

MATTERS FOR CONSIDERATION WHEN PREPARING TO PURCHASE INTO A RETIREMENT VILLAGE

PART 1: WHERE TO START?

- Have you consulted available guides to retirement villages?
 - Few are available in South Africa, however the availability of Google Search provides ample info on villages in a particular area.
 - www.seniorservice.co.za is a service with a fairly comprehensive directory as a place to start looking.
- Are you looking for a Retirement Village with a range of services? A normal residential estate with security? A Lifestyle Estate with a range of amenities and services?
- What are YOUR **Specific** requirements?
- Consider the location of your children and close friends
- Consider the proximity of specific services important to you
- What forms of occupation would you consider?
 - Life Right (Life Lease)
 - Freehold ownership
 - Sectional Title ownership
 - Short or long-term Rental/Lease
- Do you have a preference for a type of physical structure? (cottage, apartment, etc)
- Do you want flexibility of care provision?
- What monthly levy costs can you afford? Do you have a current budget that you can use to see how it will be affected?
- Do you want to have care in your own home available?
- What other services must or should be available?
- Are you aware of the risks of buying into a phased or mixed-use development?
- What level of escalation in levy costs can you cope with annually?

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PART 2: THE PURCHASE PROCESS

- Be sure that a sales mandate is in place between the seller (the developer if it is a new estate) and the sales agent.
- Ask whether there is price flexibility/negotiability and what is flexible in terms of the property being built for you or sold to you if it is new.
- Clarify the snagging process (resolution of defects in new buildings)
- Ensure that the NHBRC warranty is in place (if applicable)
- As for the constitution/s and legal structure of the village – this includes the management and conduct rules
- Ask for the minutes of last 3 Trustee meetings and the last AGM of the Association/s or Body Corporate
- Clarify the village debt/financial situation – this should be part of the last AGM documentation, but if you are unsure, ask someone to take you through them.
- Ask what the Levy Stabilisation mechanisms are (how are financial reserves built up by the village?)
- If important to you, enquire regarding the
 - Age profile of residents
 - Gender profile of residents
 - Health profile of residents
- Ask about the activity levels of the village (including social responsibility etc)
- Does the village comply with the terms of the Housing Development Schemes for Retired Persons Act 65 of 1988? Is the title deed endorsed as per the Act?
- Review the Conduct rules and make sure they are acceptable to you
 - Pets
 - Visitors
- How much downsizing will you have to do to fit into your new home?

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PART 3: LIVING WITH YOUR NEIGHBOURS

- Ask for introductions to your new neighbours by your agent or by the Estate Manager.
- Is the village pet friendly?
- Does the village have and enforce architectural guidelines?
- Does the village enforce their conduct rules?
- Are there speed limits in the village?
- Are short-term leases allowed in the village? Are AirBnB and other very short-term rental services allowed in the village?
- Are visitors allowed to stay overnight or for extended periods?
- Are residents allowed to trade (business operations) from their units? (Working from home as opposed to trading from the unit where customers are coming and going)
- Which social activities will you get involved in?
 - Gardens
 - Library
 - Sports
 - Bar
 - Workshop
 - Bridge Club
 - Community activities (social responsibility)

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PART 4: LIVING WITH YOUR PARTNER

- Do you have agreement on what “retirement” means to each of you?
- Have you recently stopped working? How will you adapt to the new realities?
- Have you given yourselves a month or two to settle down and adapt or are you rushing decisions regarding retirement living choices?
- Have you ever lived together 24/7?
- How good is your general communication?
- Have you drawn up and agreed on common and separate bucket lists?
- Are your financial matters in order?
- Do you both understand the “retirement” budget?
- Are you going to be living off a fixed income?
- Have you considered what exciting, fun things you will pursue?
- Which roles will be shared and who does what?
- What do your children expect from you and you from your children?
- Are your legal matters in order? Estate planning? Last Wills and Testaments Do you have a Living Will or clear instructions from you regarding end of life?

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PART 5: LIVING WITH YOURSELF

- What are you planning to do about your physical health?
- What are you planning to do about your Mental health?
- What are you planning to do about your Spiritual health?
- What hobbies will you be pursuing?
- Are you able to cope on your own?
- Have you considered an adult learning programmes?
- Do you intend to do part-time or full-time work during your retirement?
- Have you considered volunteering with an NGO / Charity?
- Do you have a “big project” to keep you busy (like writing a book or getting that Diploma?)

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