

# Understanding the costs

for independent living and serviced apartments

Our cost model for independent living homes and serviced apartments has three parts:

## 1 Before you move in

**You will pay:**

- a deposit
- a licence payment

## 2 While you're living in the village

**You will pay:**

- a weekly fee
- any fees for user-pays services you choose to receive e.g. internet, phone. This charge is based on what you use
- if you are receiving a service or care package, you will be charged a fee for this
- if you are receiving rest-home level care in your serviced apartment you will pay a daily care fee

## 3 When you leave

**You will receive:**

- your repayment sum, which is your licence payment, less the deferred management fee and any outstanding charges

- In the unlikely event your licence has not on-sold in six months, we will pay you interest on the amount of your repayment sum

## What you'll pay before you move in

### Deposit

You can reserve your home by paying a \$3,000 deposit and signing an application form.

At the same time, your Sales Manager will run through the **Estimated Return Schedule** so you know what you can expect to receive when you leave.

Should you decide to cancel the agreement prior to settlement, the \$3,000 deposit will be refunded to you in full along with any interest that has been accrued.

**Note:** we don't refund any legal costs you've incurred.

### Licence payment

The licence payment is the amount you'll need to pay to live in your Summerset home. This is set out in your Occupation Right Agreement. Before you move into your home, you'll need to pay your licence payment less the deposit you've already paid.

# What you'll pay while living in the village

## Weekly fee

Summerset charges a weekly fee to contribute to the day-to-day running and maintenance costs of the village. The **weekly fee** includes all:

- maintenance of gardens and grounds
- maintenance of your home and the village
- cleaning the exterior of your home including windows
- council rates, water charges, and rubbish collection
- insurance for the fixtures and fittings in your home and for the village
- villages are fenced with after hours security access
- call bell system monitoring and response
- activities and entertainment, including weekly happy hour
- village outings
- overall management of the village and communal facilities

You will need to pay for your own personal contents insurance, power\* and phone bills. These are not included in the weekly fee.

\* Power costs are included in your package if you live in a serviced apartment.

## Other village services you may choose to pay for

There are a range of additional services you may choose to use in the village. These include:

- hair and beauty services
- health practitioners
- Divine café
- meals (breakfast, lunch and dinner)
- laundry services
- additional gardening
- general services, including cleaning, assistance with errands and medication, and pet minding.

## Care and Support

### Service packages

In a Summerset village, as your needs change, you can access additional levels of care and support.

These services are available either as a service package or as individual add on services. If your home is a serviced apartment, you will be required to purchase one of our services packages unless you are receiving rest home level care or any higher level of care. Fees for these services are charged in addition to your weekly fee.

### Care services and subsidies

If you need rest-home level care or hospital-level care, these may be partially or fully subsidised by the Government. The subsidy you are eligible for is subject to asset and income testing and is determined by WINZ.

## PEACE OF MIND GUARANTEE

We guarantee that the increases in weekly fees will be the same as the percentage increase in the rate of NZ superannuation in any given year.

For example, if NZ Superannuation rises 5.9% the weekly fee will rise by 5.9%.\*

If the weekly fee were \$159 and **weekly super increased by \$40 (5.9%)** from \$672 to \$712 per couple, the weekly fee would increase by \$9 to \$168.

\*example taken from 1 April 2022 increase

## SUMMERSET SURE GUARANTEE

If you decide that Summerset life is not for you, then you can activate your Summerset Sure guarantee.

This means that you'll have 90 days to be sure that Summerset is right for you, or we'll refund your licence payment without deducting the deferred management fee.

(Some conditions apply).

## When you leave

### Repayment Sum

When you leave your home in a Summerset village, we'll repay the **licence payment** you paid when you first moved in, less the **deferred management fee** and any other outstanding charges. This repayment amount will be received once we've resold and settled your home with a new resident.

You can find out more about the deferred management fee and how it's calculated below and on the following page.

Your weekly fee ceases from when the keys are handed back and the property is vacant.

The cost of marketing and refurbishing your home other than damage beyond fair wear and tear is covered by your deferred management fee.

## Other things you need to know

### What is the deferred management fee?

The deferred management fee (DMF) covers the cost of communal facilities, management, long-term maintenance and the refurbishment and re-selling of your home and is deducted when you leave your home.

In the case of our **independent living homes**, where our standard DMF applies you'll be charged a total DMF of 25% of the licence payment you paid for your home. This will be charged at 5% on entry, then a further 5% per annum (accrued daily) over the next 4 years.

In the case of **serviced apartments** where our standard DMF applies you'll be charged a total DMF of 25% of the licence payment you paid for your home. This will be charged at 5% on entry, then a further 10% per annum (accrued daily) over the next two years.

On rare occasions a non standard DMF may apply for independent living homes and serviced apartments.

### INDEPENDENT LIVING STANDARD EXAMPLE: Licence payment \$600,000

Period in home	Percentage	Accrual	Total deferred management fee	Repayment sum
On entry	5%	\$30,000	\$30,000	\$570,000
Year 1	5%	\$30,000	\$60,000	\$540,000
Year 2	5%	\$30,000	\$90,000	\$510,000
Year 3	5%	\$30,000	\$120,000	\$480,000
Year 4	5%	\$30,000	\$150,000	\$450,000
Years 5 +	nil	nil	\$150,000	\$450,000

### SERVICED APARTMENT STANDARD EXAMPLE: Licence payment \$400,000

Period in home	Percentage	Accrual	Total deferred management fee	Repayment sum
On entry	5%	\$20,000	\$20,000	\$380,000
Year 1	10%	\$40,000	\$60,000	\$340,000
Year 2	10%	\$40,000	\$100,000	\$300,000
Year 3+	nil	nil	\$100,000	\$300,000



## Transfer policy and associated costs

### Fees

If you move from your independent home to a serviced apartment, care suite or memory care apartment to access more care you won't be charged an administration fee. We call this a **needs based transfer**. If you move into a serviced apartment, you will need to purchase one of Summerset's services packages or, where a higher level of care is required, sign an admission agreement and pay the associated care fee.

If you move between homes of the same type (e.g. independent living unit to another independent living unit) within the same village or to a home in another Summerset village, there will be an administration fee equal to 2% of the licence payment for your new home. We call this a **choice based transfer**.

### Transferring

When transferring, residents have priority

(subject to availability of homes). If you move from an independent living home to a serviced apartment, the terms of transfer are detailed in your Occupation Right Agreement. Once you have selected your new home within the village, you can transfer straight away — there's no need to wait for your old home to be resold.

### Moving to a higher valued serviced apartment

If you complete a **needs based transfer** into a serviced apartment, and the licence payment is greater than the repayment sum you will receive for your current Summerset home, do not worry, we will cover any capital difference.

If you complete a **choice based transfer** then you will be required to cover the capital difference.

Full transfer details are contained in your Occupation Right Agreement.

For more information, please speak with the Sales Manager.



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