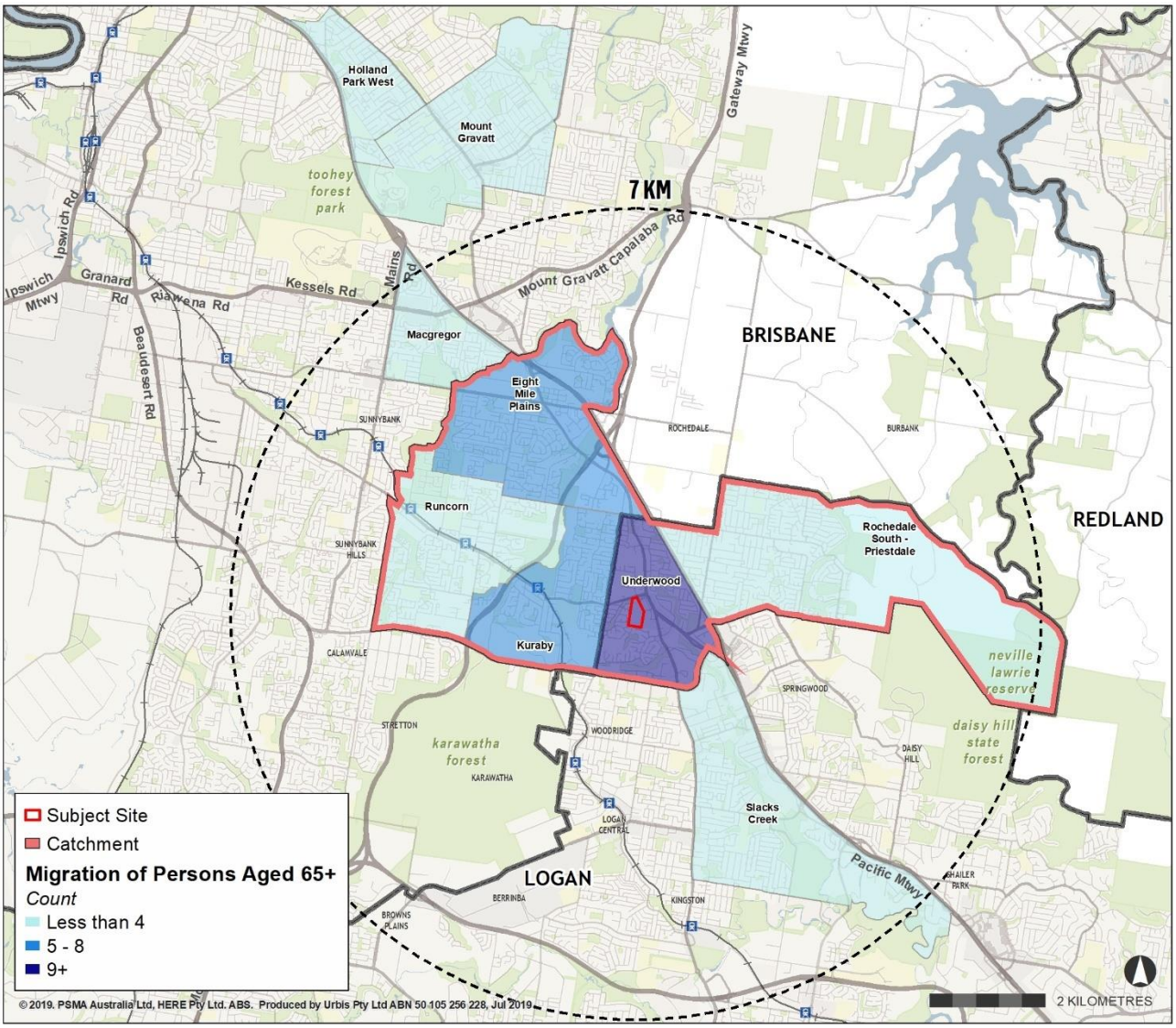
To determine the Catchment for this report, we have used historic 65 year + migration patterns for Underwood between the 2011 and 2016 ABS Census. The Catchment determined by Urbis is illustrated in the map on the following page.

There is a significant number of residents aged 65 and over who moved within Underwood. Outside of this SA2, the analysis shows that the greatest level of migration of residents was from overseas, Eight Mile Plains, Kuraby and Andergrove – Beaconsfield (suburb in Mackay QLD). The majority of the movement has been from the region in southern Brisbane and eastern Logan.

Although these figures seem low, the drivers of relocation must be considered. Older people tend to move less, unless it's to dedicated housing.

Looking at other areas in the Logan with strong elderly representation, there is a trend of residents staying in the same area.

Therefore, there is strong evidence to suggest that purchasers will likely already be located within the immediate catchment as residents seek to stay within their local community.


Holland Park West
Mount Gravatt
toohey forest park
7 KM
Gateway Mtwy
Ipswich Rd
Granard Rd
Ipswich Mtwy
Riawena Rd
Kessels Rd
Mains Rd
Mount Gravatt Capalaba Rd
Beaudesert Rd
Macgregor
BRISBANE
Eight Mile Plains
SUNNYBANK
ROCHEDALE
BURBANK
Runcorn
SUNNYBANK HILLS
Rochedale South - Priestdale
REDLAND
Underwood
Kuraby
CALAMVALE
SPRINGWOOD
neville lawrie reserve
STRETTON
karawatha forest
KARAWATHA
WOODRIDGE
DAISY HILL
daisy hill state forest
LOGAN CENTRAL
Slacks Creek
Pacific Mtwy
LOGAN
BERRINBA
KINGSTON
CHAILER PARK
BROWNS PLAINS
Subject Site
Catchment
Migration of Persons Aged 65+
Count
Less than 4
5 - 8
9+
© 2019. PSMA Australia Ltd, HERE Pty Ltd. ABS. Produced by Urbis Pty Ltd ABN 50 105 256 228, Jul 2019
2 KILOMETRES

3. POPULATION AND DEMOGRAPHICS

This section of the report considers the resident population of the defined catchment area, both in total and in terms of the target population aged 65 years and older.

3.1. CATCHMENT AREA RESIDENT POPULATION

The forecast population growth for the Underwood Catchment are based on the Queensland State Government population forecasts released by the Office of Economic and Statistical Research (refer Table 3.1).

The Catchment is forecast to experience moderate levels of growth over the next 10 years, with the population projected to increase from 62,494 persons in 2016 to 67,129 persons by 2026. This represents an increase of 4,635 persons, equating to an average of 464 persons per annum. This rate of growth is lower than seen in the previous decade.

Looking at those aged over 65 years, the rate of growth is significantly higher than the overall population. In the last five years, there have been an additional 1,621 residents aged 65 and over, which comprised 37% of the total growth. Looking forward to 2026, the additional 230 new older residents per annum will bode well for the level of dedicated housing and facilities supporting the aging population.

Population Growth – Total Catchment & Persons Aged 65+

Underwood Catchment — Table 3.1

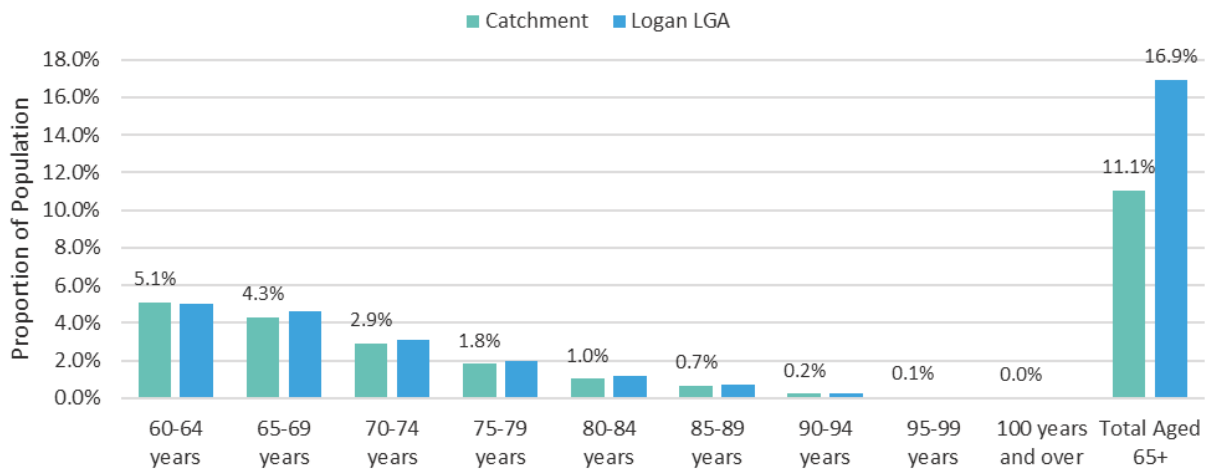
	2011	2016	2021	2026	2031	2036
Population (Total)	58,060	62,494	65,310	67,129	68,910	71,170
		2011-2016	2016-2021	2021-2026	2026-2031	2031-2036
Population Change (No.)		4,434	2,816	1,819	1,781	2,260
% Average Annual Growth		1.5%	0.9%	0.6%	0.5%	0.6%

	2011	2016	2021	2026	2031	2036
Population Aged 65+	5,205	6,826	8,169	9,129	9,773	10,425
		2011-2016	2016-2021	2021-2026	2026-2031	2031-2036
Population Change (No.)		1,621	1,343	960	644	652
% Average Annual Growth		5.6%	3.7%	2.2%	1.4%	1.3%

Source: Queensland Government Statisticians Office

Age Distribution

Underwood Catchment Vs Logan LGA Chart 3.1



Source: Queensland Government Statisticians Office

At 2016, the Underwood Catchment registered a lower proportion of persons aged 65+ in comparison to the Logan LGA. However, given the strong growth projected in the Catchment for persons aged 65+, it is expected that portion will increase.

4. DEMAND ANALYSIS

The demand section provides an overview of change in the penetration rate of aged care facilities. Using these figures, the demand for aged care beds in the catchment area is assessed.

Penetration Rate

Underwood Catchment — Table 4.1

Age Group	Queensland	Brisbane LGA	Logan LGA	Underwood Catchment
80+	22.93%	24.38%	42.31%	18.17%

Source: Urbis, Cordell Connect

The penetration rate (the ratio of persons living in aged care compared to those aged 80+) is low within the Underwood Catchment. The rate is well below Brisbane and Queensland, and significantly below the Logan LGA. Therefore, there is a strong potential to increase this penetration rate and still be well below the benchmarks.

The penetration rate is largely influenced by the level of supply. If no new supply is added to the area, it is unlikely the rate will increase. However other minor influencing factors include population growth, the unaffordability of housing, and the quality of the offering.

Demand Assessment

Underwood Catchment — Table 4.2

		2026		
Age Group	Penetration Rate 2016 rate	Forecast Pop. 80+	Residents in Aged Care	Potential Demand (# of units)
80+	18.2%	2,265	412	412

		2026		
Age Group	Penetration Rate Brisbane LGA rate	Forecast Pop. 80+	Residents in Aged Care	Potential Demand (# of units)
80+	24.4%	2,265	552	552

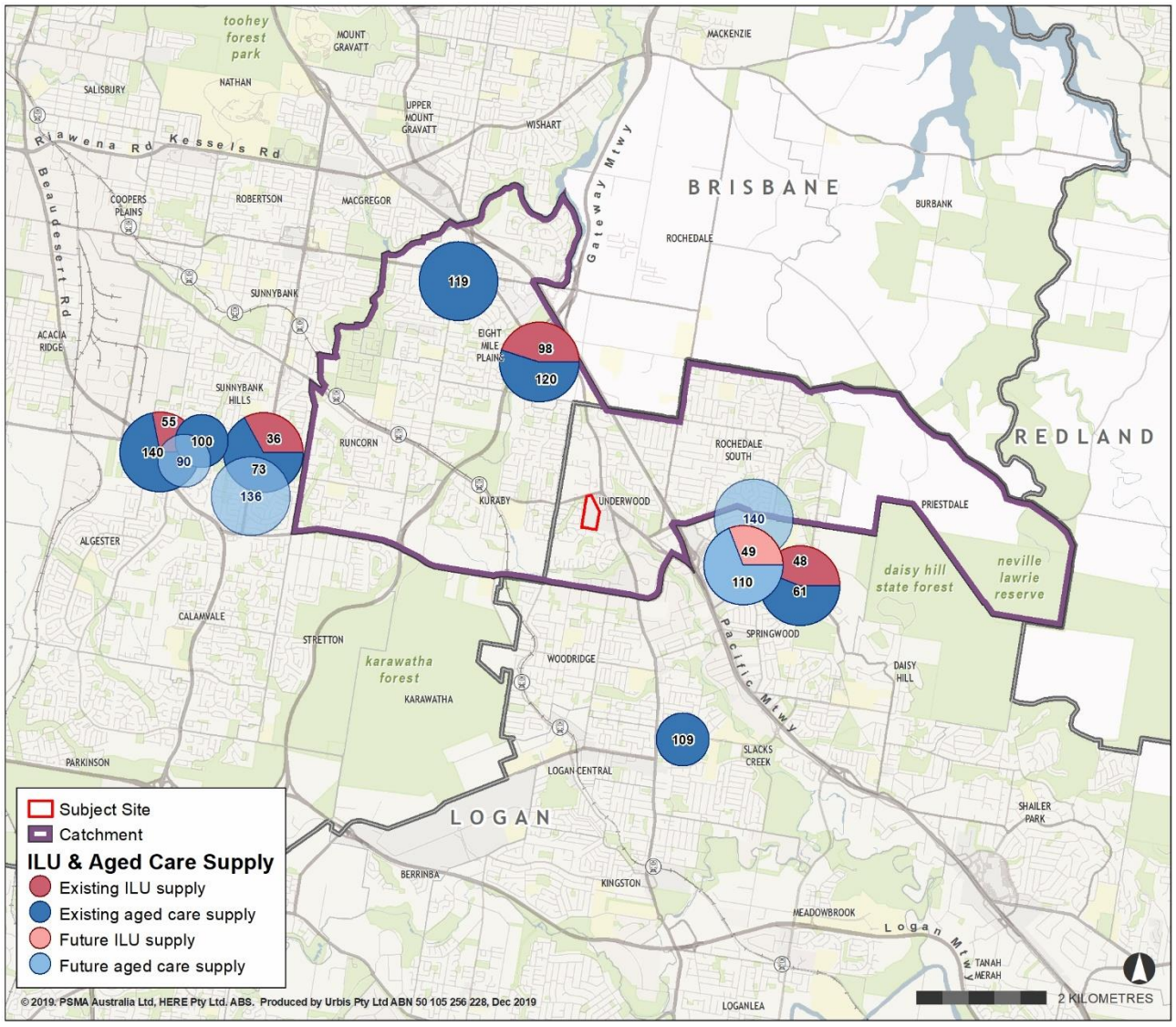
The first scenario above provides the demand levels for aged care based on the current level of penetration. At this rate, there is demand for 412 aged car beds by 2026.

However, as mentioned, this rate of penetration is likely a result of the lack of supply. Therefore, there is a strong likelihood that it will increase. An alternative scenario providing a penetration rate similar to the Brisbane LGA is provided. This would increase the demand of aged care beds to 552 by 2026.

5. SUPPLY OF AGED CARE FACILITIES

The following sections outline the existing and proposed aged care facilities within the Underwood Catchment. The size, vacancy, and location of these developments will impact on the supportable scale and timing of a potential aged care facility at the subject site.

Location of Existing and Future Facilities Map 5.1



5.1. EXISTING AGED CARE FACILITIES

As shown in the following table there are just two aged care facilities within the Underwood Catchment. These provide 239 beds.

Arcare Eight Mile Plains offers 119 beds, and currently has 3 vacancies. The facility offers a more luxury service, with each of the single rooms featuring an ensuite. The facility is a redevelopment of an old manor and features internal courtyards and landscaping. As a result, the facility has a more heritage feel, with modern finishes

The Plains by Bethany Christian Care is a combined retirement and aged care facility. The facility is relatively new, having opened in 2006, and upgraded in 2016. Again the facility only offered single rooms all with ensuites, as well as some double rooms for couples. The facility has reported some vacancies in both single and double rooms.

It is noted that whilst the Catchment has only registered two facilities, there are five existing facilities located just outside the Catchment.

5.2. FUTURE SUPPLY

A review of Cordells Construction Database has identified no aged care developments located within the Underwood Catchment.

Again, it is noted that whilst there are no facilities under future supply within the catchment, there are four projects located just outside the Catchment. Whilst these projects may potentially have an impact on the subject site, the assessment of has been based on the contained catchment.

Existing Aged Care facilities

Underwood Catchment

Table 5.1

Facility	Address	Operator	Floors	ILU's	Aged Care Beds	Amenities
Arcare Eight Mile Plains	549 Warrigal Rd, Eight Mile Plains	Arcare	2		119	Boutique Café, Hairdressing Salon, Theatre, Dining Room, Lounge Room
The Plains	333 Underwood Rd, Eight Mile Plains	Bethany Christian Care	2	98	120	Café, Library, Hairdresser, Chapel, Swimming Pool, Childrens Playground, Mens Workshop, Community Hall, BBQ Pavillion
				98	**239**	

Source: Urbis, Cordells

6. NET DEMAND ASSESSMENT

This section compares the demand for, and supply of aged care beds as derived in the previous sections. It then draws conclusions in relation to the need for additional aged care beds within the catchment area.

6.1. DEMAND VERSUS SUPPLY

The demand for, and supply of aged care for the total catchment area over the period 2016 to 2026 is detailed in Table 6.1.

With just the two facilities offering 239 beds, there is already an undersupply of aged care beds. Therefore, any population growth within the catchment will only increase this undersupply.

Under the current penetration rate, there is an undersupply of 173 beds by 2026.

As mentioned, it is unlikely this rate will continue, with the addition of new supply impacting the rate. If we were to apply an increased rate similar to Brisbane (table 4.2), the demand increases to 313 beds by 2036.

This strong level of demand is largely influenced by the lack of future supply, and the ongoing population growth.

Therefore, there is an immediate need for aged care beds within the catchment, with the forecast demand for this product outweighing supply in the medium term.

On that basis it is our view that:

1. The Proposed Development is unlikely to have any detrimental impact upon the viability of other existing aged care facilities within the Catchment; and

2. There is sufficient demand in the immediate area to warrant the development of an additional 157 beds

Net Demand – Aged Care Beds

Underwood Catchment — Table 6.1

	Aged Care Beds
Current	239
Future	0
Total Supply	**239**

	Aged Care Beds Forecast Demand 2026	
	2016 Penetration Rate	Modified Penetration Rate
2026 Demand	412	552
Supply Difference	173	313

Source: Urbis, Cordells, ABS Census

DISCLAIMER

This report is dated 5 December 2019 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (**Urbis**) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of VIMG (**Instructing Party**) for the purpose of Needs Assessment (**Purpose**) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report, and upon which Urbis relied. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

In preparing this report, Urbis may rely on or refer to documents in a language other than English, which Urbis may arrange to be translated. Urbis is not responsible for the accuracy or completeness of such translations and disclaims any liability for any statement or opinion made in this report being inaccurate or incomplete arising from such translations.

Whilst Urbis has made all reasonable inquiries it believes necessary in preparing this report, it is not responsible for determining the completeness or accuracy of information provided to it. Urbis (including its officers and personnel) is not liable for any errors or omissions, including in information provided by the Instructing Party or another person or upon which Urbis relies, provided that such errors or omissions are not made by Urbis recklessly or in bad faith.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.



BRISBANE
Level 7, 123 Albert Street
Brisbane QLD 4000
Australia
T +61 7 3007 3800

GOLD COAST
45 Nerang Street,
Southport QLD 4215
Australia
T +61 7 5600 4900

MELBOURNE
Level 12, 120 Collins Street
Melbourne VIC 3000
Australia
T +61 3 8663 4888

PERTH
Level 14, The Quadrant
1 William Street
Perth WA 6000
Australia
T +61 8 9346 0500

SYDNEY
Tower 2, Level 23, Darling Park
201 Sussex Street
Sydney NSW 2000
Australia
T +61 2 8233 9900

CISTRI – SINGAPORE
An Urbis Australia company
#12 Marina View
21 Asia Square, Tower 2
Singapore 018961
T +65 6653 3424
W cistri.com

URBIS.COM.AU