Manufactured Homes (Residential Parks) Amendment Bill 2024

Submission No: 5

Submitted by: Jack and Kay Carter

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Submitter Comments:

From: [redacted]
To: Housing, Big Build and Manufacturing Committee
Subject: Manufactured Homes (Residential Parks) Act Amendments Bill 2024
Date: Sunday, 31 March 2024 4:00:03 PM

Dear Secretary,

I wish to make submissions to the above and thank you for the opportunity to express my views.
Name: John (Jack) Leonard Carter [redacted]

Background Information
:In 2018 my wife and I purchased a newly constructed home in Halcyon Lakeside Bli Bli. where we currently reside.
In 2018 the site rent was $116.67 per week by 7/23 the rent had increased to $244.34 an increase of 107% in just 5 years.This has been caused by 3 yearly market revues and more recently by the spike in Brisbane March CPI when rent increased by 6% in 2022 and a further 7.4% in 2023. March 2024 CPI is due out shortly and expected to be in the range of 5%.
In August 2021 Stockland became the park owner at Halcyon Lakeside and we switched to a 10 year rent agreement with annual rent increases to be Brisbane March CPI or 3% whichever was the larger.
We are constantly reminded of the gross shortage of housing stocks in the main centres of Queensland. A ready source of homes is provided when the elderly downsize and move into retirement homes or lifestyle homes such as ours. Unduly high site rent in lifestyle communities will detract from the elderly making the decision to downsize into one of these communities.This would have a further adverse effect on available housing stocks.
It is therefore essential for the act to be amended to address this important issue..

Proposed amends to the Act
1. I agree that market reviews should not be the basis for adjusting rent.This has been a means of the park owner ratcheting up rent with no consideration given to the effect of this in relation to retirees income especially the many homeowners dependent on the Age Pension.
When these homes are marketed to potential buyers the buyers compare the capital cost of the home and the site rent being charged with similar other comparable manufactured homes in the area. This is the only " market review" required, yes only at the time of purchase and again when put up for sale.
2.In recent years prior to COVID CPI was maintained in the range of 2-3% as stipulated in the RBA mandate. So we got used to annual rent reviews being in the range of up to 3% simply because our site agreement stipulated that annual rent would increase by either CPI or 3% whichever was the higher. In August 2021 the site owner became Stockland and we were encouraged to switch to a 10 year site agreement on the basis that rent would increase each year by either Brisbane March CPI or 3% whichever was the larger. The attraction to this agreement was that the next market review would be only when the new agreement expired in 10 years time. But the recent spike in CPI has meant a rapid and compounding effect on rent increases. This became a windfall for the park owner and this windfall is compounding each year as the above normal increases are locked in.for homeowners to pay for perpetuity...
We must learn from this experience and ensure homeowners will not fall

into this spike in rent trap ever again.
The best way to achieve this is to change the proposed amendment of the act from 8 Capital cities CPI or 3.5% whichever is the larger to simply " 8 Capital cities CPI or 3% whichever is the LOWER". In this manner site rent increases will never exceed 3% and by reducing the 3.5% to 3% over time this will gradually erode the windfall "compounding effect" achieved by the park owners in recent years.
3.Yes I agree 8 capital cities CPI not Brisbane CPI This will have more relativity to Annual Age Pension increases.
This completes my submission to the committee.
Kind regards,
Jack Carter