

HAVE YOUR SAY SURVEY



RETIREMENT VILLAGE CONTRACTS

PRELIMINARY SUMMARY REPORT

5 DEC 2024

REPORT PREPARED BY:

Roger Pallant
Vice President NSW RVRA

Assoc Prof Julie Pallant (PhD)
*Statistical consultant and
Data Analyst*

ENDORSED BY THE RETIREMENT VILLAGE ASSOCIATIONS OF:

ACT, NSW, QLD, SA, TAS, VIC, WA

ABOUT

Recent media coverage has portrayed life in retirement villages in a negative light. A segment on the ABC 7.30 Report suggested that potential residents are subjected to "cunningly designed rip-offs," and featured a politician who described retirement village contracts as a form of "corporatised elder abuse."

Such comments have sparked outrage among residents who feel the media is unfairly depicting older people as naive and uninformed, signing contracts without fully understanding the terms.

Judy Mayfield, President of ARQRV, expressed frustration, saying: "We are tired of the media painting all residents in retirement villages as incapable of making their own decisions, implying they didn't understand what they were signing, and suggesting they are being exploited."

Helen Betros, President of Residents of Retirement Villages Victoria (RRVV), shared that: "among the associations, there was a feeling that, while some of the issues raised had merit, they didn't accurately represent the whole picture." She added, "People were upset by the portrayal of older individuals as frail, elderly, possibly demented, and not savvy."

Craig Bennet, President of NSW RVRA commented: "My concern is that the ABC Report will paint such a disastrous picture of retirement villages that it will put back several years all the advances that the RVRA, the main body of operators, and Fair Trading have made in this sector".

In response to this negative portrayal, Retirement Village Associations across Australia and the Australian Capital Territory conducted a survey to gather feedback directly from residents. This independent survey was designed, managed, analysed, and reported to provide an authentic reflection of their experiences.

RESIDENTS WERE INVITED TO "HAVE YOUR SAY!!"

SURVEY

In consultation with Residents Associations from NSW, QLD, VIC, TAS, SA, WA and ACT an online survey was developed and distributed to residents of retirement villages across Australia. The survey was conducted during a three-week period in Nov/Dec 2024.

The anonymous survey included questions about residents' experiences when shifting into their village, their understanding of the details of their contract and their satisfaction with village life.

Additional demographic questions collected information about their gender, age, their state, and the length of time they had lived in the village.



OVER 4,000 RESIDENTS COMPLETED THE SURVEY AND PROVIDED DETAILED FEEDBACK ABOUT THEIR EXPERIENCES.

RESPONDENTS

Gender:

45% female 55% male

Lives alone:

Yes 48% No 52%

State:

QLD 15.5%
NSW 32.1%
VIC 13.1%
SA 15.4%
WA 15.1%
TAS 3.4%
ACT 5.5%

Age:

50-60 yrs 0.5%
61-70 yrs 10.6%
71-80 yrs 48.2%
81-90 yrs 36.5%
Above 90 yrs 4.1%

Length of time in village:

0-5 yrs 42%
6-10 yrs 28.7%
11-15 yrs 17.6%
16-20 yrs 8.2%
Over 20 yrs 3.5%

RESULTS

Overall, the results of the survey indicated that the majority of residents understood the terms and conditions of the contract that they had signed, and they were satisfied or very satisfied living in their village.



"Moving into our retirement village simply changed our lives almost indescribably for the better. We were in dire straits financially with a bleak future. The burden of maintenance, rates and minimal social services has been lifted so we now enjoy a security as never before." (Male, 61-70 yrs, lived in village 0-5 yrs, Victoria)

"Best thing I have ever done - maintenance free environment - Lock up and go away with no worries and plenty of support and fabulous friends made." (Female, 71-80yrs, lived in village 6-10 yrs NSW)

Over 84% indicated that they felt satisfied or very satisfied living in their village.

90% would consider recommending a retirement village to others.

The majority of respondents recalled receiving a disclosure document from sales staff, with only 6.5% indicating they did not receive one. 72% reported having a good, or very good, understanding of the information in the document.

Over 90% of respondents understood the difference between buying into a retirement village versus purchasing a home on the open market.

The primary reasons for choosing to move into a retirement village included:

- downsizing,
- reduced maintenance,
- available facilities and services,
- a safe and secure environment,
- lifestyle opportunities

The majority understood the terms regarding ongoing costs, village rules (including pet policies), and the availability of future facilities.

83% of residents discussed their contract conditions with their families.

Only 8% did not realise there would be regular recurrent charges.

Most residents sought assistance with their contracts from family and friends, solicitors, financial advisors, accountants, village managers, or other residents. Only 13% made the decision on their own.

61% reported they had a good, or very good understanding, of how exit fees would be calculated when leaving the village.

Although the majority of responses and comments were positive, the survey identified a number of areas of dissatisfaction and confusion for residents.

These are important areas requiring further investigation, and where necessary, action taken to address residents' concerns.

Half of all respondents found the contract difficult or very difficult to understand.

41% did not feel they had a good understanding of the calculation of capital gain.

45% felt they did not have a full understanding of the fees that may be charged to prepare their villa for sale.

A substantial number of respondents indicated that they were concerned about the financial impact of costs that would be incurred when leaving the village.

45% of respondents were concerned about the impact of exit fees,

51% were worried about the additional charges they would need to pay to prepare their unit for sale.

ANALYSIS OF COMMENTS

Throughout the survey we provided respondents with the opportunity to describe in their own words their experiences and concerns. Over 3,900 respondents took this opportunity and provided detailed responses to these open-ended questions.

A preliminary analysis of the responses revealed a number of themes, both positive and negative which will require more detailed investigation. This database of comments provides a valuable resource in better understanding the experience of residents – described in their own words.

Further, more detailed, analysis will be conducted, with results presented in the main survey report which will be available in early 2025.

Positive themes

Community Life: Sense of belonging, social interaction, enhancing wellbeing

Safety and security: secure environments providing peace of mind for residents and their families

Activities and engagement: offering opportunities for recreation and connection, reducing loneliness and isolation

Overall satisfaction with the decision to move into retirement village: appreciating all that it offers, enhancing their quality of life

Friendliness and support: friendly environment, support from staff and other residents

Negative themes

Maintenance issues: frustration over delayed or inadequate maintenance.

Financial concerns: excessive fees, unfair exit clauses, feeling financially burdened

Management issues: dissatisfaction with poor leadership, unresponsive management, lack of support for their concerns

Contractual traps: feeling confused by unclear or misleading contractual issues regarding exit fees

Decline in community atmosphere: erosion of community spirit, disruptive social dynamics or lack of inclusivity

CONCLUSION

This preliminary summary of the survey results provides a snapshot of the experiences of over 4,000 retirement village residents. Contrary to the negative media reports, the majority of respondents are satisfied living in their village and have a good understanding of the terms and conditions of their contract. Shifting into a retirement village met their need for a safe and secure environment, with good facilities and services, allowing them to downsize and reduce maintenance.

The report identified a number of areas of confusion and concern amongst residents. Many found their contracts a challenge to understand, particularly in relation to the capital gain and the fees associated with preparing their village for sale.

A detailed report with comprehensive findings will be released in early 2025, which will include recommendations for improvements to ensure that residents, and prospective residents, have a good understanding of the terms of their contracts.

FURTHER INFORMATION

This survey was conducted with the support and cooperation of each of the Residents Associations in Queensland, New South Wales, Australian Capital Territory, Victoria, Tasmania, South Australia, and Western Australia.

If any further information concerning this preliminary report, or the release of the main report in early 2025, please contact:

Roger Pallant
Vice President,
NSW RVRA
vp@rvra.org.au
