



ANZ Retirement Village Survey report

October 2025

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A note about this survey

The first ANZ New Zealand Retirement Village survey was published in 2011, designed to help anyone involved in the retirement village sector, including village workers, village management teams, boards, and investors. For consistency, we aim to keep the core elements of the survey intact and track the results over time.

However, the world is changing fast. To reflect the dynamic nature of the sector, we add specific questions each year to capture developments in thinking, trends, and external influences that may be driving change. While our overall findings are shared and summarised in this report, individual responses are kept confidential.

If you have any questions about either the report or our findings, please don't hesitate to reach out.

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Introduction

The ANZ Retirement Village Survey has long been trusted to gauge sentiment and strategic direction within the sector. Over the years, it has not only captured the prevailing mood but also highlighted emerging trends.

Completed in early April, our 2025 survey tells the story of a sector navigating a turbulent economy amidst looming legislative changes. Economic conditions have stabilised, but recovery is slow: the housing market continues to be subdued, but interest rates have declined, and inflation is back under control. The sector is also bracing for change (albeit welcome change) with a legislative review expected to be finalised next year.

Despite ongoing uncertainty and developments around the corner, what stands out is operators' confidence about the future. They are optimistic and resilient.

Two factors help explain this outlook:

- **Sharper market adaptation:** in tough economic times, businesses often refine their offerings and sharpen their competitive edge. Retirement village operators now possess a deeper understanding of their customer base and value propositions. We're seeing them respond proactively, adapting to current conditions while positioning themselves for future growth.
- **Demographic certainty:** unlike many sectors, retirement living is underpinned by an eternal reality: people age. This simple truth – impervious to economic cycles – contributes to the sector's enduring stability.

ANZ is proud to be New Zealand's leading supporter of the retirement village sector. It's a position built on long-standing partnerships, managers with years of experience helping operators navigate ups and downs, and a clear understanding of the strong macro dynamics that drive success.

Reflecting on our 2025 findings, we believe this year's survey offers more than just a snapshot of current sentiment – the results provide a valuable blueprint for new entrants and established operators alike. We hope you find the report insightful and that it helps guide some of your strategic thinking.

Reuban Dalzell

Director, Institutional

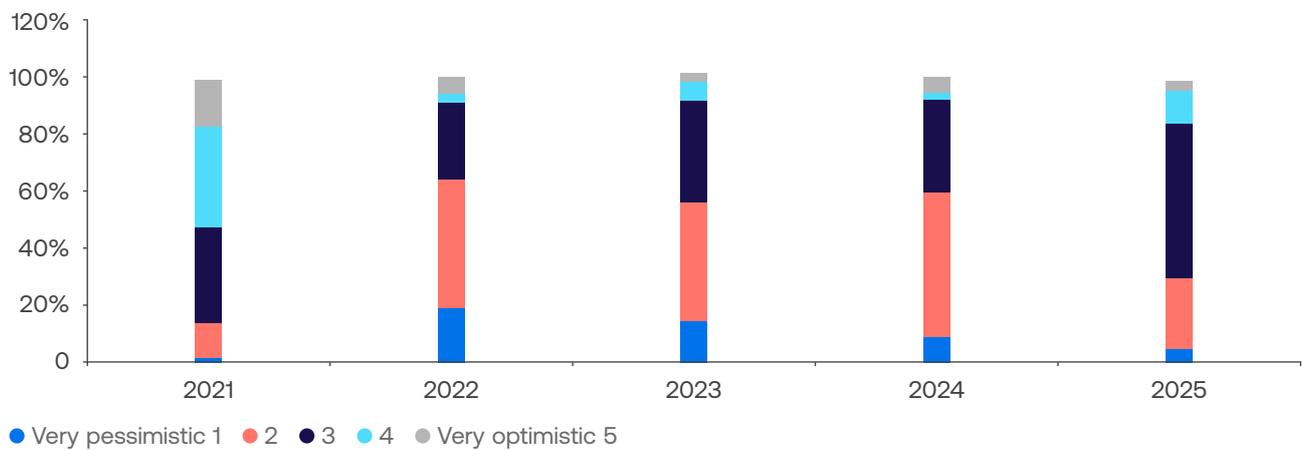
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1. Mood of the sector

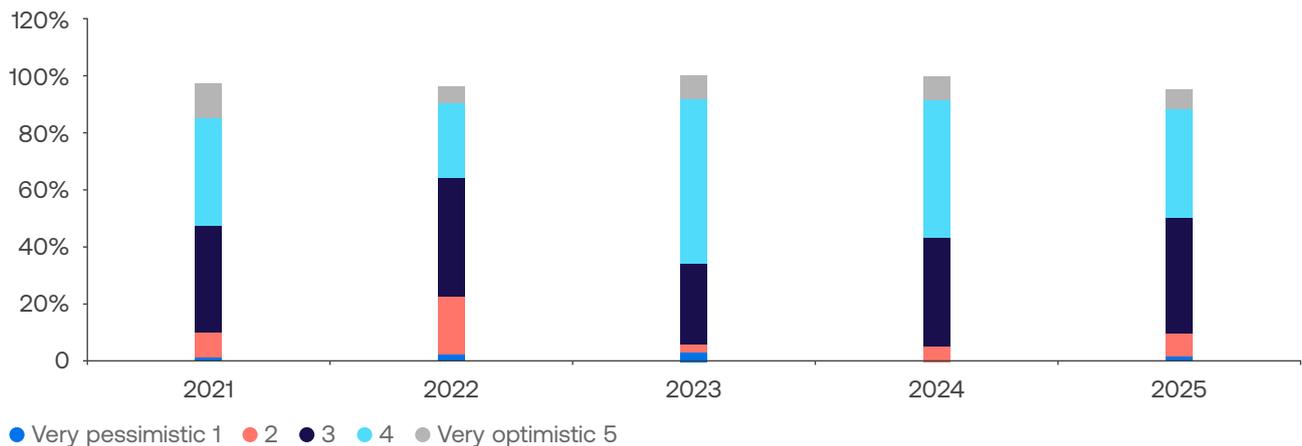
First, some scene setting. We asked the sector about their performance expectations for the New Zealand economy. We then asked operators how they feel about the sector itself. The results are cautiously optimistic.

Expectations for the economy

NZ economy – next 12 months



NZ economy – next 3 years



Short term (< 12 months):

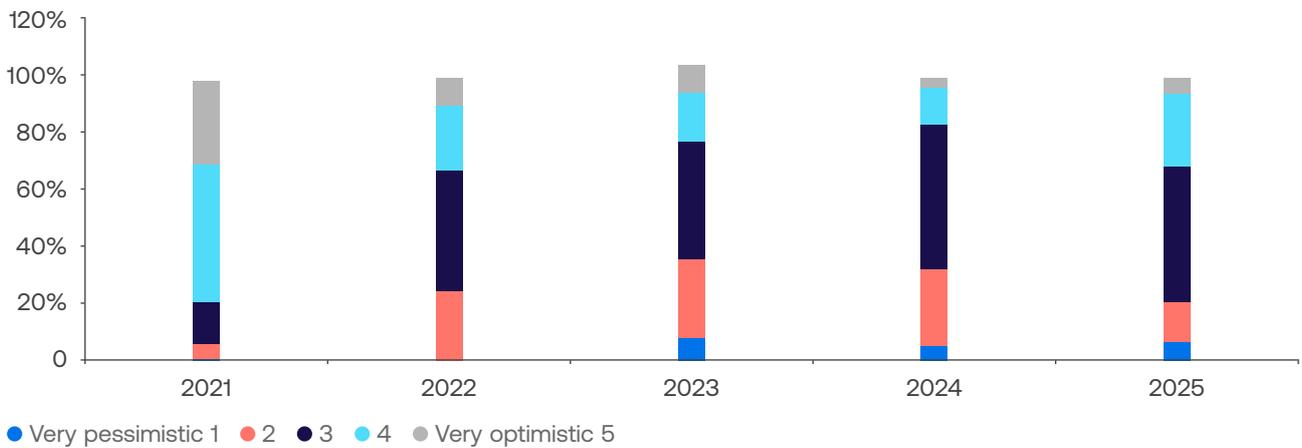
Expectations are starting to shift. We saw an increase in positive responses, which aligns with the improving economic outlook. That said, over half of respondents remain firmly on the fence, scoring 3 out of 5.

Medium term (< 3 years):

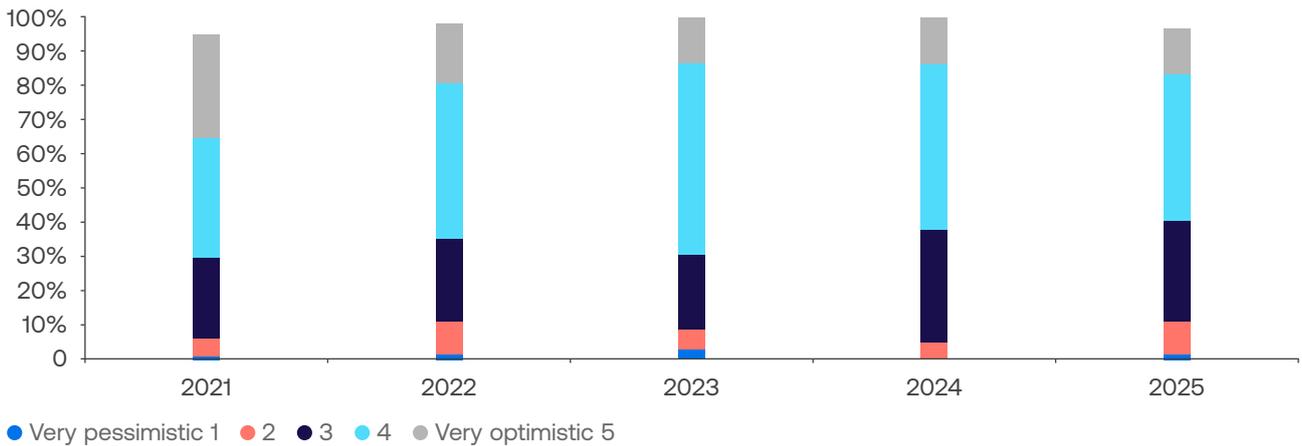
Optimism is more subdued, with only 45% rating this a 4 or 5 – down from 57% a year ago.

Expectations for the sector

Retirement village sector – next 12 months



Retirement village sector – next 3 years



Short term (< 12 months):

Results suggest operators are growing in confidence, in line with improvements seen in the wider New Zealand economy. Still, around 48% remain undecided about what the next year holds.

Medium term (< 3 years):

Outlook remains strongly optimistic, but at its lowest level in 5 years of survey results. This may be influenced by longer-term uncertainty from upcoming legislative changes, as well as operators' subdued view on the economy overall.



2. Key issues and findings

Next, we were interested to understand the key issues faced by operators and how they might have shifted since our last survey.

Top issues

1. Change in legislation (FY24 #1):

With an outcome expected in the next 12 months, it's no surprise this remains the most important issue for operators.

2. State of the residential housing market (FY24 #2):

Holding steady at number two. Again, unsurprising given the importance of the property market and its subdued recovery.

3. Capital requirement to invest in ageing assets (FY24 #7):

A notable rise in the rankings, replacing interest rates – which dropped out of the top 10 altogether – as the third most important issue. Competition between operators continues to grow, and those with modern villages and amenities fare well in a slower market.

Emerging issues

4. Levels of unsold stock (FY24 #10):

Rising to fourth place, this includes both new stock coming online and resale stock. Operators are feeling the impact of a slow property market with rising levels of unsold stock.

5. Affordability (FY24 #8):

Now fifth in the rankings. While the sector continues to produce good quality new product, operators note that affordability of units is a growing issue for incoming residents – again, not helped by a weak property market.

Of note

Finding good employees (FY24 #6):

Did not feature in this year's key issues. Changes to immigration settings and rising unemployment have led to improved access to skilled staff for villages and care providers.

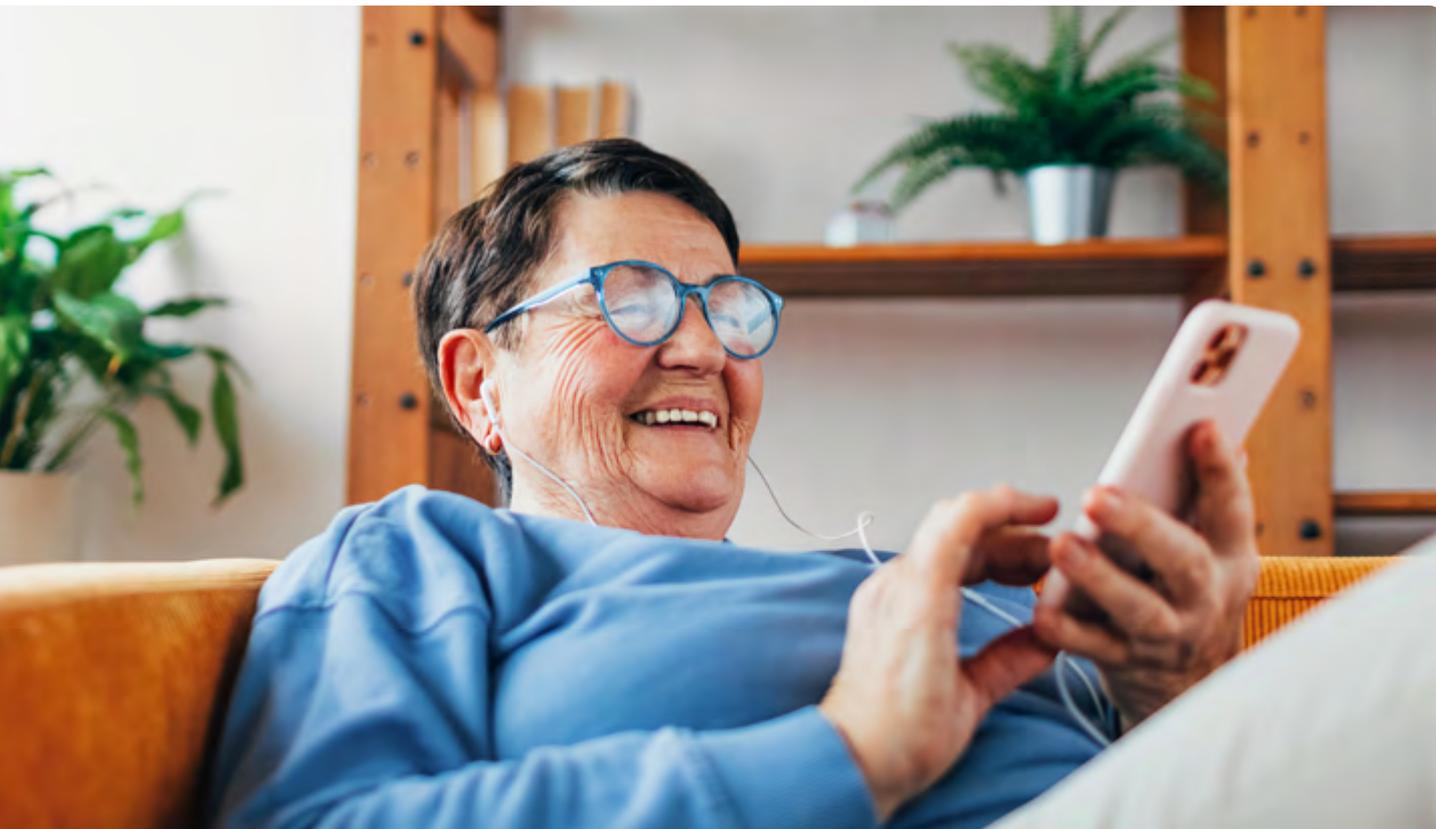
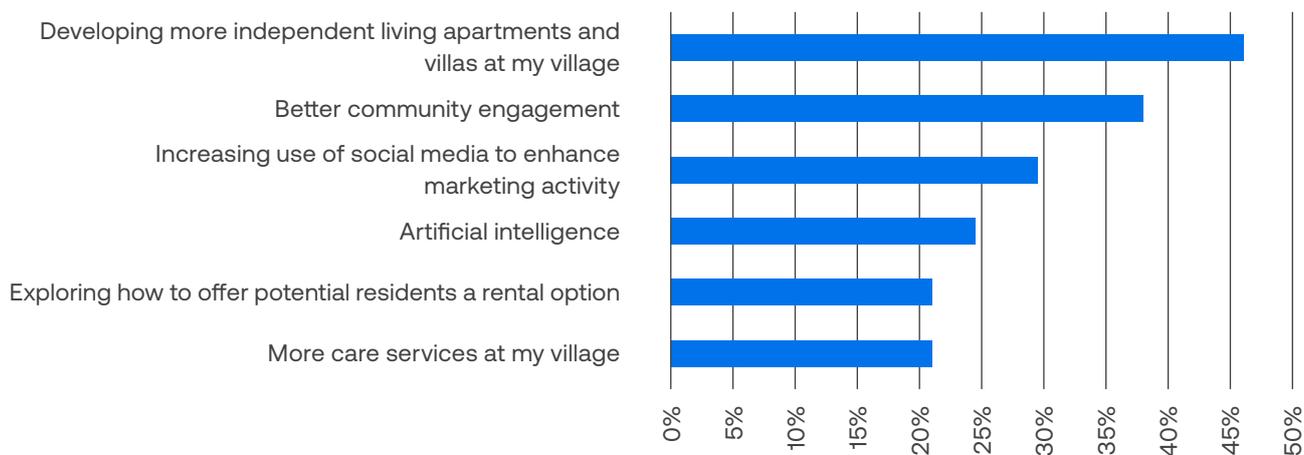
Climate change (FY24 #14):

Also absent. Given the rise in severe climate events, this is somewhat surprising – though it may be related to the cost of insurance premiums, which dropped from fourth to seventh place in the rankings.

Priorities for the next 12 months

Over the next year, operators' priorities will shape how they drive growth, seize opportunities, and strengthen their business proposition. In general, these priorities haven't changed.

Which of the following do you consider to be your top 3 priorities for the next 12 months?



Top focus areas

1. Developing growth (FY24 #1):

Continues to be the number one focus. Operators recognise that organic growth drives value and prefer it over acquisition. They'll be laser-focused on making sure these units are targeted to their market and timed for an improving property market.

2. Better community engagement (FY24 #2):

Steady at number two, as operators continue to focus on engaging with their local community and connecting with their target market. A flat housing market makes this area particularly important.

3. Sales and marketing (FY24 #3):

Continues to be a priority as operators look to strengthen their local presence to better support sales. Innovation and thinking 'outside the box' are on the rise, with operators using tools like social media, incentives, packages, and more to compete for buyers.

Further insight from the survey revealed 57% have increased marketing; 34% are managing existing databases more intensively; and 33% have offered sales incentives. Interestingly, only 11% have hired more salespeople, and just 26% have offered discounts.

Emerging focus areas

4. Technology (FY24 #4):

In recent years, we've included questions about artificial intelligence as AI rapidly becomes embedded into society. For the third year running, AI has ranked as the fourth-highest priority for the sector, unchanged at 24%.

5. Rental option (FY24 #5):

This remains the fifth-ranked priority, with stronger emphasis in the Not-for-Profit space. There appears to be little change among private operators.

6. Fraud and scams (FY24 N/A):

The sector is responding well to the rising threat of fraud and scams. While 20% of operators have been impacted, 77% indicate they have plans to manage the issue.

Lesser focus areas

Measuring carbon emissions, establishing and implementing an ESG policy, and expanding care services are all low priorities for the sector this year when weighted against the challenges of a slow economy, sluggish housing market, and funding shortfalls in care.

3. A look at the next 5-10 years

We asked operators to share their views on the longer term and consider what factors might influence their future strategy. These insights offer important clues about where the sector may be heading.

Top influences

1. Managing residents' wellbeing (FY24 #2):

Now operators' number one future consideration. As villages age and residents' needs evolve, so too must the proposition. Operators are focused on offering a wide range of services and accommodation options to meet the needs of both current and future residents.

2. Technology (FY24 #1):

Last year, technological innovation – including AI – was the leading future influence. This year, it takes a backseat to resident wellbeing, but it's still a top priority. Operators are exploring how technology can help improve operational efficiency and enhance financial performance. Interestingly, robots featured more strongly this year, increasing to 13% from just 3% last year.

Emerging trends

3. Ageing in place (FY24 #7):

Climbed from seventh to third place, as operators see growing opportunities to expand their reach into the home. This opens up other revenue streams and creates pathways for future residents to enter villages and care providers.

4. Strategy to attract individuals from other cultural and ethnic backgrounds (FY24 N/A):

We featured this topic for the first time, recognising that New Zealand's increasing diversity will help operators adapt their proposition to attract a wider audience. This year, we've already seen New Zealand's first village targeted at the Asian community.

5. A revised model option (FY24 N/A):

This also appeared in the survey for the first time. Operators are exploring ways to make their current model more resident-friendly by including more optionality and flexibility – no doubt driven by the recent legislative review of the sector. It's interesting that 'a new proposition for retirees' has dropped from third to seventh place, suggesting widespread acceptance of the current proposition.

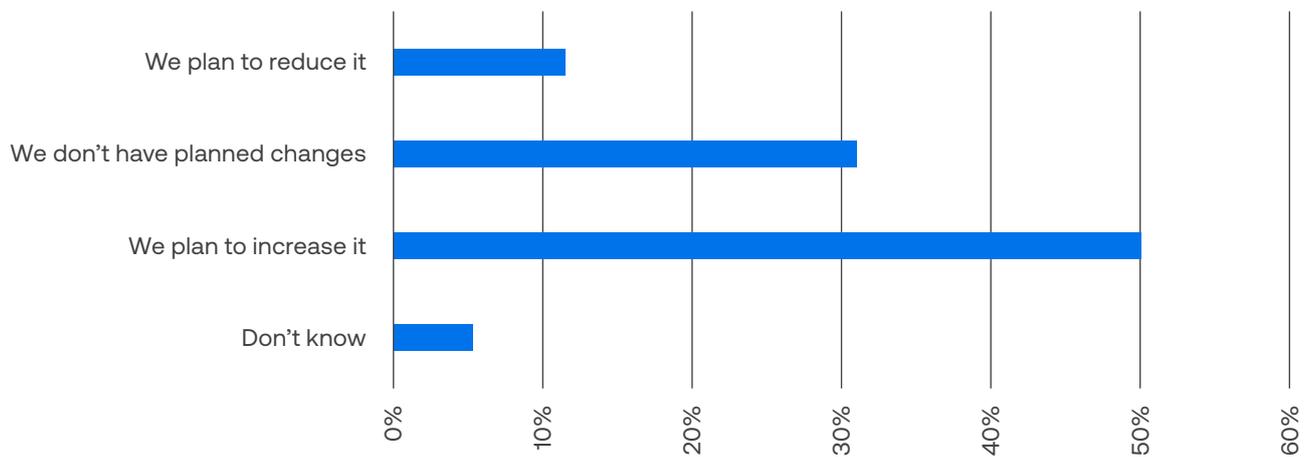


4. Insights into planned action in 2025-26

The data is starting to paint a picture of what the sector is planning in the near term and where the priorities lie. Understanding these high-priority areas should help operators build strategies to tackle the issue. With this in mind, we asked respondents about a range of growth factors. Here are the key findings:

Build programme

Which of the following best describes your build programme in the next 12 months?



Build programme increase:

Confidence remains strong, with 50% of operators planning to increase their build rate. While still significant, this is down from 55% in 2024 – a reflection of the current environment.

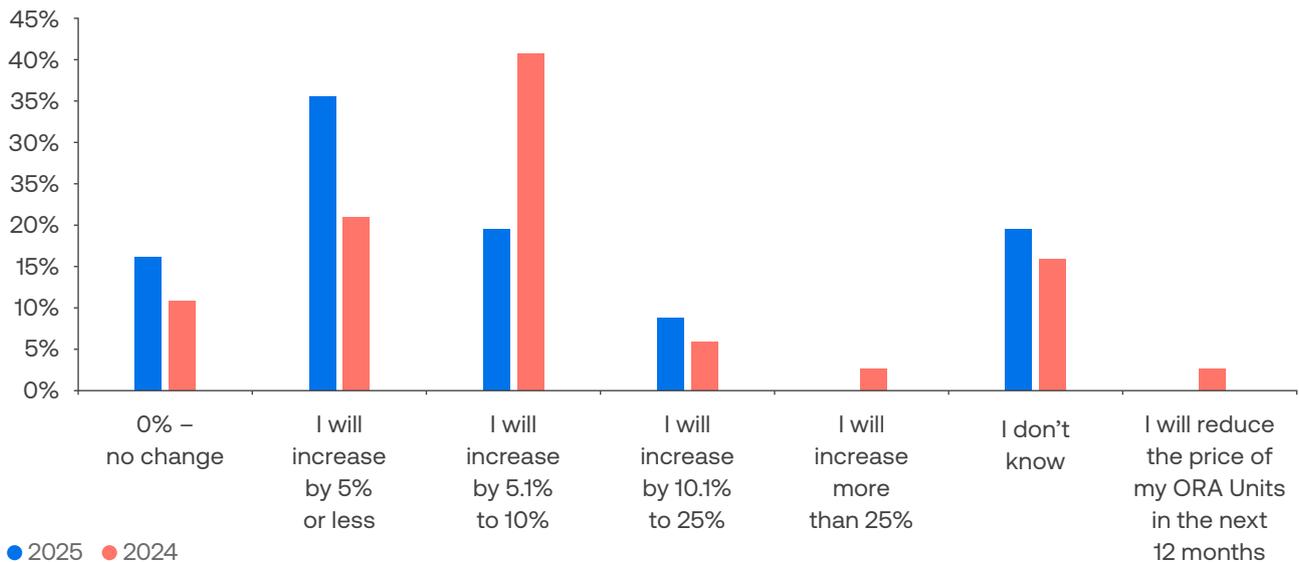
Not-for-Profit:

A higher percentage of operators in this space (63%) plan to increase their build rate. However, 13% plan to reduce it – up from 5% last year.

ORA pricing

This year, we asked a new and specific question about ORA pricing to understand how the sector is responding to the New Zealand property market.

Pricing for ORAs 2025 compared to pricing expectations for independent living units in 2024



ORA price increases:

Many operators still see building more as a priority, and plan to do so largely through price increases – though these are expected to be more modest than in 2024. 36% of respondents indicated they would increase prices by 5% or less, while 16% said they don't plan to change pricing in the current market.

Further insights

Changes to the DMF fee:

Last year, 70% of operators had no plans to change their DMF fee in the near term. That's dropped significantly – this year, 59% plan no changes over the next 2–3 years, while 21% are considering an increase. With a strong proposition and a positive market outlook, operators see an opportunity to adjust their pricing accordingly.

Capital gain sharing:

48% of respondents indicated no appetite for capital gain sharing. Only 13% were considering introducing it to their village, in addition to the 10% who already have it in place.

Rental model:

Over 55% of respondents have no plans to introduce a rental model, although 18% see evidence of demand for rentals.

Interest rates:

Only 8% of respondents have felt the positive effects of falling interest rates, while 52% reported only a small change. 39% have seen no change at all.

5. Environmental, social and governance (ESG) factors

Since 2021, we have included questions about ESG and sustainability to help us track how the sector is responding to this risk. The results haven't materially changed over time. However, there are some notable outtakes we want to highlight:

- Only 11% of respondents are measuring their emissions and have a target date to be carbon net zero – down from 14% last year.
- 13% plan to build to Green Star standard (5 or 6 stars) within two years – a significant drop from 30% last year.
- Just over a quarter (28%) of providers have been impacted by a weather event.

Uptake remains low among operators assessing climate change risk, and fewer are looking at building more climate-resilient buildings from the outset. One explanation is that cost pressures, along with economic and property market headwinds, are taking priority in the current environment. It will be interesting to see if more providers begin measuring emissions and developing action plans as conditions improve.



Conclusion

The retirement village sector has a long history of adapting to change and thriving in tough conditions. That resilience is on display in this report. Our findings show operators continue to be optimistic, innovative, and focused on growth – and while the current economic climate remains stubbornly subdued, the sector sees sun on the horizon as it rises to the challenge.

Key learnings from the survey

The sector continues to endure uncertainty, but the outlook remains positive.

The challenges from last year continue to play out, with a flat New Zealand property market and low economic growth countered by falling interest rates and stabilised inflation. Potential legislative change remains a key concern, yet there's a sense of optimism about the future.

Operators observe an increase in unsold stock, but many are responding with fresh thinking in their sales and marketing strategy – from move-in packages and resident referral programmes to greater use of social media. There's a strong pool of skilled talent available, especially in sales, and some are tapping into this. Although securing sales and pre-sales remains challenging, many operators believe it's a good time to lock in build contracts – building now to sell in tomorrow's market.

Ageing villages and affordability have come through as emerging issues.

Competition in the sector is rising, and New Zealand's retirement villages are ageing. Reinvestment in villages to maintain their competitive edge is becoming increasingly important, particularly as the cost of entry continues to rise. Operators see the quality of villages improving and the level of services expanding to benefit both new and existing residents.

The target market is starting to broaden.

It was interesting to see for the first time a strategy to target a wider ethnic demographic – previously a largely untapped market. This is exciting for the future as product and design evolve to welcome a wider cross-section of New Zealand society.

The responses contained in this year's survey offer valuable insights for operators to pivot in a challenging environment and position themselves for growth. Our sincere gratitude to all who took the time to participate – we hope you find value in this report.

For more information on how ANZ can help you build your next retirement village, please contact our retirement village specialist:

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