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From: Inquiry into the Retirement Housing Sector POV eSubmission Form
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To: LSIC
Subject: New Submission to Inquiry into the Retirement Housing Sector

Inquiry Name: Inquiry into the Retirement Housing Sector

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[REDACTED]

[REDACTED]

SUBMISSION CONTENT:

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My main concern regarding Retirement Village Living is the deceptive advertising and promises made, mainly verbally, to prospective buyers who are usually in the 75 to 90 age bracket.

Actual examples of (verbal) promises made to prospective residents at [REDACTED] include:

- 1: That there would be live-in managers 24/7. This is a huge selling point especially with families and prospective residents. In fact the Managers are now only here from Monday morning until 4 p.m on Fridays, and not even that when there are leave periods and relief Mangers.
- 2: The earliest residents at [REDACTED], some here 20 years plus were promised that a nursing home would be built on a set portion of the land to accommodate them when they were no longer capable of independent living. This did not eventuate. More single villas were built by the subsequent purchaser of the Village, Country Club Villages (C.C.V.) as this was seen as more profitable. C.C.V. believes it is under no legal obligation to meet the promises made by the original builder/owner.
- 3: Residents were promised that front and back gardens would be maintained by the Handyman. This no longer applies to back gardens.
- 4: External maintenance issues, for example; garage roller doors, wire screen doors and broken windows caused by vandalism are referred to C.C.V. who almost always decide it is the residents responsibility. This is their presumptive starting position in any issue. Many residents feel incapable of pursuing the issue further and "pay-up". Going to VCAT or seeking legal advice is "too hard" for most residents.
- 5: Deferred Management Fee. C.C.V. takes 36 percent of the sale price of a unit, plus around \$20,000 for refurbishment, \$5000 for advertising, legal fees and a one-off 2 percent for incidentals.

We have several units currently unsold, 2 for over 12 months.

Upon being vacated the past resident or their family must pay the monthly levy of \$246.50 management levy and council rates until the unit is sold and in addition pay for up to 6 months, the water and electricity.

Considering the above, the result is that no-one can afford to leave whether they are still capable of independent living or not. The units are brought by prospective residents, not knowing that they have actually entered a "lease for life". This situation is the real outcome. Regardless of the continuous ongoing reduction in provided services as unilaterally decided by current or future owners or any other matters of dispute, the Residents have no options.

Lastly I believe that C.C.V., which employs a younger generation of head office and village managers. C.C.V. fails to adequately train new managers in the extra responsibilities of over-seeing an aged group of people. It would be advantageous if a representative of a Village was to be present for a period of the training. They know some aspects which are certainly not considered when the interviewer and/or trainer is of a different generation.

The goalposts are continually moving and I believe tighter legislation and more available recourse to an Industry Ombudsman is necessary.

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File1:

File2:

File3: