

UNFAIR TERMS IN RETIREMENT VILLAGE OCCUPATION RIGHT AGREEMENTS

SEPTEMBER 2022



UNFAIR TERMS IN RETIREMENT VILLAGE OCCUPATION RIGHT AGREEMENTS

Background:

The Retirement Village Residents' Association (RVResidents) represents many vulnerable residents with an average age of 81.5 living in 422 Villages nationally. The value of consideration paid by this vulnerable resident group to operators pursuant to Occupation Right Agreements (ORAs) is estimated, conservatively, to be between \$18 Billion - \$25 Billion.¹

The RVResidents has, for several years consistently been advocating, that in their view many terms/clauses contained in ORAs, sanctioned by the Retirement Villages Code of Practice, are inherently unfair terms. An independent report from Consumer NZ (2/2/21) also concluded a number of terms in ORAs appeared unfair.²

Many clauses in the Code of Practice, giving rise to similar provisions in ORAs, are failing the basic principle of fairness that is a cornerstone of NZ law.

Alternatively, many clauses in the Code of Practice, giving rise to similar provisions in ORAs, are failing the intent and purpose of the Retirement Villages Act and should therefore be void from the start. Any changes to the Retirement Village legislation framework in respect of the existing unfair provisions should therefore be applied retrospectively to rectify such injustices.

RVResidents considers that the following aspects should be taken into account when their views on this issue are being considered.

- The Commerce Commission has already confirmed that an ORA is a standard form contract per s46J of the Fair Trading Act (FTA)
- Contract terms listed hereunder that, in our view, fail the tests of FTA s46L, or are against the spirit of the FTA.
- Further criteria the Commerce Commission may consider:
 - A. Seriousness of the conduct.**
 - These clauses in ORAs are very common affecting vulnerable senior people nationally.
 - B. Detriment suffered by consumers as a result of the conduct.**
 - creating serious mischief for vulnerable people favouring operators that are not willing to accommodate any changes to their ORAs.
 - C. Public interest for pursuing the conduct.**
 - This conduct is nation-wide. It is estimated that over 90% of Operators use the same business model, being the most lucrative one!
 - D. An inherently vulnerable section of the consumers are using the industry.**
 - The national average age of residents living in retirement villages is currently 81.5 years of age.

¹ Calculation of \$18 Billion - \$25 Billion is based on 37,489 units (JLL's 2021 NZRVD figures) x \$600,000 median price
² [Consumer.org.nz/articles/retirement-villages](https://www.consumer.org.nz/articles/retirement-villages)

Part I: Terms that meet the test of 'unfairness' in the FTA

The following is a selection of examples identified in various ORAs of Villages nation-wide and on the basis that an ORA may be considered a standard form contract (s46J FTA), the following examples meet the tests of unfairness (46L FTA):

Notes:

- RVR comments recorded in purple ink.
- Underlining in quotations added for easy reference

1. Exit Payment Date

- A. *"The Exit Payment Date is any date within five Working Days after we receive full settlement of the total amount payable by any new resident for the Residential Unit.³*
- B. *If this Agreement is terminated Oceania will pay the Net Refundable Amount to the Resident within five working days after a new Occupation Right Agreement for the Apartment has been entered into and the incoming resident has paid the Occupation Licence Payment to Oceania.⁴*
- C. *Repayment of capital sum
The Operator will repay to the Licensee an amount equal to the Capital Sum less any payments or other amounts the Licensee or the Resident owes to the Operator as set out in clause 18.3 below, and less any Capital Sum Part Payment already repaid as set out in clause 18.4 below. This payment will be made no later than five working Days after the date the Operator receives payment in full under a new occupation right agreement in respect of the Unit with a new resident.⁵*
- D. *Exit Payment Date
..., the Exit Payment Date is any date within five Working Days after we receive full settlement of the total amount payable by any new resident for the Residential Unit⁶*
- E. *Repayment date
The Capital Repayment Entitlement shall be repayable to the Resident no later than 5 Working Days after the date that a new Occupation Right Agreement has been entered into and the Operator has received payment for it.⁷*

Each of the above examples leaves the resident open to not receiving their capital sum indefinitely. In the majority of ORA's the resident has little say in the sales process, the setting of the relicensing price, and shares no benefit in the capital gain, yet the operator(s) continue to hold on to, and utilise the vacating resident's capital (loan) without any requirement of timely repayment nor any compensation for its use. Residents' funds are in effect, interest-free financing for Operators without the urgency to relicence and repay the vacating resident.

The unlegislated timeframe for repayment of the resident's loan can be a major cause of distress, especially after the death of a loved one or a change in health needs. Residents and immediate family need to know that funds will be readily available to cover any residential care costs, or associated expenses or for the winding up of an estate.

It has become common practice for operators to upgrade and modernise vacant units, beyond what is required under clause 2 of the CoP, which reads: "Refurbishment means to restore a residential unit to no more than the condition it was in when the resident entered it, less fair wear and tear."

Upgrading and modernisation normally requires much more time to complete. In some instances resource consents are required for this purpose. All this is undertaken while a former resident has to wait for repayment.

Such delays are detrimental and unfair to a former resident or their estate.

³ Althorp Village, ORA September 2021, clause 66.2
⁴ Oceania, Awatere Village ORA October 202, clause 8.5
⁵ Metlifecare, The Avenues ORA may 2022, clause 18
⁶ The Grove Orewa, ORA August 2021, clause 63.2
⁷ Vines Company Ltd, ORA September 2021, clause 14.2

2. Weekly fees continue indefinitely

- A. "The Resident's liability to pay the Village Outgoings Charge shall continue until the date on which a new Occupation Right Agreement for the Unit is entered into."⁸
- B. **Weekly fees continue:** On Termination the Resident will remain liable for payment of the Village Outgoing Charge until the date the Termination Payment is payable."⁹

Weekly fees should cease upon termination date as proposed in RVA Blue Print.

Operators have a maintenance obligation under CoP 40 and should not be able to register a village if it is not able to financially sustain the village without a former resident's contribution.

3. Interior maintenance:

- A. Care of residential unit and community facilities
You will at all times keep your Residential Unit and its surrounds, together with the Operator's Chattels, in a proper, tidy, clean and sanitary condition and (where appropriate) working order and condition.
- You will repair, or if necessary replace, at your cost all window furnishings, carpet, television, waste master, light bulbs, batteries, plumbing fittings including tap and cistern washers, electrical fittings and any remote controllers in the Residential Unit as and when they wear out or are broken or become unserviceable. The replacement items must be of at least the same quality as those installed at the Commencement Date."¹⁰
- B. Maintenance of interior of the residential unit
You are responsible for paying the following costs:
(c) Costs of maintaining and repairing the interior of the Residential Unit and the costs of maintaining, repairing and replacing the Unit Chattels listed in Part A of Schedule Four; and (d) Costs of maintaining and repairing the Unit Chattels listed in Part B of Schedule Four."¹¹
- C. Care of residential unit
You will replace at your cost all mirrors, Light shades, light bulbs, power elements, plumbing fittings, window security stays and electrical fittings in the Residential Unit as and when they wear out or are broken or become unserviceable. The replacement items must be of at least the same quality and power as those installed at the Commencement Date."¹²
- D. Obligation to pay for internal maintenance: the cost of all repairs and maintenance to the interior of the Home; the cost of all repairs to and replacement of the Chattels."¹³
- E. The Resident's Maintenance obligations:
The Resident is responsible for maintaining, at the Resident's cost, everything in the interior of the Home regardless of its age or condition, including all fixtures and fittings, internal window surfaces and the internal area of any garage, in good, clean, tidy repair, order and condition."¹⁴

⁸ Vines Company Ltd, ORA September 2021, clause 3.2(g)
⁹ Tamahere Country Club, ORA August 2022, clause
¹⁰ Althorp Village, ORA September 2021, clause 29.1 & 29.2
¹¹ Pacific Lakes ORA February 2022, clause 52.4
¹² The Grove Orewa, ORA August 2021, clause 27.1
¹³ Omokoroa Country Estate ORA April 2017
¹⁴ Omokoroa Country Estate ORA April 2022 clause 6.2

F. **Repair Charges**

*..the Resident shall pay to the Operator on demand all costs incurred by the Operator in respect of the repair of the interior of the Unit including (where applicable) the repair of any stove, microwave oven, clothes dryer, refrigerator, washing machine, garage doors, plumbing and electrical fixtures and fittings and other Operator's Chattels contained in the Unit."*¹⁵

The term 'interior' being not properly defined, favours unpalatable interpretations by Operators as is experienced by many residents after moving in.

The resident should only be responsible for maintaining, excluding fair wear and tear, the carpets, drapes and painted surfaces.

"Interior of the home" could create significant imbalance and financial detriment if there were no other clauses limiting the meaning of 'repairs and maintenance to the interior'.

The insured amount and amount of excess is solely at the discretion of the Operator and therefore a resident should not be held liable for any shortfall.

It is unfair for the operator to pass the excess as a cost to residents for any loss that occurs inside a unit.

G. **Chattels** means all chattels, fixtures, fittings and equipment, including any whiteware, appliances (including any range hoods, wall ovens, stoves/cooktops, dishwasher and waste disposal units), bench tops, under bench waste bin, mirrors, heated towel rail, WC grab rails, extractor fans, shower screens, plumbing fittings (including any toilets, vanities, taps, baths and gas hot water system or hot water cylinder), electrical fittings, lightshades, light bulbs and fittings, drapes, fixed floor coverings (including carpet, tiles and timber flooring), window security stays, gas fireplaces and any related components, heat pumps/air conditioning units, intercom, smoke detectors, smoke alarms, garage door, garage door motor, garage door remotes, laundry tub, cupboard shelving, wardrobe organisers and under floor heating;"¹⁶

This includes a range of fixtures which are typically an Operator's responsibility including fittings and structural items that form an integral part of any house, such as hot water cylinders, garage doors, laundry tub, cupboard shelving, and under floor heating.

Chattels belong to the Operator and no cost should be passed on to the resident. Should the ORA however contain such a clause then any costs should be subject to a fair wear and tear adjustment for the historical use of such item.

In a previous version of the ORA Chattels were defined as follows: "**Chattels:** The Resident is responsible for the cost of keeping the Chattels in good operational condition, including the cost of any repairs and the costs of replacement of the same. The Operator will determine when the replacement of the Chattels is required"

Bearing in mind that the resident has no proprietary interest in any of the items and pays a DMF of 20% to 30% of the original purchase price which should cover all of the mentioned items, we believe this to be unfair.

¹⁵ Vines Company Ltd, ORA September 2021, clause 3.4

¹⁶ Tamahere Country Club, ORA August 2022, definitions clause

4. DMF accrual

- A. *"Membership Fee is an amount equal to 10% per annum of the Capital Sum which shall accrue to the Operator over three years. The maximum sum payable by the Licensee as a Membership Fee in terms of this licence shall be an amount equal to 30% of the Capital Sum. The Membership Fee shall accrue to the Operator on a daily basis from the Commencement Date until the Last Accrual Date."*¹⁷
- B. *Village Amenities Contribution (DMF accrual)*
*..is an amount equal to 6% including GST (if any) per annum of the Capital Sum accruing progressively from the Commencement Date of Occupation of the Unit for the first year of occupation and 12% including GST (if any) per annum of the Capital Sum accruing progressively for years 2 to 3 of occupation of the Unit, or a maximum amount equal to 30% including GST (if any) of the Capital Sum. Where the Repayment Date is within the accrual period the Village Amenities Contribution shall cease accruing on the Repayment Date, and shall be apportioned for the incomplete year on a daily basis."*¹⁸
- C. *"The Facilities Fee shall be being an amount equal to 30% of the Purchase Price multiplied by the product of the formula $A/60$ where "A" is the lesser of 60 and the number of months elapsed since the Commencement Date to the due date for payment of the Termination Payment."*¹⁹
- D. *Village Contribution:*
The Village Contribution will accrue to us on a daily basis at a rate equal to 1/48th of the maximum Village Contribution per month. The Village Contribution will be calculated from the Commencement Date until the earlier of:
the expiry of 4 years from the Commencement Date; or
*Exit Payment Date."*²⁰

The end date for the accrual of a fixed deduction on termination where the stated period for accrual has not been reached prior to termination creates a right for the operator that is a financial burden upon a resident who has already terminated their tenure. Accrual should cease upon termination date or exit date, whichever is the latest.

The Resident has limited say in the marketing process while the operator could have a substantial financial benefit to delay the marketing. An imbalance of rights benefitting only the Operator.

¹⁷ Althorp Village, ORA September 2021, clause 3.4
¹⁸ Vines Company Ltd, ORA September 2021, clause 3.3(b)
¹⁹ Omokoroa Country Estate ORA April 2022 clause 14,8
²⁰ The Grove Orewa, ORA August 2021, clause 3.5

5. Village Outgoings Charge:

- A. "We are entitled to change the Village Outgoings Payment at any time in accordance with changes in the outgoings of the Village. Any such change to the Village Outgoings Payment will take effect no earlier than one calendar month following our notice."
- B. "Village Outgoings Charge: The Operator will determine the Village Outgoings for each Financial Year. The Resident shall pay to the Operator such proportion of the Village Outgoings in each Financial Year or part Financial Year as is determined by the Operator as being fair and reasonable, which shall be the Village Outgoings Charge."²¹

The Operator's decision is a subjective one and the only recourse, should residents perceive it to be unfair, would be the difficult complaints process that would require each and every dissatisfied resident to file a formal complaint.

The provision should allow for instance that residents could request the Statutory Supervisor to intervene and determine the fairness of any increase in outgoings after consultation with residents.

- C. "The Village Outgoings Charge payable by the Resident will be reviewed each year by the Operator with any increase up to but no greater than the percentage movement in the Consumers Price Index for the 12 month period between 1 July of the preceding year and 30 June of the year of the review."²²

The Village Outgoings Charge may also be increased at any other time during the year where there are material unexpected or unforeseen changes to any of the costs contributed to by the Village Outgoings Charge. The Operator will consult with the Residents' Committee, the Residents and the Statutory Supervisor prior to any such proposed increase. Any such increase will apply one month after the Operator has given notice to the Resident of the increased Village Outgoings Charge and the reason for the increase.

- D. "**Village Outgoings** means all costs, charges, expenses, fees and other outgoings incurred by the Operator in maintaining, managing, supervising and operating the Retirement Village."²³

The term 'maintenance' is undefined and favours unpalatable interpretations by Operators as experienced by many residents after moving in. Operators should be solely responsible for the general maintenance of the village and only short-term routine (operational) maintenance should be able to be claimed via weekly fees.

Outgoings are defined in the Code, maintenance is not defined in the Act or Code. So it seems arguable that the unfairness should pass the FTA gateway tests.

Saying 'maintaining the village' within an 'outgoings' clause could cause 'significant imbalance' in rights under the contract. The operator after all is required by clause 40 of the Code to maintain buildings, plant, and equipment and this outgoings clause seems unfair in that:

- it only creates a duty to maintain it. It does not clearly also create a duty for the operator to pay for doing that maintaining, and
- it could enable that duty to pay to be placed on to the resident, creating imbalance of rights in favour of the operator and financial detriment to residents in those specific situations mentioned above, where outgoings were inclusive of large capital outlays which included a lot of replacement parts or remodelling etc.

Example: under this clause, if a resident has been in a sunny north facing unit for, say, four years and a western wall with paint or wallpaper was dramatically faded due to sunlight in that time, this clause would probably impose any repaint or re-papering cost as a repair or maintenance the resident would be liable for. Again, the challenging criteria is whether this sort of clause is reasonably necessary to protect the interests of the party being 'advantaged'?

²¹ Althorp Village, ORA September 2021, clause 16.3

²² Vines Company Ltd, ORA September 2021, clause 3.2(d)

²³ The Grove Orewa, ORA August 2021, Schedule 1 para (k)

Part II: Additional terms where the regulatory regime is not providing sufficient protection to prohibit them

6. **"Fair wear and tear** means deterioration attributable to normal use and the normal operation of natural forces, but does not include deterioration attributable to: the use of disability or mobility aids (whether powered or otherwise);"²⁴

Operators periodically raise the entry age. As a result, new occupants allowed to enter villages are, in many instances, more prone to becoming dependent on mobility aids or suffer incontinence and therefore should not be subject to the exclusion of fair wear and tear as a result of using mobility aids etc.

Apart from being unfair this also represents discrimination and a possible breach of disability requirements.

Such a clause probably also generates a stronger unfairness argument, about the financial detriment for a resident who had been independent when entering the ORA but during the tenure becomes disabled, perhaps needing a mobility aid. Such a resident may live long enough to create a need for repair of the wear in areas caused by mobility aids etc.

7. **"Rules** means the rules established by the Operator concerning the behaviour and conduct of the residents of the Retirement Village and use of the Common Areas, including any special rules relating to residents of certain types of residential units only, and includes any amendments to the rules from time to time.

The Operator must consult with the residents of the Retirement Village before reviewing, amending, cancelling, adding to or suspending all or any of the Rules. The Resident will be bound by any such review, amendment, cancellation, addition or suspension upon being notified of the same by the Operator."²⁵

This definition of Rules is different from the one in the Code. It does seem more likely to generate potential for an imbalance. Depending on the specific types of rule, changes would, if they were subject to consultation, and then forced to be accepted, create significant imbalance to rights under the ORA.

We acknowledge that the 'unfair term' argument depends on what ORA right the rule of the intended amendment will relate to.

8. **"Grant of security interest:** The Resident shall not grant a security interest in respect of this Agreement, provided that the Resident may, with the Operator's prior consent, grant a security interest over the Termination Payment to be received following the termination of this Agreement. The Operator's consent to the grant of such a security interest may be on such terms and subject to such conditions as it thinks fit."²⁶

The wording 'as it thinks fit' leaves the resident vulnerable because it does not provide any process to challenge the fairness of an Operator's decision. This clause could pass fail the provisions of s46L

Something which could improve the clause would be to state that the operators' prior consent to the grant 'will not be unreasonably withheld'.

²⁴ Tamahere Country Club, ORA August 2022, definitions clause and Omokoroa Country Estate ORA April 2022

²⁵ Omokoroa Country Estate ORA April 2022 clause 16.2

²⁶ Tamahere Country Club, ORA August 2022, clause 2.9

9. Changes to the Common Areas:

"The Operator is entitled to provide additional buildings, areas or amenities as part of the Common Areas from time to time, or to remove buildings, areas or amenities from the Common Areas permanently or temporarily from time to time.

Consultation: *If the Operator wishes to change the availability of the Common Areas or General Services, the Operator must provide a reasonable opportunity for consultation with residents of the Retirement Village and the Statutory Supervisor before making the change. The Operator shall take into consideration the comments of the residents of the Retirement Village and the Statutory Supervisor before making the proposed change but the Operator's decision will be final and binding on all residents of the Retirement Village."*²⁷

The exact manner and extent of consultation is not defined and there is no process to determine whether or not the Operator has in fact fairly considered comments from residents. The final decision is not subject to any form of review to determine the reasonableness of the final outcome.

Provision should be made for a process whereby an independent consultant can review the final outcome.

10. Insurance:

A. **"Insurance of Resident's possessions:** *The Resident is responsible for arranging and maintaining its own insurance policy to cover risks of loss or damage to the Resident's possessions. The Operator has no responsibility, under any circumstances, for the insurance of, or any loss or damage to, any of the Resident's possessions."*²⁸

B. **"Insurance:** *We strongly recommend that you maintain your own insurance policy to cover risks of loss or damage to your own possessions in your Residential Unit. You must maintain cover for your motor vehicle(s) under an appropriate motor vehicle insurance policy. Irrespective of cause, we will have no responsibility, under any circumstances, for loss of or damage to any of your property or vehicles."*²⁹

Any damage caused by the operator, its employees and contractors should be the responsibility of the Operator.

It is likely the resident's insurance contents policy would enable the insurer to pursue the operator if the operator caused the content damage, and the operator would assert the ORA protects it from paying for damage for resident loss or damage it caused because of the words no 'responsibility under any circumstances' - to escape liability seems unfair in that situation.

11. Privacy Act authorisation:

A. *"For the sole purpose of determining the continued suitability of the Resident for occupation of the Home by reference to the physical or mental health of the Resident, the Resident authorises the Operator to collect health information from any health agency possessing information relevant to the physical and mental health of the Resident,"*³⁰

B. *For the sole purpose of determining the continued suitability of the Resident for occupation of the Unit by reference to the physical or mental health of the Resident the Resident authorises:*

1.1 *The Operator to collect health information from any health agency possessing information relevant to the physical and mental health of the Resident; and*

1.2 *Any health agency to disclose relevant health information about the Resident to the Operator to assist determination of the continued suitability of the Resident for occupation of the Unit."*³¹

The Operator should not be able to collect such information before reasonable prior notice has been given to the resident, who may object on reasonable grounds.

²⁷ Omokoroa Country Estate ORA April 2022 clause 3.2

²⁸ Omokoroa Country Estate ORA April 2022 clause 5.13

²⁹ The Grove Orewa, ORA August 2021, clause 29.1

³⁰ Omokoroa Country Estate ORA April 2022, Schedule 4 paras 1 to 3

³¹ Vines Company Ltd, ORA September 2021, page 2

12. **“Vacating:** *The Termination Date will be, the earlier of:
...the death of the Resident or the last survivor of joint Residents, In particular, you must remove all personal belongings within 14 days of termination.”*³²

Such a provision fails to recognise that in the event of death an executor or administrator must first be appointed before anyone can act on behalf of a deceased person. It also fails to recognise that a living resident has one month to arrange for removal and further that such a provision is totally immoral!

It creates a total imbalance of rights and should not be incorporated in any ORA.

13. **Further development and consents**

- A. *“To facilitate any Further Development the Licensee and the Resident agree that they will not make any objection or claim compensation in respect of the Further Development and shall, if asked by the Operator, sign all consents and other documents as may be required. Further, neither the Licensee nor the Resident will institute or commence an action or proceeding for an injunction, damages or other relief arising out of, or consequent upon, any Further Development.”*³³
- B. *Operator Consents: Any consent or approval required under this Agreement from the Operator may be given conditionally or unconditionally at the Operator’s absolute and sole discretion or withheld by the Operator in its absolute and sole discretion and may be revoked without notice at the Operator’s absolute and sole discretion.*³⁴
- C. *Operator consents: Any consent or approval required under this Agreement from the Operator may be given conditionally or unconditionally at its absolute and sole discretion or withheld by the Operator in its absolute and sole discretion and may be revoked without notice at its absolute and sole discretion.”*³⁵

A resident moves into a village to enjoy peace and quiet. To subject the resident to any dust, noise and other discomforts that can continue for months is unacceptable. A resident should be entitled to reasonable compensation should such discomforts continue for periods longer than 10 days.

An Operator’s consent, approval and especially a revocation must be reasonable and subject to review by an independent third party.

It does seem to create an imbalance of rights, clearly taking away a remedial right of a resident and protecting the operator in specific situations.

14. **ORA’s silent if the operator is in default;**

Research indicates that ORAs contain no provisions as to what the remedies are for the resident should the Operator be in default with any of its obligations. The only remedy for the resident will be the long-winded complaints process.

³² Kerikeri Retirement Village ORA March 2020, clauses 14.1.1 & 12.1

³³ Metlifecare, The avenues ORA may 2022, clause 14

³⁴ Omokoroa Country Estate ORA April 2022 clause

³⁵ Tamahere Country Club, ORA August 2022, clause 22.1

15. (Payment) Default interest:

- A. *"The Operator will be entitled to charge the Resident default interest on any payments due from the Resident pursuant to this Agreement but overdue. Interest will be charged by the Operator on a daily basis on the amount outstanding at a rate 4% per annum above the rate charged by the Operator's principal bank for unauthorised overdraft accommodation. The Operator will provide a certificate to the Resident of the default rate applicable during any default period, which will be conclusive and binding on the Resident. The Operator's right to charge default interest does not limit or replace any other rights available to the Operator in respect of the default. For the avoidance of doubt, the Resident acknowledges that all default interest accrues to and is for the Operator's sole benefit."³⁶*
- B. *Default Interest Rate: 5% above the 90 day bill rate as reported by the Reserve Bank (clause 20). You must duly and promptly pay us each and every payment required to be made by you in this Agreement. If you fail to pay the Entry Payment on the Commencement Date or such other date that you and we agree, or if you fail to make any other such payment for five Working Days after the payment is due, you must pay default interest at the Default Interest Rate on the payment, from the due date until the day we receive payment."³⁷*

This provision is totally one-sided and extreme, clearly reserved for the sole benefit of the operator. The actual impact on the resident is 27–32%³⁸ interest at current unauthorised overdraft rates plus 4%.

16. Marketing

- A. *"If the Operator shall be required to pay any marketing costs, commission or other remuneration to a third party relating to the occupation of the Unit by a new resident, the Operator may recover such payment from the Resident and such payment shall be deducted by the Operator from the amount payable to the Resident."³⁹*

The Operator retains the right to re-sell the licence. Why must a resident pay selling commission?

- B. **"Resale of an Occupation Right for the Home:**
The operator will take all reasonable steps to enter into a new occupation right agreement for the Home on the Operator's then standard terms and conditions in a timely manner and for the best price reasonably obtainable".

The only way to determine a reasonable value is to have a formal valuation done.

³⁶ Woodlands Boutique Village, ORA October 2020, clause 4.13
³⁷ Pacific lakes Village, ORA February 2022, clause 20 and definition clause
³⁸ BNZ 23.7%, ANZ 27.9% unauthorised overdraft rates as at 5/8/22. Moneyhub.co.nz/overdraft.html
³⁹ Vines Company Ltd, ORA September 2021, clause 14.6

www.rvr.org.nz

