

Paper Title

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Breaking New Ground: How Retirement Villages have become an alternative within mainstream housing

ABSTRACT

While retirement villages have become commonplace in New Zealand by 2004, ten years earlier they were a new phenomena and people moving to live in them were venturing into a new type of housing and lifestyle. This was often viewed with some scepticism by many in our society. Drawing from the interviews I undertook when researching for my Masters degree, the paper discusses reasons why some people chose to live in the exclusively created village type setting. The discussion identifies the social changes in society as being attributable to decisions made and such things as the changing role of family and daytime neighbourhood isolation are examples of contributory factors. It was however the need for a feeling of security, control over one's home space and the prospect or actuality of failing health that were paramount reasons for making the move from a more traditional form of housing into a retirement village. Retirement villages won favour despite the need for further legal protection at that time, and now partially resolved through the Retirement Villages Act 2003. For the group of people interviewed, there were strong desires to live independently, each seeking to continue their lives within the constraints of their own capabilities, through the sheltered environment of a village. The research shows that this pioneer group of people who ventured into such a new form of housing from the mid 1980s through to the late 1990s have helped to create another choice of housing for older New Zealanders.

INTRODUCTION

Retirement Villages are now commonplace throughout New Zealand. This was however not the case just ten years ago and for older people of New Zealand, changes in policy areas relating to their sense of well being along with societal changes and a more open economy played a large part in influencing people to make the change from home ownership to a Retirement Village. A growth of units available by 25% from 3% to 4% of the over 65s between 2000 and 2002 is significant. In effect, a combination of factors became the driving force toward legislative change which should, once operative, give protection to the residents of villages.

Recent housing documentation:

- *The Retirement Village Act 2003* is the basis for this paper. While the Act is yet to be enforced, the need for it became apparent throughout the 1990s when things did not always go smoothly for residents or villages.
- Greenwood and Marks, *Retirement Villages (2004)* A paper presented to the New Zealand Law Society Seminar Feb-March 2004. A wide discussion of the lead up to legislative change and the legislation itself. This paper outlines some legal complications that did occur throughout the nineties.
- Davey et al., *Accommodation Options for Older People in Aotearoa/New Zealand (2004)*. An overview of the importance of housing for older people.
- *Building the Future: Towards a New Zealand Housing Strategy: A discussion document (2004)*. This discussion document gives two pages to the needs for housing for older people

Background in brief

In the early 1990s there were few Retirement Villages in New Zealand (Leonard, 2002). They were often directly associated with rest home care and I for one had no idea that they represented many and varied forms of housing for older people, there being no legal definition of what a Retirement Village represent. I had known of a largish village in Christchurch built in the mid 1980s. When I had occasion to actually see a 'licence to occupy' for a village I understood they were much more complicated for the resident than the home ownership as I knew it being fee simple or something similar on a Certificate of Title.

Even though this was the way the village system was mainly set up, that is, licence to occupy, lease or other agreement (with depreciation over several years and no capital gain on vacating their unit), Retirement Villages became popular places to live. Yet this was a generation of New Zealanders that had owned their own homes, paid off their mortgages and had little in way of assets apart from that home (Thorns, 2000). Why then would they be prepared to buy into something that had little legal protection, depreciated in value and a complexity of rules they had not previously known.

Retirement Villages did take off as a form of housing for older people. In spite of the legal pitfalls, they became a popular form of housing. The people who were prepared to 'stick their necks out' to take on this new form of living have shown that diversification in forms of housing are not only needed, but they can work in a way which more traditional forms of housing do not, fulfilling a different purpose. They may provide the resident with the home they are looking for without some of the insecurities and pressures they had known previously.

Advertising

Advertising had a significant part to play in the process (Leonard, 2002; 2003). This was a time when the economy had opened up, entrepreneurial developers were prepared to invest heavily in the advertising to bring attention to the village model as a housing option. Security, care and independence as part of a lifestyle package were the major drawcards. The village concept was not being advertised for the elderly person who needed rest home care but for those who wanted to remain independent, have the capacity to do so, but also wanted the security of a sheltered housing environment. Recent governments have been strong advocates of ageing-in-place (Keeling, 1999) and this was a way of being able to do just that with some monetary cost involved. The

recent discussion documents reinforce the need for a range of housing options for older people if they are to remain maintaining themselves in their own homes (Davey et al., 2004; The NZ Housing Strategy, 2004).

Societal and Policy Changes

A number of societal changes were happening throughout the 1990s. Families were not as accessible as in the past, had less space and time to accommodate parents, with adult daughters more likely themselves to be in the paid workforce. Neighbourhoods became empty during the day as householders left each day for their workplaces and with less children in neighbourhoods there became feelings of isolation. Another change within a generation was that there became an expectation and desire of older people to be independent, to live their lives as they wanted to and in doing so allow others to also do the same. The loss of the capital gain of operators which could be secured from government assistance in the building of rest homes was removed in 1989 in favour of an individual subsidy per resident (Leonard, 2002). The Industry needed another way to find capital and the village system (which began in the USA in 1960), was a way to do this.

In my view the policy changes in the early 1990s were to heavily influence the growth of Retirement Villages (Leonard, 2002). Debates around who should pay for hospital care, closure of public services such as neighbourhood post offices, delays in some aspects of health care and selling of older people's social housing were to mean that people began to feel unease within their living environment. Retirement Villages, they were told by the advertisers, would provide them with security, ensure there was a caring community environment and enable them to maintain the independence which had become not only

desired by this generation but reinforced by such things as contracting of health care services and media hype over the 'home invasions'.

CASE STUDY 1

Betty, aged 71, a home owner, had lived on a widows benefit bringing up three children before qualifying for national superannuation. Her health was a concern, she could no longer manage home maintenance and started to 'hate' her home, very strong language when it had been her family home for nearly 40 years. Having picked up a brochure from this village some three years earlier was prepared to spend her total assets and make other sacrifices to live in a village. Betty had emigrated from Europe in the fifties and through thrifty saving managed trips home. She calculated the extra costs for services, rates etc. in a village to be \$30 per week: *Yes. Well, as I say, I can't save that much any more of course because, \$30 extra is a thousand and a half a year and that's half of, of what my air-fare would cost to Europe. So, I went every 3 years So it would now take me 6 years.*

Legal aspects

So what about the legal aspects of this housing option? The legal protection that did exist and is clearly set out in Greenwood and Marks (2004), shows that little protection was provided for those who lived in the villages. The Law Society had expressed concern that some solicitors may not have been giving good advice to their clients who do rely on their lawyer to understand the system.

CASE STUDY 2

Patti, aged 80 had come to the village on the advice of her daughter and son. She like Betty was no longer able to manage in her older family home, had little in the way of savings and managed to get a very small, sunny unit, something she was proud of as it

meant she would have some money after payment. She had been worried about home invasions and isolation in her neighbourhood. Patti had this to say:

You came in here and I thought, gee, it's little and, (laughs) and I thought, after a, a four bedroom house and a, a 27' long kitchen, you see, I thought, no, no, that's not for me. But I love it, I love it. So I looked around, I went through and had a look through there, you see,...so I said, well, I do like it but, course they told me the price and I thought, whew, whew, whew, you know, ticking over, well I can afford that and have some left over but I knew, what I got for my other, my own house I'd have nothing left over and I can't be like that. Not after being hard up for all those years (laughs).

F: So, however, ah, well I, signed up, and my solicitor came out and he had a look at the, took the papers away that I'd signed and he came back and he said, it's absolutely foolproof, he said, you can't be diddled...

He said, everything is in your favour here. He said, some of them they wouldn't be mum [meaning fullproof], but he said, that's an ironclad really.

Interviewer: Yes. So you got your solicitor's OK?

F: Yes, anyway, yes. So I signed all up then.

CASE STUDY 3

Lillian aged 81 was in a similar position but did have more capital to begin with than the other two residents. Like the others her main reasons for choosing a Village for her home was because she could no longer manage her large property and also had failing health.

When asking Lillian how much she knew about the contract she signed she had this to say:

Interviewer: Did, did you understand all that quite clearly?

Lillian: No, no...Not in the slightest. (laughter) Not in the slightest, no, they advised you and what I was doing wasn't wrong and it wasn't, it was me that was doing it and, and it was up to me to make the decisions which I made

They put what was often their life savings into this new accommodation and yet in the event of something major happening or even if the services were not at a required standard, unless the village belonged to the Retirement Village voluntary code of practice, people could lose out heavily. There are instances of this having happened and is well illustrated by Greenwood and Marks who give examples of actual and anecdotal evidence of both elder abuse and abuse of management practices. If things did go wrong through no fault of the resident it would lead to mistrust, insecurities and a loss of ontological security or a sense of wellbeing (Dupuis and Thorns, 1998). The problem that may result is that the resident may not then have the financial ability to make another move. Lobby groups such as the Law Society, Age Concern, and Greypower did not sit quietly to let the situation remain in favour of the operator. The Retirement Village Act 2003 was the result of major discussion around the whole industry. The major changes include

- ❑ Section 6 Meaning of Retirement Village
- ❑ Section 10 and 12 Registration of Retirement Villages
- ❑ Section 25 Unable to offer occupation or advertise unless registered
- ❑ Section 13 Filing of an annual return
- ❑ Section 15 Registration to be continuous
- ❑ Section 17 Notification of changes in documentation
- ❑ Sections 18 and 19 Registrar may suspend or cancel
- ❑ Sections 21, 22 and 23 Notification to Land registry on certificates of title
- ❑ Section 24 Statutory manager to represent residents

(Greenwood and Marks, 2004)

While the Code of Practice is still being drawn up, The Retirement Commission states it will come into force in early 2005 with the Draft Code of practice submissions to be invited later in 2004 . Some suggest that enforcement of the Act will cut out some operators. If this means it is cutting out the 'cowboys' then it is a good step. If it means only some players are left then time will tell whether it will affect service to clients. As we know, some major concerns such as those listed on the stock exchange already have a strong representation in the village industry (The Press, 7 August, 2004). Whatever the outcome of the law as far as operators are concerned, the new law should provide much more protection for those who really count, that is, the residents.

CONCLUSIONS

- The Retirement Village Industry has come of age helped by people who pioneered that form of living;
- Retirement Villages are a comparatively new form of housing in New Zealand which have enabled people to age-in-place, thus helping to fulfil government strategy
- Government has taken steps to provide legislation which protects the end user
- Retirement Village residents have shown that diversity in housing types is essential through purchasing services that help them to feel comfortable in their home living

- We can no longer rely on the old plot on a section as meeting the needs of people who may be looking for something different to fulfil their requirements in a holistic way
- Government, both Central and Local, need to take on the challenge of the provision of a diverse range of housing and to understand Retirement Villages are not the only alternative to mainstream housing for older people (Davey et al., 2004). This should be done in collaboration or using forms of partnership within the private sector and community organisations.

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