



Frequently asked questions.

For many people, the decision to consider buying their next home in a retirement village raises a number of questions. To make this decision easier to understand, we have summarised some of the more common questions and answers below. If there's anything you don't understand, please don't hesitate to contact our Sales Manager.

Q. What is a Licence to Occupy?

A. It is important for anyone intending to purchase a villa in Lockerbie Retirement Village to fully understand the nature of their ownership of their villa. This is covered in much more legal detail in the disclosure Statement, but to summarise:

- When you buy a villa in Lockerbie Retirement Village, you enter into an Occupation Right Agreement under which we grant you a licence to occupy your villa.
- This gives you the right to live in your villa and enjoy the use of all the village facilities.
- The title to the land and building remains with Lockerbie Retirement Village.
- The Licence to Occupy does not carry any entitlement to capital gain when you move out and the villa is sold again, but you also have no risk of capital loss.

The Licence to Occupy is the most common form of the Occupation Right Agreement in retirement villages in New Zealand. All villages are governed by the Retirement Villages Act 2003 and its regulations. The Act requires the appointment of a Statutory Supervisor whose role is to have an overview of the financial performance and management of the village. Lockerbie Retirement Village has appointed 'Covenant Trustee Services Limited' as the Statutory Supervisor for this village.

The Retirement Villages Act 2003 also requires you to consult your solicitor with regard to the Licence to Occupy documentation and explain it if you have any queries. Most solicitors are familiar with this type of contract as it is typical in the retirement village industry.

Q. What chattels are provided in my villa?

A. All villas are provided with an oven, a hob top, a range hood, a dishwasher, a heat pump and a clothesline. The standalone villas come with a gas fire.

You will need to bring your own fridge, microwave, washing machine, drier and any other appliances you may need, plus drapes and blinds. Some villas include the option to install a covered pergola over the patio.

Q. What payments do I need to make if I move into Lockerbie Retirement Village?

A. There are two types of payments that you will make to Lockerbie Retirement Village:

- **The Purchase price:** This is the amount you pay for your villa, as agreed with Lockerbie Retirement Village.
- **The Weekly Fee:** This is the fee charged for each villa and goes towards covering the village costs, expenses and other outgoings.

The only other costs you will have will be your normal living expenses e.g. food, electricity, phone and contents insurance. Many retirement village residents find their electricity costs are much lower than in their previous homes – principally because their homes are new, built with double glazing and the most up-to-date insulation.

Q. What payments do I make when I leave Lockerbie Retirement Village?

A. When you terminate your Licence to Occupy agreement, three types of payments are deducted from the purchase price you originally paid. These are:

The Village Contribution (also known elsewhere as the Deferred Management Fee (DMF))

1. This finances the provision of the common facilities and the maintenance costs not covered by the weekly fee;
2. It also covers the redecoration and refurbishment costs of your villa (unless significant damage has been made to the interior of the villa, including chattels, that is not attributable to normal wear and tear;
3. It also covers reselling costs when you vacate your villa.

It is a percentage of your original purchase price, calculated on a daily basis at 5% per year for 5 years, to a maximum of 25%.

In practical terms, the village contribution looks like this:

Example: Purchase Price of Licence to Occupy: \$500,000

Village Contribution of 5% p.a. per year for 5 years: \$125,000

At Period End	Village Contribution	Accumulated Contribution	Total Repayable to Resident
Year 1	5% of purchase price	\$25,000	\$475,000
Year 2	10% of purchase price	\$50,000	\$450,000
Year 3	15% of purchase price	\$75,000	\$425,000
Year 4	20% of purchase price	\$100,000	\$400,000
Year 5	25% of purchase price	\$125,000	\$375,000

Q. When does the weekly fee payment end?

A. The weekly fee stops when you move out.

Q. What does the weekly fee cover?

A. This covers:

- External building maintenance
- Insurance of the buildings and infrastructure of the village
- Property rates
- Exterior window cleaning
- Gardening and landscaping
- Cleaning of Lifestyle Centre
- Management and staff
- Organised trips, activities and outings (some may incur a small surcharge)
- Security systems
- GST where incurred

This amount is paid monthly on the first day of the month, in advance. **The weekly fee does not include the following:**

- Insurance on your furniture, clothes, appliances and personal belongings
- Power and gas charges to your villa
- Telephone charges
- Any additional services that you may require
- Other costs of running your home e.g. cleaning, light bulbs, etc.

Q. Can the weekly fee change?

A. No. The weekly fee is fixed for life with no inflation.

Q. What Services are available in Lockerbie Retirement Village?

A. As your needs change and subject to the services the village provides, you may wish to have more services provided to you in your villa. You may simply want to make life a little easier, or you may need some assistance with daily tasks. The cost and delivery of such services is not provided by Lockerbie Retirement Village however the Village Manager can assist you to create a package of services for your needs via external providers.

Q. Are meals available at Lockerbie Retirement Village?

A. We can arrange for meal services for you through external providers. The cost of this is independent of the fees to the village.

Q. Who looks after the interests of residents?

A. Under the terms of the Licence to Occupy contract and Retirement Villages Act 2003, a Statutory Supervisor is appointed who represents the interests of the residents. In our case, this is Covenant Trustee Services Limited.

In addition, residents will elect a Residents' Committee that works with our village team to ensure we meet the needs of our residents. The Village Management team's door is always open to discuss any issues or concerns you may have.

Lastly, Lockerbie Retirement Village is a Retirement Village that complies with the Code of Practice as part of compliance with the Retirement Villages Act 2003, which is designed to protect the rights of residents. We also subscribe to the Code of Residents' Rights.

Q. Is this a good location?

A. One of the biggest benefits of living in Lockerbie Retirement Village is that it is centrally located in the heart of Lockerbie Estate. For many of our residents, we believe that people want to "live where the action is" and be able to continue to play a part in a community – whether that be walking to the shops or getting involved in local clubs – and you can do that at Lockerbie Retirement Village.

Q. Can I bequeath my Occupation Licence to a family member?

A. No, the Occupational Licence is not transferable, nor can it be used as security for a mortgage.

Q. Can a Family Trust purchase an Occupation Licence?

A. The Occupation Licence can only be issued in the names of the resident or residents occupying the dwelling. However, the funds used to purchase the Licence can come from a Family Trust. In this case, a separate Deed will be drawn up between the parties involved, to identify legally where the funds came from, and where they are later to be distributed on termination of the licence.

Q. Is Lockerbie Retirement Village safe and secure?

A. Your personal and general security is important to us. We have controlled entrance gates, and there is an emergency call service that is monitored 24 hours a day.

Q. Where can I hang my washing?

A. All villas are provided with their own washing lines in a service courtyard.

Q. Is car parking available?

A. Each villa is provided with either a single or double garage, located so that additional cars can be parked in the driveway if required. Visitor parking is available at various places throughout the village.

Q. Will my independence and privacy be respected?

A. You will live in a community of like-minded people of similar age but with lots of different personal situations and personalities. A range of activities will be available to all residents which you can be involved in if you wish. If, however, you simply prefer the quiet privacy of your own home, that's fine too – the choice is yours.

Q. Can my family and friends stay?

A. Of course – this is your home. Your family, grandchildren and friends are very welcome to stay with you for short periods of time, but may not move in on a permanent basis.

You may entertain your family and friends in your villa or your guests are more than welcome to use the facilities in the Lifestyle Centre, provided you are with them.

Q. Am I able to have my pets living with me?

A. Your domestic pets, within reason, are very welcome to join us. The only limitation to this is the possibility that your pet could become a nuisance to others living at Lockerbie Retirement Village and as a precaution, we will require him/her to be taken from the village.

Q. Who is responsible for insurance?

A. Lockerbie Retirement Village insures the buildings (including carpets and floor coverings and fixed chattels). You are responsible for insuring your own contents and personal effects, as well as your car if you have one. You will also be responsible for the repair costs or excess on any insurance claim arising out of any damage done by yourself or your guests to your villa, chattels or common areas.

Q. Who is responsible for maintenance and repairs?

A. We are responsible for all the maintenance and repairs to your villa, except for your own chattels. However, any repairs which are not attributable to fair wear and tear may be charged back to you. This decision is solely at the discretion of the Lockerbie Retirement Village management team. Consumable items such as light bulbs are your responsibility, as is cleaning.

Q. What if I want to decorate my home – for example, change the wall or floor coverings?

A. This can be done at your own expense, in consultation with and at the discretion of the Village Manager. Approval must be obtained before any work is done and there may be a cost to reinstating the villa to the original state in the future.

Q. What happens if I have an accident or get sick?

A. If you have an accident and need immediate attention, simply press any one of the strategically placed emergency buttons in your villa and the response will be immediate.

If your health deteriorates significantly, the Village Manager will work with you and your family to facilitate community services to your home as required.

If you need to relocate to a rest home or hospital to provide the level of care you require, we have a conditional agreement with an experienced Care Provider to build a rest home adjacent to the Village. A Lockerbie Retirement Village purchase ensures priority access to the care facility, although you are not obliged to use this option. The Village Manager will work with your family to ensure this transition is as easy as possible, whether it is temporary or permanent.

Q. How do I go about purchasing a villa at Lockerbie Retirement Village?

A. You will need to spend some time with our Village Sales Manager, to ensure you understand the Lockerbie Retirement Village and the villa plans, as well as the financial arrangements.

After you've selected the villa of your choice, you may take an option on this. Relevant documentation will be prepared for you and sent to your solicitor. Your solicitor will advise you and should you make the decision to proceed, documentation will need to be signed and returned with a \$1,000 deposit. This deposit is paid to Covenant Trustee Services Limited to secure your villa. If you decide not to go ahead with your purchase, your deposit will be refunded in full.

From this point on the village team will work with you to determine the appropriate dates for you to move into your villa, and for the settlement of funds to be paid. And before you know it – you too can be living in Lockerbie Retirement Village.

Q. Are you able to help me sell my current home?

A. If you love the idea of moving to Lockerbie Retirement Village and all it has to offer, we will do everything we can to help you move.

Our village team can assist you to sell your home by helping you through the process, providing guidance and support in terms of marketing plans, assistance on what to bring to the village, choosing movers, figuring out what to do with the things that are now surplus to requirements, dealing with the phone and internet companies and much more. We are here to help you – both before you move in, and when you're here.

We won't however, become directly involved in the sale of your home or act as real estate agents.

Q. Can I move to a different villa within the village?

A. We understand that circumstances change and people may wish to downsize to a smaller villa over time. We do not charge a specific fee for this other than refurbishment of the existing villa in order to re-sell it. That fee will be at the Village Manager's discretion.

The questions and answers above are provided for your convenience. We have attempted to be as accurate as possible, but it does not replace the need for you to read and understand the Disclosure Statement. Where a conflict arises between the interpretation of this paper or the Disclosure Statement, the Disclosure Statement takes precedence.