

EXERCISE 9: Granny flat checklist

Legalities:

When does the agreement begin?

What accommodation will be provided?

If this property is sold will the granny flat arrangement transfer to another property?

Have you checked state and local planning laws to understand what can be built?

Is there any requirement to reinstate the property,
i.e. remove the granny flat, when it is no longer occupied (e.g., under Victoria's Dependent Person's Unit
rules)?

If yes, what is the estimated cost of reinstating the property, and who will pay it?

Granny flat checklist

Finances:

How much is being paid?

Is there any tax liability? How much is it?

Is there any residual value when the parent/s leave?
How is it calculated?

Will rent be charged? How will this be calculated over time?

Who will pay what towards household expenses such as utilities, rates and insurance? How is this calculated?

What about living expenses, particularly food costs?

Will the children need insurances such as trauma and/or life insurance to pay out any mortgage if anything happens to them?

Granny flat checklist

Lifestyle:

What assistance will be provided now and in the future? Remember to consider this in both directions.

Who will do what towards running the household, *i.e. mow the lawns, clean, wash dishes, do laundry?*

What will happen if the children want to go on holiday?

What will happen if the children get divorced?

What about if the parents get divorced or a single parent remarries?

What would happen if the children became ill or died?

If care is needed: Who will provide it? How much will be provided?

If more care is needed, *i.e. care services in the home and/or respite services, who will pay for it?*
(See Chapter 16 to explore the range of government-funded and private care services.)