

Methodist Church of New Zealand
Te Hahi Weteriana o Aotearoa

Administration Division
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Information Leaflet No. 49

September 2003

THE RETIREMENT VILLAGES ACT
2002

The Government instituted the Retirement Villages Act with the stated intention

“To protect the residents and intending residents of Retirement Villages
(Section 3a)”.

This is intended to be realised through a series of controls and requirements centred around the financial implications of living in a retirement village including registration of villages and compliance regimes.

The Act defines a retirement village as “any property or premises that contains **2 or more residential units** that provide, or are intended to provide, residential accommodation together with **services or facilities**, or both, predominantly for persons in their retirement, their spouses or partners, and regardless of whether

- (a) a resident’s right of occupation of any residential unit is provided by way of freehold or leasehold title, cross lease title, unit title, lease, licence to occupy, residential tenancy, or other form of assurances, for life or any other term; or
- (b) the consideration for that right is a lump sum payment or deduction, a periodic payment or deduction, or any combination of such payments or deductions, whether made before, during, or after occupancy; or
- (c) the resident makes an additional payment for any services or facilities.”

The Act then excludes certain property from the definition ie, Rest Homes or Hospitals licenced under the Old Peoples Homes regulations or Health and disability Services (Safety) Act or the Hospitals Act 1957 and Kaumatua flats, owner occupied units under the Unit titles Act or cross leases so long as no services are provided beyond those commonly included by general Residential flat body corporates or cross leases, boarding or quest houses, or educational halls of residence.

If a complex meets the tests set out, ie

1. Are there two or more units.
2. Are services and / or facilities provided.
3. Is accommodation intended for retired people,

then **registration is required** in terms of the Retirement Villages Act.

To achieve registration the operator of the Retirement Village must lodge with the Registrar, documents including

- * the name of the statutory supervisor appointed, their agreement to act in terms of the agreement
- * sample occupation rights agreement
- * code of residents rights

together with other matters prescribed in the Act.

No offer of accommodation is to be made to any prospective resident after 30 November 2003 if the Village is not registered.

The Act contains further provision as to disputes resolution, registration of memorials on the Certificate of Title to the Village and other operational and compliance matters.

In addition to the Retirement Villages Act the Securities Act 1978 has application to the operation of retirement villages. Although the issue of certain securities by Charitable and Religious Organisations are exempt from strict compliance with the Act in terms of the Securities Act (charitable and religious purposes) exemption notice 2003, (See Information Leaflet 69), the exemption from a registered prospectus and investment statement requirement do not extend to the operations of a retirement village.

Where the promoter of a retirement village issues debt securities and the security holder receives money back from the retirement village on termination of the right to accommodation in a retirement village, then a registered prospectus and investment statement are required.

The exemption notice defines a Retirement Village as:

“a complex that provides, or is intended to provide, residential accommodation and any of the following services for persons in their retirement:

- (a) management or administrative services;
- (b) gardening, repair or maintenance services;
- (c) hospital, nursing, or medical services, including accommodation;
- (d) emergency and security services;
- (e) shops and other services for the provision of goods to the person;
- (f) laundry services;
- (g) the provision of meals;
- (h) services or facilities for the recreation or entertainment of the person;
- (i) other services or facilities for the care or benefit of the person.”