



Planning In Aging: Investing into Retirement Villages

Overview of Retirement Villages

In advanced societies such as the United States and Japan, care for the aging population in the likes of retirement homes are highly in demand. Retirement villages or retirement homes is a housing complex/facilities that is specifically designed to care for the senior citizen. The housing complex commonly include daily meals, recreational activities, community gatherings and most importantly 24 hours attentive healthcare services.

In Malaysia, though that it is still in infancy, some property players is looking into investing in such projects. Some completed developments are such as Green Acres in Meru (Ipoh) and Eden on the Park in Kuching (Sarawak).

This is surely a sector that can synergise with our medical tourism and hospitality sectors, as it is also a sector that is automation resistant.

The Aging Population

Malaysia is transitioning into an aging nation, where the number of elderly above 60 years old is increasing and average annual population growth declined from 1.5% (2015) to 1.1% last year. By the year 2040, Malaysian aged above 65 is expected to exceed the number of citizen aged below 15 years old; as reported by the Statistic Department. Nevertheless, it is also reported that Malaysians are living longer too. Average life expectancy for both men and women is at 72 and 77 years old respectively.

Hence, in preparing for the aging nation retirement homes suggests a well-cared living facilities for elderly to continue living their golden years with proper health care and attention. Thus, creating a path for the development of retirement villages to grow in Malaysia.

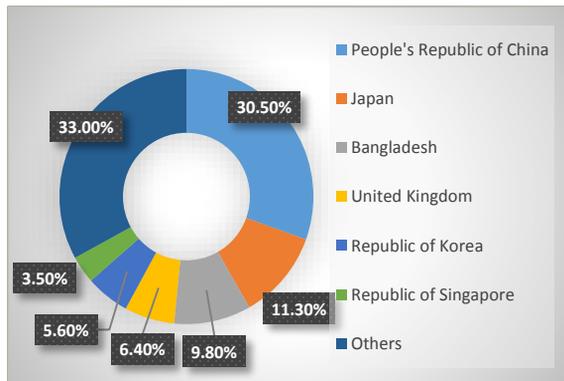
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Volume and Value



Credit to: MM2H Centre, Ministry of Tourism, Arts and Culture Malaysia

Retiring in Malaysia

In 2018, Malaysia welcomes a total of 25.8 million tourist arrivals with reported RM 84.1 billion receipts. Based on 2015-2016 migration report by the Statistics Department, international migration into Malaysia made up of 11.3% (3.5 million people) and approximately 80% resides within the big city of W.P. Kuala Lumpur and Pulau Pinang.

Moreover, Malaysia welcomes and allow citizen from various countries recognized by the Malaysian Government regardless of race, religion, gender or age through a migration programme named Malaysia My Second Home (MM2H). Such programme also allow applicants to bring their spouse or unmarried child below the aged of 21 as dependants. It is a social visit pass which allow foreigner to live in Malaysia for a period of 10 years and is renewable.

For the past 10 years, MM2H recorded that Chinese of the People's Republic of China made up approximately 30.5% and followed by Japanese at 11.3%.

Retiring Hotspots

According to Live and Invest Overseas Retirement Index 2017, George Town in Penang is ranked as the top destination to retire as it promotes great life balance and lowered costs of living.

The index also lists 13 major criteria which foreign retirees would consider before

moving to another country for their retirement years. Criteria listed is such as cost of living, crime and safety, English spoken country, entertainment availability, environmental conditions, existing expat community, health care services, infrastructure, real estate affordability, real estate restrictions, recreation, residency options as well as taxes considerations.

Worth to note that Kuala Lumpur is also listed among the top 10 livable city in Malaysia which could easily cater to the abovementioned criteria foreign retirees are looking out for.

Johor Bahru recently made headlines as one of the preferred locations for Hong Kong homebuyers to invest in as second home for retirement purposes, leveraging its close proximity to Singapore.



Credit to: greenacres.com.my

Current Market Offerings

In 2016, Total Investment Group has completed the first phase of a 5-years development plan for a local retirement village located in Meru, Ipoh. The RM100 million project offers a total of 177 units of senior friendly homes within a gated and guarded community which features wider doors, sensible positioned light switch and an emergency call system with various choice of villa designs. Residents is required to pay monthly rental at RM 371 and service charges with a leasing deposit during registration. Unit size varies from 734 to 1,105 square feet.

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Credit to: Eden-on-the-Park, Kuching

Meanwhile in Sarawak, Eden-on-the-Park being the very first integrated senior living lifestyle and care residence resort is introduced back in 2017. It comprises of high-rise apartment and villas with built-up ranges from 1,200 to 2,000 square feet catered to the comfort of the senior residence. Units is available via rental within range of RM 3,000 – RM 4,500 inclusive of housekeeping, laundry services, social activities and healthcare and emergency assistance.

The local market can anticipate more retirement villages or similar facilities in the near future as several key players is taking interest into such investment. Rei Seraya is an upcoming senior living care facilities with the joint venture of Pelaburan Hartanah Berhad (PHB), UEM Group Berhad (UEM Group) and a pioneer in nursing care business from Japan, Medical Care Services (MCS).

Rei Seraya introduces two options of care facilities namely the Assisted Living and Independent Living. Assisted living recommend comfort within a residence coupled with attentive level of care for the elderly, while Independent Living proposes freedom to do things for seniors with mobility.

Conclusion

In a nutshell, potential of senior living development is growing as the retirees have greater affordability in seek of comfort.

As Malaysia is approaching “aged” nation, such investment is vital in providing a sustainable future for the elderly. Penang, Kuala Lumpur and Johor Bahru tops the chart as the preferred stay for foreigner to spend their retirement years.

Local market foresees more of such development to emerge but affordability and comfortable stay plays a major concern for the retirees and their family. Current market suggests monthly rental of a senior living facilities ranges between RM 3,000 to RM 5,000 per unit varied by service packages.

Moreover, cultural difference in Malaysia plays and important challenges as local elders prefer to stay with families after retirement.



Credit to: perrycharnoff.com

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