

Housing: retirement villages

This Fact Sheet contains information on retirement villages and organisations that offer assistance to people living in a village, or considering moving into one.

What is a retirement village?

A retirement village is a residential complex specifically for older people – most residents are aged over 55 and retired. The aim is for people of a similar age, and who are likely to have some similar interests, to live in a community with some services available close by. Older people can either move in as a single person or as a couple. There is usually some form of on-site centre where residents can share meals and activities (if they want to).

Often, a village will include services such as podiatry, access to medical support and hairdressing (although residents are under no obligation to use these on-site services). Many villages also offer transport for group trips and shopping. Each unit has a call button to summon help in an emergency. Retirement villages can consist of free-standing villas, townhouse style homes or blocks of flats. The units may be either “self-care” or “serviced” apartments.

Self-care units are designed for older people who do not need assistance with day-to-day activities. They are generally self-contained and have their own kitchen and laundry. Some units may also be wheelchair accessible.

Serviced apartments have fewer facilities than self-care units. Residents sleep in their own unit, and have help with their laundry and cleaning, and preparing meals. Meals are served in a communal dining room. Residents usually have access to personal and/or nursing care, sometimes on a fee-for-service basis.

Financial arrangements

The financial arrangements are different for all villages, and it is important to know about – and understand – the arrangements for “your” village before you sign any contract.

Generally, a person or couple moving into a village unit pays an initial sum. Part of this sum is refundable, but not necessarily immediately when residents vacate their unit, and the refunded amount varies with each village.



However, payment does not necessarily mean that the resident “owns” the unit that they live in. Loan/license and leasehold agreements are the most common forms of retirement village contracts. These types of agreements give residents a right of occupation only, not ownership. Strata title, on the other hand, provides residents with an ownership interest in the property.

The services provided in a retirement village are funded by the residents of the village, who pay “recurrent charges” – usually on a monthly basis and in advance – in order to cover these costs. Some additional services may be provided, if or when needed, on a user-pays basis.

When a resident vacates a retirement village they are required to pay a deferred management fee, often called a “departure fee”, plus a percentage of the capital gain of their unit. All costs and ongoing fees will be written into the contract at the time of entering the village.

Management of the village

To assist in managing the shared aspects of village living (including common land and household services) each village has a set of rules, a copy of which is provided to prospective residents with the contract. These rules regulate such matters as noise, pets, visitors, garbage disposal and car parking.

The contract for entering a retirement village is often complex – it is recommended that advice be sought from a lawyer who is well versed in such contracts, and who lives in the area of the village, prior to signing a retirement village contract.

Protecting your rights as a village resident

Office of Fair Trading

The Office of Fair Trading has prepared a booklet which gives an overview of the NSW laws relating to retirement villages – **Retirement Village Living**. For a copy of this free publication call the Seniors Information Service on **13 12 44**.

Seniors Information Service is an initiative of the NSW Government and is funded by the NSW Department of Ageing, Disability and Home Care.



Seniors Information Service PO Box 1332, Crows Nest NSW 1585



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Retirement Village Residents Association (RVRA)

This association is an advocacy organisation for residents – and intending residents – in retirement villages throughout NSW. It assists residents to understand their rights and obligations, and offers information and advice to intending residents.

The association also defends and extends the rights of residents in retirement villages. Examples of the issues that it deals with include working towards the introduction of standard contracts across villages, helping to promote arrangements where unoccupied units can be leased and the easing of departure fees.

For further information, call the association on **9869 8702** (metro callers) or **1300 787 213** (rural callers).

The Aged-Care Rights Service (TARS)

The Aged-Care Rights Service (TARS) is an advocacy service for older people in NSW living in a range of environments including retirement villages (as well as nursing homes or hostels).

If you have difficulty with the administration of your retirement village that you cannot resolve face-to-face (e.g. regarding conditions and maintenance, service costs or the sale of your unit) contact TARS for assistance and support on **9281 3600**. For more information, visit the TARS website at **www.tars.com.au**.

Rental arrangements

In some retirement villages, if a resident leaves their unit, it may be available to rent until it is sold. This will usually be a short term arrangement. Rents vary considerably, but – in some situations – may be as low as the weekly charge that the resident pays to the village. You will need to contact each retirement village separately to see if it has units for rent, and what the rental rates will be.



Finding a retirement village

For further information about retirement villages, call the Retirement Village Association. This association is a valuable source of information for people considering moving into a retirement village, and provides a vital link between government, village owners, managers and residents. Phone **1800 240 080**.

For a directory of retirement villages within NSW contact the following organisations or visit their comprehensive websites:

It's Your Life

It's Your Life is a company which produces retirement village directories, with units available for sale or for rent. It also produces a Retirement Village Handbook which outlines various types of financial arrangements for villages, checklists of issues to consider when selecting a village and a summary of relevant legislation. The handbook is for sale from It's Your Life (with discounts offered to Seniors Card members). A free directory of villages is available on-line.

Web: www.itsyourlife.com.au

Phone: (02) **8230 2424** (messagebank only)

Email: info@itsyourlife.com.au (preferred method of contact)

The Retirement Village Association

This association is a peak body for the retirement village industry. As well as offering a free, online directory of member villages, it represents and promotes its members and retirement living lifestyles. Its aim is to maintain standards for the retirement village industry and to build a shared vision for high quality services.

Web: www.rva.com.au

Phone: **1800 240 080**

Email: enquiry.nsw-act@rva.com.au

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