



SOMERSET  
INDOOROOPIILLY

## Financial Information

Buying an apartment in a retirement community is a little different than buying a typical residential property. At Aura, we believe in being clear, transparent and fair in our approach so we wanted to take a moment to provide detail about what your investment would look like at Somerset Indooroopilly.

When you are reviewing retirement living options, there are five key financial factors to consider:

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1. Deposit – When securing your apartment at Somerset Indooroopilly, your only commitment is a \$5,000 fully-refundable deposit. This amount remains in a solicitor's trust account.

When you settle on your apartment, your deposit will be applied to the purchase price or refunded if you don't proceed with settlement.

At Somerset Indooroopilly, your apartment purchase can be subject to the sale of your existing home.

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2. Purchase price/Lease premium – This is the price of the apartment that you are purchasing.

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3. General Services Charge (GSC) – Similar to Body Corporate fees, the GSC covers the cost associated with the lifestyle you enjoy at our village including maintenance of facilities, common areas and apartments, building insurance, common electricity, Council and water rates. Unlike Body Corporate fees no special levies can be raised.

Under the Retirement Villages legislation, Operators are not allowed to profit from the GSC.

You are still required to pay for your own water usage, electricity, phone and internet, and the contents insurance for your own apartment.

The GSC varies on the size of the apartment at Somerset Indooroopilly and ranges between \$844 - \$1,122 per month.\*

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4. Deferred Management Fee (DMF) – This fee is paid when you exit the village and helps to cover the cost of shared facilities, replacement of all capital items in the village, sales and marketing costs and reinstatement or refurbishment of your apartment when you leave.

Upon your departure, Aura also pays both your legal fees<sup>#</sup> and our own legal fees.

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5. At Somerset Indooroopilly, we have a maximum 32.5% DMF accrued over 10 years.

Most importantly, at Somerset Indooroopilly, the DMF is calculated on the **sale price** of your apartment rather than the purchase price, meaning you benefit from the majority of capital gain your apartment accrues over time.

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\*Prices correct as at July 2023 #Up to \$1,100 as at July 2023

Exclusive retirement living that's yours, truly



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## DMF Model Comparison

### Scenario 1: Somerset Indooroopilly

Operator earns 32.5% DMF on sale price.

|  |                    |
|--|--------------------|
| <b>Purchase price:</b>                             | <b>\$1,100,000</b> |
| Stamp duty   | \$0                |
| Capital gains over 10 years<br>@ 4.5% p.a. growth* | \$608,266          |
| <b>Total sale price after 10 years</b>             | <b>\$1,708,266</b> |

#### Village operator earns:

Yr 1: **5%**, Yr 2: **5%**, Yr 3: **5%**, Yr 4: **5%**, Yr 5: **5%**,  
Yr 6: **1.5%**, Yr 7: **1.5%**, Yr 8: **1.5%**, Yr 9: **1.5%**, Yr 10: **1.5%**

|   |                  |
|---|------------------|
| 32.5% of sale price<br>(i.e. 32.5% x \$1,708,266) | \$555,187        |
| <b>Total earned by operator</b>                   | <b>\$555,187</b> |

#### OUTGOING RESIDENT RETURN:

|   |                    |
|---|--------------------|
| 67.5% of sale price<br>(i.e. 67.5% x \$1,708,266) | \$1,153,080        |
| <b>Total return to the resident</b>               | <b>\$1,153,080</b> |

#### Other costs to consider: Aura villages

|   |     |
|---|-----|
| Yearly membership fee   | N/A |
| Sales & marketing fees  | \$0 |
| Reinstatement/refurbishment   | \$0 |
| Legal fees  | \$0 |
| General services charges after 90 days<br>(following vacant possession) | \$0 |

### Scenario 2: Other villages

Operator earns 35% DMF on purchase price PLUS 100% capital gains.

|  |                    |
|--|--------------------|
| <b>Purchase price:</b>                             | <b>\$1,100,000</b> |
| Stamp duty   | \$0                |
| Capital gains over 10 years<br>@ 4.5% p.a. growth* | \$608,266          |
| <b>Total sale price after 10 years</b>             | <b>\$1,708,266</b> |

#### Village operator earns:

Yr 1: **10%**, Yr 2: **12%**, Yr 3: **13%**

|                                 |                  |
|---------------------------------|------------------|
| 35% of \$1,100,000              | \$385,000        |
| PLUS 100% capital gains         | \$608,266        |
| <b>Total earned by operator</b> | <b>\$993,266</b> |

#### OUTGOING RESIDENT RETURN:

|   |                  |
|---|------------------|
| 65% of purchase price<br>(i.e. 65% x \$1,100,000) | \$715,000        |
| <b>Total return to the resident</b>               | <b>\$715,000</b> |

#### Other costs to consider: Other villages

|   |     |
|---|-----|
| Yearly membership fee   | \$? |
| Sales & marketing fees  | \$? |
| Reinstatement/refurbishment   | \$? |
| Legal fees  | \$? |
| General services charges after 90 days<br>(following vacant possession) | \$? |

\*NB: Annual growth rate of 4.5% included.

Brisbane real estate growth averaged 6.9% per annum - previous 10 year growth as per CoreLogic, August 2022.