



Retirement Villages

Some of the most commonly asked questions about Retirement Villages are discussed on this page.

1. What is a Retirement Village?

Quite simply, a Retirement Village is any residential complex in NSW where the majority of residents are aged fifty five (55) years or older, and those persons have some form of contract with the person or organisation operating the complex, then that complex is subject to the Retirement Villages Act NSW 1999.

Caravan Parks and Manufactured Home Estates are not Retirement Villages, even if they market their lifestyle to over 55's. Such places are covered by the Residential Parks Act 1998 (NSW).

2. What types of accommodation are provided in Retirement Villages?

Most Retirement Villages offer self contained premises (or self care units) for those able to live independently. Some Villages offer serviced premises for those residents who require services such as meals, cleaning and personal care. Some offer a combination of the two types.

Retirement Villages may be designed as clusters of single storey units or cottages or as apartment blocks. Premises within villages are generally 1-2 bedrooms for occupation by an individual or a couple. Retirement Villages may have just a few residents or many hundreds.

3. What types of contractual arrangements are used?

There are a range of contracts used within the retirement village industry. If you are not buying the premises you may be asked to sign a licence or a lease or some other form of occupation agreement.

There are usually four (4) different legal structures commonly used in Retirement Villages:

- (a) Loan/ Licence;
- (b) Lease;
- (c) Strata; and
- (d) Company Title.

(a) Loan/Licence

This scheme gives you a licence to live in the Village and occupy your unit subject to the conditions set out in your Contract. An ongoing contribution is generally required. You cannot transfer this licence to another person. The right to occupy ends when you leave the Village or die. A refund is generally made to you or your estate.



(b) Lease

The Village Operator retains ownership of the Village and each resident pays an ingoing contribution in the form of a lease premium of prepaid rent. The Lease is a long term lease on an unit and in addition the resident has the right to share the use of the village amenities. The Lease ends when the resident dies or gives notice to Surrender the Lease.

(c) Strata

You actually own the Title of your Unit under Strata Title. The common areas may be owned by the Owners Corporation or the Village Operator. Usually there will be a Contract between the Village Operator and the Owners Corporation for the Operator to provide services to the resident.

(d) Company Title

The Village property is owned by the Village Company, which sells shares to residents. The ownership of the shares entitles the shareholder (the residents) to live in the Unit and to use Village facilities. If you sell your shares you are entitled to the price that may be required to pay a departure fee.

4. What services and facilities are found in Retirement Villages

The level of services and facilities available varies from Village to Village some Retirement Villages have little or no services and facilities. Other Villages may offer services such as a bus, vital call system, on site management and a range of recreation and function facilities. Each Village must itemise their services and facilities in their Disclosure Statement.

5. Which organisations operate Retirement Villages in NSW?

Church and charitable organisations operate many Retirement Villages in NSW. Some community groups, particularly in regional areas also operate Villages. An increasing number of Villages are being operated by private companies.

6. What documents must be given to prospective residents?

Operators must give all prospective residents a copy of the NSW Fair Trading's Retirement Village living booklet, which outlines the basic rights and obligations under the Retirement Villages Act. Prospective residents must also be given a Disclosure Statement in accordance with the Act.

7. What other documents must be available to prospective residents

- Village Operators must have available for inspection and provide copies free of charge on request the following:
- Samples of Village Contracts
- Site Plan

Plans showing location for plan and dimensions for the available premises, budgets for the last three years, audited accounts for the Village in the last three years, Village rules, waiting list, policy, court or tribunal orders in the last five years.

8. Can a Waiting List fee be charged?

This is a matter for each operator to decide if they have a waiting list and if so, whether a waiting list fee has been charged. However a waiting list fee cannot exceed \$200.00.



If you would like further information, or require assistance, please contact us on (02) 4731 5899 or send us an email by clicking on the 'Contact Us' page on our website.