Thank you for downloading the latest ebook from Lifestyle Transition Services.

— The Trusted Resource for Retirement Living.

In this guide, the Lifestyle Transition Team aims to provide you with details on your choices for the next phase of your life, whether it be staying where you are or moving into a senior living community. We encourage all seniors to take the time to consider what each of these options might mean for you now and in the future. Preparing now, whilst you are not in desperate need of a change, will only serve you and your family better in the future, making any transition a great deal easier when the time comes.

We hope you enjoy this eBook.

The Lifestyle Transition Services Team
Table of Contents

Introduction                        3
Ageing in Place            5
Options for Ageing in Place                       6
   Assess your needs and resources
   Make no changes
   Stay in your home – With modifications and maintenance
   Use in-home aged care services
Additional Income Options for Ageing in Place    9
   Granny Flats (Secondary Dwellings)
   Dual Occupancy
   Outlining your expectations
Additional Financial Alternatives to Support Ageing in Place 14
   Equity Release – What is it?
   Equity Release – What Are The Options?
   Taking in boarders and lodgers
   Financial help from the family
   Moving in with family or friends
   Subdivide and sell surplus land
Selling your Home and Downsizing                   24
   Evaluate your preferences
   Choose the right type of home
   Exploring a property’s development potential – A special case
   Steps to buying
Community Living                                  30
   Retirement Village Living
Alternative Options for Community Living          33
   Manufactured Home Villages
   Co-operative Housing Communities
   Living Abroad in Retirement
Residential Aged Care                              40
   Types of care offered
   Extra services
   The cost of living in aged care homes
Supported Living Communities                     43
   Group Homes
Get Expert Help!                                  45
Contact Us                                         46
Introduction - Practical Housing Options For Older Australians

You are the ‘heart’ of your home

In Australia, the majority of seniors own their own homes and, for many, this home is most definitely where your heart has been – perhaps even for decades.

However, remember that it is you who makes your home a ‘home’. As seniors planning and preparing for the future, you need to be ready to consider a change in how and where you live.

The population of seniors in Australia is growing. Estimates have been made that, by 2016, more than 25% of Sydney’s population, and about 31% of people in the rest of New South Wales, will be aged 55 years and over. Therefore, more and more people, like you, should be looking at how their current housing situation might fit their future needs.

Doing this now, before a crisis makes a change or move necessary, will take much of the heartache and stress out of your final decision.

Use a critical eye to evaluate your options, based on several factors, including:

- Your (and your partner’s) physical and mental health needs;
- Mobility issues;
- Availability of transportation;
- Proximity to friends and family;
- Socialisation opportunities;
- Proximity to health care and other services;
- Maintenance of the house and yard; and
- Need for in-home care.
In addition, do not forget to consider how happy you are with your current situation, and whether or not your current home will serve your future needs.

Will you be able to stay where you are, and still meet your goals regarding the people you would like be around, and the places you dream about visiting in the future?

And, finally, consider your finances. Look closely at your financial situation, no matter what alternative you are considering, including if you can continue to finance your current lifestyle, without additional assistance.

Knowing your rights in every possible housing situation will empower you to make the best decision for your long term retirement plan, taking into account what your needs are now and what your needs might be as you age.

We have summarised information on the most practical housing options available for seniors in retirement.

We can’t stress enough the importance of seeking professional financial advice on the tax and social security implications regarding your choices before you act, to avoid costly mistakes.

Take the time to start now, because this is a major life decision. Let’s take a look at some of your options.
Ageing in Place

Assess your needs and resources

You might not have heard the term "Ageing in Place" before, but you’ll definitely hear it again. A new report from the Australian Institute of Health and Welfare (AIHW) found that 90% of older Australians said they wanted to remain in their current home rather than downsize, move into aged care accommodation, or move at all. The benefits to staying in your home are obvious – a secure, familiar environment with the local community you know and love.

But while you too may want to ‘age in place’, you’ll need to weigh up various factors, including:

- **Does your reality match your fantasy?**
  You may be living in what used to be your dream home; however, now that the children are grown and your lifestyle and needs are changing, is it time to reassess the situation and dream something new?

- **Does the size and location of the home suit your needs now and in the future?**
  Why, for example, continue rattling about in a large family home on a leafy suburban street when you could move to a townhouse or apartment or even a retirement village in or near a vibrant area with shops, cafes, restaurants and everything else you need in easy walking distance?

- **Does your current neighbourhood suit your needs? – i.e. transportation, socialisation, and safety?**
  Times do change, particularly if you have lived in the same home for decades. Do you still have opportunities for socialisation and visiting with family? Do you feel secure in your neighbourhood? Do you have available transportation should, for instance, failing eyesight infringe on your ability to drive? What aspects of the community and neighbourhood do you love and what is now missing?

- **Are you financially able to age in place?**
  The answer to this question depends on many factors, not the least of which is whether you have the income to manage how you already live and still accommodate changing needs. If you would like to remain living in your existing home, but do not think you can afford it, there are alternatives to selling that may help you to keep your home. Be aware that these options may have an effect on your Age Pension (if applicable) and how much tax you pay.
Options for Ageing in Place

Make no changes

When evaluating your needs and goals for your future, you may decide you really don’t need to make any adjustments or modifications to your living situation.

If you’re in great health, with more than sufficient support systems surrounding you, this may be the right choice. However, at a minimum, we would urge all seniors to evaluate all options and develop a plan just in case they do have to make a housing change, and especially if that comes at a time when crisis occurs and choices are limited.

Stay in your home – with modifications and maintenance

It is possible that making modifications to your home and arranging ongoing help with maintenance are all that is needed to help you stay in your home.

Modifications can be as minor as adding more lights to accommodate failing eyesight. Maintenance help can be for the lawn, garden, house cleaning and the like.

While such changes can make a great difference to your comfort and safety in retirement, you need to be aware of the dangers of over-capitalisation or spending more money than you could expect to get back if you sold your home.
This could happen if, for instance, you added a costly swimming pool to a small home, especially if property values in the area were moderate.

On the other hand, it may make sense to spend modest amounts of money on making practical changes to your home to make it safer, such as adding grab rails in the bathroom or installing additional outside lighting around your front steps.

As well as making you feel safer and more secure, changes like this could make the home more attractive to other older buyers if you eventually decided to sell.

However, home owners need to weigh up any costs of renovations against the costs of other options, such as moving somewhere more suitable. This is especially important if you expect your needs will change in the future; for instance, if you’re likely to consider downsizing into more appropriate accommodation to suit your needs in a year or so.

Think not only about now, but about a year from now and several years from now. As you consider the changes you might need to make, carefully include an assessment of the amount of disruption you can accommodate in your life, including how repeated moves might affect you.

If you do choose the option of modifying, or of enlisting the aid of ongoing help inside or outside the home, always use reputable and licensed professionals.

**Use in-home care services**

As the years go on, you may find you need additional help with managing day-to-day activities beyond regular maintenance of the house and lawn.

You might also need help with daily tasks that you can no longer manage on your own, or need special aids and equipment to get around the home more safely. As you age, you may need some level of nursing care.

The Australian Federal Government subsidises many different types of services with the aim of meeting your changing needs as you get older, so you can live as independently as you can in your own home.
These services can include domestic assistance, personal care, meal services and nursing care. They can be delivered in two ways: the Home and Community Care (HACC) Package and through Home Care Packages. The program that is right for you will depend on the level of care you require.

A great resource is the My Aged Care website - http://www.myagedcare.gov.au/. Established by the Australian government, this site will help you and your family find more information about the services you might need and how to get help in receiving them. The website also offers information on approved service providers, eligibility requirements and assessment processes, and service costs.

There are also private companies that can provide services across a range of community and ancillary health services. The user of these services is charged for all services provided and the hourly rate varies between companies supplying these services. You can contact private home service providers directly to discuss your individual needs and the cost of services required.
Additional Income Options for Ageing in Place

Granny flats (secondary dwellings)

Under New South Wales legislation, the introduction of The State Environmental Planning Policy (Affordable Rental Housing) 2009 (AHSEPP) provides for the development of secondary dwellings (commonly known as ‘granny flats’).

The addition of a granny flat can be an affordable solution to add value, flexibility, or a source of additional income if you choose to rent it out. If considering downsizing, you may decide to move into the granny flat and rent out the main house.

What is a Granny Flat?

A granny flat is a self-contained extension of the family home that allows you to convert part of the principal dwelling, structure or garage into a secondary dwelling or can be attached as an extension to your principal dwelling or built as a separate structure and detached from the principal dwelling.

As a general guide only, the following provides an overview of the minimum controls outlined in the AHSEPP:

- Only two dwellings: one principal and one secondary allowed.
- The secondary dwelling (granny flat) cannot be subdivided or made part of a strata or community titled scheme and sold separately to the principal dwelling.
- It must generally have a minimum site area of 450m².
- A secondary dwelling is to have a maximum floor area of 60m².
If you want to build a secondary dwelling, approval is required. There are two ways to obtain development approval:

- **Complying development:** If your application meets the ‘complying development’ provisions in the AHSEPP, your application could be approved in 10 days by a council or accredited certifier.

- **Development application:** If your proposal does not meet the above ‘complying development’ provisions, you can lodge a development application with your local council. In this case, assessment is made in accordance with the AHSEPP and any relevant council policies. In this instance, the timeframe for approval varies.

If you’re considering altering your home to include a secondary dwelling, we advise you initially view the State Environmental Planning Policy (Affordable Rental Housing) Amendment 2011 and fact sheets on the recent changes from the Department of Planning and Infrastructure’s website: [www.planning.nsw.gov.au/affordablehousing](http://www.planning.nsw.gov.au/affordablehousing) or speak to a town planning consultant.
Dual Occupancy

Dual occupancy is a form of residential accommodation used as a separate self-contained dwelling.

A dual occupancy can be either attached (one large house on a single block that has been divided into two separate homes) or detached (two houses built on one block).

Depending on the size of your land and/or layout of your home, you may consider looking into converting your property to dual occupancy. Dual occupancy development can be permissible development under the zoning of the land under your local council’s Local Environmental Plan (LEP).

Dual occupancy could allow you to rent out (or in some instances, subdivide and sell) one or both of the residences, increases your income and, with the right tenants or co-owners, improves your security, and reduces garden maintenance. Dual occupancies are not limited to the 60m² applying to secondary dwellings.

Can I build a dual occupancy?

You will firstly need to identify the property’s zoning by asking your local council. Under the zoning of the land, certain types of land uses are permitted with council consent or prohibited. Approval by your local council is required: there is no sense in going forward if dual occupancy development is not permitted.

If dual occupancy development is permitted, you will need to lodge a development application for council to assess and determine the development proposal in accordance with any relevant state and council planning and development policies.
If your development application is approved, you have options regarding how you can set up ownership, including Strata or Torrens title. Torrens title is preferred as it is freehold title unlike strata title which requires an owners corporation.

*NOTE: Torrens titled or strata titled subdivision may or may not be permitted and is subject to your specific local council planning regulations. This is important to determine if your intention is to sell off the new additional dwelling.*

**If you’re considering this option:**

- Talk to your local council about whether dual occupancy development is permissible under the zoning of your land;
- Factor in the construction, and associated costs – the profit may not be as large as first anticipated;
- Assess the upfront costs of remodelling and/or building, together with loss of income from other sources i.e. interest on investments can affect the overall benefits of any additional income derived from converting your property to dual occupancy;
- Research probable increases in utilities, maintenance, and other costs;
- If developing your property in conjunction with a family member/friend, how will your respective roles and expectations be recorded? i.e. it should be stated in a written agreement;
- Be sure you are clear on what happens if you need to sell the property; and
- Consider privacy issues and, if this dual occupancy includes family members, discuss expectations such as babysitting and other types of support.
Outlining your expectations

When you’re considering sharing property in some way with family or friends, be it in a granny flat or dual occupancy, we cannot stress enough the importance of having a written agreement to outline your respective roles and expectations.

You need to treat this just like any legal agreement to avoid those potentially sticky situations. It is best if all of the questions are put on the table. You may make an agreement now and then all agree to look at it again, for instance, perhaps once a year. Make the yearly review of the agreement something that allows everyone to be frank about their needs, so that any potential problems are tackled before they become unsolvable.

If leasing out the additional accommodation to a tenant, you are best advised to place the property management into the hands of a property manager. This third party can deal with any unforeseen problems regarding the lease agreement, and for you to personally avoid tensions and confrontations down the track.

Some of the questions you should be asking and answering in this agreement, to add to the ones that are relevant from the list about granny flats, include:

- If developing your property with a family member/friend, how will your ownership be recorded against the title of the property?
- What happens if one person wants to sell their half or share?
- How will disputes be handled?
Additional Financial Alternatives to Support Ageing in Place

By Craig Hall. Craig has worked in the investment and finance industry over a period of 13 years. Craig writes a number of articles for senior’s publications and contributes to discussion/consultation papers for Government.

Equity Release – What is it?

Many seniors are asset rich and income poor due to a number of reasons. For example, they may have accumulated their wealth in their home and may not have had access to superannuation during their working life. Equity release can provide senior homeowners with a solution to access adequate cash to enhance their overall lifestyle and financial wellbeing.

So what is it? Equity Release is a way seniors can access money (equity) in their home without the requirement to make repayments or fulfil the contract with the provider until a trigger event occurs. (The most common trigger events are the death of the homeowner or the homeowner moving out of the secured property to an aged care facility, for example.). If used appropriately, and with full understanding from the outset, equity release can be a useful tool for certain seniors throughout their retirement years.

Equity Release products now come in various forms, each with potential benefits and pitfalls unique to everyone’s personal situation, needs and objectives. Despite the range of products and expanding options, a few basic issues are applicable to all and need to be considered:

**Purpose** – The sole purpose of accessing the equity in your home should be to cover necessary expenses that cannot be covered by other means. This may be through regular payments to cover day to day living expenses, a lump sum to cover an unexpected cost or a combination of both. It is important to explore all avenues prior to application to determine which option will best meet your needs. Also check to see if their investment funds are available or an unwanted or non-productive asset can be sold.
Elder abuse - Be aware of pressure from a third party such as non-dependent children, family friends and neighbours, as often this can result in a detrimental outcome.

For instance, an elderly lady was pressured by her son to borrow the maximum amount available to her and give him the proceeds for a business venture. Unfortunately the son’s business venture failed, which left the elderly lady with a growing debt, therefore reducing her options for accessing equity later in life for other purposes such as aged care. Another issue she faced is that when she advanced money to her son she exceeded the ‘gifting rules’ which meant that her age pension entitlement was reduced. It was clear in this case that while her and her son’s intentions were good, a lack of information and advice has cost her significantly in financial and retirement living terms.

Reduction of equity – Regardless of which type of equity release product you choose, the trade-off for accessing a portion of equity now is that you will have a reduction in equity of your home (in percentage terms) at the end. Try to get as many case scenarios as possible when investigating the available products to give you an understanding of what may eventuate down the track with regard to how much equity may be left.

Rights – While you may have to meet certain obligations, you also have rights. It is important to understand your rights as a holder of an equity release product. These include your ability to stay in your home until a trigger event occurs, your right to access the status of the loan or facility as well as other relevant information, and your right to be treated fairly and that you have not been led into a facility that was inappropriate.

Advice – One of the most important parts of the application process is seeking professional advice. This includes both legal and financial advice. Seeking legal advice ensures you are aware of the various terms and conditions of the contract, including your own obligations. Financial advice shows the potential outcome of using an equity release product, including issues such as any impact on Government Income Support entitlements, the effect of compound interest if applicable, other options that may be explored and optimising cash flow. Your financial advisor should also highlight potential future limitations to life stage events such as aged care. Many of these issues can also be explained by the Department of Human Services, and Financial Information Service (FIS) staff.

Once it is established that accessing the equity in your home should be considered as a solution to freeing up cash, the next step is to understand the options available.
Equity Release – What Are The Options?

Equity Release comes in a number of various forms. It can therefore be quite confronting and confusing to understand and to make a decision on which would be the best option for your circumstances.

So let’s look at the various options available that allow seniors to access the equity in their homes:

**Reverse Mortgage**

A reverse mortgage is a loan provided where interest and other costs accumulate and repayment is not required until a trigger event (such as death of a spouse) occurs. Providers can lend up to a regulated maximum percentage of the value of the secured property, based on the age of the youngest borrower/homeowner. The proceeds can be taken either as a lump sum, regular payments or a combination of both.

For Government Income Support (GIS) purposes the first $40,000 of the drawn proceeds that remains unspent is assessed after 90 days and any unspent drawn amount above $40,000 is assessed immediately.

**Shared Sale Proceeds Arrangement**

Seniors can enter into a part-sale transaction and receive a lump sum cash payment in exchange for a share of the property’s future value. The facility is available for eligible property types in certain locations. The amount received is a smaller percentage of the present value of the share being sold because the senior/s retain all ownership rights and responsibilities for the rest of their lives. Assessment for GIS is the same as reverse mortgages.

**Property Option**

 Enables access to the future capital growth of the home as an income stream. The homeowner agrees to sell their home to an investor at an agreed value at a future time of their choosing, in exchange for a monthly income from the investor.

It is possible for the homeowner and investor to share in the capital growth of the property, however this reduces the amount of the monthly payments received by the owner. The homeowner retains full ownership of and responsibility for, the property until the eventual sale and change of title takes place. Payments received are not assessed as income for GIS.
Pension Loans Scheme (PLS)

Property owners of age pension age who do not receive a pension, or receive a part pension, can borrow payments up to the full pension against their property. If the debt is secured against an assessable asset, the actual pension payment may increase as the net value of the asset reduces, thus reducing the ‘top up’ or borrowed component.

Downsizing

Downsizing can free up equity while maintaining full home ownership. This is simply selling the existing home and purchasing a property of lesser value. Any surplus funds are then available for use. Costs involved include stamp duty, agent’s fees, marketing fees and relocation costs.

As you can see, it can be daunting to not only understand each product but also to make an informed decision to choose the most appropriate for your circumstances.
Avoiding potential pitfalls

As with any major decision-making it is important to investigate all the benefits, conditions and potential pitfalls.

The following is a list of handy tips for consumers considering equity release to ensure inappropriate decisions are not made.

- Check if the provider is prudentially regulated and holds an Australian Credit Licence if required.
- Check with the Department of Human Services (DHS) to see if it will affect your Government Income Support entitlements.
- Check if the loan is portable in case you wish to move house and retain your reverse mortgage in the future.
- Seek professional legal and financial advice.
- Check if you face any penalties or fees should you choose to exit the scheme, whether retaining or selling the property at a time of your choosing.
- Ask the provider what your obligations are as far as maintenance on the property is concerned.
- Ensure that, where applicable, regulated consumer protections are being met according to the National Consumer Credit Act 2009, such as offering a ‘No Negative Equity Guarantee’, providing you with a thorough pre-assessment for suitability of the product and providing the appropriate documentation and projections.
- Ensure that your insurance cover is adequate.
- Find out what your rights are if something goes wrong or a dispute arises and what external dispute resolution scheme your provider belongs to so you know where to go if you have a problem.
- Find out what restrictions an equity release product will have on you in the future - for example if you wish to renovate or need to move into aged care.
- Ask the provider questions about themselves such as how long have they been in business, can they give you any customer feedback and how can you deal with them in the future.
While potential problems may arise from accessing the equity in your home, being prudent in investigating and understanding all aspects thoroughly and seeking professional legal and financial advice will provide clarity and peace of mind.

**Taking in boarders and lodgers**

This is an option that could improve your financial situation, allowing you to stay in your own home longer.

**Tenants, lodgers, and boarders are actually quite different from each other, besides the fact that they occupy some portion of your property.**

- A tenant is a person who pays rent and, in return, is granted a right to occupy residential premises, usually (but not always) including a right to exclusive possession of the premises.

- A boarder shares the landlord’s house, pays rent and receives some services from the landlord, such as cooking and cleaning.

- A lodger is similar to a boarder, but generally does not receive services from the landlord.

The success of any of the above arrangements is first and foremost finding the right person, or people, to share your home. Then you need to weigh the many pros and cons, from the fun of having company versus the frustration of losing privacy, to getting help with finances versus having someone else using resources, and in some ways, increasing costs.

In any of these arrangements, we urge you to have written agreements. Know your rights and obligations, and spell out those of your tenant/ boarder/lodger. Make sure you know if the added income will affect your pension and what the tax implications are.
Financial help from family

Most people do not like asking their family for financial help but, if you want to stay in your home and you or your family wants to keep your home for the family inheritance, it may be worth asking if they can help.

If you choose this option, make sure you work with a professional financial advisor to determine which payments can be made to you as a gift rather than income that will affect your income or taxes. There is also the option that a family member may want to buy your home, which could be a win-win if they need the investment and you can then live there rent-free.

In any event, with any financial arrangement, seek legal advice and develop a written agreement. You do not want to land in a sticky situation with family members, especially in your senior years when you may need their emotional support even more.

Moving in with family or friends

If you’re considering this option, we will assume you already have a pretty good relationship with the family or friend you are considering sharing a home with. This option is often used by seniors who need extra help, even if only temporarily. It is often cheaper than hiring in-home care, and you might be able to rent out your home for a short while during your stay away. Whether temporary or permanent, it is considered by many to be a way to “age in place”.

With this option, you might just be sharing the home by moving into your own bedroom, or you might arrange for more private accommodation by moving into a granny flat in their home.

Using one of the bedrooms in the home

With this option you’re likely to be fully engaged in the everyday hustle and bustle of the household, from using the family kitchen and living spaces to potentially sharing a bathroom.
Granny flats

Granny flats, as mentioned previously, are self-contained living units in the home. You would have your own space beyond just a bedroom, including a bathroom, kitchen and living space. The potential for increased privacy is obvious, but still within the structure of the home with potential for daily interaction with the family.

Such a move may be really helpful in even a temporary situation when you or someone in your family is ill or frail. Before you make the decision, consider again some of the questions you considered earlier when looking at granny flats and dual occupancy.

These questions apply both to you and the people you will be moving in with:

- How will people feel about any loss of privacy?
- Will you be able to cope with the noise and activity of children and teenagers?
- Will there be a sense of isolation while other family members are at work, school and other activities?
- What would happen if the family situation changed? For instance, if a marriage or relationship break-up meant the house had to be sold.
- Can you use the kitchen and other areas of the house? Can you call the place your home, or are you to be considered a guest?
- How would this decision affect you both financially?
- Will you be expected to babysit?
- What kinds of help do you expect/need from them, such as transportation and personal care?
If this is to be a permanent arrangement...

So, now you may be considering a granny flat, not in your own home as discussed earlier in the section on Ageing in Place, but rather in another’s home.

Many seniors are taking advantage of this option by living in a small home or apartment on property that is owned and occupied by another family member or perhaps a friend. Living in a granny flat might be just the right balance between independence and security, not to mention other advantages like having help and family close by.

If you’re considering moving into a granny flat take the time to talk about and agree on how you will live on the same property together.

If this is to be a permanent situation, we recommend you ask the following questions:

- What is the agreement about the yard? Can you keep pets? What are the rules about parking the car?

- What are your expectations about getting assistance from family members in maintaining your flat?

- Do you want an open door policy, or would your needs be better served if you all agreed to call before visiting?

- Will their homeowners insurance cover your flat? (More than likely it will, but their premiums may increase and it is good to have the discussion now).

- What is your share of the finances?

When moving in with family or friends it is important to address all of these questions and more before you make the arrangement permanent. And, in addition, we encourage you to develop new family rituals surrounding these new living arrangements.

Sometimes families are so concerned about respecting privacy that the senior may be left alone more than they want to be. Planning for regular Sunday dinners and family outings will help develop the healthiest balance between privacy and building precious memories.
Subdivide and sell surplus land

If you live on a large parcel of land, you might consider subdividing, or remain in the home and sell the remaining portion of the land. This option is most suitable for a property that has two street frontages, corner lots or a property with rear access and sufficient land to satisfy the minimum lot size for subdivision under your local council’s planning and development controls.

If your home is in a high-demand area, this could be a great financial option, as well as a way to make the total amount of property you have to maintain smaller.

If contemplating this option, check first with your local council regarding zoning controls and policies on subdivision. You will need to lodge a development application with your local council where it will assess and determine the proposal in accordance with any relevant state and council planning and development policies.

In fact, we would suggest never considering this option without seeking professional advice to help guide you along the way. Your consultant should be familiar with the costs of subdivision and can help with the due diligence process.
Selling your Home and Downsizing

As seniors look to the future, it’s relevant and important to consider whether the home you’re living in suits your needs, and whether it should be sold.

It may have been a long time since you sold and bought a house, and there are many new changes in the process. As always, we highly recommend talking first with a seniors housing advisor who will help you consider the following factors and more.

First you must ask: can you afford to do this? To work this out, you need to have a reasonable idea of what your home will sell for and what it will cost to buy your next home in an area where you want to live.

You also need to take into account the costs of buying and selling, such as stamp duty, legal costs, real estate agents, auctioneers, marketing costs, and furniture removalist charges. There may also be ongoing costs in the new home, let alone the costs you may be anticipating for your own personal care in the future.

Evaluate your preferences

Become clear on what you like and what you don’t like about your current home. It could be anything from the way the front veranda feels to the fact that stairs are becoming a nuisance.

Perhaps you like the proximity of your neighbours, but hate the increasing traffic noise? Maybe it’s hard to get around in the bathroom, but as you look at things you realise that putting in a grab-bar here and there may solve the problem.

Take your time with this. You do not want to make a decision that causes you to forget something that is really important to you. This next step should be an improvement!
Choose the right type of home

For your next home you will likely be choosing something smaller, and you might choose something entirely different; whether it's a unit/apartment, townhouse, courtyard home or villa, or even a portable home.

**When considering a different type of home, be sure to look at the following:**

- Security of tenure (can you live there as long as you want to?)
- Ease of maintenance
- Whether you can make alterations
- Access to a garden
- Balancing privacy and company
- What, if any, security is there?
- Transportation
- Access to social opportunities and other resources
- Do you like the home?
Units, apartments, courtyard homes, terrace houses, villas or townhouses

These are a viable option for many seniors. They generally offer as much security of tenure as a detached house, but have smaller yards and lower upkeep costs, while still giving you privacy in balconies, courtyards and perhaps a garden.

You will have the advantage of some additional security, and perhaps all you really need to do is to make some minor modifications to the home in preparation for the future, like installing hand rails in critical locations and making sure the hallways are wide enough to accommodate someone walking with a cane or in a wheelchair. Frankly, just evaluate this new home as you evaluated the home you just sold, making sure you know the answers to the questions you asked yourself before.

The titles for some of these units may be different, and you will want to understand the term ‘strata title’. This title is a certificate of title for a lot, and a share of common property. Your advisor will assist you in reviewing the ‘strata scheme’ to ensure that you will own what you think you will own.
Shop Top Housing is a unit, or apartment, above ground floor commercial premises or retail stores. These units may have separate title, or Strata Title. Click here for more information on Strata Titles.

With either of these choices, there may be common property such as stairways, service yards and garden areas. If there is a Strata Title situation, then there is an owners corporation that controls the administration and funding of this common property, and usually means that fees are levied against all residents. If you’re considering purchasing this type of housing, your advisor will help you to understand your rights and obligations.

We suggest you look at the minutes of the executive committee meetings, and meet some of the people who comprise this committee first. (Of course these are people you want to feel comfortable with!)

Seniors Housing or More Commonly Known as Over 55’s housing is for both seniors and those with disabilities.

Under State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004, seniors are defined as people aged 55 or more. People with a disability are defined as people of any age.

Under this policy, only those aged 55 and over, or people with a disability, and their carers, can occupy this type of development.
Exploring a property’s development potential
– A special case

As you consider the possibility of selling your property, do your research about any development potential your property may have for future development to maximise your end sale price.

Depending on the permissible uses as dictated by your local council’s zoning and development controls, we suggest you speak to a town planning consultant, or architect, who can advise what sort of development you can undertake, estimate the highest and best development option, and whether the project is worth pursuing financially, as it just may be that your home makes the whole property more valuable as it is.

If you’re especially adventurous, it might be worth asking adjoining neighbours if they want to amalgamate their property with yours if they too are considering selling. Of course, you will need to do plenty of research on this option first and go into it with your eyes wide open.
Steps to buying

Once you have decided on the type of home you want, the main steps involved in buying a property include:

- Looking at a variety of homes in the type you have chosen;
- Expressing an interest in a property;
- Paying a holding deposit (usually only a small amount);
- Applying for a loan or bridging finance (you need this because you’re purchasing a home before you have sold your existing home);
- Obtaining building and pest inspection reports;
- Paying the deposit;
- Exchanging contracts;
- Undertaking final checks during the cooling-off period; and
- Making the settlement on the property

Some of these steps must also be carried out in relation to the house you are selling. Make no mistake, this is a very complex process and most people choose to get expert help, whether buying via private treaty or buying via auction. Of course, no one can decide for you what you like and what you don’t like, but an expert can help you make sure mistakes are not made, and you get the most for your money and the best for your future.

If you receive a pension from Centrelink or the Department of Veterans’ Affairs (DVA), there are special rules about how the money from the sale of your home will be treated. Your seniors housing advisor will help you every step of the way, including referring you to professionals who can help you evaluate issues such as the possible effect on pensions.
Community Living

Senior community living is primarily categorised by the level of care available to residents. At one end of the spectrum, there are communities that offer little or no care; at the other end, the facilities provide continuous care. Between those extremes are a range of housing choices that can meet changing needs, including a couple of new choices, which we have included at the end as “additional options”.

Retirement village living

Australian seniors are choosing retirement village living at an ever increasing rate as an alternative housing and lifestyle option. They are especially popular with both singles and couples aged over 55 years who feel they need more security, support or company but who want to maintain their independence and not worry about many of the day-to-day property maintenance needs that are taken care of by village staff.

There are many different types of villages, and each offers a different range of accommodation choices from single family homes, townhouses, villas, and apartments, as well as offering a variety of amenities, services and facilities. Many offer basic services such as cleaning and laundry services, and transportation but seldom offer medical care.

Before you make the decision to move to a retirement village, educate yourself on what they each offer that meets your needs and budget, and be sure to visit a number of them.

The checklist goes into thorough detail about the questions you should ask prior to moving into a retirement village, such as:

- How will this move affect your lifestyle?
- Do you like the look of the village and the accommodation available?
- Is it an accredited village?
- What kinds of security are provided?
- Is there access to aged care facilities if you need it?
- What are the financial considerations? (i.e. purchase cost, fees, including entry fee; maintenance fee; and some ongoing fees even if you move; as well as potential for these fees to increase over time; and their refund policy should you need to move).
- How is the village managed and what are the rules for residents?
- What lifestyle opportunities, leisure activities and services are available?
- Is there public transport, shops, supermarkets and amenities like libraries, medical centres, churches and recreation facilities nearby?

Before you make the commitment, visit a number of retirement villages and speak to their village manager and sales staff. Feel free to visit them more than once if need be, and ask if they will allow you to talk to some of the residents or members of the resident committee. They should be happy to talk to you.

Some complexes include both retirement villages and aged care homes, which may include low level care and, sometimes, high level care.
Self-care (independent living) units

Aptly named, these units are for seniors who just want a smaller home but less worry about maintenance, more security, and nearby peers.

Units are usually one or two bedrooms with a full kitchen and living area. Some may even have a small yard, courtyard or balcony.

Serviced units

Seniors living in one of these units usually eat in a communal dining room or have meals delivered. The units do not have full kitchens, and residents may get assistance with cleaning and maintaining the unit and with personal care.

Serviced units are not classed as low level care (hostels) unless they receive Federal Government funding. When government funding is provided, only people assessed by an Aged Care Assessment Team (ACAT), as needing residential aged care, can move into these serviced units.

Remember to get expert help

First and foremost, you are the expert at what you want and how you want to live your life. So, make sure that at all levels of decision-making, your ideas are paramount. Then discuss the decision with the next level of ‘experts’ you know, which may be your family.

Before you go any further, consult outside experts, from seniors housing advisors who are familiar with retirement village living to a solicitor and financial advisor familiar with retirement village contracts.

NOTE: More detailed information on Retirement Village Living can be found at:

Office of Fair Trading NSW
www.fairtrading.nsw.gov.au

The Retirement Living Council
www.retirementliving.org.au

Retirement Village Residents Association
(RVRA) www.rvra.org.au
Alternative Options for Community Living

Several options have emerged that combine community living with a really strong dose of independence.

Manufactured Home Villages

In manufactured home villages or estates, residents are either permanent, or comprise both permanent residents and tourist sites for holiday makers. Permanent residents own their homes and enter into a leasehold agreement with the village management to lease the land that the home occupies.

New homes are usually brought onto the village by the owners after having been manufactured at the factory to the homeowner’s own specifications. (Alternatively, you may be able to find a home for sale that is already in a village.)

You will need to sign a residential tenancy agreement for leasing the land your home sits on, and there may be additional fees for access to amenities such as swimming pools, exercise centres, etc. Most villages have scheduled social gatherings, including village-wide barbeques, tennis or chess opportunities, etc., as well. In many cases, courtesy buses will transport residents to shopping or other specific outings.
Manufactured home villages are not “one size fits all”. Some are for seniors only and some are not. Some restrict access to common facilities and some do not. In many villages the management lives on-site, and sometimes they are available 24 hours a day, seven days a week.

Villages engender a close-knit community feeling, where neighbours watch out for neighbours. This element is extremely attractive to many seniors, who believe independent living in their own home is the best option, but want a location where they are not isolated, but rather, have community to depend on.

Seniors who buy their homes new from the factory also have the added benefit of designing their own homes to their exact specifications. The homes are hauled by trailer to the manufactured home village, unlike modular homes, which are transported in pieces. Manufactured homes are sturdier and more reliable than their counterparts, and, depending on your financial resources, can offer all the amenities possible.

Once purchased, the home is yours. There is no stamp duty tax on a manufactured home, and no need to pay land fees or council rates on the leased land. You also may be eligible for rent assistance from Centrelink.

Your research into manufactured home villages will first include meeting your own needs for location, climate, proximity to family and friends and the like.

But before you actually sign a residential tenancy agreement, ask questions about the nature of the agreement and the rules and regulations of the village, such as the following:

- Is the village open only to permanent residents, or do you allow for part time occupancy; is it only for seniors, or all ages?
- What happens if the village is sold or if regulations change?
- What restrictions, if any, are there on visitors, pets, and the like?
- What restrictions, if any, are there on the type of home that can be moved into the village?
- What amenities are available; what are the regulations for use of common facilities?
Consult with a professional to help you craft a full list of questions that are most relevant to your situation. He or she will help you evaluate the rental/lease agreement for the property, and understand your rights. For additional information, see NSW Fair Trading NSW Factsheet on Residential Park Living @ www.fairtrading.nsw.gov.au/pdfs/About_us/Publications/ft022.pdf

Cooperative Housing Communities

Cooperative Housing Communities (or intentional communities) are fast becoming a popular choice for retirees who want to live independently while also enjoying regular involvement in a community.

Some cooperatives are resident-owned, but a popular alternative, especially for low or moderate-income seniors, are cooperatives in which residents are tenants. The property itself is owned by the government and legally run by a non-profit corporation, but is managed on a day to day basis by the residents themselves. Residents participate in a democratically-based decision making process and are expected to participate on an ongoing basis.

The popularity of cooperatives in Australia is on the rise. This is particularly true for those housing co-operatives where the residents are tenants, and the landlord is a non-profit corporation which specialises in cooperative housing.

Many of these housing cooperatives cater to a specific demographic profile (artists, teachers, etc). The demand for seniors-only cooperatives is increasing, and the Federal Government is taking note.

In cooperatives in which the residents are tenants, the government (through the non-profit) owns the property. This non-profit corporation manages interactions with official agencies, and provides long-term strategies for maintaining the property (such as keeping track of major preventative maintenance). They may also publish newsletters, annual reports, and member updates.

The residents (members) pay a monthly rent fixed by the non-profit/government. There is no other financial investment required for membership. In this “no-equity” position there is also no money forthcoming when the resident leaves.
The day-to-day workings of the cooperative are handled by the members through a decision-making process guided by the cooperative’s bylaws. The bylaws spell out specifics such as the preferred profile of residents (seniors-only, teachers-only, etc), the process for maintaining and managing the living units, and the expectations that the community has of its members.

It is democracy-in-action on a small scale, with all members participating in decisions about how to utilise the income from members’ rent payments to cover maintenance, running costs, administration and training.

Members are expected to participate in operations and management. The actual amount of time will vary from cooperative to cooperative, but there is always a requirement for a significant investment of non-compensated hours. At a minimum the expectation will be to attend regular meetings, participate in decision making, and be available to work on scheduled workdays.

Housing cooperatives are often established initially by the people who intend to live in them. These same people may still reside there decades later; more often than not, however, some of the tenancy changes. (Liking the overall cooperative community, therefore, and not just specific people, is a stronger foundation on which to base a decision to apply for membership.) Whether tenancy changes or not, the “rules” of the cooperative remain the same until the bylaws are officially changed.

This type of living can be a fantastic, long-term choice for seniors who are willing and able to thrive in a unique blend of independence and community living. If you are considering becoming an applicant for an open unit in an existing housing cooperative, make sure you understand the bylaws as they stand. Each cooperative is unique, and expectations and opportunities vary.

As an example, one cooperative might schedule a Sunday brunch at different houses every other week, while another might do this only on holiday dates. There are a wide variety of possibilities, but they all, to some degree, will expect a minimum of social interaction from all members. New members must understand the expectations, and be willing to embrace them.

If you think a cooperative housing community might be the right lifestyle for you, make sure you research first. Visit websites online, and if you find a group with an open unit that seems to meet your needs financially, geographically (location, weather, neighbourhood, etc.), and demographically (seniors-only, for instance), then reach out and visit them.
After reading the bylaws and talking with members, you will get a good picture of what life might be like as a member. **You may find that this balance of independence and community living is your best next step.**

To find a suitable cooperative community, and for further information visit [www.communities.org.au](http://www.communities.org.au) and [www.equilibrium.org.au](http://www.equilibrium.org.au)
Living Abroad in Retirement

Many retirees of the Baby Boomer generation have lived comfortable lives, and don’t fancy restricting their lifestyle in retirement. Without healthy assets or a large superannuation payout, however, how do you live well on a pension?

The answer for an increasing pool of adventurous retirees is to move overseas to a country with a much lower cost of living than Australia, in some cases where you can carve out a comfortable lifestyle for as little as $40 per day. And we’re not talking slumming it either, but moving to places you may previously have visited for luxury holidays.

While cash-strapped US retirees are heading for the countries of Central and South America, Australians are retiring to South-East Asia for its proximity to visit home regularly or receive visits from family and friends.
Popular retirement destinations in South-East Asia include Chiang Mai, Phuket and Bangkok in Thailand, Ho Chi Minh City in Vietnam, Penang and Kuala Lumpur in Malaysia, the Philippines and Bali in Indonesia. If you are willing to move further afield, parts of Italy, France and Spain in Europe offer affordable retirement living and Panama, in Central America, offers not only an appealing lifestyle but the world’s most generous program of special benefits for foreign residents and retirees.

Feeling adventurous and keen to find out more about potential places to live overseas? Start by researching the destinations that might offer a lifestyle that appeals to you. Go there for a holiday if possible, test the waters and talk to expats already resident there. Join online ex-pat forums and ask questions of foreigners already resident there. Find out about the quality of healthcare, the cost of housing and day to day living costs such as food, power and internet access. What is the visa situation? Do you have to fly out of the country to renew your visa on a regular basis?

A few examples. You can retire in beautiful Phuket, Thailand, or Penang, Malaysia, for as little as $40 per day, including rent, food, utilities, health care, dining out regularly and even a housekeeping service. In Malaysia, where many doctors and other health practitioners are Australian trained, a visit to the doctor costs from $11 to $17. Outside of the major cities in Italy the price of a comfortable home in a beautiful location can be as little as $50,000.

If you would prefer a dedicated seniors housing option overseas visit http://www.seniorshousingonline.com.au for a range of properties.

To see what you could expect to pay for a property in North Bali (which is less touristed and less expensive than the south of the island), visit http://www.lovinaproperty.com/

International Living Australia is a monthly publication for retirees planning to move overseas. To find out more or subscribe go to www.fitzroypress.com.au

Another excellent resource is http://www.planet-boomer.com/, a website published by financial journalists Stephen Wyatt and Colleen Ryan which offers real life stories of people who have retired to South East Asia, plus practical information about various locations and access to visas, healthcare, pension benefits and more. Stephen and Colleen have also written a book, Sell Up, Pack Up and Take Off, which can be purchased via their website or Amazon.
Residential Aged Care

Sometimes the aged and frail may need to consider a move into residential aged care.

Evaluating whether this option is right includes asking questions such as:

- Can the senior take care of most of their personal needs, but would enjoy having meal, laundry and housecleaning services?
- Would medication management, an emergency response system and ‘on premise’ nursing provide the family and the senior with more peace of mind?
- Does the senior need assistance with bathing, grooming and dressing?
- Are there any concerns about memory issues?

If you or a loved one may need this kind of assistance, seek an Aged Care Assessment Team (ACAT) to help you look at your choices.

Any move to a residential aged care home requires approval by an ACAT. The team will not only help arrange a place, but will assist in organising more services in the meantime if a suitable home is not immediately available.

There are two basic types of residential aged care – low level and high level residential aged care.

Low level care homes (such as hostels) generally provide accommodation and personal care such as help with dressing and showering, together with occasional nursing care.

High level homes (such as nursing homes) provide care for people with a greater degree of frailty who often need continuous nursing care. While some aged care homes specialise in either low level or high level care, others offer both low level and high level care, which may allow you to stay in one location even if your care needs increase.

The ACAT members or representatives of the homes can tell you about the care and services each home provides and whether you can remain at that home as your care needs change.
Types of care offered

Whether low or high level, all residential aged care homes must employ qualified staff and a specified range of care and services according to each residents’ needs – at no additional cost.

**Basic care provided to all residents who need them, no matter what level of care, includes:**

- Staff to help at all times, including in emergency situations;
- Assistance with daily living activities, such as bathing and dressing;
- Assistance with medications, meals and refreshments;
- Basic furnishings;
- A laundry service; and
- Social activities

**In high level care homes, the additional services provided, again at no additional cost and depending on the individual’s needs, include:**

- Continence aids;
- Basic medical and pharmaceutical supplies; and
- Nursing services and therapy services.
Extra Services

Some aged care residential homes provide Extra Services, including a higher standard of accommodation and increased entertainment and food choices at an additional cost to the resident. These ‘extra service’ homes receive approval from the Federal Government to offer these additional services for a higher daily care fee and accommodation bond.

Extra services should only refer to the standard of accommodation, meals, food and entertainment – not to the level of care which is legislated to be of a high standard across all aged care homes.

In some cases, the entire aged care home may be ‘extra service’, while in others a distinct part of that home, such as a separate building, wing or unit, is dedicated to ‘extra service’.

Some of the extra service features you might be offered include: a bigger room; phone and internet; satellite television; special therapies such as massage, aromatherapy and hydrotherapy; a selection of beverages, including wines, beer and spirits; and leisure/entertainment facilities.

The cost of living in aged care homes

While the Federal Government helps you with the cost of your residential care by providing funding to aged care homes, it also expects those who can afford it to contribute to the cost.

Aged care facilities may charge a number of fees and charges which you may or may not have to pay, depending on your circumstances. If you’re interested in a home that offers extra services, you should enquire about the services provided and the additional costs involved.

When you’ve been offered a place within an aged care home, you can arrange to visit before you move in to familiarise yourself with the home’s surroundings. Once you’ve agreed to accept a place, you have up to seven days to move into the aged care home.

The My Aged Care website http://www.myagedcare.gov.au/ has been established by the Australian Government to help you navigate the aged care system.
Supported Living Communities

Supported Living Communities combine the best advantages of retirement villages and aged care homes to provide a new and welcomed choice for seniors.

In a Supported Living Community, residents buy and have leasehold title to their own home – as in many retirement villages. However, unlike a retirement village, residents have access to various levels of personal and nursing care that is provided in the privacy of their own home – a choice not available in aged care homes.

This means residents can ‘Age in Place’ in the supported living community, and might never have to move again.

As with retirement villages, there is no need for income or asset testing, nor is there a need for an assessment by the ACAT that aged care homes require.

Each home consists of one or two bedrooms, senior friendly modifications and is completely self-contained, in addition to a private balcony or courtyard. All homes have in-built emergency response systems or are equipped with the latest health monitoring technology.

Some registered nurses and fully qualified and experienced carers are available 24 hours to provide most levels of medical and personal care in the privacy of the resident’s own home. Domestic assistance is also provided.

This relatively new option is a breath of fresh air, particularly for those senior couples who otherwise may have had to face the anguish of separation if one partner needs nursing home care.

Supported Living Communities offer the ability for couples to stay together in their own home, even if they require different levels of care.
Group homes

Group homes are a new concept in accommodation and care for seniors living with dementia or requiring a high level of aged care. Unlike most traditional nursing homes, group homes aim to offer a social, supportive and welcoming environment that feels like home.

Group homes are residential homes expertly redesigned to be safe and welcoming, while providing state-of-the-art care and empowering residents to be as independent as possible.

These homes offer older Australians in need of care the opportunity to remain in their own suburb, close to friends, family and familiar shops and services. Unlike institutional nursing homes, which can be alienating and anxiety-producing, group homes aim to provide a warm, engaging environment where the residents feel genuinely at home, supported by qualified and empathetic staff and modern medical equipment.

Many group homes also feature pleasant and safe garden spaces and a range of activities residents can become involved in.

Resident numbers are limited to 6 to 10 people, and provide high carer-to-resident ratios of one to three to ensure the best possible care and support.

The group home model has been tried, tested and proved successful in many countries around the world and is set to become an increasingly common model integrated into communities around Australia.

For further information, visit www.grouphomes.com.au
Get Expert Help!

The housing options for retirement are only limited by your imagination (and then tempered by budget, health and a bit of reality).

The main thing to consider is whether an option will work for you now and in your future.

While making the decision to move can be difficult, the specialists at Lifestyle Transition Services can help you uncover the options that might work for you, from Ageing in Place to Community Living.

Lifestyle Transition Services can help you evaluate the various types of senior housing available in your area and suggest important questions, specific to your needs and wants, to ask when you’re visiting housing options.

We will refer you to other professionals who may be able to help you understand and compare true costs of each option, and, as you need, will assist you in making the best choice possible in this journey to the next phase of your life.

Additional Information

If you or family members have internet access, there is a great deal of useful material available online.

We have listed some of the many internet websites covering an array of seniors’ topics that we feel will be helpful to you on www.lifestyletransitionservices.com.au/useful-links/
Contact Us

We welcome the opportunity to discuss your specific needs and how best our skills, training, and experience can be of benefit to you.

For more information, call us today to speak with one of our experienced consultants and make a no-obligation appointment to discuss your needs and options.

Our services cover the Sydney Metropolitan Area.

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