

Dream home for retirement: Boon or bane?

Making your life after retirement easier and more comfortable is a question of timely planning and foresight.

As you approach retirement, it is important to realise that while it is great to dream, to make your dreams become a reality you need a solid plan to back them up.

Having a clear plan for the details of your dream retirement home is an extremely important task that should be done well before you enter your golden years.

Some may prefer to get a large and contemporary house that is fully equipped with utilities and amenities, others may opt for a resort lifestyle environment that is safe and friendly.

There are those among Muslims who seek spiritual empowerment by spending their golden years at the religious pondok.

Ageing nation

Perbadanan PR1MA Malaysia (PR1MA) will come up with the model concept and collaborate with strategic partners to develop several retirement villages on its land.

According to a Bernama report on January 22, 2021, PR1MA was drafting a policy focusing on the needs of, and addressing all the fundamental elements that are needed for, senior citizens to live in a harmonious environment with adequate health facilities.

The proposed retirement villages, which are likely to be ready in 2023, would focus on landed and low-rise concepts.

A few strategic locations have been identified, namely Penang and Malacca due to their suitable surroundings and peaceful environment.

The cost of staying in the retirement villages would range between RM400 and RM600 per month depending on the facilities and care they would need.

All about money

The establishment of such areas or retirement villages is crucial given that Malaysia is expected to reach the ageing nation status earlier than predicted if the Covid-19 pandemic continues for a long term, following a decline in the number of births in the country.

On August 19, 2021, Bernama also reported the National Population and Family Development Board (LPPKN) director-general Abdul Shukur, citing the **Statistics Department** projections that the country is expected to achieve the ageing nation status by 2030.

Citing DOSM projections, he said the country is expected to achieve the ageing nation status by 2030 when 15 per cent of its population is aged 60 and above.

There are currently two million senior citizens aged 60 and above in Malaysia.

The question arises whether living or renting a house in the village or home for retirement would reap benefits for them and what about the financial burden they have to shoulder in their sunset years?

Deputy Dean (Graduates) of the Faculty of Social Sciences and Humanities, Universiti Kebangsaan Malaysia, Prof Dr. Rozmi Ismail told Bernama, "in principle, I agree with the idea to set up this retirement village but what about the monthly payment? It will be a heavy load for those who retire at 60 as they have to fork out a monthly loan for the house for five or 10 years."

Other costs

Rozmi said with rising costs of living, every initiative should be carefully weighed especially when it affects the financial capability of the retirees to buy or rent a place at the retirement village.

He said they should become debt-free and settle their loan before retirement, failing which they may be faced with various health challenges.

"We should also think of their future, meaning, how long can we stay in one place, 20 years, 30 years? If you don't have a house, then it's okay. But if you have a house or land, it's better to go back to the kampung and build a house there.

"Most people when they turn 60 and above are likely to start encountering various health issues as well as increased medication and doctor's visits. We just don't want the decision to rent out the homes for retirement to be a burden for the pensioners," he said.

He said a retirement village should be equipped with a One-Stop Centre which provides free clinical and hospital facilities for senior citizens.

Avoid using your pension

Senior Lecturer of the Faculty of Architecture, Planning & Surveying, Universiti Teknologi Mara (UiTM) Seri Iskandar, Dr. Azizul Azli Ahmad said the definition of a home after retirement is rather subjective for every individual.

It can be defined as a home that is comfortable for living after retirement or when the home loan is fully settled.

The property investor said irrespective of the type of house to be rented, bought or built after retirement, the individual concerned is not encouraged to use his pension to fulfill his dream and aspiration. "On average, Malaysians are not prepared for retirement. For pensioners with retirement savings or more than RM500,000 in gratuity, the problem may not arise.

"However, those with a pension fund of below RM500,000, who use the money to rent, buy or build a new house, are likely to incur heavy expenses during retirement," he said.

Azizul said various strategies are available for pre-retirees to prepare for their retirement house, such as planning while still employed and starting buying property assets.

"For example, when you start working at 25 years old, buy a house worth RM250,000, and 10 years later, you can invest in another house worth RM250,000 and 10 years later, buy another house ranging between RM250,000-RM300,000. Within 30 years, the prices of the properties will appreciate.

"By then, you could accumulate RM1 million derived from the sale of assets before retirement. Proceeds from the sale can be used to buy a house for retirement.

"Those who utilise their retirement savings or Employees Provident Fund (EPF) contributions to build a house are likely to experience more problems in the future," he said, adding that 40 to 50 years of age are the best time to prepare the retirement fund and decide on a home for retirement.

Don't want to be a burden

For Zeeda Aziz, 43, she and her husband plan to stay in a small home equipped with various facilities in the neighbourhood after retirement as they do not want to burden their children who will lead their own lives when they grow up later in life.

On her Facebook posting earlier, she recently received a backlash from netizens who felt that Zeeda was preventing her children from carrying out their filial duty to their parents.

However, the e-commerce trader said they both wanted a quiet place to get peace of mind and escape from the hustle-bustle of city life, with no disturbance.

"The house for our retirement is just ideal for me and my husband so that we can devote ourselves towards enriching our knowledge of the hereafter and rest. Every individual should be given the right to determine what he or she wants in life.

"Likewise, parents have dedicated half of their life to others (children). As such, let us do something for ourselves during our sunset years," she said.

On negative comments received, Zeeda who resides in Sungai Petani, Kedah said her perspective of a retirement home is just like a hostel at a university where one gets to stay in an ideal environment for study and rest.

"We leave behind our family so that we can be near the lecturers and stay together with other colleagues. Do we condemn parents who send their children to a boarding school or university and assume that the parents do not want to take care of their children?

"Perhaps the community has been used to the stigma associated with a retirement home, that is an institution for elderly people needing care. But I was referring to a home with good facilities and conducive to learning. Hence, children should not have negative thoughts as this is something very positive," she said.

Zeeda said she plans to rent a unit of the house located away from the city, having an effective healthcare management and support system, a large area filled with various activities such as religious classes and exercises for senior citizens.

She said the social stigma and mentality among the community should be changed by not looking negatively at senior citizens who prefer to have their own space and devote themselves to religion after years of seeking worldly life.

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