

SUBMISSION TO PARLIAMENTARY INQUIRY INTO RETIREMENT VILLAGES

Thank you, Members, for holding this Inquiry. My story or part of it is as follows :

I purchased a property at [REDACTED] [REDACTED] in December 2009, not moving in for 5 months while the unit was renovated. The Village consisted of 30 privately owned units and 1 unit owned by [REDACTED] [REDACTED] for the Village Manager. I had my contract inspected by a Solicitor and he could see no problem with the fees covering the Village owners and a professional O.C. Manager (recently appointed because of Retirement Villages Act). My understanding was that the Village was managed in all aspects by S.M. P/L, the family which built it under the name of [REDACTED]. I had many meetings and discussions with the employed Village Manager, both prior to purchase and while my unit was being renovated, but nothing about changes to this situation was mentioned to me.

After moving into the Village I gradually became aware that [REDACTED] had resigned earlier in 2009 from looking after O.C. matters and that residents had formed an Owners Corporation Committee. After moving in, I received various correspondence sent to residents from [REDACTED] which continued to give authority to the Village Manager in O.C. matters despite the formation of the Committee. In November 2010 I was nominated for an O.C. Committee position which I accepted in order to learn and understand what was "going on here". I ended my time as Secretary last year because of stress - since I came to live here the relationship between residents and [REDACTED] has been very combative and stressful.

In mid-2010 [REDACTED] advised their fees would be charged separately from the combined fees then paid to the professional O.C. Manager. [REDACTED] fees have ranged from about \$130 per month in 2010 to \$431.48 currently (\$1,284.27 a quarter). In addition residents pay O.C. Management fees currently set at \$515.83 a quarter plus \$307.10 a quarter for a Maintenance Levy (very little maintenance was carried out before the O.C. Committee was established). This is a total quarterly payment of \$2,107.20. In past years Consumer Affairs Victoria and VCAT have been consulted about fees and other matters but with no success. A group of us paid for a Solicitor for some of the time at VCAT, others could not afford it - certainly not in competition with the Barrister always employed by [REDACTED]. We had no success with CAV and none of much consequence at VCAT. We owner

residents have given in to [REDACTED] and paid the fees they set even though we disagree on so many aspects, including lack of service from the current Village Manager. A proposal approved by owner-residents that a full-time Village Manager was unnecessary in our circumstances was not accepted by [REDACTED]

In recent years [REDACTED] has purchased a number of units which have become leasehold units. Some lessees say that they were told at time of purchasing that [REDACTED] intend to buy up all units so that they can be "back in charge". There are 5 privately owned units currently or previously for sale and 1 empty but not advertised. In recent years there has been only 1 owner-buyer sale. The Village Manager interferes with potential sales on some occasions and it is reported that interested buyers consider that, despite nice units and very good location, "the fees are too high".

To summarise how I feel about living in this Village :

- It was a mistake to buy here as what I was led to believe was not true.
- The current Village Manager does very little, particularly for owner-residents. I will never ask her for assistance again if I can help it.
- I live in a pleasant, roomy unit in a great location but that does not make up for the amount of stress caused by the unpleasantness of relations from [REDACTED] to owner-residents.
- Relations between other owner-residents are good and supportive.
- If I should decide to try to sell, I will have to sell as a considerable loss and possibly rent in future.
- My main worry now, at 80 years old, is that I may in future be leaving to my children the responsibility for paying high fees until, if, and when the unit is sold, which may be years.

Barbara Penson
[REDACTED]

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