PEAK LIVING

LET'S TALK ABOUT RV WEEKLY FEES

May 2026

Residents care deeply about weekly fees because they are the only ongoing cost they must pay from their fixed retirement income and unlike the large capital entry price, weekly fees directly affect their day to day affordability and sense of financial security. This article explores fixed verses annually increasing fees and Peak Living's preference.

Let’s Talk About RV Weekly Fees

Residents care deeply about weekly fees because they are the only ongoing cost they must pay from their fixed retirement income and unlike the large capital entry price, weekly fees directly affect their day-to-day affordability and sense of financial security. Weekly fee structures (fixed-for-life vs CPI-linked vs variable) strongly influence whether a resident feels safe entering a village and operators have their own commercial preferences that often differ from residents’.

Weekly Fees: The Quiet Issue Shaping Retirement Village Life

For many older New Zealanders, moving into a retirement village is one of the biggest financial and lifestyle decisions they will make. While the upfront cost of an occupation right agreement (ORA) gets most of the attention, it’s the weekly fees, the ongoing charges paid from NZ Super or limited savings, that often determine whether residents feel secure, comfortable, and able to plan confidently for the years ahead.

And as Stuart Bilbrough of Peak Living notes in the following article, weekly fees have become one of the most contentious and emotionally charged aspects of village living.

Why Weekly Fees Matter So Much

Weekly fees may be small compared with the entry price but they carry outsized importance because they come directly out of a resident's fixed income.

"*Residents care deeply about weekly fees because they are the only ongoing cost they must pay from their fixed retirement income*."

Residents worry about affordability over time and especially when fee increases outpace NZ Super adjustments. But weekly fees are a reality of living in a retirement village in the same way costs for insurance, rates and painting that fence are in a family home.

With limited ability to move once they have settled in, residents often feel vulnerable. Weekly fees become a kind of psychological contract and people want certainty that they won't be blindsided later.

What Residents Prefer: Certainty and Stability

In a resident lead survey by an unrelated organisation it shows that fixed for life weekly fees are overwhelmingly preferred and 63% of residents currently have them.

The reason is that fixed for life provides residents value predictability, protection from inflation and transparency about what fees cover.

CPI-linked or variable fees create anxiety because CPI can rise faster than a resident's NZ Super increase and variable fees can jump sharply which can causes conflict with the operator if not explicitly explained and with future certainties it will not happen again, which the operator will probably not commit to anyway.

What Operators Prefer: Flexibility and Cost Recovery

Operators face rising costs with wages, insurance, compliance, utilities and maintenance. For them CPI-linked fees make commercial sense because they track operator cost base increases.

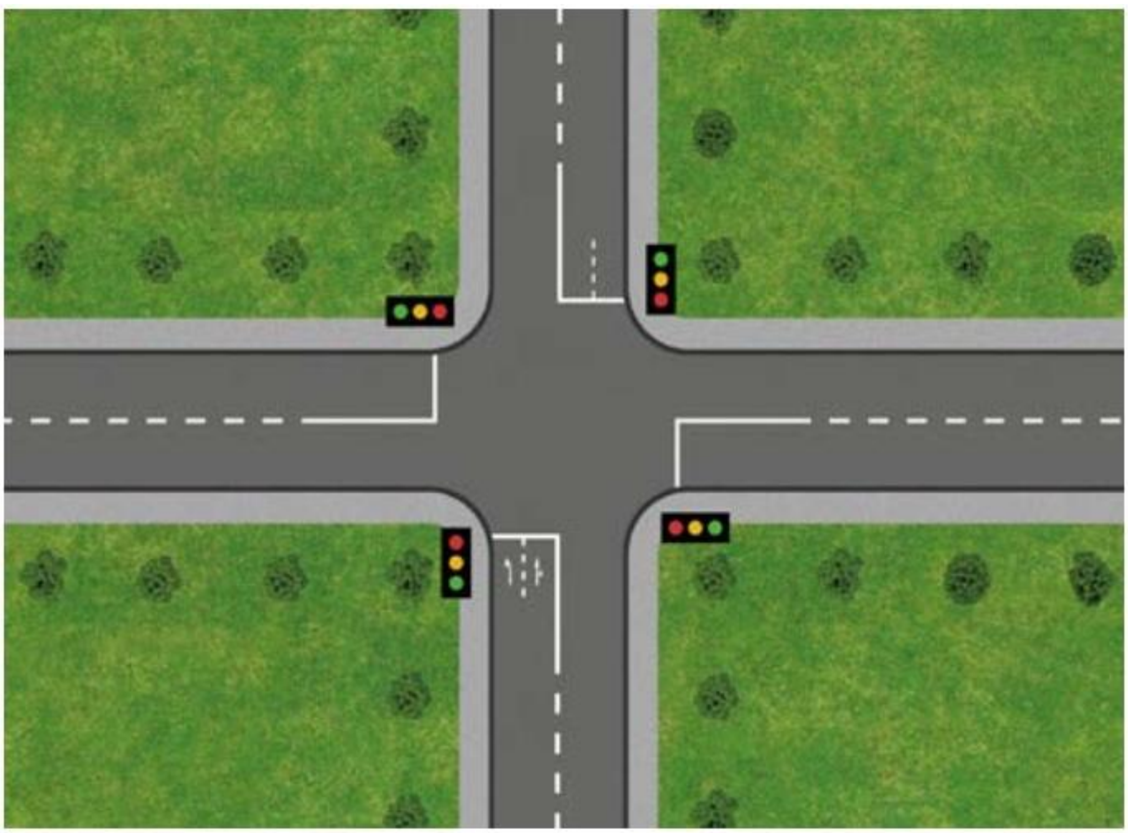
Variable fees offer even more flexibility allowing operators to adjust fees to actual cost movements or regulatory changes. But these are the least popular with residents and generate the most complaints.

Fixed-for-life fees may be attractive for the operator's marketing team as they make sales easier but operators bear the long-term inflation risk and that can have a negative impact for both residents and operator as maintenance is delayed or they are unable to attract suitable staff when fee income no longer covers cost. Added to this can be an exacerbation of the highly contentious situation of continuing to charge weekly fees after a resident has exited a village unit until that unit has been relicensed. This is due to the operator not being able to cover costs without this continued revenue and this can take months.

The Tension at the Heart of Weekly Fees

Weekly fees sit at the intersection of:

- Resident vulnerability
- Operator cost inflation
- Regulatory gaps
- Long-term ORA contracts



Residents want certainty. Operators want sustainability. The result is a natural and persistent tension that periodically turns into conflict.

A Promising Compromise: Linking Fees to NZ Super

For Peak Living, our preference is a compromise model which links weekly fee increases to NZ Super adjustments. This means weekly fees will only rise as fast as a residents income.

This approach offers:

For residents:

- Predictability
- Affordability
- Fairness
- Protection from CPI spikes
- Clear, simple logic

For operators:

- Stable annual uplift (typically 1.5–3.5%)
- Better sales outcomes
- Fewer disputes
- Lower regulatory risk
- Positivity in the community

It is a smoother and more stable index than CPI and aligns more closely with residents ability to pay.

How the compromise compares to other models

Model	Residents	Operators	Outcome	Win or lose
Fixed-for-life	Very strong preference	Weak preference	High satisfaction but long-term margin erosion	Win, lose.
CPI linked	Moderate dislike	Strong preference	Sustainable but contentious	Win, win but marginal for resident.
Variable (set by operator)	Strong dislike	Operationally convenient	High conflict	Lose, win.
NZ Super linked	Strong preference	Moderate preference	Balanced, sustainable, low conflict	**Win, win.**

Why This Matters for Peak Living's Provincial Target

With more New Zealanders entering retirement villages each year and with the sector facing increasing scrutiny, weekly fees are becoming a central issue in the conversation about ageing, affordability and fairness.

A model that ties fees to NZ Super and stops fees immediately on exit represent a balanced and resident-friendly approach. It supports operators while protecting residents, reduces conflict and aligns with emerging expectations.

Win, win.

About the Author

Stuart Bilbrough is the CEO at Peak Living Limited. He is a registered financial advisor (FSP1013288). He is also a NZ Chartered accountant and has nearly two decades experience in the New Zealand retirement industry. He was the CFO and then CEO at NZX listed Radius Residential Care and CEO at NZX listed Promisia Healthcare. Subsidiary, Peak Living Funds Management Limited (FSP1013335) is the Fund Manager for the Peak Living Blenheim Retirement Village PIE Fund.