

Manufactured Homes (Residential Parks) Amendment Bill 2024

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Submitted by: Richard Homans
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Author : -

Richard Homans .. [REDACTED]

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As can be seen from the information above, I am a resident of Hometown's Redgum village on the Gold Coast, where I have lived for the past 9 years. During that time for 2 years I was a member of the Home Owner's Committee and have faced numerous issues covered by the existing MHRP Act 2003.

My first experience with unfair business practices by a park owner occurred when I purchased my brand new manufactured home in situ in the park at Coombabah from the park owner.

On initial inspection I enquired as to the weekly site rental and was informed by the manager that it would be \$155 per week. I paid a deposit and three weeks later confirmed my purchase. I was given 2 pre filled copies of the site agreement but realised the rent figure was now \$160 per week. I disputed the figure but was calmly told by the manager that there had been a recent rent rise. Having sold my previous home and nowhere to live, I was not going to pullout of the purchase. After a few weeks of settling in I enquired of neighbours as to when the last rent rise occurred and was told that as per site agreements, rent rises occurred on 1st September annually, some 5 months earlier. I had been *lied to*. This process I was informed, was a common practice from which I discovered had led to multiple levels of rent in the park, despite all residents having the same communal facilities and amenities at their disposal.

This unfair practice of raising rents for new home owners has never been stemmed despite the so called processes of rent increase being set out in the Act since its inception. Most understand that, one aim of the act is for the park owner to maintain a viable business, but I believe the law makers at the commencement of the Act in 2003 believed that the included annual process section, would have been a fair and equitable process for park owner and home owner.

However we soon learned that if something is not forbidden in the Act, then the park owner will abuse the process and continues to do so committing this unfair practice in order to unfairly inflate his profits.

Thankfully it is proposed to rid the Act of the contrivance of Market rent revue which I and other residents have fought over for the last four and half years with a QCAT result still awaiting, as a result of an unfair *excessive* rent increase, however I note there is nothing proposed in the amendment to stem this practice of individual rent increase on new home owners, despite the process defined in the Act, supposedly established to deal precisely with the issue of annual rent increase, which in fact it is far from precise, as it still leaves the new home owner open to this unfair process.

A much fairer amendment inclusion would be to cap the rent of *new* home owners on purchase, to the last highest rent set during the previous "site agreement year", but with a provision of an increase *whenever* that next annual rent increase as per site agreements should occur, thus maintaining levels of rent and *not* creating further new unfair levels, whether this be a week after purchase of 11 months. This then removes any disquiet that is created by the present behaviour of the park owners leading to those multiple rent levels.

The Amendment proposal to cap rent increases in compliance with a new inclusive aim of the amendment “to prevent unfair excessive rent increases” by 3.5% or CPI, whichever is the higher, does little to allay fears of excessive rent increases. Forgive me if I am mistaken, but this guarantees the park owner a minimum increase in rent each year of 3.5%, regardless if the CPI figure is less than that amount.

Again most understand the park ownership must remain viable, and for this model of housing to continue to expand, but for many years prior to 2022, the CPI figures have not exceeded 2% and yet the park owners have made grand profits and this housing business has expanded exponentially.

Despite already big profits, it seems somewhat lopsided that an Amendment seeks to maintain a minimum annual increase of 3.5% to further boost those grand profits, a figure which has been used already by park owners to lock some home owners into 10 year period in amended site agreements

Surely this appears to be contrary to the new aim of the amendment of protecting home owners, the majority of course who live on pensions or fixed income, from excessive rent increases.

I doubt for one minute that park owners would open “their books” annually declaring their profits, whereas most home owner’s incomes as pensioners is known for all to see.

If the the intention of 3.5% increase becomes the minimum, even if CPI drops below that figure surely the proposed aim of the act amendment "to protect home owners from unfair excessive rent increases” becomes obsolete.

Without a maximum cap, as has been experienced by all with some 18% increases in rent for this market in the last 3 years and its effect on pensioner home owners, one can hardly be expected to believe that the park owner is experiencing the same hardships from inflation especially when all his operating costs are tax deductible.

A maximum cap of 3.5% would be a much fairer and equitable rent increase all round, allowing as has been demonstrated by previous years, that below that figure, park owners have been making grand profits and still increased this type of housing exponentially.

If CPI figures drop below 3.5% then that falls into line with pension increases and the amendment aim "to protect home owners from unfair excessive rent increases" will have its desired effect.

I am sure thousands of other home owners living in this excellent housing model will feel their futures and investments are protected if this method of increase was to be accepted, and has been shown that as an industry it is certainly viable with grand profits still to be made and it would continue to expand exponentially.

Yours sincerely
Richard Homans