

# Summary of Key Issues

## Jurien Bay Lease



### Ownership and Management

Jurien Bay Retirement Village currently comprises of 34 Villas located at 12 Nineteenth Avenue, Jurien Bay and is owned and operated by The RSL Care WA Retirement and Aged Care Association Incorporated, trading as Acacia Living Group.

Acacia Living Group also operates Community Home Care Packages and the Turquoise Coast Respite Centre.

### Residency Rights

A resident is granted a long term lease for a period of 45 years to occupy a Residence, subject to early termination by death, or if the resident's health prevents the resident from safely living in the Residence.

To qualify for residency in the Village, at least one of the persons occupying the Residence must comply with criteria imposed by specific laws relating to Retirement Villages, including the Retirement Villages Act (WA). Currently, those criteria require that at least one occupant is over the age of 55 years or permanently retired and is capable of maintaining their own safety, health and wellbeing as a resident of the Village. The Village owner reserves the right at its' sole discretion, to allow a second resident who may be under the age of 55.

The resident is entitled with other village residents to use the Village's extensive Community Facilities, including a community lounge and restaurant, meeting room, a library/computer resource room, an indoor pool and heated spa, a gymnasium, a hairdressing salon and other facilities.

### Why a Lease?

Leases are widely used by Retirement Village operators in Western Australia as being the most practical and cost effective method for residency contracts.

A lease gives you the security of tenure you reasonably expect and ensures that the whole Village is maintained to a continually high standard by the Village Managers who are responsible to all residents to ensure this happens.

This type of agreement also keeps down the cost of developing such a Village as there are no separate titles and there is no Stamp Duty payable on the lease. The result is a lower purchase price to you.

### Your Interests are Protected

Your Lease provides a secure and legally binding interest that is protected by your Residency Lease, the Retirement Villages Act 1992 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 You Own the Land?

Whilst you don't own the land, when you take a lease your payment means that when there is capital growth on the property upon resale, you can share in this growth. Naturally, values go up and down over time in much the same way as your current residence. Village schemes can also

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vary so you should check as to whether your agreement allows you to benefit from any capital growth. You do receive the benefit of any capital growth at 'Jurien Bay' subject to conditions upon resale.

### Lease Purchase Price

No rent is paid for the Lease. Instead, the Resident lends to the Lessor a "Loan or Premium" free of any interest, for the duration of the Lease.

Where the Residence is leased for the first time under the Village Scheme, the Purchase Price is more or less equal to the freehold market value of the Residence in the Retirement Village setting. When a Resident leaves the Village, the lease is transferred at the current market value of the Residence after refurbishment works is agreed upon with the Village Owner.

### Administration Fee by Incoming Residents

Payable by you on the grant of this Lease inclusive of GST, to reimburse us for administrative expenses incidental to processing your application to reside in the Village, administering the Agreement to Lease and your entry into the Village; currently \$1,500.00 including GST.

### Operating Costs

Each resident pays a proportion of the Village Operating Costs on a monthly basis.

The Operating Costs for the Village are currently \$84.00 per week or \$364.00 per calendar month. These Operating Costs mainly comprise rates and taxes, water rates and service charges, insurance costs, water, gas, electricity etc. for common services, routine repairs, maintenance, common areas cleaning and gardening expenses, costs of providing common services and operating Community Facilities and management costs.

### Operating Costs for Jurien Bay are also allocated to:

Common Facilities Operating Costs which are those Operating Costs which relate to or can be fairly apportioned to the Community Facilities; and

The Common Facilities Operating Costs are shared equally between all existing and any future proposed Village Residences.

### Resident's Own Outgoings

Residents pay for electricity, gas, telephone and other services consumed in their Residence. In addition, residents are responsible for their own contents insurance and workers compensation insurance if engaging employees privately to assist around their home.

In regards to the Community Centre, electricity and phone utilities are provided in-house through the organisation and residents will be invoiced on their monthly statements or residents can arrange their own provider for phone services.

### Maintenance of Your Home

The resident must during the residency keep the Residence and its Fixtures and Fittings in good tenable repair.

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The resident is responsible for internal maintenance and cleaning of the Residence and must maintain the resident's own improvements and alterations. The Village Owner is responsible for structural repairs, external maintenance and replacement of original household plant at the end of its useful economic life but only to the extent funds are available out of Operating Costs or the Reserve Fund.

### Emergency Call System

All Residences are wired for an Emergency Call System which is monitored on a 24 hour a day basis. The monitoring company will inform either the Village or a nominated person who will respond. Where necessary, arrangements will be made for the provision of emergency medical assistance or other appropriate emergency services assistance. This is an optional service and paid through the monthly operating cost.

### Pets

Pets are only permitted with the written consent of Acacia Living Group and then only under strict rule.

### If a Resident Decides to Sell

As homes are held under a lease, they are not actually "sold" in the legal meaning of the word. Rather, the Lease is usually transferred.

When residents transfer their interest in a lease, it is usually at the current market value. The outgoing resident receives the benefit of any growth in the market value of the home which may include the value of any capital improvements the resident has made.

When the Lease Re-Sale is repaid to the outgoing resident the Acacia Living Group is entitled to deduct:

#### 1. An Amenities Fee

This is paid for the provision of the village common areas and facilities. It is calculated at 2.5% multiplied by number of elapsed fee days to a maximum of 25% (which is ten years) of outgoing market value or new lease price.

#### 2. A Reserve Contribution

A Reserve Fund Contribution is required to cover the cost of major and infrequent repairs, replacements and renovations in the Village so as to maintain the high standards of the Village and to maximise Residence values in the long term.

It is calculated at 1% multiplied by number of elapsed fee days to a maximum of 10% (which is ten years) of outgoing market value or new lease price.

#### 3. Refurbishment Costs & Supervising Fee

These are costs paid by the outgoing resident as necessary to cover such items as internal painting and carpet replacement in order to bring the home up to the best marketable standard in order to achieve the highest possible price on resale. The "**Supervising Fee**" is 10% of the costs plus GST and means our fee for arranging and supervising the Refurbishment works.

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### 4. Village Operating Costs

Any outstanding fees due but not paid.

### 5. Marketing Expenses

Any marketing costs associated with the transfer of an interest in the lease of the home.

## Termination

The Lease may be terminated where:

1. The resident wishes to terminate;
2. The resident dies, or if the Residence is leased to more than one resident the last 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; or
5. Circumstances exist as provided for in the Retirement Villages Act 1992 which entitle termination.

In cases numbered 3, 4 and 5, except where there is agreement to terminate, the termination must be made by an order of the Retirement Villages Disputes Tribunal.

## Marketing for Replacement Resident

You do not have the right at law to market the Residence or appoint an agent to market the Residence. We are responsible for marketing your Residence. The Village Owner may either sell the Villa in-house or appoint their preferred licensed Real Estate Agent.

The outgoing Resident must reimburse the Village Owner for any selling expenses incurred.

## Reservation Fee

Prospective residents can reserve their Villa of choice now by selecting the Villa and paying a \$1,000 deposit. If for any reason you decide not to proceed prior to the Lease being signed the \$1,000 is fully refundable to you.

## **NOTE: Importance of Reading Residence Documents, including Information Statement**

The above Summary of Key Issues sets out some of the important Village Scheme provisions in an abbreviated form only. You should refer to a copy of the Village Scheme and Residency Lease and the Disclosure Booklet to obtain full details and a proper understanding of the Village Scheme.

### **For further information please contact us**

Acacia Living Group  
12 Nineteenth Avenue, Jurien Bay WA 6516  
0409 207 815

***Monday – Friday 9.00am – 3:00pm***