

SUBMISSION FOR THE REVIEW OF THE QUEENSLAND RETIREMENT VILLAGES ACT (RVA).

Dear Sir/Madam,

This submission is in response to two problematic requirements contained in the lease for a villa which my mother has leased in the [REDACTED] at [REDACTED] on the Sunshine Coast. I am sure the same issues exist in many other retirement villages.

The nature of the contract between my mother and [REDACTED] is in the form of a lease – she does not have any freehold rights over the villa in which she resides. Should she wish to leave she cannot on-sell her lease to an interested third party by herself – the lease must be surrendered back to [REDACTED], and they in turn will on-sell the lease, and then deduct their percentage of the sale proceeds in accordance with the lease provisions (currently 40% of the sale price). However these proceeds are not realized by the lessee until any new lessee for that villa actually signs up. In the interim period, the monthly administration fee is still charged to the original lessee on an indefinite basis by [REDACTED]. The same situation occurs on the death of the lessee – the lessee's estate is charged a monthly fee until the villa or apartment is re-leased by [REDACTED]. As well in the case of a death forcing the sale of a villa or apartment, no other party (related or otherwise) is allowed to occupy the premises unless they happen to be prior signatories to the original lease.


This causes many problems for the lessee of the retirement village and their family. In the event that a lessee wishes to leave the retirement village, their capital which is tied up in the initial lease purchase would usually be needed to help fund the purchase of a new property. In the case of a lessee dying, the capital tied up in the lease agreement is effectively excised from bequeathed assets. On the other side of the coin in these situations, [REDACTED] has a conflict of interest. They naturally wish to sell any new vacant apartments and villas prior to re-leasing pre-leased units. This priority in selling allows them to continue receiving some income from the pre-leased premises at least cost to them overall. At [REDACTED] there is now an additional factor in the mix, in that several of the elderly residents are now reaching the end of their lives, and more and more vacant premises are coming up for re-lease. This is creating a problem for [REDACTED] for them to sell a growing number of units all at once, particularly when their brand new apartments have yet to be leased also.

May I please request that this inquiry look into how a lessee exiting from this type of lease is treated by law, both for residents wishing to move out and in the case of deceased residents, how the retirement village owners are allowed to tie up a significant portion of a resident's estate indefinitely. I would like to see that the relevant contract clauses that allow this practice be made illegal, and replaced by a clause whereby the retirement village owners EITHER take back ownership of a vacated villa or apartment and immediately pay the lessee the capital portion to which they entitled, based on a pre-agreed price or market price as determined by independent valuers, OR the lessee is allowed to on-sell or transfer the lease to a third party independently of the retirement village owners (in accordance with the original lease provisions).

The second related requirement that [REDACTED] impose on a lessee exiting is that all white-goods in their unit be renewed and all improvements made by the lessee removed. While there often good reasons to enforce renewal of white-goods, some of the improvements made by the original lessee may well be desired by a new lessee. In particular, I am thinking of security screens and alarm systems, roof covers over porches, external shuttering to provide shade, etc. Under the provisions of the existing lease, these improvements, some worth thousands of dollars, must all be ripped out, and the premises made good. I suspect that this requirement is taken from standard commercial lease provisions, where a new tenant in a commercial building will often have different fit-out requirements from the previous tenant. However in the case of a residential unit, all tenants past, present and future have the same use in mind for a unit – namely to reside there. I would like to see an option included in retirement village leases for a new tenant to have the option whether they would like to keep any improvements made, or have them removed at the previous lessee's expense. A trust fund could be set up by the retirement village owners to cover the cost of any improvements removal if required.

Thanking you for your consideration of these issues,

Yours faithfully,



Robert Turk

