

Folkestone buys retirement home

SAMANTHA HUTCHINSON

Folkestone has taken the first step in its plans to become a major player in retirement, snaring a Sydney village as its first asset for a fund targeting an exposure to the ageing population.

The business headed by Greg Paramor has secured ownership of the Watermark Castle Cove retirement village on Sydney's north shore, and plans to add several more assets in the six months to the newly created Folkestone Seniors Living Fund No 1.

"It's been on our agenda for some time, but it's been a case of getting the balance right between seniors living and retirement, and we feel an asset like this which has opportunity for development is a good place to start," Folkestone chief executive Greg Paramor told *The Australian*.

The group has spent the past 12 months scouting assets across the seniors living, retirement, modular home park and aged care sectors, and is now proceeding with a retirement strategy that will combine new development with the purchase of



Folkestone managing director Greg Paramor.

existing assets that collect fees via a deferred-management fee model. An aged care component will come in time.

The sector was growing increasingly attractive, Mr Paramor said, particularly as people were coming into the homes later in life and showing more of a desire to age in

place.

There was scope for portfolios to keep hold of consumers who entered into a retirement home and then progressed into aged care as their needs escalated, he added.

The move comes as a swag of new aged care and retirement providers are coming into the space in a bid to

capitalise on the market opportunities generated by an ageing population.

Aurum, which is backed by the wealthy Salteri family and a slew of UBS executives including Matthew Grounds, has emerged in past months as one of the fastest growing aged care players. Listed groups such as Aveo Retirement have broadened their model by adding care services and dedicated aged care facilities to an existing stable of retirement assets in a bid to keep residents in the one place longer.

Mr Paramor was frank about the challenges of the deferred management fee structure and the potential long wait for a pay off.

"I suppose it's an actuarial thing, and it's just a part of cash flow that you have to deal with," he said. "But you look at the age and expectation of people coming into the centres and adjust the DMF accordingly ... people are coming in later in life, and we've also found that a lot of the privates who have entered the space have done very well."