

Housing Options for Older Residents: Alternative Retirement Options, Collaborative Housing & Retirement Villages 2022



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Collaborative Housing Models

Collaborative housing can be for both owners and renters, and there are options to suit all ages and demographics. Any advice presented here is general and does not consider your personal situation and needs. It is recommended you seek legal and planning advice before making any decisions.

Definitions

Collaborative housing models have a few common features:

- There is a focus on sharing and building community.
- They contain a mix of private and communal space.
- There is sharing of resources and equipment.
- Residents have input in the design, financing strategy, development, and ongoing management of the community post-occupancy.

Collaborative retirement

Collaborative retirement is like getting some friends together, or forming a new group of likeminded individuals, and then applying the principles of zoning codes (subdivision, multiple occupancy) and ownership structures (strata title, tenants in common) to build your collective idea of what a retirement village should look like.

The benefits are obvious: feeling connected, ageing in place, offering and receiving informal care, and reducing living costs.

The process to follow is less obvious, but if this way of living appeals to you, there is help available. You can start with (*booklet one* in this series for *zoning* and *ownership structures*) and the websites of the following Australian-based organisations:

Options to get started

- Collaborative housing <https://www.collaborativehousing.org.au/stories-collaborative-retirement>
- Agency cohousing and community <https://agencycohcom.org/>
- Eco villages Australia <https://www.ecovillages.com.au/>
- Housing options in Indigo Shire – Nestd Villages and Hadar Homes <https://www.indigoshire.vic.gov.au/Residents/Housing-in-Indigo#section-1>

Small scale cohousing

This model looks at existing space within a community and developing the land – either one block or a larger parcel – to create individual residences for multiple residents. This can be done by individuals who own the land, or by developers.

Shared spaces for socialising are incorporated into this design, as well as sometimes shared gardens, pools, kitchens and laundries. It could involve one family renting off another, or shared ownership – or in some cases all residences will be rented out by landlord or developer.

Small-scale cohousing can provide an option for older people to leverage the value of their home to receive rental income in retirement while downsizing, or to move in with relatives or friends while retaining privacy.

If you are interested in this model, then talk to the planning department at Council or an architect about what kind of small-scale cohousing is possible on your property.

If you like the idea of living in a lifestyle or retirement community but prefer it established and managed by a private property developer, the following section is for you.

A Lifestyle or Retirement Village

Legal definition of a retirement village

Not everything that looks like a retirement village is one. A development that is a 'retirement village' is covered by the *Retirement Villages Act*, and is a community where:

- most residents are 55 years or older or are retired from full-time employment (or are spouses/partners of such people)
- residents receive accommodation and services, other than services provided in a residential care or aged care facility, and
- at least one of the residents, as a contractual condition of entering the retirement village, paid an ingoing contribution that was not rent. It does not matter who made that payment, or whether it was a lump sum or by instalments.

If a community meets this legal definition of a retirement village, every resident is protected by the *Retirement Villages Act*, whether they paid an ingoing contribution, or own or lease their unit.

The owner of land to be used as a retirement village must lodge a 'retirement village notice' with the Land Titles Office. This notice is recorded on the land title, which can be checked on the Victorian Government's Landata website.

It is illegal for anyone to offer contracts that claim to entitle a person to become a retirement village resident without lodging this notice.

Ownership and Cost Structures

Retirement villages require that you pay an entry contribution fee or an ongoing contribution fee to live there.

There are three different models or tenure types when it comes to retirement village fees:

1. Loan or Licence to Occupy

Your ownership rights

You are given the license to occupy your dwelling; in return you pay the equivalent of an interest-free loan to the retirement village.

Payments by you

- an entry contribution (usually the current market value of the dwelling)
- periodic maintenance fees
- special levies for refurbishment.

When you leave

You get your entry contribution refunded, less a deferred management fee (DMF). You get back a portion of the capital gain on your dwelling.

- The DMF is usually 3% of your entry contribution per year of residence, up to a cap of 12 years.
- The portion of capital gains kept by the village (most commonly) is 50% of capital gains from the resale of your dwelling. Resale is the entry contribution of the next occupant of your dwelling, minus the entry contribution that you paid.

Other fees

Many retirement villages continue to charge ongoing fees to ex-residents after they have left the village. Regulations in each state and territory apply a maximum amount of time that ex-residents can be forced to continue to pay fees after leaving, ranging from 42 days in NSW and the ACT up to 9 months in Queensland.

2. Leasehold

Your ownership rights

The village sells you a long-term lease to occupy your dwelling. The lease is registered with the Land Titles Office.

Payments by you

A lump sum plus stamp duty.

When you leave

You receive a lease termination payment; it is based on the resale price of the lease to the next occupant.

3. Freehold title

Your ownership rights

Outright ownership. The title deed is registered with the Land Titles Office.

Payments by you

A lump sum plus stamp duty.

When you leave

You receive the resale price, less village fees.

Is buying into a retirement village a good investment?

Buying into a retirement village is not the same as buying an investment property.

You may face substantial costs when you leave a village. Buying into a retirement village is a lifestyle decision, not an investment to make money (Productivity Commission, 2015).

It is recommended that you seek legal advice specific to your situation before making any final decisions.

This booklet sets out options for *Retirement Villages and Community Living* but if that's not for you, you may find useful information in our first booklet for *Homeowners*, or the second one which covers *Rental and Social Housing* options.

References

Productivity Commission. (2015). Housing decisions of older Australians: Commission research paper, Canberra.

Resources

Hadar Homes – Rooming Houses Project

With 35 years' experience in the building industry, Rick Leeworthy owner of local building company of Hadar Homes noticed several years ago that nearly one third of all homes were occupied by only one person. In order to meet this need of providing affordable single occupancy housing, Rick created a small boutique design team within his business to produce purpose-built housing accommodation across the region. By using the current Victorian Rooming House Planning Scheme exemptions, Rick and his team are building well-designed housing solutions to meet the demand and fill this gap by providing affordable multiple resident housing in local communities across NE Victoria.

P: 02 6055 7900 M: 0428 300 574 E: rick.leeworthy@hadar.com.au W: www.hadar.com.au

Nestd Homes - Nestd Villages

Over the last 3 years, Nestd has been providing pre-designed and pre-fabricated affordable compact homes in to the regional residential and tourism sectors around Australia.

Nestd's new division, Nestd Villages, is focused on addressing the affordable housing problem for unfunded retirees (pensioners) in regional areas. The village would be located near the town centre and close to local services and amenities. Pensioners will be able to rent a home on a long-term, secure lease within a safe community environment. The rents will be offered at a discount to market rents and it is anticipated that single older women at risk of homelessness will account for a good proportion of the total residents in each village.

www.nestdhomes.com.au

Retirement villages in Indigo Shire:

Hillsborough Village

Located in Beechworth, the village is a 17 house estate for over 55's. Hillsborough is part of the Riverina Murray Region of the United Protestant Association of New South Wales. A not-for-profit provider of aged care services, operating five retirement villages, six residential aged care facilities and providing aged care support services across southern NSW and the Border.

32 Sydney Road,

Beechworth, Vic 3747

Phone: 02 6025 1776

Email: regionaloffice@upamurray.org.au

Yackatooon Village

10 architecturally designed one-bedroom apartments with car parking and shared spaces in Yackandandah. The village is a development of Yackandandah Health.

There are two options: a strata title purchase or renting the apartment.

20 Isaacs Avenue Yackandandah VIC 3749

Phone: [02 6028 0100](tel:0260280100)

Email: info@yackhealth.com.au

Website: <https://www.yackandandahhealth.com.au/retirement-living-apartments-north-east-vic.html>