

From: [REDACTED]
Sent: Monday, 1 August 2016 3:02 PM
To: LSIC
Subject: Retirement Housing Sector

The following is a transcript of my response to a letter I received from Nina Springle M.P regarding the above subject.

Retirement Housing Sector

I have been resident at the [REDACTED] for some five and a half years and prior to entering, signed an agreement which at the time appeared to be somewhat loaded in favour of [REDACTED]. However, as we were both retired with no self-funded benefits, we needed to leave our home in South Frankston as the costs of power, water and rates would have been beyond our capacity with only the aged pension as income. The proceeds of the sale of our home allowed us to purchase a two-bedroom unit at the Village and the balance, for a time, provided interest sufficient to cover the monthly maintenance charge.

My wife is currently in an aged care facility and we survive individually on our pensions and ever decreasing balance of our savings.

The foregoing is to make you aware of my (our) situation.

It is probable you have already seen the copy of the "Insight " article which appeared in the Melbourne Age newspaper edition of Saturday January 22nd 2011. It enumerates the various concerns of residents of Retirement Villages. There appears to be three main issues viz:

1. Excessive exit or deferred management fees when the resident leaves the accommodation.
2. Refurbishment of the unit carried out by the Village contractors at the leaver's expense
3. Annual increase in monthly fees in spite of many residents being on fixed incomes.

The exit or deferred management fees are excessive and are in no way earned by the Village nor Stockland. The resident gets no benefit from that charge. In 2006 some practices by owners were banned but the ban was not made retrospective. Any changes your Committee is able to achieve must if possible, be made to affect all existing contracts.

What I have observed of unit refurbishment alarms me as I have witnessed cupboards, washbasins, sinks, bench tops with hardly a mark on them, toilet bowls, clean and serviceable ovens all being ripped out and replaced by brand new items. Front verandah paving is also quite often dug out and concreted. The cost of these items and the contractors' own fees are all required to be met by the leaving resident their surviving family or estate.

The monthly fee issue is a difficult matter to dispute. Water and Council rates rise with regularity and they must be met. However, I understand that this fee continues to be charged to the owner(s) after the unit has been vacated for whatever reason !

Currently Stockland completed extensive interior "renovations" to the Long Island Village main building at considerable cost. It surprised some of us here why they found it necessary to renovate what appeared to be already perfectly satisfactory and well-appointed facilities. It would have been more appreciated if they had absorbed some of the monthly fee increases with the available funds. Alternatively financial input to more aggressive advertising of vacant units should be increased.

With particular regard to Long Island Village, I have to say that it is an extremely well-run and managed unit. The Manager and support staff are efficient and helpful and the facilities are well geared to cater for retired people.

I hope that some of the foregoing is of assistance.

8th June 2016

William Nicholas STEPHEN

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