

Quality over quantity

With record sales across its communities, Queensland retirement living operator Aura Holdings is taking the village model to new heights with its latest 32-storey Gold Coast development.

BY LAUREN BROOMHAM



An artist's impression of Aura Holdings' Acacia development



With sold-out stages across its communities, the operator is proof that retirement villages can compete with the residential market when you combine a premium product with a customer focus, according to Director and Co-Founder Tim Russell.

Tim is a well-known face in the sector, founding his first retirement village vehicle Meridian – later known as RetireAustralia – in 2006.

Together with Mark Taylor as Chief Financial Officer, he grew RetireAustralia into Australia's fourth largest village operator before its sale in 2014 to the New Zealand superannuation fund and private equity group Infratil for \$640 million.

He left RetireAustralia in 2015 to launch home care disrupter Five Good Friends with Simon Lockyer and Nathan Betteridge before founding Aura Holdings in 2016 with Mark.

New 32-storey Gold Coast village in the planning

Today, Aura has six communities in varying stages of development across southeast Queensland – and is about to develop what will be the highest retirement village in Australia.

In April, Aura revealed plans for a 32-storey retirement village at Surfers Paradise at the northern end of the Gold Coast.

The group has since lodged a development application to build 94 apartments over the development – named Acacia – including two levels of community facilities and three levels of basement parking.

Despite its impressive height however, Tim says this latest development is more about achieving the best return on the site than trying to break records.

“There was an existing residential DA that was 46 levels, so we have reduced the

envelope. But the size is driven by where we see the market and the pre-sales for that site going.”

Larger apartments attracting buyers’ attention

The first stage of Aura’s The Pavilion retirement village at North Kirra Beach on the south end of the Gold Coast saw high demand, particularly for the larger, higher-priced apartments which resulted in the operator amending the development application for the second stage to increase the size of the apartments by around 20%.

“We design a village that we hope is right for the market that we are in,” said Tim.

“As our villages are in mature catchments with high median house prices, and most of our buyers own their family home, we do have the ability to attract a higher price point.”

“We find that if you are in the right location, the buyers are there for the premium product.”

Aura’s other point of difference is the level of investment in its community facilities, which typically includes a library, business centre, pool, gym and consultancy suites.

“We try and split the community facilities between the social spaces and active spaces,” said Tim.

“So, each village will have social spaces, a café/dining area, and a function area, and of course, the wine rooms in our villages are always popular.”

“When you add up those elements, the value proposition is there for making the move into retirement versus residential,



Tim Russell



Aura Holdings' The Pavilion at North Kirra village

and we have seen that at both North Kirra and at [The Avenue] Maroochydore where we had a number of residents who sold out of residential apartments in the area to move into the retirement village.”

Five Good Friends concierges in every village

The final key element for Aura is the level of support provided to their village residents.

The operator employs a Five Good Friends concierge in each of its villages in addition to the village manager to help advise on accessing aged care services including home care.

“They are there for residents to lean if they need these services. Our residents can use whatever provider they want, but we are finding that because they develop a relationship with Five Good Friends, they will often engage their services from the platform,” said Tim.

Aura is also trialling Five Good Friends’ new health and wellness program Move. Nourish. Connect. at two of its villages with

a view to rolling it out across all their communities.

“At each of the villages, the residents have input to how they want that program, and what elements are important to them, so it is designed around the population in the village,” explained Tim.

“When the residents feel like they have that level of ownership, then they do engage with the program and the platform has made it easier for them to access exercise classes, learn to use technology, or take part in whatever activity is offered in the village’s calendar.”

Majority of Aura’s villages sold out

Sales across Aura’s villages certainly demonstrate that the proof is in the pudding.

Its North Kirra, Maroochydore and The Atrium Lutwyche communities are all sold out, while its Kingsford Terrace Corinda development is close to selling out its two latest buildings which are due for completion in September 2022.



Just 10 apartments remain in stage one of its Somerset Indooroopilly village at the Indooroopilly Golf Club with 50% of its second stage of 75 apartments which has just begun construction pre-sold. Similarly, its The Ninth Middle Ridge village at the Toowoomba Golf Club is 50% sold out.

“I would like to have a couple hundred apartments to sell, but we just don’t have the supply,” said Tim.

While their luxury vertical model is proving successful, Tim says the group will continue to be selective in developing future villages.

“I am actively looking for good opportunities, but they have to be the right opportunity,” he said.

“We would look at a new site on a weekly basis, but most of the time, they are not for us.

“We want Aura to be known as the high-end, high-quality village operator. I think if the opportunities are there, we will continue to deliver a similar product. We will not be diluting the

quality over time, because that is a point of difference.”

But southeast Queensland still offers strong opportunities for retirement living, he adds.

“We are still at a huge discount to Sydney and Melbourne, and the region is still seeing particularly good net population growth so our view is this will continue to support current pricing. We are not expecting the double-digit growth that we have seen in the last couple of years, but we have not seen a slowdown in inquiry on the villages where we do have stock.”

Hear Tim speak at the inaugural



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Sports clubs an opportunity for co-located villages

The operator is also working with two golf clubs in southeast Queensland, and one in northern New South Wales on three more potential co-located retirement villages.

“We like those deals because there is huge benefit to the club, but they are also great locations for people to live because the village is surrounded by green space, and residents have the amenity of the golf club,” said Tim.

However, he concedes that these kind of developments take time to get off the ground.

“We started dealing with Toowoomba Golf Club in 2006 when we were with RetireAustralia. Club developments are a slow burn because of the planning obstacles and the changes in club boards. It is a real journey but as we have shown at Indooroopilly and Toowoomba, they are phenomenal places to live that will always be in high demand.”

But looking ahead, Tim is optimistic that the retirement living model will only become more sophisticated – and in demand.

“I am very bullish because the demographics are highly supportive, and I think operators are starting to produce a product that will meet the needs of the customer,” he stated.

“10 years ago, we talked the talk, but no one was following through – it was still very much a real estate play. But that is changing and it needed to.”

“To me, that comes at greater customer focus. We have started offering our customer a product that makes them happier, healthier and more active, and hopefully our villages will continue to sell themselves.”

SATURDAY



Aura Holdings' Somerset Indooroopilly village at the Indooroopilly Golf Club