

11.06.2016

Submission by Mrs Faith Thompson

Resident at [REDACTED]

Owned and operated by Country Club Victoria (CCV)

Accounts: (1) Village Operating Account – monies paid by residents monthly. Fees currently set at \$240 per villa.  
 (2) Major Maintenance Account – monies received from 2% of the New Loan Amount paid on sale of villa when resident exits villa

Exit fees 6% pa to a maximum of 6 years (36%) plus 2% toward Major Maintenance Account

### **My story**

Moved into [REDACTED] 30.08.2013 with my husband Don

Moved into refurbished Villa approximately 6 years old.

Certificate of Occupancy first completed 09.03.2007.

Villa was repainted throughout. Drapes and carpets were not replaced. The carpet was steam cleaned. Villa had been vacant for 8 months

Our contract states "Disposal of Unit" 8.1.3 *"the Owner shall repair, restore and refurbish the unit to the standard existing at the Commencement Date" This is at the resident's cost.*

### **Issue**

The Managers live on site Monday to Thursday night. In my time here there have been three sets of Managers.

Managers 1 & 2 lived in a three bedroom villa close to the community centre.

The Managers' villa is approximately 10 years old.

Residents are responsible for all outgoings in relation to this villa including gas, electricity, water, telephone, water rates and Council rates. Residents are also responsible for *"maintenance, repairs, replacements and renovations of and to the Common Areas and Communal Facilities and any staff or administrative areas, including the staff unit, at the Village"*.

Around December last year (2015) the second set of managers resigned.

My understanding is that a three bedroom villa was being sought for purchase and none were available at the time. The manager's residence was then "sold" and the new managers moved to a two bedroom villa recently vacated after the passing of a resident. This villa was refurbished at the cost of the residents estate.

The former manager's residence was not listed for sale as would happen when a villa was available for purchase. This was because a buyer already existed.

Prior to occupation by the new residents the former managers villa was totally refurbished. All joinery work, full cabinetry (kitchen, bathrooms, laundry), curtains, carpets, electrical appliances (dishwasher, stovetop, oven) fittings, tapware, sinks were replaced. Nothing remained but the walls. Even the toilet pans were replaced.

As stated previously our Lease reads *"shall repair, restore and refurbish the unit to the standard existing at the Commencement Date"*

*The refurbishment to the former Managers' villa well exceeded the standard it was at as at commencement date 10 years prior if your consider décor and cabinetry at least.*

As a member of the residents committee I asked the question as to who was paying for this major refurbishment. Was it the residents? I was told "no" but they would check. Eventually we learned that CCV had in fact determined that the Residents were responsible for this refurbishment in its entirety. Some members of the Residents Committee objected. CCV responded by letter that is was 100% the responsibility of the residents under our contracts. They also confirmed that 2% of the

sale price, which would ordinarily go to the Major Maintenance Fund, would not be paid as it was not their responsibility.

I have asked what the total cost for the refurbishment was and have been told by the Manager that he was not at liberty to say. To date we have no idea what the total cost is. A conservative estimate would be 30K though I would expect this would be higher.

The Owner has fully benefited from the refurbishment the Residents paid for.

CCV owned the villa and would not have been able to make such profit if we the residents had not paid for these over the top refurbishments.

The Villa would not have been refurbished to this extent had the property been tenanted by a Resident

My objections to the cost of the refurbishment are as follows:

1. Any resident (or estate of a resident) leaving the village is responsible for the total cost of the refurbishment for re-sale *"shall repair, restore and refurbish the unit to the standard existing at the Commencement Date"*
2. CCV are the owners of the former managers' villa and should therefore be responsible for the cost of refurbishment.
3. CCV received the full benefit of the "sale" price so it was in their best interests to refurbish the Villa to the highest level.
4. CCV dictated how much the former managers villa needed to be refurbished. Compared to the refurbishment of the villa the managers moved into (which would be approximately 6-7 years old), the refurbishment was over the top
5. CCV receive rent from the managers. This rent is paid direct to CCV and not returned to the Residents' Village Operating Account
6. The new managers were only moved into a 2 bedroom villa so that the 3 bedroom villa they were renting was made available for sale to awaiting purchasers (Tenants)
7. CCV do not contribute to the Village Operating Account with any monthly fees
8. The villa the managers moved into was refurbished at the expense of the previous resident's estate
9. If and when the managers exit this villa the Residents will be responsible to refurbish this villa

My complaint is as follows:

- (a) The refurbishment was excessive
- (b) Is the responsibility of CCV as the owners/occupiers of the Villa
- (c) Costs have been hidden from the Residents intentionally to avoid scrutiny
- (d) The collection of rent indicates that CCV use this property as a revenue stream
- (e) CCV do not contribute to the Major Maintenance Fund
- (f) There is no benefit to the Community for the Managers to live on site as they are not here Friday night to Monday morning. Any emergencies are dealt with through the normal process of calling 000 or using our Safety Link Emergency Service which is mandatory in every Villa.

Yours sincerely  
Faith Thompson

[REDACTED]