

## Is Joint Equity For Me?

### Question.

- Are You Asset Rich and Cash Poor
- Want The Security & Benefits Of Home Ownership Without The Debt & Hassle
- Want To Maximise Your Pension And Entitlements
- Do You Want To Spend Some Of The Kids Inheritance
- Need To Downsize & Enjoy Your Retirement More
- Do You Want To Ensure You Have A Home You Can Age In With Utility Bills That Still Let You Enjoy Life
- Finding 'Retirement Villages' Too Expensive To Live In
- Or Is Home Ownership Just Beyond Your Reach

## Is It Time For a Change?

### Answer.

If you find yourself answering 'Yes' to just One of these Questions, then Willow Creek Mews is well worth looking into. If you answered 'Yes' to more than One...Then it really is Time to consider Changing your Life for the Better

## Look At The Benefits Of Our Joint Equity Housing Scheme... Exclusive to Over 55's

- Pay Only 50% of the Property Value when Buying
- Pay a Weekly Rent for the Remaining 50%
- Weekly Rent Qualifies for Full Centrelink Rent Allowance
- Receive 100% of your Capital Appreciation when Selling - Free From Deferred Management Fees & Sinking Fund Contributions
- Cost Comparison Show a \$100,000 Benefit Compared to Most Other Conventional Retirement Villages over a 10 Year Period
- Receive Discounted Utility Charges (Subject to Qualification)
- Pay a Low \$14 Weekly Maintenance Fee
- Receive Ongoing Garden and Village Maintenance
- Receive Security of Tenure through the Retirement Villages Act
- Releases 'Dead' Money Tied up in Normal Home Ownership
- A Secure Village Setting... Ideal For 'Lock & Leave' Retirees
- Designed to AS 4288/99 for Access, Wheelchairs and for 'Ageing in Place' — No Other Village Provides These Features

### You Will Never Look At Home Ownership The Same Again

For More Information or To Register Your Interest go to

[www.willowcreekmews.com](http://www.willowcreekmews.com)

Or Phone **0419 042 300**

Legend Crescent. Greenfields. Mandurah. WA 6210.



**Can You Afford NOT To Live At Willow Creek Mews**

## Stage One Special The Premium Upgrade

### Includes:

- \* Full Cabinet Upgrade
- \* Ceramic Cooktop
- \* Auto Garage Door
- \* Raised Ceiling to Living Area
- \* Recessed Lighting
- \* Additional Wall Tiling
- \* Textured Carpet
- \* R/Cycle Air-Con
- \* Moulded Skirtings and **Much, Much, More**

**Only  
13 Villas  
Available in  
Stage One**

## Communal Facilities

When Designing Willow Creek Mews our aim was not to duplicate the conventional 'Retirement Village' where expensive facilities like Lawn Bowls, Tennis Courts and Swimming pools that only benefit a few have become common place. We wanted to build a small village community where it is affordable to live whether you are single, still working, or a couple settling into retirement. The Recreation Centre will have a large screen TV and tables and chairs, and with the NBN coming to the village a Computer Area may also be called for. There will be two alfresco areas, one with a built in barbecue so Residents can get together to have a drink or a meal together without it costing them a fortune. We hope it will be a place where everyone gets to know each other. The planned 'Men's Shed' will also be somewhere the guys can get a few of their odd jobs done and strike up new friendships at the same time. So if you feel ready for a change.....

## Choice of Two Floor Plans

### BOTH WITH A MASSIVE 96m<sup>2</sup> UNDER ROOF

1. **Standard, One - Bedroom Villa with Large Airy Rooms & Built in Robes Two Alfresco Areas, An Extra Large Garage / Store & All to AS 4299.**
2. **One Bedroom Villa with a Large Study. All the Features of The Above but with a Reduced Garage for Those Wanting to Maximise their Living Space.**

## The 'Men Shed'

If there is sufficient demand among the Residents, and they are prepared to pay a slightly higher (approx. \$3) weekly fee, the plans are in place to provide a facility for the men of the village where they can get together and while away the hours carrying out those D.I.Y jobs every home requires. It will be a place where they can have a chat with the neighbours while sharing skills and stories as they put the world to right. It is envisaged the men will provide their own tools and equipment probably on a use and share basis as no guy has everything in his tool box!

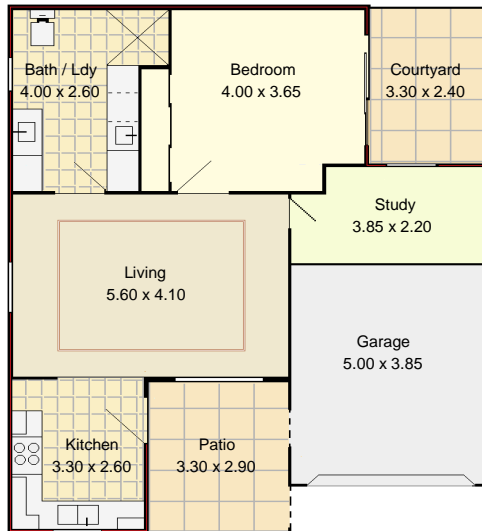
## Some Important Design Features

- Designs to AS 4299 & 4299** This Means the Village and each Individual Villa is Wheelchair and Immobility Compliant for 'Ageing in Place'. No Other Local Retirement Village Provide these Features.
- \* Flush Entry Threshold. 920mm Internal Doors. Non-Slip Tiles to Kitchen and Bathroom Floors. The Positioning of Light Switches, Plug Sockets, Phone and TV Sockets, Flip Lever Taps Throughout, 3.8m x 6.5m Garage. 1200 x 1200 Shower Cubicle with Free Flow Floor. Built-in Grab Rail Supports, Plus Many other Features to Assist with Ageing.
  - \* Average 7 Star Energy Rating Means Very Low Heating & Cooling Bills.
  - \* Cyclone Rated, Fully Welded Steel Frame Construction Leaves a Lower Carbon Footprint and Gives Higher Energy and Acoustic Ratings than Brick
  - \* Residents Recreation Centre for Socialising with Neighbours & Friends

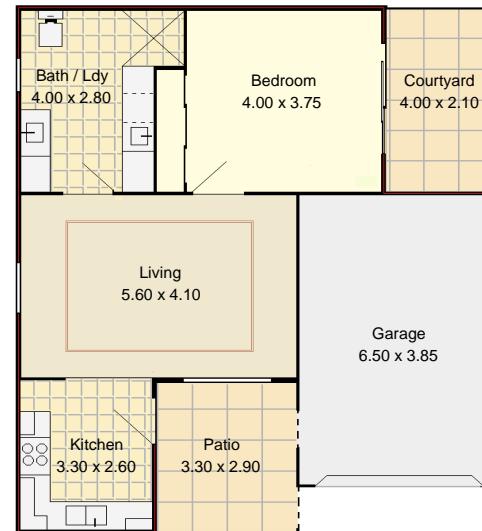
# Retirement Living You CAN Afford

# TYPICAL FLOOR PLANS

96m<sup>2</sup> Under Roof



One Bedroom Villa with Study



Standard One Bedroom Villa



Retirement Living You CAN Afford

## Buying a Villa

**How the Joint Equity Housing Scheme Operates.** 50% of the Current Value (CV) is purchased on a Life Lease like all other Retirement Villages, the Remaining 50% is Rented at 0.05% of the CV per week. This means with a CV of \$242,000 a 50% Life Lease costs \$121,000 and the Weekly Rent Payable will be \$121. As the CV increases with time the Rent Increases Annually to keep pace with it, so maintaining the 0.05% of the Current Value.

- **An Initial Payment of \$1,000 is Required to Reserve any particular Villa.** This is Fully Refundable and holds an 'Option' on the Villa for a maximum of 10 Days. This gives you Time to consider the Villa you have chosen, to Obtain any Legal Advice you might need and to Feel Confident about Your Decision.
- **To Proceed with the Purchase.** A \$10,000 Deposit is required Once the Lease is Drawn Up and Ready for Signature, although You Still Have a 5 Day Cooling Off Period and can Receive a Refund of Your Deposit should You Decide Not to Proceed. A Copy of the Lease will be given to you with the Construction Schedule setting out the Construction Timetable, the Payment Schedule for Stage Payments that need to be made During Construction, an Invoice for any Fees or Extras that need to be Paid For, Plus the Disclosure Documents Required under the Retirement Villages Act so you become Conversant with all aspects of how the Village is to be Operated.
- **Once The Lease Process is Complete.** You will be kept Informed of Progress during the Villa's Construction. Should you have any queries regarding either Your Villa, the Fit Out. Or Any Other Aspect of the Village, Contact should Always be made through the Managing Agent.
- **Our Product Disclosure Statement Forms Part of The Lease, and Provides a Detailed Account of how the Rent is Calculated and the Process used for Increases. It also covers All Other Fees and any Charges you can expect to incur whilst Living in the Village, and its is Important that You Understand it Fully Before Entering an Agreement to Lease a Villa.**

## Location

Willow Creek Mews is situated off Lakes Road amidst several other Retirement Villages. It is convenient for The Peel Health Campus and their Associated Services which are situated some 500 meters away, and The Forum Shopping Centre which is 1km away towards the Town Centre. The Freeway is easily accessible by connections off Lakes Road or Fremantle Road. A bus stop is located only a few meters away from the pedestrian access gate on old Pinjarra Road.

The logo for Willow Creek Mews features the text "Willow Creek" in a large, bold, green serif font, with a stylized green leaf graphic to the left of the word "Willow". Below "Willow Creek" is the word "Mews" in a smaller, bold, green serif font.

Legend Crescent. Greenfields. Mandurah WA 6210



**Can You Afford NOT To Live At Willow Creek Mews**





# Willow Creek Mews

OPTION TAKEN  
SOLD

MASTER PLAN



A Development of One Bedroom & One Bedroom Plus Study Villas with Central Recreation Centre  
Legend Crescent. Greenfields. Mandurah.

OLD PINJARRA ROAD



## **Annexure A – General Information.**

**This Booklet aims to answer some of the Frequently asked Questions about Buying a Villa under The Joint Equity Housing Scheme and Living in a Retirement Village.**

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### **1. How does the Joint Equity Scheme work**

It is a 50/50 partnership between the Land Owner and the Resident where 50% of the property is 'sold' on a life lease and 50% is retained and a weekly rent charged. It provides the Resident with security of tenure and the pride of ownership, with a guaranteed investment which returns all the capital appreciation on the residents share back to them when it is time to sell. It means rent money is not seen as a 'waste' but the mechanism to either free up cash from your existing home, or cash in your superannuation to get into home ownership. Whatever the reason, it provides the absolute security of home ownership at half the cost of the conventional method.

### **2. What are the total costs of entering a Retirement Village**

- The Lease Fee which is 50% of the market value of the Villa.
- A Non-Refundable Administration Fee of \$990 for preparing the Lease, the Rental Documents, and the Fixed Loan documentation.
- One Month's Rent
- One Month's Service Fee

### **3. What do I get back if I leave the Retirement Village, and what fees are deducted.**

- You receive your initial investment (the Lease Fee) and all the capital growth on your 50% share of the Villa. Deducted from this are any refurbishment costs required so we can obtain the highest possible market price for you. And it is in our interest to obtain the highest possible price because our future rental income is based on 50% of the sale price. We charge a 2.5% marketing fee only on your share of the Villa and once your Villa has been settled with the new Resident you will receive your funds within 7 days. A Spread Sheet showing expected returns is included in these Disclosure Documents. It is only a guide but it allows you to compare one Retirement Village against another.

### **4. What is the Lease Fee**

Villas are not 'sold' or 'leased' in the common sense. They are leased, like other Retirement Villages where the Resident loans to the Lessor (the Managing Agent) a 'Fixed Loan' that is free of interest for the duration of the Lease. This remains in place till not later than seven days after the date that a new resident is granted a Lease, and pays the new Lease Fee by the way of a 'Fixed Loan' for the villa.

- The *Fixed Loan* represents 50% of the freehold market value of the villa situated within a Retirement Village setting and is called the Lease Fee. When a resident wishes to leave the village the current market value is agreed upon with the Managing Agent after allowing for any refurbishment work that needs to be carried out. Alternatively the value can be determined by a Licensed Valuer at the resident's expense.

## **5. Why Use Long Term Leases**

- Residents are granted long term (45 year) leases for a Villa for many reasons. Some are:
- It saves tens of thousands of dollars in stamp duty and conveyance costs.
- It avoids cumbersome and unnecessary strata company procedures, and their associated costs.
- It provides a very secure tenure as the Lease and Village Scheme is protected under the provisions of the Retirement Villages Act 1992 which provides a statutory charge over land the village is built on to secure residents 'Fixed Loans'.
- It allows the Village Scheme and disclosure documents to be more transparent and less complicated than strata titles villages.

## **6. How is the weekly rent calculated**

- The rent equates to a return based on 50% of the full value of the Villa at any one time. At launch the value of the basic Villa is \$242,000, so with 50% (\$121,000) of the value being the rented to the Resident, the weekly rent is set at 0.05% of that value. This equates to a rent of \$121 per week. Using historical data on home values, to maintain a rent based on the 50% of equity retained by the land owner, rents need to increase by 7.0% (\$10) annually, and this will be done for four years - on July 1<sup>st</sup> each year. At the end of the four year term, using either historical values of Villas sold, or by independent valuation, a new rent will be created based on 0.05% of that new valuation for the following four years. So, if the value of the basic Villa increases in line with historical values and is worth \$305,000 after 4 years, the rent charged on 50% will be \$152 per week. If the Villa value has either increased or decreased more or less than that figure, the rent will be set at 0.05% of the new value. The rent will then increase at 7.0% per year for the next four years and the procedure repeated. And thus every four years hence. It is the intention of the Managing Agent to maintain a fair and equitable rental revenue proportionate with the 50% holding being retained by the land owner – thus 0.05% of current market values.

## **7. Can we appoint our own Agent to Sell our Villa**

- No. Only The Managing Agents can market and sell any Villa, which is why a low 2.5% commission is only charged on your share of the Villa.

**8. Can we claim Rent Assistance from the Federal Government towards the rent**

- Generally yes. The scheme we operate at Willow Creek Mews qualifies due to the Residents 50% share being valued at less than the Centrelink asset threshold, so most singles and couples should qualify for the maximum assistance. But it is best check with Centrelink as individual circumstances may change the outcome.

**9. When buying during construction how are Stage Payments made**

- The Managing Agent will invoice you at the completion of each stage of the construction process as set out in the Construction Schedule and payment is due within seven days of invoice.

**10. What is the Service Fee for and who administers it**

- This fee covers:
- The Building Insurance for all the Villas and the Recreation Centre.
- Public Liability Insurance within the Village.
- The operation and provision of any facilities or services utilised in the Recreation Centre, Communal, or Recreation Areas.
- Communal electricity and water usage charges that are not served by the borehole.
- Although the Managing Agent has overall responsibility for the fund, a Residents Committee will be formed to administer this money and set the charges annually. This ensures the residents have a say in what their money is spent on rather than an administrator deciding for them. Obviously, it is our intention to preserve the high standard of the village and its amenities, and reserve the right to overrule any decision which may have a negative impact on the village.

**11. In the sales literature it states the Villas comply with AS 4288/99 for Disabilities and Adaptable Housing. What is this**

- It means the design complies with all design standards set down by the Government to allow for 'ageing in place'. For instance all doors and openings are 920mm wide to allow for immobility issues and wheelchairs, there is ample space around doorways and in kitchens and bathrooms, and in the shower to manoeuvre a wheelchair. It covers such things as non-slip floor tiles, taps, door handles and reveals, garage sizes, flush level thresholds at doors and in showers, it regulates, socket points, TV and phone points and many other aspects of their design. In essence it makes life considerably easier when ageing and allows you to stay in your own home and have services brought to you for much longer, rather than going into a care facility or nursing home.



**12. Who is responsible for the Repair and Maintenance of the Buildings and Roads**

- The Managing Agent is responsible for the external maintenance of the Villas and the Recreation Centre, but not individual courtyards. Repairs caused by anything other than general wear and tear will be charged to the Villa Resident. Patio's and the interior of the Villa is the responsibility of each Resident and these should be maintained to an acceptable standard at all times. Roads, bollard lights, and all infrastructure is the responsibility of the Managing Agent.

**13. What other costs am I liable to incur living in this Village**

- Residents are responsible for their own Council Rates and Water Rates although these are generally discounted for pensioners. Personal electricity and water use will be billed quarterly to each Resident by the Managing Agents, telephone, and householder contents insurance are at each residents own initiation and cost.

**14. Who can live in the Villa**

- No more than two people can live in any Villa, and one must be aged 55 or over.
- The Villa cannot be let, sub-let, assigned, used, or loaned to any other person at any time.
- Visitors are permitted and are permitted to stay over, but only where space permits and no inconvenience is caused to other residents.
- Garage parking is available for one car per Villa. Cars cannot be parked on the roads or grassed areas and visitor bays may only be used by visitors. There are no facilities for caravan or boat parking/storage at this time.

**15. What effect will the death of a spouse or partner have on the rights of the surviving party to continue living in the village**

- Providing the surviving partner is a signatory to the Lease they can continue living there.

**16. What about pets.**

- Yes, pets are welcome, but we ask you let the Managing Agent know of your intentions as it is your responsibility to ensure they do not cause a nuisance to other residents.

**17. Can I have any input into how the village is operated**

- Yes. A Residents Committee will be formed once the village is completed and it is hoped everyone will be active participants. Regular meetings will be held between the Committee and the Managing Agents to discuss any issues that are of concern to residents and to implement measures that improve the living standards of the village and the environment in which everyone lives.

**18. What Community facilities will be provided**

- The Residents Recreation Centre. It will have some furnishings, a TV and a built in barbecue area will be provided along with some garden furniture. A 'Men's Shed' will be provided if there is sufficient demand from Residents and this will come under the auspice of the residents Committee. The Managing Agent will liaise with the Residents Committee on any other items which may be needed, but it is important to take into account that the low weekly Service Fee we have set cannot be maintained if extensive facilities are requested. It is the Managing Agents intention to work with Residents to provide facilities and to cultivate a strong community spirit within the village, and we are confident this can be obtained by mutual cooperation with the Residents.

**19. Will the Village provide any healthcare or associated services**

- No. But the Managing Agents have established a link with an Accredited local care provider who can provide all Government assisted care packages that assist with 'ageing in place' and an emergency call out service. Details can be obtained from the Managing Agent.

**20. What protection does a Resident have if the Village is sold**

- Under the Retirement Villages Act all Residents rights are protected and the lease would remain the same under any new owner.

**21. What procedures are in place to deal with complaints**

- First a written complaint must be lodged with the Managing Agent
- If a satisfactory outcome cannot be achieved the complaint can be referred to the Commissioner for investigation and determination
- If still unresolved the complaint can be referred to mediation
- When resolved a copy of the resolution shall be served on all Residents.

**22. On what grounds can the Managing Agent Terminate my Lease**

- By mutual consent with the Resident
- Upon the death or permanent incapacity of a Resident
- For failing to pay Service Fees, Rent, or any other amounts due
- When a Resident fails to adhere to the rules and regulations of the village
- Where a Resident causes serious damage or injury
- The Managing Agent cannot terminate a Lease Agreement without first applying to the State Administrative Tribunal under s. 59 of the Retirement Villages Act 1992.

**23. So I can compare the financial outcomes of different Retirement Villages, what would I receive back after 1, 2, 5 and 10 years.**

- The Comparison Chart uses the regulated 5% pa Growth Rate mandated by the Retirement Villages Act and all Villages use the same rate to obtain a comparison to each other, but any change to the 5% rate affects the outcome

**RVA Cost Comparison 1 year - 10 year**

**Assumptions ;**

Capital Growth/Inflation	5.0% per year
Sales Commission	2.5% of Selling Price
Refurbishment	\$500 per year
Rent 50% of Property @ 0.1% per week	0.1% per week
Initial Unit Value	\$240,000
Residents Share	\$120,000
Fixed Loan Balance	\$120,000

Detail	Year	Amount
<b>At End of Year</b>	<b>1</b>	
Unit value		\$252,000
Rent per Week		\$120
Selling Price @ 50%		\$126,000
<b>LESS</b>		
Fixed Loan		(\$120,000)
Refurbishment		(\$500)
Sales Commission		(\$3,150)
<b>Total Paid to Resident</b>		<b>\$122,350</b>
<b>At End of Year</b>	<b>2</b>	
Unit Value		\$264,600
Rent per Week		\$126
Selling Price @ 50%		\$132,300
<b>LESS</b>		
Fixed Loan		(\$120,000)
Refurbishment		(\$1,000)
Sales Commission		(\$3,308)
<b>Total Paid to Resident</b>		<b>\$127,992</b>
<b>At End of Year</b>	<b>5</b>	
Unit Value		\$306,308
Rent per Week		\$146
Selling Price @ 50%		\$153,154
<b>LESS</b>		
Fixed Loan		(\$120,000)
Refurbishment		(\$2,500)
Sales Commission		(\$3,829)
<b>Total Paid to Resident</b>		<b>\$146,825</b>
<b>At End of Year</b>	<b>10</b>	
Unit Value		\$390,935
Rent per Week		\$186
Selling Price @ 50%		\$195,467
<b>LESS</b>		
Fixed Loan		(\$120,000)
Refurbishment		(\$5,000)
Sales Commission		(\$4,887)
<b>Total Paid to Resident</b>		<b>\$185,580</b>



**24. It is claimed that if I purchased a 50% Joint Equity Villa here, rather than buying 100% in many other Villages, I would be over \$100,000 better off after 10 years. Can your figures support this**

Yes. We have to use an initial investment of \$240,000 even though it is not possible to buy a new home in a Retirement Village for that sum. We invest 50% in Willow Creek Mews, and 50% on a Term Deposit. Although you may not have the 50% to invest in the bank it is used in order to obtain a fair and accurate comparison on the \$240,000. We also use the mandatory 5% pa Growth Rate.

**Comparison to a Villa in Conventional Retirement Village**

**Assumptions ;**

**All Local Conventional R/V's charge similar Weekly Fees**

Ret/Village charge a Weekly Fee	\$70
Willow Creek charge a Weekly Fee	\$14
Capital Growth/Inflation	5.0% per year
Gov't Rent Assistance (no allowance for inflation)	\$50 per week
Bank Interest	5.0% per year
Timeline	10 years

Details	Village		Variance
	Ret/Village	Willow Creek	
Purchase Price	\$240,000	\$120,000	
Cash in Bank - Net of Sale	\$0	\$120,000	
<b>Total Invested at Year 1</b>	<b>\$240,000</b>	<b>\$240,000</b>	<b>\$0</b>
<b>At time of Sale</b>			
Interest Earned	\$0	\$77,641	<b>\$77,641</b>
Cash in Bank	\$0	\$120,000	
Proceeds from Sale	\$390,935	\$195,467	
<b>Surplus funds before operating &amp; expenses</b>	<b>\$390,935</b>	<b>\$393,108</b>	<b>\$2,174</b>
<b>Operating Costs of Timeline</b>			
Weekly Fee	\$36,400	\$7,280	
Rent	\$0	\$78,486	
Rent Assistance	\$0	(\$26,000)	
<b>Total Operating Costs</b>	<b>\$36,400</b>	<b>\$59,766</b>	<b>\$23,366</b>
<b>Expenses</b>			
Amenties/Deferred Fees	2.5%	\$97,734	\$0
Reserve/Sinking Fund	0.5%	\$19,547	\$0
Refurbishment Fee	\$5,000	\$5,000	\$5,000
Supervision Fee	5.0%	\$250	\$0
Sales Marketing Fee/Sales Commission	3.5%	\$13,683	
Sales Marketing Fee/Sales Commission	2.5%		\$4,887
<b>Total Expenses</b>		<b>\$136,213</b>	<b>\$9,887 (\$126,326)</b>
<b>Cash Paid to Resident after 10 years</b>		<b>\$254,722</b>	<b>\$383,221 \$128,500</b>
<b>Surplus / Cash return net of Operating Costs</b>		<b>\$218,322</b>	<b>\$323,455 \$105,134</b>
<b>After 10 Years - Capital Gain on Investment</b>		<b>\$14,722</b>	<b>\$143,221 \$128,500</b>
<b>Saving over 10 years/per week after expenses</b>		<b>\$0</b>	<b>\$202</b>

## **Annexure E – Notice of Rights**

The rights you (the Resident) have under sections 13 and 14 of the *Retirement Villages Act 1992* (WA) are set out below.

This form must be given to any prospective Resident at least 5 Working Days before entering into a Lease Agreement.

### **UNDER SECTION 13 —**

1. Any Lease contract for a Villa shall be in writing;
2. At least 5 working days before a person enters into a Lease Agreement the Managing Agent shall give to that person —
  - (a) the information statement set out in Form 1 in Schedule 1 to the *Retirement Villages Regulations 1992* WA) completed and signed by the Managing Agent;
  - (b) This notice;
  - (c) A copy of the Village rules; and
  - (d) A copy of any applicable code;
3. A Lease Agreement is taken to include a warranty as to the correctness of the information contained in the information statement.

That warranty —

- (a) Is subject to any written alteration made to the information statement made by the Managing Agent with the consent of the prospective resident on or before the signing of the Lease Agreement by the Managing Agent;
- (b) Prevails over any inconsistent contractual term.

### **UNDER SECTION 14 —**

If a person has not entered into occupation of residential premises under a Lease Agreement that person may rescind the residence contract —

- (a) At any time within 5 Working Days after the date of the contract; or
- (b) If the documents required to be provided under section 13(2) are not provided — at any time before the expiration of 10 Working Days after the documents are provided.

Any termination of a Lease Agreement must be carried out in accordance with section 75 of the *Retirement Villages Act 1992* (WA).

Residents Signature

Residents Signature