



The (Little) Book of Wise Moves

A brief guide for planning your
move to retirement village life

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More and more Australians of retirement age and pre-retirement age are now choosing to embrace this time and choose a new life or new lifestyle.

This *(Little) Book of Wise Moves* provides a summary of some things to consider about where and how you will live in your retirement. But there is a lot more to it.

It's an important life decision – so it's a wise move to take the time to read about it and talk about it with friends and family.

While we cover the general themes below, a longer *The Book of Wise Moves* has also been produced as a detailed guide to making the move to retirement village life.

Retirement village or residential aged care?

It's a simple fact that retirement villages and residential aged care are not the same thing. Retirement villages and residential aged care facilities are designed for people at different stages of life and with very different needs. They both provide accommodation for older Australians but that's where the similarities end.

A QUICK COMPARISON

	RETIREMENT VILLAGE	RESIDENTIAL AGED CARE
DRIVERS TO ENTRY	Lifestyle driven	Needs driven
HOW TO ENTER	Enter into a private agreement/contract with village operator	Eligibility to live in a facility is determined via assessment by Aged Care Assessment Team (ACAT). Prospective residents enter into agreement with aged care provider
RESIDENTS	Enter the village living relatively independently	Enter the facility needing accommodation, health care and support services to meet ongoing needs
REGULATION	State Government legislation	Commonwealth Government legislation
INITIAL PAYMENT	Entry payment or regular rental payments, depending on agreement with the retirement village operator	Accommodation fee, paid either through refundable accommodation deposit, daily accommodation payment, or may be Government subsidised
PAYMENT/S UPON LEAVING	Residents may pay a deferred payment fee on departure (except for rental retirement villages), as well as any other contractual payments owed	Refundable accommodation deposits are 100% refunded when resident leaves the aged care facility. However, daily accommodation payments are not refundable
COST/S WHILE IN RESIDENCE	Regular service charge to cover general management and maintenance of the village and use of the facilities	Basic daily care fee and for some a means tested daily care fee
FUNDING	Generally self-funded through personal funds, superannuation and/or Age Pension	Care and accommodation charges may be Government subsidised
RENT ASSISTANCE	Rent assistance may be available (if you meet rent assistance eligibility requirements)	Not applicable
CARE AND SERVICES	Additional services vary depending on village (may include meals, cleaning)	Specified care and support services
ACCREDITATION	Accredited villages (accreditation is voluntary)	Accredited providers (accredited by Aged Care Quality Agency)

Accommodation options for seniors

ACCOMMODATION TYPE	TYPICAL FEATURES	RETIREMENT VILLAGE ¹
INDEPENDENT LIVING UNITS (ILUs)	<ul style="list-style-type: none"> › Buy/lease/license your own home › Individual responsibility for utilities › Regular services fee to cover community maintenance & facilities › 1-4 bedrooms › Private outdoor space › Fully independent living › Care and support may be available through home care provider › Communal facilities › May be entitled to rent assistance 	Yes
SERVICED APARTMENTS	<ul style="list-style-type: none"> › Buy/lease/license under a variety of tenure/contract options › 1-2 bedrooms › Weekly/monthly fee payable › Some level of support is included in supported living package (e.g. linen, meals, cleaning) › Care and support may be available through home care provider › Communal facilities 	Yes
RENTAL VILLAGES	<p>Within a retirement village:</p> <ul style="list-style-type: none"> › Single bedroom or studio › May be entitled to rent assistance › Other features similar to above <p>Non-retirement village:</p> <ul style="list-style-type: none"> › Single bedroom/studio › Basic furnishings › Cleaning & linen provided › Care and support may be available through home care provider › May be entitled to rent assistance 	Yes and No ²
LAND LEASE COMMUNITIES	<ul style="list-style-type: none"> › Own your own home (usually relocatable) › Pay weekly site fee/'rent' › Care and support may be available through home care provider › May be entitled to rent assistance 	No

¹ Refers to retirement villages as applies under specific retirement village legislation in each state and territory. ² Depending on the type of rental village they may be administered under different legislation – retirement villages legislation (making them a retirement village) or residential parks or residential tenancy legislation (meaning they are not a retirement village).

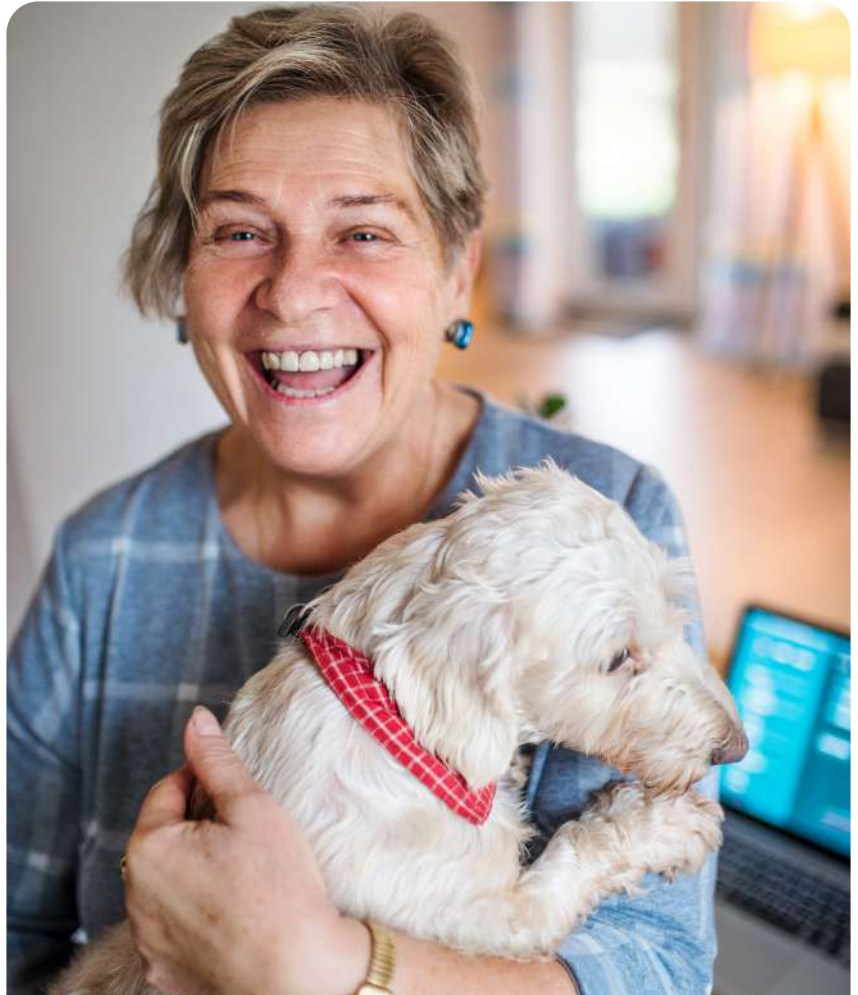
Home sweet home

Housing options for seniors come in many different forms to suit different budgets, lifestyles and needs.

Retirement villages alone can differ in size, location, home type, facilities, suitability for different ages and needs, and of course cost. Some villages consist of detached homes, others have townhouses or high-rise apartments. Low-maintenance home designs make daily living easier, and for those who want to travel, you can simply lock up and leave.

Each state and territory in Australia has its own legislation which governs the operation of retirement villages, so some things will vary depending on where you are going to live.

It really helps to do your homework and know what types of retirement living are out there when making your decision.



Why make the move?

The decision about where you live in retirement can be driven not only by the type of home you want to live in and where, but also what you want to do with your time, what you need for your health and wellbeing, and what sort of lifestyle you want. It can be a big change for sure, and most of us actually worry about the same things:



The reality is that most suburban homes weren't built with ageing in mind, so you may need to invest in modifications at some point to ensure your existing home continues to support your changing needs. And if you want to stay in your existing home and you're able to fund those modifications, that's great.

Alternatively, it is possible to sell your home, buy in a retirement village and retain an amount of cash from the sale which you can save, invest or just enjoy.

If you can find a lovely home and community that suits your needs, and have the funds to enjoy more of the things you want to do, isn't that a wise move?

Village life

Many retirement village residents say they have become more active, more confident and enjoy a greater social life since moving to a retirement village, and some go as far as to say they wish they'd done it sooner.

So, what can you expect from life in a retirement village?

- › Independence without the extra chores
- › A sense of community
- › Community facilities
- › Handy services which come to you
- › A say in the way things are run
- › You can keep your 'old life'
- › More time for your interests



How did the move to a retirement village affect residents' lives?

27%

said that their physical health had improved (58% no change)

39%

said that their mental wellbeing had improved (50% no change)

37%

said that their financial security had improved (47% no change)

51%

said that overall life satisfaction and happiness had improved (34% no change)

Source: villages.com.au National Resident Survey 2018

Healthy, happy and oh so wise

Inevitably, our health is a major consideration in decisions about our retirement lifestyle.

Retirement villages can have arrangements with a range of medical and allied health professionals, with on-site or visiting services including:

- › General practitioners
- › Nurses
- › Physiotherapists
- › Podiatrists
- › Massage therapists
- › Pharmacists
- › Psychologists
- › Occupational therapists

In addition to health services, retirement villages also offer a variety of other activities for residents to get involved with. That doesn't mean you have to get involved. Village life simply provides a safe, supportive community environment where you can socialise, explore common interests and get involved in activities as much or as little as you want to.

Let's talk about money

Few things cause as much worry in life as our financial future. The simple fact is there are many ways to fund retirement, but you need to make decisions armed with as much knowledge as you can find. Think about what you really want. Weigh up the options. Talk to your family. Take advice from your financial adviser. Develop a plan.



Costs

Just as there are a range of different home options, there are also a range of different cost structures and financial agreements depending upon which retirement village you choose.

It is important to clearly understand the costs and structure of any agreement you are entering into.

The purchase price of your new village home is just one of three different types of costs that apply to living in a retirement village. Generally, these are:

1. The entry payment
2. The service charge/s
3. The deferred payment fee (also known as an exit fee or deferred management fee).

It is important to note that buying into a retirement village is not the same as buying a home anywhere else. In most cases, you don't purchase the land title to your retirement village unit. Instead, you purchase a right to live in it and use the services and facilities that the village offers.

IMPORTANT THINGS TO CHECK BEFORE YOU SIGN

Before you sign anything, make sure you check on a few key things.

- › What does your entry payment include? Does it just cover the cost of your home or does it include service charges?
- › Ask what the weekly or monthly service charges actually are for your village. Check what services are included in this fee – and what services are not.
- › If the village has a gardener or a bus, do you need to pay for these as extras or are they included?
- › What are you obliged to do if you want to sell your home and move out? Are there costs involved? If so, what are they?
- › Are you required to replace carpets/floor coverings, curtains, heaters or kitchen or laundry appliances if you decide to leave the village? Or are these already covered?
- › Do you need to pay out any fees or charges if you decide to leave the village earlier than you were expecting?
- › If you leave the village, are you required to pay service charges for a period?

It's important to be entirely clear what is included and what is an additional charge.

When you do your budget, allow for increases each year at least in accordance with CPI, plus your own power, rates and water.

That should start to give you a reasonable picture of your overall spend.



Staying vs. moving How to compare the costs?

The average tenure in a retirement village is 7-11 years, so when you are comparing the cost of living in a village with your current cost of living, you need to think about more than your current day-to-day living expenses.

If you were to stay in your current home for that extra decade, what would be all of the costs over that time?



THE THINGS YOU DO NOW BUT MIGHT NEED TO PAY SOMEONE ELSE TO DO IN THE FUTURE

Gardening, cleaning the pool, housecleaning, general repairs and maintenance.



OCCASIONAL COSTS OR ONE-OFFS

House painting, clearing gutters, replacing appliances or hot water system.



MINOR (OR MAJOR) RENOVATIONS TO HELP YOU TO CONTINUE LIVING IN YOUR EXISTING HOME

Slip rails in the bathroom, replacing the bath with a walk-in shower, changing to mixer taps, adding ramps or widening doorways to accommodate a wheelchair.

Many of the above services may be covered under your residence agreement or regular service charge depending on your retirement village. And many of the home features will already be part of your retirement village home, so renovations are unlikely to be needed. It's important to consider all of these things to get a true comparison of the costs of staying vs. moving.



How do I know which village is for me?

The question of which village to choose is a highly personal one as what's most important to you may not necessarily be top of the list for someone else.

WHERE TO BEGIN?

Make a list of 'must have' things that you have identified as what you need to live comfortably in a retirement village.

Each village will have a set of disclosure documents to help you really dig into the details of what they can offer. Contact your shortlisted villages and ask for a copy of theirs.

With the disclosure documents, you'll be able to compare things more easily. They will outline the village's rights and responsibilities, as well as yours as a resident. It can include information about:

- › accommodation types
- › the Retirement Living Code of Conduct
- › village facilities
- › village land
- › residents' rights and responsibilities
- › fees and charges
- › mandatory funds, such as special building funds
- › the resale process and exit entitlement
- › financial information
- › the dispute resolution process

THE RETIREMENT LIVING CODE OF CONDUCT (the Code) is a commitment to high standards and ensuring that residents have the experience that they deserve.

The Code gives retirement community owners and operators a set of standards, so every resident's experience is a good one. Operators are accountable to residents to maintain high standards across best business operations and community experiences.

For more information please visit www.awisemove.com.au/code-of/conduct.

Visit multiple villages before choosing your preferred home. It helps to directly compare and contrast what different villages offer. Take friends or family with you, talk to the residents and meet the village manager. Check out the community areas, parking, and grounds.

Lastly, how does the village 'feel'? Sometimes your gut instinct is your best guide.

Be sure to compare the contracts of different villages and operators. Before you sign anything, make sure it reflects what you've already read and what you have been told. There's no such thing as too much peace of mind.

Legal things matter

As much as you are excited about a new home and a new chapter, there is the 'small' matter of the paperwork to deal with. Like any legal document, retirement village contracts are complex.

It is wise to take the time to understand the detail in these contracts before you sign on the dotted line. Getting your own independent legal advice is also always a wise move.

KEY THINGS TO CONSIDER:

- › Legislation is different in every state and territory in Australia. Therefore, contracts will also be different depending upon the location of the village you're buying into.
- › What type of legal tenure do you want over your home? Will you be an owner? Will you be a lessee or a renter?
- › Different operators have different information and legal requirements.
- › Your contract will include a section on residents' rights and responsibilities. You need to be satisfied with these before you sign any agreement.
- › Does your legal adviser have specific experience in retirement village contracts?
- › There are different contracts for different types of homes and villages. Check and double check that you are clear on the details of your specific contract.
- › Feel free to talk with village operators and negotiate a contract that meets your specific needs and circumstances.



TYPES OF CONTRACTS AND 'RIGHT TO OCCUPY' AGREEMENTS

Every state and territory in Australia has different legislation governing retirement villages and property occupation rights. In each case, your right to live in your village and the terms and conditions of your occupation will be different, depending on the type of home that you occupy and the type of tenure that you have.

It is important that you understand which one applies to you. There are several different types of tenure:

- › Leasehold
- › Strata title/freehold
- › Licence arrangement
- › Rental
- › Company title
- › Unit title

GET THE BIG THINGS RIGHT

- › Seek the advice of a lawyer experienced in retirement village contracts
- › Don't sign anything before you get independent legal advice
- › Understand your rights under your agreement
- › Know your responsibilities in your particular village
- › Know your village operator's responsibilities
- › Understand your fees and costs
- › Know where you can get assistance if you find a problem

SHOP AROUND

You wouldn't buy the first home you see or accept the first price you're given. Buying in retirement is no different. You might be lucky and find 'the one' on your first viewing, but it's wise to compare and contrast with other villages before you sign on the dotted line.

Make sure you compare the legal and financial aspects, not just the accommodation and amenities. And of course, it's a wise move to seek professional advice before you sign anything.



When it's time to make your move

Sitting the family down to discuss your plans for retirement can sometimes bring about a little anxiety.

Talking about money with family is not something that most of us generally do. And when you throw in the other topics that will inevitably arise – health, ageing, inheritance, selling the family home – it's a conversation that can be quite emotional.

But it's a critically important conversation to have.

You are about to make a significant change to your life. As hard as it might be to get the conversation started, it's important that your family understands the decision that you have made or are about to make.

It's important that everyone knows what YOU want.

START AT THE BEGINNING

The best time to have a conversation about your retirement plans is while you are still considering your options. This allows the family to be part of the decision, part of your search from the start, providing support and a second (or third, fourth or fifth) set of eyes while you find your next home.

There's a lot you could cover, and what you need to talk about will vary according to your personal circumstances – and your family members. You might want to just talk about your retirement plans, or you might want to have a much bigger discussion than that – about retirement, finances, health and estate matters.

IT'S ALL ABOUT YOU

What you choose to do in your retirement is about what you want to do, and how you want to live. There are a lot of options available, so take the time to think about what your ideal retirement lifestyle looks like and find the perfect match for you.

Village living is great, but it's not for everyone. You should do your own research, visit different villages, speak with village managers and residents, and seek professional financial and legal advice.

This information is taken from *The Book of Wise Moves*, produced by the Retirement Living Council.

More detailed information is available in the full-length booklet, available from your village operator or by visiting awisemove.com.au

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