

Moving into a retirement village

Before moving into a retirement village

If you are considering retirement village living, you need to think about what type of village you want to live in and seriously consider what you can afford on a continuing basis.

In South Australia, retirement villages are most commonly owned and/or operated by either private developers or non-government or charitable organisations.

Once you have decided on a village that you want to live in, you will be asked to enter into a residence contract. This sets out your rights and obligations and ultimately governs the relationship between you and the administering authority (the person(s) who administer the retirement village scheme).

You should be aware that you do not own the residence in which you live, but rather have a lease or licence which gives you the right to occupy that residence. In some instances, you may have a proprietary interest in the residence (e.g. a community title). You may not be able to transfer your interest in the residence and you may not be able to borrow money against the property.

If you need to sell your home before moving into a retirement village, it is wise to ensure any contract you enter into is subject to conditions that meet your sale needs. If you do not receive the amount that you need or are expecting from the sale of your home, then your financial position can be seriously compromised.

Shared equity deals may be offered by some villages. This generally occurs when the organisation allows a resident to pay less to enter the village but will recoup this amount when the resident leaves. This type of equity deal is generally used to give people access into a village when the market is slower and they are not offered frequently.

It is important that prospective residents are aware of the consequences of such equity deals and the possible financial impact when they leave the village.

Making a move under uncertain financial conditions can create additional pressure and stress and diminish the positives about moving into a new environment. You also need to consider what else you may need or want to purchase (e.g. new car, holiday, new furnishings, air conditioning/heating, appliances).

It is important to remember that, like any financial transaction the buyer beware principle applies. The value of doing your homework before you enter into a contract cannot be over emphasised.



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It is very important that you fully understand what you are agreeing to and what the legal and financial implications are for entering, remaining in and leaving the village, and the implications for any spouse or partner you may have.

As part of the moving in process, you will be presented with several documents. These can be lengthy and quite daunting. Nonetheless, it is critical that you read and understand the various clauses in your contract. It will generally be a legally binding document for both you and the administering authority.

Many people consider moving into a retirement village as their last move and do not concern themselves about leaving the village. However, you may want or need to leave for a number of reasons e.g. family members move interstate and you want to be closer to them, you need a higher level of care. You will also need to consider what will happen to your spouse or partner should you cease to reside in the village.

When speaking with an administering authority or their sales representative, take note of verbal promises about additional services, or exemptions which are not contained in the advertising material that you have seen about the village. When checking your contract, double check that these verbal promises have been included.

Rights and responsibilities

The [Retirement Villages Act 1987](#) ("the Act") and [Retirement Villages Regulations 2006](#) ("the Regulations") describe the rights and statutory obligations of retirement village administering authorities and residents. The Act and Regulations can be purchased from

Service SA Outlet
108 North Terrace, Adelaide, SA 5000
Telephone: 13 23 24

There is also an online shop at www.shop.service.sa.gov.au

South Australian Acts and Regulations can also be accessed free of charge at www.legislation.sa.gov.au

