

Fees and charges

There are a range of fees and charges that you may have to pay to move into, live in, and leave a retirement village. Check your contract to find out exactly what you are liable to pay.

This section describes some of the common fees and costs you may have to pay.

Waiting list fees

Some retirement villages have a waiting list and may charge a fee for you to add your name to the list. The maximum fee that can be charged is \$200. If there is a fee, the operator must have a written waiting list policy. The operator must give you a copy of the waiting list policy and a receipt when you pay the fee.

A waiting list fee is fully refundable if you are unable to or no longer wish to be a resident of the village. A refund must be made no later than 14 days after a written request.

Holding deposits

Some operators may allow you to pay a holding deposit to hold a particular unit while making arrangements to sign a village contract. This prevents the operator from offering the unit to another person.

A holding deposit can only be charged on a vacant unit or if the existing resident has given notice to vacate. As with waiting list fees, a holding deposit must be fully refunded within 14 days if you give written notice to the operator that you do not intend to enter into the village contract.

Entry payment and purchase price

The largest cost is the amount you pay for the right to occupy your unit. If you are buying the unit (such as in a strata scheme) you will have to pay the agreed purchase price to the seller under a sale of land contract. If you are not going to own the unit you will be required to pay the operator an entry payment, for example, an ongoing contribution or interest-free loan.

At some villages you may be able to enter into a village contract and pay the ongoing contribution/purchase price

later once your home is sold. In such a case you are likely to be asked to pay a deposit.

Legal and conveyancing fees

It is recommended that you obtain your own independent advice before signing a village contract. You will be responsible for paying your own legal costs.

If you are buying a unit, such as in a strata village, there will be legal and conveyancing costs as with any property purchase. If your village contract is a lease with a term of more than 3 years, the operator must register it with Land and Property Information. Generally the resident pays this one-off registration fee.

Contract preparation costs

The operator usually incurs costs in preparing your village contract, such as legal and administrative expenses. The maximum amount that you can be asked to pay towards these expenses is \$200.

Recurrent charges

In most villages, the residents pay regular recurrent charges to meet the expenses of operating the village. The amount varies from village to village. It is important to consider this ongoing cost before you sign a contract. Your contract may also provide for the charges to be increased from time to time.

You will normally have to pay more in serviced apartments than in self-contained dwellings. At some villages you may also pay higher recurrent charges if you are living with your spouse or living in larger unit, or if you have a garage.

In a strata or community scheme retirement village, you will have to pay levies to the owners corporation or community association for the management of the common property. This is in addition to any recurrent charges you pay to the operator for their services.

Exit costs

In most villages, you will need to pay fees or charges when you leave, usually at the same time as receiving

your refund. Part of your ingoing contribution may be non-refundable, or you may pay a departure fee, depending on what is in your contract. Your contract may also provide for you to share any capital gain on your unit with the operator. You may be liable for some or all of the ongoing recurrent charges until the next resident takes over responsibility for your unit.

For more information, see the Leaving a village section on the NSW Fair Trading website.

www.fairtrading.nsw.gov.au
Fair Trading enquiries 13 32 20
TTY 1300 723 404
Language assistance 13 14 50

This fact sheet must not be relied on as legal advice. For more information about this topic, refer to the appropriate legislation.

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