

Impact Analysis Statement

Summary IAS

Details

Lead department	Department of Housing and Public Works
Name of the proposal	<i>Manufactured Homes (Residential Parks) Amendment Regulation 2025</i>
Submission type	Summary Impact Analysis Statement
Title of related legislative or regulatory instrument	<i>Manufactured Homes (Residential Parks) Act 2003</i>
Date of issue	August 2025

What is the nature, size and scope of the problem? What are the objectives of government action?

As at 30 June 2025, there were 211 residential parks in Queensland with 28,770 manufactured home sites and approximately 40,000 residents. Market analysis for the Residential Parks Decision Impact Analysis Statement, published in October 2023, estimated that there will be between 9,500 and 10,300 more manufactured homes in 55 new residential parks planned for development over the next decade.

Manufactured home owners make a significant financial investment to buy into a residential park and are liable for the ongoing cost of site rent for as long as they own their manufactured home. Over a number of years, home owners, home owner groups and community groups identified problems with unpredictable and unsustainable site rent increases and delays in selling a manufactured home.

For retirees who are on fixed incomes, unpredictable site rent increases that are higher than expected and budgeted for at the time they purchased their manufactured home can undermine their housing security and ability to meet other essential living expenses.

Delayed sales can also have significant financial impacts for home owners. In addition to lack of access to capital tied up in their home, their obligation to pay site rent continues even if they are not living in the home or able to rent it out under the terms of their site agreement. Where home owners are required to move into aged care, they may need to pay a Daily Accommodation Payment for their aged care in addition to ongoing site rent.

In March 2024, after consultation with stakeholders to identify issues in relation to site rent increases and unsold manufactured homes, and after consultation on potential regulatory reforms through a Consultation Regulatory Impact Statement (C-RIS), the department published a Decision Impact Analysis Statement (DIAS) recommending reforms to the *Manufactured Homes (Residential Parks) Act 2003*.

The *Manufactured Homes (Residential Parks) Amendment Act 2024* (Amendment Act) received assent on 6 June 2024. It includes a suite of regulatory reforms to be delivered in stages, addressing unfair and unpredictable site rent increases, introducing safeguards in relation to unsold homes, while also enhancing consumer protections for future home owners through additional transparency and accountability, to be introduced progressively through regulation.

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 by prescribing the approved bases on which site rents can increase, information that must be included in disclosure documents, and information required to be included in site agreements and sale agreements.

These amendments support the MHRP Act objects (detailed in section 4 of the MHRP Act) of enabling home owners and prospective home owners to make informed choices and to protect them from unfair business practices, by facilitating disclosure of information about a residential park to prospective home owners, regulating the content of a site agreement and the variation of site rent, protecting home owners from unfair or excessive increases in site rent, and providing a clear regulatory framework to ensure certainty for the residential park industry in planning for future expansion.

What options were considered?

The regulation amendments are required to support the Amendment Act. Note that a full consideration of impacts of the Amendment Act was undertaken through a CRIS and DIAS, including consideration of the impacts of the regulatory amendments in the Amendment Regulation. 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 precontractual disclosure document.

The Amendment Regulation amends the *Manufactured Homes (Residential Parks) Regulation 2017* to establish requirements for sales and contracts reforms by prescribing:

- a set of approved bases for site rent increases under site agreements
- information which must be included in a disclosure document which must be provided to prospective home owners under the MHRP Act's precontractual disclosure process
- information required to be included in new site agreements and sale agreements.

The Amendment Regulation also makes a minor clarifying amendment to recognise that a park may choose not to have park rules and only needs to include park rules in a park comparison document where they are in force for the park.

Approved 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 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).

The Amendment Regulation prescribes the following bases for increasing site rent in new agreements:

- the Consumer Price Index (CPI)
- a fixed percentage (for example 3%)
- a fixed amount (for example \$8)
- a formula which apportions increases in local government rates 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 + a fixed percentage).

Pre contractual disclosure document

Amendments to section 29 and Schedule 1 of the MHRP Act replace existing disclosure documents with a single simplified disclosure document which will be published as a form by the department. The simplified precontractual disclosure document must include the information in schedule 1 of the MHRP Act and any information prescribed by regulation. The Amendment Regulation prescribes the following information which must be included in the disclosure document:

- the MHRP Act definitions of manufactured home; residential park; home owner; park owner; site agreement; sale agreement; home owners committee; park rules; 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 in a residential park
- information on establishing and operating a home owners committee.

Required information for 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), 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, any unique identifying number or feature, fixtures not included in purchase price, details of any additions or alterations to the manufactured home known to the seller, and details of related permission and approvals from park owner or relevant local authorities
- the sale transaction: the sale price, how and when payment is to be made, and the date ownership is to be transferred
- the rights of the buyer to terminate a site agreement within the cooling-off period, and the circumstances in which this will automatically end the sale agreement
- ownership arrangements if there is more than one buyer (e.g. joint tenants or tenants in common).

Information requirements for site agreements

Section 25(4)(l) of the 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 where park rules are in force for the park, they are taken to form part of site agreements
- 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 site agreements provide for a 'for sale' sign to be placed on site, state any requirements which apply in relation to placement of the sign
- 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 the home owner must maintain
- state any external features of the site that the park owner must maintain
- state whether or not a home owner may rent the site on which their home is positioned to another person on a temporary basis.

What are the impacts?

The Amendment Regulation results in minor or negligible additional costs for the residential park sector, home owners or on the capacity of government institutions, and of itself does not result in a change to policy. The amendments will have a positive impact by reducing complexity and making it easier for home owners to understand their rights and obligations when purchasing a manufactured home.

The regulation supports provisions of the Amendment Act, which has been passed by parliament, by prescribing the approved bases for site rent increases in new site agreements and required inclusions in the simplified precontractual disclosure document, sale agreements and site agreements.

The Amendment Regulation will not increase costs on the park sector, home owners or government as it does not introduce any new obligations with material compliance costs. In summary:

- prescribed bases for site rent increases reflect all existing practices used by park owners (with the exception of market rent reviews of site rents)
- prescribed precontractual disclosure information simplifies and consolidates existing disclosure information and does not expand information disclosure requirements

- prescribed information requirements for sale agreements are consistent with examples of sale agreements currently used in the residential park industry and elsewhere and are consistent with the level of information required for the management and execution of a contract, and
- new information requirements for site agreements do not add substantially to those already required under the MHRP Act.

Further detail on the impacts of each of these is briefly outlined below.

Prescribed bases for site rent increases

The regulation prescribes the methods that can be used by park owners to calculate increases to site rents. The prescribed bases will reflect all existing practices used by park owners (except for market rent reviews of site rent, which are prohibited under the MHRP Act) and will provide standardised terminology and clarity for consumers. The department consulted with stakeholders and no other examples of bases were identified as currently in use by park owners. The bases for increasing site rent under existing site agreements entered before commencement continue to have effect (other than market review of site rent). 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 future regulation. The intent of the reform is not to stifle innovation, but to ensure that bases for increasing site rent are clear and predictable for consumers.

Precontractual disclosure document

The regulation prescribes the information that must be included as part of the pre contractual disclosure process. This information will be published by the department in a form and will replace two existing documents: the initial disclosure document (Form 1A) and the supplementary disclosure document (Form 1B). The regulation simplifies and consolidates existing disclosure information and does not expand information disclosure requirements or add to the regulatory burden on stakeholders. Most required information will be prepopulated with parks required to provide only minimal information about their park.

Information requirements for sale agreements

The Amendment Regulation prescribes minimum information requirements for sale agreements, established by new section 56B of the MHRP Act which is to commence by proclamation on 6 December 2025. The required information does not exclude other information that sellers, park owners and other parties may wish to include in a sale agreement. The requirements specify that certain information must be included to enable all parties to manage their responsibilities and uphold their rights under the agreement and clarifies certain types of information required, for example names and contact details of parties to the agreement. The information requirements are broadly consistent with the minimum level of information required for the management and execution of a contract and are consistent with examples of sale agreements currently used in the residential park industry and elsewhere.

Information requirements for site agreements

The information requirements under new section 2E of the MHRP Regulation ensure that all new site agreements contain key information regarding a prospective home owner's rights and responsibilities when living in a residential park, and information regarding some services and potential costs which may be experienced when living in a residential park. The new information requirements do not add substantially to those already required under section 25 of the MHRP Act and facilitate a reasonable level of mandatory disclosure to prospective home owners through site agreements, with negligible cost and regulatory burden to park owners.

Who was consulted?

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 site and sales agreements, the Home Owners Information 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. The consultation package was also sent to a park owner who had requested to be involved in the process.

Industry stakeholders supported the streamlining of pre contractual disclosure documents but broadly opposed limiting site rent increases in new site agreements to prescribed bases, raising concerns that this will limit innovation, and are unnecessary given the existing cap on site rent increases at the higher of CPI or 3.5%. Conversely, consumer advocates provided feedback that 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 was diverse, with both industry and consumer stakeholders requesting wording changes or that various additional information be included. Feedback has been incorporated into the Amendment Regulation and forms where necessary and practical.

What is the recommended option and why?

The recommended option is to prescribe approved bases for increasing site rent and information to be included in Home Owners Information Documents, site agreements and sale agreements, ensuring key information for prospective home owners is available in an easily understood and comparable format, and ensuring consumer protections in relation to site rent increases established by the Amendment Act are upheld through a set of approved bases for site rent increases. Prescribing these requirements is necessary to support the reforms under the Amendment Act.

Impact assessment

	First full year	First 10 years
Direct costs – <i>Compliance costs*</i>	negligible	negligible
Direct costs – <i>Government costs</i>	Nil	Nil

Signed



Mark Cridland
Director-General
Department of Housing and Public Works

Date: 25/8/25



Sam O'Connor MP
Minister for Housing and Public Works and
Minister for Youth

Date: 28/8/25