

OUR TIPS FOR CHOOSING A RETIREMENT VILLAGE



At Village Solutions Australia we understand the rightsizing step is often cumbersome and a little daunting. We have therefore put together a checklist for yourself to consider during the exciting journey you are embarking on.

Choose a Location

- Have you talked with family and friends about moving into a village?
- Have you talked to family and friends about what a village environment offers to its residents in terms of friendship, security and like-mindedness?
- What do you believe will be most important to ensure your happiness and security in your latter years?
- Consider what's important in priority order:
 - Which location or area do you want to be in?
 - Do you wish to be close to your current home or are you looking for a complete change?
 - What style of village would suit you most - an established older style (horizontal) village, serviced apartment or modern with all the bells and whistles (vertical)?
 - Move closer to friends and family?
 - Choose the right climate for yourself and health
 - Activities and services for retirees
 - Onsite facilities
 - Proximity to public transport
 - Proximity to medical services
 - Proximity to lifestyle services
 - Affordability - ongoing budget and incoming price point
 - Ongoing levy fee

Explore the Types of Villages

Lease for Life Villages

- Traditional model
- Land and buildings owned by single entity
- Resident leases to occupy
- Village operated by owner or contracted manager to a professional standard
- Ingoing price is referred to as 'Ingoing Premium'
- Exit fees charged vary considerably, as do ongoing levies and what is included
- Legislated and governed by The Retirement Villages Act 1992 and Code to ensure resident protections
- No stamp duty payable on purchase

Strata Title Villages

- Own freehold of strata lot

- Operated by a group of residents (Council of Owners or Executive Committee) in conjunction with management / village owner
- Exit fees charged vary considerably, as do ongoing levies and what is included
- Legislated and governed by The Retirement Villages Act 1992 & Code, Strata Titles Act to owner compliance and to ensure resident protection

Rental Villages

- Usually more affordable
- Similar to renting a house legislated by The Retirement Villages Act 1992 & Code
- No title to property (long term rental basis)
- Tend to be smaller units
- Rental fees usually capped around 80% of pension
- Operated by larger corporate or non-profit organisation
- Access to Centrelink

Visit the Villages - Shop till you drop (but enjoy it!)

- Visit a number of villages, do your homework and research a number of village options
- Talk to village sales staff
- Talk to the village operations staff
- Talk to village residents
- Walk around the village and get a feel for the place
- Ask to attend a village function
- It is important to make the right choice so take as much time as you need. It's the intangible characteristics of a village that often assist in finding your forever home

Village Life

- What facilities are available?
- Is there a waiting list at the village?
- Can family and friends stay at the village?
- Can I have pets?
- Can I see a copy of the village rules?
- What social events and activities occur?
- Are any meals provided?
- What is the security like at the village?
- Do the villas have an emergency call system?
- Are there any plans for a new development or buildings on the site?
- How close are medical facilities, shops, local clubs, churches etc.
- Is there a village bus?
- What transport services are available in the area?
- What age group are the village residents?
- Can I speak with a resident/s?

Village Management

- How is the village managed?
- Is there a resident committee and what role does that play in the administration of the village?
- Is there a dispute resolution process in place?
- What arrangements are in place for maintenance of units, common facilities and village grounds?
- What protection do I have if the village is sold to another organisation?

Financial Arrangements

- What Deferred Management Fee (DMF) or exit fee do I have to pay when I leave the village? Many villages have different fees and structures
- What share of Capital Gain am I entitled too (if any)?
- What is the current monthly service levy / common services fee and how can this be varied?
- What costs are included in the current monthly service levy and what additional services am I to cover?
- Does the cost of the home and the service fee fit into your budget?
- Could you continue to afford the service fee if your spouse or partner dies?
- What does the service fee cover and is it paid weekly, fortnightly, monthly or quarterly? How does this compare to living at home costs?
- For rental villages, how much are rental payments? Are increases capped?
- How much is the deposit to secure a villa or apartment and is it refunded if I decide not to purchase?
- Are there any charges for re-selling you're home when you leave?

Source Further Information

- Village information pack
- Village website
- Online websites (www.villages.com.au; www.seniorshousingonline.com.au; or www.propertycouncil.com.au)
- WAVRA the voice for the residents of Retirement Villages in Western Australia
- Australian Government - www.lifechecks.gov.au

Before Signing a Contract Ask For The Following

- A copy of the resident contract
- A copy of the village rules
- A check list of questions you should ask before entering into a contract
- A notice of your rights under the Retirement Villages Act
- A copy of financial information relating to the operation of the village
- Independent legal or financial advice from a qualified professional

Whom to Ask for Advice?

- Lawyer or Solicitor
- Financial specialist
- Village residents
- Family members
- Village management

Top Tips

- **Shop around - ask lots of questions, don't be shy!**
- **Visit your preferred village several times and talk with the current residents**
- **Remember moving into a village is usually a lifestyle decision, not a financial decision**
- **Don't leave it too late!**