

Valuing the Future: Senior Living and Retirement Villages – Insights from Malaysia and Beyond

Sr Dr Ainzoriza Mohd Aini

Department of Real Estate, Faculty of Built Environment, Universiti Malaya

Home of the Bright, Land of the Brave
Di Sini Bermulanya Pintar, Tanah Tumpahnya Berani



Presentation Outline

1. Introduction: ASEAN ageing context
2. Retirement Village Concept
3. Valuation complexities and methodologies
4. Lessons for ASEAN valuers
5. Conclusion



01 Introduction and context

3

What are we facing?

An aerial photograph of a city skyline, featuring the Petronas Twin Towers as the central focus. The towers are tall, silver, and have a distinctive spire. To their left is a tall, rectangular glass skyscraper. To their right is another tall, rectangular glass skyscraper. In the foreground, there is a lush green park with many trees and a blue swimming pool. The sky is blue with white clouds.

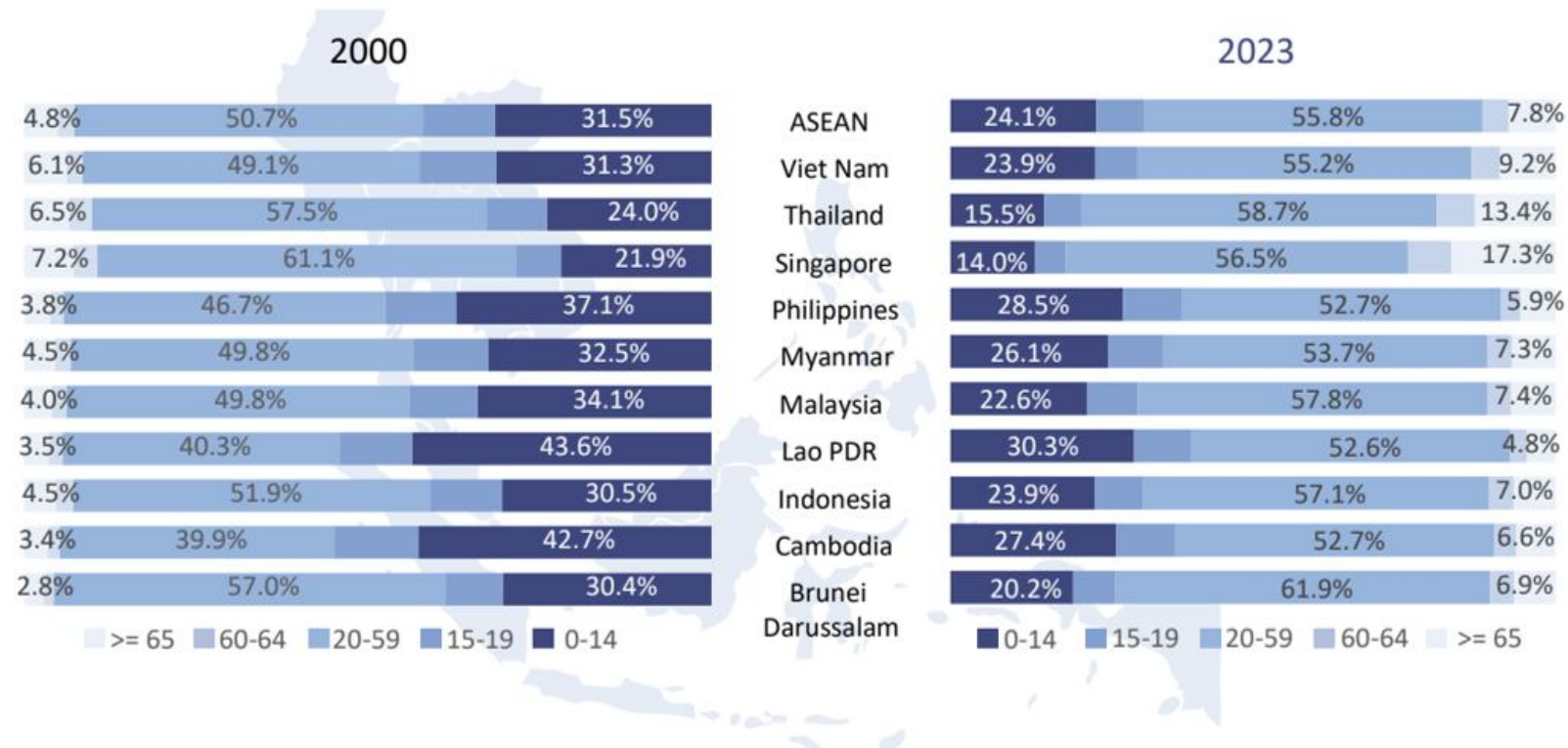
Increasing life expectancy → people live longer & healthier lives
(WHO, 2021: Decade of Healthy Ageing Report)

By 2050, 25.1% of the population in member states will be aged 65+
(OECD, 2019: Society at a Glance)

Urban concentration: Cities are home to 43.2% of older population.
(UN DESA, 2019: World Population Prospects)

Ageing in ASEAN

Figure 1 Population age structure (% of total) by ASEAN member states 2000 and 2023



Source: ASEAN (2024)

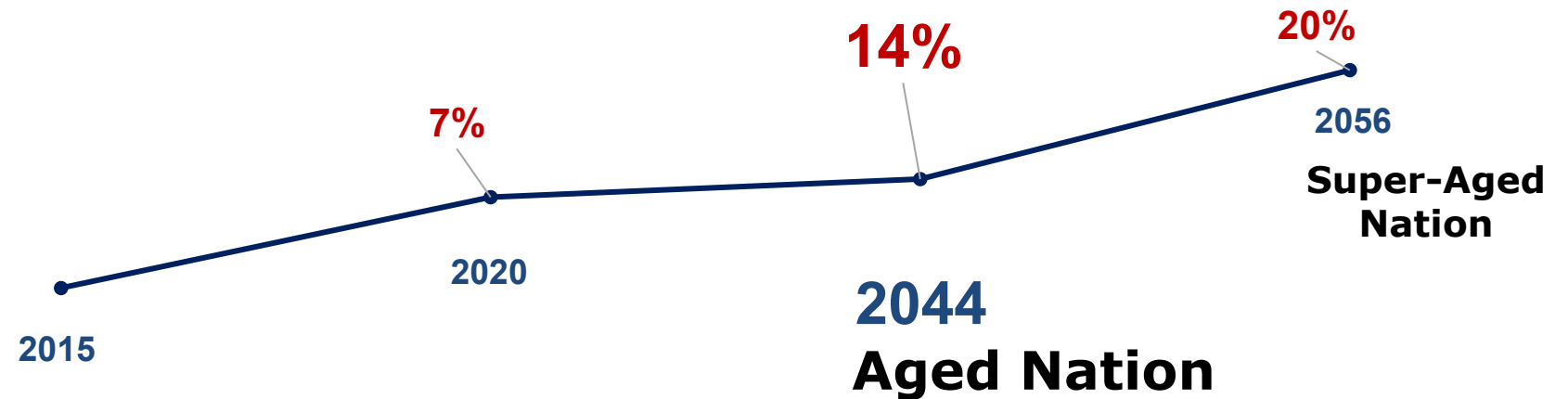
- Rapid ageing across ASEAN – 1 in 6 aged 60+ by 2030.

Malaysia is an ageing nation

At the current trajectory, those 65 and above are projected to double to 14 per cent by 2044 (aged nation) and to 20 per cent by 2056, thus classifying Malaysia as a "super-aged" nation. At this rate, Malaysia will transform from an ageing nation to an aged nation in just under 25 years.



Image Source: <http://3age.com.my>



- Malaysia still relies on family-based care.
- Urbanisation and smaller households increase demand for alternative housing.
- Senior living and retirement villages emerging in Malaysia and Singapore.



02 Retirement Village

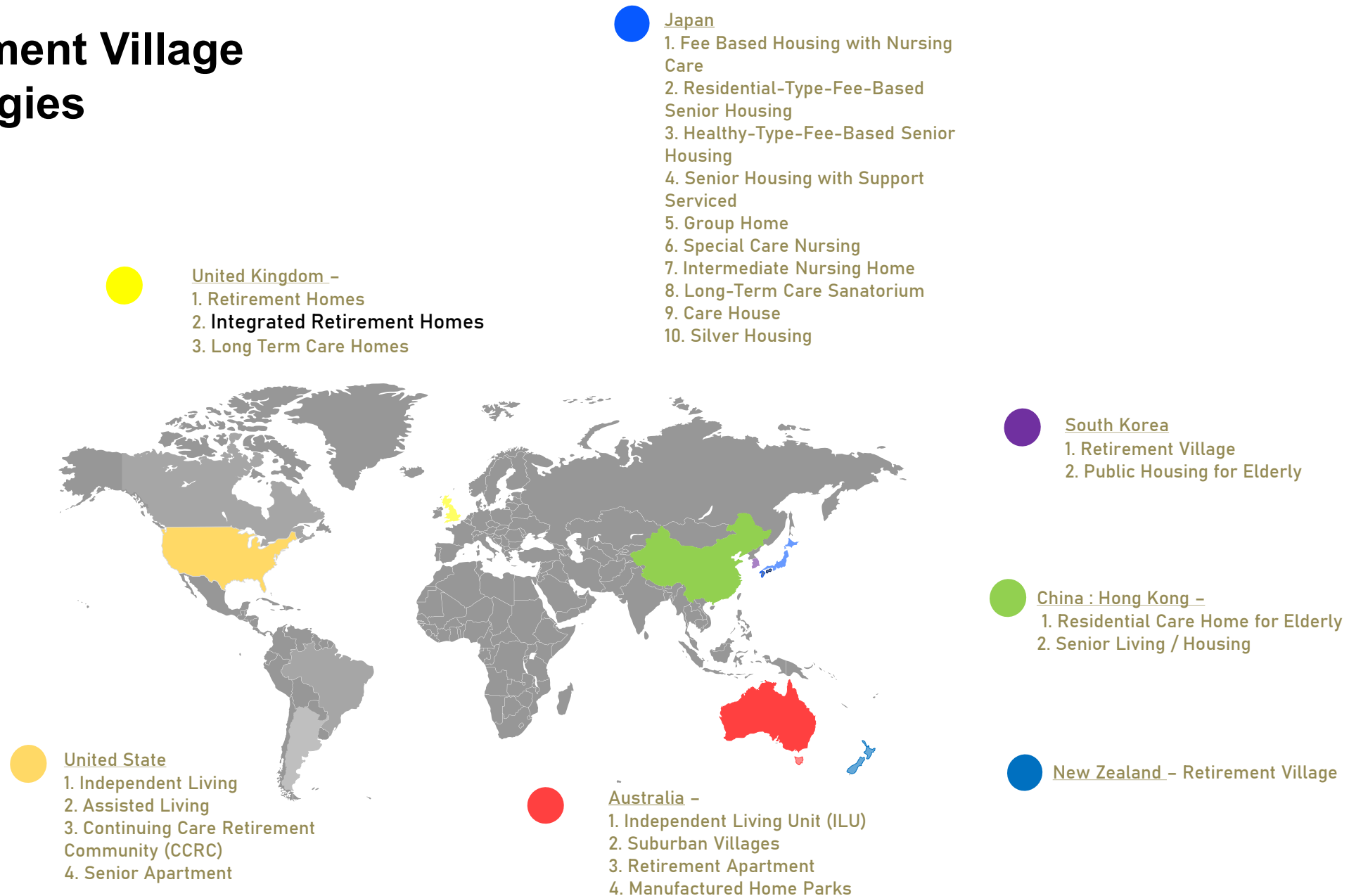
What is a Retirement Village?

- Purpose-built housing for elderly with healthcare and social facilities.
- Evolved from independent living to integrated retirement communities (IRCs).
- Mature markets: Australia, New Zealand.
- Drivers: longevity, urbanisation, lifestyle change.

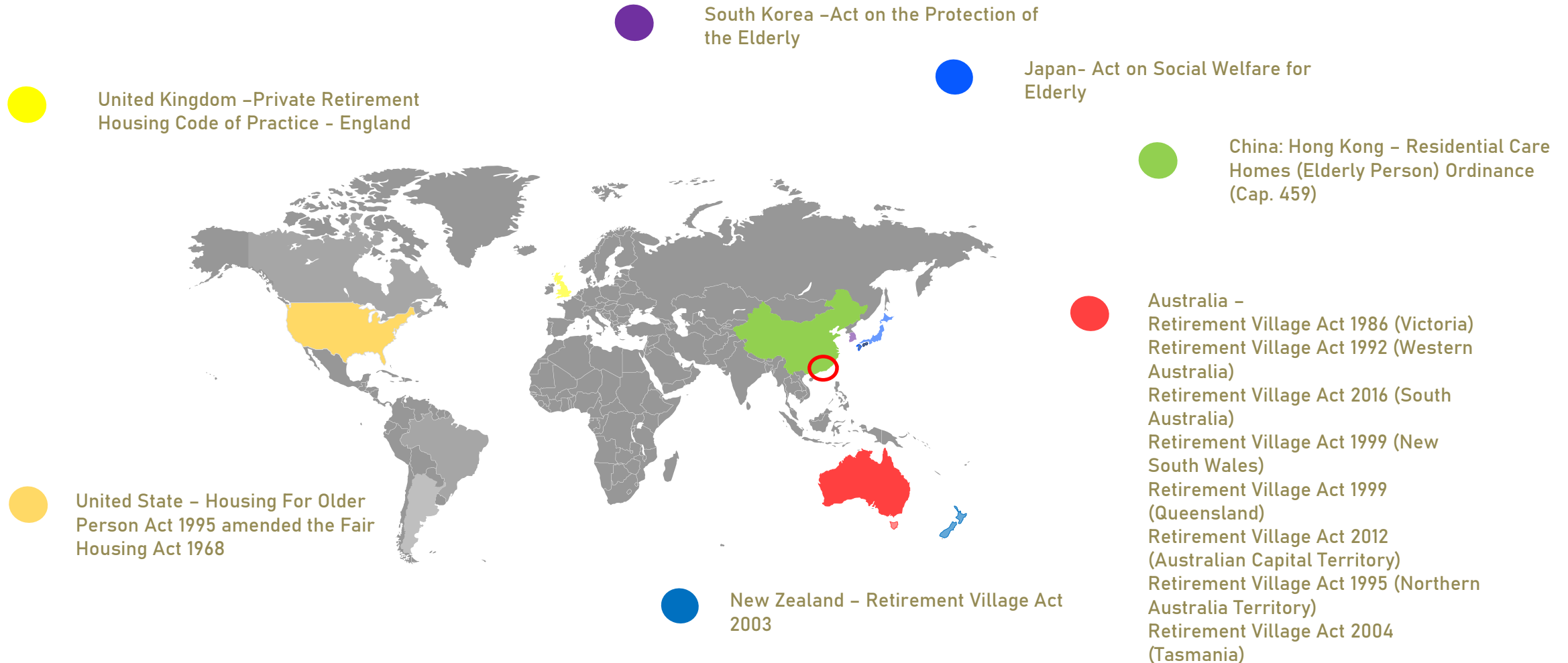
Retirement Village Definitions

Negara / Jurisdiction	Definisi	Akta Berkaitan
Australia (Victoria)	<i>"Retirement village" means a community where most residents are 55 years or older or are retired from full-time employment (or are spouses/partners of such people); residents receive accommodation and services, other than services provided in a residential care or aged care facility; and at least one of the residents, as a contractual condition of entering the retirement village, paid an ongoing contribution that was not rent.</i>	<i>Retirement Villages Act 1986 (VIC), Section 3</i>
Australia (New South Wales)	<i>retirement village is a complex containing residential premises that are— (a) predominantly or exclusively occupied, or intended to be predominantly or exclusively occupied, by retired persons who have entered into village contracts with an operator of the complex, or (b) prescribed by the regulations for the purposes of this definition.</i>	<i>Retirement Villages Act 1999 (NSW), Section 5</i>
Australia (Queensland)	<i>"Retirement village" is premises where older members of the community or retired persons reside, or are to reside, in Independent Living Units or serviced units, under a retirement village scheme.</i>	<i>Retirement Villages Act 1999 (QLD), Section 5</i>
Australia (Western Australia)	<i>"Retirement village" means a complex of residential premises, whether or not including hostel units, and appurtenant land, occupied or intended for occupation under a retirement village scheme or used or intended to be used for or in connection with a retirement village scheme.</i>	<i>Retirement Villages Act 1992 (WA), Section 3</i>
Australia (Australian Capital Territory)	<i>"Retirement village" means a complex containing residential premises that are predominantly or exclusively occupied, or intended to be predominantly or exclusively occupied, by retired persons who have entered into retirement village contracts with the operator of the complex.</i>	<i>Retirement Villages Act 2012 (ACT), Section 10</i>
New Zealand	<i>"Retirement village" means the part of any property, building, or other premises that contains 2 or more residential units that provide, or are intended to provide, residential accommodation together with services or facilities or both predominantly for persons in their retirement; and includes any common areas and facilities to which residents of the retirement village have access under their occupation right agreements.</i>	<i>Retirement Villages Act 2003, Section 6</i>
United Kingdom	<i>There is no specific legal definition of "retirement village" in UK legislation. Generally, it refers to housing developments offering independent living for older adults, often with communal facilities and optional care services.</i>	<i>Not legislated; varies by provider and local planning regulations.</i>

Retirement Village Typologies



Legislation related to Retirement Village/ Integrated Retirement Communities



Business & Tenure Models

- Sale – Ownership (freehold/leasehold), pay service fees.
- Rent – Monthly payment, no ownership.
- Right to Occupy – Entry contribution + DMF, no title.
- Life Lease – Lump-sum for lifetime stay, partial refund.
- Shared Ownership – Partial ownership + rent for balance.

Table 1 Overview of Retirement Village/ Integrated Retirement Communities of selected countries

Country	Common tenure / Business Model	Core business model	Typical resident payments	Who drives the market	Example of Operator/ Developer
Australia	Licence-to-occupy / long lease	Resident-funded DMF model (entry contribution + DMF on exit)	Upfront contribution; service/maintenance fees; Deferred Management Fee (DMF) deducted on exit; possible capital-gain share	Private operators, listed REITs, partnerships	Aveo, Lendlease Retirement Living
New Zealand	Right-to-Occupy (RTO) licence	DMF model with strong consumer protections (under RV Act)	Ingoing licence payment; weekly village/service fees; DMF on exit	Large specialist operators (often listed)	Ryman Healthcare, Metlifecare
United Kingdom	Long leasehold sale; rental; shared ownership	Sale/rent of units + service charges; some care packages on demand	Purchase price or rent; service/amenity charges; care fees if taken	Private housing associations, non-profits; self-reg via ARCO	Audley Villages, Retirement Villages Group
Japan	Rental; lifetime/long building lease; fee-based homes	Service-led (hospitality + care); real estate supports care business	Monthly rent/management; care/wellness packages; admission/key money in some models	Private healthcare/insurance-linked operators; large developers	Sompo Care, ORIX Living
Malaysia	Sale, Rental, life lease	Developer-operator partnerships; service-led with wellness/assisted living; pilots evolving	Monthly rent/ service fees; wellness/care packages; (entry contributions uncommon/variable)	Property developers	GreenAcres, Eden-on-the Park, Millennial Village

Source: Author's compilation and field observations

RETIREMENT VILLAGES IN MALAYSIA



(1) Eden-on-the-Park, Kuching (Februari 2024)



(3) Madrasah Ibnu Mas'ud, Nilai (Disember 2023 dan Jun 24)

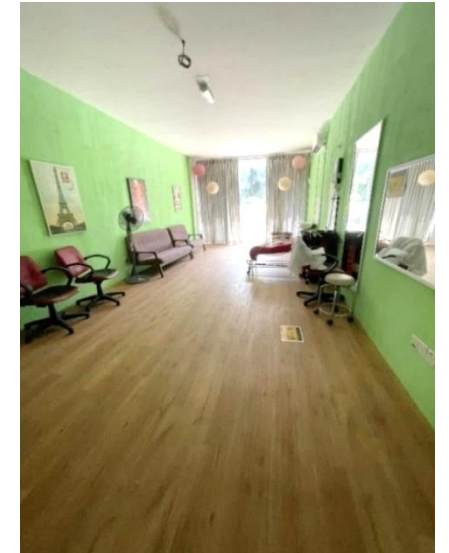
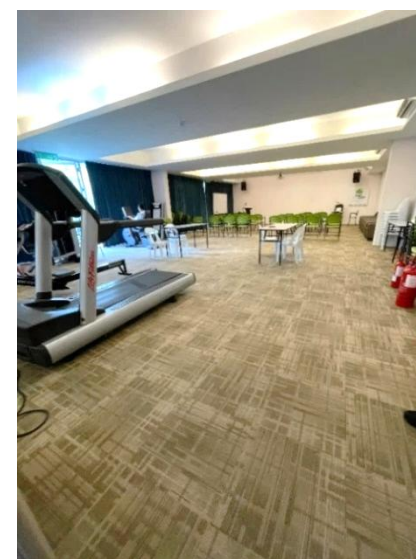


(2) GreenAcres Retirement Village, Ipoh (April 2024)



(4) Baitul Maab Darul Izzah, Temerloh (Disember 2023)

(1) EDEN-ON-THE-PARK, KUCHING



(2) GREENACRES RETIREMENT VILLAGE, IPOH



Retirement Village Model - Malaysia

(A) Development Model

1. **Independent Living Unit Or ILU**
2. *Assisted Living**
3. **Integrated Retirement Village**

(B) Financing for Developer

1. Personal
2. WAQAF

(C) Tenure / Business Model

1. Sales
2. Rent
3. Lease
4. Life Lease

(D) Financing for Buyer

1. Reverse Mortgage



18



03 Valuation

19

Home of the Bright, Land of the Brave | Di Sini Bermulanya Rintar, Tanah Tumpahnya Berani

Valuation Complexities

- **Specialised asset:** real estate + service + technology.
- Unique contractual agreements between operators and residents
- Regulatory requirements
- Demographic affecting market
- **Key risks:** resident turnover, tenure, regulatory gaps.
- Requires multi-disciplinary valuation approach.

Valuation Approaches

- Discounted Cash Flow (DCF): for DMF / resident-funded models.
- Income Capitalisation: for rental-based operations.
- Comparable Analysis: market validation.
- Actuarial / Stochastic: model tenure & longevity risk.
- Reliable demographic data critical.

Key success factors for accurate retirement village valuation

- **Methodological rigor:** Proper application of DCF techniques with appropriate modeling of DMFs, turnover, and operational cash flows
- **Data quality:** Access to reliable demographic, operational, and market data for assumption development
- **Risk assessment:** Comprehensive analysis of tenure uncertainty, regulatory risks, and operational challenges
- **Transparency:** Clear documentation of assumptions, methodologies, and sensitivity analysis
- **Professional competency:** Specialized knowledge of the sector, regulatory environment, and valuation techniques

Technology Integration & Valuation

- Smart home systems, telehealth, PropTech.
- Improves safety and operational efficiency.
- Increases capex but reduces opex.
- Alters valuation via adjusted risk and income streams.
- Growing adoption in AUS & UK.



04

Lesson Learned & Conclusion

24

Lessons for ASEAN Valuers

1. Build DCF and modelling expertise.
2. Develop data infrastructure.
3. Support regulation and transparency.
4. Integrate real estate and healthcare knowledge.
5. Promote professional standards across ASEAN.

Conclusion

- Retirement villages = new valuation frontier.
- Integration of housing, care, and lifestyle.
- Malaysia in early stage but progressing.
- Lessons from AUS, NZ, UK inform ASEAN path.
- Valuing both financial and social value is essential.

Thank You

ainoriza@um.edu.my

Home of the Bright, Land of the Brave
Di Sini Bermulanya Pintar, Tanah Tumpahnya Berani



www.um.edu.my



[universityofmalaya](https://www.facebook.com/universityofmalaya)



[unimalaya](https://www.instagram.com/unimalaya)



[uniofmalaya](https://www.youtube.com/uniofmalaya)



UNIVERSITI
MALAYA