

Supporting Queensland Manufactured Home Owners



JULY 2024 - SEPTEMBER 2024 NEWSLETTER

Dear Alliance Members,

We continue to live in times of change, not only the recently legislated amendments to the Act that were swiftly pushed through Parliament attached to other Legislation, but changes to your AMHO Management Committee. At our AGM held on Friday 28 June 2024, Roseann Whyte our President, along with Richard Homans also a founding member of AMHO, stepped down from their management roles. Roseann served as President and Vice President and will continue in her role as AMHO Webmaster. We thank them both for the energy, drive, and wisdom they have brought to the team at AMHO.

Your new 2024/2025 Management Team will consist of eight members –

- **President - Carol Fitzpatrick** - Hometown Ironbark, Aspley
- **Treasurer - Graeme Parr** – Solana Lifestyle, Bribie Island
- **Secretary - Betty Blythe** - Hometown Green Wattle, Burpengary East
- **Membership – Michael Anderson** - Golden Downs, Fitzgibbon
- **Committee - Bruce Hill-Webber** - Burpengary Pines, Burpengary
- **Committee - Fred Maddren** - Hometown Red Gum, Coombabah
- **Committee – Sue Bell** - The Anchorage, Hervey Bay
- **Committee – Neil Cooper** - Ingenia Lifestyle, Hervey Bay

Our three new management team members bring many skills to the AMHO committee.

Betty has served as President and Secretary of her HOC, also working closely with her local Member of Parliament. Neil brings his recent experience as a member of the 7 Park HOC Group who provided significant input into the recent Hervey Bay Parliamentary Hearing into the Amendments. Sue's recent experience of life in a manufactured home park under construction, has given her valuable insights into the ongoing implementation of protocols and procedures around site agreements and park operations.

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AMHO'S NEW AGENDA JULY 2024 –

While the Alliance applauds the government on the removal of the Market Rent Review, there are other aspects of the amendments and the existing legislation, which still need to be addressed.

A more efficient and effective dispute mechanism –

- **Appointment of an independent Ombudsman** – QCAT is not fit for purpose. It can take 2-4 years to hear disputes and has no power to enforce their rulings. Hence many park owners just ignore them or appeal decisions when residents have a win, using the full might of their legal resources. We must have an Ombudsman who specialises in disputes under the MHRP Act and who can give binding rulings on all matters relevant to residential parks.
- **Site Rental Fee Increase clause 69E (3)** – where there is a disputed site rental fee increase, the increase should not commence until the dispute is resolved. At the present time the increased fee must be paid until the dispute is settled through QCAT taking up to 4 years in some cases.

Capping the annual general site increase, ie 3.5% or CPI whichever is the greater –

This methodology is incorrect. It is not a cap at all – 3.5% is more than the annual pension increase, usually about 2% per year, meaning this increase percentage has already outstripped income. So, with the annual increase being the **greater** of 3.5% or the CPI, the homeowner is still unable to predict their annual site fee increase in the future.

Removal of Special Costs Raising Rents - Section 71

Where a site fee increase can be attributed to a significant increase in running costs. Park Owners own the land, infrastructure and communal facilities. Homeowners rent the land on which their home sits and have the use of the non-exclusive communal facilities. The Park Owner's business model which has between a 65% to 85% profit margin, should not require homeowners to make an additional contribution towards maintenance and running costs for land, infrastructure or communal facilities.

Utility Service and Access Fees –

Why are park owners including infrastructure charges (Service and Access fees) in Utility accounts? **Section 99A** needs to be clarified because as renters, recognised for the purposes of rent assistance, homeowners should only be paying for usage.

Industry Viability –

Why does the MHRP Act seek to ensure the viability of the park owners and only to protect the homeowners, as they need to be viable too?

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If this model becomes unsustainable for homeowners, there will be no industry. This industry is now developing in a different direction from what was originally an “affordable” housing model, with some Resort parks now offering homes priced over one million dollars.

Exit Fees –

The Government proposed in the C-RIS to “Amend the Act to resolve ambiguity around charging retirement village style exit fees and clarify that such fees are prohibited under the Act”. However, it became a **“Non-legislative response”** as although it was supported by home owners it was NOT supported by industry representatives and not included in the legislative changes. Does this mean they are proposing to introduce them?

(See below ABC 7.30 Report on Exit Fees being charged by some residential park owners in Victoria)

ABC 7.30 REPORT - 15 July 2024 –

Many of you will have seen the Adele Ferguson and Chris Gillett’s 7.30 Report Investigation on Victorian Lifestyle Villages where Exit Fees are being levied. For those of you who may have missed this, below is a link to the full story.

'I'm in a financial prison': The retirement villages leaving retirees feeling trapped

Land lease communities, where retirees buy their home but rent the land, are booming, fuelled by a housing affordability crisis and an aging population. But some residents say they feel trapped in a “financial prison” and experts say a lack of legal protections leave some with few options for redress.

Use this link to [Read the full story](#)

There are homeowners in Queensland with a type of exit fee in their site agreements, that is disguised as communal refurbishment fees, which can demand tens of thousands of dollars as exit fees (a couple paid \$30,000). When these parks were sold, the new owners refused to remove this clause, but continue to advertise that their villages have “No Exit Fees”. AMHO has visited the residential parks who are impacted by this arrangement and can assure you that very little seems to have been spent on the communal facilities for many years. Again, the government were advised of this issue. But because the site agreement sets out this as a fee requirement, there was nothing they could do, except change it via an amendment to legislation.

Our question is why was the proposed amendment in the C-RIS on ‘Exit Fees’, clarifying that such fees are prohibited under the Act dumped? Was it simply because industry representatives did not support it? The park owners also did not support the removal of the Market Rent Review or the addition of a Buy Back Scheme. However, the government went ahead with both these amendments!

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How the Changes Affect You Now -

Your current site agreement's basic terms and conditions remain in place. **If your site agreement includes a Market Rent Review, there is no need for you to sign a new site agreement, as it is the Market Rent Review clause that has become null and void.** Earlier in the year some park owners had been suggesting that new site agreements would be required once the Legislation had been passed. **Untrue, again there is no need to change your site agreement.**

Amendments now in place are - restrictions on site rent rises to the greater of either CPI or 3.5% (pretend cap); CPI (All Groups Index Numbers Weighted Average of Eight Capital Cities) to be used when calculating rent rises; Buyback and Rent Reduction Scheme; Amendments to the termination of site agreements by QCAT; a commitment by the Housing Minister to review the effect of the amendments within three years from Assent (2027).

Re the Housing Minister's commitment to review the effect of the amendments within three years from Assent (2027) ... we will be taking our lead from the word '**within**' in that statement and have already commenced working through our AMHO Agenda (pages 2 & 3).

This is an important time for homeowners living in residential parks. You have provided input over the past two years to government and they claimed to have listened, however have they heard? This is the amended legislation under which you must live, you have every right to ask questions and to have input with your local Member of Parliament on how their actions are affecting you.

We ask the question – Are the recent Amendments provided under the Manufactured Homes Residential Parks Act sufficient to protect your investment and lifestyle?

**BOOK AMHO NOW
TO VISIT YOUR PARK TO PROVIDE INFORMATION
ABOUT THE RECENT CHANGES TO THE ACT
Contact Betty at secretary@amho.com.au or call 0418 527 041**

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