

Frequently asked questions

The following questions are frequently asked by prospective tenants. They have been grouped by topic for ease of navigation and reading. The answers provided are intended for general background purposes and where appropriate the provisions of the **Tenants' Licence Agreement** shall take precedence.

If you have a query that is not answered by these FAQ's please contact Petree Management Pty Ltd for assistance.

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Becoming a resident

Are there any pre-requisites to becoming a resident?

At the time of entry, the applicant must be over 55 years of age and retired or semi-retired as required by the Retirement Villages Act of 1987 (evidence of age is required).

How do you apply for residence in the Dwelling?

An arranged interview will result in an agreement about the details of the Licence Agreement and your choice of accommodation. If you want to reserve your choice but delay settlement of your loan you will be required to pay a reservation fee of \$800 which is held in a Bank Trust account nominated at the time of the interview. This payment is fully refundable if you are unable to or decide not to proceed. If you decide to proceed the \$800 will become part of the licence fee (loan) or any deposit required at the signing of a tenancy contract (residence agreement).

We recommend that you seek independent advice of your choice prior to signing the residence agreement. After signing the residence agreement, you will have a cooling off period of 15 business days.

Costs involved

What upfront costs will I incur in entering into a residence contract?

In moving into a retirement residence you will incur some of the normal costs associated with moving, including: your solicitor's fees incurred in entering into the residence contract and settlement, furniture removal charges, connection fee for telephone, costs of selling your existing house (if applicable).

Can residents be made liable for any additional or extraordinary charge and, if so, for what purposes?

All costs and charges, for which a resident will be liable, are detailed in the Residence Agreement.

Do I have to pay any stamp duty?

No, you are not purchasing anything subject to stamp duty.

What do my service fees/maintenance fees cover?

SA Water and local council rates and taxes, building and public liability insurance, maintenance inside and out of the residence and the communal facilities and a share of the day to day running expenses of the Residence (a full list is included in the residence contract).

The amount charged pays for the following on behalf of the tenants: Council Rates; Water Rates; Building (Dwelling) Insurance; Public Liability Insurance; Emergency Services Levy; Monitored Security System – Police; Fire and Ambulance; Minor maintenance of the building (exterior); Cleaning and maintenance of community areas; Gardener; and Management of the dwelling.

Personal expenses paid independently by tenants include: Telecommunications; Electricity; Gas; Contents Insurance; and, any personally arranged security or services approved by management.

Facilities and activities

Can family and friends stay with us?

The Tenants' Licence Agreement will require residents to provide prior written notice to Management if it is intended that any other person is to stay with them for more than 14 days. Management will have discretion to grant or refuse consent to extended residence by a visitor, however consent would normally only be denied in exceptional circumstances. The contract's specification about the length of time and the frequency that residents can have visitors staying with them is designed to prevent people taking advantage of the residents by moving in with them.

Is there car parking for myself and my visitors?

Residents are entitled, under their licence, to park one vehicle in the in their allotted carport and to take advantage of an allotted storage facility. There is a short term parking space available for visitors' cars.

What type of public transport and shopping will be available to residents?

Eucalypt is close to shopping centres and public transport.

Can I still do some gardening?

If a resident so desires, an appropriate area of garden to maintain will be allocated where one is available. It will then be the responsibility of that resident to maintain that garden to a standard in keeping with the rest of the residence.

Our gardener will maintain all common areas of the gardens and will be available to provide limited assistance and advice to residents maintaining their own garden, but if a resident no longer wishes to maintain an area of garden, the Manager will revert it back to being maintained by our gardener.

What happens if I want to travel?

If travelling let the Manager know where to send your mail – and have a great time! You are free to come and go as you please, everything will be taken care of for you. However, monthly utilities and maintenance fees will continue via direct debit.

Partner and family considerations

If I die can my partner remain in the residence?

If your partner is also listed as the resident in the residence contract the contract will automatically transfer to them upon your death. If your partner is not listed as a resident, then the contract will be automatically terminated on your death.

If I do not have a partner, what happens when I die?

The residence contract will terminate and the refund is made to your estate.

Can I leave my residence to my family under my will?

No, upon your death the residence contract is automatically terminated and the refund is made to your estate.

Regulatory protection

Are there any Government protection/regulations?

Yes, all residences are treated as retirement villages under the Retirement Villages Act 1987 (South Australia) and the Retirement Villages Regulations 2006 (South Australia).

What protection does a resident have against a loss of rights (including accommodation rights) if the dwelling is sold to another organisation?

The Retirement Villages Act 1987 provides you with protection and your lifetime licence ensures your inalienable right to occupy your particular unit. Should the Estate be sold to another organisation your accommodation rights would be protected.

Tenants' Licence Agreement

Could you please explain the financial aspects of the loan / licence?

At the commencement of the license, the resident makes an interest free loan to the Owner, Petree Management Pty Ltd equal to the purchase price of the selected Unit. There are cooling off provisions associated with the License Contract. During the period that the resident resides in the Unit, they make a weekly contribution to the Residents' Utility Fund. The level of monthly contribution is calculated according to contemporary costs at the time of completing the building and this covers all operating costs (as specified in Clause 5.3. of the contract) including cost of all services supplied to the residence, rates and charges, gardening, insurance, minor maintenance, and a small capital component to provide funds for the replacement of cookers, air conditioners and the like, as they wear out.

The dwelling's administrating authority is also entitled to retain a small percentage (1.25% p.a. with a maximum after four years of 5% of the loan) to cover the capital cost of renovation and appliance replacements. All the residences are fully renovated prior to resale and this ensures that it generates a good return to an outgoing resident.

The license to occupy is then sold to a new incoming resident at current market value. Should there be a shortfall between this new loan and the old loan the difference must be made good by the resident who is leaving the dwelling. However, as is generally the case, if the value of the new loan is in excess of the old loan i.e. taking advantage of market growth and capital gain, then a scale specified in the original agreement specifies how this 'gain' is to be shared. The administrating authority of the dwelling is entitled to retain a

percentage of the new loan agreed after the resale of the Unit, ranging from 5% of the amount in the first year of occupation to 20% after four or more years of occupation.

The residents are not permitted to assign, sublicense, transfer or otherwise part with possession of the residence without the prior written consent of the administering authority of the dwelling.

A full copy of the Tenants' Licence Agreement is available for inspection at any time in the administrator's office. This agreement complies fully with the Retirement Villages Act of 1987 (South Australia).

Who is responsible for re-licensing the Units?

Marketing of the Unit is arranged by the outgoing resident who can undertake his or her own marketing program, appoint an agent of his or her choice (at their own expense). When Petree Management receives formal notice from the residents who are vacating the premises it will do everything it can to help find a new resident for the re-licensing of the Unit. Any cost of marketing and advertising will be at the resident's own expense. Schedule Eight of the Tenants' Licence Agreement outlines the Re-Marketing Policy.

Can a Tenants' Licence Agreement be terminated, and under what conditions?

A residence agreement can be terminated by the resident at any time. The Retirement Villages Act also provides that a resident has a right of occupation which cannot be terminated unless the resident dies, the resident terminates the residence agreement, the resident commits a breach of the Tenants' Licence Agreement and rules, or the Unit becomes unsuitable because of the resident's mental or physical incapacity.

The loan

Can a member of my family or my family trust pay the premium?

The person/s named as the resident in the contract must occupy the residence. Other persons may pay the premium (subject to separate documentation), however when the resident terminates the contract it is not transferable to the person who paid the premium and vacant possession of the residence must be given.

Can I obtain 'reverse mortgage' or 'mortgage' finance to fund payment of the premium?

No, the resident has a licence to occupy the residence, but it may be possible to grant security to a third party financier over this licence, confined to an equitable charge, subject to approval of the administering authority. The charge cannot be registered at the Lands Titles Office.

Does the GST clause mean that the premium has an additional 10%?

We may recover GST from the resident as an additional amount to that specified in the contract, but only if the supply in question is subject to GST. The premium (the loan) is not a supply subject to GST.

Unit management

How can I be sure that the standard of facilities and services provided will not diminish overtime?

One of the main benefits of a lifetime licence, as opposed to other types of security of tenure, is that Petree Management Pty Ltd retains ownership of the estate and therefore a prime interest in ensuring that the reputation of the estate's facilities and services is always maintained at the highest possible standard.

Who is responsible for maintaining these items and replacing them when they wear out?

Residents are responsible for maintaining these items in good condition. All new electrical appliances are covered by a warranty and will be replaced by the dwelling's management at the end of their useful lives with another appliance in good working order.

What arrangements will exist for residents to participate in the management of the dwelling?

Under the Contract the residents are entitled to be a member of a Residents' Committee made up of one tenant from each of the tenancies to represent their interests in the Dwelling. The procedure is set out in the contract. Under the Retirement Villages Regulations 2006, the Dwelling's manager or Administrator must undertake reasonable consultation with this committee in regard to a number of matters, mainly relating to financial and other operational requirements. The Dwelling's Administrator in consultation with a representative of the Committee must prepare an annual budget of expenses and income which is required to be audited on an annual basis.

Unit options**Does a resident have a say in the furnishing of the unit?**

Residents are responsible for all furnishings and are naturally free to choose their own colours and materials for these items.

Are there any options which a resident could request for his/her unit?

A resident may request any of the following options be fitted or included in his/her unit, subject to the cost being met by the residents and the status of construction of the unit at the time of the request. Any request for options must be in writing and any of these items must be fitted only as authorised by the Administrating Authority. They might include such items as particular furniture, water softener/filter, light fittings, extra light, power and TV points.