

Making Financial Sense

Enjoy Financial Freedom

If you own your home, you probably have a considerable amount of money invested in it, which you can't get access to. This can be frustrating, especially at a time in life when you want to be enjoying the well-deserved fruits of your labour. The key to unlocking your capital is that at a Lifestyle Community, you lease the land your home is situated on. In doing so, you may even be eligible for government rental assistance.

Moving to a Lifestyle Community, can mean new financial freedom and a new lifestyle, as it makes your capital available now to use as you want. With more funds at your disposal you can:

- Upgrade to a new car or boat
- Travel in Australia, Asia or around the world
- Help out family or friends
- Work in the local community as a volunteer
- Simply keep something in reserve for a rainy day.

An example of how moving to a Lifestyle Community can release your capital and make a good day-to-day financial sense is set out below.

How can moving make financial sense?

Why do we say that moving to a Lifestyle Community can make sound day-to-day financial sense?

If you are living in your own home and thinking about where you will live in the next phase of your life, there are many options available to you. Let's look at three alternatives:

1. To stay where you are
2. To move into a retirement village
3. To move to a Lifestyle Communities Village

We have had **Genesys Wealth Advisers** review these alternatives and look at the financial implications of each option. The results of this review are summarised below and detailed on the following pages.

Option	Financial impact*
1. Stay where you are	Leaves you with a monthly surplus of \$208
2. Move into a retirement village	Leaves you with a monthly surplus of \$216
3. Move to a Lifestyle Village	Leaves you with a monthly surplus of \$368

* Figures rounded to the nearest dollar

1. Stay where you are

Assets		
House	\$ 300,000	
Contents	\$ 15,000	
Car	\$ 20, 000	
Bank Account	\$ 10,000	
Total	\$ 345,000	
Assets for Centrelink purposes	\$ 45,000	
Yearly income		
Centrelink (couple combined)	\$ 23, 353	
Rental assistance	Nil	
Investment in allocated pension	Nil	
Total per annum		\$ 23, 353
Yearly expenses		
General expenses	\$ 18, 000	
Rates	\$ 700	
Building Insurance	\$ 450	
Maintenance (incl. Gardening)	\$ 1, 700	
Total per annum		\$ 20, 850
Annual surplus		\$ 2, 503
		or \$208 per month

2. Sell your house and move into a retirement village

Assets		
Retirement unit	\$ 260,000	
Contents	\$ 15,000	
Car	\$ 20, 000	
Bank Account	\$ 10,000	
Investment in allocated pension	\$ 50,000	
Total	\$ 355,000	
Assets for Centrelink purposes	\$ 95,000	
Yearly income		
Centrelink (couple combined)	\$ 23, 353	
Rental assistance	Nil	
Investment in allocated pension	Nil	
Total per annum		\$ 26, 603
Yearly expenses		
General expenses	\$ 18, 000	
Rates	Nil	
Building Insurance	Nil	
Maintenance (incl. Gardening)	\$ 6, 000	
Total per annum		\$ 24, 000
Annual surplus		\$ 2, 603
		or \$216 per month

3. Sell your house and move into a Lifestyle Communities Village

Assets		
Sell your house for	\$ 320,000	
Home at Lifestyle Communities Villages	\$ 220,000	
Contents	\$ 15,000	
Car	\$ 20, 000	
Bank Account	\$ 100,000	
Total	\$ 265,000	
Assets for Centrelink purposes	\$ 135,000	
Yearly income		
Centrelink (couple combined)	\$ 23, 353	
Rental assistance	\$ 2, 120	
Investment in allocated pension	\$ 5, 850	
Total per annum		\$ 31, 323
Yearly expenses		
General expenses	\$ 18, 000	
Rates	Nil	
Building Insurance	\$ 1, 000	
Maintenance (incl. Gardening)	\$ 7, 904	
Total per annum		\$ 26, 904
Annual surplus		\$ 4, 419
		or \$368 per month

Please note: In the above examples certain assumptions have been made as follows:

- Based on a couple receiving full age pension including the pharmaceutical allowance
- Assets are those described
- The annual draw down from the allocated pension is based on 6.5% of investment at age 65. The minimum and maximum draw down will vary according to age.
- General expenses of \$ 18, 000 are based on an estimate of \$346 per week for 52 weeks.
- Maintenance and garden estimated expenses includerental, general repairs, maintenance, gardening and equipment.
- All figures used in the examples have been rounded up.
- All figures are based on Centrelink rules, as at January 2009, and are subject to change at any time.

Your circumstance may vary from the about examples and it is recommended that you seek professional advice and speak to Centrelink and/or Veterans Affairs for current entitlement rules.



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Financial Information from a professional

We understand that everyone's financial circumstances are different and that you may need assistance in planning your next move. You may need help accessing the pension, Veteran Affairs allowances and rental assistance, or with managing your income and asset base in the way that is right for you now and in the future. If you are considering a move to a Lifestyle Communities Village we suggest that you talk to a financial planner. The financial planners who helped put this document together are **Genesys Wealth Advisers***. You can contact them on (03) 5348-3397.

Contact us

Contact a Lifestyle Communities consultant on 1300 50 55 60 for more information, to organise an appointment to see a Lifestyle Community Village or to join one of our information sessions.

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***Important Information**

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Please note: Errors and Omissions Excepted (E.&.O.E.). All information in this brochure is subject to change without notice. Government rental assistance information was provided by Centrelink on 20 September



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2009. Please check with Centrelink and/or Veterans Affairs for your eligibility for government rental assistance as personal circumstances may vary. Version: MFS web_V6_04.05.10