

Housing Options for Older Residents: Homeowners 2022



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Introduction – Options for homeowners

In Australia the majority of people over 55 years of age own their home. In Indigo Shire 79% of homes are owned, with over 90% of homes being stand-alone buildings with an average of 3-4 bedrooms (ABS, 2016).

This booklet is not exhaustive, nor is it to be used in the place of professional legal advice or planning advice. Rather, this booklet provides an overview of key information for homeowners who are planning to stay in their own home as they age.

It is important to consider all your options as you get older and to make plans before a crisis, or significant change in health and care needs. Assessing if your home meets your needs now, and if it is likely to do so in the future can help you decide if you need to make some changes or not.

Some factors to evaluate include:

- Proximity to essential services such as medical services and shopping
- Availability of transport if you could no longer drive
- Steps and other physical access issues in your home
- Proximity to friends and family
- Opportunities for social and educational activities
- Connectivity to town via footpaths
- Your, and your partner's, physical and mental health needs
- Condition of your home and maintenance needs, including your garden
- Availability of aged care services to support you to stay home
- Your finances – understanding and seeking professional financial advice on any housing choice before you act is essential

Taking the time to know your rights and to assess your needs now, and into the future, can help you avoid costly pitfalls and make sure that you stay in charge of your retirement living plan.

Who are homeowners?

- outright owners, who are no longer making mortgage repayments
- owner occupiers, paying off a mortgage.

In Indigo Shire 41.5% of occupied private dwellings are owned outright, while 37.1% are owned with a mortgage (ABS, 2016).

What does 'ageing in place' mean?

As a homeowner, you may wish to age in place, that is, to remain in your current home rather than move into a smaller home, a retirement village or into aged care.

The following information explains some ways you can use your property to make it easier for you to stay there and age in place.

Make no changes

After considering your needs and your current home, you may decide that you are perfectly happy as you are and that your home will meet your needs as you age.

It is still advisable to make a plan based on possible changes in the future, such as a health crisis for yourself or a partner. Having a written plan in place means that you can be ready to act on short notice and that your family and friends know what your wishes are if you are unable to communicate them.

You can do this in the form of your will, which is a legal document that sets out your wishes for what you would like to have happen to your estate when you die, and takes effect after your death.

It is also advisable to select a person to act as your financial power of attorney, which is a legal document which authorises the person you nominate to act on your behalf and takes effect during your lifetime. This document is legally binding and it empowers your selected power of attorney to make legal and financial decisions on your behalf as determined by you, such as in the case of mental incapacitation or under a set of designated circumstances.

Both documents can be lodged with your Solicitor and provided to key family members and other trusted parties.

Modifications and maintenance

Making modifications to your home can make it more accessible to you as your needs change. The cost of any home modifications should be weighed up against other options, such as moving, and against the value of your home should you choose to sell. Large scale modifications may not be able to be recouped in the sale of your home. While minor modifications such as hand rails and improved lighting could make your home more appealing to older buyers if you sold it.

Employing a cleaner or gardener to take care of basic maintenance tasks can free up your time and make your home safer. Ensure you use trusted professionals when selecting home help.

In-home care

There is support available to modify your home and to provide home maintenance services through My Aged Care. All Australians can sign up for My Aged Care when they turn 65, provided you require some level of support. Signing up at 65 means that you will already have your name in the system and should your needs for home-help change, such as after a fall or unexpected illness, the process will be much quicker.

My Aged Care is the central point for all aged care services in Australia and you must sign up in order to receive support. The phone number is 1800 200 422 or the website is:

<https://www.myagedcare.gov.au/>

The My Aged Care team will assess your needs and you will be provided with a support package based on those needs. As your needs change you can request a new assessment.

Alpine Health provide the home care service for Indigo Shire Council called indigo@home. They can be contacted on 03 5728 0215 or indigohomecare@alpinehealth.org.au to discuss your needs and referral to My Aged Care.

You can also contact private home service providers to discuss your needs. You can find a list of home care providers on the My Aged Care website. If you are concerned about the sign-up process to My Aged Care you can request support through the Nurses at your General Practitioners Clinic.

Home help can support you with home modifications and special aids and equipment. You can also receive support for house cleaning and safety maintenance in the home and garden. This can make your life easier and support you to stay at home.

Home Ownership

The first thing to consider is your property and what percentage ownership status your share is.

There are different ways to register more than one homeowner for a property and each option has implications, especially when it comes to a will.

Legal and financial implications of ownership options

The way real estate (land and houses) is dealt with after the death of a spouse (or de facto partner) will depend on how the property title is held.

Sole ownership

Sole ownership means that one person alone holds title to the property. This is most often used by people who are single.

If you are not single, in other words you have a spouse and you live together, there are some things you should know about having only one name on the title.

If the title-holder dies:

- i. He/she could make you a beneficiary of the marital home (given that he/she owns it outright).
- ii. He/she could die without a will, or leave the home to someone else.
- iii. The law is likely to grant you (the surviving spouse) the right to live there for the rest of your life. After you pass away, only the children of the title-holder would inherit the property. Also, you would not be able to sell the home and keep the proceeds if, for example, it became too expensive to maintain.
- iv. Sole home ownership for de facto and married couples, especially if one dies, is open to all sorts of litigation. You can't assume any guaranteed outcome.

Joint ownership

1. legal term 'joint tenants'

This is the way spouses usually buy their home.

On the death of a joint tenant you (the survivor) by law automatically inherit the home, regardless of the provisions in a will.

If the joint tenants (both spouses) were to die at the same time, for example in an accident, the will of the younger spouse is the one that applies.

2. Legal term 'tenants in common'

Tenancy in common is usually the way that unrelated parties or blended families hold property. A blended family occurs when people re-partner after having children with a previous partner.

The share in the property can be any size from 1% to 99%. Separate title deeds can be issued for each share, which can (in theory) be separately sold and mortgaged.

On the death of a tenant in common, you (the survivor), do *not* automatically inherit the house. It depends on who they left their share to in their will.

For a blended family it is possible that you (the surviving partner) end up sharing ownership of your home with the children of the deceased partner (or any other beneficiary of their will).

If you wanted to own the home outright, you may need to buy-out the other shareholders.

Strata or community title

Strata is most commonly applied to units and other types of attached houses.

Community title is generally used for large property estates or subdivisions.

This combines private ownership of your residence area with shared ownership of common property.

This means you own – and can potentially renovate – everything from the interior walls inwards, but you bear total responsibility for any ensuing problems.

It's important to be clear about what is and isn't common property. Common property typically includes the outside walls, windows, balcony and front door of your residence, and you'll need to ask permission to change anything about it from your owner's corporation (formerly body corporate).

Although you can't make alterations to common property, your owners corporation is likely to charge both annual and special fees for the maintenance of it. These fees are normally charged over and above council rates.

Strata or community title places many limitations on what you can alter about a property, even if you hold the title to it.

Hume Riverina Community Legal Service can provide free legal advice in the North East. Seniors Rights Service provide free legal advice specific to strata title in NSW, although they do offer cross border advice.

Certain limitations also apply to Torrens or freehold title.

Torrens or freehold title

Torrens title simply means the purchaser owns the land and building; there is no common property. This can also be known as freehold.

Regulations about what you can build on a freehold property also apply. The next section describes them in more detail.

Planning and building in Indigo Shire

You may wish to stay in your existing home and add additional dwellings, or sell off some of your land.

The most comprehensive information about planning and building another dwelling on an existing property is available on our website. Start here: <https://www.indigoshire.vic.gov.au/Living-in-Indigo/Planning-heritage-and-building>

Building Definitions

Subdivision	Creating separately registered titles out of one lot.
Dual or multiple occupancy	Having two or more equal size houses on one lot.
Second Dwelling	Unequal size houses on one lot, second house is smaller.
Dependent relative units	Dependent on the main dwelling for services, e.g. a detached bedroom and lounge but without a kitchen and bathroom.
Downsizing – adapting to two smaller accessible homes	You can alter you home to include a second linked dwelling, however it is recommended you speak to a town planner prior to making plans. An accessible house can accommodate wheelchair users in all areas of the dwelling.
Options for ageing on a farm/rural property	<p>The specific purpose of agricultural zoning is to ensure that non-agricultural uses, particularly dwellings, do not adversely affect the use of land for agriculture. Because of this, you will need a permit to build another dwelling on land that is less than 40 hectares.</p> <p>Second dwellings can be built for family members, farm hands or as a farm-stay. All options will require consultation with the planning department.</p>

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More about Second Dwellings

Planning

In town council planning application terms, a smaller home or flat that is self-contained is referred to as a second dwelling. In common terms these were often called granny flats.

Obtaining planning approval to build a second dwelling is required. The checklist includes requirements such as ensuring the new dwelling has a certain amount of open private space and is orientated towards natural sunlight. There is a longer list of other considerations - all aimed at enhancing the living environment.

If you have lived in the primary dwelling (main house) and are planning on moving into the secondary dwelling you want to make sure that you'll be comfortable there. Alternatively, you could opt to rent the flat out and stay on in the main house, with some modifications.

Consider age-appropriate modifications such as how you would like changes in floor level to be dealt with, whether you want grab rail fittings in the bathroom, perhaps a call button that connects the two dwellings, and various other possibilities that can be tailored to suit your future needs. It is recommended to consult an architect or building designer to take you through the process.

Note that a second dwelling will be owned as per the title deeds of the entire property on which it is located, including the main house. In other words, you may rent out either the main house or the second dwelling, but you would not be able to sell one of them separately.

A dependent relative unit is different to a second dwelling, although they are also commonly referred to as granny flats. It is important to know that a dependent relative unit is built for one person only and that it is required by law to be dismantled if that person no longer lives there. They cannot be transferred to another person and the primary dwelling cannot be sold with the dependent relative unit.

If you wanted to subdivide and sell, the process is slightly different. Subdivision requires a registered land surveyor to draw up the proposed boundaries, but to begin with, it depends on how your property is zoned. You can look up zoning rights online at <https://www.planning.vic.gov.au/> or, for Indigo Shire residents, by consulting with the Planning Department in Yackandandah.

The right kind of housing is a big decision, especially as you get older. Be aware of pressure from a third party such as adult children, extended family, friends, and self-proclaimed financial advisors. It is essential that personal expectations and money matters are carefully considered and recorded in a written agreement.

You can receive free advice and support around your rights from Seniors Rights Victoria and free legal advice from Hume Riverina Legal Community Legal Service.

What is equity?

Equity is the value of your home, less any money you owe on it (on your mortgage).

Home equity release lets you access some of your equity, while you continue to live in your home. For example, you may want money for home modifications, medical expenses or to help with living costs.

Before making the decision to apply for any home equity release, get independent professional advice. Anyone who provides financial advice must have an Australian financial services licence. It is important to check they are licenced and that you know exactly what you're signing up for.

You can also receive free financial counselling from a variety of services if you are under financial pressure and are struggling to pay your mortgage. Local services include AgBiz Assist, Anglicare Victoria, Gateway Health, Rural Financial Counselling Service, Upper Murray Family Care, and The Salvation Army.

Money matters

If money becomes a problem, on turning 65 you may be eligible for a government subsidy program through the Commonwealth Home Support Programme. Depending on the level of care you require, services are provided to your residence and may include help with house-cleaning, personal care, meals, and nursing.

Information about the Home Support Programme and Home Care Packages and government assistance related to aged care can be found on My Aged Care website - <http://www.myagedcare.gov.au/>

This booklet sets out options for *Homeowners* but if you are experiencing housing stress, you may find useful information in our second booklet which covers *Rental and Social Housing* options, or in the third and final booklet about *Alternative Retirement Options, Collaborative Housing Models, & Lifestyle or Retirement Villages*.

Resources and contacts

Indigo Shire Council Planning Department

Phone: 1300 365 003

Email: info@indigoshire.vic.gov.au

You can also book an appointment online here:

Website: <https://www.indigoshire.vic.gov.au/Residents/Planning-heritage-and-building/Planning-Services>

Seniors Rights Victoria

Helpline: 1300 368 821

Advice: (03) 9655 2129

Email: info@seniorsrights.org

Website: <https://seniorsrights.org.au/>

Seniors Rights Service (NSW)

Phone: 1800 424 079

Website: <https://seniorsrightsservice.org.au/>

indigo@home

Phone: 03 5728 0215

Email: indigohomecare@alpinehealth.org.au

My Aged Care

Phone: 1800 200 422

Website: <https://www.myagedcare.gov.au/>

Hume Riverina Legal Community Legal Service

27-29 Stanley Street,
Wodonga, Victoria

Phone: 1800 918 377

Landline: (02) 6055 8090

Website: <https://www.hrcls.org.au/>

AgBiz Assist

Address: 102 Hume Street, Wodonga VIC

Phone: Rural Financial Counselling – 1300 834 775

Website: <https://agbizassist.org.au/>

Anglicare Victoria

Phone: 1800 809 722

Website: <https://www.anglicarevic.org.au/our-services/financial-counselling/>

Rural Financial Counselling Service Victoria

Phone: 1300 045 747

Website: <https://ruralfinancialcounselling.org.au/>

Upper Murray Family Care

Call Us: 02 6057 5399

Email Us: financialcounsellors@umfc.com.au

The Salvation Army

Phone: 1800 722 363

Website: <https://www.salvationarmy.org.au/need-help/financial-assistance/financial-counselling/>

VCAT

The Victorian Civil and Administrative Tribunal (VCAT) provides fair, efficient and affordable justice for Victorians.

For new or current legal proceedings, phone 1300 018 228, Monday to Friday, between 9:00 am – 4.30 pm.

Website: www.vcat.vic.gov.au

Phone: 1300 01 8228