



## The big money boys are coming after your savings and pensions.

Greeting all and may 2015 see some real protections for home owners living in residential parks inserted into the Act Review and offending park operators actually who breach the Act be dealt with appropriately.

This newsletter is about the future of the Residential Parks industry and how the ageing population is expected to fill the coffers of the big money boys. The two following articles have been lifted from the financial pages of two separate newspapers and while we have condensed the articles for space saving purposes, they still tell the true story of what is intended for the residential parks industry. Incidentally, you will notice as you read this newsletter that our homes are still classed as relocatable. Don't you just love it?

Item one, this article is taken from the Brisbane Courier Mail dated the 8 March 2013:

By Mr Todd Pepper Director of Alceon Queensland trading as Gateway Lifestyle Residential Resorts.

Mr Pepper said: *"The combination of an ageing population and the urgent need for affordable housing has combined to create a growing niche market – manufactured home parks for the over 50s. Following the lead from north America and Europe a number of countries have hitched their wagon to the sector, recognising significant revenue can be generated".* Mr Pepper continued: *"My background is not about running over 50s parks. It's about securitising cashflows based on the risk of those cash flows. From my perspective, the risk from a manufactured home park is significantly less than most other property classes. Mr Pepper said Alceon wanted to develop more home parks and was looking to double the number of Gateway communities".* Continuing the article: According to Alceon the average leveraged returns to investors are between 12 – 25 percent depending on the level of expansion available. (Emphasis by writer)

Item 2, this is taken from the Gold Coast Bulletin dated 3 January 2015 and refers to the ageing population living longer and how to supply (and don't laugh) affordable seniors accommodation.

*"Addressing this growth will inevitably create various stresses, but for those with the vision and the capacity to strategically allocate capital, the opportunity to achieve long term superior returns is present"* analyst Martin Jacobs said.

*"More companies are rolling out low cost manufactured housing under land – lease arrangements, often taking over traditional caravan parks. Residents own their homes and gain a long term lease over the land. They also pay a site fee to cover resort – style communal facilities, providing investors with a constant income stream. Because the homes are technically portable (probably like a toilet on a building site) residents often qualify for federal government rental assistance".*

*"America's \$96 billion Blackstone Group took a stake in the privately owned National Lifestyle Villages in November. One of the nation's fastest growing companies in the space is ASX listed Ingenia Communities. It owns close to 60 seniors communities containing 4500 properties and has a development pipeline of 1000 new homes".*

*“Over the last two years Ingenia has snapped up 20 caravan parks along the east coast and fitted them with modular homes. Ingenia last year raised \$89 million to fund the acquisition of new parks, saying southeast Queensland and northern NSW were specific targets”.*

So there you have it, this is the future for residential parks and you will note that we have not yet progressed beyond the title of **manufactured homes** which surely must raise the question in the minds of residents who have paid a million dollars for their homes located in a mobile home park under the Manufactured Homes Residential Parks Act.

#### Some points to ponder

It would seem that the way the residential parks industry is heading it will be controlled by big investment companies whose prime concern will not be their client home owners but concentrated on making as much money as possible for their investors.

This will suit government because it lifts the burden of responsibility for the aged from government and places the responsibility on the big investment companies and any laws for so called protection of home owners in residential parks will be piecemeal at best. Government is for sale to the highest bidder and once the money is in the kitty, government will not rock the boat, we residential parks dwellers are on our own and at the mercy of the moneymen.

There is also the question of manufactured/mobile homes because they do not comply with the tie down provisions of the Australian Building Code and we know that the weather patterns are changing and becoming more volatile. This raises the further question of insurance on our homes. Will insurance companies be inclined to insure a structure that is not secure aside from the possible injury to the occupants of the homes?

Also notice that we LEASE the land, we do not just have license to use the land as has been claimed by a certain law company for park operators. This places us firmly under the *Property Law Act 1974* as we have always claimed.

What can we do? Well, we vote and we know from some of our informed ARPQ members that the greatest fear of politicians is losing their seats and being found out by the media for their devious activities. So the only remedy we have is to keep changing the government come election time until one party gives an absolute guarantee in writing that they will abide by the *Legislative Standards Act 1992* and also put into writing exactly what protections they will legislate to give us real enforceable protections and prosecute park operators who offend.

Some may recall two currently sitting senior LNP members at a public meeting on the Sunshine Coast back in 2008 telling the home owners in residential parks, “If you do nothing, you will get nothing”.

You're ARPQ Committee