

fact sheet

SAUTELLE WHITE

lawyers



What do I need to know before I “sign up” with a Retirement Village?

I’m thinking of moving into a Retirement Village, but there seems to be so much paperwork!

Yes – this is a complaint we hear often! The Retirement Village Code of Practice is intended to protect those who move into resident-funded retirement villages, but it can make things seem fairly complex for those considering making the move.

Hugo White, Sautelle White partner, has a wealth of experience with the Retirement Village Code of Practice and can help you decipher all the paperwork and make sure your interests – financial and otherwise, are protected as you sign up for this important step in your life.

What are the most important things to investigate before choosing a Retirement Village?

Of course the most obvious things you should consider at first are the things you’d normally

think about when renting or buying a property. Are you happy with the location? Is it close enough to friends and family? Is there good access to shopping, doctors and other daily necessities? Do you like the appearance and layout of the unit? Is the complex well looked after and do staff seem friendly and polite?

Once I’ve decided on a Retirement Village, what enquiries should I make?

Find out what fees you’ll need to pay to become a resident, and what the arrangements are for a refund of that fee if you move away or die. Ask what regular charges or fees will be payable while you are a resident, and enquire as to when and how these fees are raised or varied. Find out what services or benefits you will receive in exchange for your payments, and additional costs of “extra” services. Find out if there is any flexibility for you to move into alternative accommodation and what the costs would be.

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Can you describe the main types of Retirement Village legal arrangements?

There are three main ways in which your rights can be determined when entering a Retirement Village. These include long term leases with an associated trust deed, a license or loan, or strata title arrangements. You need to find out which sort of arrangement your new Retirement Village is proposing, and have a lawyer look over the paperwork for you before you sign up to make sure the deal is in you and your family's best interests.

What's a long term lease and trust deed?

You and the village sign a long term lease agreement, usually for 99 years. There is usually a separate company that manages the finances of a village on behalf of the retirement village owner, and the trust deed outlines the financial arrangements between the two with respect to your financial contribution.

What about License or Loan Agreements?

This is where you repay an agreed amount of a loan per week and also an agreed amount for weekly maintenance. The problem with license or loan agreements can arise because there is no security for the repayment of the loan, which can often be quite a large amount of money.

Should I consider a Strata Title?

This works a little like buying into a block of flats, you have ownership of the unit you are moving in to.

What if I've signed up and changed my mind?

There is a 5 day cooling off period in the Retirement Village code, but please, see a lawyer before you sign your documents. If you've entered an agreement with a Retirement Village and are unhappy in any way, please contact Sautelle White and see if we can help you.

