Your guide to retirement living

Make informed choices.
Live with confidence.

CLEAR INFORMATION.
BETTER DECISIONS.

01

A letter to families

A big decision deserves clear answers

Most people don't wake up one morning and decide to move into retirement living.

The decision often comes after months or even years of conversations, research, and uncertainty.

You may be wondering: Is now the right time? Can I afford it? Will I still have my independence? What happens if my health needs change? How do I know which option is right for me?

These are normal questions. You're certainly not the first person to ask them.

This guide was created to help make sense of the options, explain the costs, and answer some of the most common questions people have when exploring retirement living.

Because making a confident decision starts with understanding your choices.

02 Is retirement living the same as a nursing home?

One of the most common misconceptions about retirement living is that it's the same as a nursing home or residential aged care. In reality, they are very different.

Retirement living is designed for older Australians who are able to live independently but want a home that is easier to manage, along with the benefits of living in a community environment.

Many people choose retirement living because they want to simplify their lifestyle, spend less time maintaining a large home, enjoy social connections, and plan ahead for the future.

Residential aged care (sometimes called a nursing home) is designed for people who need ongoing support with daily activities such as personal care, mobility, medication management, meals or health needs.

Retirement living and residential aged care are very different.

RETIREMENT LIVING

- Independent living
- Live in your own home or unit
- Designed for active older adults
- Social activities and community living
- Freedom to come and go as you choose

RESIDENTIAL AGED CARE

- Higher levels of daily care & support
- Live in a care facility
- Designed for people with significant care needs
- Personal care and medical support
- Care plans & support services provided

Retirement living = independence & lifestyle
Residential aged care = daily care & support

Why people choose retirement living

People often move into retirement living while they are still active, independent, and able to enjoy the lifestyle on offer. Common reasons include:

- Reducing home maintenance and upkeep
- Living closer to like-minded people
- Accessing shared facilities and activities
- Feeling more secure and connected
- Planning ahead before support is needed

Can care be accessed later?

Every retirement community is different. Some villages may offer access to home care services, while others may have aged care services nearby. If future support is important to you, it's worth asking what options are available both now and in the years ahead.

The key difference

A simple way to think about it is:

- Retirement living is about lifestyle, independence, and community.
- Residential aged care is about providing daily care and support when living independently is no longer suitable.

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Is retirement living right for you?

Retirement living may be worth exploring if you:

✓ Want to spend less time maintaining a large home and garden

✓ Would like to be part of a community with opportunities to socialise and stay active

✓ Are looking for a home designed with ageing in mind, such as single-level living and accessible features

✓ Want greater peace of mind knowing support services may be available nearby if needed

✓ Are planning ahead and want to simplify life while maintaining independence

✓ Would like more time to focus on hobbies, travel, family and the things you enjoy most

Retirement living may not be the right choice if you:

Love maintaining a large property and don't see that changing anytime soon

Prefer complete privacy and have little interest in community activities or shared spaces

Feel happy, supported and connected in your current home and neighbourhood

Aren't yet ready to make a lifestyle change and feel you're only exploring options because of pressure from others

Have care needs that may be better supported by other accommodation or aged care options

Are still early in your research and need more information before making any decisions

A quick note

There is no "perfect age" to move into retirement living.

Some people begin exploring their options while they are active and independent. Others only start looking when maintaining their home becomes more difficult or life circumstances change.

The right time is different for everyone.

What's most important is understanding your options so you can make a decision that feels right for you and your family.

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The 5 things most people want to know

Retirement living can feel confusing at first, especially because every community can structure things a little differently.

But most people are usually trying to answer five key questions before they feel ready to take the next step.

01

How much does it cost?

Costs can vary depending on the village, location, home type and contract. Most people want to understand the upfront contribution, ongoing fees and any costs that may apply when they leave.

02

What do I actually get?

Retirement living usually offers an independent home within a community setting. Depending on the village, this may include shared facilities, social activities, maintenance support and access to nearby services.

03

Will I still have my independence?

For many people, this is one of the biggest concerns. Retirement living is generally designed to support independent living, not take independence away. You still live in your own home, make your own choices and decide how involved you want to be in the community.

04

What happens if my needs change?

Some retirement communities offer access to extra support services, while others are designed mainly for independent living. It's important to ask what support is available now, what may be available later, and what would happen if your care needs increased.

05

What happens when I leave?

Your contract should explain how your exit entitlement is calculated and whether exit fees, refurbishment costs, selling costs or other deductions may apply. This is one of the most important parts to understand before signing.

Before making a decision, it can be helpful to compare different villages, ask plenty of questions and seek independent legal or financial advice.

We answer these questions and more in this guide.

06

Understanding the costs

While every retirement community has its own pricing structure, most costs fall into a few common categories. Understanding these costs early can help you compare options and avoid surprises later.

Entry Contribution

This is the upfront amount you pay to move into the village. The cost can vary depending on the location, home size, facilities and contract type.

Ongoing Fees

These are regular fees that help cover the day-to-day running of the village. They may include things like gardening, maintenance, shared facilities, administration and community services.

Deferred Management Fees (DMFs)

A DMF is a fee that is usually deducted when you leave the village. It may increase the longer you live there, up to a set limit.

Exit Costs

When you leave, there may be costs deducted from your final amount. These could include selling costs, legal or administration fees, outstanding village fees or other charges listed in your contract.

Refurbishment Costs

Some contracts may require the home to be refreshed before it is resold. This could include painting, flooring or general repairs.

Utilities & Everyday Living Costs

You may still need to pay everyday expenses such as electricity, gas, internet, phone and contents insurance. Some services may be included, while others are charged separately.

Before you sign

Make sure to ask: What are the upfront costs? What ongoing fees will I pay? How often can fees increase? What happens when I leave? Are there exit, refurbishment or selling costs? How is my final amount calculated?

07 Common retirement living models

Many Australians are surprised to learn that there isn't just one type of retirement living. Different communities operate under different ownership models, fee structures and legal arrangements. Understanding the differences can help you compare options more confidently.

MODEL	BEST FOR	KEY FEATURES
Retirement Villages	People looking for an independent lifestyle within a community setting	Usually involves an upfront contribution, ongoing fees and a contract outlining what happens when you leave. Often includes shared facilities and social activities.
Independent Living Units (ILUs)	People wanting low-maintenance living and independence	Self-contained homes or units, often located within a retirement village or retirement community.
Land Lease Communities	People wanting to own their home but lease the land beneath it	Residents typically purchase the home and pay a site fee for the land. Different rules and fee structures usually apply compared with retirement villages.
Over-55s Communities	Active older adults seeking a lifestyle-focused community	Often designed around community living and lifestyle. Ownership and fee arrangements vary between developments.

What option is right for you?

The answer depends on your personal circumstances, lifestyle preferences and financial goals. When comparing communities, it can be helpful to consider:

- What are the upfront costs?
- What ongoing fees apply?
- What services and facilities are included?
- What happens when you leave?
- How much independence do you want?
- What support may be available if your needs change in the future?

Remember

Two communities may look very similar on the surface but operate under completely different financial and legal arrangements.

Taking the time to understand the ownership model, costs and contract structure can help you make a more informed decision.

09

The 12 questions to ask before choosing a village

Choosing a retirement community is a significant decision, and asking the right questions can help you compare your options with confidence. Use this checklist when researching or visiting retirement villages.

1 **What are the total upfront costs?**

Ask for a clear breakdown of the entry contribution and any other costs payable before moving in.

2 **What ongoing fees will I pay?**

Find out what the regular fees are, how often they may increase, and exactly what they cover.

3 **What happens when I leave?**

Ask how your exit entitlement is calculated and whether exit fees, deferred management fees, refurbishment costs or selling costs may apply.

4 **What services and facilities are included?**

Ask which services, facilities and activities are included in your regular fees, and whether any additional charges apply.

5 **Will I still have my independence?**

Ask how the community operates, what lifestyle it promotes, and whether you're free to come and go as you choose.

6 **What support is available if my needs change?**

Find out whether home care services are available or whether the community has pathways to higher levels of care if required.

7 **How are maintenance and repairs handled?**

Ask who is responsible for maintaining your home and who looks after shared facilities and common areas.

8 **Can I personalise or renovate my home?**

Some communities allow modifications, while others require approval. Understanding the rules upfront can avoid surprises later.

9 **What is the community like?**

Visit at different times of the day, attend an event if possible and speak with current residents to get a feel for the culture and lifestyle.

10 **Are pets allowed?**

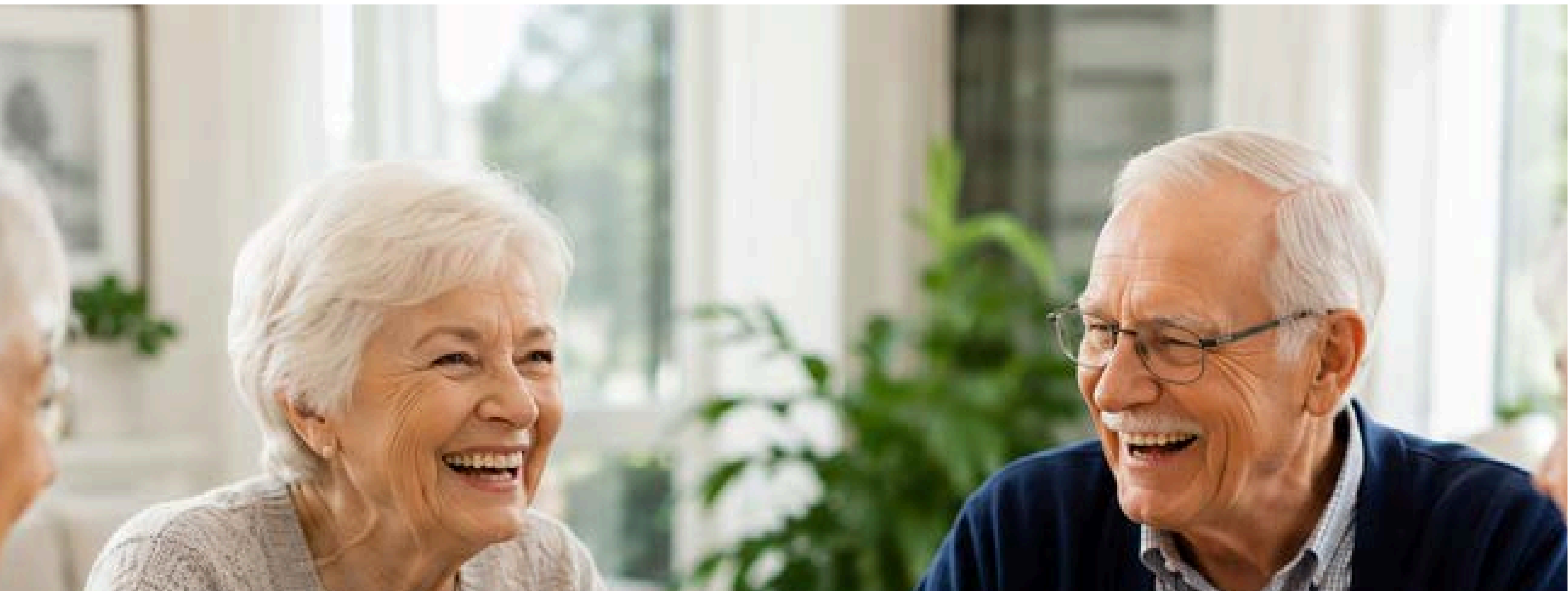
If you have a pet or may want one in the future, ask about the community's pet policy and any restrictions that may apply.

11 **Are there any restrictions I should know about?**

Ask whether there are rules relating to visitors, parking, caravans, renovations or other lifestyle matters that could affect you.

12 **Can I take the contract away and seek independent advice?**

Never feel pressured to make a quick decision.



The more questions you ask now, the more confident you'll feel when it's time to make your decision.

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Understanding the numbers: cost example

Retirement village contracts can look very different from buying and selling a traditional home. The following fictional example shows how one retirement village contract might work in practice. Every village has its own pricing and contract structure, so always obtain independent legal and financial advice before making a decision.

A fictional example: Margaret's journey

Margaret is 74 and decides to downsize from the family home after her children have moved out. She wants less home maintenance, more opportunities to socialise and a home that is easier to manage. She chooses to move into a retirement village.

BEFORE MOVING IN

Sell family home
$1,200,000

Entry contribution to retireent village
$600,000

Margaret uses part of the proceeds from selling her home to move into the village and keeps the balance of her net sale proceeds to support her retirement lifestyle and other expenses.

DURING YOUR STAY

Margaret pays ongoing village fees to help cover the maintenance of shared facilities, gardens and village operations.

She also pays her own living expenses, such as electricity and internet.

Over the next four years, she enjoys living independently and becomes involved in community activities.

WHEN YOU LEAVE

After four years, Margaret decides to leave the village.

In this fictional example, the DMF is calculated at 5% per year for the first four years and is capped at 20%. This results in a DMF of $120,000.

After deducting the DMF and illustrative exit and selling costs of $15,000, Margaret's illustrative exit entitlement is $465,000.

Illustrative calculation	Amount
Starting entry contribution	$600,000
Less: DMF—5% per year for four years, capped at 20% *In this fictional example, the DMF is calculated as 20% of the $600,000 entry contribution.	($120,000)
Less: Illustrative exit and selling costs	($15,000)
Illustrative exit entitlement	**$465,000**

Illustrative example only. DMF percentages, calculation methods, caps and other exit costs vary between retirement villages and contracts. A DMF may be calculated using the original entry contribution, a future sale price or another amount stated in the contract. Capital gain or loss and other adjustments may also apply. Obtain independent legal and financial advice before signing a retirement village contract.

The key takeaway

Every retirement village has its own contract and fee structure. Two villages with similar homes may have very different financial arrangements.

That's why it's important to look beyond the advertised price and understand:

- The upfront costs
- The ongoing fees
- The exit arrangements
- How your entitlement will be calculated when you leave

Taking the time to understand these details can help you compare options with greater confidence and avoid unexpected surprises later.

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Helping a parent explore retirement living

If you're helping a parent explore retirement living, you're probably juggling a lot of emotions.

You want to support them without taking away their independence. You want them to feel safe, happy, and informed, but you also know this can be a difficult topic to raise.

The good news is that it doesn't have to be a conversation about giving something up. For many people, it's about exploring options together and planning for the future while there are still plenty of choices available.

Start the conversation early

It's often easier to explore retirement living before a decision becomes urgent.

Starting the conversation early gives your parent the opportunity to visit communities, ask questions, and consider different options without feeling rushed.

Listen before you lead

Rather than focusing on what you think is best, begin by asking what matters most to your parent. They may value:

- Staying close to family and friends
- Maintaining their independence
- Having less home and garden maintenance
- Feeling safe and connected to a community

Understanding what's important to them helps make the conversation more collaborative and less confronting.

Make it their decision

One of the biggest concerns many older Australians have is losing control over their lives.

Where possible, involve your parent in every step of the process, from researching communities and attending inspections to asking questions and making the final decision.

Supporting them to make an informed choice can help them feel more confident and comfortable with whatever they decide.

Remember

There isn't a "right" time for everyone. Some people choose retirement living while they're active and independent so they can enjoy the lifestyle and community. Others decide later as their circumstances change.

What's most important is making a decision that's informed, considered, and feels right for your parent not one that's made under pressure.

Common myths

There are many misconceptions about retirement living, and these can make it difficult to know what to expect. Here are some of the most common myths and the reality behind them.

Myth 1: "Retirement living is the same as a nursing home."

Retirement living is designed for people who want to live independently in a community environment. Residential aged care (often called a nursing home) provides a higher level of daily care and support for people who can no longer live independently.

Myth 2: "I'll lose my independence."

One of the biggest reasons people choose retirement living is to maintain their independence. You continue living in your own home, make your own decisions and choose how involved you want to be in community activities.

Myth 3: "I'm too young to think about retirement living."

Many people move while they are still active and independent so they can enjoy the lifestyle, make new friendships and plan ahead rather than waiting until a crisis forces a decision.

Myth 4: "Retirement villages are lonely."

Many communities offer social activities, clubs and shared spaces that make it easier to meet people with similar interests. Some residents enjoy a busy social calendar, while others prefer a quieter lifestyle. The choice is usually yours.

Myth 5: "All retirement villages are the same."

Every community is different. Costs, ownership structures, facilities, lifestyle, location and contract arrangements can vary significantly, making it important to compare your options carefully.

Myth 6: "It's too expensive."

Retirement living costs vary widely depending on the community and contract. While there are upfront and ongoing costs to consider, many people also reduce the expenses and maintenance associated with owning and maintaining a larger family home. The key is understanding the full financial picture before making a decision.

Myth 7: "Once I move in, my family will never visit."

Retirement living is still your home. Most communities welcome family and friends, and many residents find they spend more quality time with loved ones because they have less home maintenance and more opportunities to socialise.

Myth 8: "I have to make a decision straight away."

You don't. Many people spend months—or even years—researching their options before deciding. Taking tours, asking questions and seeking independent advice can help you feel confident when the time is right.

The bottom line

Retirement living isn't about giving up your lifestyle. For many people, it's about gaining more freedom, reducing the burden of home maintenance and living in a community that supports the next stage of life. The best decision is an informed one, so take your time, ask questions and choose the option that feels right for you.

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Checklist

Use this checklist to help you decide whether you're ready to take the next step.

I've done my research

☐ I understand the different types of retirement living available.
☐ I know the difference between retirement living and residential aged care.
☐ I've compared more than one retirement community.

I understand the costs

☐ I understand the upfront costs.
☐ I understand the ongoing fees.
☐ I understand how exit fees or Deferred Management Fees may work.
☐ I understand what happens financially when I leave.

I've asked the important questions

☐ I know what services and facilities are included.
☐ I understand who is responsible for maintenance and repairs.
☐ I've asked what support is available if my needs change in the future.
☐ I understand any rules or restrictions that may apply.

I've visited the community

☐ I've toured the village.
☐ I've visited at different times of the day.
☐ I've spoken with staff or current residents.
☐ I can picture myself living there comfortably.

I've considered my future

☐ The location suits my lifestyle and is close to family, friends or essential services.
☐ The home meets my current and future needs.
☐ I feel this move would improve my quality of life.

Before I Sign

☐ I've read the contract carefully.
☐ I've sought independent legal and/or financial advice.
☐ I feel informed and comfortable with my decision.
☐ I'm making this decision because it's right for me—not because I feel pressured.

Remember

There is no "perfect" retirement village—only the one that best suits your lifestyle, priorities and financial circumstances.

Taking the time to ask questions, compare your options and understand the costs can help you make a confident decision about the next chapter of your life.

The best decisions are informed decisions.

INDEPENDENT GUIDE.
BETTER DECISIONS.