

ONE OF THE TRAPS OF RETIREMENT VILLAGE LIVING

The following details were given to us by the resident of a 200 unit retirement village complex which is part of the investment portfolio of a very well known large company. The same company owns more than 150 retirement villages in Australia. The particular resident purchased his unit for \$275,000 and 18 months later decided to sell. Selling took over 12 months and the sale price was \$275,000. (This was more than expected because the resident left behind more than \$3,000 worth of installed TV equipment).

The resident was shocked to hear that he would lose approximately \$100,000 out of the sale price because of the owner company's various fees and charges including approximately \$8,000 for restoration works.

The resident had been away from his unit for several months travelling overseas and invited the village manager to inspect to see for herself that the carpet and paintwork were in immaculate condition and needed minimal expenditure.

The manager refused to inspect.

Because he was concerned to minimize unnecessary expenditure, the resident then spoke to the manager on the telephone and, in the presence of other staff, was subjected to a rude and offensive attack of verbal bullying by constant interruption and talking over the top and point blank refusing to listen. The manager pointed out that the unit would be repainted and the as-new wall to wall carpet would be ripped up and replaced at the resident's expense. Remarkably for him the resident remained calm only because the sale of his unit, which had taken more than a year to achieve, had not been finalised.

The situation of the resident in this case compares very badly with that of the owner of a unit not in a retirement village. He would not have had that kind of hassle. Also in the outside world real estate prices have increased and the unit owner would possibly have benefited from an improved price and without having to pay for the ownership company's fees and charges which were significant but less than expected at approximately \$83,000.