



## **MOVING INTO A RETIREMENT VILLAGE**

### **THE QUESTIONS YOU NEED TO ASK AND THE THINGS YOU NEED TO KNOW.**

There is a great misunderstanding of what constitutes a retirement village. A retirement village is not an institution or an “Old People’s Home”. A retirement village is a place where one can live a self-care lifestyle in a community of independent people with common interests. Many retirement villages have swimming pools, bowling greens, tennis courts and other outdoor activities. There can be indoor activities such as card games, darts, carpet bowls and other social activities. Residents can be involved in as little or as much as they wish. On the other hand, some villages have none of these facilities, and others fall somewhere in between.

A retirement village is not a financial investment, it is a life style decision. There are a range of fees and charges you may have to pay to enter a village, and there are also charges to be paid on vacating a village. Check these with your legal and financial advisors and discuss all of the aspects of village costs with your family.

#### **What do I need to consider before I start my search for an appropriate Village?**

You should consider:

- your need for independence, care or assistance. Retirement villages are for people who are still fully independent and do not require assistance. Whilst the villages may have a coffee shop, cinema and gym they may not have organized group social activities or assistance in daily living. It may be more appropriate that you live in serviced premises rather than a self-contained unit
- whether you would like to live in a stand-alone village or one that offers progression to hostel and/or an aged care facility (the eligibility to transfer into such facilities is based on an assessment under Commonwealth law. There is no automatic right to transfer simply because you are a resident of that village)
- whether the village is owned by a private company, a corporate institution, an individual owner or a not-for-profit operator such as a church or community based organisation
- the location of the village in relation to shopping, transport, doctors and hospitals, access to families, friends and your particular interests
- whether the village has the amenities you are looking for, including a pool, bowling green, social facilities, gym, cinema, parking for visitors
- whether the village is close to health care facilities and if so, are these available to the residents, and are they easily accessible

- what are the village policies on pets (how many and under what conditions), or on the question of smoking within the village

### **What are the contractual arrangements I will need to know about?**

There are several types of contractual and financial arrangements which residents can have with the owner or operator of the village. The village operator decides on the type of contract and each has specific consequences for the resident, particularly when it is time to leave the village.

This is a complex area and we recommend that you talk to a solicitor before making up your mind. You may like to join the RVRA and use our recommended solicitors.

### **Some examples of types of contractual arrangements**

- Leasehold contract - where you pay the village operator an 'ingoin contribution' and then lease the unit back from the operator, who now owns the premises. If you sign a long-term lease, it is registered on the title deed. The advantage of a long-term lease is the security of title so that if the property is sold, your lease remains with the new owner; and there is also the possibility of sharing capital gain if your contract provides for this.
- Loan and licence contract - where you pay an 'ingoin contribution' in return for the right to occupy the premises. You do not have a registered lease.
- Strata or community title scheme - where you purchase the unit, become the owner and a member of the owners corporation and have the security of title
- Rental arrangements - a small number of villages offer premises for rent to retired people. You sign a tenancy arrangement and pay rent. The agreement may contain a clause excluding you from the retirement village laws. You are covered by the tenancy laws instead and may feel excluded and not really a part of the village

### **Are there any independent rating systems for Retirement Villages?**

There are two commercial accreditation systems for retirement villages, but there is no government system:

- The OWL rating system can be accessed through the NRMA's Living Well Navigator website: [www.livingwellnavigator.com.au](http://www.livingwellnavigator.com.au). It looks at resident satisfaction with life in their particular village
- The Lifemark accreditation system is geared towards industry standards.

## **How do I start my search?**

The NSW Office of Fair Trading (OFT) is the Government Department which administers retirement villages. Their web site is <http://www.fairtrading.nsw.gov.au> or you can type in Office of Fair Trading NSW and then choose > Tenants & Home Owners > Retirement Villages. This section includes written information designed to help you decide on retirement villages, and explains many of the important issues, as well as having a video and audio about living in a retirement village.

If you have a general idea of where you want to live:

- go to the local Council and ask for a list of retirement villages
- go to local real estate agents
- try [www.AgedCareGuide.com.au](http://www.AgedCareGuide.com.au) . You need the NSW & ACT Guide.
- try any or all of the suggestions at the end of this document

## **How do I narrow my search?**

Every retirement village must have an initial enquiry package. This will give you details of the village, the location, facilities, costs involved etc. Collecting several of these will give you comparisons, and you can then make appointments to visit any you are interested in.

You should ask questions and make comparisons about fees and charges:

- if there is a waiting list, do I have to pay a waiting fee, and is it refundable?
- how much is the holding deposit?
- what is the purchase price?
- what is the contract preparation fee? (under the legislation, the maximum amount that can be asked is \$200)
- what are the recurrent charges and how much are they? Remember that these fees will rise every year, and under some circumstances will have to be paid until your unit is sold.
- what are the termination fees and charges, such as departure fees, do you and the operator share any capital gain, and other charges to be paid when you leave the village?

## **I have narrowed down my search to two Villages - how can I come to a decision?**

- schedule a visit. Be sure to go on a sunny day and again on a cloudy day to see how the unit looks under different conditions
- if possible, drop in without an appointment to see how the facilities are being used
- have coffee in the café and talk to residents there
- walk from the village to the local shop or bus stop

- ask to see the village rules or strata by-laws in the village. For example, what is their pet replacement policy? Some Villages allow you to bring your pet with you but will not let you replace it
- ask about the residents committee and ask to meet with a representative

Once you have made up your mind on a certain village, you can request a full disclosure statement which will include the financial arrangements for the village and unit plus the costs to enter, live in and leave the village

**I have made my decision about buying into a specific Village.  
What is my next step?**

- It is strongly recommended that you find both a solicitor and a financial advisor who have good working knowledge of the Retirement Villages Act and Regulations. At this stage you can also join the RVRA as an associate member and have access to some recommended solicitors
- Make sure that you (and/or a family representative) and the solicitor understand terms such as capital items, capital gain, entry and departure fees, recurrent charges and other costs and charges
- You (and/or a family representative) must understand the contract and the way in which your particular village operator calculates the departure fees when you leave the village. Talk to your solicitor and financial advisor before signing anything. Keep in mind that the village manager is also the village sales representative. It is up to you to ask about anything you do not understand or you wish to have explained in more detail.
- Make sure that you and your solicitor go through the Disclosure statement in great detail. This will be far more detailed than the initial enquiry document. It will include everything about the village, the village rules and most importantly the contract. You must take this to a solicitor for your own protection
- Under the Retirement Villages Act, you (or a family representative) can ask to see the operator's financial statements and budgets for the past three years. You can talk to current residents, ask for the names of the Residents Committee and talk to them.

**Final recommendations**

Once you have moved into the Village:

- make sure you have a copy of the contract and disclosure statement with your personal papers, and request another one for your family
- know the name of the owner/operators of the village to contact if any disputes arise
- join the RVRA for support and advice

**Web sites to help your search:**

realestate.com.au	look for Retirement Villages in NSW
yellowpages.com.au	type in Retirement Villages and the post code where you would like to live
itsyourlife.com.au	select Retirement Villages Search (you can then search by area)
villages.com.au	select NSW, then the area you are interested in
retirementlivingonline.com.au	select suburb and type of accommodation

# RETIREMENT VILLAGE RESIDENTS ASSOCIATION INC

Telephone: 1300 787 213  
Email: admin@rvra.org.au



## APPLICATION FOR MEMBERSHIP

Mr/Ms	First Name	Surname	
Name of Village			
Unit No	Street Address		
Suburb		Postcode	Mobile Phone No
Telephone No		Email Address	

### Partner Name for Second Person

Mr/Ms	First Name	Surname
-------	------------	---------

### Type of RVRA Membership (tick one):

<b>Resident - Yearly</b>	Single - \$20.00 <input type="checkbox"/>	Joint/Couple - \$25.00 <input type="checkbox"/>
<b>Resident - Perpetual</b>	Single - \$150.00 <input type="checkbox"/>	Joint/Couple - \$200.00 <input type="checkbox"/>
<b>Non-Resident</b>	Single - \$20.00 <input type="checkbox"/>	

### Payment Methods (tick one):

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																				
MasterCard	Visa	Cheque/Money Order	Direct Deposit/EFT																				
Card No			Expiry Date																				
<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>																							/ /
Name on Credit Card			Signature																				

Would you like to receive RVRA Newsletters by email? Yes  No

Would you like to receive only RVRA information by email? Yes  No

Scan Deposit Stub or EFT  
Receipt and email with this  
form to RVRA  
admin@rvra.org.au

Photocopy deposit stub or  
EFT Receipt and attach to  
this form.  
POST to RVRA  
PO Box 3349  
ASQUITH NSW 2077

Direct Deposit & EFT  
RVRA Bank Account  
BSB 082-186  
Account No 049374855  
Use Surname and Village as  
reference

Cheques & Money Orders  
make payable to RVRA Inc.,  
and post WITH this form