



## **SUMMARY OF KEY ISSUES**

### **Ownership and Management**

Menora Gardens Retirement Village is situated at 16 Freedman Road, Menora and is owned by the RSL Retirement & Aged Care Association Incorporated trading as RSL Care WA.

### **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 residents health prevents the resident from safely living in the Residence.

To qualify for residency the residents must have attained the age of 55 years or more or permanently retired and 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, adjoining Pearson Village residents and a limited number of Social Users to use the Villages extensive Community Facilities, including a community lounge and restaurant, meeting room, a library/computer resource room, an indoor pool and heated spa, a gymnasium, an inter-denominational Chapel, a hairdressing salon, medical consulting room 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 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 'Menora Gardens' subject to conditions upon resale.

## **Fixed Loan**

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

Where the Residence is leased for the first time under the Village Scheme, the Fixed Loan 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**

An Administration Fee is payable by residents on entry. This fee covers administration expenses incurred by the Village Owner in arranging the disclosure and grant of the Residence Lease and settling the transaction. It is currently \$1,500.00 including GST.

## **If you Decide 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 Fixed Loan is repaid to the outgoing resident, RSL Care WA is entitled to deduct:

### **1. An Amenities Fee**

This is paid for the provision of the village common areas and facilities such as The Menora Community Centre. It is calculated at 2.5% per annum to a maximum of 25% of current 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% per annum of the Current Market Value or new lease price to a maximum of 10%.

### **3. Refurbishment Costs and 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.

### **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.

## **Operating Costs**

The Operating Costs for the Village are currently:

**Villas - \$84.50** per week or **\$366.17** per calendar month;

**Apartments - \$93.80** per week or **\$406.45** per calendar month;

**Apartments extra carbay (if available) - \$10.00 per week.**

These Operating Costs are paid by calendar monthly instalments via direct debit.

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 are divided into 2 categories, namely:

- Common Facilities Operating Costs which are those Operating Costs which relate to or can be fairly apportioned to the Community Facilities; and
- General Operating Costs which are all Operating Costs other than Common Facilities Operating Costs.

The Common Facilities Operating Costs are shared equally between all existing and proposed Village Residences (totalling 126) and all 58 Pearson Village residences. Therefore each residence bears a 1/184th share.

The General Operating Costs are shared equally between all existing and proposed Village Residences (totalling 126). Therefore each Residence bears a 1/126th share.

## **Resident's Own Outgoings**

Residents pay for electricity, gas, telephone and other services consumed in their Residence. Electricity, gas (except villas) and phone utilities are provided in-house through the organisation and residents will be invoiced on their monthly statements. In addition, residents are responsible for their own contents insurance and workers compensation insurance if engaging employees privately to assist around their home.

## **Emergency Call System**

All Residences are fitted with 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.

## **Maintenance of your Home**

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

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.

## **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 unit in-house or appoint their preferred licensed Real Estate Agent.

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

## **Pets**

Pets are only permitted with the written consent of RSL Care WA and then only under strict rule.

## **NOTE**

The above Summary 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 call**

**Menora Gardens Village Manager**

**Kaye Ireland**

**Tel: (08) 9370 0200**

**Monday – Friday 8:30am – 4:30pm**

