

From: LSIC
To: Lilian Topic
Subject: RE: Submission to RRVV

From: Les Ordon [REDACTED]
Sent: Monday, 30 May 2016 10:17 AM
To: News Mailbox
Subject: Submission to RRVV

The Secretary, Legal & Social Issues Committee.

We attach a submission for your perusal and subsequent consideration which we find a deal concerting in respect of the practices undertaken by the owners of our Retirement Village.

This is we trust an example of the situations you wish to discuss and perhaps address and we look forward to your comments and advices in due course

Kind Regards

Les Ordon

My Name is Les Ordon and my wife and I reside at [REDACTED],

My concern is related to the formula which is applied to the sale of the property usually in the case of Death or severe incapacity. The policy of the village has an optional exiting Strategy whereby in the first instance a surcharge of 3% is levied from the purchase price of the property, the second option is for a 3% levy per annum be applied (to a maximum of 30%) on the selling price. We have opted for the second option as we believed this to be a more viable option as we have been proved right to date that Real Estate Sales have risen over 3% per annum since our move to the village.

My concern is that we have now been advised that we are responsible for Insurance cover for any approved additions which we have purchased since the initial settlement, this includes such Items as Solar Panels, Alfresco Doors, Built in Dishwasher and many other Items of which we have itemised by way of a detailed Inventory,

The total amount of the additional items in our case is \$37,770 and if these items are not insured during the life time occupancy why should we pay the 3% Levy on goods we have purchased but not had the luxury and peace of mind knowing that these articles have been adequately covered and we are forced to cover these articles as an extension of our Contents Insurance in some cases the Insurer will concur whist in some cases they will not as they declare that they should be part of the Building Policy which we do not have control and we are not advised the Sum Insured or level of Cover provided,

We trust that the above is self explanatory but as an example of the Status Quo in my instance (and in its current application) is as follows:-

Purchase Price..... \$240,000
Sale Price.....\$360,000

30% Exit Levy.....\$108,000

Net Proceeds\$252,000

Our Contention to this situation is as follows:-

Purchase Price.....	\$240,000
Sale Price.....	\$360,000
Approved Additions.....	\$ 37,700
Net Exit Application.....	\$322,300 (This is the Calculation Exit Fee)
30% Exit Fee.....	\$ 96,690
Net Proceeds.....	\$263,310

Should you require any further clarification we would pleased to provide any further information or by telephone conversation,

Yours faithfully

Les Ordon for
Les and Marj Ordon

