

# Non registered interest holders

There are certain rights, fees and charges that apply when a non-registered interest holder permanently leaves a retirement village.

If you live in a retirement village under a rental, loan/licence arrangement, registered lease that has a term of less than 50 years or a residential tenancy agreement where there is no term in your contract excluding the provisions of the retirement village laws, you are a non-registered interest holder.

## Departure fees

A departure fee, also known as an exit fee or deferred management fee, is the amount that is payable under a village contract to the operator when you permanently leave the village. This fee can be a significant amount so check your village contract for details on how to calculate your departure fee.

Your departure fee is payable out of your ongoing contribution (the amount you paid to move in) before any balance is refunded to you when you leave.

For details on methods of calculating departure fees and disputes over departure fees, go to the Departure fees page on the Fair Trading website.

## Payment of recurrent charges for general services

You only need to pay recurrent charges for general services for a maximum of 42 days after you permanently leave the village, unless a new resident enters into a contract with the operator or starts living in the premise during that time (whichever is earlier).

Recurrent charges for general services are those charges which relate to services provided by the operator of the village that are available to all residents, for example management and administration services or gardening and maintenance services. They are not charges associated with optional extras. For details refer to the 'Payment of recurrent charges relating to optional services' paragraph in this section.

## Payment of recurrent charges relating to optional services

Recurrent charges for optional services stop as soon as you permanently vacate the premises (including upon your death). You do not need to continue to pay these after you permanently leave the village.

Optional services may include:

- laundry services,
- food and meal services, such as Meals on Wheels, or
- home cleaning services.

## Is interest payable on unpaid recurrent charges?

Yes. If you (or your estate) fail to pay the recurrent charges that are due and payable after you leave the village, the operator can charge interest on the unpaid amount. The law sets the maximum interest rate an operator may charge, which is calculated by reference to the cash interest rate set by the Reserve Bank of Australia.

## Payment for repairs

You are only required to pay for repairs if a condition report was completed when you moved in. If so, you are required to return the unit to the same condition that it was as noted in the condition report, less any fair wear and tear.

## What is fair wear and tear?

Fair wear and tear is the deterioration that occurs over time with the use of the unit even though the unit receives reasonable care and maintenance. Such deterioration could be caused by:

- exposure
- time
- ordinary use.

You are only responsible for negligent, irresponsible or intentional actions that cause damage to the unit. Some

examples are provided in the following table to help explain the difference.

<b>Fair wear and tear - you are not liable</b>	<b>Damage - you are liable</b>
Faded curtains or frayed cords	Missing curtains or torn by resident's cat
Furniture indentations and traffic marks on the carpet	Stains or burn marks on the carpet
Scuffed wooden floors	Badly scratched or gouged wooden floors
Worn kitchen bench top	Burns or cuts in bench top
Loose hinges or handles on doors or windows and worn sliding tracks	Broken glass window caused by resident
Cracks in walls from movement	Holes in walls caused by resident moving shelving or picture hooks
Water stain on carpet from rain through leaking roof or bad plumbing	Water stain on carpet caused by overflowing bath or indoor pot plants

### Must I renovate the unit when I leave?

No. You are not required to renovate or make any other repairs to your unit which is more than returning it to the condition it was as noted in the condition report.

### What are my rights and obligations if my unit is sold?

When you permanently leave the village, the operator determines the sale price for your unit and all other aspects of the re-sale of your unit. As such, you are not required to pay any costs involved in selling your unit. These must be paid in full by the operator.

### Payment of refund on leaving the village

You will be paid any refundable component of your ingoing contribution, less any fees and charges, within 14 days after your unit is re-sold or re-occupied. However, in the event that your unit is not re-sold or re-occupied, the operator must pay you your refund after six months from the date you move out.

If your village contract specifies an earlier date, your refund must be given to you in accordance with your contract.

If you terminate your village contract during the settling-in period, the operator must pay you your refund within 14 days, regardless of whether someone else has moved in.

If your village contract provides the sharing of any capital gain, this amount will also be refunded to you following the payment of the ingoing contribution from the next resident.