



## Your options for acquiring a Resthaven Independent Living Unit

Resthaven offers several options regarding how to fund a move into a Resthaven Independent Living Unit (ILU).



The 'market' value of Resthaven ILU's are set by an independent, qualified property valuer. We use this 'market' value to determine the price at which we make units available. The units are re-valued every year on **30<sup>th</sup> June**. The options available enable you to pay an 'entry contribution' that varies from the 'market' value. Resthaven will retain a certain percentage from the entry contribution paid for the first five years of occupancy. The retentions will vary according to how much you elect to pay.

The information in this booklet details the actual 'market' value of all the units within Resthaven. This information is correct at the date of printing but may change before you undertake to sign an agreement.

When acquiring an ILU, you may wish to consider the impact of the Entry Contribution on your pension benefits (for recipients of Centrelink or Dept. of Veterans Affairs only). The following is an extract from Centrelink information that addresses the amount of Entry Contributions paid and the relationship to Rent Assistance:

"Entry Contribution - is the total amount paid for the right to live in a retirement village. If the amount paid is higher than the "extra allowable amount" at the time of entry, then the person is treated as a homeowner and the value of the entry contribution is disregarded under the assets test. Conversely, if the entry contribution is less than or equal to the extra allowable amount, the person is treated as a non-homeowner but the entry contribution is assessed as an asset. The entry contribution is not subject to deeming. The extra allowable amount is currently \$135,000 and increases each July. Rent Assistance is not payable if the person is assessed as a homeowner".



Resthaven suggests you consult with a Certified Financial Advisor should you need more detailed explanations as to how paying an Entry Contribution may affect any pension payments or benefits you currently receive or perhaps are not currently entitled to.

## Retentions

Retentions are amounts 'retained' from the entry contribution paid to Resthaven. These retentions are 'drawn down' from your entry contribution every six months, commencing on the date of occupation. Retentions are 'drawn down' for the first five years of occupation and are for each full or part six month period. A total of ten retentions are drawn down over the first five years.

The first retention is greater than the remaining nine.

## Details of paying your Entry Contribution

- \$300 is payable on signing an agreement with Resthaven
- 10% of the entry contribution (less the \$300 already paid) is payable within 15 working days of signing the agreement
- The balance of the entry contribution is payable within 13 weeks of signing the agreement (*Note: Interest can be charged on any outstanding balance following the 13 weeks from signing the agreement.*).

By way of example, assume an agreement was signed on **30<sup>th</sup> June** for an ILU for a value of **\$147,000.00**:

- **\$300.00** is payable on **30<sup>th</sup> June**
- **\$14,400.00** is payable on **21<sup>st</sup> July**
- **\$132,300.00** is payable on **29<sup>th</sup> September**

Cheques are to be made payable to **RESTHAVEN INC** and crossed 'not negotiable'. They may be forwarded to Head Office or to your site clerical assistant at reception.

## Fortnightly Maintenance Fees

All fees are payable in advance. For new occupants, the fortnightly maintenance fee commences **four weeks** from signing the agreement or when the unit is occupied, whichever date is the earliest.

Fees are adjusted in **October** each year and are currently:

- Marion, Paradise & Malvern - \$173.74 per fortnight
- Bellevue Heights - \$179.20 per fortnight

## Emergency Call Bell



An emergency call bell service, should you feel the need for one, is available for an additional fee. This facility is provided by Doctor's Safety Line and the fee is \$9.10 per fortnight. Resthaven collects this fee during the normal fortnightly billing process and forwards the funds to Doctor's Safety Line. *Note: This fee will increase approx 5% in October 2011.*

## Examples of Entry Contributions for Independent Living Units

**Resthaven Malvern:** 43 Marlborough Street - 5 units, all of which are 2 bedroom

	Style	non-homeowner limit	Market Value	more than Market Value
	2 bedroom	Not available	\$312,000	\$313,000 or more
Retention % over 5 years			25%	12% to less than 25%
Minimum refund			\$234,000	\$234,750 or more

Should you elect to pay more than the 'market' value, your entry contribution will be in excess of \$312,000. The retentions over 5 years will depend on the actual amount paid and will be less than 25% but not less than 12%.

The first retention for a Malvern unit is 7%, the remaining nine will be 2%. Any unit purchased at other than the 'market' value will have a similar ratio applied to the total percentage of retentions.

An example of the payment choices for **Marion, Paradise** and **Bellevue Heights** is shown on the following page.

**Resthaven Marion:** 12 Township Road - 18 units, all of which are 2 bedroom

	Style	non-homeowner limit	Market Value	more than Market Value
<i>10 built in 1986</i>	2 bedroom	\$135,000	\$197,000	\$198,000 or more
Retention % over 5 years		60.24%	30%	12% to less than 30%
Minimum refund		\$53,676	\$137,900	\$139,300 or more
<i>8 built in 1993</i>	2 bedroom	\$135,000	\$211,000	\$212,000 or more
Retention % over 5 years		66.96%	30%	12% to less than 30%
Minimum refund		\$44,604	\$147,700	\$149,160 or more

Marion site also has 19 units available for rental only. These units are offered in conjunction with the South Australian Housing Trust (SAHT). Applicants for these units must also have their names registered on the SAHT waiting list. Resthaven gives priority to those applicants who are registered with SAHT as Category 1 or 2.

**Resthaven Paradise:** 61 Silkes Road – 10 units – 1 with 1 bedroom, 9 with 2 bedrooms

	Style	non-homeowner limit	Market Value	more than Market Value
<i>unit #1 &amp; #2</i>	1 of each	Not Applicable	\$108,000	\$109,000 or more
Retention % over 5 years			30%	12% to less than 30%
Minimum refund			\$75,600	\$76,950 or more
<i>units 3-10</i>	2 bedroom	\$135,000	\$183,000	\$184,000 or more
Retention % over 5 years		53.40%	30%	12% to less than 30%
Minimum refund		\$62,905	\$128,100	\$129,460 or more

**Bellevue Heights:** 47 Eve Road – has a total of 67 units – 18 with 1 bedroom, 49 with 2 bedrooms

	Style	non-homeowner limit	Market Value	more than Market Value
<i>double storey</i>	1 bedroom	Not Applicable	\$115,000	\$116,000 or more
Retention % over 5 years			30%	12% to less than 30%
Minimum refund			\$80,500	\$81,200 or more
<i>single storey</i>	1 bedroom	Not Applicable	\$121,000	\$122,000 or more
Retention % over 5 years			30%	12% to less than 30%
Minimum refund			\$84,700	\$85,400 or more
<i>double storey</i>	2 bedroom	\$135,000	\$156,000	\$157,000 or more
Retention % over 5 years		40.20%	30%	12% to less than 30%
Minimum refund		\$80,725	\$109,200	\$109,900 or more
<i>single storey</i>	2 bedroom	\$135,000	\$163,000	\$164,000 or more
Retention % over 5 years		43.68%	30%	12% to less than 30%
Minimum refund		\$76,032	\$114,100	\$114,800 or more

### Example of payment choices for – **Marion, Paradise and Bellevue Heights**

The following is an example of how the choices may work for you. Assume a 'market' value of \$150,000 for a unit.

- if you elect to pay the 'market' value (\$150,000), Resthaven will retain 30% for the first 5 years of occupancy. Your minimum refund would be \$105,000
- if you elect to pay the 'non-homeowner' limit, your entry contribution will be \$135,000. The retentions over 5 years will depend on the actual 'market value' of the unit but will be greater than 30%. (The 'non-homeowner' option does not apply to units with a 'market' value of less than \$135,000 or more than \$234,000).
- if you elect to pay more than the 'market' value, your entry contribution will be in excess of \$150,000. The retentions over 5 years will depend on the actual amount paid and will be less than 30% but not less than 12%.

Any unit purchased at other than the 'market' value will have a similar ratio applied to the total percentage of retentions.

### **Ownership**

When signing an accommodation agreement for a Resthaven ILU, you are taking up residence on a 'licence to occupy' basis. The property is not bought or leased by you; and you do not have 'bricks and mortar' ownership rights. Therefore, you cannot sell or sub-let the unit.



**All amounts and percentages quoted in this document are subject to change and are correct as at publication date.**

**For further information, please telephone:**  
**Ann Lloyd - ILU Coordinator**  
**Ph 8370 3756 - Monday to Friday (excluding public holidays).**

Resthaven Incorporated - PO Box 327, Unley SA 5061

July 2011