

## Financial checklist

The information in this checklist is based on the Retirement Villages Act 2003.

### Things to do

- Contact an independent financial planner or accountant who is experienced in retirement villages. Talk to them about the costs involved and what you can afford.

Think about how much money you might need for housing or care if you choose or need to leave the village, or you wish to leave a legacy.

Ensure you make realistic arrangements that suit your financial situation.

Get a copy of the village's occupation right agreement and any other relevant documents and make sure you understand them.

Make sure you get any verbal agreements in writing, or have them written into your occupation right agreement.

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### Questions to ask

Retirement village \_\_\_\_\_

Date \_\_\_\_\_

### The financial viability of the village

You'll need to be confident that the village is financially viable - if it isn't, it won't be able to provide you with the accommodation, facilities and services you're paying for.

Who owns the village and what is their reputation?

Are the village's financial accounts stand-alone or combined with another village or business?

What does the village's insurance cover and what are the premiums and excesses?

What protection do you have if the village is bought by another organisation or closed down?

What are your rights if the village gets into financial difficulty?

Is there a statutory supervisor? If so, who is it?

What is their role?

### Entry costs

What is the entry cost?

What does this cost cover?

How long is the 'cooling-off' period?

## Ongoing costs

How much are the ongoing fees? What do they cover and how are they calculated?

What costs do you pay in addition to the regular fees? Also, ask who pays for normal outgoings such as rates, insurance, telephone and power.

Are there any limits to how much and how often fees can be raised or changed?

What is the village's policy for passing on increased costs?

Can you defer payment of some charges until you leave the village? If so, what interest is charged on these deferred payments?

Do you pay these fees if you're on holiday or in hospital?

Do the fees change if the number of people in your unit changes?

## Costs of transferring within the village

Do you have to sell the existing unit before moving to a different one?

Do you have to continue to pay village fees on the original unit until it sells, as well as on the new one?

Do you have to pay further entry costs when moving to a new unit within the village as you did on entering the village?

## Leaving costs (these questions are also relevant if transferring within the village)

How is the unit sold? Can you participate in the sale? Will you have a say in its price and how it's valued?

Can you live in the unit or rent it out while it's on the market?

What ongoing fees will you have to pay while the unit is on the market, and for how long?

Does the unit need to be refurbished before it goes on the market, and to what standard?

Are there deductions from the original purchase price or actual sale price for refurbishment, marketing or administrative costs?

Will you be reimbursed for improvements you've made, and how are these valued?

Will you get the capital gain or any share of it?

Will you have to pay for any capital loss made on resale?

When do you get paid what is due to you? What happens if there are significant delays?