The Retirement Guys Guide to Retirement Villages

A practical guide to lifestyle, costs and care

Choosing where and how to live as we get older is a decision that becomes increasingly relevant as we approach retirement. For some Kiwis, staying in the family home will remain the preferred option, while others may find that a retirement village offers a simpler lifestyle, more social connection and greater security.

Deciding whether to move and selecting the right village can be a daunting prospect. There are different types of accommodation options, levels of care, financial entry points, service fees and legal agreements to understand before making the move.

A retirement village is more than just moving home. It is a decision about how you want to live in retirement.

To get a better understanding of retirement village living, we visited three retirement villages in Christchurch. We looked at the facilities, accommodation, costs, care options, and spoke with people involved in running the villages.

In this guide, we share key insights from our visits, and the factors Kiwis should consider when deciding if retirement village living is right for them.

We Explore

- Staying at home versus moving to a retirement village
- The different accommodation and care options
- How Occupation Right Agreements work
- Understanding Deferred Management Fees
- How government funding works
- When might be the right time to move
- What we learnt from our visit to three retirement villages

Should You Stay at Home or Move to a Retirement Village?

There is something comforting about remaining in the family home. You know your neighbors, your local shops, your routines, and there there can be a strong emotional attachment to the property. There can also be financial advantages too, if your mortgage is paid off, your ongoing housing costs may be relatively low.

But there are some trade offs. The home that suited you perfectly in your 50s might become harder to manage in your 70s, particularly when it comes to stairs, gardens, and ongoing maintenance. Another big factor that is often overlooked is loneliness. If friends have moved away or a partner has passed on, remaining at the family home can sometimes become quite isolating.

For many people, a retirement village offers a way of simplifying life rather than giving something up. Fewer chores and maintenance, and more time for the things you enjoy, whether it be socialising, activities, travel, or something else.

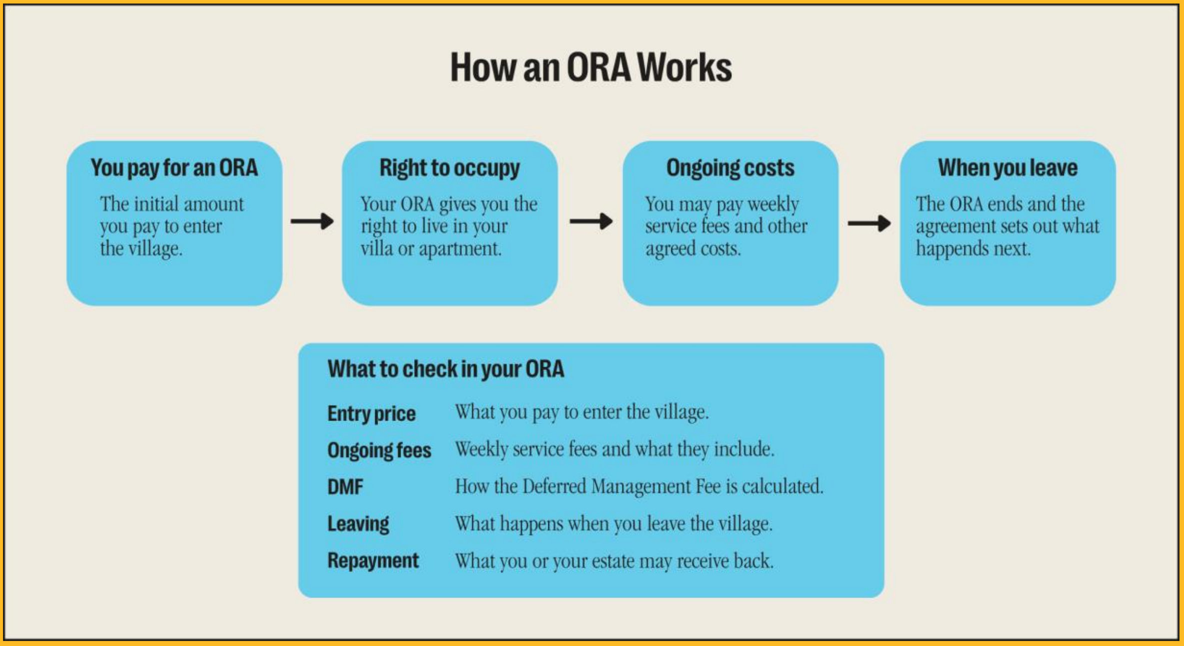
Accommodation Options

There are typically three main accommodation options in a retirement village. The level of support you need can change as you get older, and many retirement villages offer different options depending on your circumstances. You may start out living independently in your own house or villa and later move into a serviced apartment or require residential care.

Independent living is for people who are still living independently but want the lifestyle and convenience of a retirement village, with access to the village's facilities and activities.

Serviced apartments provide additional support while allowing you to remain relatively independent. Depending on the village, this can include meals, cleaning, laundry, or assistance with medication.

Rest home or hospital care provides a higher level of support when everyday activities or changes in health needs become more difficult to manage independently.



Understanding an Occupation Right Agreement (ORA)

One of the most important parts of considering a retirement village is understanding how the financial arrangements work.

Unlike buying a conventional house, you will generally be purchasing an Occupation Right Agreement (ORA), which gives you the right to occupy the property. The ORA sets out the terms of your arrangement, including what you pay, what ongoing fees apply, and what happens when the agreement comes to an end.

What does an ORA cover?

Every retirement village is different, so it's important not to assume that every contract works in the same way. However, your ORA will generally cover things such as:

- The accommodation you have the right to occupy
- The initial amount you pay to enter the village
- Your ongoing weekly service fees
- What services and facilities are included
- How the Deferred Management Fee (DMF) is calculated
- What happens when you leave the village
- How your ORA is terminated and any amount payable to you (or your estate) is calculated

The terms of the ORA can have a significant impact on your overall retirement village costs, so it's important to look beyond the initial purchase price.

Read the Fine Print

The paperwork involved in buying a into a retirement village can be substantial. That doesn't mean you need to understand every legal term yourself. Independent legal advice is an important part of the process, particularly before signing an ORA.

An ORA is a major part of your retirement planning, so make sure you understand the agreement before you commit.

Deferred Management Fee

A Deferred Management Fee (DMF) is another important part of many retirement village agreements. After paying the upfront costs of the house, villa or apartment, the DMF is deducted when you leave the village.

How does it Work?

The way the DMF works varies between retirement villages, so it's important to understand the specific calculation in your ORA.

For example, if you paid $800,000 for your ORA and the DMF was 25%, then 25% of the purchase price, or in this example $200,000, would be retained by the village when the ORA ends. The remaining amount, $600,000, is then returned to you or your estate when you leave, subject to the terms and conditions of the agreement.

Often the full DMF doesn't kick in straight away and will build up over a number of years.

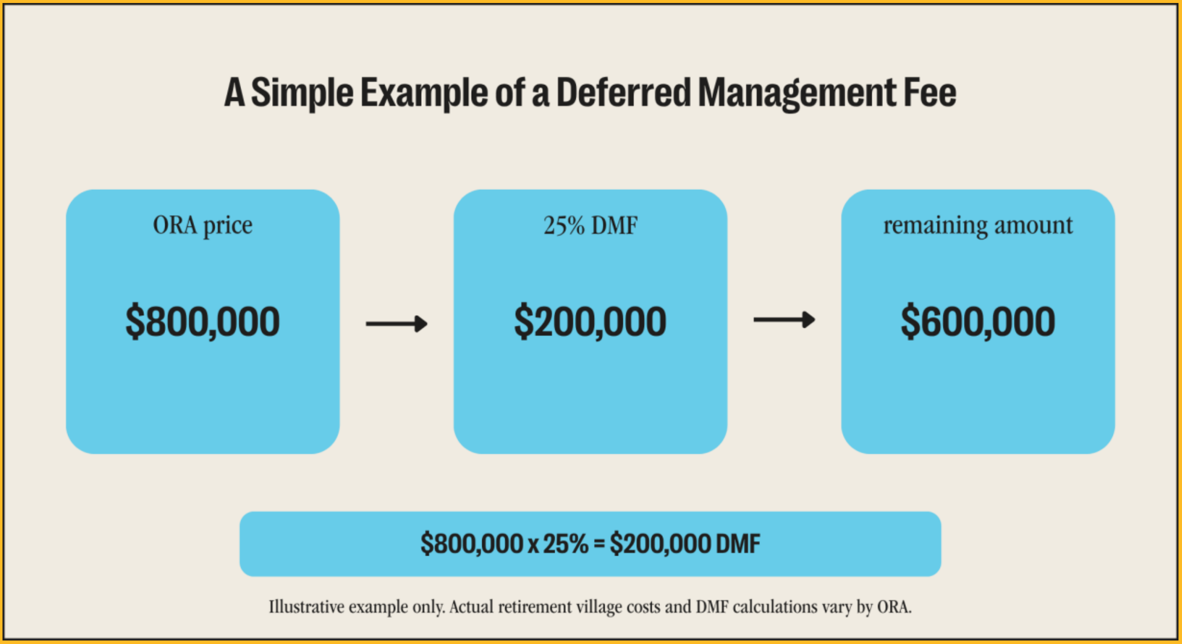
For example, one village we visited had a DMF that started at 5% and increased by 5% each year until reaching a maximum of 25%. Whereas another village had a 30% DMF that was pro-rated over three years.

Consider the Full Cost

The purchase price is only one part of the financial picture. When comparing retirement village costs, consider:

- The initial price of the ORA
- The Deferred Management Fee (DMF)
- Weekly service fees
- Additional services or charges
- How long you expect to live in the village
- The amount that may ultimately be available to you or your estate.

This is particularly important when comparing a retirement village with staying in your existing home. The DMF isn't necessarily a reason not to choose a retirement village. It's simply a cost that needs to be understood and factored into your retirement planning.



Government Funding for Care

It's important to understand the difference between retirement village living and aged care. Moving into a retirement village doesn't automatically mean you are eligible for government funding. A retirement village is primarily a lifestyle choice, and you generally pay for accommodation and services yourself.

When Does Government Funding Apply?

Government assistance may be available when someone requires long-term residential care, such as rest home or hospital-level care. They must also meet the relevant eligibility and financial criteria.

There are two stages to the assessment process:

1. Clinical assessment
A health professional assesses your care needs to determine whether you require long-term residential care and the level of support needed.

2. Financial assessment
If you are assessed as needing long-term care, your income and assets are then assessed to determine whether you qualify for government assistance towards the cost of your care.

If you are single and aged over 65 your total assets must be $300,811 or less (as of September 2026) to meet the asset test. There are also other limits depending on your age, whether you have a partner and if you want to include the family home.

Your NZ Super and Other Income

Even if someone qualifies for government assistance towards residential care, it doesn't necessarily mean their care is completely free. People who are receiving long-term residential care will generally contribute most of their NZ Super and other income towards the cost of their care.

The amount you may have to contribute depends on your circumstances, including your income and assets.

When Is the Right Time to Move?

For some people, it may never be the right choice. For others, moving while they are still fit and independent can mean they have more time to enjoy the lifestyle before they need any additional support.

There are a number of things that might prompt someone to start looking. You may be finding your house and garden harder to maintain, you may want more social interaction, or you may simply be ready for a change.

Your partner's health may also influence the decision, especially if you want to remain together while one person requires additional care.

Travel can be another consideration. A low-maintenance home in a retirement village can make it easier to leave for longer periods without worrying about a large property.

Make the Decision Early

During our visits, we didn't hear anyone say, "I moved too early", but we did hear a lot of "I wish I'd made the move sooner". Ultimately, the right time is different for everyone but making the decision while you are still independent gives you more choice about where and how you want to live. Don't wait until a health issue or another major change forces your hand.

Christchurch Village Reviews

We visited three retirement villages in Christchurch to see what they offer and how they compare. From modern, newly built communities to established villages and a more premium resort-style option, each had its own approach to retirement living.

In the following pages, we share our impressions of each village, including accommodation options, facilities and the costs involved.

Summerset, Prebbleton

Our first stop was Summerset Village, located in Prebbleton, a small satellite town just outside Christchurch. Summerset is one of New Zealand's major retirement village providers, with around 38 villages across the country. Prebbleton is one of their newer developments and currently has around 165 residents, with plans for the village to eventually accommodate 400-450 people. Full completion is expected around 2029.

General Impressions

Our first impression was that the village felt very new, modern, comfortable and well presented. There was still some construction ongoing during our visit, but this is fairly typical of newer retirement villages which are often developed in stages. The villas are generally built first, followed by the larger shared facilities and care options.

Accommodation and Facilities

Summerset offers a full range of living and care options, from independent two and three bedroom villas through to serviced apartments as well as hospital-level care. The village will also include a rest home and dementia care, with a secure memory-care unit featuring an internal garden. Facilities are currently limited while the main pavilion is being built, but it will include an indoor pool, spa, bowling green, pétanque, gym, workshop, café and hair salon.

What Does it Cost?

The two and three bedroom villas ranged from around $600,000 to the mid $900,000s, with three-bedroom villas towards the upper end. Pricing of serviced apartments had not yet been confirmed at the time of our visit.

The Deferred Management Fee starts at 5% and increases by 5% each year, up to a maximum of 25%. Weekly service fees were $209 at the time of our visit. Service fee increases are also capped, meaning they cannot increase by more than the rate of NZ Super increases.

Ryman Anthony Wilding

Our second visit was to Ryman's Anthony Wilding village, located in Haswell, Christchurch. Ryman is New Zealand's largest village provider, and this village has been developed approximately 19 years ago, with construction completed in stages.

General Impressions

Because the village has been fully developed for several years, it had a more established and settled feel than Summerset. The gardens were mature and well maintained, while the buildings still felt modern. There were around 160 residents living independently in villas, with another 45-50 residents in serviced apartments.

Accommodation and Facilities

Anthony Wilding offers several levels of accommodation, allowing residents to remain within the village if their needs change. There are two and three bedroom independent villas, as well as serviced apartments. An onsite rest home and dementia unit are also available, although these are managed separately.

The village had a good range of shared facilities, including an indoor pool, outdoor bowling green, workshop, gym, library and cinema. There was also a varied calendar of events and activities designed to suit different interests. Interestingly, during our tour we were told that while the pool is often an attractive feature for people considering moving in, it is actually used relatively infrequently by residents.

What Does it Cost?

Independent villas started at around $730,000 for a two-bedroom villa and $850,000 for a three-bedroom villa. Serviced apartments were a step lower, starting at approximately $400,000 for a studio and $540,000 for a one-bedroom apartment.

The Deferred Management Fee is 30%, pro-rated over three years, meaning the fee effectively increases by around 10% each year. Weekly service fees were $209 for independent villas and around $419 for the serviced apartments. Care costs increase if residents move into rest home or dementia care and depend on the level of care required.

Burlington

For our final visit, we went a little more upmarket and visited Burlington, a Qestral village located in northern Christchurch.

General Impressions

Of the three villages, Burlington was the most polished and luxurious. The overall impression was more like a high-end resort for seniors, with beautifully presented buildings, high-quality finishes and very well-maintained grounds. We saw a lot of happy and engaged residents during our visit, and Burlington appeared to have a particularly strong sense of community.

Accommodation and Facilities

There are a wide range of accommodation options including independent houses, serviced houses and serviced apartments. The availability of serviced houses gives residents another option that isn't offered at the ither villages we visited. There is also a rest home, hospital and dementia care available onsite.

The facilities are finished to a very high standard and include a bar, restaurant, movie theatre, bakery, café, gym, heated indoor pool and spa, library, hair salon, as well as a wellness and medical centre. We particularly liked the Airstream caravan serving coffee with music playing, which created a fun and relaxed atmosphere.

What Does it Cost?

Burlington sits at the premium end of retirement village market, with ORAs ranging from approximately $1.3 million to $3 million depending on the accommodation. A two-bedroom, two-bathroom villa was around $1.3 million, while serviced apartments ranged from $400,000 to $1.3 million.

The cost structure is more complex than the other villages we visited. The DMF consists of a 10% commencement fee, which is payable each time you sign a new ORA, plus a tiered village fee of 15%, increasing to 20% when moving into a care unit. Weekly service fees start at $170 for houses, while apartment fees rang from $210-$750 per week, depending on the package selected.

There are a lot of retirement village options available and no one retirement village that will be right for everyone. Choosing whether to move into a village is a very personal decision. For some people, staying in their own home will continue to be the best option, while others may find that retirement village living gives them the security, social connection and convenience they are looking for.

If you are considering a retirement village, it is worth taking the time to visit a few different options and think about what is important to you. Look beyond the property itself and consider the community, facilities, location, accommodation options and what happens if your needs change in the future.

Make sure you understand the Occupation Right Agreement, the Deferred Management Fee, ongoing service fees and what happens to your investment when you eventually leave the village. These arrangements can vary considerably between operators, so it is important not to assume that one agreement will work in the same way as another.

It's worth starting to explore your options before health reasons make the decision for you.

Do you need advice?

Jim Smith and Martin Fox, 'The Retirement Guys' have been advising clients approaching retirement for many years and can help you set sensible goals and develop a financial plan to get there.

If you would like to book a free initial consultation to discuss your situation, please contact Jim Smith or Martin Fox.

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The Retirement Guys

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