



COTA NEW SOUTH WALES



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May 2017

## FACT SHEET

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### To Move or Not to Move?

*Moving from your own home into a Retirement Village or a Residential Park is a huge step. There are many questions to consider about this change of lifestyle. This fact sheet sets out some of the factors to consider and some of the differences between these types of retirement accommodation. Contacts for further information are also listed below.*

### Retirement Villages

A retirement village is a residential complex occupied predominantly by retired persons aged 55 years and over, so that people of similar age and similar interests can live together. There is commonly some form of community centre for meals and activities. Usually there are other services such as podiatry, access to a medical service and hairdressing. Often there is transport available for group trips and shopping. Each unit has an emergency call button. Retirement villages may consist of free standing villas, high-rise apartments or similar structures. The units may be independent living units or serviced apartments.

**Independent Living Units** (or self-care units) are designed to be occupied by residents who require no assistance with activities of daily living. They have a kitchen, usually a laundry and generally are self-contained. Some may also be wheelchair accessible.

**Serviced apartments** have fewer facilities than self care units. Residents are provided with assistance such as laundry, cleaning and meal preparation. Meals are served in a communal dining room. Residents may have access to personal and/or nursing care, usually on a fee-for-service basis.

### Fees and Charges

There are many types of costs to be aware of before entering a Retirement Village:

- The entry fee or purchase price
- Contract preparation fees
- Recurrent service or maintenance charges
- The exit fee, also known as a departure fee or deferred management fee.

A person moving into a retirement village unit pays an **ingoing contribution** in the form of a capital sum. Part of this sum is refundable, but not necessarily immediately upon the resident vacating the unit and the amount varies with each village. The amount to be refunded will be written in the retirement village contract.

Usually the resident does not “own” the unit that they will be occupying. Loan/license and leasehold agreements are the most common forms of retirement village contracts. These types of agreements confer a right of occupation only, not ownership. Strata title, on the other hand, provides the resident with a proprietary interest in the property. Being under strata management will incur extra fees/levies to the owners corporation, plus additional by-laws to be obeyed and monthly meetings to attend. If a dispute arises, it is advised to seek a solicitor with experience in Strata law.

The services provided in a retirement village are funded by the residents of the village who are required to pay what is known as **recurrent charges**, usually on a monthly basis in advance, in order to pay for these services. The day-to-day conduct of a village is controlled by a set of rules, a copy of which is provided with the contract. When a resident vacates a retirement village they are subject to payment of deferred management fees, often called ‘**departure fees**’ plus a percentage of the capital gain. All costs and ongoing fees will be written in the contract.

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

### Seniors Rights Service

The Seniors Rights Service can offer some legal advice and a referral list of solicitors with expertise in retirement village law. <http://www.seniorsrightsservice.org.au> Ph: (02) 9281 3600 or 1800 424 079

### Fair Trading NSW

The NSW Government regulates retirement villages in NSW. There is a great deal of very useful information on their website.

[http://www.fairtrading.nsw.gov.au/ftw/Tenants\\_and\\_home\\_owners/Retirement\\_villages.page](http://www.fairtrading.nsw.gov.au/ftw/Tenants_and_home_owners/Retirement_villages.page)

### Retirement Living

This organisation is a branch of the Property Council of Australia which is an advocate for the property industry. The Retirement Living Council lobbies government on behalf of the retirement village industry. The website can provide general information. <http://www.retirementliving.org.au/village-life/>  
Ph: (02) 9033 1900 (NSW Office)

### Retirement Village Residents Association (RVRA)

Is an invaluable source of information for intending residents and existing residents, and provides an advocacy / support service for the residents and intending residents in retirement villages throughout NSW. It assists residents to be aware of and understand their rights and obligations, and it defends and extends the rights of residents in retirement villages. They also offer information and advice to intending residents. [www.rvra.org.au](http://www.rvra.org.au) Email: [admin@rvra.org.au](mailto:admin@rvra.org.au) Ph: 1300 787 213  
The Secretary, RVRA NSW, PO Box 3349, ASQUITH NSW 2077

**For a directory of Retirement Villages within NSW, visit these comprehensive websites:**

[www.villages.com.au](http://www.villages.com.au)

[www.seniorlivingonline.com.au](http://www.seniorlivingonline.com.au)

[www.itsyourlife.com.au](http://www.itsyourlife.com.au) (click the Directory Search tab)

## Residential Parks

Residential Parks include caravan parks or manufactured home estates which are regulated under the *Residential (Land Lease) Communities Act 2013*. People occupy Residential Parks on a number of bases. People may own a caravan or relocatable dwelling and rent a site from the operator but have a permanent home elsewhere. If they have a permanent residence elsewhere they are covered by the *Holiday Parks (Long-term Casual Occupation) Act 2002*.

The usual arrangement is that the resident buys a home in the park but leases the land on which the house is situated. The Park retains ownership of the land. Residents may also rent a home which is owned by the residential park and are covered by the *Residential Tenancies Act 2010*.

Unlike most retirement villages when you buy into a Residential Park, you, rather than the park, own the building, for example as freehold or community title, and have a right to sell it. As with retirement villages, it is important to **understand the contract**.

Residential Parks usually have comprehensive facilities and amenities, and many are situated on rivers, bays or on the coast, providing boat storage and ramp facilities. These properties are popular as holiday accommodation as well as a place to retire. A number of these communities have access to shopping, transport available, arrangements for a local doctor to visit regularly and management available 24hours/day to assist anyone in need.

New manufactured homes in NSW tend to be upwards of \$280,000 in established residential parks with a good level of amenity and facilities. Waterfront homes tend to command higher prices often reaching upwards of \$400,000 in well-appointed NSW residential parks.

More affordable options are often available but tend to be pre-loved relocatable homes or caravans and annexes. These tend to be in the range of \$5,000 to \$20,000 for older vans and annexes to between \$50,000 and \$150,000 for older relocatable homes. <http://www.residentialparkliving.com.au/faq5.htm>

Further information is available in COTA NSW Fact Sheet "***Caravan and Residential Parks***".

### **Fair Trading NSW**

The NSW Government provide information to residents and park owners regarding laws, rights, and pitfalls. Call **13 32 20** or visit:

[http://www.fairtrading.nsw.gov.au/ftw/Tenants\\_and\\_home\\_owners/Residential\\_land\\_lease\\_community\\_home\\_owners.page](http://www.fairtrading.nsw.gov.au/ftw/Tenants_and_home_owners/Residential_land_lease_community_home_owners.page)

### **Affiliated Residential Park Residents Association NSW (ARPRA)**

ARPRA is primarily a lobby group to the government. They offer a wealth of information and fact sheets, plus advocacy and support. Call them on: **1300 798 399** or visit: <http://www.arpra.org.au/>

### **Tenants Union of NSW**

The Tenants Union provides information to home owners and tenants in Residential Parks.

<https://www.thenoticeboard.org.au/home>

Advice to tenants is available through local Tenants Advice and Advocacy Services. Contact details for your area can be found at <https://www.thenoticeboard.org.au/advice> or call the Tenants Union NSW to find your local service on **02 8117 3700**.

### **Seniors Housing Online**

You can search for Residential Parks and Retirement Villages online at

<https://www.seniorshousingonline.com.au/>