Retirement Villages in Victoria

Frequently Asked Questions

This is an information guide to some commonly asked questions about retirement villages in and surrounding Melbourne and regional Victoria.

Because of the number of different contractual arrangements offered by retirement villages, the answers to these frequently asked questions are general in nature. You will need to read and understand the relevant terms and conditions based on the contract for the retirement village you are considering. Investing in experienced legal counsel who understands retirement village legislation is highly recommended if you are weighing up your retirement accommodation options.

A full list of these commonly asked questions and answers are available on the page 'Frequently Asked Questions (FAQs) about Retirement Villages'.

rca. VILLAGES

In this ebook you will find answers to many of the the frequently asked questions prospective residents want to know before moving into a Retirement Communities Australia village.

Deciding how you want to spend your retirement years is important, which is why Retirement Communities Australia villages offer you so much more than just a home.

As a resident of a Retirement Communities Australia village you will be part of a vibrant community, enjoying the use of its first class facilities. The true heart of every village is the lively clubhouse, an exclusive centre that provides a place for residents to gather and enjoy each other's company.

Retirement Communities Australia (RCA) is led by a group of industry veterans whose collective experience in the sector exceeds 150 years. Since its establishment in 2008, RCA has developed five new villages and continues to go from strength to strength. You can rest assured that RCA will create an environment where all your retirement needs will be met.

Andrew Philip, Managing Director, RCA

"All RCA villages have a wonderful community spirit, much like country towns; they are villages in every sense of the word. Residents lead their own lives, and those lives are significantly enriched in the village community with a sense of fellowship and belonging."

Contents

General Lifestyle Questions

What is a retirement village? 05
What are the facilities in a retirement village like? 05
What level of in-house daily personal care and support services are available in a retirement village? 05
How is a Retirement Village different from other types of retirement accommodation? 06
Can I have a pet/s at a retirement village? 06
Can I have guests stay with me at a retirement village? 06
Are care and support services available in a retirement village? 06
Are meals provided in a retirement village? 06

Making a decision to move to a retirement village

When is the right time to move into a retirement village? 08
What questions should I ask when enquiring about a retirement village? 08
Where can I go for additional helpful information on retirement villages? 09

Contractual and financial considerations

What do I get when I buy into a Retirement Village? 11
What are the costs involved in moving into a Retirement Village? 11
Is buying into a retirement village a financial investment? 12
Where can I go if I have a complaint about a retirement village? 12
Can I be moved from a retirement village without my consent? 12
Can I be moved within a retirement village without my consent? 12
Can I feel confident that my long term occupancy in a retirement village is secure? 12

Management of retirement villages

Who is responsible for the running of a retirement village? 14
As a resident, do I have a say in how the retirement village is managed? 14
As a resident, do I have any say in setting retirement village service and maintenance fees? 14

End of occupancy in a retirement village

Can I end my Retirement Village occupancy at any time? 16
What happens if I need to move into an aged care facility due to health and/or mobility concerns? 16
What happens to my retirement village accommodation in the event of my death? 16
How much say do I or family members have over the resale of my retirement village accommodation? 16
Can the operator or owner terminate my occupancy at a retirement village at any time? 17
Who holds the responsibility to refurbish my accommodation once I end my occupancy or leave a retirement village? 17

General lifestyle questions

General lifestyle questions

What is a retirement village?

Across Australia, each State or Territory has its own legal definition of what a retirement village is. For the purpose of this article, we will be focusing on Victoria's retirement villages. According to the Consumer Affairs Victoria website, a retirement village is:

A community where:

- most residents are aged 55 years or over or are retired from full-time employment (or are spouses/partners of such people). Residents are provided with accommodation and services, other than services provided in a residential care or aged care facility, and
- at least one of the residents, as a contractual condition of entering the retirement village, paid an ingoing contribution that was not rent. It does not matter who made that payment, or whether it was a lump sum or by instalments.

You don't have to be retired to make the move into a retirement village. In fact, moving into a retirement village before you transition from full-time or part-time employment is a great way to ease into your new community and reduce the angst of taking on several life changes all at once a few years down the track! Some residents of retirement villages never actually retire and continue work in a part-time or voluntary capacity because they want to.

What are the facilities in a retirement village like?

Retirement villages offer homes in villas, units, townhouses or apartments often designed around a communal clubhouse with facilities and gardens. A retirement village that encourages a healthy social ambience will include a range of shared facilities such as a community centre or clubhouse, BBQ areas, sporting facilities such as a bowling green, swimming pool and gymnasium, library, community gardens, internet lounges, meeting rooms, lounge and dining rooms and parking for visitors. Village bars, health and beauty centres can also be part of the retirement village facilities. Some retirement villages also provide on-site social coordinators to develop and organise group activities, events and outings. Buying into a retirement village is a lifestyle choice that offers you access to a broad range of facilities that may have otherwise been out of reach for you.

What level of in-house daily personal care and support services are available in a retirement village?

Depending on your personal circumstances, the level of in-house daily personal care and support services available in a retirement village may be a consideration. 'Independent living' provides the lowest level of personal care services, while 'assisted living' or 'serviced apartments' provide a higher level of daily personal care services to meet mobility and health needs.

General lifestyle questions

How is a Retirement Village different from other types of retirement accommodation?

A retirement village:

- is legally defined and governed by the Retirement Villages Act 1986 (Vic)
- promotes independent living
- generally provides minimal levels of in-house daily personal care and support services or flexible options for 'fee for service' if required.

The other types of retirement accommodation available are manufactured home parks, residential parks, rental villages and residential aged care facilities such as hostels, nursing homes and other supported residential services. These are not retirement villages, and do not have protections for residents that are provided by the Retirement Villages Act.

Can I have a pet/s at a retirement village?

Many retirement villages welcome pets as long as they are not being a nuisance to any of your fellow residents or damaging shared amenities. It is at the discretion of the retirement village as to whether they allow pets. If this is a consideration for you, make sure to ask about the retirement village's rules on keeping pets.

Can I have guests stay with me at a retirement village?

Visitors and short stay guests and family are welcome in a retirement village. There will be provisions in the terms of your contract with the retirement village around the length of time that a guest can stay with you.

There may also be a condition that states that a guest can't stay in your accommodation if you're not there to host them, for example if you are planning to go away for a holiday and your accommodation would otherwise be vacant. Consult the retirement village you are considering for more information on their guidelines on guests and visitors.

Are care and support services available in a retirement village?

A retirement village offers a safe, secure and social lifestyle for people eager to enjoy independent living. A retirement village generally provides minimal levels of daily personal care and support services or flexible options for 'fee for service' if required. The level of care and support services available will vary from retirement village to retirement village. Most retirement villages offer 24 hour emergency support services.

Are meals provided in a retirement village?

Meals are not usually provided as part of a daily service offering of a retirement village. However many retirement villages will have a commercial kitchen on-site for the purpose of catering for events and functions. Some retirement villages may offer regular or ad hoc catered meals.

Residents are responsible for shopping for, and preparing their own meals in their accommodation. Communal barbeque areas are often provided as part of the retirement village.

Making a decision to move to a retirement village

rca.
VILLAGES

Making a decision to move to a retirement village

When is the right time to move into a retirement village?

It's never too early to start exploring your options as you plan your retirement. Look into your retirement living options before it becomes a necessity due to poor health, decreased mobility or loss of your partner. At the very best of times, making the decision to sell up your home and plan the move to a new home can feel perplexing.

The earlier you make the decision about where you want to live, the longer the history and memories you have to create with your new community.

You don't need to have already retired to make the move into a retirement village. In fact, moving into a retirement village before you transition from full-time or part-time employment is a great way to ease into your new community and reduce the angst of taking on several life changes all at once a few years down the track! Some residents of retirement villages never actually retire and continue work in a part-time or voluntary capacity because they want to.

You also need to keep in mind that due to Australia's ageing population there's a high probability that there is already a waiting list of people wanting to buy into the retirement village that best suits your needs.

The right time to move into a retirement village is when:

- You (and your partner) are starting to think about retirement and the opportunities ahead as you begin transitioning from full time employment
- You're feeling on top of any health or mobility related concerns
- You've visited a number of retirement villages, asked lots of questions, engaged legal and financial advisors experienced in retirement village legislation and issues, read and understood the contract you are considering and feel well informed on the opportunities available to you.

What questions should I ask when enquiring about a retirement village?

A legal counsel experienced in retirement village legislation will be able to help you understand the ins and outs of what you are considering buying.

When you start exploring retirement village options and arrange a time to tour the facilities, the following questions may help you understand the type of retirement living accommodation arrangement you are considering:

- What facilities, services and support are available?
- What are the retirement village rules and obligations I will need to comply with?
- What type of legal structure is the contract with the retirement village based on? For example lease, loan or licence, strata title, freehold title, unit trust or community title.
- What is the ingoing contribution or entry cost?
- What are the ongoing service and maintenance fees and how are these calculated? Are utilities such as gas, water, Council rates and electricity included?
- Are service and maintenance fees likely to increase? How are increases calculated? As a resident, do I have any say in fee increases? How does this process work?

Making a decision to move to a retirement village

- What happens if I can no longer afford the ongoing fees?
- How are departure fees calculated? Can you show me an example?
- Who benefits from any rebates such as pensioner benefit?
- If there is a waiting list, how long can I expect to have to wait for available homes?
- Is there a fee for having my name added to the waiting list? Is the fee refundable?
- Who manages or runs the village? How much say do I have in the operations of the retirement village?
- At what part of my tenure might I be asked to contribute to a capital improvement fund or long term maintenance fund or equivalent? What does the cost calculate to on a per annum basis?
- What is the average refurbishment cost per villa/unit at the moment?
- How many villas / units are currently in the retirement village? How many are vacant at the moment?
- Is the retirement village completed? If not, how many more units / villas are planned in future development?
- How are disputes resolved? What is the process?
- Do I need to give the retirement village owner Power of Attorney?
- What are the conditions associated with leaving the retirement village?
- Will I benefit from any capital gain on the property once it is sold?
- Will any of the ingoing contribution / entry cost be paid back to me once I end occupancy?
- How secure is my tenure if the retirement village is sold to new owners?

The Australian Competition and Consumer Commission (ACCC) provide a helpful checklist of questions for consumers to ask on the 'Health, home and care' section of their consumer website on the page 'Retirement Homes'.

Where can I go for additional helpful information on retirement villages?

Making a decision to move house is never easy. Making lifestyle decisions around how you want to spend your retirement years, including whether moving to a retirement village will meet your needs, will be made easier through careful research and asking lots of questions. Booking in to visit a retirement village is a great way to get a feel for the lifestyle on offer and to ask questions. There are also a number of independent sources of information available to you as a consumer:

- Retirement Living Council of the Property Council of Australia
- Australian Competition and Consumer Commission (ACCC) – the 'Health, home and care' section of the ACCC website on the page 'Retirement Homes'.

Contractual and financial considerations

Contractual and financial considerations

What do I get when I buy into a Retirement Village?

What is common across all retirement villages is that you are buying a right to occupy a home to suit your retirement lifestyle, including the right to use and enjoy communal facilities such as a community centre or clubhouse, BBQ areas, sporting facilities such as a bowling green, swimming pool and gymnasium, library, community gardens, internet lounges, meeting rooms, lounge and dining rooms and parking for visitors. Village bars, health and beauty centres can also be part of the retirement village facilities.

You are choosing a lifestyle and an opportunity to live in a community where you feel safe and secure. Better still, potential long term friendships could be just a few doors away.

Importantly, you are also buying into a community whose residents' rights are well protected by the Retirement Villages Act 1986 (Vic).

Depending on the terms and conditions of the contract relevant to the retirement village accommodation you are considering buying into, there are a number of different legal structures on offer including:

- long term lease
- long term license
- strata title
- community title
- company title
- unit trust
- conventional lease.

A legal counsel experienced in retirement living options and the relevant legislation will be able to help you understand what you are buying.

What are the costs involved in moving into a Retirement Village?

You will need to budget funds to cover entry costs, ongoing service and maintenance costs, and departure costs. Some retirement villages may ask for payment of a fee to add you to their waiting list of available accommodation. This payment may or may not be refundable. Make sure to ask what the conditions are and make sure you keep a copy of the receipt.

You will also need to consider the usual costs of selling a property and moving to a new property, including legal fees, furniture removal costs, connection fees for utility services and the costs associated with the sale of your existing home. Stamp duty and title registration fees are only applicable when the retirement village is offering freehold titles.

It is advisable to include trusted family members and friends in making the lifestyle decision to move into a retirement village.

A legal counsel along with a financial planner experienced in retirement living options will be able to help you navigate the legal structures and financial outcomes of the retirement village accommodation you are considering buying into.

Contractual and financial considerations

Is buying into a retirement village a financial investment?

Buying into a retirement village should be a lifestyle decision that suits your needs and supports you in reaching your retirement goals. The legal structure of the retirement village will determine the financial outcomes. Capital gain may be realised at the end of the tenure. Departure fees are often tied directly to market value, length of occupancy and the ingoing contribution or entry fee. A wise investment upfront is engaging a legal counsel experienced in retirement village legislation, along with a financial advisor – to help you understand the legal and financial considerations of the retirement village you are looking into.

Where can I go if I have a complaint about a retirement village?

A retirement village is a community. For this reason, it is in everyone's best interests that any disputes are resolved efficiently and effectively.

All Victorian retirement villages are legally required to have their own dispute resolution scheme. The Manager of the retirement village is usually responsible for implementing the internal dispute resolution process. A complaint should be received by the Manager, responded to in a reasonable time frame, recorded and then steps should be taken to resolve the issue to a mutually agreeable outcome. If a dispute is unable to be resolved through internal means, Consumer Affairs Victoria or Victorian Civil and Administrative Tribunal (VCAT) can advise on the external conciliation process available to residents and retirement village owners and managers.

Can I be moved from a retirement village without my consent?

There may be very limited circumstances where you may be moved within the retirement village. The provisions of your contract should clearly spell out under what circumstances this may occur, but it would be a rare and exceptional event that would trigger this. Your rights as a resident are protected under the Retirement Villages Act 1986 (Vic). Consumer Affairs Victoria can provide you with advice if you are faced with any contractual related concerns.

Can I be moved within a retirement village without my consent?

There are very limited circumstances where you may be moved within the retirement village. The provisions of your contract should clearly spell out under what circumstances this may occur, but it would be a rare and exceptional event that would trigger this. Your rights as a resident are protected under the Retirement Villages Act 1986 (Vic). Consumer Affairs Victoria can provide you with advice if you are faced with any contractual related concerns.

Can I feel confident that my long term occupancy in a retirement village is secure?

Your long term occupancy in a retirement village is secure. Your security as a resident is protected under the Retirement Villages Act 1986 (Vic) and by the terms of the retirement village's contract. You should consult a legal counsel experienced in retirement village legislation to help you make an informed decision on moving into a retirement village.

Management of retirement villages

Management of retirement villages

Who is responsible for the running of a retirement village?

A retirement village operator or association generally employs an on-site Village Manager to look after the day to day running of the retirement village. The Manager's responsibilities can include administration, event management, social activity coordination, maintenance, repairs, book keeping and managing the internal dispute resolution process.

Residents also have a say in the running of a retirement village. Part 6 of the Retirement Villages Act 1986 (Vic) makes provision for residents to form resident committees to represent the interests of residents, and hold voting rights when decisions impacting the majority of residents need to made. If there is an owners' corporation, the corporation has the same powers as a Resident Committee. The contract provisions will determine the voting rights ratio of the retirement village owner / operator and the Resident Committee.

As a resident, do I have a say in how the retirement village is managed?

Yes. Part 6 of the Retirement Villages Act 1986 (Vic) makes provision for residents to attend Annual Meetings, form resident committees to represent the interests of residents, and hold voting rights when decisions impacting the majority of residents need to made. If there is an owners' corporation, the owners' corporation has the same powers as a Resident Committee. The contract provisions will determine the voting rights ratio of owners and the Resident Committee.

As a resident, do I have any say in setting retirement village service and maintenance fees?

The Resident Committee's level of influence (percentage of voting rights) over service and maintenance fees is determined by the contractual provisions of the retirement village. The annual service and maintenance fees cannot exceed the Consumer Price Index (CPI) unless a majority of residents vote in favour.

End of occupancy in a retirement village

End of occupancy in a retirement village

Can I end my Retirement Village occupancy at any time?

In most cases, written notification within the timeframe stated in your contract is all that is required to trigger commencement of the departure process.

What happens if I need to move into an aged care facility due to health and/or mobility concerns?

Access to an aged care facility depends on the results of an aged care assessment, in accordance with the Commonwealth Aged Care Act 1997. For more information, visit myagedcare.gov.au. If you need to trigger the exit process in order to move into an aged care facility and an accommodation bond is required by the aged care facility you need to:

- Commence the exit process based on the terms of your retirement village contract. This may include giving the village manager sufficient written notice of your intention to leave the retirement village.
- Let the retirement village operator or village manager know the total amount of the accommodation bond and the date that payment is due (usually 6 months from the date you move in).
- If your village unit / villa is not sold before the due date of the bond (being 6 months after you enter the aged care facility) then the retirement village operator will be required to pay a certain amount of your village exit entitlements up to a maximum amount of the accommodation bond you are required to pay. This amount will then be deducted from the total exit entitlement once your unit /villa is sold.

In preparation of the sale of your unit / villa, you or your family members may need to refurbish if the terms of the contract are that refurbishment is the resident's responsibility.

What happens to my retirement village accommodation in the event of my death?

Most retirement village contract terms will have a provision stating that tenure ends automatically in the event of death of a remaining resident.

In this case the villa / unit forms part of the deceased resident's estate. The beneficiary of the estate would then be responsible for working with the retirement village operator to terminate occupancy, prepare the property for resale and finalise exit entitlements.

How much say do I or family members have over the resale of my retirement village accommodation?

Once the exit process is triggered, you or your beneficiaries will need to agree a resale price of your villa / unit based on current market value. If an agreement can't be reached, an independent and qualified valuer may be called in to provide the market price.

Depending on the terms of your contract you may also need to arrange to refurbish the unit / villa at your own cost.

You or your beneficiaries have the right to appoint a real estate agent of your choosing to sell your retirement village accommodation.

End of occupancy in a retirement village

The retirement village Manager may be appointed by you to sell your accommodation. In this case, the usual fees associated with using a real estate agent are usually absorbed by the retirement village.

Make sure you feel well informed on the provisions of your contract. Engaging a legal counsel with experience in retirement village legislation to help you understand the terms of the contract is a wise investment.

Can the operator or owner terminate my occupancy at a retirement village at any time?

Only under limited circumstances. This would be a very rare occurrence.

If you are in breach of provisions of your contract and have been given sufficient notice and opportunity to make amends, you may be required to end your occupancy at the retirement village. Your rights as a resident are protected under the Retirement Villages Act 1986 (Vic) and by the contract you have with the retirement village. Consumer Affairs Victoria can provide you with advice if you are faced with any contractual related concerns.

Who holds the responsibility to refurbish my accommodation once I end my occupancy or leave a retirement village?

The terms of your contract with the retirement village will state who is responsible for refurbishing the unit / villa once your tenure ends.

Many contracts state that refurbishment is a responsibility of the resident. Some contracts will state that refurbishment is the responsibility of the retirement village operator.

Make sure this is a question you cover off and can plan to budget for before entering into a contractual arrangement.

OUR VILLAGES

75 Evans Road
Cranbourne West VIC 3977
1800 998 900
caseygrange.com.au

11 Main Street
Pakenham VIC 3810
1800 770 222
mainstvillage.com.au

83 Kulin Drive
Tarneit VIC 3029
1800 123 131
wyndhamgrange.com.au

101 Pickings Road
Safety Beach VIC 3936
1800 633 126
marthacovevillage.com.au

320 Point Cook Rd
Point Cook VIC 3030
1800 645 264
pointcookvillage.com.au

107 Bungower Road
Mornington VIC 3931
1800 445 666
beleuravillage.com.au

36-40 Racecourse Rd
Pakenham VIC 3810
1800 112 955
cardiniawaters.com.au

For more information regarding RCA Villages please contact:
RCA Villages. Unit 1/39-43 Duerdin Street Notting Hill Victoria 3168
T 03 9988 6020 info@rcavillages.com.au **rcavillages.com.au**

PROPERTY COUNCIL of Australia | Retirement Living

rca. VILLAGES