



Housing Options. Retirement Village Housing

What is a retirement village?

Retirement villages are complexes of residential units or a number of separate complexes of residential units on common land. These units are intended for residential use under a 'retirement village scheme'.

They may be either privately owned or owned and run by not-for-profit organisations or local governments. They do not receive government funding. Retirement villages are regulated by the *Retirement Villages Act 2016* and *Retirement Villages Regulations 2017*. The Act defines a 'retirement village scheme' as one that is established (predominantly), for 'eligible persons and their spouses or domestic partners'. An 'eligible person' is defined as one who have attained the age of 55 years and retired from full-time employment.

What is not a retirement village?

Retirement villages are not aged care facilities (formerly known as nursing homes and hostels). These are facilities that provide various levels of care and are operated under the *Aged Care Act 1997*. An aged care assessment is required to gain entry to these facilities. All aged care facilities undergo a specific accreditation process to ensure they meet service standards set in the legislation.

Retirement villages are not Supported Residential Facilities (SRFs) (formerly known as rest homes). These provide housing and some personal care to older people and people with disabilities. SRFs provide special services (such as meals, linen, cleaning, assistance with medication, showering and finances) for a contracted weekly payment. SRFs are regulated by the *Supported Residential Facilities Act 1992*.

Some serviced apartments in retirement villages may have dual licence and also operate under the *Supported Residential Facilities Act*.

Retirement villages are not residential parks. These are operated under the *Residential Parks Act 2007*. See specific fact sheet covering this housing option.

Retirement village units are not normally available on a rental basis.

How are retirement villages organised?

Retirement villages provide, by definition, housing for people predominantly aged 55 years and over who are able to live independently. In some villages personal care and support services can be purchased for a fee.

Some villages offer independent living and serviced apartments, and may also have a Commonwealth-funded aged care facility on site, which means that accommodation operating under up to three different government Acts may be provided in the same complex.

Living in a retirement village is not the same as owning your own home or renting. Retirement villages are marketed using different legal and financial arrangements. In effect, the resident provides the retirement village operator with an interest-free loan, which gives the resident the right to live in a unit and benefit from whatever lifestyle the village offers.

When residents leave a village they are entitled to a return on any premium that has been paid, based on the arrangements in the original resident agreement or contract (exception may apply to entry contribution arrangements). This may be current market value at the time, or the amount paid at the time of entering the unit, less any deferred fees agreed in the contract. As a general rule, the deduction of deferred fees results in the amount initially invested being significantly reduced at final settlement, even though the market value of the unit may have increased.

Legal issues

The *Retirement Villages Act 2016* outlines the rights and obligations of residents and management in a retirement village. The retirement village must offer you a *residence contract* outlining your rights and obligations. It is important that you understand the contract and its implications. As it is a major financial and lifestyle decision, it is advisable to get legal and financial advice before signing.

A cooling-off period of 10 business days commences from the date the *residence contract* is signed, giving you time to consider your decision to move into the village. Residents are entitled to a 90-day settling-in period after the date of

Catalyst Foundation is supported by the Australian Government Department of Health. Visit the website <https://agedcare.health.gov.au/> for more information. Although funding for this publication has been provided by the Australian Government, the material contained herein does not necessarily represent the views or policies of the Australian Government.



Housing Options. Retirement Village housing

the contract or the date on which the s/he is admitted to occupation of his/her residence in accordance with the scheme (whichever is later). During this time a resident may decide to leave and is entitled to a full refund of their premium minus a market rental for the time the unit was occupied and payment for any village services that have been used.

Types of housing offered by retirement villages

Independent living units

Most villages offer predominantly or solely independent living units, catering for people who can live without or with very little support, or who receive support through other programs and services.

Serviced apartments and user-pays services

Serviced apartments are suitable for older people who wish to live in a supported environment where services such as laundering of linen, meals and cleaning are provided. Serviced apartments are usually bed-sitter or small single bedroom units, but there are some more spacious options on offer. The resident pays a regular service fee in addition to the licence to occupy or entry contribution. Extra services such as assistance with showering and personal laundry may be provided at an additional cost.

Some retirement villages offer its residents the option to live in independent living units and use services such as meals, laundering and personal care as required, on a user-pays basis.

Financial arrangements

Resident-funded units are sold at market value. The resident does not own the unit but purchases a licence agreement which in effect gives the administration of the village an interest free loan and the resident a licence to reside in the village. When the unit is remarketed the administration will often retain a percentage of the sale price. Prospective residents should have a full understanding of the way the refund is calculated, and any other costs associated with the re-licensing procedure.

Entry contribution units are mostly offered by non-profit organisations. The organisation requests an entry contribution on entry, in exchange for the right to occupy the unit. Usually none of the entry contribution is refunded when the resident leaves the unit. However some arrangements and contracts may include a smaller percentage of refund (in comparison with the resident-funded type).

These financial arrangements are negotiated between the residents and the organisations when accepting the conditions of entry.

In both scenarios above a regular maintenance fee is paid, covering the services offered by the village, with the exception of general household expenses such as telephone, electricity and contents insurance.

Useful resources and contacts

Catalyst Foundation (including the Seniors Information Service) maintains an online housing directory featuring information on retirement villages including vacancies. It is possible to search villages by name, unit type and/or location. The directory is available at www.catalystfoundation.com.au/housing/. Foundation's staff can assist with searching the directory and provide information by phone, email or in person.

The Foundation also offers a monthly seminar on retirement villages.

Office for the Ageing (OFTA)

In South Australia OFTA administers the Retirement Villages Act and provides information and advice to residents, residents committees, administering authorities and the public on matters referring to retirement villages; mediation and conciliation of contractual disputes and investigation of breaches of the Act. Tel. 8204 2420; email RetirementVillages@sa.gov.au.

South Australian Retirement Village Residents' Association (SARVRA) provides advocacy and lobbying on behalf of retirement village residents; information for people considering moving into a retirement village and advice on dispute resolution procedures. Tel. 8232 0422; www.sarvra.asn.au

Aged Rights Advocacy Service (ARAS)

ARAS offers a free, independent and confidential service for South Australian retirement village residents. It can assist residents understand their rights and responsibilities in relation to their occupancy as a retirement village resident. This service provides referral, advice, support, or representation to a resident with matters relating to the resident's contract and the retirement village legislation. Tel. 8232 5377, 1800 700 600; www.sa.agedrights.asn.au

The South Australian Civil Administrative Tribunal (SACAT) has the power to resolve disputes between retirement villages and residents, including breaches of the *residence contract* or breaches of the Act. The Tribunal cannot hear disputes between residents or any dispute which is not related to the Act/Regulations or the *residence contract*. Tel. 1800 723 767; email: sacat@sa.gov.au; www.sacat.sa.gov.au