

Independent Living frequently asked questions

Who owns and manages the independent living villas?

Catholic Homes owns and operates four independent living villages, as well as residential aged care and home care services. The organisation is an incorporated association (est. 1965) and a registered charitable institution.

Catholic Homes is governed by its Board and managed by a highly experienced executive team with a broad range of qualifications and expertise including business, nursing and health services, accounting and community development.

Am I allocated an aged care place if I live in an independent living village?

Current legislation deems that independent living village residents do not have automatic entry to an aged care residence. Please refer to "Retirement Villages Regulations 1992 Schedule 2 (1)" provided at the end of this FAQ.

What age does the oldest resident of a couple have to be to live in an independent living village?

To qualify for residency, at least one resident in a villa must be aged 55 years or older. All residents should be capable of independent living in the village.

Do I purchase or lease a villa at one of Catholic Homes' sites?

Residents of our independent living villas receive a security of tenure through a lifetime lease for the exclusive occupancy of the residence (often called a "lease for life"). This is subject to the rights of termination in accordance with the Retirement Villages Act 1992 and the Agreement for Villa Residency.

Residents are welcome to use the shared areas and shared facilities on a shared basis with other residents.

The "Entry Contribution" is the current market value payable for a villa within the village setting.

Why a lease for life?

Leases are widely used by retirement village operators in Western Australia as they are the most practical and cost effective method for residency contracts.

A lease gives residents the security of tenure they reasonably expect and ensures that the whole village is maintained to a continually high standard by Catholic Homes. This type of agreement also keeps the development costs down as there are no separate titles and no GST payable on the lease. Stamp duty may be payable in some villages, but no stamp duty is applicable for an independent living village under current legislation.

A long-term lease also provides a secure and legally binding interest that is protected by the Residency Agreement, the Retirement Villages Act 1992, Fair Trading (Retirement Village Code) Regulations and a Memorial which is lodged over the title of the village protecting your rights under the Retirement Villages Act.

The village cannot be sold for any other purpose than as a retirement village so your investment is secure.

Do I own the villa?

Residents don't own the asset but may benefit from any growth in its value when their villa is "sold".

When you purchase a lease for life villa, your payment means that when there is capital growth on the property upon re-sale, you share in this growth. This is sometimes called a "capital share lease" arrangement.

Villa values go up and down over time in much the same way as your current residence. Under the Independent Living Village Agreement, residents receive the benefit of a proportion of capital growth, subject to conditions, upon re-leasing. This does vary between villages and organisations and you should check to see if an agreement allows you to benefit from capital growth.

What are the ongoing costs to residents?

Each residence contributes a proportion of the village operating costs. This proportion is based on the size of the residence, the number of bedrooms in your villa. The amount of this fortnightly payment is presented at an Independent Living Villa Residents' Budget Meeting usually held in May each year before the end of each financial year.

Independent Living residents are invited to comment on and ask questions about the proposed budget and fortnightly fees payable for the next financial year.

Fees are payable fortnightly in advance. For the current fortnightly fees payable at our villages please consult the accompanying financial information fact sheet.

Some components of the village operating costs are described below and a more comprehensive list is provided in the Residency Agreement:

- Grounds maintenance to the common areas
- Shopping bus service
- Building maintenance, including external painting
- Community centre maintenance
- Salary expenses
- Energy costs to common areas
- Water rates and consumption/taxes/fees/rubbish removal
- Insurances for buildings, public liability and worker's compensation for employees of the village
- Security patrols overnight

Items not covered in the fortnightly fees which the resident is responsible for:

- Contents insurance and worker's compensation insurance if you wish to employ your own tradespeople or domestic assistance
- Personal use of gas, electricity, phone, internet, Foxtel and any other services provided to the residence
- Rates are currently exempt and are controlled by State Government law in relation to the churches and charitable or "not for profit" sector. You would be responsible to pay rates if the law is changed in future and, in this event, normal concessional rebates applicable on an individual basis would apply to you.

What maintenance am I responsible for?

You are responsible for keeping the interior of the villa, its additions, including plumbing fixtures, doors and locks, glass and other fixtures in or belonging to the villa in good and tenable repair and condition. See items mentioned in Schedule 5 - Excluded Items in the Agreement for Villa Residency.

In addition, you maintain any private outdoor areas and gardens not forming part of the shared areas.

Is there a garage or carport?

Most of our villages provide either a carport or garage for residential use. However, at Servite in Joondanna there are only 10 carports for 24 villas. Visitor parking is available at most Catholic Homes sites. Visitor parking at Servite is on the street.

Can I have a pet?

Yes, pets may be permitted at the discretion of Catholic Homes and must be authorised in writing.

Incoming residents must abide by and sign a Pet Agreement Form, as your pet should not intrude on your neighbour's amenity. Assistance and guide dogs are permitted.

Are there any other services available in the various villages?

Some optional services may be available in our various sites including meals, and use of the Community Centre. However, please refer to the Optional services schedule in your Agreement for Villa Residency for up to date information.

Can I receive Home Care Services?

Yes, all independent living residents can receive Home Care services in their villa and are welcome to choose their own provider.

Catholic Homes offers a highly competitive, personalised Home Care service. Contact 1300 244 000 or homecare@catholichomes.com for more information.

Is there security at in the various villages?

Yes, a security service patrols the village twice at random times during the night.

EMERGENCY SITUATIONS

If you have a life-threatening emergency in your villa, you are advised to call 000. The operator will ask which service you require – ambulance, police or fire. Please nominate the service you need and the operator will confirm your address so the service can be sent to you as soon as possible.

Under what circumstances can an Agreement for Villa Residency be terminated?

The Agreement for Villa Residency may be terminated in the following circumstances:

1. The resident wishes to terminate
2. The resident dies, or if the residence is leased to more than one resident when the sole surviving resident dies
3. Due to health reasons it is not suitable for the resident to reside in the village
4. The resident is in serious default under the Lease and fails to rectify that default
5. Circumstances exist, as provided for in the Retirement Villages Act 1992, which entitle termination.

In cases numbered 3, 4 and 5, except where the resident agrees to terminate, the termination must be made by an order of the State Administrative Tribunal.

RE-SALE MARKETING RIGHTS

Catholic Homes markets the residence directly or by its agent. The villa can only be marketed in accordance with the marketing provisions of the village scheme.

The current market value is determined by Catholic Homes' real estate appraisal before the villa is offered for sale. The value will be determined taking into account the general real estate market at the time, the villa's position within the village and any refurbishments carried out by either Catholic Homes or previous resident.

What if I decide to 'sell'?

As the villas are held under a lease, they are not actually "sold" in the legal meaning of the word. Rather, the lease is terminated and the villa re-leased to the new resident. When the villa is re-leased, it is usually at the current market value.

When the "New Entry Contribution" is paid by the new resident, Catholic Homes is entitled to receive the following from you before paying your "Repayment Amount":

1. AN 'ENTRY CONTRIBUTION REPAYMENT' AT THE END OF YOUR LEASE FOR LIFE AGREEMENT

Within 45 days of handing in the keys to your villa, you or your estate will receive the 'Entry Contribution Payment' you originally paid less an amount for the time you have been in residence based on the Agreement as per the following table:

TERMINATION/ EXPIRY	ENTRY CONTRIBUTION REFUND %	
	RESIDENT REFUND	OCCUPANCY COST
Within 1 year	95%	5%
After 1 year	90%	10%
After 2 years	85%	15%
After 5 years	70%	30%
After 6 years	70%	30%
After 10 years	70%	30%

2. A MARKET VALUE INCREASE OR MARKET VALUE DECREASE

Upon re-leasing to the next resident, where the new 'Entry Contribution' is more than what you paid when you moved in, 30 per cent of any capital growth or market value increase is retained by Catholic Homes after re-leasing expenses are deducted.

Any improvements you have made to your villa are not directly compensated for and becomes the property of Catholic Homes. However, you may benefit if reflected in an increased value of the villa upon re-leasing. If this occurs, it will be calculated in accordance with the standard formula to calculate the 'Repayment Amount'.

Where the New Entry Contribution is less than the Entry Contribution you paid when you moved in, this difference known as a 'market value deduction' will be deducted from your 'Repayment Amount'.

3. REFURBISHMENT COSTS

These are costs paid by the outgoing resident, if necessary, under the Agreement for Villa Residency to cover such items as cleaning, internal painting and floorcovering replacement in order to bring the home up to a marketable standard to achieve the best possible price. Any advertising costs or real estate agent fees are also included in the Refurbishment / Leasing Costs.

4. OTHER COSTS DUE AND PAYABLE TO CATHOLIC HOMES

Any fees and charges that are due but not paid before date of settlement.

Retirement Villages Regulations 1992

As at 01 Oct 2015

SCHEDULE 2

Provisions and matters that must be included in residence contracts

1. Statement on terms of access to aged care services

The administering body of a retirement village cannot guarantee that:

- a. Any proposed residential aged care facility will be constructed, or that any existing residential aged care facility will continue to be available; or
- b. You will be allocated a place in, or have an automatic right of transfer to, any Commonwealth funded residential aged care facility (which

provides accommodation for people who can no longer live independently); or

- c. You are eligible to receive Commonwealth and/or State funded community care services (which provide support to assist people to continue to live independently).

Your entry to residential aged care facilities and your eligibility to receive aged care support services are subject to availability and to your ability to meet the eligibility and assessment requirements administered by the Commonwealth and/or State Government.

Aged care facilities and services are not regulated by the Retirement Villages Act 1992

Disclaimer

Information, product and pricing contained in this publication is correct at time of printing and is subject to change without notice. Please read your agreement carefully and seek legal advice before completing any contract.

Important notice to prospective residents

The administering body cannot guarantee a resident a place in an aged care facility. To enter an aged care facility, a resident must be assessed as eligible through an aged care assessment in accordance with the Aged Care Act 1997 (Commonwealth).

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purpose*