

5 August 2024

Strategic Policy and Intergovernmental Relations
Policy, Performance and First Nations
Department of Housing, Local Government, Planning and Public Works

mhconsult@housing.qld.gov.au

MANUFACTURED HOMES (RESIDENTIAL PARKS) AMENDMENT ACT 2024

The Property Council of Australia welcomes the opportunity to provide feedback on the proposed provisions to be implemented following adoption of the *Manufactured Homes (Residential Parks) Amendment Act 2024* in June.

As the leading advocate for Australia's property industry, the Property Council is committed to supporting a vibrant and sustainable property sector. Our members invest in, design, build and manage places that matter to Australians, including manufactured home parks, ensuring our ageing populations and those on fixed incomes have access to safe and affordable housing.

As outlined in our response to the *Manufactured Homes (Residential Parks) Amendment Bill* in April, attracting adequate investment is critical to ensuring a sustainable supply of manufactured homes for Queensland's ageing population. To attract this investment to Queensland, it is critical that any requirements are clearly understood and do not result in increased costs for operators, which would result in increased costs for residents.

It is noted the Department has sought feedback specifically on phase one of the proposed changes, which focuses on consumer information and transparency including:

- requirements for park owners to prepare residential park comparison documents which must be hosted on a park's website unless the residential park is exempt from having a website.
- the new registration process to operate an unregistered residential park and establishing new information requirements before a park may be registered by the department's chief executive.

In response to these proposed changes, the Property Council provides the following feedback and questions for clarification:

Application for registration of a Park Form

Under the section entitled 'Important' we recommend changing 'record for the residential park' to 'register for the residential park' (the register replaces the record in the new provisions – see s18C, cf repealed Part 19A).

Part 2 – Ownership details

Section 3 – Registered owners of park

We recommend changing 'Registered owners of park' to 'Park owner', because:

- a park owner does not have to be the registered owner on title to be the 'park owner' within the meaning of the Act – *Iveson v Scenic Rim Regional Council & Anor* [2019] QCAT 197; and
- to avoid confusion that the park owner is already 'registered', i.e. on the register (but not necessarily the registered proprietor of the land).

It may be appropriate to amend the section to distinguish between the entity that is the registered proprietor of the land and the entity that is the park owner within the meaning of the Act.

The section does not allow more than one owner to be added – we suggest additional fields be included, or a note to attach an additional page with the details of all owners where more than one

Section 6 – Other residential parks/related entities

Does the park owner, or park owner group, operate any other residential parks?

The term 'Park owner group' is not defined – we suggest referring to 'related entities of the park owner'.

'Other residential parks' – we suggest specifying that it is limited to Queensland.

Section 8 – Unregistered encumbrances over the land

We suggest this section also require details of registered encumbrances for completeness

Part 3 – Park details

Section 10 – Park Details

In relation to the question about whether the park manager will be onsite. It is unclear if this refers to the park manager living onsite or being onsite during business hours? We would welcome more information regarding this question.

Section 11 – Site Rent

Proposed range of site rent payable at completion (GST inclusive) –

Given ongoing sector challenges, including escalating construction costs, it is difficult to estimate the final site rent payable when the park is complete. While a site rent range could potentially be provided, we would like to understand the potential consequences of supplying an estimate when inevitably it will change, potentially creating a conflict between residents and the park operator.

We suggest that both '*Proposed range of site rent payable at registration*' and '*Proposed range of site rent payable at completion*' are removed and replaced with '*Proposed range of site rent payable in the first year of operation of the residential park*' or similar. This also applies to the median site rent at registration and the median site rent at completion in Section 11.

Section 12 – Park type

Proposed number of manufactured homes sites at completion / If mixed-use please provide the number each of the following in the park

This information may not be available at the registration stage where a park is being developed in stages and dependent on market conditions or future events – we suggest including a 'contingencies' section as currently appears in the Retirement Villages Form 2 Application for registration as a retirement village scheme

Part 5 – Services

Sections 18 and 19

It is unclear why the details of the services is split over Sections 18 and 19 and query the Department's reasoning in drafting these Sections. We suggest combining Sections 18 and 19 into one simpler section that lists all park services included in the site rent.

Section 20 – Optional park services

Is the provider a registered provider for this service? / Can services be purchased through a government funding package?

We query the relevance of the column '*Is the provider a registered provider for this service?*' – the service may not require the provider to be registered, so this could cause confusion. We would like to understand the Department's reasoning for including this column.

We query the relevance of the column '*Can services be purchased through a government funding package?*' This will depend on the individual home owners accessing the services and so cannot be completed at the registration stage. We would like to understand the Department's reasoning for including this column.

We suggest amending note '*Please provide details of proposed services provided by the park or a related business that will incur additional fees or charges*' to '*Please provide details of proposed services made available by the park owner or park manager or a related business that will incur additional fees or charges*' for clarity.

Residential Parks Comparison Document

General feedback

As outlined above, it is critical these provisions do not result in an increase in administration for park operators which would increase operating costs. As such, the Property Council would like to understand how regularly the comparison document will be required to be updated.

We believe the document should be updated once a year and would request a level of understanding by the Department that this will likely mean some of the information contained in the form will become out of date within that period. This further explained below.

Under the section entitled 'Important' we recommend changing 'residential parks and their facilities' to 'residential park and its facilities'.

Residential park details

We suggest inserting a field for residential park website and phone number.

Estimated price of homes in park (including new and/or pre-owned).

For the estimated price range for pre-owned homes, we recommend adding 'if available to the park owner', noting that the prices of pre-owned homes are set by the home owners at the time of sale and the park owner cannot reasonably estimate these ahead of time, particularly in smaller parks where the homes turn over less regularly.

Number of manufactured home sites in the park.

This figure will likely change from time to time, which would be onerous and time consuming to continually update. The Property Council would like to understand the consequences of an outdated number being listed on the comparison document.

Part 1 – Site Rents & Other Costs

Section 1 - Range of site rent payable by new home owners (GST inclusive)

Again, this figure is likely to change to meet market conditions and the Property Council would like to understand the consequences of an outdated amount being included on the comparison document.

It is also noted that the assignment provisions will cease as part of phase two of these changes, allowing a new agreement to be negotiated for incoming residents. This effectively compensates for the removal of market rent reviews by allowing a park operator to set new site rents at a level that is reflective of market conditions, including external

cost pressures that may have changed throughout the year. By requiring park operators to publicly list site rents and only set new site agreements within that range removes the necessary flexibility for park operators to respond to external cost pressures; further constraining the viability of manufactured home parks.

We are also concerned that the removal of the assignment provisions has been delayed until the second phase of the transition, meaning operators are still obligated to accept assignment requests for new homeowners despite market rent reviews already being removed. We note there is no indication of when phase two of this transition will be completed, adding to the uncertainty for the sector.

Section 3 – Proposed bases for site rent increases

We understood that the new provisions would limit site rent increases to either CPI or 3.5 per cent and provide the opportunity for an operator to apply the most appropriate basis. We note the next phase of the changes will include "...amendments to the sales process, prescribed bases for increasing site rent and updates to contractual documents such as the site agreement and sale agreement and development of new homeowners' information document." Speaking with the Department, we understand park operators will be able to apply other bases for site rent increases and would welcome further information about how the new provisions limit site rent increases and what basis can be applied by park operators.

Part 2 – Utilities

This format does not allow the necessary flexibility in manufactured home parks that operate an Essential Network Solutions or water and front yard maintenance in on only part of the community. The Property Council would like to understand if this model can be applied to support these situations.

Part 3 – Available Communal/Shared Facilities

Section 8 – Communal/shared facilities – 'Details' for each facility

We query what details should be included for each facility and would like to understand the Department's reasoning for including this field, particularly given any restrictions on the use of facilities will be covered in Section 11 and details of the fees in Section 12.

Part 4 – Services

Section 14 and 15

It is unclear why the details of the services are split over Sections 14 and 15 and query the Department's reasoning in drafting these Sections. We suggest combining Sections 14 and 15 into one simpler section that lists all park services included in the site rent.

Section 16 – Optional park services not included in site rent (including personal care and support services)

'Is park a registered provider for this service?' and 'Provided under government funded package?'

We query the relevance of the column *'Is the provider a registered provider for this service?'* The service may not require the provider to be registered, so this could cause confusion. We would like to understand the Department's reasoning for including this column.

We query the relevance of the column *'Can services be purchased through a government funding package?'* This will depend on the individual homeowners accessing the services and so cannot be completed at the registration stage. We would like to understand the Department's reasoning for including this column.

We suggest amending the note *'Please provide details of proposed services provided by the park or a related business that will incur additional fees or charges'* to *'Please provide details of proposed services made available by the park owner or park manager or a related business that will incur additional fees or charges'* for clarity.

Part 6 – Miscellaneous

Section 21 – Visitors

The Property Council would like to understand if this relates to visitors needing to be accompanied by a homeowner to use park facilities, as well as any rules, rights or obligations.

As always if you wish to discuss any matters, please feel free to reach out to me on 0499 181 366 or jcaire@propertycouncil.com.au.

Yours sincerely,



Jess Caire
Queensland Executive Director