



Retirement & Land Lease Communities

BY STACEY BAKER
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Agenda

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- > Land Lease Communities
 - In the Local area
 - Pros & Cons
 - How the Contracts are structured
 - Cost Structure
- > Retirement Living Communities
 - In the Local area
 - Pros & Cons
 - How the Contracts are structured
 - Cost Structure
- > Key Questions for Seniors Living Communities
- > Accessing information

Difference Between Communities

Seniors Living Communities Victoria & Australia

Land Lease Communities in Victoria

- Market to active individuals seeking community living
- Purchase and own the home
- Home is built to be portable
- Rent the land from operator
- On-site management minimal
- Operate under Caravan Parks Legislation
- Generally, a standard contract across community

Retirement Living Communities

- Traditionally attract individuals seeking community living, seeking greater security for future
- Incoming contribution (purchase price) is paid
- Right to occupy on long term lease arrangement from operator
- Operate under Retirement Living Act (VIC)
- Often can have different contract options

Landlease Communities

Local communities

- Lifestyle Communities – Warragul, Nar Nar Goon

Pros

- Own house can make modifications inside without permission
- Free up capital when downsizing
- Retain any capital gain
- Some residents may qualify for rental assistance
- No stamp duty as no title transfer
- Living in a community with people over the age of 50

Cons

- Some homes not suitable as mobility may change
- May result in the need to move again
- Price can be impacted based on volume of houses for sale at any time
- Minimal assistance from operator for ageing in place

Landlease Communities

Key Facts, Contract & Cost Structure

- In going price covers the purchase of the home of your choice
- You sign a land lease for a long term e.g. 45, 50 or 90 years
- You commit to pay the weekly site fee for the term of your lease
- Weekly site fee differs from each community but can range from \$180.00 to \$230.00 per week and can change annually
- Deferred Management fee payable on exit – up to 20%
- If the operator sells your home for you there is usually a commission payable
- Most operators charge an admin fee for home sales
- The resale price of your home is not net it is determined by the market at the time

Retirement Communities

Local communities

- Fairview Retirement Community, Encore Trafalgar

Pros

- Moving to community with like-minded people
- Free up capital when downsizing
- Capital Gain is determined by the contract you sign
- No stamp duty as no title transfer
- On-site team there to provide assistance in range of areas
- Usually constructed to facilitate ageing in place

Cons

- Retirement contracts and clauses can be difficult to understand
- People often find it difficult to evaluate the lifestyle benefits v property benefits
- Need to obtain permission from operator for changes within your unit
- Any changes to home usually need to follow predetermined design guidelines

Retirement Communities

Key Facts, Contract & Cost Structure

- You sign a leasehold agreement for a long term e.g. 45, 50 or 90 years
- You commit to pay the monthly fees that cover the cost of running the community
- Contracts can differ within communities and between communities key variables include:
 - Deferred Management payable on exit – what is the % and is it payable on ingoing or outgoing price. Often scaled
 - Capital Gain – is that kept by resident, operator or shared
 - Refurbishment of apartment – who is responsible
 - Long term reinvestment fund – does it exist and what is the %
 - On exit – mostly don't receive funds until unit is sold. Also what happens with monthly fees
- If the operator sells your home for you there is usually a commission payable
- Most operators charge an admin fee for home sales
- The resale price of your home is not net it is determined by the market at the time
- Community budget are reviewed and signed off by resident committee. Residents have a say on how the community can be run. This can be good and bad.