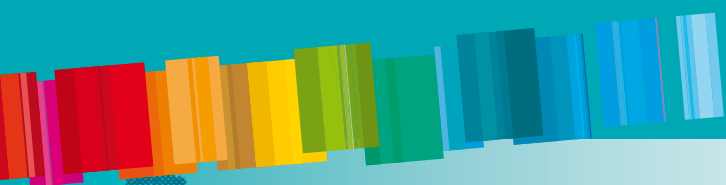


# Residential parks —

## strategies for encouraging alternative manufactured home sites in Queensland



Discussion Paper

## About this discussion paper

For a considerable number of Queenslanders, owning and living in a manufactured home is an affordable housing choice offering an appealing range of lifestyle benefits.

However, unlike most home owners, manufactured home owners rent the land their homes are located on from a park owner. As the land their manufactured home is located on is not owned by the home owners, their right to reside at a residential park may come to an end should the park owner no longer wish to lease the land to them for that purpose. As such, there are issues associated with residential park living that prospective home owners need to consider before entering into a site agreement with a park owner.

While the *Manufactured Homes (Residential Parks) Act 2003* contains a number of consumer protection provisions, home owners who lose their right to reside in a residential park can experience financial loss and, because there are few alternative sites, may have to relocate their homes away from their families, local communities and support networks.

Conversely, home owners have also advised the Queensland Government that increasing pressure on the availability of manufactured home sites in residential parks is making it more difficult to find alternative, suitable sites to relocate homes to, in the event that a home owner loses their right to reside in a park.

The purpose of this discussion paper is to seek input from the community about how to minimise adverse impacts on home owners who lose their right to reside in a park (i.e. where their site agreement with a park owner is terminated) because the park owner wishes to use their land for another purpose.

## Have your say

The Department of Communities is seeking the views of existing (and prospective) residential park owners, manufactured home owners and the broader community about how best to address the financial and social risks faced by home owners who lose their right to reside in a park.

In particular, information and suggestions are sought from the community about how best to:

- preserve existing sites and parks available for manufactured homes,
- increase the number of new sites and new parks available for manufactured homes, and
- provide assistance to home owners whose right to reside in a park is terminated.

You can participate in the consultation process by making a submission responding to the questions in this Discussion Paper and by providing any other information or comments you think are relevant.

## What happens next?

This is the first step to understanding the complexities and challenges of the provision of manufactured homes and manufactured home sites in Queensland.

The Department of Communities will consider all submissions received. Your responses will contribute to the understanding by government of what further involvement is needed by the state to support future growth in the availability of manufactured homes and home sites, particularly as a response to Queensland's increasing need for affordable housing solutions.

Responses are due by 31 January 2012.

You can participate in the consultation and complete questions online at [www.getinvolved.qld.gov.au](http://www.getinvolved.qld.gov.au) or you can send your written submission to the Department of Communities:

Email: residential\_parks@communities.qld.gov.au

Post: Residential Parks Discussion Paper  
Housing and Homelessness Services  
Department of Communities  
GPO Box 690  
BRISBANE QLD 4001

Facsimile: 07 322 51218

The Queensland Government is committed to giving the community greater access to information held by the government. In responding to this discussion paper, please be aware that your submission could be viewed by other people under the *Right to Information Act 2009*.

### Disclaimer

This Discussion Paper has been prepared and released for consultation purposes only and is not government policy.

While every effort has been made to ensure the accuracy of the information contained in the Discussion Paper, it is not a comprehensive statement of the law and cannot be taken as a substitute for professional legal or financial advice. You are strongly encouraged to obtain independent legal or financial advice if you are unsure of your rights or responsibilities under the *Manufactured Homes (Residential Parks) Act 2003*.

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## Context of this discussion paper

### Overview of manufactured homes and residential parks

Manufactured home living in residential parks has traditionally provided an affordable private housing market alternative for people on limited incomes, including older members of our community. Currently in Queensland there are approximately 200 residential parks providing sites for manufactured homes, accommodating approximately 15,000 people.

While manufactured home living continues to be an important form of affordable housing for many Queenslanders, residential parks have also become home to an increasingly diverse range of households, for example, first home buyers and self-funded retirees.

There is also significant diversity in the residential parks industry itself. For example, residential parks include mixed-use caravan parks offering both short-term and long-term accommodation in caravans and smaller manufactured homes. There are also a number of purpose-built manufactured home communities in Queensland that offer larger, more substantial homes.

In addition to housing affordability considerations, people can also be attracted to a residential park for a range of lifestyle reasons, including the park's location, as well as the facilities, amenities and services offered by the park.

In most cases, manufactured home residents own their home but rent the land the home is positioned on from a residential park owner. Even though manufactured homes are designed to be moved, relocation can be difficult and costly due to the size and composition of the homes. For this reason, the *Manufactured Homes (Residential Parks) Act 2003* is intended to provide home owners with stability and certainty in their right to occupy a site in a residential park, while also acknowledging that the land the home owner is occupying is owned by someone else and that the park owner is able to use their land for another purpose.

## Availability of manufactured home sites

A number of home owners, industry representatives, as well as consumer and community advocates, have informed the government that there is increasing demand on the availability of manufactured home sites in Queensland.

This increased demand may stem from a number of factors. It is believed that a primary factor is mixed-use park owners opting to cease and/or reduce the number of available sites. Anecdotally, there have been reports that some home owners have found it very difficult to locate and secure a suitable alternative site for their home after their right to reside in a particular park was terminated. These issues can be similar for owners of caravans living in these parks on a long-term basis, who are subject to regulation under the *Residential Tenancies and Rooming Accommodation Act 2008*.

Preliminary research suggests there may be several reasons why mixed-use park owners may be inclined to cease providing sites. These include:

- increasing land values and operating costs have made redevelopment an attractive option for some park owners,
- increasing demand for budget tourist accommodation (including as a result of 'grey nomad' tourism) means that the operators of some mixed-use parks are less reliant on income streams from long-term rentals and are focusing more on providing short-term tourist accommodation, and
- the *Manufactured Homes (Residential Parks) Act 2003* imposes significant regulatory control over the way residential parks are operated.

## The public policy challenge

While park owners are within their right to change the use of their land and seek to terminate a site agreement, the loss of the right to reside in a park can have seriously adverse impacts on home owners.

The issue is one of competing interests. On one hand, home owners invest a significant amount of money in purchasing their home and may experience financial loss should their right to reside in a park come to an end. On the other hand, many park owners invest a significant amount of money in purchasing land and operating a park and may experience financial loss if they are compelled to continue to provide sites for manufactured homes.

In addition, for many home owners, relocating their home can make it difficult to stay connected to local communities, including families, friends and medical and support networks. This can be a particularly significant and serious issue for senior home owners, people with a disability and people with limited incomes and assets. These issues are compounded where there is a lack of suitable, alternative sites available for the relocation of homes.

Securing the supply of sites for homes is therefore a complex public policy challenge. For while parks provide affordable accommodation for many people, there are also competing

land use considerations with the potential to provide significant economic and social benefits to communities. As such, a community can derive a significant benefit from land being used for short-term tourist accommodation or from new high density developments, which may improve the supply of affordable housing in the locality.

It also needs to be considered that parks are generally part of the private housing sector and there is a strong argument for park owners to be able to make lawful decisions about the future use of their privately owned land — subject, of course, to home owners being treated fairly.

Furthermore, imposing greater restrictions on how operators can deal with their land may have the effect of stifling the provision of new sites by existing operators and further driving away potential new entrants to the industry.

## Discussion questions

### For residential park owners

1. What type of residential park (for example, mixed-use or purpose-built for manufactured homes) do you own?
2. How has demand for short-term and long-term sites in your park changed in the last five years?
3. How has the supply of manufactured home sites in your region changed in the last five years? For example, has there been any new investment in residential parks in your region?
4. What are the main incentives and disincentives to offering sites for long-term occupation by manufactured home owners?

### For manufactured home owners

5. What are the main advantages and disadvantages of owning and living in a manufactured home in a residential park?
6. Why did you choose to live in a residential park?



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## Helping purchasers make informed choices

For most people, purchasing a home and entering into a site agreement with a park owner is a major financial and lifestyle decision.

While manufactured home living has a number of benefits, there are also risks such as a site agreement being terminated at a future time, requiring the home owner to sell or relocate their home.

To help consumers make informed choices, the Department of Communities publishes information about manufactured homes and residential parks on its website ([www.communities.qld.gov.au](http://www.communities.qld.gov.au)).

In addition, the *Manufactured Homes (Residential Parks) Act 2003* (the Act) requires park owners to provide people considering purchasing a home, and entering a park, with important disclosure documents like the *Home Owners Information Document* and the park rules.

The *Home Owners Information Document*, which is a form approved under the Act, contains detailed information about owning a manufactured home and living in a park. It explains the rights and responsibilities of home owners and park owners as well as information about how and when a site agreement can be terminated.

The *Home Owners Information Document* also contains a prominent warning recommending that potential home owners seek independent professional advice from a solicitor, community legal service or financial advisor before signing a site agreement.

While there is currently information available to help consumers make informed choices, reports suggest that a significant number of prospective home buyers choose not to read, or do not understand, the consumer information and warnings.

There is also evidence to suggest that a significant number of prospective home buyers do not obtain independent professional advice, which could occur for a range of reasons, including that the person does not have ready access to suitable assistance or advice.

Furthermore, it has been reported that some consumers overlook government information and warnings as they have already made an emotional decision to purchase the home based on the appearance, amenities and facilities of the park, or based on marketing materials.

## Discussion questions

7. How effective are current information resources and consumer warnings (including the *Home Owners Information Document*) in explaining the nature and potential risks of owning a manufactured home and renting a site in a residential park?
8. If you are a home owner, how well informed do you think you were when you purchased your home?
9. What do you think are the most important things a person considering purchasing a manufactured home should know?
10. How do you think consumer information and warnings can be improved?

**For a copy of the current *Home Owners Information Document*, please refer to [www.communities.qld.gov.au](http://www.communities.qld.gov.au)**



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## Certainty about the length of site agreements

Unlike other types of leases for residential accommodation, a site agreement between a home owner and a park owner does not contain a fixed end date and is terminable only in accordance with the *Manufactured Homes (Residential Parks) Act 2003*.

These arrangements differ from the regulation of traditional rental accommodation under the *Residential Tenancies and Rooming Accommodation Act 2008*. For example, where a tenant rents both a house and the land it is positioned on, the tenant will generally enter into a fixed term lease with a lessor.

It should be noted that, if a site agreement is over land that is subject to a lease issued under the *Land Act 1994*, the site agreement cannot be longer than the balance of the term of the lease under the Land Act.

The *Manufactured Homes (Residential Parks) Act 2003* (the Act) provides home owners with the right to sell their home 'on-site' and to assign their interest under the site agreement to the person purchasing the home. The Act prohibits a park owner from attempting to hinder such a sale. In these circumstances, the park owner does not make any money from the resale. Any increased price, or any loss, flows to the home owner.

The Act also provides that, if a park is sold, the person purchasing the park becomes subject to the obligations of the park owner in relation to any existing site agreements with home owners in the park.

While these arrangements seek to provide home owners with stability and certainty in their right to reside in a park, it is important to note that a park owner can seek to terminate a site agreement at any time.

Under the Act, a park owner may apply to the Queensland Civil and Administrative Tribunal (QCAT) to terminate an agreement on limited grounds, including that the park owner wants to use the land for another purpose. However, it should be noted that in these circumstances, a park owner is responsible for paying the home owner the costs of relocating their home and personal effects.

The Act also allows a home owner and a park owner, at any time, to agree to terminate a site agreement. A home owner may terminate the agreement by giving written notice to the park owner.

However, given that site agreements can potentially continue for decades, industry has argued these consumer protection provisions operate as a disincentive for land owners to offer sites for long-term occupation by manufactured home owners — particularly to the extent that the land owner loses flexibility in their ability to make choices about the use of their land. Consequently, these arrangements may have unintended and adverse impacts on home owners by contributing to the demand on the availability of sites.

These issues appear less relevant for owners of modern, purpose-built parks with larger homes. The ‘business model’ in such parks derives substantial income from the sale of the homes which are built by the park owner and sold to residents. Unlike more ‘traditional’ parks with smaller homes, profitability in this model does not rely so heavily on site rent.

## Fixed-term site agreements

One option that provides home owners with more certainty about the duration of their agreement, and also acknowledges park owners’ rights and interests in maintaining flexibility to make decisions about the future use of their land, is to allow park owners and home owners to enter into a site agreement for a fixed period of time. However, in the interests of fairness, it would not be appropriate for residents with existing site agreements to be subject to fixed-terms.

This could be supported by a requirement that site agreements operate for a minimum term, given that the nature of owning a manufactured home makes it unlikely that short-term leases would be appropriate. Such an approach was recently adopted in Victoria where amendments were made to the *Residential Tenancies Act 1997* to prescribe the minimum allowable term for a site agreement between a home owner and park owner at five years.

Residents would regard it as unfair if any existing site agreement is limited in such a way. However, it should also be noted that this option is a significant shift from one of the underpinning policy objectives of the *Manufactured Homes (Residential Parks) Act 2003* which is to provide home owners with long term security in their right to reside in a park. As such, a new legislative model would need to be developed to accommodate this type of lease arrangement in Queensland.

# Discussion questions

11. How does the regulation of site agreements under the *Manufactured Homes (Residential Parks) Act 2003* impact on land owners offering sites for long-term occupation by manufactured home owners?
12. Would the ability to enter into a site agreement for a fixed period of time (for example, five years) impact on the provision of sites for manufactured homes? If so, how?
13. What are the advantages and disadvantages of moving to fixed term agreements for manufactured home owners and park owners?
14. If fixed term agreements were considered, what sort of minimum term would be workable to balance the interests of both park owners and home owners?
15. If manufactured home owners and residential park owners were able to enter into site agreements for a fixed term, how should the costs of relocating the manufactured home at the end of the fixed term be met? For example, statutory trust accounts or a bond? Why?
16. Should the period be able to be extended and on what conditions?
17. How would such an approach impact on purpose built parks with large homes unlikely to be moved?
18. Would this help home owners forced to relocate from an existing park, including if they received limited tenure in a new park?
19. Would there be any other benefits? (Such as providing existing home owners with more places to relocate of their own free will if their circumstances require it).
20. Would this encourage the provision of sites in caravan parks to supplement income made during peak tourist seasons?



## Fair laws about the termination of site agreements

The *Manufactured Homes (Residential Parks) Act 2003* (the Act) is designed to provide home owners with stability and certainty in their right to reside in their home, pursuant to a site agreement with the park owner.

However, this objective must be fairly balanced with the interests of park operators, who in most cases are private land owners.

Under the Act, at any time, a home owner and a park owner may agree to terminate a site agreement, or a home owner can terminate their site agreement by giving written notice to the park owner.

The Act also provides that, at any time, if a park owner wishes to terminate a site agreement (including the park owner wishing to use the site for another lawful purpose) and the affected home owner does not agree, the park owner may apply to the Queensland Civil and Administrative Tribunal (QCAT) for an order to terminate the site agreement.

If QCAT decides to terminate the agreement on the grounds that the park owner wishes to use the land for another purpose, QCAT must also order the park owner to pay compensation to the home owner. Broadly speaking, the amount of compensation is based on the costs of relocating the home and the home owner's personal effects to another location.

On 26 October 2010, the Queensland Parliament passed amendments to the Act which expands the types of orders QCAT can make to assist home owners whose site agreements are terminated because the park owner wishes to use the land for another purpose.

When making a termination order, QCAT can have regard to the personal and financial circumstances of the home owner and can consider postponing the day the termination takes effect for up to one year. In addition, if QCAT decides to terminate a site agreement because the park owner wishes to use the site for another purpose, QCAT can order the park owner to offer another site in the park to the home owner (provided a site is available).

Some home owners have advocated for the Act to be amended to eliminate the ability of park owners to seek to terminate site agreements with home owners where the park owner wishes to use their land for another purpose. However, there are serious disadvantages and risks of this proposal.

As well as being a significant and onerous restriction on the right of park owners to make lawful decisions about the future use of their land, preventing park owners from seeking to change the use of their property would also establish a strong disincentive for prospective park owners to offer sites for manufactured homes.

This could result in further pressure on the availability of sites, and increased difficulties for existing home owners who wish (or need) to relocate their homes to another park.

From a broader perspective, prohibiting changes of use of sites within a park could also prevent alternative developments that deliver improved economic and social (including housing and accommodation) outcomes for the whole community.

However, there may be other options for better recognising and balancing the rights and interests of home owners and park owners regarding the termination of site agreements.

## **Assessment of the social impacts of site agreement termination**

The extent and nature of the impact of a site agreement termination will vary depending on the personal circumstances of the affected home owner.

Where a park owner seeks a termination to use the land for another purpose, the primary consideration for QCAT is whether the park owner has provided evidence that the proposed change of land use is lawful (i.e. not prohibited by any State or local planning instruments). However, QCAT can also have regard to the impact of a proposed termination on an affected home owner. For example, QCAT has previously refused a termination application where it was satisfied that allowing the termination would have serious impacts on the health of the affected home owners.

Some stakeholders have advocated for the legislation to be amended to require increased weight to be given to the social and economic impacts on an individual home owner in making a termination order.

Queensland's planning system provides some scope for local governments to consider the wider social and economic implications arising from applications to redevelop or change

the use of residential and caravan parks. However, where development applications comply with local planning instruments, the potential impact on individual residents is unlikely to form the basis for an application to be refused.

In providing for additional matters for QCAT to consider in making a termination order, it is important that QCAT's role does not effectively replicate the role of local authorities and become a secondary development approval stage, which would result in unnecessary red-tape and costs for industry.

In recognition of the important role played by residential parks in the low cost housing market and the significant loss of sites in recent years through redevelopment, the Queensland Government owns and operates three caravan parks (that also accommodate owners of manufactured homes) in Cannon Hill, Woombye and Hervey Bay. These caravan parks were purchased from private owners when they were under threat of redevelopment, as they had a significant population of long term residents. Government ownership has secured these parks for long-term low cost accommodation.

## Discussion questions

21. Should additional weight be given to the personal circumstances of a manufactured home owner before a site agreement may be terminated? If so, how should the interests of park owners, home owners and the community as a whole be prioritised?
22. Do you think the existing policies in relation to the termination of site agreements appropriately consider the interests of park owners, home owners and the community as a whole? Why or why not?

## Potential limits on when termination applications can be made – minimum term site agreements

If a park owner wants to terminate a site agreement and the home owner does not agree, the park owner may apply to QCAT for an order terminating the site agreement.

Under the Act, there is no restriction on when a park owner may seek a termination order from QCAT. For example, a park owner may seek to terminate a site agreement within the first year or two of the home owner's occupation.

Home owners often invest a significant amount of money in purchasing their home and their interest in the site agreement. In particular, the price paid for a home can be over and above the value of the structure and often reflects an expectation by the purchaser of long-term occupation of the site.

One option to provide home owners with increased certainty about the amount of time they will be able to reside in a particular park is to restrict the ability of park owners to seek to terminate site agreements within a prescribed period. Such a provision would need to take into account the fact that the home may be on-sold by the home owner to a new resident.

Of course, removing the ability for a park owner to seek the termination of a site agreement (to use the land for another purpose) within a prescribed timeframe may have impacts on the willingness of land owners to provide sites for manufactured homes.

## Discussion questions

23. Should residential park owners who wish to change the use of their land be prevented from applying to QCAT for a termination order within a prescribed period of time after entering the site agreement? Why?
24. If so, how long should the prescribed period be?
25. What effect would this option have on the sale price of manufactured homes?
26. What effect would minimum prescribed terms for site agreements have on the supply of sites for manufactured homes?

## Compensation for manufactured home owners

Currently, if QCAT decides to terminate a site agreement on the grounds that the park owner wishes to use the land for another purpose, QCAT must also order the park owner to pay compensation to the home owner. Broadly speaking, the amount of compensation is based on the costs of relocating the home and the home owner's personal effects to another location. However, QCAT is also empowered to consider anything that is considered relevant to making a compensation order.

The government is aware that some home owners have argued that QCAT should be able to consider additional matters in making compensation orders to minimise the risk of financial loss to home owners who have their site agreements terminated. However, the costs to park owners from these requirements must also be considered, particularly given the potential for these requirements to act as a disincentive for land owners to offer sites for homes.

## Discussion questions

27. Do compensation requirements discourage land owners from offering sites for manufactured homes?
28. What other costs, apart from the costs associated with relocating the home and the home owners' personal effects, may be incurred (by a manufactured home owner or residential park owner) when relocating a manufactured home?
29. Who should be responsible for covering these costs? Why?
30. Should there be a provision inserted into the Act to clarify what is to happen once a manufactured home deteriorates to the extent that it is no longer habitable?
31. Who should make the determination that a manufactured home has deteriorated to the extent that it is no longer habitable?



## The planning and development environment

Planning and development strategies are critical in designing and supporting communities which appropriately balance economic, social, cultural and environmental considerations.

The *Sustainable Planning Act 2009* provides the legislative basis for the planning and development framework in Queensland and this aims to achieve sustainable planning outcomes by:

- managing the process by which development takes place
- managing the effects of development on the environment, and
- coordinating the integration of local, regional and state planning.

The Department of Infrastructure and Planning works closely with local governments to lead a coordinated approach to planning, infrastructure and development across the state.

Local governments manage the application of planning policy through the creation of local government planning schemes, master plans and through the assessment of development applications. They are guided by the *Sustainable Planning Act 2009* including the integrated Planning Assessment System and state planning instruments, such as regional plans, state planning policies and the Queensland planning provisions.

Residential parks (including caravan parks) normally occupy large parcels of land, and can be located near rapidly developing urban and coastal areas. Subsequently, increases in land values can provide opportunities and incentives for park owners to change the use of their land. For example, park owners may decide to focus their business on short-term holiday accommodation or to redevelop the land to create a high-density residential development.

The re-development of residential park land and the growth rate of the residential parks industry is largely driven by economic factors. Any restriction on the rights of existing park owners to lawfully change the use of their land would significantly impact on the rights of land owners, may be considered unfair and onerous for park owners, and could require significant compensation payments. While restricting development on residential park land might protect those sites from being redeveloped, the continued operation of these parks can not be guaranteed.

Furthermore, regulating to preserve existing residential parks may be contrary to broader community interests where a change of land use delivers greater social and economic benefits to the community.

However, a state wide planning and development system that reduces red tape and encourages more sustainable communities may positively impact on the supply of manufactured home sites.

There may be non-regulatory options to encourage the preservation of residential parks, such as advisory guidelines for local governments in planning for residential parks.

## Discussion questions

32. What existing planning and development laws and processes discourage land owners from developing a residential park? How could these be overcome?



## Legal advice, support and advocacy for manufactured home owners

The proposed termination of a site agreement by a park owner can be an extremely stressful and difficult time for home owners.

Many home owners are older members of the community and have limited incomes. As a result, some home owners find it difficult to afford private legal advice and support. However, there are a number of organisations that provide assistance to home owners where a park owner is seeking to terminate a site agreement.

Home owners who are a party to an application to QCAT by a park owner seeking to terminate a site agreement are able to access the self-representation service run on behalf of QCAT by the Queensland Public Interest Law Clearing House Incorporated (QPILCH).

As part of this service, home owners can obtain free legal advice, assistance with drafting documents (including QCAT forms and correspondence), and advice about QCAT processes and other ways of resolving the dispute.

There are also a number of other organisations that provide free or affordable legal or tenancy advice and support for home owners. These include:

- Caravan and Manufactured Home Residents Association of Queensland and other tenant advice and advocacy services around Queensland
- Legal Aid Queensland
- Caxton Legal Centre Inc (which operates the Seniors' Legal and Support Service)
- Community legal centres in various Queensland locations

If a home owner's site agreement with a park owner is terminated and the home owner is required to vacate the park, depending on whether or not the home owner meets the relevant criteria, there may be a number of government and community organisations that can assist the home owner in securing alternative accommodation. These include assistance on accommodation options which can be provided through regional Housing Service Centres run by the Department of Communities.

## Discussion questions

33. What types of support and advocacy services are of most assistance to manufactured home owners at risk of termination of their site agreements?
34. What types of support services are of most assistance to manufactured home owners who have a site agreement terminated and need to make alternative housing arrangements?



## Alternative models of residential park ownership – manufactured home owner cooperatives

Providing sites in residential parks for long-term occupation by manufactured homes can provide benefits for both park owners and home owners.

However, the interests of park owners and home owners can be divergent and competing, particularly when a park owner wishes to terminate site agreements with home owners residing in the park to redevelop or change the use of their land.

In some countries, cooperative ownership models for residential parks have been used to address the conflict of interest between land owners and home owners, and to provide home owners with increased rights to the land their home is positioned on. Some schemes involve residents forming a cooperative and acquiring a mortgage to purchase the park, and can be supported by home owners having a 'first-right of refusal' when the park land becomes available for purchase.

In general terms, a cooperative is an association of people who voluntarily join together to meet common economic, social and cultural needs and goals through a jointly owned and democratically controlled enterprise. There are a small number of residential park cooperative schemes in Australia.

However, there are also particular challenges associated with cooperative ownership models. Cooperative ownership requires a sustained commitment from homeowners to be involved in the daily operation of the park. Further, the operation and maintenance of a park requires particular skills and experience.

Any community living scheme that involves joint decision-making may have inherent challenges and the potential for disputes to arise. It is likely that the adoption of the cooperative ownership model would replace conflicts between park owners and residents about the operation and financial management of the park with conflicts between residents about these matters.

In addition, given that home owners often chose to live in a residential park because it is less expensive than traditional home ownership, it may be difficult for the cooperative to secure the required loan from a financial institution.

## Discussion questions

35. Are there alternative ownership models which may provide greater benefit to manufactured home owners? What are these?
36. What are the main advantages and disadvantages in manufactured home owners owning and operating a residential park?



# Other options and strategies

This discussion paper is not intended to be an exhaustive statement of potential options and strategies for responding to community concerns about the difficulty some home owners experience in securing an alternative site for their home, if their site agreement in a park comes to an end.

Any further information and suggestions for preserving existing sites, and potentially increasing the number of new sites in residential parks for manufactured homes is welcome. These could include other types of industry development or red-tape reduction strategies that are not identified in this discussion paper.

Similarly, suggestions for supporting home owners, including through improvements to consumer protection laws, are also welcome.

## Discussion questions

37. Do you have any other information or suggestions relevant to the topics discussed in this paper?

# Summary of discussion questions

## Overview of manufactured homes and residential parks

### For residential park owners

1. What type of residential park (for example, mixed-use or purpose-built for manufactured homes) do you own?
2. How has demand for short-term and long-term sites in your park changed in the last 5 years?
3. How has the supply of manufactured home sites in your region changed in the last 5 years? For example, has there been any new investment in residential parks in your region?
4. What are the main incentives and disincentives to offering sites for long-term occupation by manufactured home owners?

### For manufactured home owners

5. What are the main advantages and disadvantages of owning and living in a manufactured home in a residential park?
6. Why did you choose to live in a residential park?

### Helping purchasers make informed choices

7. How effective are current information resources and consumer warnings (including the *Home Owners Information Document*) in explaining the nature and potential risks of owning a manufactured home and renting a site in a residential park?
8. If you are a home owner, how well informed do you think you were when you purchased your home?
9. What do you think are the most important things a person considering purchasing a manufactured home should know?
10. How do you think consumer information and warnings can be improved?

### Certainty about the length of site agreements

11. How does the regulation of site agreements under the *Manufactured Homes (Residential Parks) Act 2003* impact on land owners offering sites for long-term occupation by manufactured home owners?
12. Would the ability to enter into a site agreement for a fixed period of time (for example, five years) impact on the provision of sites for manufactured homes? How?
13. What are the advantages and disadvantages of moving to fixed term agreements for manufactured home owners and park owners?
14. If fixed term agreements were considered, what sort of minimum term would be workable, to balance the interests of both park owners and home owners?

15. If manufactured home owners and residential park owners were able to enter into site agreements for a fixed term, how should the costs of relocating the manufactured home at the end of the fixed term be met? For example, statutory trust accounts or a bond? Why?
16. Should the period be able to be extended and on what conditions?
17. How would such an approach impact on purpose built parks with large homes unlikely to be moved?
18. Would this help home owners forced to relocate from an existing park, including if they received limited tenure in a new park?
19. Would there be any other benefits? (Such as providing existing home owners with more places to relocate of their own free will if their circumstances require it?)
20. Would this encourage the provision of sites in caravan parks to supplement income made during peak tourist seasons?
21. Should additional weight be given to the personal circumstances of a manufactured home owner before a site agreement may be terminated? If so, how should the interests of park owners, home owners and the community as a whole be prioritised?
22. Do you think the existing policies in relation to the termination of site agreements appropriately consider the interests of park owners, home owners and the community as a whole? Why or why not?
23. Should residential park owners who wish to change the use of their land be prevented from applying to QCAT for a termination order within a prescribed period of time after entering the site agreement? Why?
24. If so, how long should the prescribed period be?
25. What effect would this option have on the sale price of manufactured homes?
26. What effect would minimum prescribed terms for site agreements have on the supply of sites for manufactured homes?

### **Compensation for manufactured home owners**

27. Do compensation requirements discourage land owners from offering sites for manufactured homes?
28. What other costs, apart from the costs associated with relocating the home and the home owners' personal effects, may be incurred (by a manufactured home owner or residential park owner) when relocating a manufactured home?
29. Who should be responsible for covering these costs? Why?
30. Should there be a provision inserted into the Act to clarify what is to happen once a manufactured home deteriorates to the extent that it is no longer habitable?
31. Who should make the determination that a manufactured home has deteriorated to the extent that it is no longer habitable?

### **The planning and development environment**

32. What existing planning and development laws and processes discourage land owners from developing a residential park? How could these be overcome?

### **Legal advice, support and advocacy for manufactured home owners**

33. What types of support and advocacy services are of most assistance to manufactured home owners at risk of termination of their site agreements?

34. What types of support services are of most assistance to manufactured home owners who have site agreement terminated and need to make alternative housing arrangements?

### **Alternative models of residential park ownership – manufactured home owner cooperatives**

35. Are there alternative ownership models which may provide greater benefit to manufactured home owners? What are these?

36. What are the main advantages and disadvantages in manufactured home owners owning and operating a residential park?

### **Other options and strategies**

37. Do you have any other information or suggestions relevant to the topics discussed in this paper?

