



Supporting Queensland Manufactured Home Owners

UPDATE FROM AMHO 3rd JUNE 2024 **Manufactured Homes (Residential Parks)** **Amendment Bill 2024**

The Bill was passed at the second reading by the Queensland Parliament on Thursday 23 May 2024 and this week the AMHO Management Committee met with the Regulatory Services Unit (RSU) which is charged with rolling out the changes. The changes will happen in three distinct stages.

On Assent – the amendments require the Governor’s signature. This is expected to happen between 27 May and 10 June 2024 (depending on the Governor’s availability):

- Removal of the Market Rent Review as a method to increase site fee rent
- Restrictions on increasing site rent under the site agreement is limited to the greater of either CPI (All Groups Index Numbers Weighted Average of Eight Capital Cities) or 3.5%
- The additional objects are inserted into *The Manufactured Homes (Residential Parks) Act 2003* (the Act) to ensure additional consumer protections
- The Buyback and Rent Reduction Scheme commences and this process is also added to the Act as a Residential Park dispute
- Amendments to the termination of site agreements by QCAT and changes to Termination Orders and Compensation Orders to support implementation of the Buyback and Rent reduction scheme
- Commitment by Housing Minister to review the effect of the amendments within three years from Assent (by 2027)

Six months after Assent – by the end of 2024

- **New** site agreements must include at least three approved options for the homeowner to pay rent at least one of which not incurring additional cost to the homeowner. There is a 12 month period for park owners to comply with this for current site agreements

By Proclamation – 12 to 24 months

- Buyers will sign a new site agreement – assignment of a site agreement is restricted to a transfer of the chattel (the home) to a relative of the homeowner (spouse; child/step-child; parent; sibling etc)
- Registration of parks in an approved form
- Creation of a Residential Park Register
- Requirement for Park Owners to have a website which can display the Park Comparison Document (PCD) in an approved form. The PCD will also form part of the disclosure documents for a buyer. This will include the site rent (or range of site rent)
- Site Agreement becomes a mandatory approved form – new forms to be developed by RSU for new homeowners
- The Park Owner must prepare a Maintenance and Capital Replacement Plan for the park – and must provide a copy to the HOC or homeowners on request.

So what does this mean for you?

The Market Rent Review can no longer be used as a method for the annual site fee increase. For those parks who are currently undergoing a Market Rent Review, the process must be completed. However, the increase cannot be more than 3.5% or CPI whichever is the greater. At the moment, the CPI is 3.6%, so no more 10% to 30% increases! The Market Rent Review site fee increase must be replaced by a method that **is already in the site agreement**, eg

- if the increase is 3%/3%/Market Rent Review then the increase will be 3%
- if the increase is CPI/CPI/Market Rent Review with no other option, then the increase will be CPI
- if the increase is 3.5%/3.5%/Market Rent Review with no other option, then the increase will be 3.5%
- if the increase is 3% or CPI, whichever is the greater/ 3% or CPI, whichever is the greater/3% or CPI, whichever is the greater/ Market Rent Review, then if the CPI was 3.6%, the increase will be 3.6%. If CPI was 2.5%, the increase will be 3%.

A new method cannot be introduced.

For current site agreements the basic terms and conditions remain in place. **There is no need for homeowners to sign a new site agreement if it includes a Market Rent Review – it is the term that is void, not the site agreement.**

Annual Site Rent Fee increases: These cannot be more than 3.5% or CPI – whichever is the greater. Your current site agreement remains in place. So, if your annual increase is 3%, that will continue. For increases which are, for instance, 2% plus CPI, the increase now is limited to 3.5% or CPI whichever is the greater. At the present time CPI is 3.6%, so the increase will be 3.6% - the 2% becomes void. **Again, there is no need to change your site agreement - it is the term which is void, not the agreement.**

AMHO will be working with the Department in the development of communication and education materials and will be happy to explain in detail the benefits of this first raft of changes. If you would like to arrange for AMHO to deliver an information session at your park, please contact our Secretary, Carol Fitzpatrick, either by email secretary@amho.com.au or by phone on 0418 527 041.

After two and a half years of work, we are somewhat pleased with the results – the removal of the Market Rent Review and a ceiling on the annual site fee increase are steps in the right direction so that homeowners have some security in their financial arrangements going forward.

Alliance of Manufactured Home Owners Inc

Email: info@amho.com.au

Phone: 0418 527 041

www.amho.com.au

Mail: PO Box 349, Burpengary QLD 4505

A.B.N. 28 385 962 456 Incorporation No IA 4584501