



Michael Eggington, General Manager Retirement Living, Stockland

Creating communities

One of the oldest and most respected names in retirement villages in Victoria is ARC (Australian Retirement Communities). In 2006 ARC was purchased by Stockland, one of Australia's leading property groups. Life turned full circle for Michael Eggington when he was approached by Stockland to lead its village community business. Amongst his first jobs as an engineer in Adelaide was the construction of the Woodbridge village for the Port Adelaide Central Mission.

Michael has been passionate about creating communities ever since.

Over my career I have been touched three times by the village community sector and each time I have found it fascinating and engaging.

I am a native of Adelaide and my first touch was also my first role with Delfin (now Lend Lease

Delfin), where we were engaged in the building of the Woodbridge retirement village in the late 1980s for the Port Adelaide Central Mission.

I found it a really pleasant experience when I went out to the site and engaged with the residents.

They had a high interest (along with a lot of time) in what we were doing and brought a lot of wisdom to how we designed and built their community. I really enjoyed it.

My second touch with the village sector, again with Delfin, was when I was project manager of the acquisition of the A. V. Jennings business. They had the Retirement By Design portfolio of villages and amongst other things it was my role to do the due diligence on the villages and the industry. This started me thinking about the business behind the business – the creating of communities and the responsibility for ageing people.

This stayed with me for some time, to the point that I sat down to develop a plan for a ‘start-up’ retirement village business of my own in early 2007. That was when Stockland approached me to lead the ARC group of villages and develop the plan to build entirely new village communities. It was too good an opportunity to pass up.

With the purchase of the ARC (Australian Retirement Communities) business by Stockland I had the very good fortune of acquiring great villages

that were managed extremely well and where the residents were overwhelmingly happy.

Over 20 years ARC had worked very hard to involve their communities in the wider community; they brought school groups into their villages and encouraged their residents to be actively involved outside the village.

So I had the luxury of a business that was working very well and was very viable.

The most important thing in actual fact is creating ‘communities’. If you can do that you will succeed.

It is the same when building new suburbs on greenfield sites for young families. As a development project manager I have learnt the importance of the fundamentals, which are the physical location, establishing a program that gets people to interact with each other and finally the design of the communities. For instance, getting the schools in early and the shops in early; these are the basis of a community.

Retirement villages are the same. You need the right location, you need the people to bond together quickly and this will occur if you have the community facilities and management in place early.

Stockland is a very well respected company that has been building communities since 1952.

At Stockland we do have the wherewithal to create a step change on how Australians can choose to live in their retirement. It is something I believe in; it is something I am passionate about.

To be able to create the security that our residents desire and deserve, we have to be a strong company. This means we have to grow the number of villages we own and that will bring advantages to our residents, such as better trained management and lower costs of operation from bulk purchasing of services.

There is also product development, which covers physical buildings and services. I really want to go 'green', making our villages as sustainable

as we possibly can. I think this is vitally important and I am personally committed to it.

With services, we need to develop our product range. At the moment our services include community activities, things like hairdressing and some medical assistance. But we can also offer travel and more expansive health care services.

When you are leading staff you have to start with yourself. There has to be integrity and conviction in your conversations and if you have that you will engage people. If that is not there and that is not your real purpose, people see through it. I believe in what we do and I surround myself with people who feel just as strongly.

Our residents understand money and it's worth. This means our product has to provide not only location but also products and services that they can see real value. Our residents are not dower people; in fact we have energized people even in their 80s doing amazing things.

They are seeking greater interaction both amongst themselves and with the wider community. They are

seeking greater social security, meaning a greater sense of community, and they gravitate to people who have similar experiences to themselves.

We have already seen massive change in the village industry. Over the past five years the sector has moved from a cottage industry to a corporate platform. We have seen consolidation, the introduction of corporate responsibility, professional management and long-term thinking. This is all good for our residents because it gives them increased security.

In Victoria the private sector has been the dominant supplier of village accommodation but in New South Wales Not For Profit's have been stronger. They have the same aspirations as us, which is to generate a significant shareholder return and do a great job. Are they competitors? I don't see the need to compete. I believe we have to work together, as the market evolves. Remember, profit brings freedom (including the freedom to do a better job).

You ask me which is my favourite village? It's Latrobe Village in Reservoir. It may be 20 years old and brick veneer but it is just a great place. People love living there, they're involved with the local community, they are happy. A sensational village. Again, its all about community.