Growing old in comfort

Demand for quality retirement housing is rising as Asia ages and more foreign retirees seek new places to spend their golden years.

- Published: 11 Jul 2016 at 10:30 NEWSPAPER SECTION: Asia focus | WRITER: Nareerat Wiriyapong and Karnplu Itthiratanakomol

The Bangsaray Heights condominium in Chon Buri is designed for the active over-50 market.

Demand for retirement homes is on the rise in Southeast Asia where population ageing has becoming a harsh reality requiring new solutions. Thailand, in particular, has drawn interest from senior citizens not only in Asean but also those flying from other regions in search of an attractive place to settle.

The number of senior citizens has soared in recent years in most countries and will increase steadily in the coming decades. As Southeast Asia's baby boomers have reached their 60s, the United Nations projects that the region will have 57 million people aged 65 and above by 2025, an increase of 430% from 2000.

At the same time, family life is changing, and not all seniors are being taken care of by their children. More of them are opening up to the idea of retirement villages or residences and elderly-care centres where medical and nursing services are available around the clock.

Realising the opportunities in this sector, private developers are flocking to Asean to tap demand from seniors who want to live independently in their own homes regardless of age.
"There is no question that Thailand has one of the most rapidly ageing populations in Asia. There are a number of reasons why senior living will have great potential in Thailand," said Robert McMillen, chairman and CEO of the international consultancy MAC Capital Advisors.

For instance, Thailand is a medical tourism hub and each year attracts hundreds of thousands of patients from the Middle East, Australia, India and Europe to take advantage of its renowned services, which often are half the cost of comparable offerings in some countries.

"Thailand's government has recognised that the warm culture of its people, tropical environment, relatively low living costs, access to world-class healthcare and ease of travel, make the country an attractive destination for international retirees," Mr McMillen told Asia Focus.

Regulations in Thailand are also favourable for retirement home developers. For example, retirement visas are easy to obtain and thus encourage expatriates to settle in Thailand. The Board of Investment (BoI) has also introduced incentives including tax breaks and 100% foreign ownership to encourage the establishment of aged-care facilities, he added.

"Thailand also offers a variety of options to acquire properties," he said, noting that foreigners can own up to 49% of the saleable area of any condominium property, while options are available for longer-term leases on houses and other properties.

"The governments of Thailand and Malaysia are both trying to encourage senior living in their countries. Forbes rates Thailand the ninth best retirement location in the world, followed by Malaysia in 10th place," Mr McMillen noted.

According to a research by the Department of Tourism, demand for long-stay tourism in Thailand has been growing, especially among foreign retirees.

"Most long-stay tourists in Thailand are Japanese retirees. The numbers of Chinese and European retirees are also relatively high," said a department official who asked not to be named.

In Asia Pacific, Thailand ranked 16th in terms of natural resources in the Travel and Tourism Competitiveness Index 2015, and 17th in tourist service infrastructure. Overall, it placed 35th out of 141 countries in last year's survey, and 10th in the region.

Factors that attract foreign retirees include a good location and weather; a low cost of living (as compared to the standard of living); friendliness and generosity of local people; safety and security; attractiveness of tourist attractions. Weaknesses for Thai tourism were health and hygiene (89th) and safety and security (132th).

The department has developed a set of guidelines called Accommodation Standards for Long Stay Tourism, aiming to encourage operators to make sure their services meet customers’ expectations and assure tourists of quality.

"It's not mandatory at the moment. For now, these are to satisfy tourists that at least there are some standards they can hold on to," the official told Asia Focus.
The government, through the Ministry of Tourism and Sports and the Tourism Authority of Thailand, has provided support in terms of training in standard practices for operators and staff of such accommodation, along with advertising and business management.

Among the senior living residential projects being developed in Thailand is the Bangsaray Heights condominium by Sunplay Asia Ltd. Located four kilometres from the fishing village of Bang Saray in Chon Buri, the project is designed for the active over-50 market with the first phase comprising 70 condominiums, tennis courts, jogging and biking trails.

Costing approximately 1.8 billion baht, the first phase is set for completion in mid-2018 with price for fully equipped units starting from 120,000 baht per square metre. Phase 2 offering large villas and phase 3 with small villas will be introduced to the market in the fourth quarter of this year.

"Generally, clients will be regional and European retirees, Thai retirees and investors," Chris Delaney, managing director of Sunplay Asia, told Asia Focus. "With an emphasis on active lifestyle retirement, we will have property offers for all income ranges throughout different phases of the project.

"As in most countries, the percentage of retirees is increasing steadily. We have conducted extensive research and demographics confirm that strong demand exists for our products."

The Sunplay brand will be used for further expansion of senior living products throughout Thailand and eventually Southeast Asia, he added.

Sunplay Asia recently welcomed Macarthur Projects, a senior living specialist from Australia, as a new partner, through the issuance of new shares. Macarthur has developed 18 senior living projects in Sydney during the last 15 years. Construction of senior living residences is now supported by Australia's state governments in order to ensure the ageing population is provided with suitable accommodation.

"Our clients are looking for a long-term solution to their retirement needs. They want smaller houses and apartments, easier to maintain but still of a very high, contemporary standard. That is what we provide," said Gregory Walker, Macarthur's founder and managing director.

In Malaysia, the number of people aged over 60 is projected to surge from 7.4% of the population now to 10% or 3.4 million by 2020, according to Nathan Vytialingam, adviser to the Malaysia Healthy Ageing Society (MHAS).

"The shift in age structure associated with population ageing has a profound impact on a broad range of economic, social and political conditions," he said.

At the same time, as Malaysia is becoming an ageing nation, the senior living sector offers great growth potential, noted Prof Vytialingam, who is also a member of the advisory council of the Global Coalition of Ageing.

The Ministry of National Unity and Social Development currently runs nine elderly-care homes in the country with the capacity to accommodate only 2,450 people. Most of these homes are quite old as the newest one was built 25 years ago.
For elderly people who are ready to live independently, a lifestyle village with an elderly-friendly environment could be a solution. At the lifestyle village assistance must be provided at the doorstep. Services include rehabilitation, daily living activity programmes, specialised medical care and recreation facilities, he added.

In Indonesia, the country’s main tourist destinations have attracted many foreign retirees. According to Gede Patra, founder of the SadaJiwa Bali Healthy Ageing Facility, more than 3,000 elderly foreigners now reside in Bali alone. But the existing facilities for the aged have a bad image and are still weak in some respects.

Established in 2014, SadaJiwa provides healthy programmes based on Balinese culture to help elderly people live a healthy and happy life. Its health centre provides services for healthy ageing, stroke rehabilitation, and even cancer support. Its comprehensive programmes include rehabilitation in the physical, psychological, social and spiritual dimensions.

Members of SadaJiwa include Indonesians, expatriates from Japan and the Netherlands as well as clients from overseas including British, American, Australian and French retirees.