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# HARLOW - WEST MELTON MARKET ASSESSMENT REPORT

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## INTRODUCTION

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The Ultimate Global Group have set a strategic objective to establish a series of retirement villages under the master brand, Harlow. Each village will be designed to meet the needs of the local community.

Following the completion of a Market Assessment for their Putaruru site, the second site they wish to explore is in West Melton, where the focus will be on building a retirement village focused on independent living. Located on the (current) edge of West Melton, the master plan allows for 220 villas plus Lifestyle Facilities.



This Market Assessment report will focus on understanding:

- The dynamics of the independent living retirement village market in the Selwyn and Waimakariri Districts - who are the competitors, what are their product offerings, what are the vacancies, what is the pricing, what future development plans are in place.
- The demographics of the area over the next 10 years in the 65+ age group.
- From combining these two parts of the research, we will identify the overall market size, penetration and whether there is a shortage/surplus in the market.
- This will then be used to make recommendations regarding future development on the site and likely sales projections.

To identify the answers to these questions, the following research was conducted:

- **Competitive analysis** - this included a review of the independent living market in the target area as defined on the map that follows.
  - Disclosure statements were reviewed, as were village websites, Trade Me, Eldernet and Village Guide listings.
  - Phone calls were made to villages to assess vacancies, get the latest pricing and explore development plans.
- **Demographic analysis** of the zone using the latest 2018 Census figures and Statistics NZ population projections. Fortunately, Statistics NZ has a high degree of confidence (98.8%) in the 2018 Census results for this area.

The results of this research are outlined in the sections below.

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## DEMOGRAPHIC ANALYSIS

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The target market has been identified as shown on the map below. Essentially this includes all of the Selwyn District and most of the Waimakariri District (excluding Okuku, Oxford and Loburn). Christchurch City has been excluded from the statistics for the purposes of modelling. We know Christchurch people are migrating to the competitive villages in Kaiapoi, Rangiora and West Melton. For that reason, we have selected the High Growth projections from Statistics New Zealand, to factor in greater migration than there has been to date in the over 65 market.



The models are available for further detail, with the key highlights and assumptions summarised below.

- **Overall Population Growth** - as mentioned above, we have used Statistics NZ's High growth projections to reflect the recent trend of higher migration to the rural areas on the edge of Christchurch, and the strong support over 65s have given for the competitive villages. This trend seems set to continue given the likely impact of COVID over the coming years as people move out of the city looking to free up capital and have a better quality of life.
  - Between 2006 and 2018, the overall population in this area grew by close to 60%, from 73,000 to 115,000. Not surprisingly, the largest increases in total population were in Rolleston, Rangiora, Kaiapoi and West Melton.
  - The greatest growth occurred between 2013 and 2018, and averaged just over 5% per annum. Even with the High Growth projections, Stats NZ forecasts growth of only 3.8% per annum until 2023 and then dropping to 2.1% from then on. This still seems very conservative given previous growth. This will take the total population from 115,000 in 2018 to 164,000 in 2031.
- **65+ Population Growth:**
  - At the 2018 Census, across the country people aged 65+ made up 15.2% of the population, projected to grow significantly in the coming years. This area has a very similar make-up with 15.1% of the population aged 65 and over in 2018.

- As with the total population, the number of people aged 65+ doubled, from 8,500 in 2006 to 17,500 in 2018. Again growth was most significant in the years from 2013-2018 averaging around 7.5% per annum over that period.
- Statistics NZ High Growth projections get close to that annual growth - using 6.6% per annum until 2023 and from then dropping to 5.3%. Again this looks reasonably conservative.
- The over 65s are projected to grow from 17,500 (15.1% of the total population) to 36,000 (22.1% of the total population by 2031).

### Proportion of over 65s in Independent Living Villas and Apartments:

The table below outlines the penetration (percentage of each age group living in this type of accommodation):

	National Average	West Melton	
	Penetration	Penetration	Occupancy (Vacancies)
<b>65+</b>			
Independent Living	5-6%	2.3%	100% (1)
<b>75+</b>			
Independent Living	14.3%**	6.1%	

*\*This assumes that all people living in villages/care facilities are aged 75+ - while likely to be true for residential care, it is not likely to be true for independent living, so this number needs to be treated with caution.*

+JLL National Database April 2021

Penetration levels are even lower than Putaruru at only 2.3% (compared to a national average of 5-6%), with literally only one villa available in one village if you wanted to move in now. There are a mix of competitors - some smaller villages that have been there for some time (Bainswood, Hauanui, BUPA Ballarat), and some newer villages that have either completed their sell-down or are in the early stages. There are villages with waiting lists of up to two years (Ryman's Charles Upham) and others that have sold down villas that are not due for completion until the end of the year (The Boulevard, Woodcroft Estate, The Sterling. In the 75+ market, low penetration is even more extreme at 6.1% compared to the national average of 14.7%. At first glance, this market is very ripe for further investment in independent living - subject to the amount of development already planned.

### Home Ownership:

Over time we would expect home ownership figures to start to impact the demand for retirement villages e.g. if less people aged 65 and over own their own homes, then perhaps less people will be able to afford to buy a home in a retirement village. Based on the 2018 Census 77% of people aged 65 and over owned their own home across New Zealand. This figure has remained consistent since 2001.

In the target area, home ownership has dropped from 79% in 2006 to 76% in 2018, but still not of significant concern given it's just below the national average. Also of interest, 31% of the over 65s in the area own their own homes through Trusts, significantly higher than the national average (16%).

## House Prices

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The million-dollar question of course, is how much are those houses worth?

One Roof quotes median house prices in the major towns in the area are as follows. Typically, retirement villages are positioned at 80-90% of average house prices which is highlighted on the table below.

Suburb/Town	Median House Value One Roof	90%	80%
<b>West Melton</b>	<b>\$1.1m</b>	<b>\$990k</b>	<b>\$880k</b>
Rolleston	\$870k	\$783k	\$696k
Lincoln	\$759k	\$683k	\$607k
Christchurch City	\$758k	\$682k	\$606k
Rangiora	\$630k	\$567k	\$504k
Kaiapoi	\$570k	\$513k	\$456k
Darfield	\$507k	\$456k	\$406k

On this basis, to maximise the sales in the primary market, the core of the pricing for independent villas should lie between \$550-\$700k - though you could stretch for some larger villas in prime locations into the \$800k mark. We will look more closely at this within the next section when we look at how competitors are pricing their villas.








# COMPETITIVE ANALYSIS


The competitive Retirement Villages in the area are as follows:

INDEPENDENT ONLY	CONTINUUM OF CARE
Woodcroft Estate - Rolleston	The Boulevard - Rolleston Haunui Retirement Village - Darfield The Sterling - Kaiapoi Ryman - Charles Upham - Rangiora Bainswood - Rangiora BUPA Ballarat - Rangiora

There are currently 7 retirement villages offering independent retirement village options - with 405 villas/units/independent apartments available - all but one of which are currently occupied or sold.

Village	Dwelling options	LTO	Location/Life style/Care	USP	Comments
<b>Woodcroft Estate</b>  Rolleston  Karaka Pines	<b>Villas:</b> 30 x 2 and 3 b/room villas built  \$650k 2 b/r duplex with single garage  \$675k – 2 b/r duplex, 1.5 b/r with double garage  \$750-\$790k – 3 b/r with double garage  None available – one just released for August delivery.  <i>30 sales in past year</i>	4% on sale price, plus 1% on sale price as Admin Fee  Resident responsible for refurb  Weekly fee - \$135  Not fixed or set to CPI	Still to be built. Will be mid-range. No care to be built on site.	Own your own villa – resident gets to keep all capital gain (after refurb costs an 5% fees on sale price).	Woodcroft Estate is Karaka Pines' only South Island village to date.. Along with Freedom Villages, they are the only operators of significance offering a compellingly different form of ORA.  Reasonably highly priced villas(compared to many others), and weekly fee – but opportunity for capital gain makes up for that.  <b>Planning to build a further 48 villas and the Community Facilities in 2022/23. Almost all of the 25 villas to be built in 2022 are now sold. Prices will be reviewed before they release the final stage later this year.</b>  <a href="https://karakapines.co.nz/retirement-villages/woodcroft-estate/">https://karakapines.co.nz/retirement-villages/woodcroft-estate/</a> 
<b>The Boulevard Retirement Village</b>  Rolleston  Private	42 two bedroom, 1.5 bathroom, single garage villas  \$500-\$525k – 116sqm  None available – all of the next stage to be built this year have been sold bar 3  <i>39 sales in past year</i>	25% over 4 years  Weekly Fee - \$100 Fixed for Life	Currently just one large villa – but have started on their Lifestyle Centre – not too grand, but will include a Swim Spa  Will be building 40 serviced apartments and 20 Care Suites in the future	55+ Lifestyle Village – positioned at the young end. Well priced.	 <i>Premium Gabled 2 Bedroom Villa</i>  Experienced independent operator who has built several other villages. Focus is on younger end at 55+, though later they will build care - so think that's just to get everything away initially.  Interesting architecture – a change from the brick and tile.  <b>Planning to build 86 villas in total – so another 44. 26 this year and 18 in 2023 – along with finishing the new Lifestyle</b>

					<p><b>Centre. There will also be 15 x 3 bedroom villas in the next stage, most of which have sold.</b></p> <p>Lifestyle Facilities do look quite large for only 86 villas – see image below.</p>  <p><i>Artist's impression of new Lodge</i></p>
<p><b>Haunui Retirement Village</b></p> <p>Darfield</p> <p>Charitable Trust</p>	<p>11 x one and two bedroom villas \$300-\$350k None available <i>2 sales last year</i></p>	<p>25% over 5 years plus 3% admin fee</p> <p>\$100/week – not fixed</p>	<p>No lifestyle and no care</p>	<p>Charitable Trust, only village in Darfield.</p>	<p>Small-scale retirement village in Darfield – with only 11 villas owned by a charitable trust.</p> <p>Have bought two adjacent sections and may build on these in the future, and redevelop existing units.</p>  <p><b>Assumed a net 8 new homes over the next 8 years..</b></p>
<p><b>The Sterling</b></p> <p>Kaiapoi</p> <p>Private</p>	<p>7 villas currently built – all 2 b/room 2 bathroom, single garage 120sqm floor plan \$545-\$610k None available – all being built for this year have been sold. Reviewing prices for Stage 3. <i>7 sold in past year</i></p>	<p>30% over 3 years</p> <p>\$145 fixed for life, discounted to \$125 until lifestyle facilities are built</p>	<p>Initially will be Temporary Clubhouse in large villa. From there staging the facilities - outdoor activities – bowling and putting green in 2024, first large Lifestyle build in 2024, remainder in 2025 (including swimming pool).</p> <p>Planning to build 48 Care Suites in about 4-5 years when second block of apartments is released, plus 36 Memory Care Suites</p>	<p>Lifestyle, continuum of care – only village in Kaiapoi</p> <p>Positioned as a “Later Living Village” – new term I haven't come across</p>	 <p>This village is being built by residential developers – but they have been very professional in their approach, getting a very experienced retirement village operator on board as the Executive Director (Allan Edwards). Consequently, this is a very well developed and presented village in its very early stages of development.</p> <p>They have been extremely pleased with the response - 18 villas in Stage 1 sold out in just a few months; 13 of the 16 villas in Stage 2 are now sold - to be completed by November. Prices and weekly fee are reviewed as each stage is released.</p> <p>They have been so taken with retirement village living they are planning on a second smaller village in Lincoln (included in the model). Entry age is 65.</p> <p>Very clever house designs - floor plans are all the same, but there are three different rooflines - cathedral ceilings, mono pitched, raised ceiling - and each block has different claddings. Maximise efficiencies of build but still have different feel. High investment in gardens.</p>

					 <p> <a href="https://issuu.com/limeglobal/docs/new_brochure_the_sterling_brochure">https://issuu.com/limeglobal/docs/new_brochure_the_sterling (brochure)</a>  <a href="https://www.dropbox.com/sh/9enxw4kiccvb8j/AADTOdnvzehW7qjs4lmwpl78a?dl=0">https://www.dropbox.com/sh/9enxw4kiccvb8j/AADTOdnvzehW7qjs4lmwpl78a?dl=0</a> (plans)         </p> <p><b>Planning to build 422 more villas and apartments over the next 8-10 years</b></p>
<b>Bainswood Retirement Village</b>  Rangiora  Rangiora Lifecare Ltd	4 one bedroom single garage villas  \$300-\$330k  One available now  <i>None sold in previous year.</i>	30% over 4 years  Weekly fee \$113	Full range of care on site	Care focused – with 4 villas on site	Company is fully focused on residential care in a number of facilities in Rangiora - have 4 villas attached but not a main feature of their business.  <b>Village is complete</b>
<b>BUPA Ballarat</b>  Rangiora  BUPA	9 x 1 b/r and 38 x 2 b/r villas  \$395-\$440k  <i>None available – 5 sold in previous year</i>	28% over 3 years (1 person) or 30% (two people)  Weekly fee \$152.25- Fixed for life	Limited facilities – with central space with lounge, library, kitchen etc.	BUPA brand – continuum of care, smaller village	Typical BUPA village - well priced, smaller village with mid-range lifestyle and continuum of care.  <b>Village is complete</b>  
<b>Charles Upham Village</b>  Rangiora  Ryman	198 x 2 bedroom villas and 66 x 2 b/r apartments  Villas: \$530-\$570k  Apartments: \$510-\$520k plus \$25k for carpark  None available 6-18 month waiting lists.  <i>Estimated 23 sales in past year</i>	20% over 5 years  \$139 fixed for life	Extensive lifestyle facilities  Full continuum of care	Ryman village – well priced, attractive terms.	Typical Ryman village with very good support as seen by the extensive waiting lists.  Village is complete.  



Disclosure Statements give us some indication of the annual sales (albeit over different times) of the competitive villages as follows:

Village	Date of Disclosure Statement	Annual Sales	Market Share
The Boulevard	November 2021	39	37%
Woodcroft Estate	July 2021	30	28%
Charles Upham	November 2021	23	22%
The Sterling	February 2022	7	7
BUPA Ballarat	July 2021	5	4%
Haunui Retirement Village	January 2022	2	2%
Bainswood Retirement Village	February 2022	0	0%
	<b>TOTAL SALES</b>	<b>106</b>	<b>100%</b>

Four of the villages are still in development and have significant planned builds:

- Woodcroft Estate - 48 villas over the next two years, most of the 2022 villas have been pre-sold.
- The Boulevard - 44 more villas over the next two years, almost all of the 2022 villas have been pre-sold.
- Haunui Village have bought adjacent land - and indicate they may build more villas on that, plus redevelop existing villas. But no indication of timing. Assumed a net 8 villas further out.
- The Sterling - planning to build 422 villas and apartments over the next 8-10 years. Next three year development plan is spelt out in their Disclosure Statement - as shown below.

In addition, there are two villages with new planned builds:

- Summerset in Rangiora - plan to build 300 villas and apartments, but they are still in the early stages of planning (disclosed in Annual Report).
- The Sterling - have secured land in Lincoln to build an estimated 200 unit retirement village. Not disclosed publicly, but disclosed by the Sales Manager

Within the model these development plans for 1,022 villas/apartments have been included as follows:

	Total	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
The Sterling	422	27	36	36	44	50	50	50	50	50	29
Woodcroft Estate	48	25	23								
The Boulevard	44	26	18								
Summerset - Rangiora	300			20	40	50	50	50	50	40	
The Sterling - Lincoln	200					20	30	30	40	40	40
Haunui Retirement Village	8		2	2	2	2					
	1022	78	79	58	86	122	130	130	140	130	69

## MARKET SIZE MODELLING

As we saw in the competitive analysis, there are currently 7 retirement villages offering independent retirement village options - with 405 villas/units available - all but one of which are currently occupied or sold. Penetration rates are low in the primary market at only 2.3% (national averages of 5-6%) - combined with near 100% occupancy indicates a potentially under-supplied market.

However, there are extensive development plans in place from existing and new villages - with 1,022 villas/apartments planned over the next 10 years.

What we will uncover in this section is whether the planned supply meets the estimated demand from a rapidly growing part of the country (as we saw earlier in the demographic analysis).

We have modelled three different growth scenarios:

1. **Conservative:** Penetration grows rapidly over the next three years to 5.3% and then remains static.
2. **Mid-Range:** As with the Conservative model, penetration grows rapidly over the next three years and then slows to more modest growth, growing to 6.2% by 2031
3. **Optimistic:** Penetration will grow by 14% per annum to reach 8.1% by 2030.

<b>CONSERVATIVE scenario - penetration grows over three years to 5.2% and then remains static</b>	2022 rest of year	2023	2024	2025	2026	2027	2028	2029	2030	2031
Penetration	2.3%	3.0%	4.0%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
Projected number of occupied villas	404	560	766	1049	1105	1163	1225	1290	1358	1430
Sales made through turnover of existing independent units/annum (9% of total)	35	50	69	94	99	105	110	116	122	129
Growth in market for independent units	109	156	207	283	56	59	62	65	68	72
Total sales per annum	144	206	276	377	155	163	172	181	191	201
Current unsold stock PLUS New Planned Stock - from above	1 78	79	58	86	122	130	130	140	130	69
Projected oversupply/shortage of units	-30	-77	-149	-197	66	71	68	75	62	-3
Cumulative oversupply/shortage	-30	-107	-256	-452	-386	-314	-246	-171	-109	-112
% oversupply/shortage	-7%	-19%	-33%	-43%	-35%	-27%	-20%	-13%	-8%	-8%

<b>MID RANGE scenario - penetration grows rapidly and then growth slows to 6.2%</b>	2022 rest of year	2023	2024	2025	2026	2027	2028	2029	2030	2031
Penetration	2.3%	3.0%	4.0%	5.2%	5.3%	5.5%	5.7%	5.8%	6.0%	6.2%
Projected oversupply/shortage of units	-30	-77	-149	-197	31	31	23	23	3	-69
Cumulative oversupply/shortage of units	-30	-107	-256	-452	-421	-390	-367	-344	-341	-410
% oversupply/shortage	-7%	-19%	-33%	-43%	-37%	-31%	-27%	-24%	-21%	-24%

<b>OPTIMISTIC scenario - penetration grows more rapidly initially and then slow to reach 7.4%</b>	2022 rest of year	2023	2024	2025	2026	2027	2028	2029	2030	2031
Penetration	2.3%	3.8%	6.0%	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%
Projected oversupply/shortage of units	-121	-206	-414	-12	15	14	5	4	-17	-91
Cumulative oversupply/shortage of units	-121	-327	-740	-753	-737	-723	-718	-714	-731	-822
% oversupply/shortage	-30%	-47%	-64%	-60%	-54%	-49%	-45%	-41%	-39%	-40%

- Under all scenarios, there is a very significant under-supply, boding well for Harlow's proposed development in West Melton.
- While development plans look well-spaced to meet the market in 2026-2030, there will be significant underlying shortages, or unmet demand. These people will either have to look elsewhere for retirement village options (e.g. most likely in Christchurch), or will simply stay in their own homes.

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## MARKET SHARE MODELLING

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For the purposes of assessing market share, we have assumed your development will take place from 2024 on and have modelled three scenarios below:

Market Share Scenarios	2022 rest of year	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total Sales Conservative	144	206	276	377	155	163	172	181	191	201
Total Sales Mid-Range	144	206	276	377	194	210	229	248	270	293
Total Sales Optimistic	243	347	576	212	229	249	270	293	317	344
<b>Potential Sales/Annum:</b>										
10% Market Share				38	19	21	23	25	27	29
15% Market Share				57	29	32	34	37	40	44
20% Market Share				75	39	42	46	50	54	59

Ultimately, your market share will depend on your market positioning and how well you satisfy the market needs compared to your competitors, and of course the threat of any potential new entrants.

There will be 3 villages still selling down over this time period as we saw in the development plans above (The Sterling Kaiapoi and Lincoln, and Summerset Rangiora). Summerset has a slick marketing machine and is an established brand name, they will be a formidable competitor. The Sterling in Kaiapoi will be well developed by then, and will have learnt a lot that they will bring to their new development in Lincoln. In addition, you will be competing with all other villages for resales (approximately 25% of the market).

Market share models have all been based on the Mid Range Scenario - which is the most likely. Market share assumptions from new sales have been based on:

- 10% - you will achieve less of the new sales than your competitors
- 15% - you will each split the market pretty much equally
- 20% - you will get a greater share of the market

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## POSITIONING OBSERVATIONS

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### Overall Village Design:

Your village design looks great - particularly the green areas on entry into the village, and the water features. There seem to be a mix of lower and higher density homes, which infers a range of price points - which is, I believe, a great option in this village - and will provide you with a point of difference to your competitors.

### Independent Living:

- Product Mix:
  - Given the market and your competitors, I would recommend you focus predominantly on two and three bedroom villas with a smattering of one-bedroom plus study space smaller footprints. e.g. 10%/65%/35% for 1/2/3 bedroom. However, this is closely linked to what positioning you choose to follow.

- Lifestyle Facilities:

- Again, this will depend on your competitive positioning - greater lifestyle for more premium positioning, vs simpler lifestyle facilities for mid-market positioning.

<b>Mid-Market</b>	<ul style="list-style-type: none"> <li>• Flexible space to enable lounge with fireplace, resident-managed bar, lino floor space able to be used for craft or indoor bowls</li> <li>• Large kitchen space to enable food to be assembled and presented, plus dishwasher etc - but not a commercial kitchen</li> <li>• Coffee machine - to enable residents to come and have fancy coffees (user pays is ok)</li> <li>• Library</li> <li>• Outdoor BBQ area with petanque piste</li> <li>• Community gardens</li> <li>• Gym</li> <li>• Campervan parking spaces with dump station</li> <li>• Offices for Village Manager, Receptionist and Sales Manager (initially though over time Village Manager may take this over)</li> </ul>
<b>Premium</b>	All of the above plus: <ul style="list-style-type: none"> <li>• Swimming pool/spa</li> <li>• Bowling green</li> <li>• Computer space</li> <li>• Movie theatre</li> <li>• Wellness space - hairdresser, massage, beauty therapist</li> <li>• Blokes' shed</li> <li>• Office space for Events Co-Ordinator</li> </ul>

- Pricing:

The price matrix of competitors is shown below (from most expensive to least expensive).

Village	One Bedroom	Two Bedroom	Three Bedroom	Common Facilities	Weekly Fee	DMF
Woodcroft Estate		\$650-\$675k	\$750-\$790k	Mid Range	\$135	5% off sale price, capital gain is residents
The Sterling		\$545-\$610k		Extensive	\$145 fixed for life	30% over 3 years
Charles Upham	Villas: Apt/mts:	\$530-\$570k \$510-\$520k + \$25k for carpark		Extensive	\$139 fixed for life	20% over 5 years
The Boulevard		\$500-\$525k		Mid Range	\$100	25% over 4 yrs
BUPA Ballarat	\$395k	\$440k		Mid Range	\$152.25 Fixed for life	28-30% over 3 years
Haunui Village	\$300k	\$350k		None	\$100	25% over 5 years + 3% admin fee
Bainswood RV	\$300-\$330k			None	\$113	30% over 4 years

- We saw earlier that the overall value of homes would indicate a pricing range from \$550-\$700k with the opportunity to stretch at the top end for premium 3 bedroom stand alone homes up to \$800k.
- This would place you at the top end of your competitors - and makes sense if you are seeking to establish a premium positioning overall. This would require an investment in extensive Lifestyle Facilities, and you could sustain a higher DMF accordingly e.g. 30% over 3 years.

- Alternatively, you could look to meet the market and position your villas slightly lower in price e.g. \$550-\$650k, with limited lifestyle facilities.

I would welcome the opportunity to workshop this through with you and your architect - as I do believe there are different ways you could cater to the local market with this offering - which is not as clear cut as Putaruru.

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## CONCLUSION

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West Melton is located within a significant growth area on the outskirts of Christchurch, where the population, and more specifically the 65+ population, is projected to continue to grow rapidly, particularly with migration from within Christchurch to the rural edges or from retirees from the outlying rural areas moving closer to town. The market for this village has been identified as the Selwyn District and the Waimakariri District - though not the northern reaches. Statistics NZ forecasts significant growth in this area over the coming years - total population from 115,000 in 2018 to 164,000 in 2031, and the over 65s from 17,500 to 36,000 by 2031 - or 22% of the population.

There are currently 7 retirement villages operating in this area - but none in West Melton. Instead they are located in Rolleston (2), Kaiapoi (1), Darfield (1) and Rangiora (3). Several of these villages are in the early stages of development.

As a result, there is very low penetration of independent living compared to national average - 2.3% compared to 5-6% nationally. Hand in hand with this is very high occupancy - at 100% with only one available villa if you wished to purchase today, and the vast majority of villas to be built this year already sold down.

While there are development plans in place for 1,022 villas, there are still significant shortages predicted under all models in the coming years. This is another very positive market for Harlow to develop in.

There are a number of potential positioning options available ranging from:

- Premium positioning with two and three bedroom villas, priced from \$600-\$800k, with extensive lifestyle facilities. Anticipated sales 25-35 per annum.
- Mid-Range positioning with one/two/three bedroom villas priced from \$550-\$650k, with mid-range lifestyle facilities. Anticipated sales 30-40 per annum.

I would welcome a discussion with you on positioning options given the nature of the site. Overall, this presents a very strong opportunity for a retirement village development, whichever option is pursued.

### DISCLAIMER:

It should be noted in relation to the forecasts and strategies contained in this report, that some variables cannot be estimated with absolute certainty and represent assumptions which are not guaranteed to hold i.e. population growth, market acceptance of retirement villages etc. Accordingly, our forecasts should only be considered in an illustrative rather than a definitive context and no warranties are provided as to their eventual accuracy. This confidential document is for the sole use of Ultimate Global Group or Harlow. Use by or reliance upon this document by anyone other than Ultimate Global Group or Harlow is not authorized by Mission Marketing, and Mission is not liable for any loss arising from such unauthorized use or reliance. The document should not be reproduced without our written authority.



## **APPENDIX - COMPETITOR FLOOR PLANS**

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