

A Glimpse of Twilight: The Emergence of Retirement Villages across Southeast Asia

Maria Aisa Ivyreene Calderon¹

¹REB, Graduate Studies, San Sebastian College, Recoletos, Manila, Philippines.

Corresponding Author: business@ivyreene.com

Abstract: - Retirement villages have gained its popularity and foothold in Western countries and are now a rising trend in Southeast Asia. With the uncertainties brought about by the global pandemic, things such as retirement still remain certain, and homes still remain as a basic human need. Real estate developers are highly encouraged to tap the niche market of the ageing population as a part of their incoming plans for development; and the topmost consideration for such development is sustainable and healthy living made affordable, accessible and convenient for the population who need it most: the retirees.

Key Words: — *Real Estate, Real Estate Developers, Luxury Homes, Retirement Homes, Asia, Sustainable Living, Retirement Villages, Sustainable Real Estate.*

I. INTRODUCTION

Asia is home to forty-eight (48) countries with some of the most diverse cultures, gateway destinations, and historical attractions in the world. It receives an influx of tourists every single year which is mainly attributed to friendly cultures, cozy weather, white sand beaches, tasty food, affordable flights, and lower costs of living. Asia is a region that international tourists have grown to embrace and love.

Tourism is one of the economic drivers in Asia. In 2019 alone, the Northeast Asian Region recorded more than 170 million tourists (Statista, 2021) and the Southeast Asian Region recorded more than 133 million tourists (Garcia, 2020), which highly contributed to the increase in employment, upsurge in local businesses, and attracted foreign investments.

Southeast Asia is composed of Brunei, Cambodia, Timor-Leste, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Among these countries, Thailand has been the constant choice of tourists and expatriates alike, because it ticked off the requirements that tourists and expats expect.

In 2019, Thailand has the largest number of visitors at a rate of 39.9 million, while Malaysia recorded 26.1 million and

Singapore with 19 million tourists (The World Bank, 2019). Western retirees have also chosen Thailand and Vietnam as the top destination for retirement (Bradford, 2015).

The global pandemic may have drastically affected the tourism and hospitality industry in the entire Asian region, but retirement homes is now becoming a growing trend. With the advent of the work-from-home setup, majority of the working population is now considering their place of retirement as the threat of the pandemic is still at an alarming pace. Hence, the need for a better quality of life, especially for the population whose major concern is their health.

II. STATEMENT OF THE PROBLEM

Retirement villages are now becoming the next best thing to look forward to in the real estate scene across Southeast Asia.

However, with the impact of the global pandemic in the economy and the spending power of the working population, real estate developers encounter problems which may inadvertently affect the developments of these retirement villages in Southeast Asia and may eventually impede such developments.

This paper will look into these problems and recommend potential solutions to address the problems.

III. CAUSES OF THE PROBLEM

A. Conceptualizing Retirement Villages

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There are major factors to consider in building retirement villages, namely: health and wellness facilities, availability of medical practitioners round-the-clock, pharmacy, regular community activities, religious zones, transportation, and other common utilities. Real estate developers should consider these on top of their list when building retirement villages as this will contribute to the overall well-being of the residents, to ensure that they will live healthy in the community. With these factors to consider, cost also comes in at a hefty price tag for both the developers and the residents.

B. Cost of Technological Infrastructure and Digitalization

Technological infrastructure and digitalization are no longer considered luxury or a value-added service; they have become a standard for all residential dwellings across Southeast Asia. Moreover, for retirement villages, the residents may no longer be working but they would still want to be connected with their families and friends who are living outside of the village. Technology makes it possible for them to connect with their loved ones. Yet again, the cost of technological infrastructure and digitalization will add up to the price tag that comes with building the retirement villages.

C. Land Acquisition

By the year 2030, it is projected that every fourth Singaporean will be 65 years or older (Viva City Asia, 2018). As Singapore's land area is relatively small compared to its neighbors, there may be Singaporeans who will reside outside of the country. Further, the cost of living in Singapore is considerably high compared to its Southeast Asian counterparts.

As populations grow in Southeast Asia, real estate developments have also been ascending, leading to the decreasing number of lands to build on that is highly conducive for retirement. Land acquisition is one of the major considerations of real estate developments because cliché as it may be, location is key to a successful project. But aside from the cost, the availability of these lands for acquisition is also a challenge for most real estate developers, especially in Southeast Asian countries with less land area to build on.

D. Niche Market

The niche market of retirement villages is the ageing population. Yet, if they will be the only market for these retirement villages, there will be a considerably significant chance that the inventory will not be disposed of at an expected rate in a given timeline, which will then affect the profitability of the projects that these developers are building. Consequently,

when projects become unsuccessful, there will be lower chances of building another retirement village because the developers will have to recover their costs.

IV. COURSES OF ACTION

A. Extensive Research and Development

Real estate developers should strengthen their research and development in terms of building retirement villages to ensure that they will build on good locations and with carefully selected facilities and amenities ideal for retirees and their families.

In Southeast Asian countries like Thailand and the Philippines, white sand beaches remain to be the most famous tourist destinations. Developing residential dwelling in places close to nature is highly feasible with the right amount of strategic planning and execution.

B. Mixed Use Development

Retirement villages should not be intended exclusively for retirement homes. It should also be open to local and international tourists traveling to the Southeast Asian Region to boost not only the economic activities of the area, but also the profitability of the retirement village. Income streams may also be generated from intraregional and international tourism activities, and commercial activities.

Further, workspaces should still be considered as another source of income for the retirement villages because the residents may be retired, but their family members may still opt to work.

C. Expansion of Niche Market

The ageing population is not the only niche market of retirement villages. The profitability of retirements villages should not be solely reliant on the ageing population but it should also be offered as a long-term plan for those who have just started their careers. This also means that the prices of the homes in residential villages should be competitive.

D. Explore Joint Venture Agreements with Land Owners in Suburban Areas

Joint venture agreements with land owners in suburban areas can also be a viable option in reducing the cost of land acquisition. This is a win for real estate developers who want to reduce cost in land acquisition, and a win for the land owners whose lands have been idle. With this, the highest and best use of their properties will therefore be maximized.

E. Collaborations and Partnerships

In the Philippines, the Public-Private Partnership (PPP) has gained substantial amount of support because of its impact to the economy on a macro and micro scale. The PPP is also instrumental to realizing both the government and the private sectors' goals along infrastructure (Public-Private Partnership Center, n.d.).

Retirement villages need to have infrastructure not only from within the village, but also from the surrounding communities. This is also beneficial for real estate developers because this will reduce costs, which will perceptibly affect the price of the retirement homes.

In Malaysia, expatriates can own freehold properties (Kuah, 2021). This is also a very attractive offer to expatriates who have chosen to move to Asia, as they can own a property for an amount that does not radically affect their retirement savings.

F. Ease of Transactions

In Southeast Asia, Thailand is the most popular choice for retirees because of the cost of living, among other considerations. Consequently, more and more people are lured into moving to Thailand but the main challenge lies in the process (Hollis, 2019). Visa processing and attractive visa schemes for expatriate retirees should also be considered and must be given priority to attract more foreign retirees to move to the country.

Because of this, it is therefore crucial for real estate developers to work closely with the government to ensure that visa processing will also be facilitated with ease, considering that these are members of the ageing population who may or may not have the ability to mobilize.

V. CONCLUSION

The ageing population is a niche market that has recently resurfaced because of the impact of the global pandemic to people's health. Retirement villages are not only designed for local retirees but also for the expatriates who chose to live in the Southeast Asian region because of the living conditions in these areas.

Southeast Asia is home to affluent retirement villages, which is also strong indicator that there is a market that the real estate developers can cater to should they decide to build retirement villages across the region.

Real estate developers across Southeast Asia have yet to explore on building more retirement villages, which will be

favorable not only for the retirees but also for their families – knowing that their ageing relatives live in an innovative, comfortable, convenient, and secured community.

Recommendations:

While retirement villages may be a growing trend, there is still a relatively low number of real estate developers in the Southeast Asian region that builds them. Hence, maximizing efforts on the profitability of retirement villages should be highlighted amidst the pandemic.

Retirement villages should be considerate of the past and yet, modern enough to be able to adapt to the future. Strategic planning will play an important role in the development of these retirement villages, and overall wellness is the topmost priority.

Government regulations should also be in support of the efforts being executed by the private sector in securing the welfare of the population.

Despite the uncertainties brought about by the pandemic, some things still remain certain: there will always be people who will grow older, and they will always need a home to live in.

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