

Fact Sheet 9: Varying Site Rent



Right where you live

Better rights for home owners in residential parks

Varying Site Rent

The process for the periodic variation of site rent is strictly controlled by provisions contained in the *Manufactured Homes (Residential Parks) Act 2003* (the Act).

Varying Site Rent in Accordance with a Site Agreement (General Increase)

Park Owners are required to ensure that site agreements clearly state the basis for working out the amount of an increase in site rent.

Examples of these bases include:

- A percentage of the current site rent worked out by reference to the Consumer Price Index (CPI)
- A market review of site rent
- A straight percentage increase of site rent

The Park Owner can only use one basis. Regardless of which method and basis is used to vary site rent, only one general increase is allowed per year. For 'special increases', see below.

Additionally, the Park Owner must nominate a 'general increase day', from when all sites in the park must pay the new site rent. This is achieved by the Park Owner issuing a 'general increase notice' (Form 12), which must be provided to home owners at least 35 days before the 'general increase day' and include the following:

- The amount of the proposed increased rent
- The basis for increasing the site rent
- The amount of proposed increase in site rent and the basis on how the increased site rent has been worked out
- The day the increased site rent is first payable (the 'general increase day')
- The date the notice was issued to the home owner

If a market review is to be proposed, the Park Owner must consult with the Home Owners' Committee (HOC) on the preparation of a market valuation for the park. If there is no HOC, they must consult 2 or 25% of all home owners, whichever is the greater. The increase notice must be accompanied by a market valuation prepared by a registered independent valuer.

If a home owner, or group of home owners, dispute the amount of the proposed increase on the grounds that it is excessive, a 'residential park dispute' can be initiated by giving the Park Owner a 'dispute negotiation notice' (Form 11) within 28 days of receiving the 'general increase notice'.

For more information in dispute resolution, see 'Fact Sheet 11: Dispute Resolution'.

Amendments to the *Manufactured Homes (Residential Parks) Act 2003* (Qld)

There have recently been some changes to the *Manufactured Homes (Residential Parks) Act 2003* (Qld). 'The Act' for short.

You may be affected by its recent amendments.



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Varying Site Rent To Cover Special Costs (Special Increase)

Special costs are defined by the Act as those incurred by the Park Owner relating to operational matters, repairs and upgrades. The provisions of the Act for these special costs always apply, even if your site agreement includes other clauses or details about increasing site rent to cover special costs.

To follow due process, the Park Owner must issue a 'special increase notice' to all affected home owners at least two months prior to the increase day, stating:

- The type and amount of the special cost
- The purpose of the special cost
- The amount of the proposed special cost increase
- How the proposed increase has been worked out
- The day the notice is given to the home owner
- For a notice relating to a repair cost or upgrade cost, the period for which the increase will be payable

Within 28 days of receiving the notice, a home owner must respond to the proposed increase. If they do not agree to the increase, they are taken to have disputed it. If an upgrade to the park is proposed, the increase must be agreed to by 75% of affected home owners.

In both of these situations, if the increase is disputed, a Park Owner can refer the matter to the Queensland Civil and Administrative Tribunal (QCAT) for a ruling.



Rightwhereyoulive.org.au
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Please contact Associated Residential Parks Queensland (ARPQ) for more information

Phone: (07) 3040 2344

www.arpq.org.au

Queensland Retirement Village and Parks

Advice Service

QRVPAS (formerly PAVIL), situated at Caxton Legal Centre, provides information, advice and assistance on the law relating to manufactured homes.

Phone: 07 3214 6333

Do you have a hearing or speech impairment?

If you are deaf, or have a hearing or speech impairment, contact us through the National Relay Service. For more information, visit:

www.relayservice.gov.au

Do you speak a language other than English?

If you need an interpreter, please contact the Translating and Interpreting Service (TIS) on **131 450** and provide them with the number you want to call

Disclaimer: This fact sheet provides information only and is not intended to provide legal advice