




Speech By
Hon. Meaghan Scanlon

MEMBER FOR GAVEN

Record of Proceedings, 21 March 2024

MANUFACTURED HOMES (RESIDENTIAL PARKS) AMENDMENT BILL

Introduction

 **Hon. MAJ SCANLON** (Gaven—ALP) (Minister for Housing, Local Government and Planning and Minister for Public Works) (11.58 am): I present a bill for an act to amend the Manufactured Homes (Residential Parks) Act 2003 and the legislation mentioned in schedule 1 for particular purposes. I table the bill, the explanatory notes and a statement of compatibility with human rights. I nominate the Housing, Big Build and Manufacturing Committee to consider the bill.

Tabled paper: Manufactured Homes (Residential Parks) Amendment Bill 2024 [426](#).

Tabled paper: Manufactured Homes (Residential Parks) Amendment Bill 2024, explanatory notes [427](#).

Tabled paper: Manufactured Homes (Residential Parks) Amendment Bill 2024, statement of compatibility with human rights [428](#).

This bill will improve fairness and transparency for the 38,000 Queenslanders who already call residential parks home and thousands more seniors, in particular, who will consider parks as a retirement living option in the years ahead. The bill delivers on our commitments to address concerns about site rent increases and unsold homes in residential parks.

As part of our Homes for Queenslanders plan, we reaffirmed our commitment to continue to modernise the housing legislative framework to improve consumer protections in residential parks while making sure it is still viable for investors and operators to provide this housing option. In 2022 we heard from more than 2,200 home owners about their experiences in residential parks, with many highlighting significant financial pressures caused by unpredictable and unsustainable site rent increases, with impacts on their cost of living and their confidence in their decision to invest in a residential park.

We are introducing this bill to rebalance the relationship between park operators and home owners. Modern residential parks are usually marketed as 'lifestyle' communities for people over 50. For many people, they are an alternative to retirement villages. The way that these parks operate is that home owners own their home but not the land underneath, with site rent set by park operators.

Most of these home owners are pensioners on low, fixed incomes who often buy a manufactured home with proceeds from the sale of their family home, making them particularly vulnerable to unaffordable site rent increases and potentially unfair business practices. Compounding this, home owners have a limited ability to move if site rent in their residential park becomes unaffordable, as modern manufactured homes are expensive and impractical to relocate and it is unlikely homes will be accepted into a different park.

A home owner may have no other option than to sell, but they must continue paying site rent until a buyer is found to take over the obligation to pay site rent. Meanwhile, park operators have control over most factors influencing the sale of homes including site rent levels, park amenity and maintenance. They often also act as selling agents for departing home owners. This imbalance of power favouring park operators and the financial risk borne by home owners means that additional protections are required in the Manufactured Homes Act.

The bill will provide greater clarity and predictability of costs for consumers which is vital, especially for people on a fixed income. We will prohibit market rent reviews in new site agreements and stop them being used in existing site agreements. Market reviews have been a significant cause of financial and emotional stress to home owners. Home owners have reported site rent increases of 10 to 30 per cent from market rent reviews. Home owners have told us that when they made a decision to buy into a park they could not possibly have predicted or planned for such increases.

In some cases, site rents have been discounted while a park is under development to attract people to buy new homes while parks are being developed, just to be increased steeply once the park is full. To protect vulnerable Queenslanders, a strong regulatory response is warranted to stop market rent reviews entirely. This will provide relief for current home owners already stressed about their next market rent review and ensure home owners can predict future costs with greater confidence.

The bill will also limit annual site rent increases for current and future home owners to the higher of CPI or 3.5 per cent. Again, this will provide much greater predictability for home owners and will create greater alignment between increases in site rent and the age pension. Limiting rent increases is a regulatory response that reflects the unique risks of the residential park market and the specific vulnerabilities of its consumers. These reforms will be reasonably balanced by allowing park operators to reset site rents to a reasonable market rate at the point where a manufactured home owner sells their home to a new incoming home owner. This provides fairness and transparency to home owners while allowing park operators to adjust site rents, as required, in a transparent way. The bill will also establish a head of power to prescribe the basis on which site rent can be increased.

Through our consultation we heard that home owners can feel 'stuck' in a residential park if their circumstances change and they wish to sell. The bill will establish a scheme which requires park operators to reduce site rent and buy back unsold manufactured homes provided homes are eligible for the scheme, home owners opt in and park operators have adequate opportunity to sell the home. The scheme will reduce the risk of homes remaining unsold for long periods and incentivise park operators to prioritise the sale of previously owned homes. This encourages park operators to take responsibility for maintaining the quality and amenity of the parks and keeping site rents at a reasonable level in order to attract prospective new home owners. After an eligible home owner has opted in to the scheme and the home remains unsold after six months, home owners will be eligible for a 25 per cent rent reduction. This will limit the financial liability of home owners where they experience significant delays in selling their home.

In addition to the buyback and site rent reduction scheme we will streamline the sales process, with updated disclosure requirements and removal of the complexities associated with assignment of existing site agreements from previous owners to new owners. Now it will be easier for all parties involved in the sale, with new site agreements to be made between the park owner and new buyer. Assignment will be retained in limited circumstances for transfers between relatives. Incoming home owners will receive beneficial terms related to utilities and services, while park operators will be able to reset site rents to a reasonable market rate, given that home owners can live in parks for a long time.

The bill also includes amendments to improve transparency and accountability, including new requirements for maintenance and capital replacement plans and park comparison documents, and stronger requirements regarding the registration of residential parks with the regulator.

The bill modernises the act's termination provisions, allowing the Queensland Civil and Administrative Tribunal to consider a broader range of factors to ensure home owners are appropriately compensated where it might be necessary to terminate site agreements. The package includes safeguards to ensure park operators can adjust to the reforms, including phased implementation and further consultation with the industry on park comparison documents, and maintenance and capital replacement plans. The bill also requires that a review of the impact of the reforms be commenced within three years to ensure they are having their intended impact.

Finally, but importantly, to underscore the purpose of these reforms and help with interpretation, the bill will introduce new objects into the act including 'protecting home owners from unfair or excessive increases in site rent' and 'preserving the safety and security of tenure for home owners'. The bill delivers a robust set of much needed consumer protections for Queensland seniors while supporting a fairer, more stable and attractive residential park industry for consumers and investors.

I would like to acknowledge the work and contribution of manufactured home owners across Queensland. In particular, I would like to acknowledge those present in the gallery today—Roger, Sharon and Patrick. There are a number of you in the gallery today. I would like to acknowledge your advocacy, along with many members of parliament on this side who have also raised your concerns with me and the government to ensure we are here introducing these laws today. I commend the bill to the House.

First Reading

Hon. MAJ SCANLON (Gaven—ALP) (Minister for Housing, Local Government and Planning and Minister for Public Works) (12.07 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

An incident having occurred in the public gallery—

Madam DEPUTY SPEAKER (Ms Lui): Order! Order in the gallery!

Referral to Housing, Big Build and Manufacturing Committee

Madam DEPUTY SPEAKER (Ms Lui): In accordance with standing order 131, the bill is now referred to the Housing, Big Build and Manufacturing Committee.