

# Manufactured Homes (Residential Parks) Amendment Regulation 2025

Explanatory notes for Subordinate Legislation 2025 No.119

made under the

*Manufactured Homes (Residential Parks) Act 2003*

## General Outline

### Short title

*Manufactured Homes (Residential Parks) Amendment Regulation 2025*

### Authorising law

Section 17 of the *Acts Interpretation Act 1954*

Sections 25(4)(l), 56B(1)(b), 69A, 146 and Schedule 1 of the *Manufactured Homes (Residential Parks) Act 2003*

### Policy objectives and the reasons for them

The *Manufactured Homes (Residential Parks) Amendment Act 2024* (the Amendment Act) received assent on 6 June 2024.

The Amendment Act included a suite of regulatory reforms to be delivered in stages, addressing unfair site rent increases and resolving issues associated with selling manufactured homes.

The policy objective of the *Manufactured Homes (Residential Parks) Amendment Regulation 2025* (Amendment Regulation) is to support provisions of the Amendment Act commencing on 6 December 2025 that prescribe information that must be included in site agreements, sale agreements and disclosure documents, and the approved bases on which site rents can increase.

The reforms commencing on 6 December 2025 will streamline and standardise disclosure documents for the sale of a manufactured home, standardise the bases for increasing site rents when manufactured homes are sold and ensure certain matters are included in site agreements and sale agreements, ensuring key information and conditions are clear and transparent for prospective manufactured home owners.

## Achievement of policy objectives

The policy objectives of the Amendment Regulation are achieved by prescribing required information for a simplified precontractual disclosure document, site agreements and sale agreements, and by prescribing approved bases on which site rents can increase in new site agreements. The Amendment Regulation also includes a clarifying amendment relating to the content of residential park comparison documents.

### Site agreements

Section 25(4)(l) of the *Manufactured Homes (Residential Parks) Act 2003* (MHRP Act) provides that a site agreement must comply with any requirement which may be prescribed under a regulation. Clause 6 of the Amendment Regulation inserts section 2E into the *Manufactured Homes (Residential Parks) Regulation 2017* (MHRP Regulation), which requires that site agreements must:

- state that any park rules in force for the residential park are taken to form part of the site agreement
- include descriptions of any utilities supplied to the site and any utilities which are included in the site rent payable for the site
- state whether landline telephone and/or internet services are available to the site and, if available, whether these services are included in the site rent amount
- where a site agreement provides for a 'for sale' sign to be placed on site, state any requirements which apply to its placement on the site
- state whether or not the park owner may require that the home owner reposition their home on another site within the park
- state any external features of the site that the home owner must maintain
- state any external features of the site that the park owner must maintain
- state whether a home owner may rent the site on which their home is positioned to another person on a temporary basis.

### Prescribed bases for site rent increases

New section 69A of the MHRP Act provides that a park owner must ensure that the site agreement states the basis for working out the amount of an increase in site rent, and that this basis is one prescribed by regulation. Transitional provisions in section 202 of the MHRP Act ensure these requirements only apply to new site agreements, and that site agreements entered prior to commencement of this section continue to have effect (other than use of market review of site rent, which is prohibited as a basis for site rent increases in existing site agreements). Clause 9 of the Amendment Regulation inserts section 4A into the MHRP Regulation, which prescribes the following allowable bases for increasing site rent in a new agreement:

- the Consumer Price Index (CPI)
- a fixed percentage (for example 3 per cent)
- a fixed amount (for example \$8)
- a formula which apportions increases in local government rates for the residential park across home owners

- the higher or lower of two prescribed bases (for example a fixed percentage or CPI)
- a formula which adds any two prescribed bases (for example CPI + 1 per cent).

If a park owner wants to use a new basis that is not yet prescribed, they can request the basis be considered for inclusion in the regulation.

The site rent increase bases prescribed in the Amendment Regulation work in conjunction with an annual limit on site rent increases at the higher of CPI or 3.5%, which commenced on 6 June 2024. If a site rent increase calculated through an approved basis is higher than the annual limit, the increase will be capped at the higher of CPI or 3.5%.

## **Sale Agreements**

New section 56B of the MHRP Act requires a seller to ensure that a sale agreement includes information prescribed by regulation. Clause 14 of the Amendment Regulation inserts new Schedule 3 into the MHRP Regulation, which prescribes the following information that must be included in a sale agreement:

- the name, address, phone number and email address for each of the following: seller, seller's solicitor (if applicable), seller's agent (if applicable), buyer, buyer's solicitor (if applicable), and buyer's agent (if applicable)
- the name and address of the residential park, the name, address, phone number and email address of the park owner, and the location of the manufactured home in the residential park
- details of the manufactured home, including number of bedrooms and bathrooms, unique identifying number or other feature (if known by the seller), fixtures not included in purchase price, details of any additions or alterations to the manufactured home if known by the seller, and details of related permissions and approvals from the park owner or relevant local authorities
- the sale transaction: sale price, how and when payment is to be made, the date ownership is to be transferred  
the rights of the buyer to terminate the site agreement within the cooling-off period, and the circumstances in which this will automatically end the sale agreement
- if there is more than one buyer, whether the home is held by the buyers as joint tenants or tenants in common.

## **Precontractual Disclosure Document**

Under new section 29 and Schedule 1 of the MHRP Act, existing precontractual disclosure documents are replaced by a simplified precontractual disclosure document which details the home owner's rights and obligations when living in a residential park. The document must include the information prescribed in Schedule 1 and any other information prescribed by regulation. Clause 14 of the Amendment Regulation inserts

new section Schedule 2 into the MHRP Regulation, which prescribes the following additional information that must be included:

- the MHRP Act definitions of manufactured home, residential park, home owner, park owner, site agreement, sale agreement, park rules and CPI
- a description of the process for buying or selling a manufactured home
- details of the buyback and site rent reduction scheme
- a description of the process for changing park rules
- information about establishing and operating a home owners committee.

### **Residential Park comparison document**

Section 18I of the MHRP Act requires park owners to publish a residential park comparison document. Schedule 1 of the MHRP Regulation already prescribes information that must be included in the residential park comparison document which includes a copy of the park rules for the residential park.

Clause 13 of the Amendment Regulation makes a clarifying amendment to Schedule 1 of the MHRP Regulation to recognise that a park may choose not to have park rules and only needs to include park rules in the comparison document where they are in force for the park.

### **Consistency with policy objectives of authorising law**

The Amendment Regulation is consistent with the objectives of the MHRP Act.

### **Inconsistency with policy objectives of other legislation**

The Amendment Regulation is consistent with the policy objectives of other legislation.

### **Alternative ways of achieving policy objectives**

There are no alternative means of achieving the policy objectives of prescribing approved bases on which site rents can increase in new site agreements or requiring content in the simplified precontractual disclosure document.

An alternative way of requiring information to be included in the site agreement and sale agreement would be to implement information requirements administratively in approved forms. However, it is considered that greater consistency and compliance will be achieved by prescribing this information by regulation.

### **Benefits and costs of implementation**

The Amendment Regulation is not expected to result in a significant cost burden on the residential park sector or on the capacity of government institutions. The amendments are expected to have a positive impact through reducing complexity and making it easier for home owners to understand their rights and obligations when purchasing a manufactured home.

There may be minor costs resulting from the new requirements. Costs may include administrative and compliance costs for park owners in updating their site and sale agreements to meet the new information requirements of the Amendment Regulation, and minor administrative costs associated with the new precontractual disclosure process and providing the precontractual disclosure document to consumers.

These costs will be offset by streamlining disclosure documents compared to current requirements through merging two disclosure documents into one and removing duplication with the site agreement. The simplified precontractual disclosure document is primarily a package of standard information to be provided by park owners to consumers with little park-specific information required. The new precontractual disclosure requirements are a minimal change from existing disclosure practices. New approved form site agreements will also be published by the department, updating an existing form already in use by industry, offsetting any minor cost to industry from the regulation.

## **Consistency with fundamental legislative principles**

The Amendment Regulation has been drafted considering the fundamental legislative principles outlined in section 4 of the *Legislative Standards Act 1992* and is consistent with these principles. Sufficient regard has been given to the rights and liberties of individuals and the institution of Parliament.

## **Consultation**

On 19 February 2025, the department wrote to key stakeholders, including peak bodies representing home owners, industry groups representing park owners, and legal advocacy groups, seeking preliminary feedback on prescribed bases for increasing site rent and requesting examples of existing sales contracts to shape the development of regulation requirements.

On 14 May 2025, key stakeholders were consulted on draft forms for the approved form site and sales agreements, the simplified precontractual disclosure document, and a consultation paper outlining the proposed requirements to be prescribed by regulation.

Key stakeholders consulted included the Alliance of Manufactured Home Owners, Queensland Manufactured Home Owners Association, Caravanning Industry Association of Australia, Caravan Parks Association of Queensland, Council on the Ageing, National Seniors Australia, Property Council of Australia, Queensland Law Society, Queensland Retirement Village and Park Advisory Service, and Urban Development Institute of Australia.

Industry stakeholders opposed prescribed site rent increase bases in principle, raising concerns that it would limit future innovation, while some consumer groups thought the list of prescribed bases should be narrower and only include the most simple and transparent bases such as CPI, or fixed percentages.

Stakeholder feedback on new requirements for contracts and precontractual disclosure was diverse, with both industry and consumer stakeholders requesting wording changes or that various additional information be included in the forms. Feedback has been incorporated into the Amendment Regulation where necessary and practical. Proposed requirements in relation to an approved form sale agreement have been postponed in response to consultation feedback to enable further consultation on the content of an approved form.

The Amendment Regulation balances stakeholder views by allowing park operators to use existing practices for increasing site rents, with clearer provisions for consumers where site rent increases are based on a formula which includes an increase in government charges, which are now specified as local government rates and charges.