Retirement Villages and Nursing Homes compared

There is a common misconception that retirement villages are the same as residential aged care facilities (also referred to as nursing homes). This stems from the belief that they both accommodate frail old people who require a high level of personal assistance and care. This is not the case.

From the outside, retirement villages and nursing homes can look similar – they house older people, have communal facilities, and are generally located on large landscaped grounds. But retirement villages and nursing homes are designed for different stages of life, and different people. Retirement village residents live independently, while residential aged care residents require daily assistance with personal care.

Retirement villages

Retirement villages are residential, multi-unit complexes designed for people aged 55 years or older that also offer a range of health, leisure and support services. The majority of villages are “campus” style with single-level or low-rise villas occupying spacious landscaped grounds. Villages may include recreational and medical facilities, such as community halls, bowling greens, and rooms for visiting doctors or allied health professionals. Some retirement villages are on the same site as aged care facilities.

The majority of village residents live in “independent living units” (ILUs). Retirement village residents can generally live independently and are not very frail or dependent on staff. However, villages are designed for seniors, so include accessibility features such as gentle slopes (no stairs), grab rails in the bathroom, and emergency call buttons. Some retirement village residents have additional assistance through paid help (eg a cleaner) or community care packages, but they do not need daily help with dressing, bathing or cooking.

Residential aged care facilities

Residential aged care facilities offer supported living for senior Australians who need daily personal assistance and cannot live alone. Nursing homes offer residents laundry and cleaning services, assistance with personal care, meals, and medication.

Entry into a residential aged care facility is restricted by need. In order to move into a facility, the person must be assessed by a government-appointed Aged Care Assessment Team and judged as requiring personal assistance. The Assessment Team will consider the person's ability to undertake day-to-day living activities and medical needs. The payment structure for residential aged care is totally different to retirement villages. Accommodation and services in residential aged care is heavily subsidised and regulated, whereas residents fully fund retirement villages and regulation is not as extensive.