



Government of **Western Australia**  
Department of **Mines, Industry Regulation and Safety**



# Moving in with your family

Multigenerational living and  
'granny flat' arrangements



A guide for older  
Western Australians



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## Multigenerational living: what is it?

Multigenerational living is when people from two or more generations of a family live together in the same household or on the same property.

Perhaps you are considering entering into a multigenerational living arrangement because you hope to:

- downsize from your large family home to a smaller, more manageable space;
- help your adult children enter into home ownership;
- secure a home following a late-life divorce or to ease other financial difficulties;
- help your adult children and their families through a financial challenge e.g. divorce or job loss;
- help your family with childcare, or home upkeep etc.;

- establish a secure and safe living arrangement for the future; or
- perhaps you'd like to live closer to family.

If you're considering living with a multigenerational family, this guide provides information to help you:

- consider different living arrangements;
- take account of personal circumstances;
- have open discussions with family;
- think about legal and financial issues;
- decide what's best for you;
- put your agreement in writing; and
- better plan your life, live successfully and thrive in a multigenerational household.

If this sounds like you, this guide can help you start an open and honest conversation with your family.



It is not designed for people who are building a granny flat on their own property to generate income renting to a non-family member – that is a very different conversation.

It is also important to remember that after reading this guide you should seek independent professional legal advice before entering into any family agreement or multigenerational living arrangement.

## The big picture: what type of living arrangement do you want?

### Granny flat

A 'granny flat' is the most common form of multigenerational living and can be an addition to, or part of, an existing home, or a separate building on the property. For example, you may decide to:

- build and live in a self-contained unit in the backyard of your adult child's home or perhaps the home of your elderly parents; or
- live in a small suite in the home of your adult child and/or their young family.

Granny flats can be custom-designed or, for stand-alone units, purchased as a kit or prefabricated home. They must be built either by a registered builder or your family will need to apply to become an owner-builder. You can find more information at Building and Energy ([www.dmirs.wa.gov.au/building-and-energy](http://www.dmirs.wa.gov.au/building-and-energy)).

There are a number of companies in the market that specialise in building granny flats who can manage all drawings, approvals and construction on your behalf.

While granny flats do not require land to be subdivided, they do require planning approval from the Water Corporation and your local Council, as well as a building permit for construction. Before buying a property with a granny flat, it is important to check it has appropriate council approvals and complies with the building permit, otherwise the local Council may require it to be removed at your expense.



## Your home for life – the granny flat interest/right

A granny flat interest is when you pay for the right to live in a specific home for life, but the property must belong to someone else. It is not a description of the type of property you will live in, so it doesn't need to be an actual 'granny flat'.

Centrelink ([www.servicesaustralia.gov.au](http://www.servicesaustralia.gov.au)) and the Department of Veterans' Affairs ([www.dva.gov.au](http://www.dva.gov.au)) have a 'granny flat interest' exception when evaluating your assets for income support or Rent Assistance eligibility. You can find more information on granny flat interest on the Services Australia ([www.servicesaustralia.gov.au](http://www.servicesaustralia.gov.au)) website.

By arrangement with your family, you may decide to:

- pay to build a granny flat in the backyard of your adult child's home;
- pay for additions or renovations to a relative's home;
- pay a lump sum for the right to live in the home;
- transfer the title of your home to your adult child; or
- make a financial contribution to the purchase of a property by your family, including paying off an existing mortgage.

Any arrangements should only be made after seeking independent professional legal and financial advice (use a licensed financial adviser, see the Australian Securities and Investments Commission (ASIC) ([www.asic.gov.au](http://www.asic.gov.au)) website) and having open and frank discussions with your family members who are affected by this type of arrangement.

## The granny flat interest/right exceptions

You cannot have a granny flat interest in a property you legally own, so your name must not appear on the property title. The interest is only valid during your lifetime and therefore does not form part of your estate.

## Co-purchased property

Thinking of buying a property with a family member? For example, if you purchase 50 per cent of the property, it will not constitute a granny flat interest as you are part owner of the home and it is considered your principal residence.





## Getting personal: what do you really need?

Multigenerational living can benefit everyone, but it still requires a lot of thought before you commit. Although a self-contained granny flat might meet your material needs, there's much more to life. What are your physical and emotional requirements?

Even when families get along really well, living together can create new issues and challenges. When working out what is right for you, it is important to think long-term. Remember, this will be your 'home for life' so all the pieces need to fit.

It may help to speak with someone who is independent from your family to work out what you need and want from your future living arrangement.

Refer to **Appendix A: Important points to consider**. This section will get you thinking and provides space to make notes. You can add your own points, questions and concerns to the list.



**Appendix A: Important points to consider** will help generate ideas and ensure the conversation stays on track. You can also use **Appendix B: Scenarios** to initiate discussion around the more difficult topics.

## Hard chat: having open and honest discussions with your family

Conversations about finances, responsibilities and 'what if' scenarios can be uncomfortable and easy to avoid. However, it is much easier to 'go there' in this planning stage, when family relationships are positive, rather than in the midst of a conflict or challenge.

It is in everyone's best interest to have open and honest conversations from the start in order to enter an agreement with eyes wide open. Have as many conversations as you need to feel comfortable with your future living arrangement.

Once you have worked out what is important to you, set a time to talk about ideas and questions with all family members involved in the new living arrangement. Remember, the granny flat interest will affect what happens to your estate when you die, so you should include all family members who may be affected in the conversation.

Consider inviting an independent person (someone who is not a family member, such as a professional mediator) to the family meetings to ensure you thoroughly discuss and write down all the issues.

Bring a pen and paper to record everything discussed and any decisions made. Review the details together to ensure everyone agrees with what was said in case things change in the future.

During this discussion, openly share what you look forward to, and what concerns you. Talk about what daily life together would look like and thoroughly explore its advantages and disadvantages. Consider worst-case scenarios and what would happen if any of these should arise. Discuss how you'll divide payments for expected expenses such as maintenance, repairs, replacements, council rates, gas, electricity, phone, internet, etc.





## Protect your interests: the value of independent legal and financial advice

The prospect of living together can be very exciting and often leads people to make decisions before seeking independent advice from a legal and/or financial professional. In this case, 'independent' means someone who is working just for you. A granny flat arrangement should not be a purely emotional decision, as there is likely to be a serious financial investment as well. These arrangements are far more complex than they appear on the surface. The legal and financial consequences of a granny flat arrangement can be significant.

Before making a commitment, or signing anything, you should seek independent legal and financial advice.

### Legal advice

Have a preliminary discussion with a lawyer who works with and for you, and no other family member, to avoid any conflict of interest. Independent legal advice will help you understand the short and long-term considerations for investing in a granny flat arrangement.

With your own lawyer you can openly discuss any issues or concerns and know they are providing advice in your best interest.

Depending on the issue that you need advice on, you may qualify for free legal assistance. Call Legal Aid to see if you qualify for free legal assistance. [Legal Aid WA \(www.legalaid.wa.gov.au\)](http://www.legalaid.wa.gov.au) can be contacted on 1300 650 579.

Alternatively, you may wish to hire a private lawyer. While this may seem an expensive move now, it may save you money in the long term as legal advice can protect your investment if the situation changes in the future.

If you are seeking referral to a private lawyer or law firm, the Law Society of Western Australia ([www.lawsocietywa.asn.au](http://www.lawsocietywa.asn.au)) manages a database of private lawyers and their areas of expertise and can give contact details for private legal services.

The Law Society of Western Australia can be contacted on (08) 9324 8600.



## Financial advice

Whether you are paying to build a granny flat or investing in your adult child's home, check your rights and responsibilities with an independent financial adviser. Remember, this arrangement can involve some serious financial risks for you. You may feel obligated to contribute some money towards your family and they may expect the money you contribute to be in the form of a gift or a loan. Before you make a decision about this, make sure you understand the implications of such a decision. The Moneysmart ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) website has useful information on choosing a financial adviser including a link to the Financial Advisers Register.

If you receive a Centrelink payment (or are likely to in the future e.g. Age Pension), you will need to know how this decision may impact your benefits. The Centrelink Financial Information Service (FIS) ([www.servicesaustralia.gov.au](http://www.servicesaustralia.gov.au)) provides free information and education to help people make informed decisions about their finances. FIS does not provide financial planning or legal advice.

To talk to a Financial Information Service Officer, call 13 23 00. An adviser can help you to make informed financial decisions and to understand the consequences of decisions in the short and long term.

**Appendix C: Legal and financial discussion points** may be helpful when preparing to meet with legal and financial professionals.

## It is OK to say no: when one size doesn't fit all

After talking with family and independent professionals, if you decide a granny flat arrangement isn't right for you, it is ok to say no. You should not feel pressured to commit to any living arrangement that doesn't suit you. If you feel you are being pressured or harassed by a family member or carer to make a decision, the Seniors Rights and Advocacy Service – Legal Aid on 1300 650 579 and the Older People's Rights Service ([www.nsclegal.org.au](http://www.nsclegal.org.au)) at (08) 9440 1663 can help.

On the other hand, if you decide multigenerational living is for you, be sure to get professional legal and financial help to make the arrangement formal. Make sure any agreement is in writing to protect your interests down the track.



\*A “caveat” is a warning or proviso of specific stipulations, conditions, or limitations

## Get it in writing: formalising your agreement

If you’ve decided to move forward with the family arrangement, always put it in writing.

Even if you trust each other, it is important to write down what has been agreed. It is best that this is done by a lawyer. Even if a lawyer is not involved, you should make sure that the agreement is written down and kept in a safe place. If a family member resists signing a written agreement, you should carefully consider whether to go ahead with the arrangement.

A formal agreement (whether for a granny flat interest or co-purchased property) should include:

- whether the money/assets you provide is a loan or a gift, and what compensation you would expect if the arrangement doesn’t work out;
- if a caveat\* should be lodged recognising your interest in the land;
- whether there will be financial responsibilities that come with the arrangement including on-going commitments like paying rent or sharing bills;
- whether care will be provided, by whom and for how long;
- whether tasks such as cooking and cleaning will be shared;
- if family conflicts/relationship breakdowns will be dealt with by a mediator, or whether other dispute resolution processes will be used;
- whether you will be expected to provide child care, including school drop off or pick up;
- how you will deal with conflicts that may arise;
- what happens if a family member you have moved in with dies; and
- what happens if you need a higher level of care in the future.





## Plan now: preparing for the future

As you begin to consider what your living arrangement will be like, it is important to plan well into the future. What needs will you have? The more time and effort you put into the planning process, the better suited your living arrangement will be, not only for today but well into the future.

Be honest about your needs, including what you may want in terms of space and privacy. The most common complaints in granny flat arrangements are about noise and the need for privacy.

Though you may not need modifications to improve accessibility in your home right now, you may in the future, so it is worth planning accordingly.

## Meet and greet: regular meetings promote shared understandings

Once you have settled into your new home, it can be helpful to actively manage the living arrangement. Hold regular family meetings to review shared finances, such as utilities, shopping, etc. and discuss any concerns. Just like you did during the planning process, continue to have open and honest conversations with your family. This can make living together in your new multigenerational family easier and that's the outcome everyone is aiming for.

# Contacts and more information

**Advocare** – provides education, advocacy and information to support the rights of older people in Western Australia.

Call: (08) 9479 7566

Brochure: [Your Money, Your Life, Your Choice – Caring for your assets as you age](#)

Country callers: 1800 655 566

Email: [rights@advocare.org.au](mailto:rights@advocare.org.au)

[www.advocare.org.au](http://www.advocare.org.au)

**Australian Taxation Office** – provides information regarding individual tax concerns.

Call: 13 28 61

[www.ato.gov.au](http://www.ato.gov.au)

**Centrelink Financial Information Service** – provides free information to help you understand how any financial decisions you are considering will affect your pension.

Call: 13 23 00

[www.humanservices.gov.au](http://www.humanservices.gov.au)

**Financial Counselling Network** – offers free, independent and confidential financial information, advice, advocacy and referrals to counsellors.

[www.financialcounsellingnetwork.org.au](http://www.financialcounsellingnetwork.org.au)

**Moneysmart** – helps you take control of your money and build a better life with free tools, tips and guidance.

[www.moneysmart.gov.au](http://www.moneysmart.gov.au)

**Department of Communities | Housing** – provides information regarding community and social housing as well as ancillary dwelling (granny flat) requirements.

Free call: 1800 093 325

Fact Sheet: [Ancillary Dwellings](#)

Email: [generalenquiries@housing.wa.gov.au](mailto:generalenquiries@housing.wa.gov.au)

[www.housing.wa.gov.au](http://www.housing.wa.gov.au)

**Department of Veterans' Affairs** – provides information regarding benefits and payments.

Call: 13 32 54

[www.dva.gov.au](http://www.dva.gov.au)

**Law Society of Western Australia** – is the peak professional association for lawyers in Western Australia.

Call: (08) 9324 8600

[www.lawsocietywa.asn.au](http://www.lawsocietywa.asn.au)

**Legal Aid Western Australia** – provides the Seniors Rights and Advocacy Service to help with planning for the future, granny flats and moving in with family, family disputes, elder abuse, and family law issues.

Call: 1300 650 579

[www.legalaid.wa.gov.au](http://www.legalaid.wa.gov.au)

**Northern Suburbs Community Legal Centre**

– **Older Peoples Rights Service** – provides legal advice, information, referral and crisis counselling for older people in the Perth metropolitan area who are experiencing elder abuse or are at risk of being abused, including in financial and property matters.

Call Mirrabooka: (08) 9440 1663

Call Joondalup: (08) 9301 4413

Brochure: [Family Agreements – Knowing Your Rights and Responsibilities](#)

[www.nsclegal.org.au](http://www.nsclegal.org.au)

**Consumer Protection** – provides general information about housing options and what to consider.

Call: 1300 30 40 54

Email: [consumer@dmirs.wa.gov.au](mailto:consumer@dmirs.wa.gov.au)

Seniors housing guide information:

[Buying or Building](#) and

[Contracts and family agreements](#)

[www.consumerprotection.wa.gov.au](http://www.consumerprotection.wa.gov.au)



## Appendix A: Important points to consider

While conversations about finances, responsibilities and 'what if' scenarios can be uncomfortable, you should have as many open and honest conversations with your family until you feel good about any future arrangements.

As you consider the prospect of multigenerational living, use this table to:

- talk about your needs as a first step in planning; and
- stay on track and cover important points during family discussions.





Living arrangements	Notes
<p><b>Noise tolerance</b></p> <p>Consider noise issues e.g. close living with children, teenagers (and their friends) and pets.</p>	
<p><b>Pets</b></p> <ul style="list-style-type: none"> <li>• If there is a pet involved, consider whether anyone in the family is allergic or doesn't like pets.</li> <li>• If you have a pet, think about where it will live and what it needs to be looked after (easy access to outdoors, yard space, separation from children or other pets, etc.).</li> <li>• What if one of you wants to get a pet in the future?</li> </ul>	
<p><b>Social life</b></p> <ul style="list-style-type: none"> <li>• How often does the family have people over? Do you want to be invited?</li> <li>• Are guests (friends/partner/family) able to visit or stay at the property? When/how often/for how long?</li> </ul>	
<p><b>Privacy and independence</b></p> <ul style="list-style-type: none"> <li>• Do you desire/need to live separately from each other or would you prefer to be close together?</li> </ul>	
<p><b>Shared amenities</b></p> <ul style="list-style-type: none"> <li>• Determine responsibilities for shopping, cooking, cleaning, laundry, etc.</li> </ul>	



Building/design	
<b>Living in the main home</b> <ul style="list-style-type: none"> <li>• Will you share the main home with family members; or have your own private en-suite and kitchenette?</li> </ul>	
<b>Required living space</b> <ul style="list-style-type: none"> <li>• Do you need bedroom(s), bathroom(s), kitchen, living, storage, parking, etc.</li> </ul>	
<b>Planning for the future: current or future mobility/accessibility needs</b> <ul style="list-style-type: none"> <li>• Consider thinking about what could happen in the future to accommodate changing needs as you age (widen doorways, railings in hallways, ramps, non-slip surfaces, good lighting, bathroom grab rails, walk-in shower/tub, etc.).</li> <li>• If the home is two storey, consider how you'll navigate this as you get older e.g. install chair lift.</li> </ul>	
<b>Outdoor space</b> <ul style="list-style-type: none"> <li>• Will you have/need to look after your own garden?</li> <li>• Do you want a private entrance/terrace/patio?</li> </ul>	



Roles and responsibilities	Notes
<b>Level of personal care by family</b> <ul style="list-style-type: none"> <li>• What personal care do you need, now and in the future?</li> <li>• How much care is your family willing to provide?</li> <li>• How much help are you expected to provide in return?</li> </ul>	
<b>Child care</b> <ul style="list-style-type: none"> <li>• Are you willing/able to care for your family's children? [Yes/No]</li> <li>• If yes, how often, how long and what are the limitations/conditions?</li> </ul>	
<b>Pet care</b> <ul style="list-style-type: none"> <li>• Are you willing/able to care for family pets? [Yes/No]</li> <li>• If yes, how often, how long, and what are the limitations/conditions?</li> </ul>	
<b>Upkeep of the property</b> <ul style="list-style-type: none"> <li>• Are you willing/able to help with property cleaning and maintenance? [Yes/No].</li> <li>• If yes, in what way and frequency and what are the limitations/conditions?</li> </ul>	
<b>Costs</b> <ul style="list-style-type: none"> <li>• Discuss how you will share the costs for utilities, services and other payments to maintain the property.</li> <li>• Determine your expectations and available budget.</li> </ul>	





Relationships	Notes
<b>Children</b> <ul style="list-style-type: none"> <li>If there are children, establish your level of involvement in caring for them and disciplining them.</li> </ul> <p>For example, what happens if a grandchild 'acts up' with you?</p>	
<b>Family relationships</b> <ul style="list-style-type: none"> <li>Are there strained or difficult relationships?</li> <li>How will these impact on your living arrangement?</li> </ul>	
<b>Family conflict</b> <ul style="list-style-type: none"> <li>Consider how family conflicts are usually resolved (with ease/with resistance/without success).</li> <li>Note any unresolved conflicts between family members that could come up in the future.</li> <li>Discuss how arguments will be worked out.</li> </ul>	
<b>Other adult children</b> <ul style="list-style-type: none"> <li>If there are other adult children in the family, consider/discuss how they will be affected by the arrangement (financially, emotionally, etc.).</li> </ul>	
<b>Change in relationship status</b> <ul style="list-style-type: none"> <li>How will changes in your relationship affect the agreement?</li> <li>How will changes in family members' relationships (relationship ends/begins, new baby, etc.) affect the agreement?</li> <li>Consider what will happen if a relationship breaks down and family law requires a division of property.</li> </ul>	



Challenges: What if...	Notes
What if someone in the agreement has to relocate to another city/state/country?	
What if you have a disagreement with a family member in the arrangement?	
<p>What if things don't work out or the arrangement has to end and you must leave the property?</p> <ul style="list-style-type: none"> <li>• Where would you go and what help would you need? Do you have a backup plan?</li> <li>• How would you get the money that you put into the property back?</li> </ul>	
<p>What if you get dementia or become ill and need in-home care or your care needs increase?</p> <ul style="list-style-type: none"> <li>• Note your wishes and expectations regarding your family taking care of you or whether you'll seek independent care (consider how you will fund this).</li> </ul>	
<p>What if you become ill and need to live in an assisted care facility for a long time or permanently?</p> <ul style="list-style-type: none"> <li>• How will you fund this?</li> <li>• How will the agreement be impacted?</li> </ul>	



Add additional points below	Notes





## Appendix B: Future scenarios and conversation starters

"Living together for the first time since the kids were little is not working out for me."

"I invested my savings in my daughter's mortgage and moved in, but she is getting divorced and they have to sell the house. Where do I go?"

"My other children are angry with me because I invested all my money in my son's house when I moved in with him and now they will not get an inheritance as I am not on the title."

"My youngest daughter helped her big sister pay for a granny flat for me. Two weeks after I moved in I had a severe stroke and had to move to a fulltime care facility."

"My son died and I do not get on with his partner. Now the partner wants me to leave the granny flat, but I have nowhere to go."

"I would like to have a companion dog but my son and daughter-in-law said it will destroy the yard and will not allow it."

"My daughter was single with kids when I moved in but has taken up with a partner I do not like and her partner is making my life miserable."

"I had no idea how often my teenage grandchildren have friends around. They are so loud."

"I want to make a garden bed outside my granny flat but my son says it will ruin the look of the backyard and I will not be able to look after it."

"Our daughter was struggling financially so my husband and I decided to pool our money with her and move in to help with the kids. Now she says it is her money."

"I have fallen in love with a wonderful woman but my son and daughter-in-law have said she cannot move in with me because it is their house and I just live there."



Important points	Notes
Can/should you claim a legal interest in the property for your financial contribution?	
Can/should your name be on the property title?	
How do you ensure your financial contribution is not determined a 'gift' by Centrelink?	
List pension and/or tax implications of the arrangement.	
How will the arrangement affect your estate planning? Are changes required to your will, etc?	
How will the arrangement affect other family members?	
What happens to the money you put in to the property if the situation changes and you have to leave? Can you get your money back?	
What type of insurance is required?	

[illegible]

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**Department of Mines, Industry Regulation  
and Safety**

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**Regional offices:**

Goldfields/Esperance	(08) 9021 9494
Great Southern	(08) 9842 8366
Kimberley	(08) 9191 8400
Mid West	(08) 9920 9800
North West	(08) 9185 0900
South West	(08) 9722 2888

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