Lifestyle communities -v- retirement villages

There are many differences between lifestyle communities and retirement villages that set them well apart from each other. Every person's needs and wants are different...what suits one, won't suit another.

We've set out some of the key differences between lifestyle communities and retirement villages.

The contract

Edenlife - simple. One standard contract for everyone.

Retirement village - complex. Types can include lease for life, licence, purple title or restricted strata ownership.

Who owns what

Edenlife - you own your home (and lease the land).

Retirement village - you don't own the home or the land (just the right to live there).

Rent assistance

Edenlife - if you are a pensioner, you are more than likely eligible for Commonwealth rent assistance (subject to Centrelink eligibility criteria). Residents are responsible for making their own applications to Centrelink for rent assistance.

Retirement village - not eligible.

Ongoing costs

Edenlife - one simple weekly site fee that covers everything, direct debited fortnightly.

Retirement village - ingoing/entry costs (one off upfront payment that may or may not be refundable), ongoing costs (recurrent charges to cover operating costs of the village), levies for capital management or replacement (known as a sinking or reserve fund) and exit costs (which could include payment of recurrent costs for a period after you terminate your contract, refurbishment costs, deferred management fees, reserve fund contributions and marketing costs for the sale of the property.

Capital gains

Edenlife - you keep 100% of any capital gain when you sell your home (there is only a selling fee of 3%).

Retirement village - exit fees including an often significant fee for residing in the village (DMF) in the vicinity of 30-40% of the sale price along with refurbishment fees. Whilst your entry payment is returned, it is minus all exit fees and may also include any increase/decrease in the upfront payment amount over residence.

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Willable asset

Edenlife - the home can be sold (with profits going to your estate) or a beneficiary can move in (if suitable).

Retirement village - cannot be bequeathed. An exit entitlement to the operator is calculated on the unused deposit.

Other financial responsibilities

Edenlife - none. Once you sell your home and another person signs their lease, your financial & contractual responsibility comes to an end.

Retirement village - depending on individual agreements, ongoing fees may still be payable after your exit and payment of your refund (entry fee less exit fees) may be contingent on your unit being sold or re-leased.

Health & personal needs

Edenlife - as an independent living community, there is no onsite nursing, medical, assisted living or other aged care support services or facilities. It is your responsibility to organise these services as/when required.

Retirement village - are often co-located with a nursing home and offer a range of aged care support services, assisted living and other relevant services and facilities.

Legislation

Edenlife - Residential Parks (Long-stay Tenants) Act 2006 and the Amendment Act 2020.

Retirement village - Retirement Villages Act 1992 and the Strata Titles Action 1985 (if premises are strata titled).

More information

Edenlife - Information booklet park living (publication from Department of Mines, Industry Regulation and Safety).

Retirement village - Retirement villages advice for seniors (Department of Mines, Industry Regulation and Safety website.