

Fact Sheet 2: Buying a Manufactured Home



Right where you live

Better rights for home owners in residential parks

What is a Manufactured Home in a Residential Park?

Residential parks are blocks of land governed by the *Manufactured Homes (Residential Parks) Act 2003*. There are mixed parks, holiday parks and parks developed specifically for older people, often marketed as over 50s lifestyle resorts that can offer financial and lifestyle advantages over other alternatives. However, owning a manufactured home in a residential park is not the same as owning a conventional house.

Did You Know?

- Manufactured homes are subject to their own unique legislation
- You do not own the land the manufactured home is on. You will have one contract for purchasing the home and another contract for renting a site from a park owner. These are completely separate.
- You only have a limited influence over how their residential park is managed and operated. You are also required to abide by prescribed rules.
- In certain limited circumstances, the Park Owner can terminate your site agreement, requiring you to remove your home and vacate your home site.

The Purchase Process

You can buy a new manufactured home from a Park Owner, or you can buy an existing home from a current home owner, often with the Park Owner acting as an agent for the seller. Either way, two separate legal transactions are involved. The first is the purchasing of the home. If you buy a new home from a company that builds manufactured homes, your contract will usually carry certain warranties and guarantees regarding defects. However, if you buy an existing home from a previous home owner, your purchase contract may not come with any warranty.

The second legal transaction is for a site agreement relating to your home, which allows you to occupy land in a residential park. This is a separate contract and Park Owners are not liable for your home unless specified in your purchase contract. Otherwise the liability lies only with the seller as per your warranty, if you have one. If you are considering purchasing a manufactured home, it is recommended that get legal advice about the purchase contract, obtain a written copy of any warranty that applies and also make your own due diligence enquiries such as obtaining a building or pest inspection.

Before you move into a residential park, you must be provided with the Disclosure Documents for the park, including:

- *The Home owners information document* (Form 1)
- The park rules and any proposed changes to those park rules
- Two copies of the proposed site agreement, OR
- A copy of the existing site agreement with the home owner

You should also receive a document detailing the site rent to be charged:

- As proposed for a new home, OR
- As currently paid for an existing home

After entering into a site agreement with a Park Owner, there is a 28 day cooling off period during which you can change your mind.

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Site Agreements

A site agreement covers all the terms and conditions for occupation of the land that you will rent, including the obligations and responsibilities of each party and how site rent is to be varied. It contains both 'standard' and 'special terms'. Standard terms are conditions outlined in legislation and included in all site agreements. Special terms relate to an individual residential park, and are not prescribed by legislation. In theory, these special terms can be negotiated, however each park is different and as such, you may need to get specific advice about what obligations these special terms impose before you sign a contract.

It is important to note that a wide range of special terms are now **prohibited** under the *Manufactured Homes (Residential Parks) Regulation 2017* – for specific information, see 'Fact Sheet 7: Prohibited Special Terms'.

Legal Advice

Before making a final decision to buy a manufactured home, everyone should seek help from a lawyer who is familiar with the *Manufactured Homes (Residential Parks) Act 2003* and the *Manufactured Homes (Residential Parks) Regulation 2017*, to get advice on any potential issues, contractual rights and obligations, and general information about living in a residential park.

Caution is advised when buying a conventional house because of the magnitude of the decision. The same caution needs to be exercised when buying a manufactured home.

Rightwhereyoulive.org.au
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Please contact Associated Residential Parks Queensland (AR PQ) 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