

Manufactured Homes (Residential Parks) Amendment Bill 2024

Submission No: 29
Submitted by: RV Lifestyle Village Oceanside Pty Ltd
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Home Owners' Committee

9 April 2024

Committee Secretary
Housing, Big Building and Manufacturing Committee
Parliament House
George Street
Brisbane, Qld. 4000

Dear Committee Secretary,

Thank you for the opportunity to make a submission to the Committee regarding the Manufactured Homes Amendment Bill.

The Home Owners' Committee at RV Oceanside Lifestyle Village, Burnett Heads, consider the proposal to cap the annual general site rent increase at the higher of CPI or 3.5% is inequitable for home owners.

In 2022 and 2023 our site rents were increased by CPI at 7.3% and 6.3% respectively which has substantially increased the base site rent rate for the 2024 increase. Under the proposed changes, our site rents would increase by a minimum of 3.5% this year even if the CPI was lower. Such a change can only be to the benefit of the park owner.

As we have seen in recent years, CPI is volatile and basing site rents on annual CPI alone provides uncertainty to home owners, many of whom either on fixed pensions or pension that do not keep up with cost of living increases to the point where any increases to their pensions are fully consumed by site rent increases. Additionally, park owners are not directly affected by many of the items contained in the CPI 'basket' which raises in the question of whether the annual CPI is an appropriate stand-alone basis for site rent increases.

Alternative options to inform site rent increases may include a fixed percentage, reviewed every 3-5 years, or a rolling CPI average over 5 or 10 years. Both would result in steady increases each year providing home owners with more budget certainty.

Over the last 20 years the CPI average for Brisbane and the eight capital cities was 2.9% and 2.7% respectively so it would be reasonable to set a capped site rent increase at 3.0%. Equally, a rolling average CPI increase would minimise fluctuations to annual site rent increases. We acknowledge park owners would bear the impact of higher annual CPI years in the short term but the longer-term result would be far more equitable for all.

Thank you for considering our submission.

Yours sincerely

David Trudgian

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