

## RETIREMENT LIVING COUNCIL FACT SHEET

### Retirement Villages and Lifestyle Parks

When choosing between housing options especially designed for older people, many people assume retirement villages and lifestyle parks (also known as manufactured home parks) are the same thing.

There are indeed similarities between the two products: they both house older people who live independently, have communal facilities, and are generally located on large landscaped grounds.

The key difference between the two sectors is the contractual and financial models that apply. It should also be noted that both housing types are regulated under separate consumer protection legislation.

#### Retirement villages

Retirement villages are residential, multi-unit complexes designed for people aged 55 years or older that usually also offer a range of health, leisure and support services. Retirement villages may be 'campus' style with single-level or low-rise villas occupying spacious landscaped grounds (a horizontal village) or low- or high-rise apartment blocks (vertical village).

Retirement villages may have recreational and medical facilities, such as community halls, bowling greens, and rooms for visiting doctors or allied health professionals. Some retirement villages have residential aged care facilities on the same site.

The majority of village residents live in independent living units (ILUs). Most residents can live independently and are not very frail or dependent on staff. However, villages are designed for seniors, and have accessible features such as gentle slopes, grab rails in the bathroom, and emergency call buttons. Some retirement village residents have additional assistance via paid help (e.g. a cleaner) or community care packages, but they do not need daily help with dressing, bathing or cooking.

There are villages for people on different budgets, from low cost options to luxury resort-style developments.

There are also different tenure types available to retirement village residents. Many residents occupy their ILU pursuant to a secure long-term lease or licence (e.g. 99 years). Some operators offer residents the right to purchase freehold title. A person generally loans the village operator a lump sum when they enter the village, makes periodic not-for-

profit payments for costs incurred living in the village, and receive an amount back from the operator when they leave and the ILU is on-sold. The amount the person gets back depends on the terms of their contract, however it is commonly a combination of the entry lump sum and agreed proportion of capital gain (or loss), with deductions for deferred costs and unit refurbishment.

## **Manufactured home parks**

Manufactured home parks are technically not restricted to older people, however there are many parks which are primarily designed for, and marketed towards, the over 50s population. Manufactured home parks may also be called manufactured home estates, residential or lifestyle parks, or land lease communities.

Manufactured homes are commonly single-level relocatable homes situated on large grounds with some communal leisure facilities for residents. Parks may also have on-site health or medical services. Some parks are exclusively for permanent residents, while others accommodate both residents and short-term holiday-makers.

In a manufactured home park, the resident owns the house and pays a fee to the park owner (rent) for the land their home occupies and for upkeep of the communal facilities. Some manufactured home agreements also include a deferred management fee, like retirement villages.

There are manufactured homes for all budgets, but they are often less expensive than retirement villages due to cheaper construction costs. Residents can generally live independently and are not very frail or dependent on park staff, but can purchase additional help or care services independently or through the park owner.

A prospective resident can buy their home from a builder direct, a resident who is leaving the park, or in some cases, from the park owner (some park owners build and sell homes). A home which is designed and sold by the park owner typically has age-appropriate features, such as grab rails in the bathroom (but not necessarily if the person buys their home in the general marketplace)

## **Providing choice for older people**

These two alternative housing options have very different origins. Retirement villages started in post-war housing programs operated by churches and charities, and home parks were originally short-term accommodation options for holiday-makers. However, consumer demand for age-appropriate housing within supportive communal settings has helped shape the once dissimilar models into today's vibrant seniors' communities.

A senior trying to choose between a retirement village and a lifestyle park should seek legal and financial advice before making a final decision.

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