

# Lifestyle Village Guide

## So, you or someone you love are thinking about moving into a lifestyle village...

Navigating retirement options can be tricky and when it comes to retirement villages, many older Australians are being deceived by complex contracts. You're off to a great start with this guide, which we hope will make it easier for you and your loved ones to understand the process.

However, it's important to note this guide is not a substitute for legal advice and we strongly recommend after reading, you call our friendly team for expert advice, especially before entering any contract or agreement about buying, selling, building, leasing, or receiving services.

Like all areas of life, housing needs change with time and as you approach retirement, you may be looking at options that better suit your present and future needs. It is important to think about the long-term consequences of your choices to ensure your future choices are not limited by the decisions you make now. For over 30 years, HLC has been providing the best advice to the senior citizens in our community. Our caring and simple approach means we're able to assist our older clients to make the best care and living decisions for their retirement. Before we get to the legal side of the process, here are some important things to consider from a lifestyle perspective:

### Services:

When it comes to lifestyle villages, there is an array of services and facilities on offer. It's important to think about your current and future needs to decide what you might be looking for in a village. For example, a recreation room, community buses, social outings, emergency medical care, senior lifestyle activities, etc.

### Your current home:

Do you need to sell your house? We can coordinate the sale of your house to line up with moving into your new home in the village, to ensure you don't get caught with nowhere to live. Whilst this is a scary thought, this has been a reality for many senior citizens.

## The legal side

It's important to understand the 'buy in' process for lifestyle villages. In fact, this process can mislead many older Australians as 'buying in' to a lifestyle village is not like owning a home; it is in fact, a long-term lease, which is registered on the title to the village.

Most leases are standard and there is a controlling legislation that determines what the villages can offer. Most villages offer a range of facilities for use and generally, residents pay a one-off entry fee (essentially the purchase price of their unit/villa), as well as a recurring fee (think of this like a rent payment) for the use of the unit/villa and facilities. The money residents pay is treated as a loan to the village, which they can use for their purposes.

Residents have exclusive use of the premises subject to the rules of the village. Each village has its own rules and is mostly standard, existing to ensure everyone lives in harmony. Minimum age rules for residents and their ability to live without nursing care i.e. unassisted, may also apply.

If a resident decides to leave (or leaves involuntarily) then it is important to understand the premises can then be advertised and re-leased to the next person. The new person then enters the same type of lease arrangement with an entry fee, just like the previous resident.

The previous resident (or their estate) will then get repaid the loan amount, less an exit fee, which is stated in the original loan and lease documents. The exit fee is usually based upon a percentage of the entry fee and calculated by the number of years the resident was there but is capped after a specified number of years. For example, 3% per year, capped at 30% after 10 years, with any increase in the price of the uni/villa going to the resident or their estate.

When buying in to an over 55's village, there are usually several documents to be read and understood, before signing. Usually, you will be presented with the following:

- Lease
- Retirement Village Contract
- Loan Agreement
- Village Rules
- Disclosure Statement
- Village Plans & villa/unit Plans
- Premises condition report

There may be other documents in addition to those listed above and most retirement villages insist that the residents get legal advice. That's where we come in! We pride ourselves on making complex processes simple and offer complimentary estate planning checks and wills. With HLC by your side, we'll guide you through each document to ensure you understand it before signing. Once you're happy to go ahead, we then arrange for the village to sign the documents.

Then we have a similar settlement process to buying a home whereby figures and cheque directions are done, except in this instance, no title documents are received. Once settlement has occurred, the lease is sent off for registration and you're ready to start your next chapter in your new home.

We hope you have found this guide useful.

**If you have any questions or would like to discuss further  
call us today on 1300 224 828**