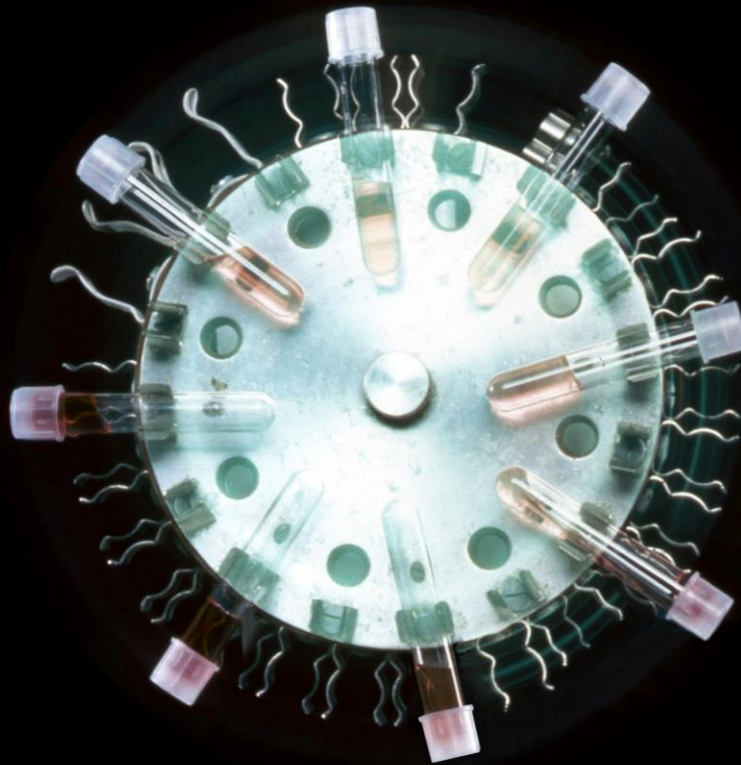


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## **Wellness, Healthcare & Aged-care in Real Estate**

Deloitte Southeast Asia

Eddie Choong | M&A Corporate Strategy

# Topics

## Health/Wellness Megatrends

**Is there Demand?**

**Where is the Demand?**

**How about International Retirees?**



***Is it Culture or is it  
Demographics?***

**What are Typical Wellness & Aged-care Models?**

**Potential Opportunities for Malaysia**

# Health & Wellness Trends

## Megatrends

### 4 Levels of Change Required

- 1 Shift from measuring illness to prevention & wellness
- 2 A systemic organization shift in terms of nature of health care, e.g. shift from hospital to home care
- 3 A shift in the deep culture of the worldview of the health system
- 4 A shift in the deep metaphor or story of health care, e.g. from 'doctors know best' to 'I am the expert of my body'

### Policies

Traditional policy and regulation making will no longer work as we move into value-based care. Policy makers must drive accountability from all parties, providers, public and private.

### Provision of Healthcare

Universal health care as a system is financially unsustainable. The trend is to move into more privatised systems, a commodification of health care.

### Discontinuity

With incoming disruptions, discontinuity will be the new normal.



### Demographic Shifts

Climate change, urbanisation, increased chronic care, changing substance use & global paramedics such as viral illness & mental health decline are key shifts in today's world.

### Digitalised Futures

"Open Health", peer-to-peer health, even wearables, enables sharing of knowledge with innovation as critical shift.

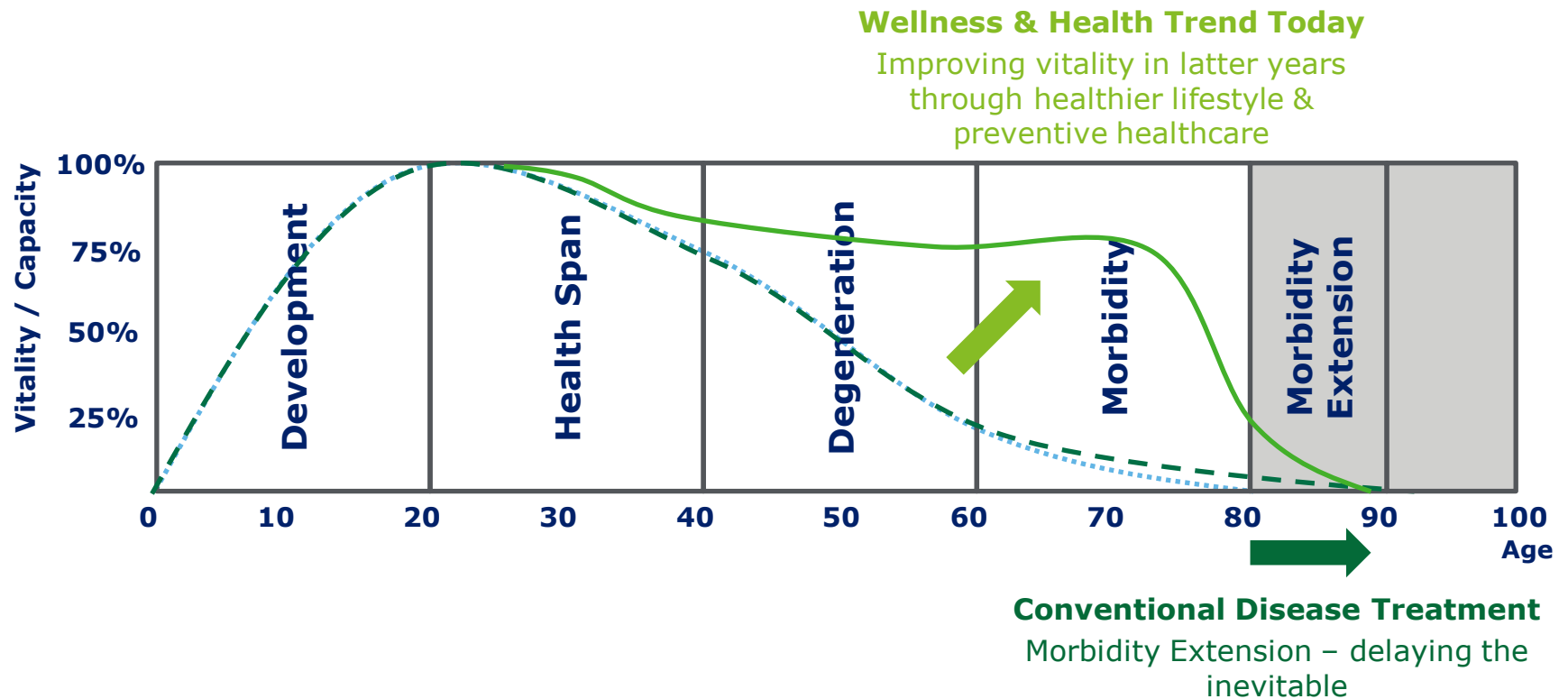
### Commodification

Democratisation of health, education, science and arts is disrupting dominant models of private enterprise and government.

Source: Deloitte's Thought Leadership: Healthcare Foresight

# Health & Wellness Trends

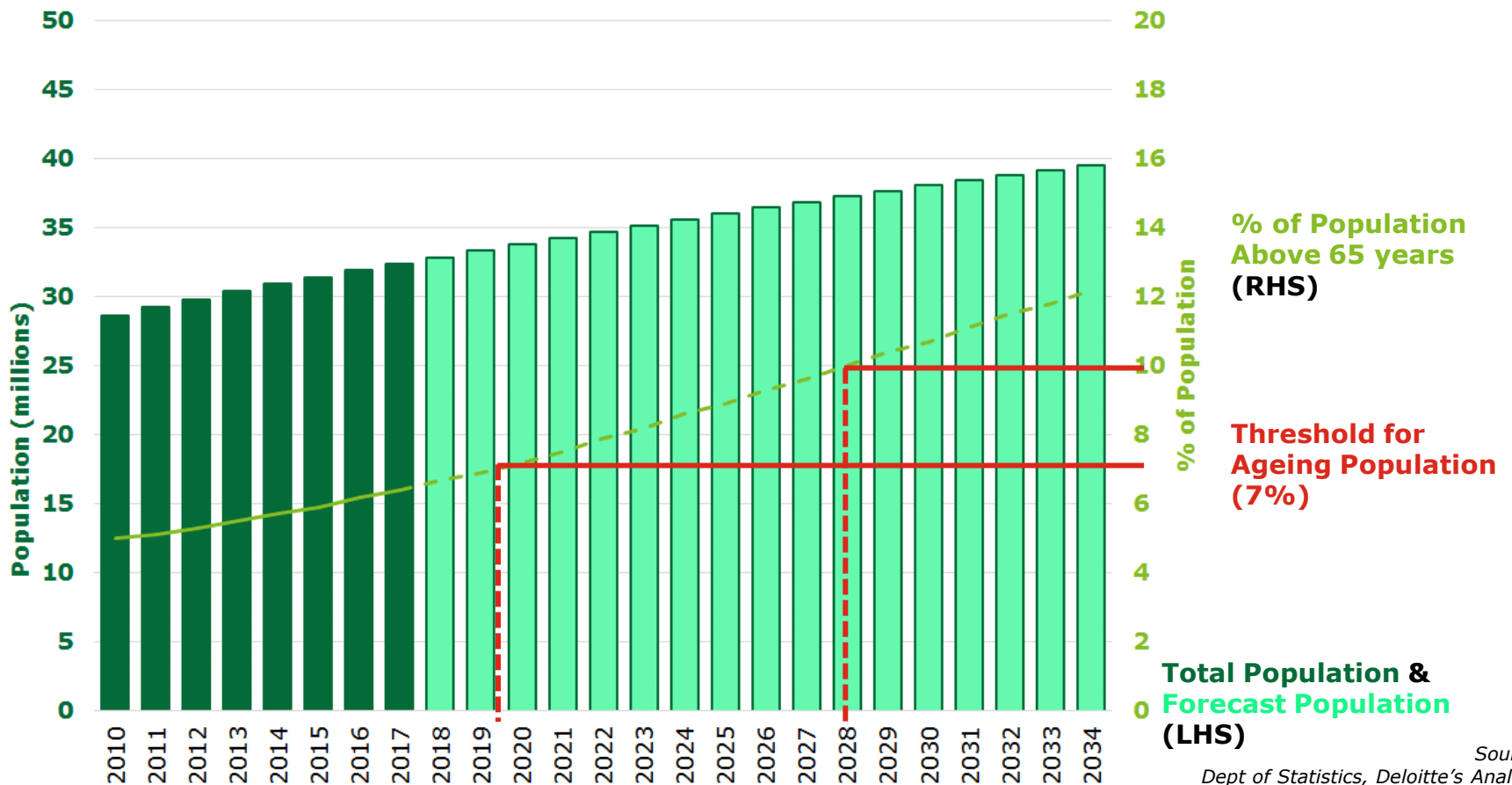
## Shifting to Preventive Healthcare & Wellness



# Demand for Aged-care and Healthcare Facilities

## Our Demographics

**Our population trends:** Malaysia is projected to be an “ageing society” by 2020, with 7.2% of population above 65 years, touching 10% in 2028.

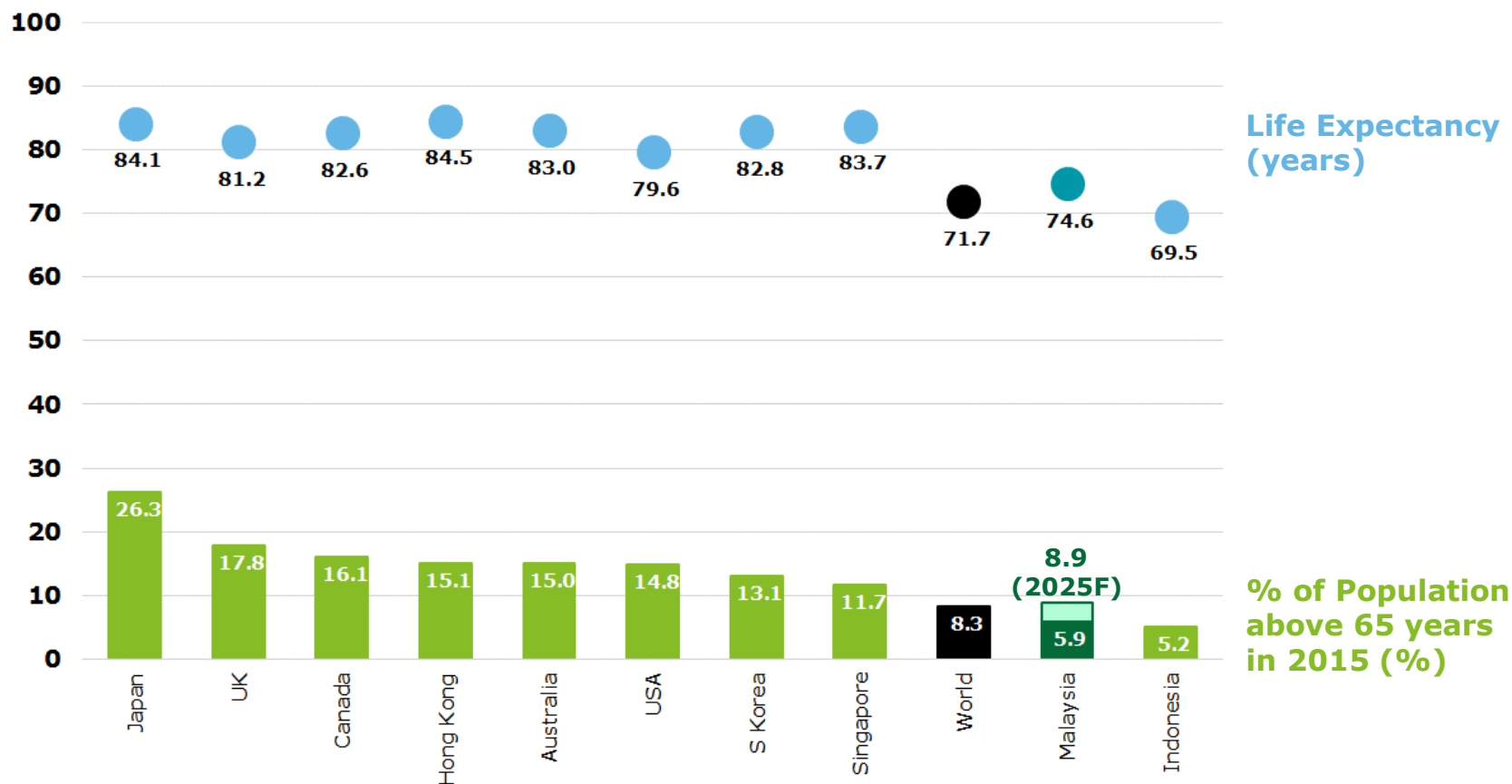


# Demand for Aged-care and Healthcare Facilities

## Our Demographics

### How do we compare against selected countries (in 2015)?

Malaysia's population is younger than the world average, but is rapidly ageing. "Ageing society" by 2020.



Life Expectancy (years)

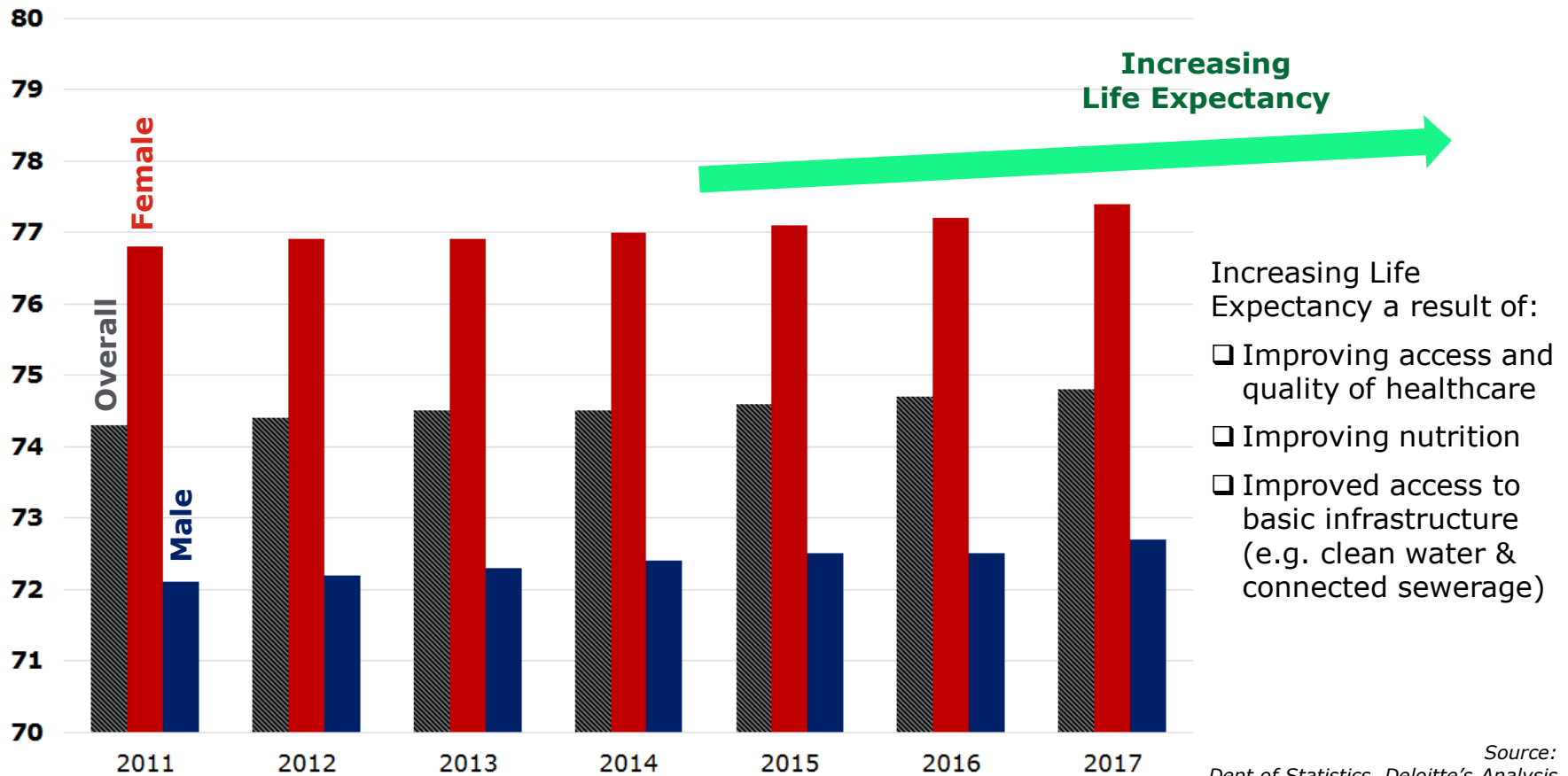
% of Population above 65 years in 2015 (%)

Source:  
Dept of Statistics, Deloitte's Analysis

# Demand for Aged-care and Healthcare Facilities

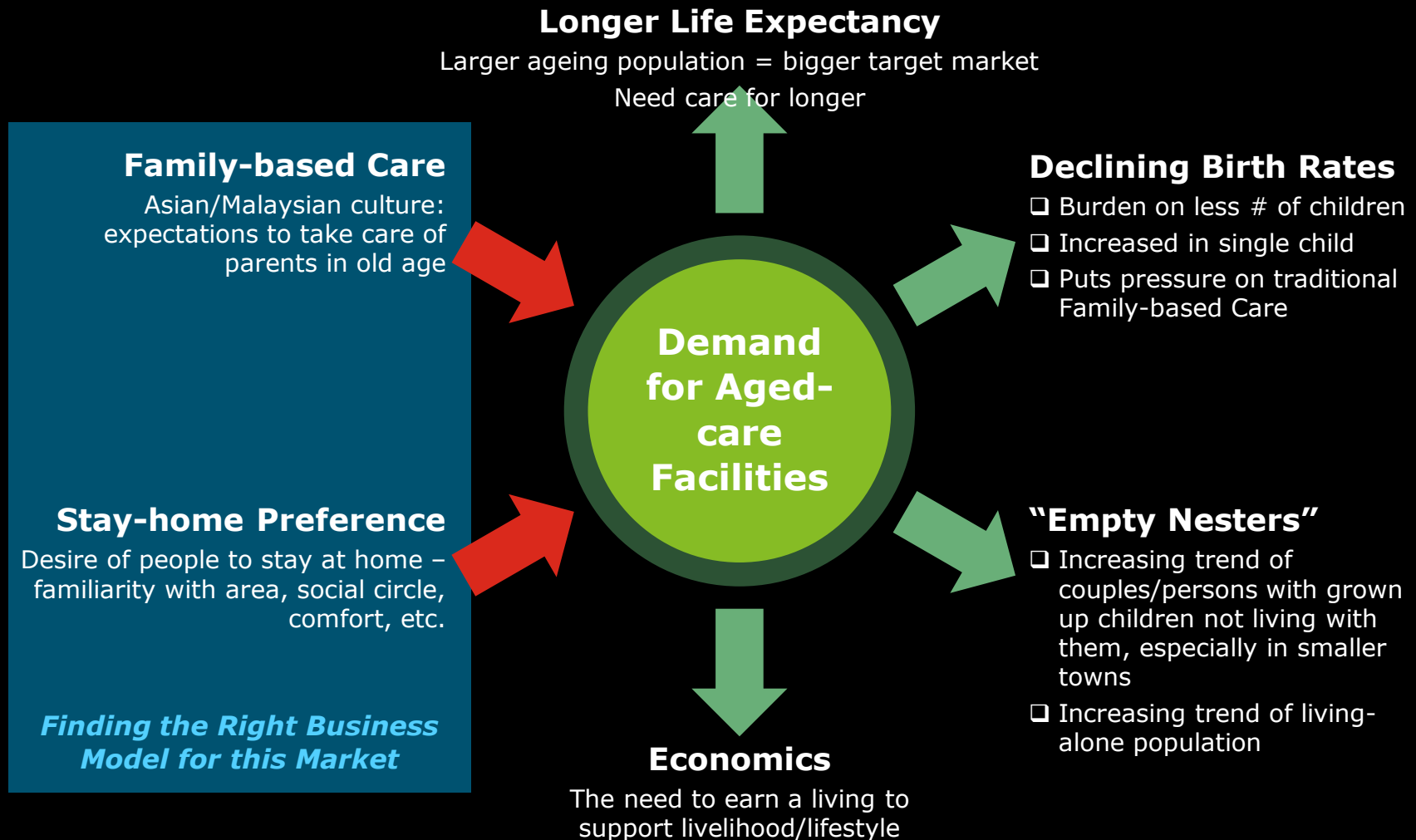
## What are the Demographic Trends?

### Increasing Life Expectancy



# Demand for Aged Care Facilities

## Key Dynamics for Domestic Demand

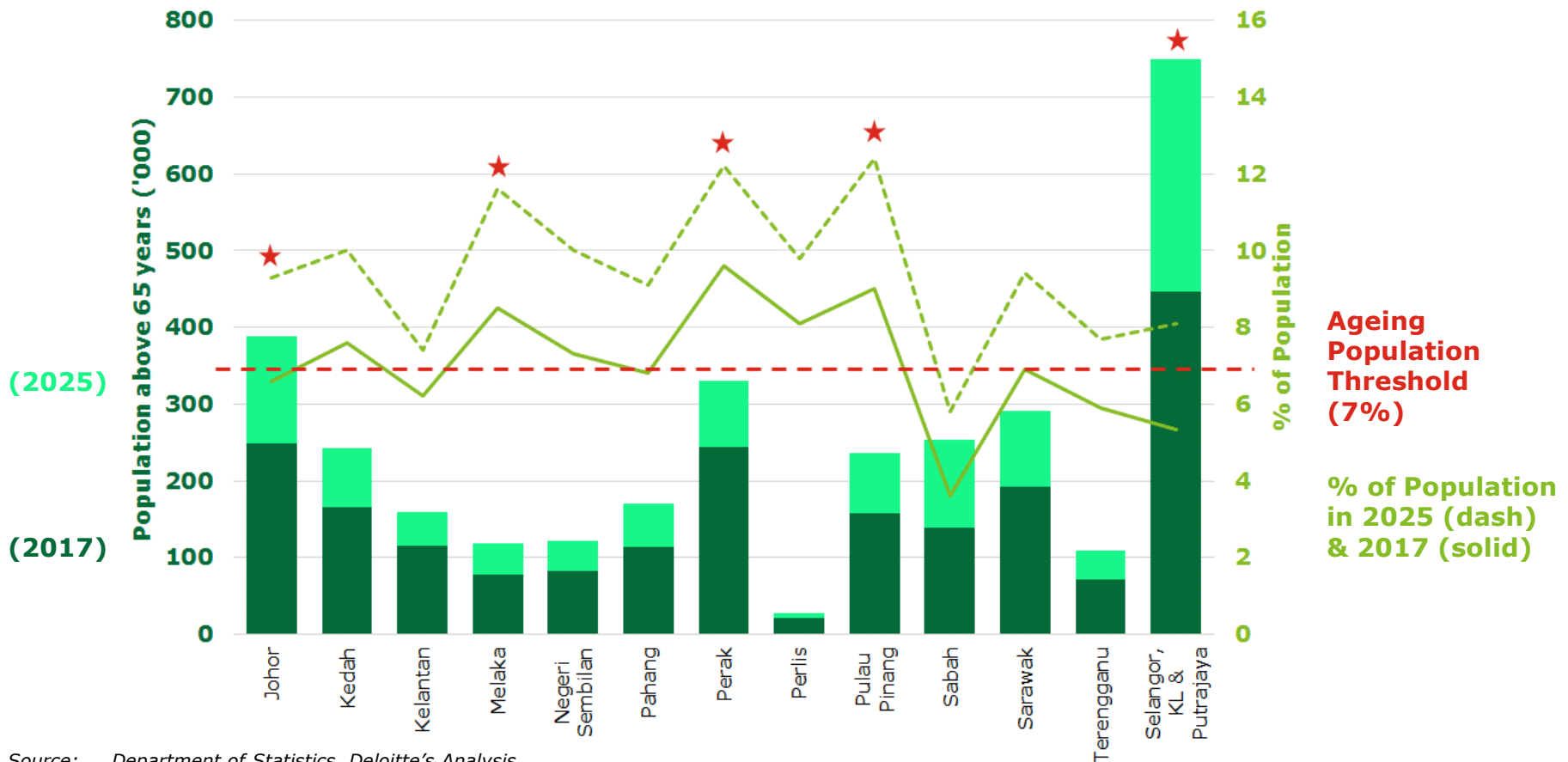




# Demand for Aged-care Facilities

Key Locations: Klang Valley, Johor, Penang, Perak & Melaka

**Potentially, 5 focus states:** either high rate of population above 65 years, or high population above 65 years. Klang Valley still major market despite relatively “young” population.



Source: Department of Statistics, Deloitte's Analysis

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# International Retirees

Are there potential demand from International Retirees?

## Malaysia as Retirement Destination

**Malaysia: #6**  
International Living  
*World's Best Places to Retire in 2017*

**Kuala Lumpur: #6**  
**Georgetown: #10**  
Live & Invest Overseas  
*Top 10 Places to Retire Abroad*

## MM2H Programme

- Malaysia appears to be attractive to East Asian retirees / investors (~47% of MM2H Participants)



Source: Ministry of Tourism and Culture Malaysia, Malaysia My Second Home Program Site

# International Retirees

## Key Considerations

01

### Cost of Living

Cost of Living Indices:

- The Economist:  
KL #96
- Expatistan:  
KL #247 | Georgetown #284

02

### Healthcare

Good quality healthcare @ affordable rates vs other countries

03

### Recreation

Number of places to visit: many attractions, good quality beaches, quality and variety of food, etc.

04

### Residency Options

MM2H Programme allows 10y multi-entry visa

05

### English Proficiency

- English widely used
- Ease of “navigating” the country

06

### Expat Community

- Large and established expat communities
- Largest communities: in
  - ☐ Kuala Lumpur
  - ☐ Penang

07

### Infrastructure

- Good internet, electricity, quality of roads
- #22 out of 137 countries for quality of infrastructure (WEF)

08

### Real Estate

- Some restrictions apply, but generally can own freehold
- Affordability vs other countries

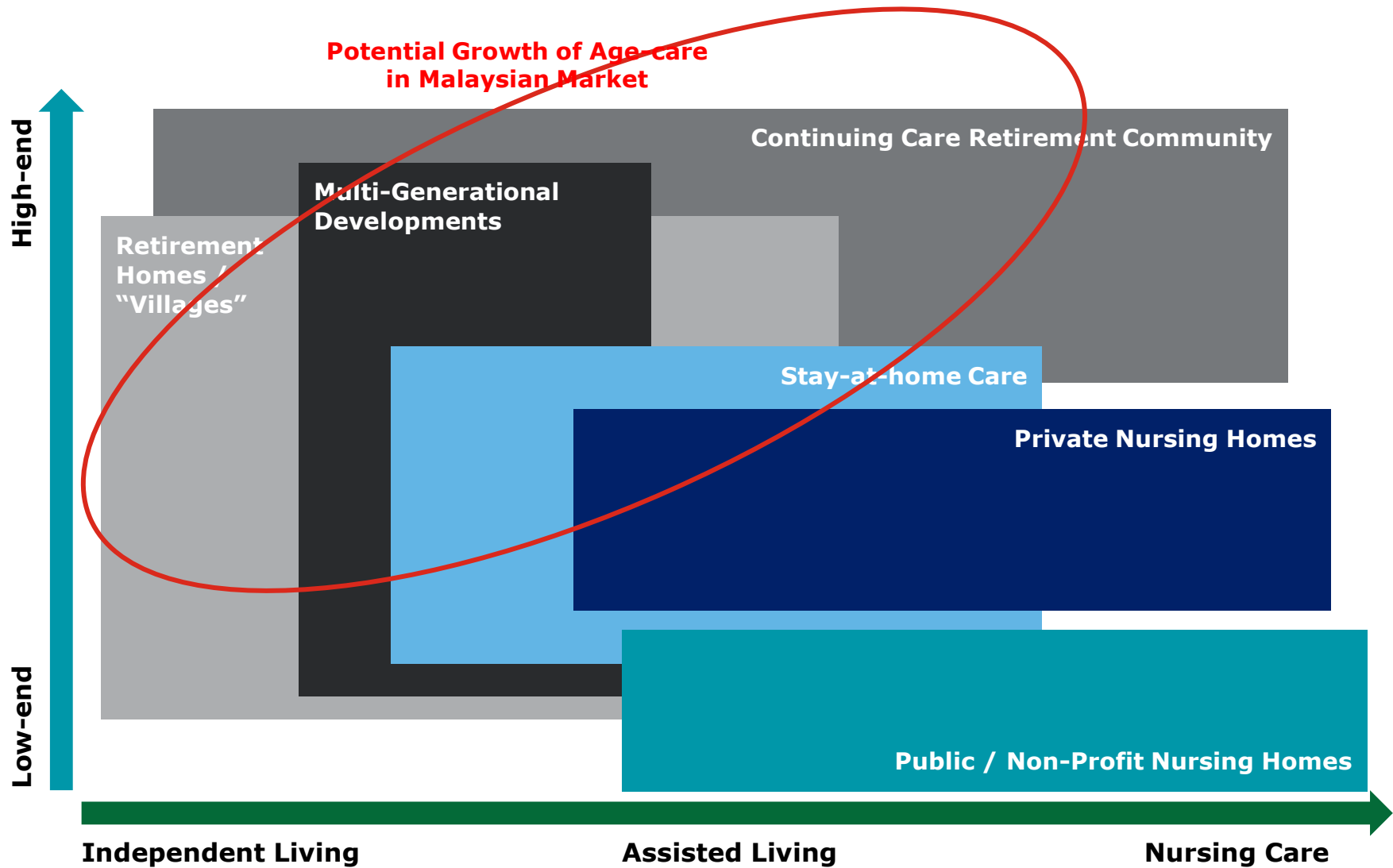
# Typical Aged-care Models

Generally, there are three types of Aged-care Facilities, although there are many sub-categories & special needs.

Model		Description	Key Issues
<b>Stay-at-home</b>		<ul style="list-style-type: none"> <li>❑ Stay at home, supported by children or hired care-givers</li> <li>❑ Predominant in Malaysia as parents remain close to family</li> </ul>	<ul style="list-style-type: none"> <li>❑ Most care-givers do not have adequate / proper training</li> </ul>
<b>Aged-care Facilities</b>	<b>Independent Living</b>	<ul style="list-style-type: none"> <li>❑ Catered for people are active and independent, i.e. can perform normal daily tasks and more</li> <li>❑ Want to live amongst other seniors</li> <li>❑ Facility may provide meals, housekeeping, transport, recreational activities, etc.</li> </ul>	<ul style="list-style-type: none"> <li>❑ Significant variability between private and public facilities</li> <li>❑ Location – could be far from family</li> </ul>
	<b>Assisted Living</b>	<ul style="list-style-type: none"> <li>❑ Catered for people with special needs, i.e. requiring assistance with daily tasks: e.g. walking / movement, cleaning, meals, medication</li> <li>❑ Cannot perform tasks independently / on own</li> <li>❑ Medical professionals or care personnel available 24 hours</li> </ul>	
	<b>Skilled Nursing</b>	<ul style="list-style-type: none"> <li>❑ Tends to be temporary in nature, focusing on rehabilitation</li> </ul>	

# Potential Wellness & Aged-care Models for RE Developers

## Opportunities for Malaysian Market



# Potential Wellness & Aged-care Models for RE Developers

## Addressing Market Needs

### What are the possible opportunities for Real Estate Developers?

Opportunities		Market Needs		
		Aged-care / Healthcare Needs	Living with/close to Ageing Parents	Cost
<p><b><u>Multi-Generational Developments</u></b> with Residential and Aged-care / Healthcare components.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Easy access to professional care when needed</li> <li><input type="checkbox"/> 24-hour care</li> </ul>		✓	✓	~varies
Pure Play	Retirement Villages	✓		~varies
	Continuing Care Retirement Community ("CCRC")	✓		

# Potential Wellness & Aged-care Models for RE Developers

## Designing Developments for Wellness & Aged-care

Trends	Example of Steps
<b>Walking or Cycling as part of Commuting</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Create <u>comfortable and seamless</u> pedestrian walkways and/or cycling paths that allows for residents to walk/cycle as part of daily commute, say to public transportation</li> <li><input type="checkbox"/> Include (naturally) shaded walkways, bicycle storage, bicycle stands</li> </ul>
<b>Community Farming</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Space for community garden / farming projects</li> <li><input type="checkbox"/> Also helps to build sense of community and neighbourliness</li> </ul>
<b>Clean Air and Environment</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Use natural building materials to reduce chemicals in living environment, e.g. use of non-VOC materials/paint</li> <li><input type="checkbox"/> Natural swimming pools eliminates the need for chemicals for treatment of swimming pool water</li> <li><input type="checkbox"/> Non-smoking compounds</li> </ul>
<b>Multi-generational Living</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Ageing-in-Place (“AIP”) design</li> </ul>
<b>Active Stairs</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Make stairs more visible &amp; appealing, particularly for travel of 1-2 floors</li> <li><input type="checkbox"/> Place stairs clearly next to elevators to present an alternative mode</li> </ul>



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