

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 27 February 2018
CONFIDENTIAL AGENDA BUSINESS ITEM**

RELEASED 05 NOVEMBER 2018

Item: 19.1

Originating Officer: Natalie Westover, Manager Property Services

Responsible Director: Terry Crackett, Director Corporate Services

Subject: Retirement Village Review

For: Decision

1. Retirement Village Review – Exclusion of the Public

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except:

- CEO, Andrew Aitken
- Director Engineering & Assets, Peter Bice
- Director Strategy & Development, Marc Salver
- Director Corporate Services, Terry Crackett
- Director Community & Customer Service, David Waters
- Executive Manager Governance & Performance, Lachlan Miller
- Manager Property Services, Natalie Westover
- Consultant, Justin Hazell from Colliers International
- Minute Secretary, Pam Williams

be excluded from attendance at the meeting for Agenda Item 19.1: (Retirement Village Review) in confidence.

The Council is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified above, be excluded to enable Council to consider the report at the meeting on the following grounds:

Section 90(3) (b) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this Agenda Item includes commercial information of a confidential nature the disclosure of which could reasonably be expected to confer a commercial advantage on a person with who, the Council is conducting business, or proposing to conduct business, or to prejudice the commercial position of Council and the person who supplied the information by disclosing specific quotes and calculations and would, on balance, be contrary to the public interest.

Accordingly, on this basis the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

2. Retirement Village Review – Confidential Item

SUMMARY

In response to the CEO KPI for 2015-2016 of “*Review Council's role, viability and community benefit in the provision of Retirement Villages and supported housing. Provide a recommendation to Council*”, Council staff undertook a review of the Council’s Retirement Village portfolio as part of the Strategic Property Review.

The purpose of this report is to seek a resolution of Council to proceed to a divestment of the Council’s Retirement Village portfolio as graphically represented in **Appendix 1**.

The report contains information and assessments undertaken by Council staff and consultants to review the Council’s Retirement Village portfolio and provide recommendations for the portfolio.

RECOMMENDATION

Council resolves:

1. That the report be received and noted
2. To commence a divestment process to sell the retirement village portfolio being the villages located at:
 - a. Balhannah – 13 Junction Road (CT 5106-613) comprising 7 units
 - b. Bridgewater – 1 Second Avenue (CT 5488-788 & CT 5278-536) comprising 6 units
 - c. Crafers – 2 Station Road (CR 5563-828) comprising 6 units
 - d. Gumeracha – 5 Albert Street (CT 5800-272) comprising 14 units
 - e. Lobethal – 3 Jeffrey Street (CT 6017-705) comprising 14 units
 - f. Woodside – 11 Nairne Road (CT 5463-774) comprising 16 unitsin accordance with the:
 - Essential Criteria (*Appendix 2*)
 - Sale Process and Marketing Strategy (*Appendix 3*)
3. To make an application to the State Government, Crown Lands Department, to freehold the land on which the Crafers Retirement Village is located at 2 Station Road Crafers contained in Crown Record Volume 5563 Folio 828
4. To make application to Renewal SA (as the successor to South Australian Housing Trust) to surrender the lease over the Lobethal Retirement Village and bring to an end the remaining obligations under the joint venture agreement
5. That a further report be presented to Council detailing the outcome of the sales and marketing process and if successful, presenting the preferred purchaser and full details of the proposed sale for consideration
6. To delegate to the Chief Executive Officer to do all things and sign all necessary documents to give effect to this resolution

1. GOVERNANCE

➤ Strategic Management Plan/Council Policy

Goal 1	Prosper
Strategy 1.9	We will work to make the district more age-friendly

Goal 3 Places for people and nature
 Strategy 3.5 We will take a proactive approach, and a long term view, to infrastructure maintenance and renewal

Goal Organisational Sustainability
 Strategy Financial Sustainability

The proposed divestment of the Council’s Retirement Village portfolio to an experienced retirement living housing provider will assist the Council in meeting its objectives to make the district more age-friendly by ensuring that housing options are provided to a reasonable and high standard and quality of life and service provision to our residents is at a high level.

The projected capital investment in the Retirement Village portfolio over the next 20 years is significant. The projected income from the divestment and the removal of the capital investment liability creates opportunities to deliver services to the broader Adelaide Hills Council residents in a financially sustainable manner.

➤ **Legal Implications**

The Retirement Village portfolio is subject to the provisions of the *Retirement Villages Act 2016*.

Resident rights under existing agreements are protected under the provisions of this Act.

➤ **Risk Management Implications**

The divestment of the Retirement Village portfolio will assist in mitigating the risks of:

Lack of a consistent and reasonable standard of service provision to residents in the Retirement Village portfolio leading to loss of confidence in Council and Council’s ability to deliver Retirement Village housing

Inherent Risk	Residual Risk	Target Risk
Extreme (4B)	Low (1E)	Low (2D)

Ongoing subsidisation of the Retirement Village portfolio resulting in the allocation of funds away from other community facilities, services and initiatives and the reinforcing the community expectation that Council will provide ongoing subsidisation of retirement housing

Inherent Risk	Residual Risk	Target Risk
Medium (1A)	Low (1E)	Low (2D)

The financial sustainability of the Retirement Village portfolio leading to a greater financial commitment required by Council to meet mid-long term asset renewal requirements and service standards expected by residents

Inherent Risk	Residual Risk	Target Risk
Medium (1A)	Low (1E)	Low (1C)

The risks identified above would be resolved by the report recommendation. If the Council does not divest the Retirement Village portfolio, mitigation actions will be required to be implemented.

➤ **Financial and Resource Implications**

The costs of sale are largely dependent on the sale price realised but will be in the vicinity of \$200,000 to \$230,000. Of that amount, approximately \$10,000 is required to be expended in the marketing and negotiation phase.

The cost to undertake the review and valuation of the Retirement Village portfolio to date has been \$30,000.

The projected return from the divestment of the Retirement Village portfolio, as identified in the independent review, is estimated to be \$8,460,000. Allowing for a variance of plus/minus 5% gives an expected range of \$8,036,000 - \$8,884,000.

It should be noted that Council has invested substantial financial resources into the development and ongoing maintenance/renewal of the Retirement Villages over an extended period of time. As such the funds received through the divestment process do not provide a windfall gain, but instead should be seen as a recovery of this prior investment.

➤ **Customer Service and Community/Cultural Implications**

It is not envisioned that the divestment of the Retirement Village portfolio will have any detrimental impact on the service levels and quality of the experience of living in any of these villages. It is expected that, with the villages operated by fully resourced and experienced staff, the residents in the villages will have access to an greater range of services and occupation options and more easily accessible customer service.

➤ **Environmental Implications**

Not Applicable

➤ **Engagement/Consultation conducted with Council Committee, Regional Subsidiary, Advisory Group, the Administration and Community**

The Retirement Village Review has largely been undertaken in confidence.

Council Committees: Not Applicable

Council Workshops: 19 October 2016 and 6 December 2017

Advisory Groups: Property Advisory Group

Administration: Manager Community Development, Rebecca Shepherd
Team Leader Positive Ageing, Jessica Sharkie

Community: Residents of the Retirement Villages have been advised of the process that Council is undertaking and are aware that one of the options for consideration is a full divestment

2. BACKGROUND

Council has 6 retirement villages comprising 63 units located at:

- 13 Junction Road Balhannah (7 units) constructed in 1994
- 1 Second Avenue Bridgewater (6 units) constructed in 1994
- 2 Station Road Crafers (6 units) constructed in 1998
- 5 Albert Street Gumeracha (14 units) constructed in 1971-1973
- 3 Jeffrey Street Lobethal (14 units) constructed in 1974-1985
- 11 Nairne Road Woodside (16 units) constructed in 1981-1985

Occupation by residents in the villages is facilitated by a residence contract providing a licence to occupy through the payment of a premium under a debenture loan arrangement or by the payment of a weekly rent fee. The breakdown of debenture loan agreements vs rental agreements is attached as **Appendix 4**.

2004

In December 2004, Council commissioned Colliers International to provide a preliminary assessment and opinion in respect to how Council was managing its Retirement Village portfolio. Collier's opinion was that the fragmented composition of the portfolio was leading to cost inefficiencies. It was identified that returns were below acceptable levels, which was mainly due to an imbalance of debenture vs rental agreements and low maintenance fees.

2006

In 2006, Council commissioned Equity One Consultants to undertake a more detailed report in respect to the overall financial operation and future sustainability of the portfolio. In particular that report was asked to assess and provide commentary on the options of:

- Outsourcing the management of the portfolio
- Retaining the portfolio
- Selling the portfolio
- Managing the inefficiency changes by policy change

A summary of the key findings of that review is as follows:

1. 20 year forecast indicated that AHC would be in a cash positive position including estimated capital maintenance expenditure
2. Debenture loan arrangements are retained with Council retaining 20% of the premium and 100% of the capital gains
3. Recommended that Council pursue a mix of occupants to achieve of ratio of 80% under debenture loan agreements and 20% under rental agreements
4. Recommended that Council investigate the creation of a capital maintenance fund to be contributed to as an additional amount for new debenture residents
5. Ensure rents are set based on market value
6. Suggested finding a third party purchaser for the portfolio would be challenging with a Net Present Value set at \$700k to \$1.5M
7. Suggested Council's favoured position is to retain the portfolio based on:
 - Council was managing the villages on an efficient basis (not allowing for Council's corporate overhead expenses)
 - It would be difficult for an external manager to gain additional efficiencies due to the fragmented nature of the portfolio
 - An external manager would likely result in increased costs
 - Residents had indicated that they were happy with the way in which Council managed the villages
8. Maintenance fees should be increased in line with other operators and to work towards full cost recovery of operational expenses so that rental and debenture loan

income could be applied to capital renewal/maintenance, development of additional housing options and other community objectives/outcomes

9. Additional sites should be investigated to develop additional villages to increase income and economies

At the 7 March 2006 meeting, Council resolved as follows:

11.2. AHC Retirement Villages Review
5/14/004-03 Karen Sinclair

Moved Cr Stan Evans
S/- Cr Ian Bailey

Carried
43

That Council adopts the following recommendations in respect to the ongoing management and operation of Council's retirement village portfolio:

- **Future Debenture Loan Agreements to be restructured so as to value units at a "market rate" on entry and exit.**
- **The current mix of debenture versus rental occupants to be gradually moved towards a mix of 80% Debenture Agreements and 20% Rental Agreements.**
- **An adjustment of existing maintenance levies be made to ensure that a break-even position is obtained within the next 4-5 year period.**
- **Equity One to conduct Workshop with Council & no feasibility study to commence until after the workshop**

A workshop was held with Council on 18 April 2006 at which Equity One discussed the various ways in which Council might consider expanding its existing retirement village portfolio. 5 sites were identified as being worthy of further investigation being:

- 100 Old Mt Barker Road Stirling (old school site)
- 7 Albert St Gumeracha (old Torrens Valley Community Centre site)
- 41 Jacaranda Drive Woodside (reserve)
- 20 Jeffrey Street Lobethal (excess AHBTC land)

2006

At the meeting of 6 June 2006, Council resolved as follows:

11.4. AHC Retirement Village Expansion Feasibility
5/14/004-03 Karen Sinclair

Moved Cr Jasemin Rose
S/- Cr David Paschke

Carried

That Council Officers be directed to undertake a preliminary feasibility analysis on the suitability of Council owned sites for the provision of additional retirement village accommodation.

A Division was requested by Cr Jasemin Rose

The Acting Mayor set aside his ruling and called for a division.

In the affirmative (10) Crs Ron Nelson, Leone Taylor, Ian Bailey, Bill Spragg, Stan Evans, Kate Hosking, David Paschke, Andrew Stratford, Val Hall, Jasemin Rose

In the negative (1) Cr Wayne Gibbings

On the basis of the results of the division, the Acting Mayor declared the motion
Carried

2007

Feasibility studies were undertaken on the fore-mentioned sites and were presented to Council at the meeting of 21 August 2007 where Council resolved the following:

16.1.1. Retirement Village Land Report – Confidential Item
Shaun Matters 16.3.1

Released 21 May 2009

Moved Cr Bill Gale Carried unanimously
S/- Cr Lisa Brinkley 220

That

1. **After consideration of the Equity 1 report, Council not proceed with development of aged, disabled or community housing on sites at:**
 - 100 Old Mt Barker Road Stirling (former Stirling East school site)
 - 7 Albert Street Gumeracha (adjacent existing units)
 - Jacaranda Dr Woodside
 - 20 Jeffrey Street Lobethal
2. **Council not undertake the role of developer in the community aged and disabled housing area, and confine its role to that of Urban Planning through the Townships and Urban Areas Plan Amendment Report and act as advocate to State Government.**

2009

A further report was presented to Council on 5 May 2009. The purpose of this report was to highlight the challenges in finding residents to enter into one bedroom units under the debenture loan agreement, which was resulting in units being vacant for significant periods of time, and to seek approval to rent out one bedroom units after a 4 month vacancy period which was in contravention of the Equity One report recommendation. At that meeting Council resolved the following:

10.1. Retirement Villages – Sales & Marketing
16.51.7 Liz Bok

Moved Cr Bill Gale Carried unanimously
S/- Cr Geoff Purdie B141

That Council approves the rental of one-bedroom retirement village units in circumstances where a sale cannot be achieved after a marketing campaign of more than 4 months.

2016

In response to the CEO KPI for 2015-2016 of “Review Council's role, viability and community benefit in the provision of Retirement Villages and supported housing. Provide a recommendation to Council”, Council staff undertook a review of the Council’s Retirement Village portfolio as part of the Strategic Property Review.

That review included internal investigations and also a report undertaken by URPS which collectively assessed:

- what other providers were in the Council or regional area and their operating model and costs
- the existing occupation agreement methods and how they compared to what other providers offered
- debenture and rent charges and how they compared to what other providers charged
- maintenance charges and whether there was full cost recovery and how they compared to what other providers charged

- how other Local Government authorities managed their villages and reasons they have divested or retained

A workshop was held with Council on 19 October 2016 which provided information on each of our villages and the Council area broadly in terms of ageing population projections and requirements for retirement living options. The workshop highlighted the following challenges for Council in operating its Retirement Village portfolio:

- resource intensive to operate at the same level as other providers and to meet legislative requirements
- long term financial allocation for upgrades and renewals
- greater expectation on Local Government to provide affordable housing options which creates sustainability concerns
- lack of retirement village options in the northern part of the Council area
- current values and rents were below market value
- current maintenance fees did not achieve full cost recovery
- substantial changes required for villages to be financially sustainable in the long term

At the Council meeting of 7 December 2016, Council resolved as follows:

5.3.1. Retirement Villages Review – Confidential Item

RELEASED 7 JULY 2017

Moved Cr Val Hall
S/- Cr Ian Bailey

277

Council resolves:

1. That the report be received and noted.
2. To call for expressions of interest for the operation, maintenance and/or ownership of Council's Retirement Villages.
3. That subject to the approval of the call for tenders, a further report be presented to Council on the outcome of the expression of interest process.

Carried Unanimously

2017

In early May 2017, Council staff met with the residents of each Retirement Village to discuss Council's intention to approach other service providers to see what interest there may be in the market in the Council's Retirement Village operation. In addition to the meeting where this was discussed, each resident was provided with the flyer attached as **Appendix 5**. Other than seeking confirmation that their agreements were secure, Council did not receive any negative feedback from residents in relation to this process.

In early August 2017, Council called for expressions of interest in its Retirement Village operations/portfolio. Interested parties were asked to express their interest in the following options:

- Council retaining ownership and management with an external provider providing additional in-home support and home modifications as required by residents
- Council retaining ownership and a third party managing the villages
- Council divesting ownership of its Retirement Village portfolio
- Joint ventures to leverage more housing

As presented to a workshop with Council on 6 December 2017, Council received 6 responses to its call for expressions of interest. A summary of the submissions is attached as **Appendix 6**.

The expression of interest process indicated that there are existing and experienced not-for-profit providers interested in purchasing the Council's Retirement Village portfolio in accordance with the Council's essential criteria.

3. ANALYSIS

Council's role as a Retirement Village provider

Historical information indicates that Council was involved in the development of the Retirement Villages at a time when retirement living options in the Council area was needed however there were no operators interested in developing villages in these locations at this time.

In the report presented to Council on 21 August 2007 (excerpt below), it was identified that Council's role in the delivery of retirement living accommodation was as a facilitator rather than a provider to ensure that support was provided without the risks and costs associated with ownership and resourcing.

Another relevant consideration is the role of Council versus State Government in these areas, as well as Council's strategic direction. The provision of aged and disabled accommodation for disadvantaged is largely a State Government responsibility.

Community feedback received via Council's Rates and Budget consultation continually flags roads and footpaths as major areas for additional resources and improvement. Council has expressed a strong desire to address these issues as part of its Strategic Plan preparation.

A number of Councils provide assistance to support aged and/or disabled accommodation in their areas. This is often undertaken with Council providing a parcel of land free of charge for a housing co-operative to build, own and manage the completed facility. This model is more difficult for Adelaide Hills Council, due to the lack of suitable land in Council's ownership that could be developed in this way and underlying land values.

One of the main areas where Council can support medium density accommodation suitable for aged and disabled housing is in providing suitably zoned land to allow the private sector to respond to the community and market needs. This is a current issue in the Adelaide Hills area and is being addressed through the Townships and Urban Areas Plan Amendment Report.

An "Affordable housing summit" has been organised by the State Government, SA Affordable Housing Trust, being held on 14 August 2007 (which is after the date of finalising this report). The Local Government association has circulated a briefing paper for this summit which outlines the draft LGA Policy position for the Local Government sector in this area. An extract of the current LGA "Housing" policy area is attached as Appendix 3.

Based on the above, it is recommended that Council not undertake the role of developer in the aged and disabled accommodation area, and confine its role to the Urban Planning area and as a facilitator, advocate and information provider.

This provides a framework where Council staff will facilitate where opportunities arise to link, for example, land holders or developers to the State Government funding areas and not for profit housing providers, that can provide aged or disabled accommodation. In this way Council will provide support for the area but not incur significant resource or property development and ownership risk.

The decision not to pursue a divestment at that time seems largely based on the opinion that a third party buyer would be challenging to find and that the portfolio was financially sustainable in the long term.

Workshops held with Council in 2016 and 2017 raised the question “given that there are now experienced providers operating in the Council area and keen to expand, is it Council’s role and part of Council’s core business to be a Retirement Village operator?”. General discussion has indicated that the provision of retirement village living is not considered to be core business for Council and that if there are experienced operators providing affordable retirement living options in the Council area, Council is not required to fill that role as a provider.

Security of tenure for existing residents

The main issue when considering a divestment of the Retirement Village portfolio, is the ongoing security of tenure of the existing residents. In the development of the expression of interest, the following essential criteria was developed and is intended to be the essential criteria to be met by a proposed purchaser in a divestment as references in **Appendix 2** and set out below:

- Existing residents will be able to remain in their homes.
- All agreements as part of their licence to occupy remain in place and will be honoured.
- Retirement living housing remains affordable.
- Any increase in rents and/or maintenance fees would be phased in gradually over a reasonable period of time.
- Maintaining and enhancing the quality of life for residents.
- Priority access provided to local and Hills residents.
- Ability of your organisation to contribute to increasing the number of appropriate and affordable retirement living options in the Hills in the next 5 – 10 years.
- Ability to provide in-home support services; or to facilitate the provision of these, including a willingness to partner with Council’s existing CSHP Services; to enable people to remain living longer at home.

Financial summary

A review of the complete financials for the Retirement Village portfolio for the last six years, based on budget for the 17/18 financial year and actuals for the previous five financial years highlights the concerns over the long term financial sustainability of the Retirement Villages if they continue to be owned and operated by Council in the existing model. Refer **Appendix 7**.

The recent building condition assessment undertaken of all Council building assets has indicated that there is likely to be an amount of \$1.4M (short term gross) to \$2.4M (overall gross spend) required for capital renewal over the next 20 years.

The attached financial summary highlights the following:

- variance in total operating costs and the amount of those costs reimbursed through the current maintenance fee
- the subsidisation of the operating cost variance from the debenture loan and rental income
- the resulting deficit in the amount that should be applied to depreciation to fund capital renewal and upgrades

In the 17/18 financial year, maintenance fees were increased by 10%. Additional increments are required to achieve full cost recovery for operational expenses. This will be required whether Council retains or divests the Retirement Village portfolio.

Until the introduction of the *Retirement Villages Act 2016* on 1 January 2018, depreciation was accepted as a cost that could be recovered from residents through the maintenance fee however the new Act prohibits depreciation from being recovered from residents as a component of the maintenance fee. In the absence of depreciation, a sinking fund should be established and contributed to by the residents as an additional maintenance fee cost however the introduction of this fee needs to be in agreement with the residents.

It is important to note that irrespective of whether a divestment occurs or not, the operating model needs to change so that the Retirement Village portfolio operates as an independent and financially sustainable business unit of Council. This will involve increasing the fees to residents.

Council staff have not investigated the implications of the existing operating model from a competitive neutrality perspective. If the Retirement Village portfolio is retained this will need to be investigated to establish if Council is receiving a net competitive advantage over other operators by charging significantly less and the impact on the value of retirement village operations in the Hills by doing so.

Divestment Investigation

Council engaged Justin Hazell from Colliers International to undertake a review of our Retirement Village portfolio and provide some guidance as to the saleability of the portfolio and an estimation as to what the portfolio might achieve at sale.

The report comprised an independent review of the Council's Retirement Village portfolio including assessment of options/opportunities that enable Council to further consider its exit from the current Retirement Village activities. The report included:

- Review of relevant property particulars for each village including a summary of housing product, current zoning/development plan, current titling arrangements;
- Evaluation of all resident's agreements (ie loan & licence) and rental agreements;
- Preparation of updated residency schedules for each village including resident age, resident's tenure arrangement etc;
- Preparation of income and (non-recoverable) expenses summaries for each village;
- Establishment of sale price and leasing rate expectations for the ILU produce in each of the villages;
- Establishment of realisation expectations in the event that the villages are divested on an 'as is' basis, including high level analysis of the anticipated cash flows/NPV considering:
 - Likely timing of vacant possession/rollovers for occupied units and anticipated associated cash flows (including resident loan repayments);
 - Fortnightly rental rates, monthly maintenance fees and annual outgoings charged/paid;
 - Assumptions regarding escalations in cash flows (revenues & expenses);
 - Assumptions regarding ILU sale prices, fees, marketing costs, discount rate etc;
- Consideration of divestment options available for Council's consideration
- Recommended divestment strategy

If Council resolves to divest itself of its villages, it is likely to have several key objectives with respect to its Retirement Villages. These objectives might include the desire to:

- Optimise realisation upon divestment
- Minimise risk
- Exit in a sensitive manner so as to avoid distress to existing residents and tenants
- Ensure compliance with legislation;
- Ultimately transfer the villages to a suitably credentialed organisation with a strong reputational standing

The report provided the following summary of the current and future challenges:

The Retirement Village Act 1987 provides a substantial amount of protection to residents of retirement villages and purchasers of dwellings within retirement villages including the provision of “cooling off rights” that are substantially longer than those provided under normal residential contracts and the ability for purchasers/residents to terminate a resident agreement during a resident’s 90 day “settling in period”.

These various protections provide purchasers with a 15 day cooling off period and a 90 day settling in period. Purchasers/residents may terminate their contract at any time within these respective periods.

New legislation comes into effect on 1 January 2018 via The Retirement Villages Act 2016. The new legislation is aimed at:

- Providing improved transparency of village funds;
- Clarifying current legislative provisions;
- Increasing powers of investigation and compliance;
- Improving protections for residents and operators including improved mechanisms for the protection of resident funds and providing operators with the option of removing disruptive and difficult residents through a tribunal process.

Some of the specific provisions of the new legislation include:

- new disclosure requirements via a standard disclosure statement to improve transparency and clarity of residence contracts;
- strengthening auditing requirements and improving transparency of financial reporting;
- changes to resident meeting and resident voting processes;
- the introduction of a mandatory repayment of an exit entitlement to a resident within 18 months of a resident vacating their residence even if it is not relicensed prior to this time (with the ability for the resident to remain in the village as a resident during 15 months of this 18 month period);
- modification to the previous provisions regarding the early repayment of an exit entitlement for a resident wanting to enter residential aged care to better align with recent aged care reforms;
- resident entitlement to participate in the remarketing of a unit if it has not been relicensed after 9 months;
- ability for operators to apply to the Tribunal for the removal of disruptive residents if warnings and dispute resolution processes are not successful;
- Increased offences and penalties.

In addition to the above legislative changes, there is currently a very significant push towards the delivery of home care for seniors, in order to help people live independently in their own home for as long as possible.

Delivered through the Australian Government's Home Care Packages Program, the Program provides a subsidy towards a package of care, services and case management to meet individuals' personal needs. The importance of home care for seniors to enhance daily living is significant. A number of significant operators have positioned themselves to actively participate in the delivery of home care packages that align with the Australian Government's Home Care Packages Program.

Adelaide Hills Council faces a number of challenges, both now and into the future, in the provision of retirement villages to its community. Some of the primary challenges include:

- The villages are resource intensive to meet legislative requirements and operate at the same level as other providers within the district;
- There is growing expectations on Local Government for more affordable options which in turn creates sustainability concerns;
- There is a lack of independent living units in northern part of Council area.

In addition, there are significant financial matters that need to be addressed with the retirement village portfolio, including:

- They require an increased level of capital funding within the current long term financial plan to provide for upgrades and development;
- There is a variety of different licence to occupy arrangements currently in place across the portfolio, with these licence to occupy arrangements having a significant impact on the payouts provided to outgoing residents;
- Current arrangements provide for an upfront payment to Council, of which a percentage is returned to the resident when they vacate the unit (amount is dependent on time occupied), with the amount retained by Council varying across the various agreements, but typically being 20% (which is below industry standard);
- Current agreements do not provide for resident contributions towards capital replacement on resident's exit from the villages (which is inconsistent with most other villages that operate throughout Australia);
- A number of changes are required for Council's villages to be financially sustainable moving forward, with Council charges being significantly below the industry standard (including the licencing rates, maintenance contributions and refurbishment costs).
- The financial management model needs to be updated to meet legislative compliance.

Sale Price Appraisal

To estimate realisation in the event that the village is divested on an 'as is' basis, high level analysis of the anticipated cash flows has been undertaken. This Net Present Value (NPV) analysis has:

- considered the likely timing of vacant possession of units based on the current age of residents;
- made allowances for repayment of loans to residents on termination of resident's occupancy;
- anticipated the cash flow between now and the date that vacant possession of the entire village is achieved. Note: it has been assumed that cash flow would be maximised by renting (currently) vacant units, plus entering into new rental agreements in relation to other units (as they progressively become vacant), with these new rental agreements being structured so they are not subject to lifetime rental arrangements;
- made allowances for the cost to create individual (community) titles for each unit following vacant possession of the entire village – allowance of \$10,000/unit, plus a further allowance of \$10,000 (in total) for legal costs associated with unwinding the retirement village structure;

- where rental rates are below market rental levels, assumed fortnightly rental rates are increased by 5.0%pa in excess of escalation to assist in progressively narrowing the gap between current rental rates and market rental rates that have been established in McGees valuation dated 5 April 2017;
- assumed operating costs are in line with the operating cost budget 2017/2018;
- assumed that maintenance fee charges are brought into line with operating cost budgets to establish a nil surplus/deficit scenario;
- assumed escalation in all cash flows (revenues & expenses) at a rate of 3.0% pa;
- assumed sale prices in line with (the midpoint of) McGees valuation dated 5 April 2017 following vacant possession of all units;
- made an allowance of 3.0% for agents commission & marketing costs associated with disposal of individual units;
- assumed capital growth in unit values at a rate of 4.5%pa;
- made no allowance for remittance of GST;
- assumed a discount rate of 7.5%.

For the purpose of appraising the estimated sale price of units (assuming they are sold as residential dwellings following vacant possession) and establishing market weekly rental rates, the prices contained in the recent valuation completed by McGees has been relied upon. The McGees valuation dated 5 April 2017 establishes market rental rates and market sale price valuation for each unit within each village. It is noted that the valuation has been completed assuming that each individual unit is a separately saleable asset, and more particularly that the site is held as a Community Titled group, with each unit held in a separate Certificate of Title.

Using the above calculations, the sale price estimate is \$8,460,000. Allowing for a variance of plus/minus 5% gives an expected range of \$8,036,000 - \$8,884,000.

***Net Present Value (NPV)** is the difference between the **present value** of cash inflows and the **present value** of cash outflows. NPV is used in capital budgeting to analyze the profitability of a projected investment or project

Market Interest

The indications are that in the retirement village market existing and experienced operators are looking for additional villages to add to their portfolios and there is strong interest in acquiring villages in the Hills. Existing and experienced operators are resourced to manage retirement villages in an efficient manner and provide additional service options to their residents that are not offered or available through Council.

Refer to the attached market update from Colliers in relation to recent sales **Appendix 9**.

Communication

Given the demographic of the people that reside in the villages, it is recommended that until such time as the Council makes a final resolution to sell to the preferred purchaser and enter into a Contract, the proposal should remain completely confidential with no media (or otherwise) releases.

Until such time as the marketing campaign is undertaken and the assessment process is complete, it is not certain that a buyer who meets all of the essential criteria and offers a price and conditions agreeable to Council will be found.

Assuming that a buyer is found who is acceptable to Council, communication with the residents can occur immediately after that resolution and signing of agreements. Managing it in this manner enables the residents to be given immediate comfort and certainty that their agreements and occupancy are secure and to pose any questions or concerns immediately to the new proprietor.

This communication strategy is what other Retirement Village operators have followed when divesting and have found that it causes the least amount of concern and uncertainty to the residents.

Proposed Timetable

If a resolution to proceed to divestment is obtained, a proposed timeline of the divestment has been developed and is attached as **Appendix 8**.

In summary:

- marketing preparation and collation of documents and schedules would commence immediately
- initial approaches to target purchasers would commence in March and running through to end of April
- information memorandum would be provided to target purchasers in late March
- first EOI round would close in early May
- second round process would close in late May
- negotiations with interested parties would be undertaken in June
- report back to Council with outcome and presentation of preferred purchaser in late June or July

4. OPTIONS

Council has the following options:

- I. Resolve to commence a process to divest the Retirement Village portfolio in accordance with the strategy and timeline of this report (Recommended)
- II. Resolve to request additional information for consideration
- III. Resolve not to divest the Retirement Village portfolio

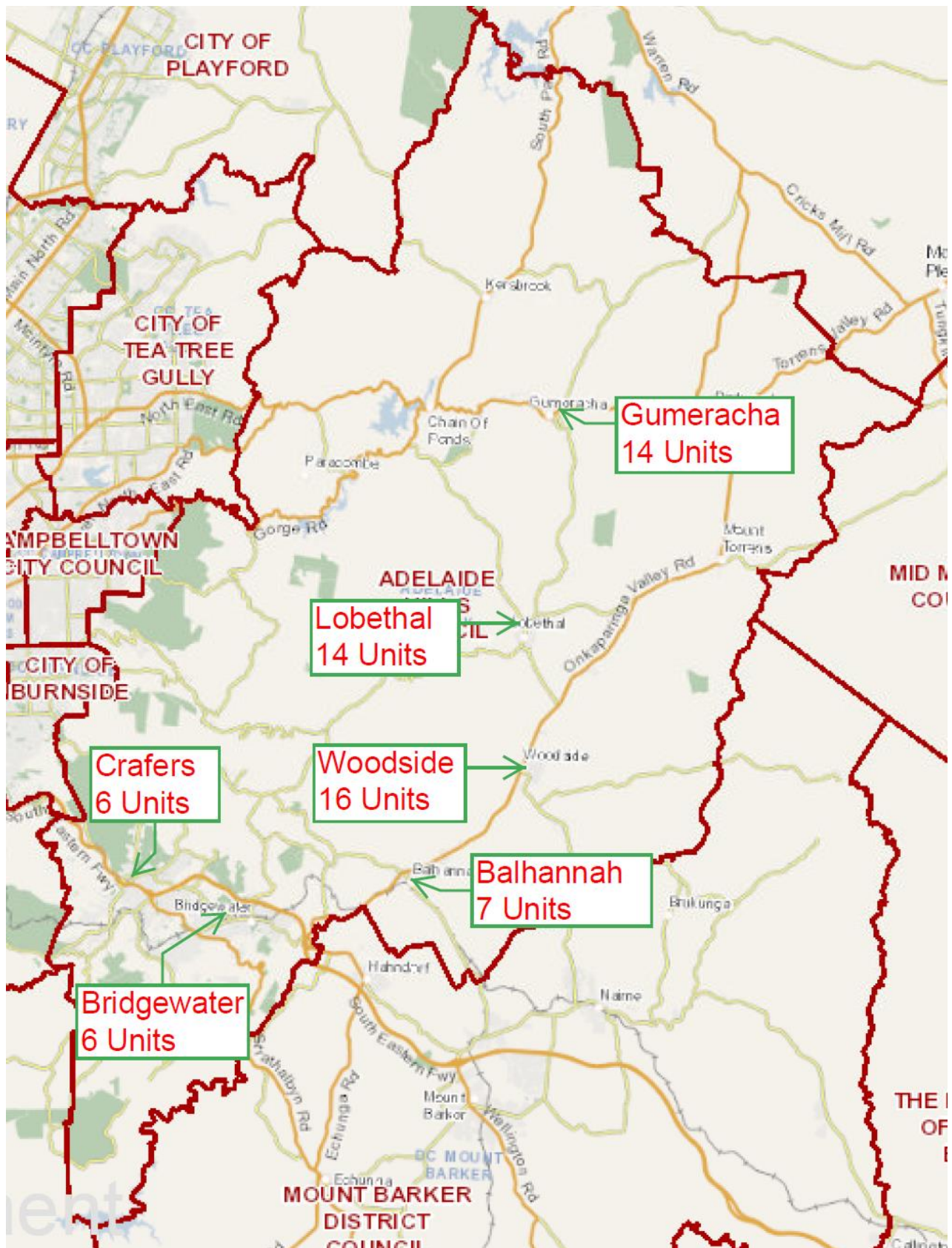
5. APPENDICES

- (1) Overview of Retirement Village Locations
- (2) Essential Criteria
- (3) Sale Process and Marketing Strategy
- (4) Summary of Rental vs Debenture Agreements
- (5) Information flyer provided to residents in May 2017
- (6) Summary of responses to Expression of Interest process
- (7) Financial Statement
- (8) Divestment Timeline
- (9) Colliers Market Update

Appendix 1

Overview of Retirement Village Locations

Retirement Village Locations



Appendix 2

Essential Criteria

ESSENTIAL CRITERIA

- a. Existing residents will be able to remain in their homes**
- b. All existing occupation agreements for residents remain in place and are honoured**
- c. Retirement living housing remains affordable**
- d. Any increase in rents and/or maintenance fees to be phased in gradually over a reasonable period of time**
- e. Maintain and enhancing the quality of life for residents**
- f. Priority access provided to local and Hills residents**
- g. Ability to provide in-home support services, or to facilitate the provision of these, including a willingness to partner with Council's existing CSHP Services, to enable people to remain living longer at home**

Appendix 3

Sale Process and Marketing Strategy

SALE PROCESS AND MARKETING STRATEGY

<p>Buyers</p>	<p>The most likely purchasers will be retirement village operators with an existing presence in the South Australian market. These likely purchasers will include operators that have a presence solely in South Australian, as well as those that have operations in South Australia and other parts of Australia. This is a defined market. The proposed sale process will identify a bespoke group of operators whose operating ethos' are aligned with Council's, thus recognising that if Council resolves to divest itself of its villages, it is likely to have several key objectives with respect to the process, including:</p> <ul style="list-style-type: none"> • Optimise realisation upon divestment; • Minimise risk; • Exit in a sensitive manner so as to avoid distress to existing residents and tenants; • Ensure compliance with legislation; and • Ultimately transfer the villages to a suitably credentialed organisation with a strong reputational standing
<p>Marketing strategy</p>	<p>A bespoke controlled and targeted sales campaign will ensure that this opportunity is taken to the most appropriate parties to achieve the best outcome with probity and integrity in a way that meets Council's divestment conditions which extend beyond solely achieving the highest price.</p> <p>The recommended campaign would be a discrete, targeted Expression of Interest ("EOI") campaign for the divestment of the villages. Advertising in local, state &/or national press is not considered to be either appropriate or necessary. In our experience, advertised campaigns can adversely affect the residents (and their families) at the villages.</p>
<p>Campaign Timeline</p>	<p>A five week campaign commencing upon completion of a detailed Information Memorandum and following establishment of an online data room. Potential purchasers would be discretely sounded out prior to campaign commencement, in order to ensure that they are 'ready to act'.</p>
<p>Fee</p>	<p>A standard (success only) fee for a transaction such as this is approximately 2.00% (plus GST) of the contracted sale price for each village.</p>
<p>Expenses</p>	<p>Out of pocket expenses will need to be met by Council. These will include:</p> <ul style="list-style-type: none"> ➢ Information Memorandum at no cost; ➢ Online data room which Colliers International will manage – fixed at \$2,500 (+GST). This cost will need to be paid on signing of the sales mandate; • Professional photography and floor plans costs (if required). We will secure a quotation for 2-3 external images of each village, plus 2-3 internal images of 1 unit within each village, a site plan for each village and a floor plan for a typical unit in each village. Estimated site plan cost would be around at \$150 (+ GST) each (ie approximately \$900 (+ GST) in total). Floor plan cost would be around at \$150 (+ GST) each (ie approximately \$900 (+ GST) in total). Photography at each site would be charged at cost at around

	<p>\$150 (+ GST) (ie \$900 (+ GST) in total). These costs will be quoted in advance and will not be authorised without Council’s approval.</p>
<p>Sale Process</p>	<ul style="list-style-type: none"> • A sale process that accords with Council's divestment conditions • Sale to a reputable and well-established Retirement Housing provider • Future housing security of residents and tenants. Purchasers will be required to satisfy Council that: <ul style="list-style-type: none"> ○ Resident rights under Retirement Villages Act 1983 are preserved; and ○ Appropriate arrangements will be put in place to ensure long term housing security for tenants • The villages to be marketed in a confidential manner • The conditions set by Council to be clearly articulated to potential purchasers • Protection of Council’s reputational risk • An acceptable proposed marketing plan • Identification of the likely buyers for the retirement villages • Development of an effective sales strategy • A process which addresses resident sensitivities • Minimal disruption to operations • Undertaken via a tightly-controlled campaign • Creating a competitive bidding environment that will result in the highest possible sale price and most favourable terms and conditions, whilst ensuring that Council's required caveats are addressed • Review and evaluation of bids, together with presentations to Council • Probity and integrity
<p>Discrete and targeted Expressions of Interest (EOI) campaign</p>	<p>A discrete, controlled and targeted EOI campaign for the sale of the villages offers the following advantages:</p> <ul style="list-style-type: none"> • It allows for non-conventional bids, such as structured proposals, encouraging maximum participation • It creates a level of competitive tension with formal measures in place to satisfy probative requirements • It addresses Council’s sensitivities associated with the divestment process • Buyers typically submit their best proposal under competitive pressure, with this process having two competitive stages • When participating in an EOI campaign, prospective buyers are aware that they are submitting offers in a competitive environment and accordingly there is a tendency for buyers to submit their best proposal as they only have one chance to do so, which is commonly more than what they would prefer to pay • The process has a defined timetable to ensure consistent reaction from the buying group • All offers are received at the same time, meaning less resources to review offers • An EOI will allow for the alternate proposals to be submitted and considered — this process may extract a structured deal that may not have been previously considered

	<ul style="list-style-type: none"> • EOIs allow for bids for all or parts of the assets, broadening market appeal • EOIs can encourage more participants in the sale process as there is less cost to establish their position than in a formal tender campaign • Council can dictate the terms of sale and can stipulate in what form the EOI is to be submitted (i.e. you maintain control of the sale process) • After the completion of the EOI period, selected parties are then shortlisted for further discussing regarding securing the villages. This process positions parties to submit a binding final offer for the consideration and acceptance of Council.
<p>Campaign and Marketing Process</p>	<p>The marketing process would be broken into phases:</p> <ol style="list-style-type: none"> 1. Our first step will be to approach the targeted groups directly, speaking with the main decision makers, alerting them to the opportunity without specifically identifying the facilities (ie we will refer to the assets “as a retirement village portfolio in the Adelaide Hills Region for sale as a going concern”) 2. Recipients wishing to obtain information on the opportunity would then be required to execute a Confidential Agreement (CA) 3. Parties that have returned the executed CA will receive an information memorandum and will also gain access to an online data room. The key personnel from Colliers International will meet with the prospective purchasers, delivering a presentation and work through Q&A's with the purchasing team's advisors. The information memorandum will specify a due date for lodgement of a non-binding Expression of Interest (recommended 5 weeks after the presentation/release of the Information Memorandum) 4. No inspections of the facilities will be permitted until an acceptable non-binding Expression of Interest is submitted – This will ensure minimal interruption to staff, residents and operations 5. Upon review of the non-binding Expressions of Interest we will then invite the preferred party/ies (ie shortlisted parties) to inspect the facilities 6. Following inspections the preferred party/ies submit their final and best Expressions of Interest (EOI's) (this would include price, deposit, timetable and required due diligence and other terms and conditions) 7. Further due diligence (approximately 4-5 weeks) by preferred party/ies including contract negotiation. Subject to the outcome of stage 1, it may be that this further due diligence is able to be condensed into the second round bidding phase 8. Execute Contracts & advise residents of the transaction & estimated settlement date
<p>Information Requirement</p>	<p>The Information Memorandum and additional detailed information (via the online dataroom) should be provided to / accessible by prospective purchasers (following execution of a CA) to assist purchasers with their due diligence. We would suggest this should include:</p> <ul style="list-style-type: none"> ➤ Residents Schedules ➤ Residents agreements including: <ul style="list-style-type: none"> ○ Resident Lifetime Licence–(Part) Donation / (Part) Loan ○ Lifetime Licence–(Part) Donation / (Part) Loan ○ Loan & Licence (No Capital Growth Entitlement for the Resident) ○ Loan & Licence (Capital Growth Entitlement for the Resident) ○ Lifetime Licence–Rental

- Property Description
 - Legal property details
 - Maintenance fee / operating cost budgets
 - Minutes of residents committee meetings
 - Depreciation schedules (if available)
 - Floor Plans
 - External, Internal and aerial photographs
-

Appendix 4

Summary of Rental vs Debenture Agreements

	Debenture Loan	Rental	Vacant
Balhannah	5 (70%)	2 (29%)	-
Bridgewater	5 (83%)	-	1 (17%)
Crafers	5 (83%)	1 (17%)	-
Gumeracha	7 (50%)	6 (42%)	1 (8%)
Lobethal	1 (7%)	12 (85%)	1 (7%)
Woodside	10 (62%)	6 (38%)	-

Appendix 5

Information Flyer provided to Residents in May 2017



Adelaide Hills COUNCIL

AGE FRIENDLY LIVING ENVIRONMENTS

“A Home for Life”

RESIDENTS’ INFORMATION SHEET

BACKGROUND

The Adelaide Hills Council has consulted with our community and providers of services to our older residents to prepare an Age Friendly Community Plan. This plan seeks to make the Adelaide Hills Council area an even better place to grow older. It focuses on the physical environment, health and well-being, housing and support services, social connection and participation.

Research for the Plan identified that there are limited affordable and appropriate housing options for people who want to remain in their communities as they age. The Plan seeks to find ways to increase the number and diversity of dwellings to meet the needs of older people.

The Plan also identified the need for Council to review the level of service provided to the retirement villages it operates to ensure that this is consistent with that provided by other not for profit housing providers.

PURPOSE OF OUR CONVERSATION WITH YOU

The Adelaide Hills Council has decided to explore the options available for funding, operation and management of our retirement villages to ensure these continue to serve our older community well.

The first step in this process is to begin a conversation with our existing residents about the things you consider to be important in providing housing that meets the needs of older people now and in the future.

We wish to outline a number of possible options which Council may consider. Council has established some clear guidelines for the way that the villages will be operated in the future, regardless of which option is supported.

GUIDELINES FOR OPERATION OF RETIREMENT VILLAGES

- Existing residents will be able to remain in their homes.
- All agreements as part of your license to occupy remain in place and will be honoured.
- Retirement living housing remains affordable.
- Any increases in rents and/or maintenance fees would be phased in gradually over a long period of time

MAKING SURE RETIREMENT LIVING UNITS CAN BE WELL MAINTAINED

Council has recently obtained new valuations on our retirement villages and have received advice on the contribution costs and rents required to maintain these properties to an acceptable standard.

All new residents entering our villages under the traditional licence to occupy agreement will pay these higher entry fees.

New residents entering our villages under a rental agreement after 1 July 2017 will pay these higher weekly rents.

Council has proposed changes to maintenance fees which will involve an increase of 10% which in most cases is between \$4 - \$5 a week this year. Council is also considering how to gradually increase weekly rents over a reasonable period of time to address the existing gaps between costs and income.

Council is committed to making sure that no residents are financially disadvantaged by these changes. Individual circumstances will be taken into account and arrangements made to ensure that you are not adversely affected.

Your housing is secure and all of your existing license agreements remain in place. This will be the case whatever the nature of future management arrangements.

POSSIBLE OPTIONS TO BE CONSIDERED BY COUNCIL

Following our conversations with residents and taking into account what we have heard, Council will seek Expressions of Interest from not-for-profit organisations that provide housing for older people regarding their willingness to assist Council with funding and/or management services that enable these retirement living opportunities to be available in the future.

These options could include partnership with another service provider to assist with management or undertake management on Council's behalf.

It may also be that one of these service providers expresses an interest in taking full ownership of Council's retirement village portfolio because they believe that this would help them to deliver more housing options. If this happens then Council would consider this on a case-by-case basis.

If there is no interest expressed by any of these service providers and Council continues to operate the villages, there will need to be changes to the fee structure as discussed above.

CONTACT COUNCIL'S TEAM FOR MORE INFORMATION

After you leave today you may find further questions or concerns arise for you. Please do not hesitate to contact one of the people identified below to discuss your issues. If you would like a face to face meeting with one of us please call to make a time. Please feel free to bring another person to that meeting if that would help you to feel more comfortable.

Phone contacts for team members:

Natalie:	8408 0546	Gaye:	8408 0447
Gen:	8408 0513	Angela:	0407 600 124.

Appendix 6

Summary of Responses to Expression of Interest Process

Respondent	ECH	Anglicare	Clayton Church Homes	Integrity Care	Restvale	Resthaven
Council retains ownership and management with the interested party providing additional in-home support and home modification services	X		X			X
Council retains ownership and a third party manages the villages	X	X	X	X	X (only as regards Lobethal)	
Council no longer owns and manages the villages	X (preferred)	X (preferred)	X (preferred)	X (after 2 – 5 years of management)		
Joint venture to leverage more housing	X	X	X	X		

Appendix 7
Financial Statement

Retirement Village Financial Summary - February 2018

Year	17/18 (budget not actuals)	16/17
Operating Financials		
Maintenance Income	\$188,514.00	\$158,462.00
Maintenance Expenditure		
Maintenance contractors & materials, water, power, agency fees	-\$125,160.00	-\$140,055.00
Insurance	-\$16,107.00	-\$18,227.00
Rates	-\$43,961.00	-\$42,085.00
ESL	-\$660.00	-\$766.00
Management	-\$48,050.00	-\$44,764.00
Total Maintenance Expenditure	-\$233,938.00	-\$245,897.00
Net maintenance Position	-\$45,424.00	-\$87,435.00
Occupation Income		
Debenture Loan	\$67,300.00	\$73,600.00
Rental	\$129,675.00	\$98,778.00
Total Occupation Income	\$196,975.00	\$172,378.00
Depreciation	-\$156,650.00	-\$190,687.00
Net position (surplus contribution towards capital renewal)	-\$5,099.00	-\$105,744.00
For information - average Capital Expenditure over period	-\$170,000.00	-\$81,576.00
Amount required to be contributed each year going forward to meet capital renewal expectations for next 20 years (not including replacement of carpets, ovens, airconditioners, hot water systems etc)	\$120,000	

15/16

14/15

13/14

12/13

\$157,370.00

\$160,409.00

\$160,642.00

\$162,124.00

-\$118,574.00

-\$121,706.00

-\$118,761.00

-\$140,770.00

-\$21,190.00

-\$21,190.00

-\$20,983.00

-\$19,851.00

-\$39,842.00

-\$39,279.00

-\$38,761.00

-\$37,399.00

-\$988.00

-\$989.00

-\$566.00

-\$564.00

-\$42,482.00

-\$42,154.00

-\$42,346.00

-\$39,705.00

-\$223,076.00

-\$225,318.00

-\$221,417.00

-\$238,289.00

-\$65,706.00

-\$64,909.00

-\$60,775.00

-\$76,165.00

\$76,800.00

\$90,194.00

\$101,668.00

\$111,720.00

\$98,950.00

\$86,889.00

\$86,568.00

\$82,912.00

\$175,750.00

\$177,083.00

\$188,236.00

\$194,632.00

-\$102,805.00

-\$113,091.00

-\$115,585.00

-\$153,282.00

\$7,239.00

-\$917.00

\$11,876.00

-\$34,815.00

-\$81,576.00

-\$81,576.00

-\$81,576.00

-\$81,576.00

Appendix 8

Divestment Timeline

Month	Task	March					April					May					June				
Week ending		2	9	16	23	30	6	13	20	27	4	11	18	25	1	8	15	22	29		
Week number		1	2	3	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
Appoint Agent	Agency Agreement finalised and executed by Parties	[Blue bar]																			
Marketing Preparation																					
-Marketing Plan & Budget	To be prepared & issued to Council for approval	[Blue bar]																			
-Information Memorandum	To be prepared by Colliers & issued to Council for approval	[Blue bar]																			
-Photography & Floor Plans	Professionally undertaken by 3rd party - cost approved by Council	[Blue bar]																			
Due Diligence EDR (Electronic Data Room)																					
-Residents Schedules	Signed off by Council / Uploaded to EDR hosted by Colliers	[Blue bar]																			
-Residents Agreements	Signed off by Council / Uploaded to EDR hosted by Colliers	[Blue bar]																			
-Certificates of Titles	Signed off by Council / Uploaded to EDR hosted by Colliers	[Blue bar]																			
-Planning Information	Signed off by Council / Uploaded to EDR hosted by Colliers	[Blue bar]																			
-Maintenance Fees/Operating Budgets	Signed off by Council / Uploaded to EDR hosted by Colliers	[Blue bar]																			
-Minutes of residents committee meetings	Signed off by Council / Uploaded to EDR hosted by Colliers	[Blue bar]																			
-Depreciation schedules (if available)	Signed off by Council / Uploaded to EDR hosted by Colliers	[Blue bar]																			
-Floor plans	Prepared by 3rd party / Uploaded to EDR hosted by Colliers	[Blue bar]																			
-Internal, external & Aerial Photography	Prepared by 3rd party / Uploaded to EDR hosted by Colliers	[Blue bar]																			
-Asbestos Registers	Signed off by Council / Uploaded to EDR hosted by Colliers	[Blue bar]																			
-Confidentiality Agreement	Colliers to prepare standard Confidentiality Agreement	[Blue bar]																			
-Form 1 Statement	Council's Solicitor to prepare	[Green bar]																			
-Draft Sale Agreement	Council's Solicitor to prepare	[Green bar]																			
-EDR platform and monitoring	Colliers to monitor	[Blue bar]																			
Presentation Phase - Target purchasers																					
-Pre-release Presentations		[Blue bar]																			
-Ongoing Presentations		[Blue bar]																			
Marketing Phase																					
-ecomms distribution		[Blue bar]																			
-Release Information Memorandum		[Blue bar]																			
-Client Reporting		Weekly																			
EOI Phase																					
-Close of EOI		[Red bar]																			
-Review and short list second round bidders		[Red bar]																			
-Second round of bids close		[Red bar]																			
-Select buyer(s) due diligence & exchange		[Red bar]																			

Appendix 9

Colliers Market Update

ADELAIDE'S TOP 2017 Healthcare & Retirement Living SALES



SOLD BY COLLIERS

Vertical Aged Care Development Site
GOLDEN GROVE



SOLD BY COLLIERS

Prospect Residential Care Supported
Residential Facility



SOLD BY COLLIERS

Clearview Manor Supported Apartments
CLEARVIEW



SOLD BY COLLIERS

Halsey Road Retirement Village
ELIZABETH EAST



SOLD BY COLLIERS

First Avenue Retirement Village
PAYNEHAM SOUTH



SOLD BY COLLIERS

Marian Road Retirement Village
FIRLE



SOLD BY COLLIERS

Hampden Street Retirement Village
FIRLE



SOLD BY COLLIERS

Lambert Avenue Retirement Village
CHRISTIES BEACH



SOLD BY COLLIERS

McKinna Road Retirement Village
CHRISTIES DOWNS



SOLD BY COLLIERS

Hill Street Retirement Village
VICTOR HARBOR



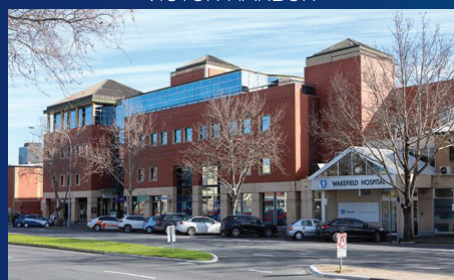
SOLD BY COLLIERS

Copper Coast Lifestyle Village
MOONTA



UNDER OFFER

Moonta Lifestyle Village
MOONTA



SOLD BY COLLIERS

Wakefield Hospital & Clinic
ADELAIDE



SOLD BY COLLIERS

Bellara Village
CAMPBELLTOWN



UNDER CONTRACT

Vertical Aged Care Development Site
WESTERN SUBURBS

February 2018

Healthcare & Retirement Living

South Australian Market Update

South Australia is experiencing unprecedented demand for healthcare assets including retirement villages, aged care facilities and medical assets, largely driven by population demographics and the non-discretionary nature of the sector, as well as investor and owner-occupier appetite.

Current opportunities



FOR SALE
Retirement Village
ADELAIDE HILLS REGION



FOR SALE
Retirement Village
YORKE PENINSULA REGION



FOR SALE
Aged Care Facility
REGIONAL RESIDENTIAL

Contact Colliers International's
Healthcare & Retirement Living Team
for a confidential discussion today.



Justin Hazell
Director - Healthcare & Retirement Living
0414 232 022
justin.hazell@colliers.com



Shalain Singh
Head of Healthcare & Retirement Living



Mark Agius
Manager - Healthcare & Retirement Living

3. Retirement Village Review – Period of Confidentiality

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing Council’s decision(s) in this matter in the performance of the duties and responsibilities of office, Council, having considered Agenda Item 19.1 in confidence under sections 90(2) and 90(3) (b) of the *Local Government Act 1999*, resolves that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* that the report, related attachments and the minutes of Council and the discussion and considerations of the subject matter be retained in confidence until the sale has been finalised, but not longer than 12 months.

Pursuant to section 91(9)(c) of the *Local Government Act 1999*, Council delegates the power to revoke the confidentiality order either partially or in full to the Chief Executive Officer.