

Who will change the light bulb with I am old? – an excellent presentation by Bonnie Robinson, CEO of HBH Senior Living - Friday 02 June, 2017

Bonnie outlined how senior family members once lived with and were cared for by their children when they were unable to live alone. Nowadays life expectancy has increased considerably, older people have much better health than in years past. The majority of seniors now are very aware, competently use computers, play sports and generally have much more active lives.

The options available now for seniors to choose where they wish to live are also much greater.

The most important thing for everyone is to have a safe secure and stable home. Without these critical things life becomes really hard. The design, location and having support services available are all important in choosing a home for seniors. Bonnie pointed out that retirement villages are designed especially for seniors where all units are wheelchair accessible, showers are wide without wide and at floor level, simply designed and 100% safe.

The first thing most people criticised about retirement villages was the fact that an average of 30% of the purchase price, the Deferred Maintenance Fee (DMF) was retained by the company when you vacated the premises. She explained this fee is really an investment into a lifestyle, you are purchasing peace of mind and security – not a real estate investment and there will be no capital gain. You do you have to worry about lawns, gardens, outside maintenance, leaving your home unattended while on holiday.

All villages are highly regulated by Government Act and Code of Practice. Money you pay is kept in a trust account where it remains until 90 days after you move in before the village receives it – in case you change your mind and want to move out again when you can have a full refund.

She explained that you buy an Occupational Right Agreement (ORA) not the actual bricks and mortar. This can only be purchased after you have discussed it with your own lawyer and know exactly what it all means.

You must also pay a weekly fee which covers rates, maintenance, gardeners, other village staff, lighting around the village, insurance, etc. Sometimes this weekly fee is negotiable, depending on which village you are looking at. Some villages guarantee the weekly fee for life. You could however be paying more to buy in the first place to negate this offer.

Some villages have pools, bowling greens, etc. The more facilities offered usually mean the more it costs to buy in the first place. It is important to check lots of villages and compare them and what is offered. Would you use a swimming pool if it is there, would you play bowls?

If you need any maintenance or help at all with leaky taps, changing light bulbs, hanging pictures, just phone the office and help is available at no charge – you would have to pay for parts, eg: light bulb. If it is a bigger job, maybe blocked washing machine or broken dishwasher, there would probably be a charge involved, especially if it is out of warranty.

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<ul style="list-style-type: none"> • Disability-friendly housing – very easy for wheelchair users. • Companionship – a community of peers – most in your age group. • Support services readily available, both from Govt and the village. • Frees up capital from the sale of your house. • You are free to come and go as you wish, continue to attend the clubs, groups, etc that you already go to. • Activities and facilities on site, • No maintenance worries. • No more paying rates and water rates. You will need to pay power, telephone, internet, Sky charges. • You need only insure the contents of your home. • Lock up and leave – your home will be safe and secure, your mail collected. • More certainty with weekly expenses. • Security and safety – Security patrols at night, several emergency buttons within each unit. • No concern about capital loss. If value drops you still get agreed payout price. 	<ul style="list-style-type: none"> • Requires downsizing – not a happy exercise. • Loss of DMF at end of tenancy. • No capital gain. • Cost of additional services. • Not living with mixed age group. • Shared space.
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Bonnie pointed out that generally people are happier not moving to a different area when they are looking for a new home. Family, friends, clubs, are likely to be where you are now and where you are also familiar with the neighbourhood, bus and train services. Most villages provide transport to local shopping centres 2-3 times a week.

Most villages permit pets, all permit guests staying but would not allow borders or anyone to live permanently with you. Only those whose name is on the purchase agreement are entitled to reside permanently.

Alterations are able to be made to your unit however permission must be obtained and you are required to pay for alterations yourself.

You can check the Age Concern website for more information on services available at all villages.

We also learned a little about Residential Care – there are varying degrees of care offered, including Rest Home, Hospital or continuing care, Dementia care. Before this can be accessed however, you must be assessed by your DHB. At the same time you could be asset and income tested. Residential care is more expensive than the independent living units and the DHB will work out how it will be paid. The Government will subsidise residential care but the extent of the subsidy has to be determined when you are assessed.

It is important to check exactly what each village offers regarding ongoing care. Sometimes it does not include Hospital and/or Dementia care. (Up to does not mean including.)

Bonnie said if you are over 70 and thinking about making a change, do it. Planning is key. It takes time to find the right place for you, downsizing, selling your home and moving in.

Answers to questions that were asked:

- You don't have to pay rates, that is included in the weekly fee. If you stay in Auckland you can get a rates rebate from the council.
- What are the risks of the organisation going under. Very unlikely because of the Government regulations and reviews that take place. They also must carry insurance to ensure you get back your money.
- Bonnie is the CEO of HBH Senior Living and runs One Three Nine on Union, a small not-for-profit retirement village in Union Street, Howick.
- Very occasionally (twice in 5 years) it is necessary for a resident to require Residential Care and space hasn't been available. In that event other arrangements can be made for you at other premises until a unit in your own village becomes available.
- Guests staying with you are welcome to use village facilities too.
- Most villages permit pets.
- Parking is at a premium in most villages – you should check that out too. Visitor parking can be very limited.
- You are unable to borrow or get a mortgage on an ORA.
- Serviced apartment – higher weekly fee – cost is dependent on what extra services are required. Assessment is necessary for these facilities which generally include meals, housekeeping, changing sheets, towels, laundry. Can also include administering medication, assistance with showering, etc.
- Purchasing your own title – more complicated at the end when selling. Can be problems with body corp, weekly fees, maintenance, insurance.
- Some retirement villages are run on a not-for-profit basis and all funds are returned to the village. Most however are owned by shareholders who require a profit.
- What if I don't like any of the activities in the village? You are free to live exactly as you do now, continue with the clubs and organisations you belong to now, join any new groups you wish to. You are not confined to activities within the village.

Thank you Bonnie for educating us on the pros and cons of retirement village life.
