

Life in Residential Parks

Research insights from residents and operators



CPRC

The Consumer Policy Research Centre (CPRC) is an independent, Not-for-profit, consumer think-tank. CPRC aims to create fairer, safer and inclusive markets by undertaking research and working with leading regulators, policymakers, businesses, academics and community advocates.

Acknowledgements

Report author: Sarah Panckridge

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Statement of Recognition

CPRC acknowledges the Traditional Custodians of the lands and waters throughout Australia. We pay our respect to Elders, past, present and emerging, acknowledging their continuing relationship to land and the ongoing living cultures of Aboriginal and Torres Strait Islander Peoples across Australia.

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Introduction

In 2024, the Victorian Government funded the Commissioner for Residential Tenancies (CRT), Dr Heather Holst, to lead a project in partnership with the Consumer Policy Research Centre (CPRC) to investigate and report on the residential parks market in Victoria.

This report highlights research findings and insights from surveys of residents and industry, and interviews with industry members of residential parks. Findings from a desktop assessment ascertaining the number and scope of residential parks across Victoria is also provided.

Methodology

Desktop assessment of the nature and scope of residential parks across Victoria

As an initial stage CPRC undertook desktop research to quantify the rate of residential parks across Victoria, as well as the nature of offerings across parks. Only parks that fell within the scope of Part4A agreements were included in the analysis. The desktop assessment canvassed publicly available information according to set criteria, relating to park ownership structure, sales processes, site and exit fees, the nature of the park and complaint handling processes.

The desktop assessment found it was not possible to verify and determine the rate of Part4A residential parks in operation across Victoria. We found it was not always clear whether some parks would fall within the scope of Part4A, or would more accurately reflect a caravan park, holiday park or retirement village. However, we estimate there could be approximately 180 Part 4A residential parks operating across Victoria.

Surveys of residents and industry members

A core objective of this research was to conduct primary social research with residents and operators living in and working at residential parks. Research sought to identify what is working well at residential parks, any challenges faced by residents and operators, and options for reform.

Between 10 October 2024 and 7 November 2024, an online survey was undertaken with residents and park operators of residential land lease parks in Victoria.¹ To ensure a

¹ The sample comprised residents living at, and park operators of, parks that are governed by Part 4A of Schedule 5 of the Residential Tenancies Act.

widespread range of participation in the research, the surveys were promoted by the Minister for Consumer Affairs, CPRC and the CRT through individual media releases. Caravan and Residential Parks Victoria (formerly the Victorian Caravan Parks Industry Association - Vic Parks) also assisted in disseminating both surveys through its industry networks. As an additional step, CPRC emailed every Victorian residential park where email addresses were known, to inform park operators of the survey and offer promotional materials including a printable poster and social media tiles to raise resident awareness of the survey.

The aim of the survey was to explore key stakeholder perspectives and needs of land lease parks and processes.

Current, former and prospective residents, park operators, other stakeholders and the general public were invited to complete a survey online. The overall sample size was n=532, comprising the following breakdowns:

- n=467 current residents.
- n=2 former residents.
- n=1 prospective resident.
- n=41 park operators.
- n=7 members of special interest or advocacy groups.
- n=4 government employees.
- n=8 members of the general public.

For the purposes of this report:

- We have grouped current and former residents and refer to them herein as 'residents'.
- 'Park operators' denotes operators or managers of residential parks.
- The terms 'operator' and 'park operator' are used interchangeably.
- All other groups have been aggregated and termed 'other stakeholders'.

Interviews with industry members

Between 18 November 2024 and 17 December 2024, a cohort of industry representatives working as operators or managers of residential land lease parks in Victoria participated in semi-structured interviews comprising one hour each. Participants were mostly sought through assistance from Caravan and Residential Parks Victoria, as well as through stratified sampling following a desktop assessment of the breadth of residential parks existing across Victoria. All agreed to participate in interviews.

The purpose of interviews was to hear in detail from park operators and managers about their experiences, perspectives and challenges operating residential parks. Six interviews were conducted involving five operators and one manager.

Industry members who participated in interviews are referred to as 'industry participants', 'interview participants' and 'operators who participated in interviews' interchangeably. Quotations made by operators who participated in interviews are specified as such.

Research limitations

While it is not known exactly how many people live and work in residential parks across Victoria, we are confident our sample is large enough to reflect the key issues experiences across both resident and industry cohorts.

Considering that people who live in residential parks reflect an older cohort, restricting the resident survey to online may have precluded some older and more vulnerable residents from participating due to digital literacy and access barriers. For this reason, the resident sample may not be reflective of the entire resident cohort.

The industry survey and interview samples likely skew to more engaged and proactive industry members who were willing to take the time to provide feedback. As a result, operator views are not necessarily reflective of all of industry.

Findings should be interpreted with these limitations in mind.

Who did we speak to?

Overview of residents

Of the 469 current and former residents of residential parks who completed the survey, most residents live in a single use residential park (78%) and 15% live in a mixed use park (the remaining 7% did not specify).² As shown in Figure 1, the majority of residents surveyed are 70-79 years (51%), and have lived at their park for five years or less (59%).

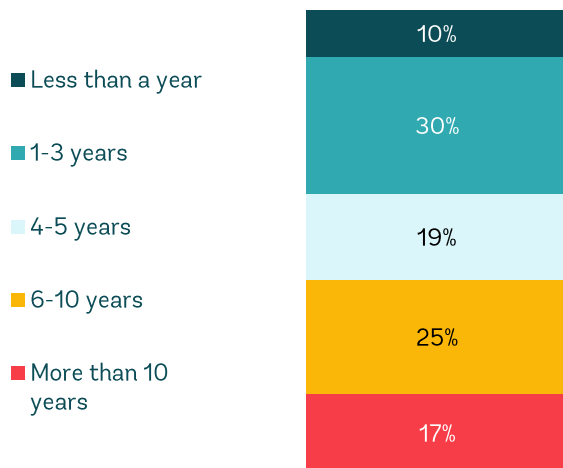


Figure 1. Years residents have lived at their park

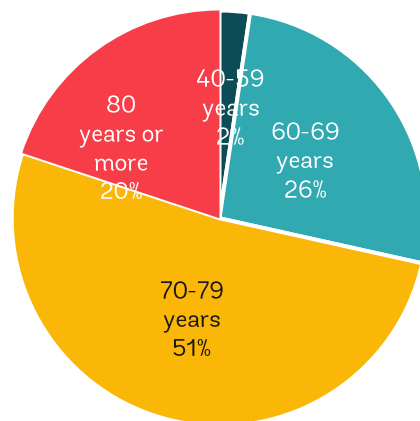


Figure 2. Residents' age

² Single use residential parks consist only of people who own their dwellings, while a mixed park consists of a mix of people who rent or own their dwellings or people who stay temporarily.

The largest proportion of residents reported living with one other adult (47%), with many living alone (36%). Some reported living with two other adults (16%), and 1% reported having a child living with them.

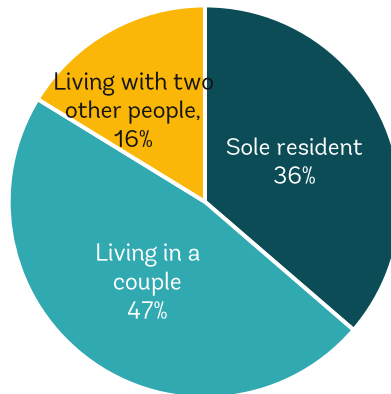


Figure 3. Residents' household arrangements

The majority of residents are retired (83%), with only a small proportion working to some degree (14%). An additional 6% of residents reported home duties, a caring role, or not working due to injury or disability (see Figure 4). In terms of main source of income, 75% of residents receive the age pension, 35% receive government rent assistance, and 33% rely on their superannuation (see Figure 5).

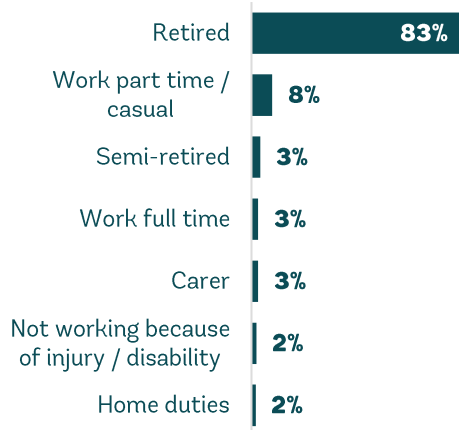


Figure 4. Residents' employment

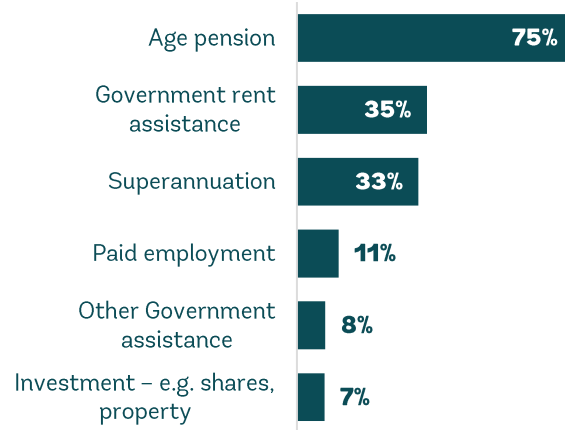


Figure 5. Residents' source/s of income

Overview of park operators

Of the 41 park operators and managers of residential parks in Victoria who completed the survey, 73% identified as working in an on-site management role and 27% in an offsite manager role. The majority reported having managed the site they currently work at for five years or less (61%; see Figure 6).

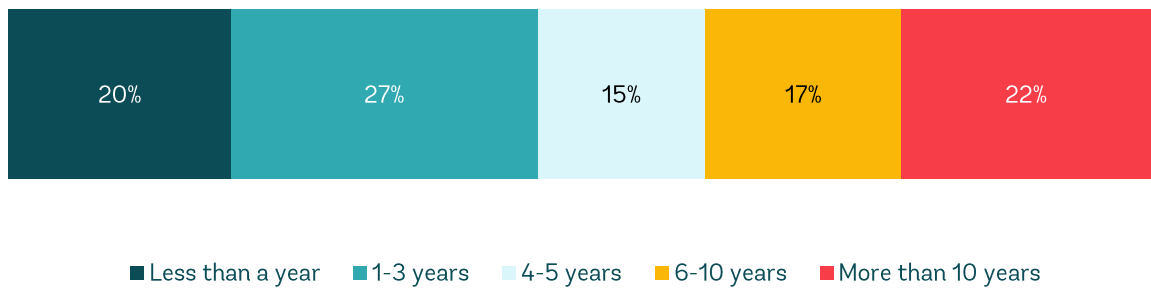


Figure 6. Years' operators have worked at their park

Overall, two in five operators reported managing a single use-residential park (41%), with 34% managing mixed-use residential parks (the remaining 24% did not specify, preferring to self-describe their park as a lifestyle or community village).

Of those who responded to the survey, 71% of park operators were 50 years of age or more, and 29% were under 50 years of age.

Of the six operators who participated in interviews, five were operators of one or more residential land lease parks across Victoria in a national, regional or general position (offsite), and one was a manager (on-site) of a land lease residential park in Victoria.

Four operators worked across multiple single use residential parks, one operator worked at single and mixed-use parks, while the remaining operator worked at one mixed-use park.

Most industry participants have worked in the sector for five years or more.

Part 1. Homes for sale in the residential parks market

High level financial structure of residential parks

All operators who participated in interviews with the exception of one manager, oversee multiple residential land lease parks. Several industry participants spoke of managing up to 60 existing parks Australia-wide, while working to establish others in the pipeline.

One industry participant explained that while owned by the same operator, the parks they manage operate under different names.

Multiple operators' businesses are listed on the ASX. While some parks are owned outright, a number are owned in a capital partnership through which operators receive funding from external banks, the stock market and other big investors.

One operator explained the financial model through which most parks operate:

“...There’s three financial levers in this business. One is the returns the business makes when it sells homes. One is the return the business makes on the arbitrage between the site fees, the site rent and what it costs to operate the community and the final fee is around the exit of the leaving costs, charges or fees.” – Operator (interview participant)

Availability of homes for sale

Survey findings show that pre-loved and newly constructed homes are widely available for permanent residency at residential parks across Victoria (73% and 46%, respectively). Other variations include caravans and annexes, cabins, and empty sites available for building (see Figure 7).

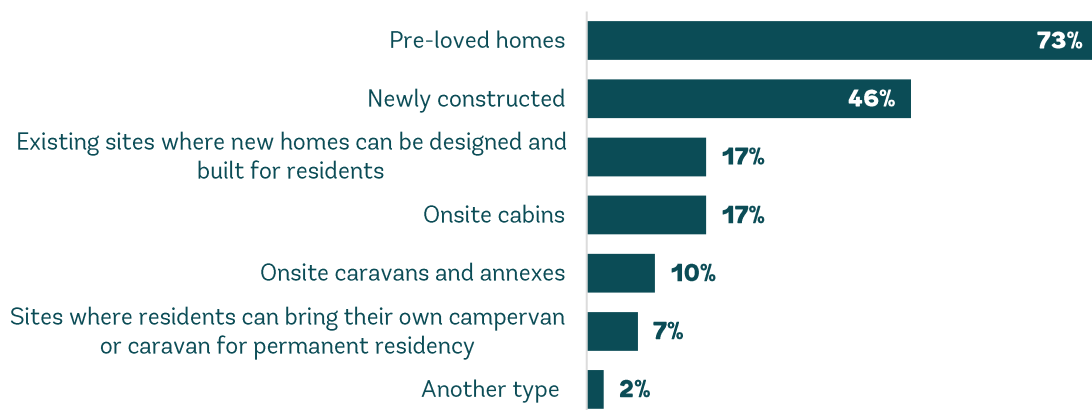


Figure 7. Type of dwellings available for permanent residency at operators' parks, according to surveyed operators

Advertising homes for sale

Most often, park operators surveyed reported not needing to advertise homes for sale in their park, as they rely predominantly on word-of-mouth referrals from other residents (85%). Advertising on the company's website and third-party websites was the most common means of marketing (76% and 44%, respectively). Display centers and open days are also popular means of marketing (44%). Mass media channels (television, radio, print) and social media are used less often in general (2%-10%).

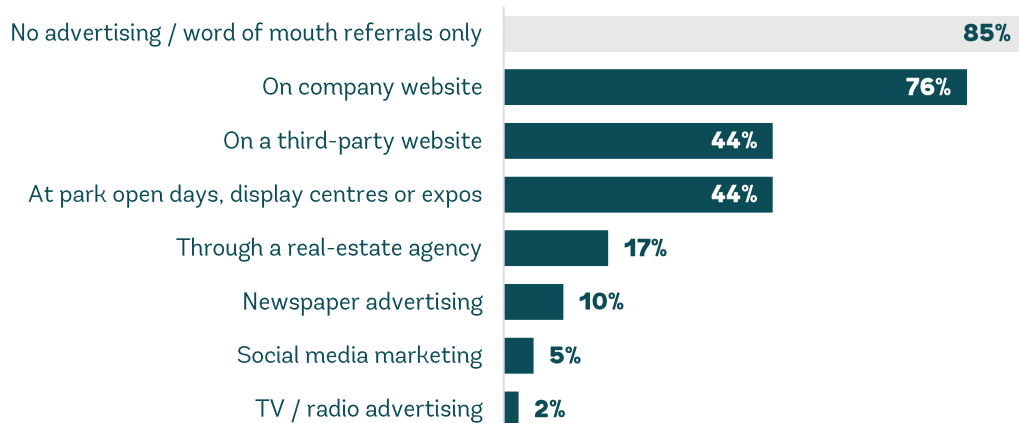


Figure 8. Ways operators advertise homes for sale in their park

Two thirds (67%) of operators who responded to the survey provided some information on how their sales process functions. Multiple operators described their sales process as open, transparent and thorough. Some operators have their own team of sales managers who speak to prospective residents about the site agreement, including deferred management fees (DMFs) if they apply.

The operators we spoke to emphasised the steps they take in the sales process:

“Our sales process is very extensive. We encourage purchasers to bring along family members or friends to ensure they are receiving all the information they need to make a decision to purchase. If available we may arrange for a potential purchaser to speak with an existing resident to hear first hand what it is like to live in our village. Our staff are available for any questions and as many visits to the site as the potential purchaser desires.” – Operator (survey respondent)

“We are an independent, mixed use, holiday park... Due to the small number of available sites we ensure our sales process is very involved and all potential buyers take their time to consider all the options, review all the rules, understand our business values, understand our business vision and upcoming plans, have read, reviewed and understood the Part 4A agreement offered, and are happy with their chosen site and floorplan. We consider our park a community and try to engage potential buyers to spend time within the space prior to making a commitment.” – Operator (survey respondent)

“The (sales) team are extensively trained and also are not commission based and are paid a high salary so there is no pressure to sell. We initially take a \$500 fully refundable deposit after taking them through how the model works and what fees are paid. At this stage we also get them to sign a disclosure statement to say that they fully understand all the fees and charges that are payable living in a [REDACTED] community. We also provide them with a copy of the site agreement as well as the CAV disclosure statement. If they decide to proceed, they put down another \$500 taking the deposit to a total of \$1000 which is now non-refundable. At this stage we ask them to sign a further disclosure agreement (so) that they fully understand all the fees and charges that are payable when living in the community. We then prepare their house plans and contracts, and they then pay a further \$4000 and have their agreement read and sign a further disclosure statement re the fees and charges.” – Operator (survey respondent)

Some mixed-use park operators do not sell any dwellings directly themselves, as residents on-sell directly.

Half of operators who participated in interviews have declined a person moving into their park, although state that it is rare. Specific processes to decline someone moving in are generally absent, as head operators make assessments on a case-by-case basis. Industry participants suggested ensuring a process exists to determine someone is an appropriate fit for their park from the time an initial inquiry is made early on, mitigates the need to decline someone from moving in:

"Our sales teams are trained and skilled and they will tend to be the first filter." Operator (interview participant)

When asked what would make a person an inappropriate fit, someone being too frail or too young were cited as reasons. One industry participant expressed that they have had concerns regarding someone who uses a wheelchair wanting to move in, as all the homes in their parks have steps as they need to be transportable. Multiple operators who participated in interviews referenced that they are mindful about antidiscrimination provisions when considering whether to decline someone from moving into their park.

Of those who have declined someone, this was due to the person being considered an inappropriate fit due to a diagnosis of dementia, being too frail or presumed issues with drug taking.

These comments from operators demonstrate that the residential parks sector is seeking to target a relatively healthy older community for their services. However, it raises interesting questions about whether parks are prepared to support residents who may need more help or different services as they age.

Part 2. Buying into a residential park

Resident motivators when purchasing land lease property

Close to two thirds of residents surveyed purchased a newly constructed dwelling (62%), and more than a third purchased a pre-loved home (34%).

Downsizing/rightsizing, lifestyle and safety or health were the top three reasons residents chose to purchase a home in a residential park (all more than 50%). Other reasons included convenience, community, facilities, proximity to family, and value for money (see Figure 9).

“It is very convenient to shopping centres. Very close to a bowls club, which I am a member of...” Resident (survey respondent)

“It’s very secure and the neighbours are friendly and lot of things to do at the village.”
Resident (survey respondent)

“Close to all amenities, village gardens were extremely well maintained...” Resident (survey respondent)

“Safe secure community, activities to choose from that we wouldn't have been involved in outside this community, friendly people.” Resident (survey respondent)

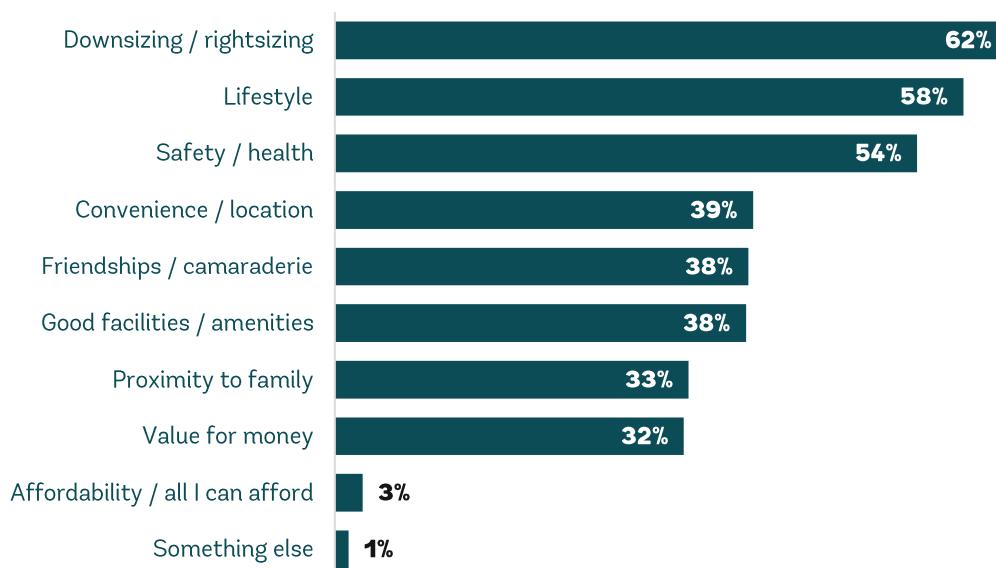


Figure 9. Reasons residents purchased a home in their park

Entering into site agreements

Overall, 85% of park operators surveyed report providing the same site agreement to all residents (see Figure 10).

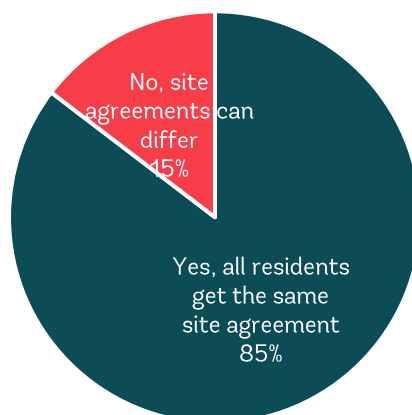


Figure 10. Provision of site agreements from park operators

Operators managing parks using individualised site agreements elaborated on the factors influencing each agreement, stating factors such as:³

- length of time spent at the park
- ownership of the dwelling the agreement relates to – e.g. owner-occupied versus park-owned
- dwelling status – i.e. pre-loved or new, and
- if the resident lives in a caravan with a rigid annex under Part 4 of the *Residential Tenancies Act*, or in a cabin under Part 4A of the *Residential Tenancies Act*.

Park operators surveyed noted that site agreements have changed and evolved over the years, meaning different types of agreements co-exist.

All but two operators who participated in interviews indicated residents have the choice of entering into a new site agreement or transferring the site agreement from the previous owner, when a pre-loved home is sold to a new homeowner. One industry participant was unsure. The one operator interviewed who provides residents with the option of a new site agreement only, explained this is to ensure the agreement is modern and up to date with legislation.

Another industry participant indicated that while residents have the option of which site agreement they enter into, they generally prefer and suggest to a buyer to enter a new agreement, mostly for the purpose of ensuring the resident has an up-to-date agreement:

³ Caution interpreting findings, small sample size <30, base=6

“...We have the right to reset park rules at any time. Obviously we have to go through a consultation process, but that existing site agreement will reference a set of rules that may be outdated and a lot of our residents get confused around, 'well, what do you mean? Those are the park rules.'” Operator (interview participant)

Overall, close to half of park operators surveyed report providing prospective residents with their site agreement 20 days or more in advance of residents signing the agreement (49%); the remaining 51% of park operators cannot remember how many days.⁴

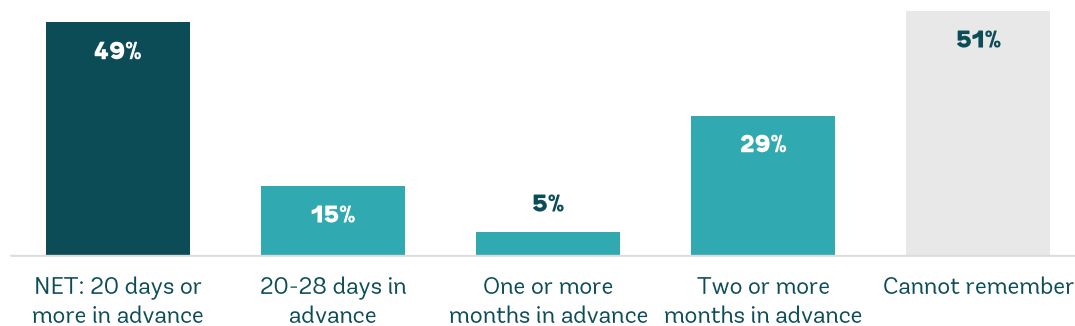


Figure 11. Provision of site agreements to residents, days in advance of signing

Feedback from some residents surveyed indicates site agreements are not always provided within the specified timeframe:

“Was not given it 21 days before I moved in. When I got it 16 days before, I was rushed through it, asked to sign at bottom of each page without the time to read, then got to the rent page and was charged \$70 fortnight more than other residents. When questioned was told ‘take it or leave it’. Had sold my house, had no choice.” – Resident (survey respondent)

Before purchasing their home, only 16% of residents surveyed reported having received a site condition report with the majority having not received one (68%). This is in contrast to park operators surveyed, 61% of whom reported always providing prospective residents with a site condition report prior to selling a home (see Figure 12 and Figure 13).

⁴ It is an offence for the park operator to ask a person to sign the site agreement within the 20 days (<https://www.consumer.vic.gov.au/housing/renting/starting-and-changing-rental-agreements/applying-signing-and-moving-in/checklist-before-you-rent-a-site-in-a-park>).

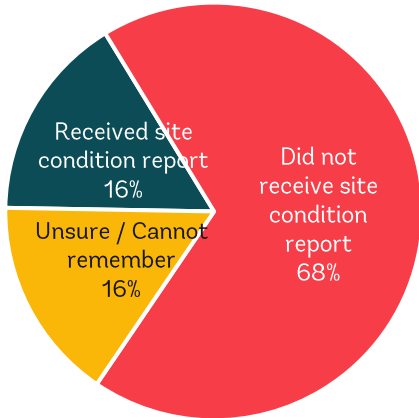


Figure 12. Resident receipt of a site condition report pre-purchase

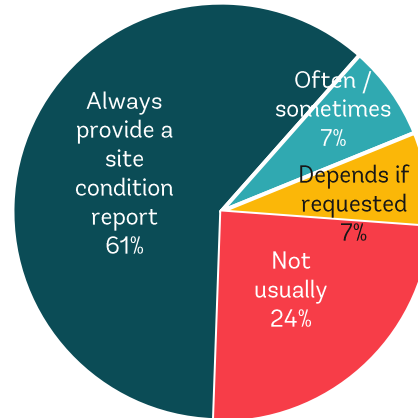


Figure 13. Park operator provision of site condition report before selling a home to prospective residents

Resident understanding of site agreements

Survey findings show residents need independent advice to assist with understanding of site agreements. While the majority (59%) of residents believe they had a good or very good understanding of their site agreement at the time of signing, 39% reported average, poor or very poor understanding.

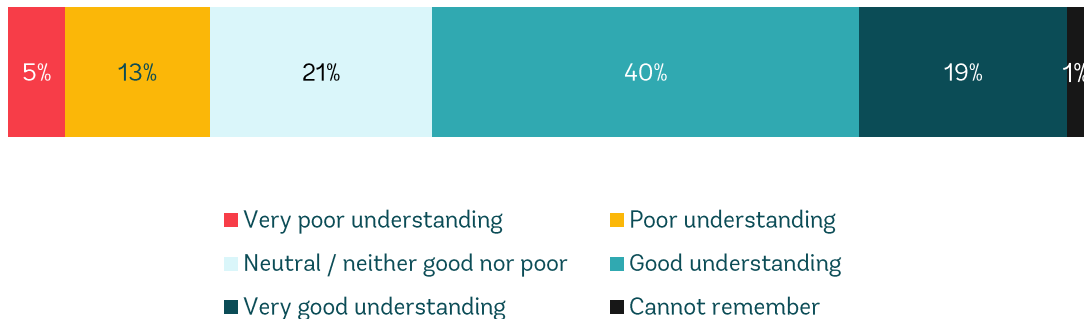


Figure 14. Level of residents' understanding of the site agreement when signed

Overall, 80% of residents indicated they needed or received help to understand the contents of their site / lease agreement, the largest proportions receiving help from the sales team or the manager / park operator (25% and 22%, respectively). Other sources of assistance included family and friends (16%), a lawyer (15%) or a financial advisor or accountant (8%). A total 27% of residents surveyed received help from the sales team or park manager only. Concerningly, 13% of residents reported having needed help but not having received any (see Figure 15). These findings suggest that most residents who report a good understanding of their site agreement still need help to understand it, and most help residents receive is not independent.

“A lot of lawyers do not understand this site agreement and being on a pension I had to rely on family and friends to help me.” – Resident (survey respondent)

“Now that I am here I do wish the conveyancer would have explained the contract in detail. She made comment there is nothing you need to worry about it is all straightforward. My late husband was the one who dealt with all the legal work. I never thought that at this stage of my life I am facing an unknown future. The rent and exit fees are a real concern. If you sell will there be enough money to buy another home.” – Resident (survey respondent)

“I didn't properly understand the agreement as to the increases in amount and when to expect it.” – Resident (survey respondent)

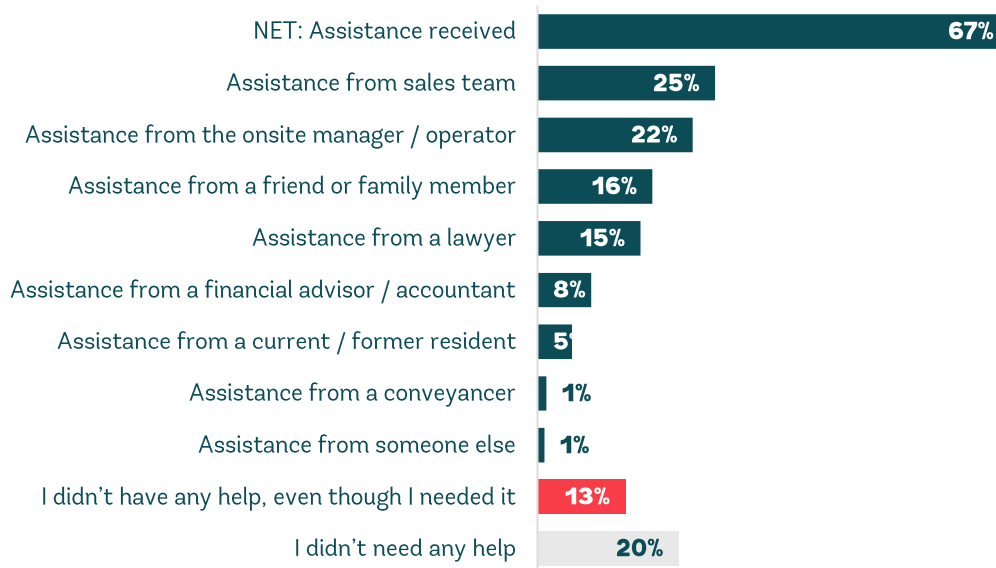


Figure 15. Assistance sought by residents to understand their site/lease agreement

From the perspective of park operators, 83% reported always providing help to residents to understand their site agreement, while 12% reported doing this often or sometimes. One operator indicated that ‘it depends’ whether they provide help (2%), while one operator reported not doing this (2%).

Some operators stressed that they provide detailed information about fees and charges in writing, even requiring residents to sign documents stating they understand. Several industry participants stated that residents are informed at this stage as fee increases are outlined in site agreements. It was noted that the same information is within the Consumer Affairs Victoria (CAV) disclosure statements utilised by operators:

“Our agreements are only 16 pages long and written in simple English rather than in a legal style. We sit down with every homeowner and do an agreement read to ensure that they understand the agreement. After signing we get them to sign another statement to say that they clearly understood what the rent was, how it is increased and how the DMF works and is charged.” – Operator (survey respondent)

“...So we have basically four touch points in that process ensuring they (residents) understand the fees and we find that incredibly valuable because we just get no confusion over what fees they have to pay... we actually sit down, do a full concrete contract with every customer or agreement, read with every customer and go through all the details. They sign

that agreement and then they sign a further document saying they understand the weekly site fee, how it's increased and also the deferred management fee and how it's calculated.” -

Operator (interview participant)

However, other operators have recognised that written information may not be sufficient to help potential residents navigate agreements.

One operator who participated in interviews highlighted the tension that exists with operators providing assistance, suggesting doing so could be considered a conflict of interest:

“...I mean as an operator we try and do as much as we can, but I don't think that there's enough support out there for residents outside of the operator, sometimes I feel like they shouldn't be getting advice from us to be making decisions. It can be quite biased... I will always jump in and go through their contract, but I say look, I'm giving it to you from our point of view, I'm not someone who should be holding your hand to join our community. You know, you should be going and speaking to family or getting legal advice... We're a business. We're trying to sell you a home and get you to move in. We're not the people that you should be relying on to make that decision.” - Operator (interview participant)

Multiple industry participants stated that there is a lot of information and documentation to give to residents when they move in, acknowledging that residents not always getting advice.

“...if I put myself in a resident's shoes, it's a lot of information to absorb. I know in NSW our disclosure documents are quite simplistic and we do in that form encourage them (residents) to go and get legal advice. We do in Victoria as well, but it's not sort of formally on the documentation to sign to say look [REDACTED] strongly encourage you to go and seek advice before signing this. Have you done that? Yes or no.” - Operator (interview participant)

Another operator suggested that they do not want disclosure forms to reflect documentation needed for retirement villages:

“...Basically in order for a resident to understand the retirement villages documents, you need a lawyer which is ultimately imposing additional costs on residents.” - Operator (interview participant)

One industry participant commented that as they are not the on-site manager, it can be hard to know exactly what managers are telling incoming buyers, although they are directed to talk to residents about how annual increases to site rent are calculated.

The largest proportion of park operators stated that most resident questions they receive are in relation to fees, costs and calculation methods (48%). Operators surveyed also reported one in five residents (19%) ask questions regarding security of tenure (see Figure 16).

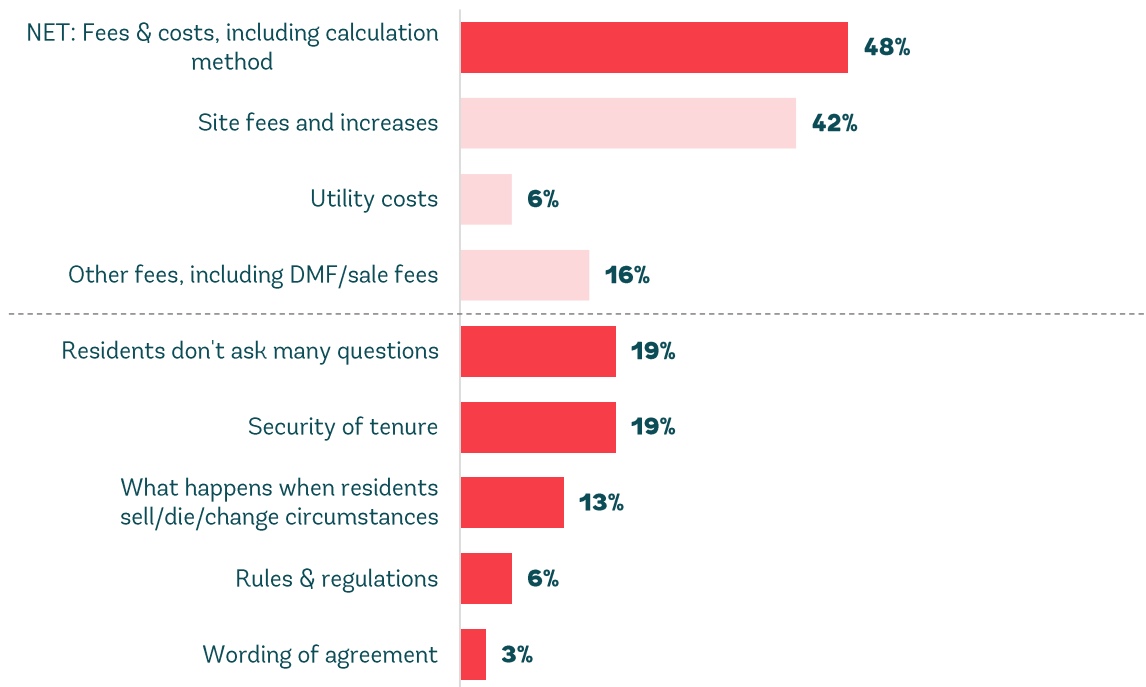


Figure 16. Questions from residents received by park operators in relation to their site / lease agreement

Most residential parks involve a resident leasing their land on very long-term fixed leases. One operator who participated in interviews indicated residents at their park are afforded 90-year leases, which in their view has no downside as long tenure gives residents security. Another industry participant spoke to their concern with a limitation regarding fixed terms on site agreements however, suggesting developing a different model going forward would be better for residents:

“So theoretically in Victoria you can still have a fixed term on a site agreement where the resident owns the home. NSW and WA have moved towards you know, there is no fixed term. If they (the resident) exit you know there's a mechanism to then remove the dwelling, but until someone dies or voluntarily moves out, there shouldn't be. There shouldn't be a mechanism to kick them out unless they've breached, and I think Victoria should have that...There's too much opportunity for a (dodgy) developer to come in and kick everyone out and do the wrong thing.” – Operator (interview participant)

Resident views of site agreements

In terms of challenges associated with site / lease agreements, while 38% of residents surveyed reported no challenges, others reported specific concerns with the transparency of costs, including site rent, rent increases, and DMFs / exit fees (25%), and issues with management and understanding the site agreement itself, including complicated or ambiguous terms, not getting what was promised, and contract changes (21%) (see Figure 16).

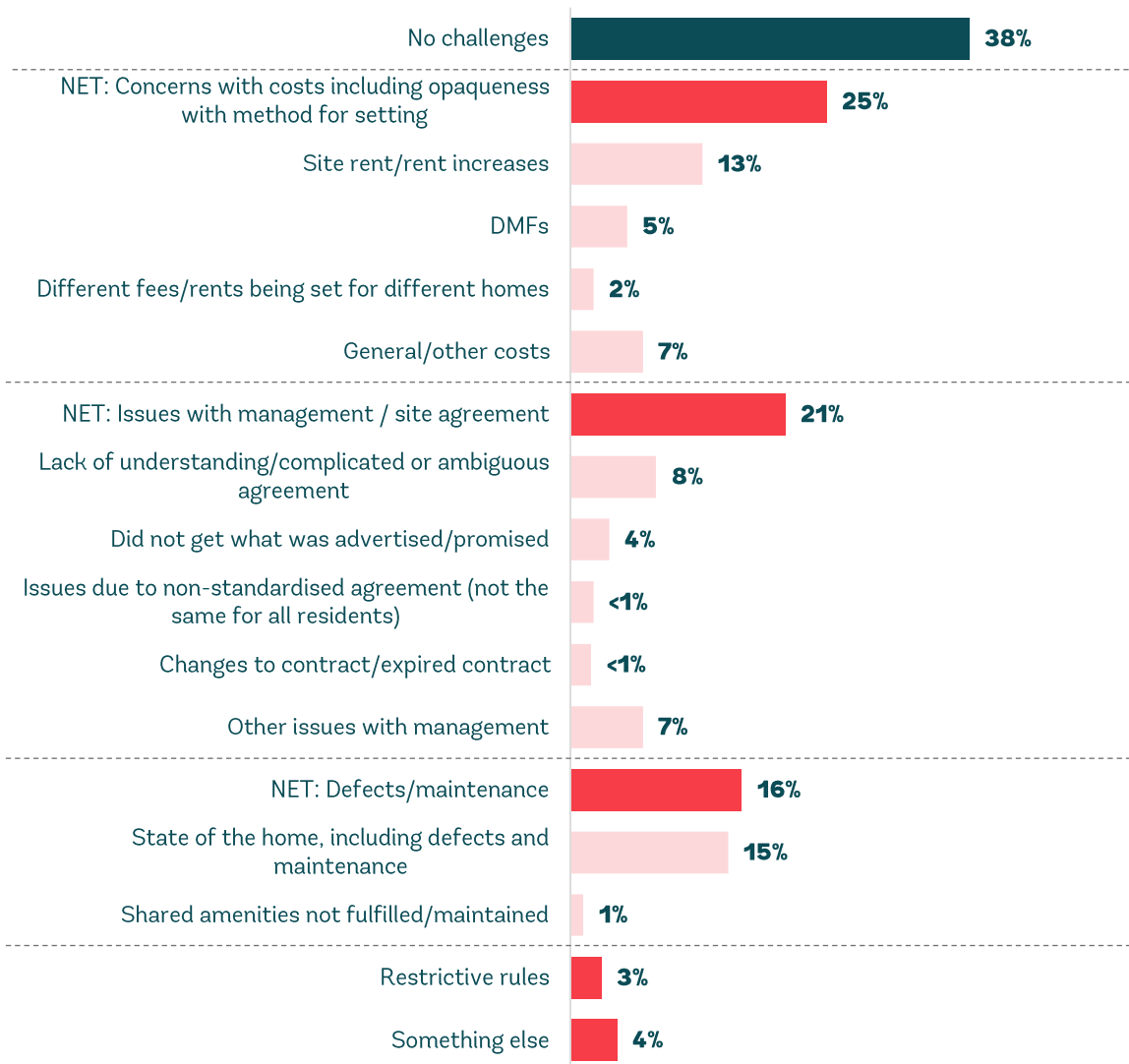


Figure 17. Resident concerns in relation to their site / lease agreement / terms

Resident sentiment reflected confusion and frustration owing to inconsistency and ambiguity across site agreements with respect to site rent increases, as well as facilities and amenities on offer.

“The site agreement was ambiguous as it failed to identify what amenities and facilities were included when I purchased my home. The site agreement also listed the DMF was on the sale price of my home and yet all brochures, the sales spiel that I received listed the DMF to be on my purchase price. When management was challenged regarding this issue, they supplied all residents with a Deferred Management document which they called the contract price and had to be signed in front of management. This acknowledged a fault in the site agreement by management.” – Resident (survey respondent)

“The site owners sent a letter to all residents in 2018, to say they were getting rid of the Market Rent Review mechanism and that if we wanted to change from it, we should ‘speak to the caretakers’. I did this but the caretakers did not pass on my request to the interstate owners. I have been requesting, for 6 years, to change from this mechanism to a percentage mechanism, which is the standard now for new residents.” – Resident (survey respondent)

“Each time I have tried to find out why I am not able to change, I receive excuses but no reasons why this is not possible, other than “We are not offering it at this time.” There are a few of us left in this village, who are now paying approximately 35% of our pension on rental, as our rental increased in 2022, by 9%, while other residents had an increase of 3.5%.”

– Resident (survey respondent)

Part 3. Resident experience living in residential parks

The majority of residents enjoy the community and social feel of living in the park (53%), followed by security and safety factors (34%), and the comfort of easy living (22%).

The convenience of the location, amenities, and activities available were also high on the list for more than one in five residents (see Figure 14).

“Location is good, it's close to my gym, friends and family and disability services for my daughter are in the vicinity. I enjoy owning my own home again, being able to make it how I want it and having a little garden to fuss over.” – Resident (survey respondent)

“I have found the residents friendly and helpful. I like that I can join in group activities of my choice or enjoy the peace of my own company and a good book when in the mood. The position is close to facilities and amenities I need plus I enjoy the view of the bay.” – Resident (survey respondent)

“New friends we make. Lots of great activities to help keep us fit. Cleanliness, nice gardens, lovely homes.” – Resident (survey respondent)

“It has a real community feel and as I live alone I like that I feel very safe.” – Resident (survey respondent)

“I like the layout of the village. At the moment the grounds are well maintained which makes a nice environment to live in. I like the people who live here and I feel safe. There is generally someone watching out for you.” – Resident (survey respondent)



Figure 14. Factors residents enjoy about living in the park

Operators who participated in interviews viewed and assessed resident satisfaction as generally high. Nearly all industry participants survey residents either biannually or

annually, and several industry participants visit their park at least every six months to meet with Residents Committees.

Multiple industry interview participants explained that they feel their residents are satisfied as half of new home sales and resales come from resident referrals.

“I talk to them... (the) office may... on an annual basis, ask the residents to complete a questionnaire regarding various topics, whether it's due to with maintenance, management, staffing, things like that.” – Operator (interview participant)

While most residents surveyed confirmed they are satisfied with living in their park (65%), more than two thirds (68%) consider the value of money for what they receive to be average or poor (see Figure 15 and Figure 16).

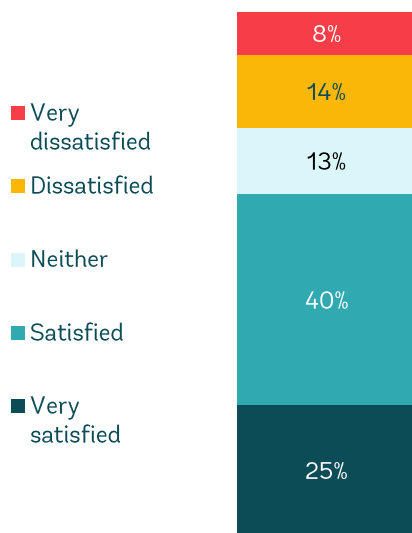


Figure 15. Resident satisfaction with living in their park

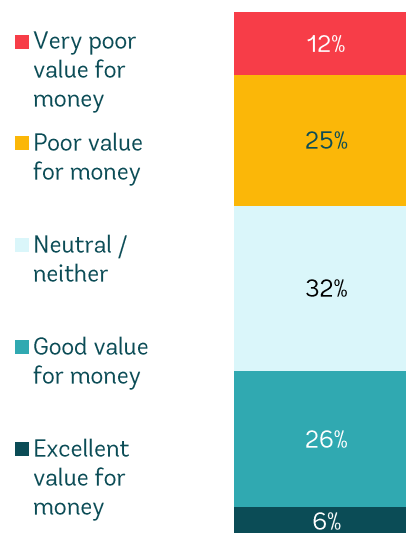


Figure 16. Resident perceptions of the value for money received in their park

While one in ten residents had no complaints about living in their park, two in five reported not liking the site agreement and associated costs of living in the park (39%).

“The rent keeps going up each year.” – Resident (survey respondent)

“I have been living with anxiety about security of tenure, & a sense of lack of autonomy & agency for years which has affected my health.” – Resident (survey respondent)

“Lack of privacy, overcrowding, opportunistic advantage of local property & land prices to significantly raise fees.” – Resident (survey respondent)

“I like living at [REDACTED], and it is a good option for older people. But I have become more fearful that it may become too expensive to live here and I worry about my children being left with an ongoing debt of continuing rent after my death. There could be difficulties selling the house because there is no incentive for [REDACTED] to assist with the sale...” – Resident (survey respondent)

“I feel trapped. If I sell my home in the village I would not have enough money to purchase a home in suburban street.” – Resident (survey respondent)

However, the largest proportion reported having issues with management of the park (41%), specifically, park operator attitudes and management styles, poor maintenance of homes and shared areas, repair delays, and building defects (see Figure 17).

Resident issues with management included intimidation from operators following attempts from residents to assert their rights and a lack of follow up from operators to fulfill promises. Residents surveyed also reported instances in which operators neglected to provide permission to a resident to make modifications to their home for health reasons, including to install a ramp:

“This sudden rent increase was sent in response to me challenging the owner over the correct way to make changes to the park rules, following which he made threats to me and against me to other residents that he was going to “increase my rent so I'd leave”” – Resident (survey respondent)

“...it took 4 years for me to get permission to build a ramp (I am disabled) so I could leave the house!” – Resident (survey respondent)

“The owners have not provided amenities promised in their marketing materials and sales pitch, but they have increased the rent by 15% over the last 3 years.” – Resident (survey respondent)

“Over the 8 years I have lived here we have had 5 park managers, the majority rude, indifferent or controlling & intrusive.” – Resident (survey respondent)

“Park managers do not enforce park rules and poor grievance procedures.” – Resident (survey respondent)

“The owner makes his own rules without discussion with other tenants.” – Resident (survey respondent)

Residents surveyed further reported problems with home and communal maintenance, as well as building defects:

“There is no drainage around the park which create hazards for falling.” – Resident (survey respondent)

“There is no drinking water except at a village well which does not work if there is a power outage.” – Resident (survey respondent)

“Trying to get repairs done to our new unit and the crap management pull to slow the process up. For a new unit to have 166 pages of defect and still waiting for more than 2 years to fix and still waiting.” – Resident (survey respondent)

“Poorly constructed villas and concrete slab subsidence on uncompacted soil (after the rocks had been removed) caused many villas to crack and allow water to enter some. At least one villa was condemned by an inspection that the residents had to pay for. Some villas have been uninhabitable due to mould, as a result of poor building and incomplete plumbing. In the cases I know of the residents have had to pay or their insurance paid out to remedy the situation.” – Resident (survey respondent)

“There are many new residents who struggle to get the defects on their houses attended to. Management are poor at communicating and it leaves the more vulnerable amongst us quite stressed.” – Resident (survey respondent)

“When we came in here we had 54 issues with our new home and they took over 12 months to repair them.” – Resident (survey respondent)

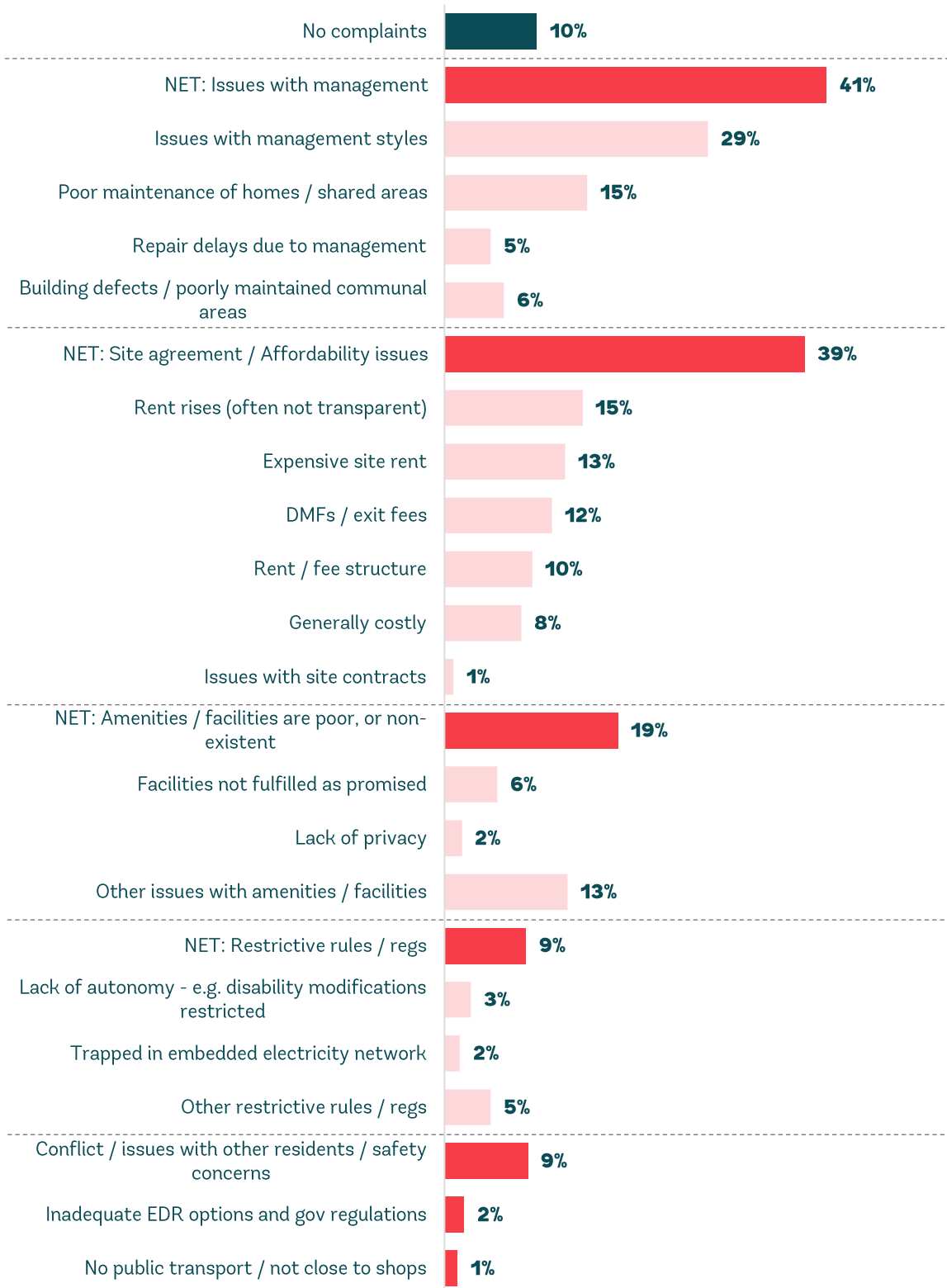


Figure 17. Resident dislikes about living in their park

Surveyed residents, operators and other stakeholders identified the top three issues or areas that need to change at residential parks. Both residents and operators identified a cap on exit fees / DMF, or abolishing exit fees altogether, as a key issue requiring reform, with residents (46%) being more likely than operators (29%) to share this perspective.⁵

One in three (35%) residents would like to see a cap on rent price increases, and one in five (21%) residents and other stakeholders (23%) would like to see better and more accountable managers at parks, including a screening process for persons in those roles.⁶

Among operators surveyed, making it easier to remove badly behaved residents also ranked relatively highly (29%) regarding change needed in the operation of residential parks going forward.⁷ While a description of bad behaviour as constituting abuse and violence was provided by one survey respondent, the remainder did not elaborate on what they consider bad behaviour that justifies removing someone from a residential park means.

Nearly half (46%) of other stakeholders would like to see standards for parks with independent assessment and registration and approximately one quarter (23%) cited a need for transparent contracts that are easy to understand (see Figure 22).⁸

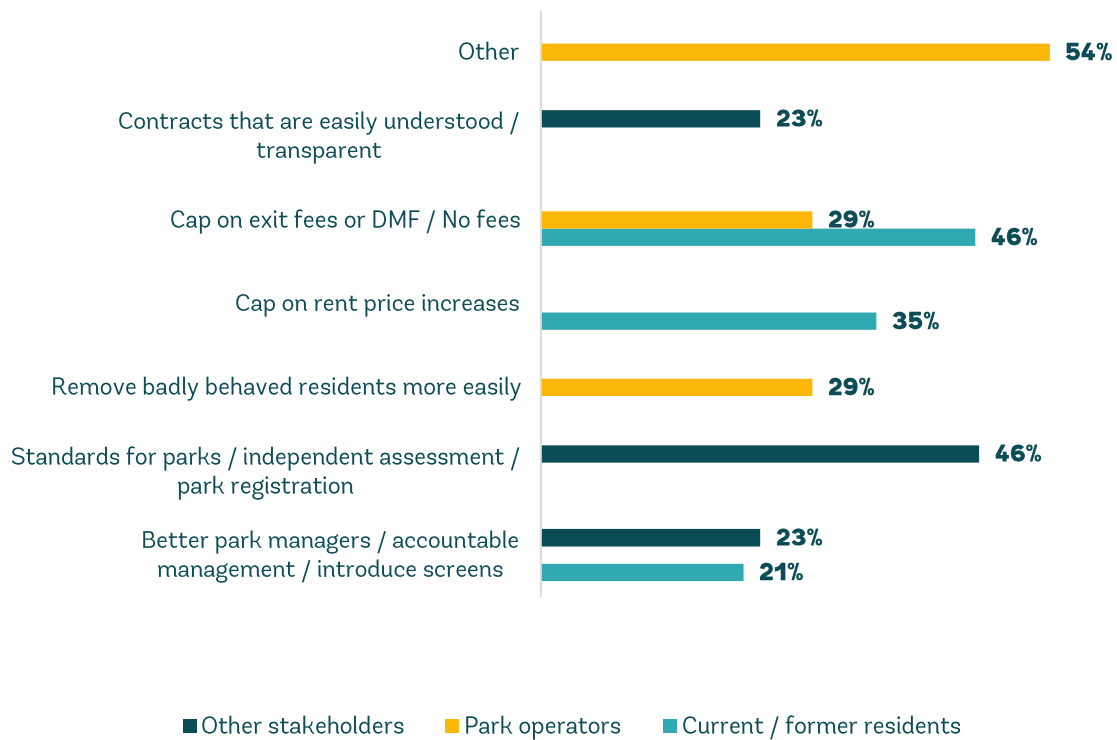


Figure 22. Top 3 things' respondents would like to see change at residential parks⁹

⁵ Caution interpreting operator findings, small sample size <30

⁶ Caution interpreting other stakeholder findings, small sample size <30

⁷ Caution interpreting operator findings, small sample size <30

⁸ Caution interpreting other stakeholder findings, small sample size <30

⁹ Caution interpreting operator and other stakeholder findings, small sample size <30

Resident concerns with fees & charges

While three out of five residents surveyed (59%) are confident to some degree that they know how rent amounts and increases are calculated, two out of five residents (42%) are not confident (see Figure 23).

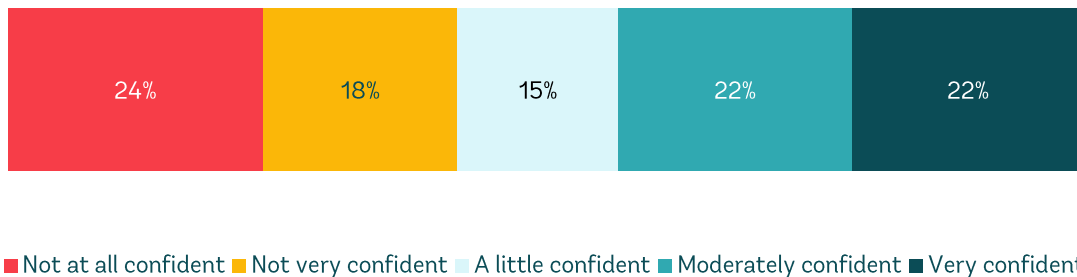


Figure 23. Resident confidence with how rent amounts and increases are calculated

Although one in five (19%) residents haven't had any concerns about any fees and charges, more than half of residents are concerned about site fees (57%) and exit fees / DMFs (52%).

In contrast, nearly half (46%) of operators reported no concerns about fees and charges brought to their attention from residents. Reflecting resident sentiment however, the most frequently raised reported concern from the perspective of operators was exit fees / DMFs (39%), followed by site fees and increases (34%). Findings from the survey of residents also found that sale commission (19%) and administration sales (18%) fees are a concern for one fifth of residents (see Figures 24 and 25).

“On the sale of our homes we are charged \$700 to issue a new contract for the new owner.” - Resident

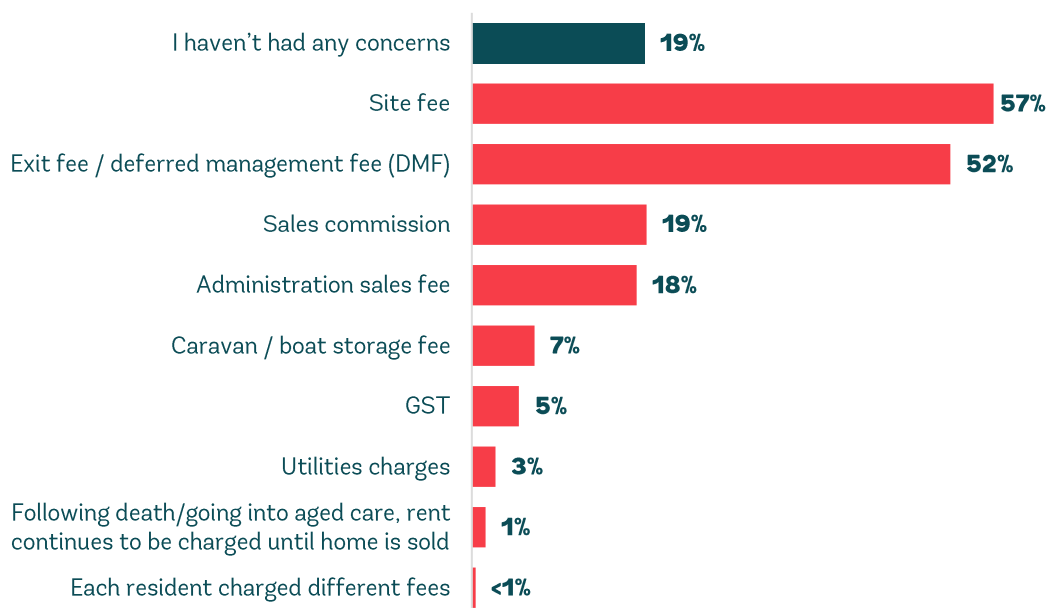


Figure 24. Fees and charges of concern to residents

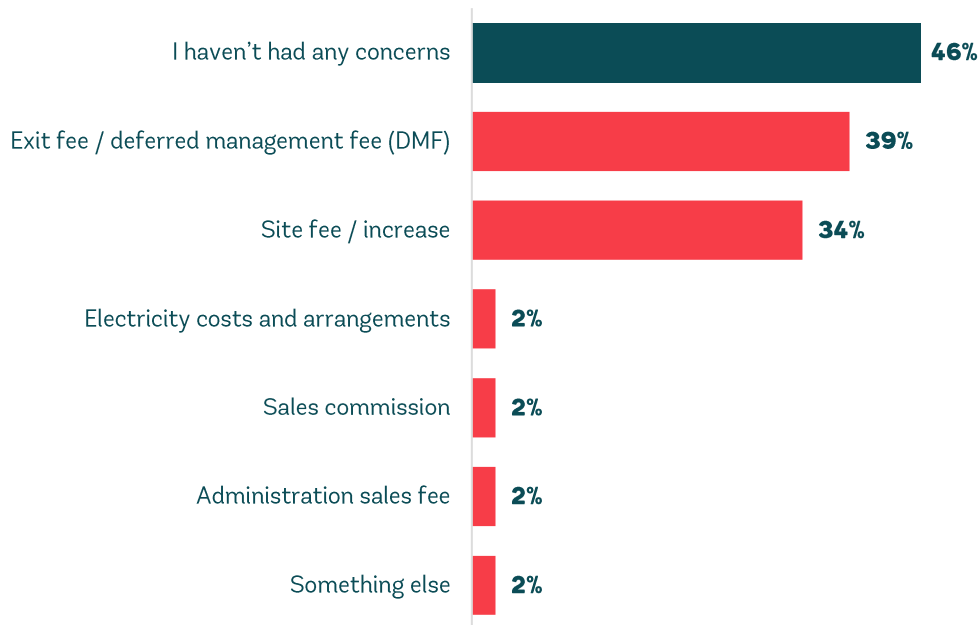


Figure 25. Fees and charges residents have expressed concerns about to operators

Site rent

The desktop assessment on the nature and scope of residential parks found most parks did not list their current site rent rates or any information on how increases to site fees are calculated.

Almost half (46%) of operators surveyed charge different site fees within their park.

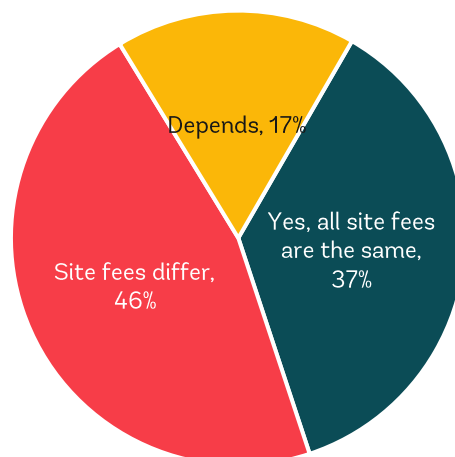


Figure 26. Operator responses to whether all residents' site fees are the same

Multiple industry interview participants also stated that site rent varies across different parks owned by the same operator. Where site fees vary, this is typically due to the size

and location of the site, including whether or not there is a view. One industry participant specified that the site rent ranges from \$210 to \$250 per week across their parks in Victoria.

While one industry participant indicated GST is exempt from site rent, all other operators who participated in interviews stated that GST is included in all fees. One operator specified GST in site rent is generally 5.5%. Findings from interviews show that GST application is inconsistent. The application of GST on site rent needs to be clarified and should be consistent across industry.

Most industry interview participants indicated that site rent is based on the site itself, not the number of people occupying the site/dwelling on the site (meaning rent is the same for a single or a couple). In the small number of parks referred to in interviews where different site rent is charged depending on the number of people occupying the site, in the instance in which a couple becomes single, the resident can reapply as a single and will be charged at that rate.

Most industry interview participants explained that site rent is set according to the market and quality of facilities and location at their park. Several operators specified that the site rent is stated in the initial site agreement.

Approximately half of operators interviewed indicated they have engaged in market rent reviews, which are typically conducted every three years. One industry participant specified that the review involves 'competitor shopping', which involves undercover shopping. Another industry participant specified that an external valuer attends the park on-site.

“We look at the market and we look at the facilities and the location and that determines the site rent. And we balance that between the quality and level of facilities and the nature of the offering and the location and affordability... So there is always a balance between providing you know, an amazing service and location versus an ongoing cost for these homeowners to bear.” – Operator (interview participant)

The one operator who works as an on-site manager indicated the revenue team sets the site fees and that there are provisions in place for an annual percentage increase.

Industry participants reported the following methods of calculating annual site rent increases:

- Rent increases are calculated according to CPI or a 7% fixed agreement (different agreements coexist).
- Rent is increased annually by 4.5% or CPI, whichever is greater.
- Rent is increased annually by 3.5% or CPI, whichever is greater.
- Rent is increased annually according to CPI, except for every 3 years when rent is increased according to a market rent review.
- For the last three years rent has been increased annually based on CPI. Previously it was increased based on market rent reviews.

One industry participant explained that the only time they would not increase rent by CPI is where they have bought a new park and there is inequality across different site rents. In this instance, they would adjust increases over a five to seven year period to bring rent on par across the park. It was noted however that rent may still differ across sites if amenities are diverse.

One operator who participated in interviews raised concerns about any proposal to cap rent increases, stating that any move to cap rent increases would stifle the industry long-term and the presentation of residential parks.

“So I think legislative changes just generally are going to be a big risk. You know, rent reviews... at the end of the day, my maintenance obligations of the park don't change whether someone's deceased or not. If Victoria goes down the path of some of the changes in NSW and Queensland... that would be a significant hit.” – Operator (interview participant)

Several industry participants also referenced embedded networks and identified that these were charged at either the Victorian default offer or wholesale rates. It was noted by one operator that residents may pay a service fee for utilities. Another operator indicated that they do charge residents for electricity because of a forced embedded network as well as water usage fees at a certain cap, citing that fees are to ensure residents are not allowing water leaks or engaging in excessive water usage. Otherwise, residents typically pay for their own internet, power, water and gas. One operator specifically indicated that the site fee covers water rates, council rates and everything but electricity and water consumption.

Residents' expressed significant degrees of strain and worry owing to weekly site rent, which many deem too expensive. A considerable proportion of residents surveyed commented that rent continues to rise without any further investment in park amenities or facilities.

“The once affordable option for those on a pension is no longer affordable, yet there is no option but to remain as I can't sell the property & can't afford market rental. Fees are ongoing. If there was a change in my circumstances or even with my death, the burden of continued fees would fall to my family.” – Resident (survey respondent)

“The rent increases really worry me as I only have a state pension.” – Resident (survey respondent)

“The annual increases in rent bear no relationship to the owners' actual running costs but instead are set to maximise their profits to the financial detriment of the residents.” – Resident (survey respondent)

“The rent rises each year. It will soon be unaffordable to live here. Seriously thinking of selling due to rising rent which is a shame as I love my home.” – Resident (survey respondent)

“The cost of power has been significantly inflated until the default price was implemented in 2020. Being in an embedded network with a non -retail seller is a concern for all residents as the service availability charges are high.” – Resident (survey respondent)

Satisfaction with maintenance of communal areas at residential parks

There is a stark difference between resident and operator levels of satisfaction with maintenance at residential parks: 85% of operators surveyed are very satisfied with the upkeep and maintenance of the park's community facilities, amenities and grounds, in contrast to 23% of residents surveyed. Overall, 35% of residents expressed an absence of satisfaction with the maintenance of the park in which they live (see Figures 27 and 28).

“We have been waiting for 7 years for a men’s / community shed, a theatre, a billiard room, a sports bar and functioning CCTV for security purposes.” – Resident (survey respondent)

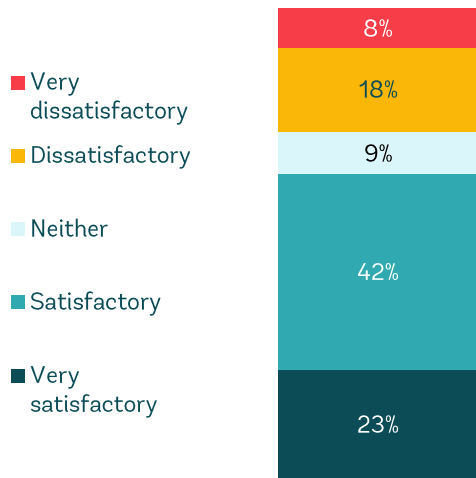


Figure 27. Resident satisfaction with the upkeep of their park’s community facilities, amenities and grounds

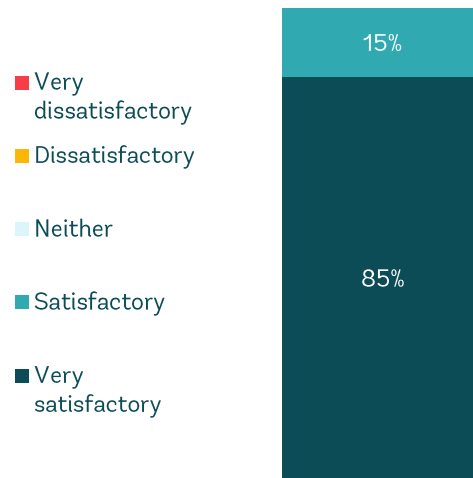


Figure 28. Operator satisfaction with the upkeep of their park’s community facilities, amenities and grounds

Communal maintenance challenges

Four out of five residents surveyed identified communal maintenance challenges they have faced at their park while living there. Issues with street lighting (36%), controlled access to the park and security (34%), pools (30%) and roadways and speeding (30%) are the most widely felt challenges.

Challenges with trees/vegetation, footpaths/trip hazards/ramps/accessibility, fences, signage including numbering of homes, and meeting rooms and community gathering spaces were the next most reported communal maintenance challenges, identified by at least one fifth (20%+) of residents (see Figure 29).

Residents highlighted safety concerns due to poorly maintained communal areas, such as a lack of lighting and evidence of mould. Residents also referenced lengthy wait times before maintenance and repairs are actioned by operators.

“I had a lovely big tree next to my place when I moved in. During a very windy day it blew down and it took months of me nagging for them to replace it... (We also) need provision of solar panels for all units. Units are absolutely freezing in winter and hot boxes in summer, double glazed windows and better insulation would help but none of us can afford to do this.” – Resident (survey respondent)

“(The) lighting (is) very poor in the park, very dark at night, the front gate has a tendency to open and close on its own. Owners have cut back on what can be spent on (the) park as to the upkeep and it shows. They asked for volunteers of the village/park to clean the toilets & pool (and) that is not good enough, what if something happened such as an injury to that person, they would not be covered by insurance, owners should be covering that!...” – Resident (survey respondent)

“Previous caretakers advised we should carry a torch when we asked a question about one particular dark spot at night.” – Resident (survey respondent)

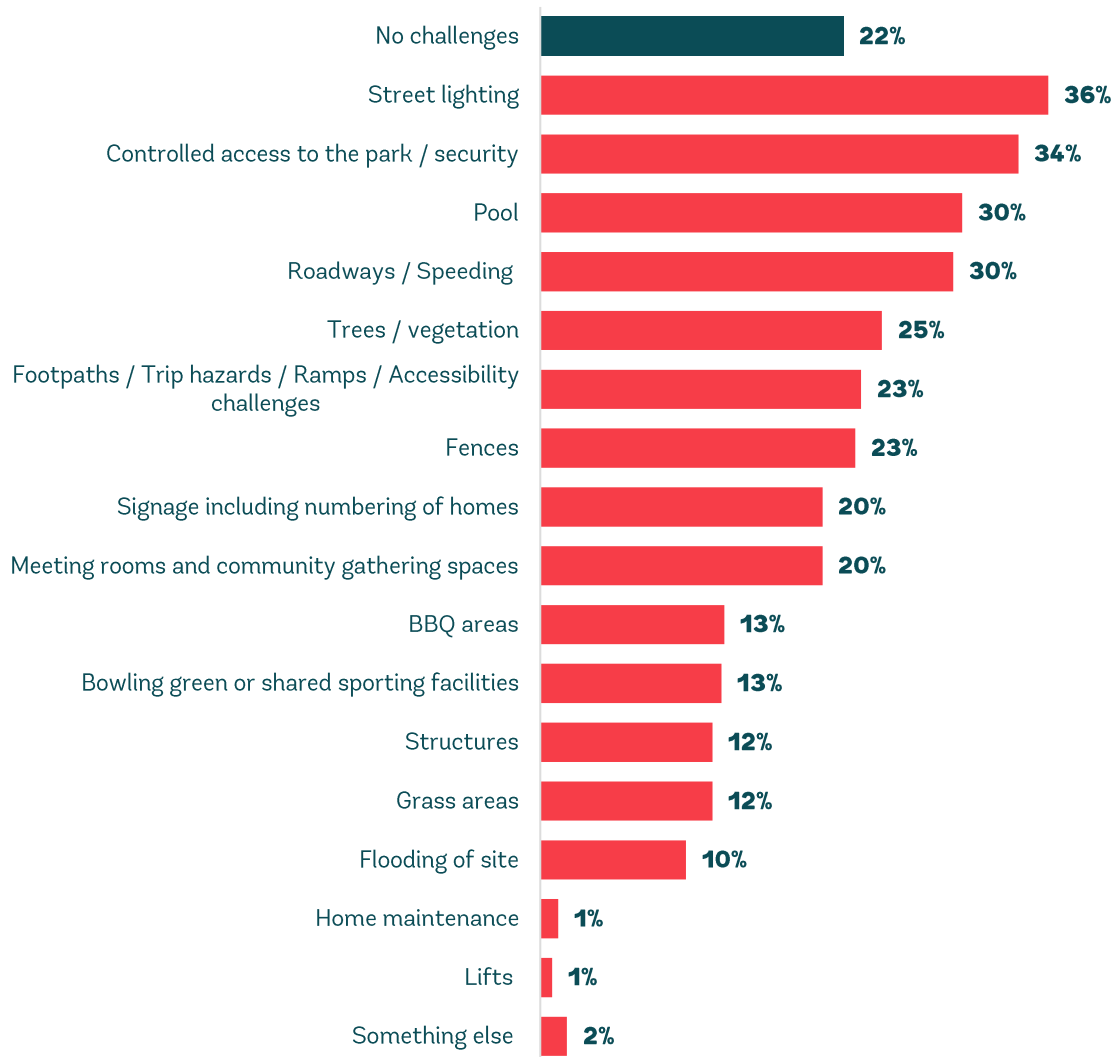


Figure 29. Communal repair/maintenance needs/challenges faced by residents at their park

As well as reporting on their own experience with communal maintenance challenges since living at their park, three out of five residents surveyed indicated what communal maintenance challenges their park faces more broadly. Overall, 44% of residents who reported challenges indicated issues with maintenance of trees and vegetation. Roadways (39%) were the second most cited maintenance issue at parks. Challenges with maintenance of street lighting, pool if available, fences, controlled access to the park/security and grass areas were also widely identified (27-32%). See Figure 30 for a breakdown of data.

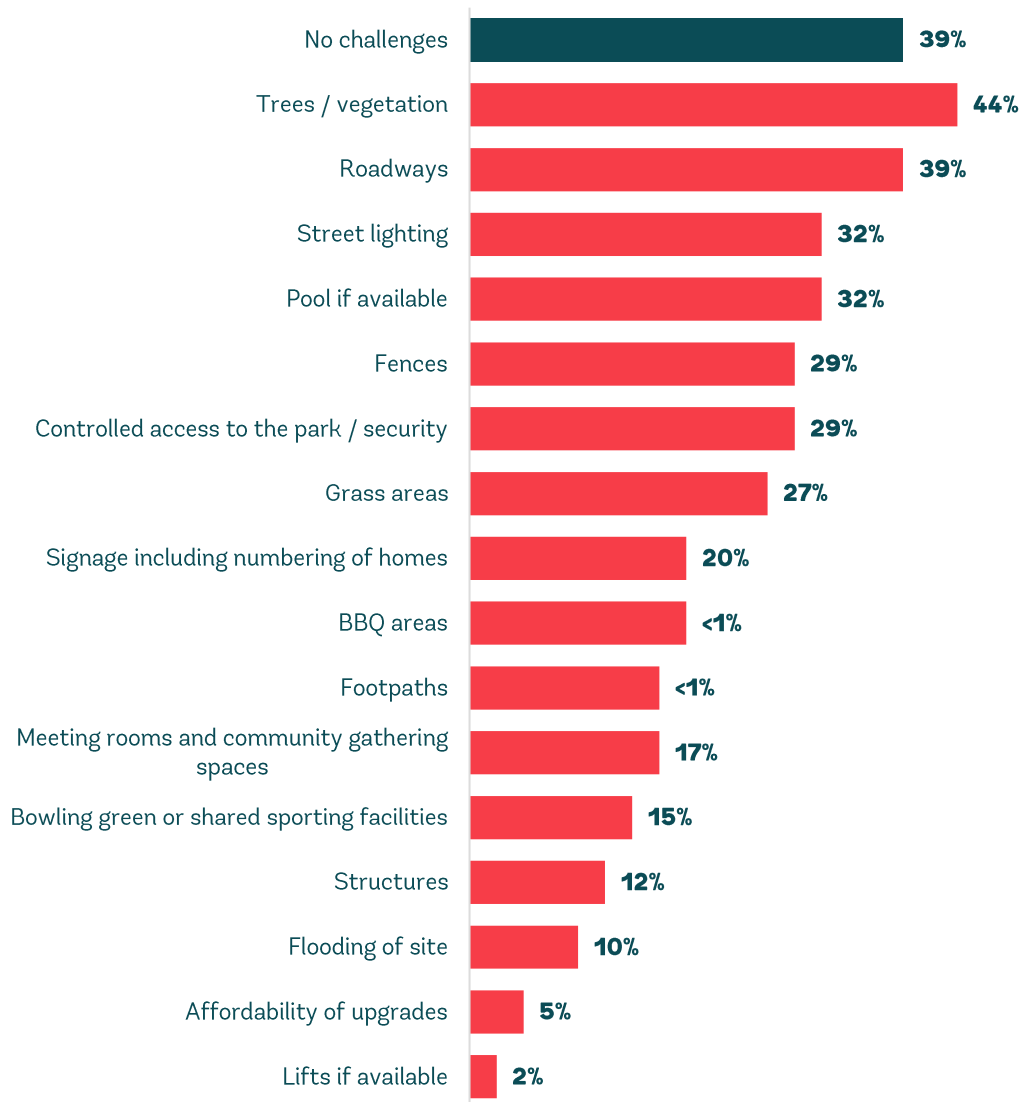


Figure 30. Communal repair/maintenance needs/challenges faced by residents' parks

Making a maintenance request

Approximately half of residents surveyed make requests to repair or maintain communal facilities and grounds by listing the repair at reception (50%) and/or sending an email (46%).

Survey findings show 8% of residents indicate either that there is no process, or that they don't know what the process to make a request is at their park (see Figure 31).

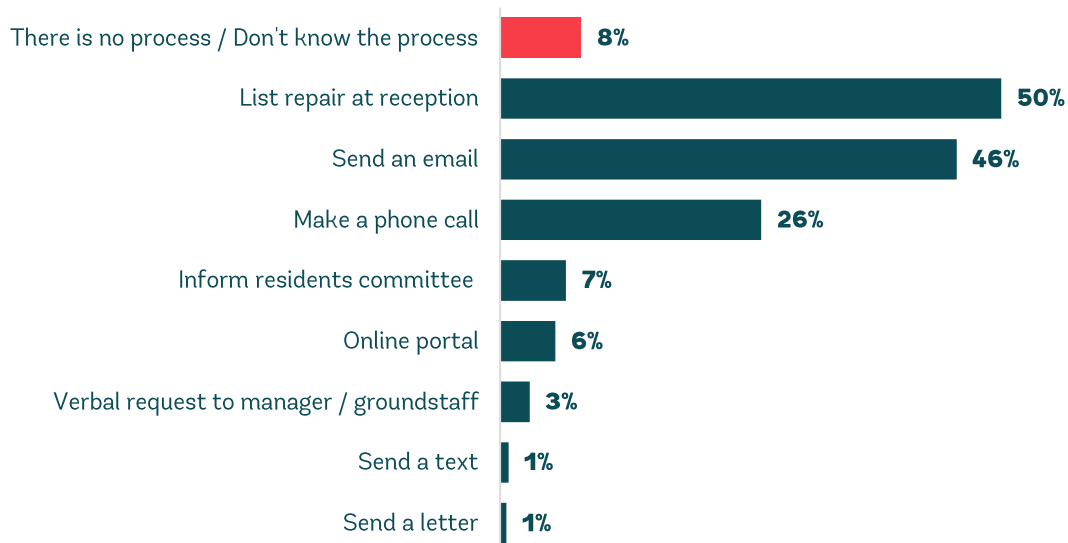


Figure 31. Process reported by residents to make requests to repair/maintain communal facilities and grounds

Operators surveyed explained the process to address requests from residents to repair or maintain communal facilities and grounds at their parks. Not dissimilar to residents, the majority (64%) commented that requests are made via form, email or directly with a manager (see Figure 32). Commentary from operators revealed Residents Committees act as a valuable resource to notify park managers of maintenance issues and resolve matters early.

“Tenants complete a maintenance request form, and all maintenance is addressed/accessed immediately. If a contractor (outside plumber/electrician) is needed they are contacted straight away and notified of the issues we have found. If outside contractors cannot come straight away and it is a hot water issue - then we supply the resident with a key to a spare ensuite we have on site until that issue can be resolved. All other jobs are done as a priority and completed as quickly as possible.” – Operator (survey respondent)

“We have a homeowner committee that meets once a month with me (estate manager) and the regional manager to discuss issues they feel need to be addressed. This is all tabled and I follow up on all issues whether it is temperature of the pool, extra bin for their recycling of bottles, to repairs to solar bollards. Also, I will keep being looking around to make sure that the estate is being maintained at all times.” – Operator (survey respondent)

Operators who were interviewed also commented on the process through which residents report a maintenance issue at their park. One industry participant stated that once a complaint is lodged, a manager gets back to the resident within 24 hours while another is trialing an app that will enable residents to log requests and attach photos of the issue. Industry participants mostly reiterated that they prefer to get maintenance requests in writing to ensure everything is documented. All but one industry participant stated that all requests are documented. Several operators who participated in interviews further explained that determining whether the operator or resident is responsible for the repairs is essential.

“So (when managing maintenance requests) I guess first and foremost is to ascertain whose responsibility it is... if it's an essential service, like water supply or electrical should be done, I would say within 48 hours. Most things can be done on the day. Just depends on the availability of contractors. And like some parks obviously being in the middle of nowhere don't really get much of a choice of when they can get people to attend.” – Operator (interview participant)

For home alterations, one industry interview participant explained that any proposed amendments to the external part of the home need to be submitted to the operator, for aesthetic reasons and to ensure compliance with CFA guidelines.

Industry interviews revealed there are some restrictions impacting on-site managers decision making with respect to maintenance, which can be limiting.

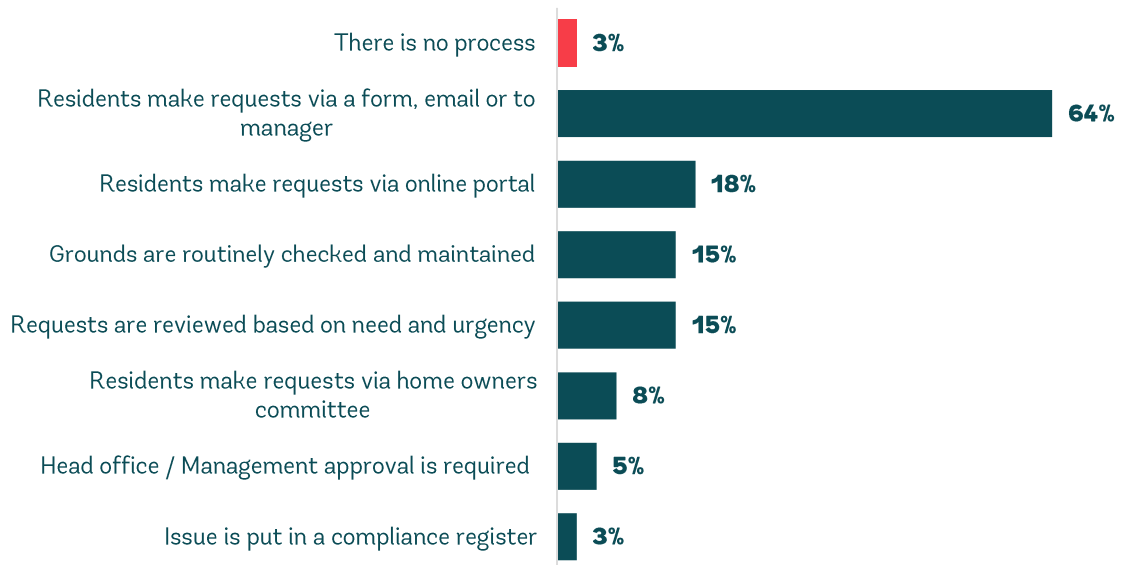
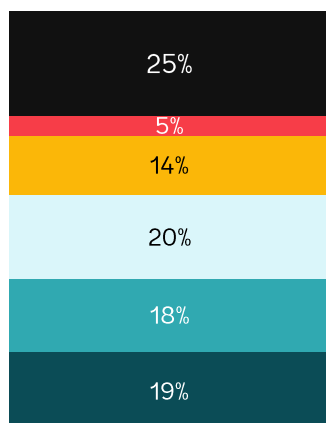


Figure 32. Process reported by operators surveyed to make requests to repair/maintain communal facilities and grounds

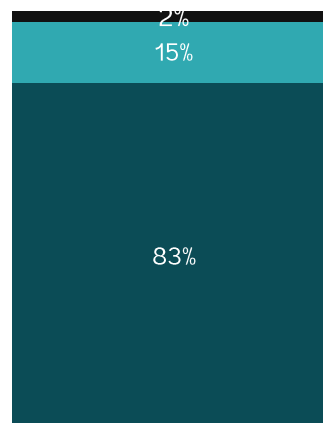
Overall, interviews with industry highlighted examples of good practice not being consistently applied across the sector. Resident experiences show maintenance requests can be very slow to action, or not actioned at all.

There was a significant discrepancy between residents and operators surveyed with respect to how long it usually takes for repairs and maintenance to communal facilities and grounds to be carried out. Four out of five operators (83%) report that repairs and maintenance are carried out within the week, in contrast to one in five residents (19%) (See Figures 33 and 34).



- More than three months
- More than two months
- More than a month
- A month
- A fortnight
- Within the week

Figure 33. Length of time it takes to carry out repairs/maintenance to communal facilities and grounds according to residents



- More than three months
- A fortnight
- Within the week

Figure 34. Length of time it takes to carry out repairs/maintenance to communal facilities and grounds according to operators

Residents commented that where there are processes in place requests are not always fulfilled. In other circumstances the resident is required to repeatedly chase up the request with management.

“There is a maintenance request book at reception, however these requests are greatly ignored and the residents need to continually contact management to get them to act, it’s very frustrating for a lot of residents.” – Resident (survey respondent)

“There are processes in place but they are slow and cumbersome and take too long to respond to. Lucky if an email gets answered, forget the phone being answered or a return call.” – Resident (survey respondent)

“We can ask but it’s up to them if it gets done...” – Resident (survey respondent)

“Been here 10 years and can’t get a street light. I have asked for one all that time.” – Resident (survey respondent)

Addressing home repairs in and out of warranty

More than a third (37%) of operators receive requests to repair faults in homes under building warranty from residents every few months (20%), monthly (7%) or weekly (10%). See Figure 35 for a breakdown of data.

When reflecting on the biggest challenges in the residential parks industry going forward, one operator who participated in an interview explained that finding consistent,

quality suppliers and contractors who build homes on time and to the quality needed without defects presents significant challenges in the delivery of homes at parks.

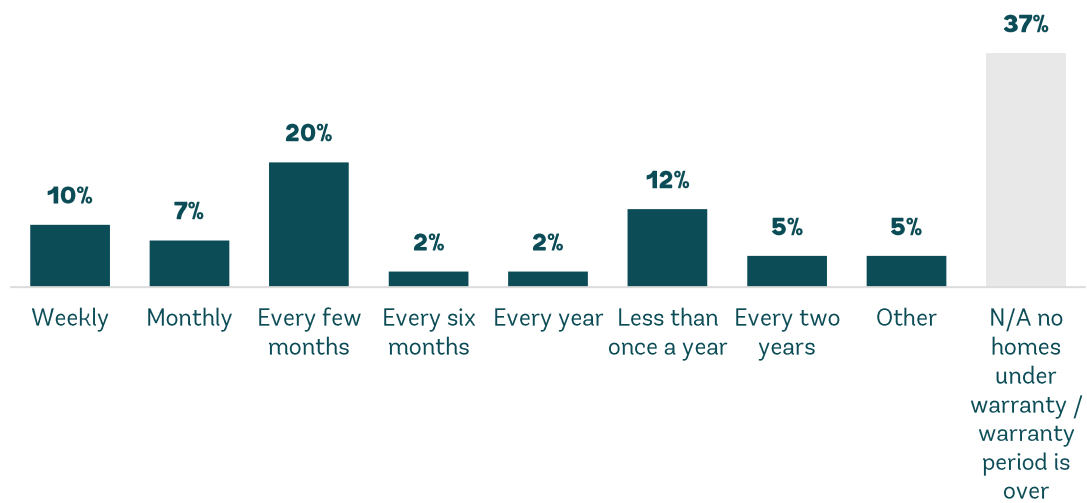


Figure 35. Frequency operators receive requests from residents to repair faults in homes under warranty

Approximately half (48%) of residents indicate that they use their own tradespeople for out of warranty home repairs and maintenance at their park. Operators were more likely to state that residents use both their own and park-recommended tradespeople (56%) (see Figures 36 and 37). By having the option to use their own tradespeople residents can shop around and access competitive rates, as well as exercise choice by selecting a tradesperson that suits them.

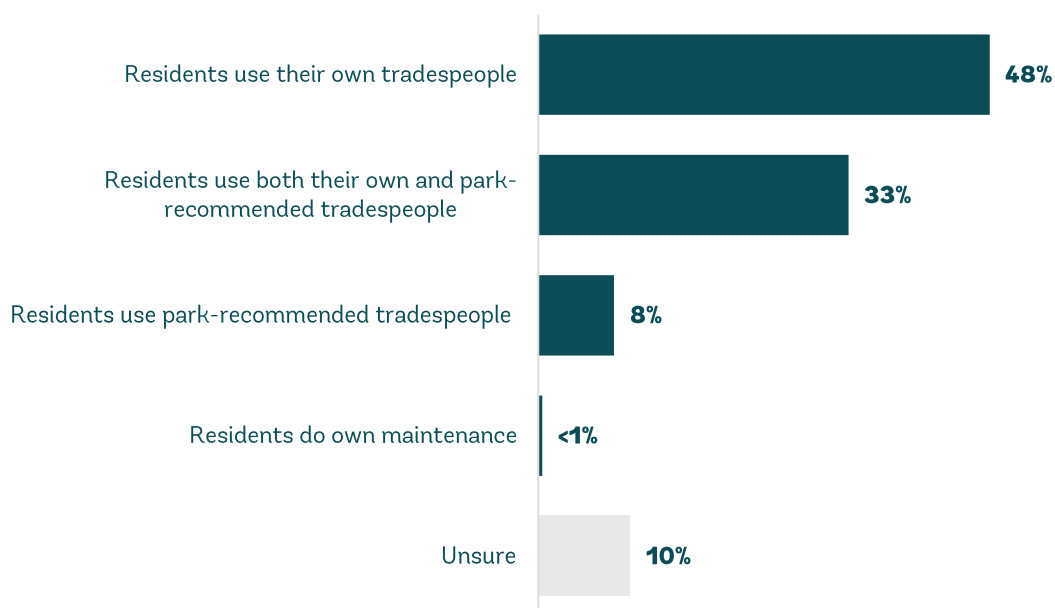


Figure 36. Resident perspectives regarding how tradespeople are selected for out of warranty home repairs and maintenance

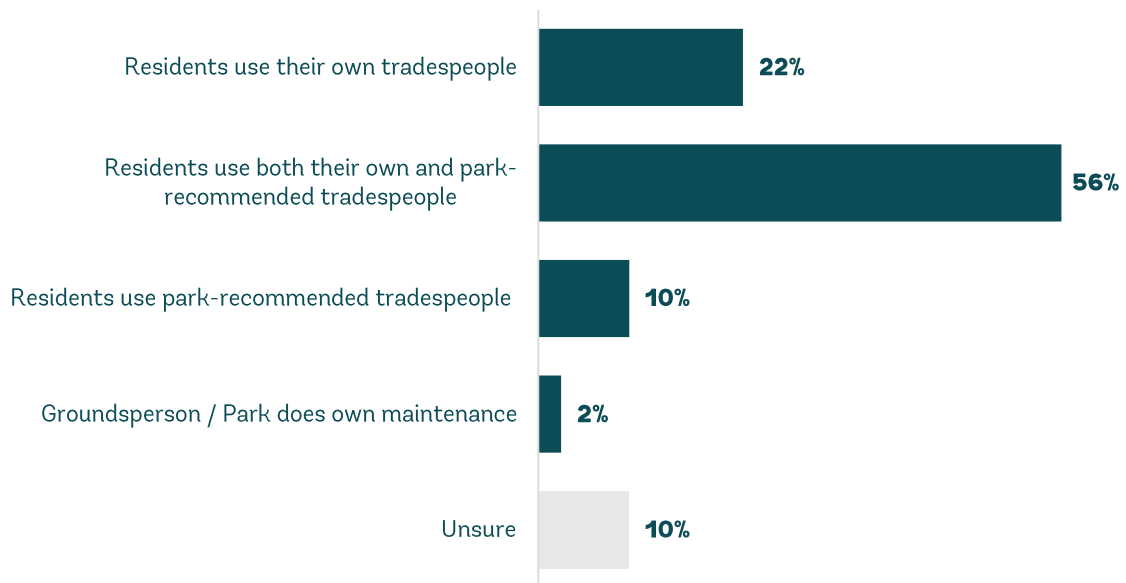


Figure 37. Operator perspectives regarding how tradespeople are selected for out of warranty home repairs and maintenance

Accessibility modifications in residential parks

Some residents surveyed reported extensive problems getting disability modifications approved in their park. By way of example, some residents with a disability spent significant time waiting for permission to build a ramp so they could come and go from their own home without considerable difficulty.

Industry interview participants explained the process when a resident requires health care or disability modifications in their home. No operators interviewed oppose the presence of a carer visiting residents in their homes. One operator offers a free service for residents involving specialist personnel including ex-nurses to provide proactive as well as reactive health services. Several industry participants explained that carers are required to sign in at the on-site office when they attend. One industry participant stated that they as the operator ask to be notified if the resident has obtained a long-term carer, not for the purpose of permission but so other residents can be informed who that person (carer) is if asked.

Some industry participants indicated that they weigh up accessibility needs against community visual or aesthetic needs. This industry preference for uniform appearance of resident homes can clash with clear resident health and safety needs.

While industry participants explained that ramps are generally approved, approvals are only granted so long as the visual amenity of the home is not compromised. For example, one participant commented that ramps at the side of the home are allowed, however ramps at the front of the house are 'trickier' due to aesthetics and compliance. Another operator stated that they do ask that handrails are the right height when a resident makes a request to install a ramp, elaborating that they do not want anything to impact the façade and look of homes. Further, one industry participant indicated that they generally approve requests for ramps, so long as ramps are compliant with the CFA and are completed by an authorised tradesperson.

One industry participant commented on issues with building compliance, stating that the homes in residential parks are moveable dwellings and tend not to be compliant under the Disability Discrimination Act (DDA). This operator noted that they have an exemption from the Building Code of Australia around the DDA requirements. Under current regulations, homes are on steps and must be transportable, which makes things difficult for residents who are wheelchair bound.

“As soon as they (homes) are not movable dwellings, one may suggest that they don't fit within under the guidelines, the caravan park sector, in which case you may not be able to create that separation between land and dwelling... if I'm to reflect on NSW and QLD where their movability is based on an engineer's report, their movability is not based on a physical test. And I will say the legislations that are in NSW and Queensland, they're pretty good legislations.” – Operator (interview participant)

“I think then you could go back to some questions... about whether we should be looking at building homes that perhaps support aging in place a little better than some of the current homes that we have to build...” – Operator (interview participant)

Making a complaint at a residential park

Three in five residents surveyed (63%) have made a complaint about their park (see Figure 38).

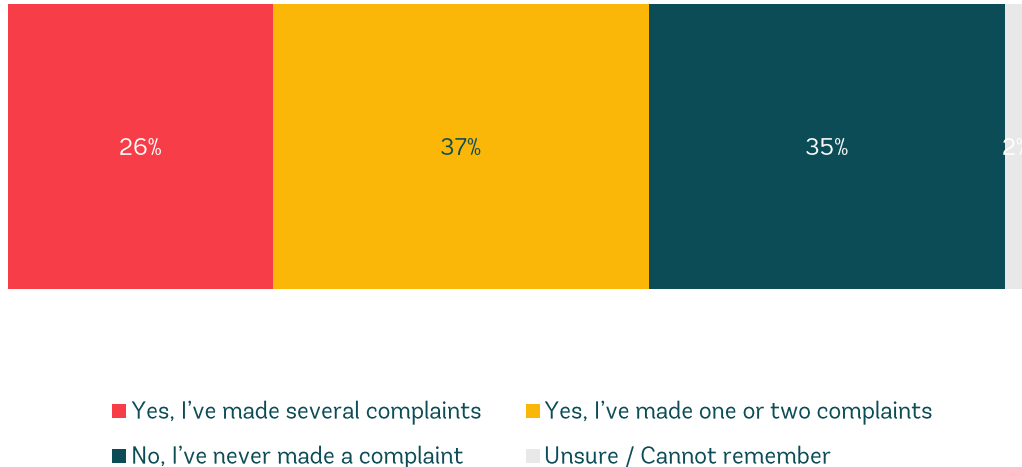


Figure 38. Proportion of residents who have made a complaint

More than 30% of recent complaints reported by residents related to home repairs, the behaviour of management or repairs or cleanliness of communal areas within the park. Complaints about fees (25%) and behaviour of other residents (22%) were the next most widely cited complaints (see Figure 39).

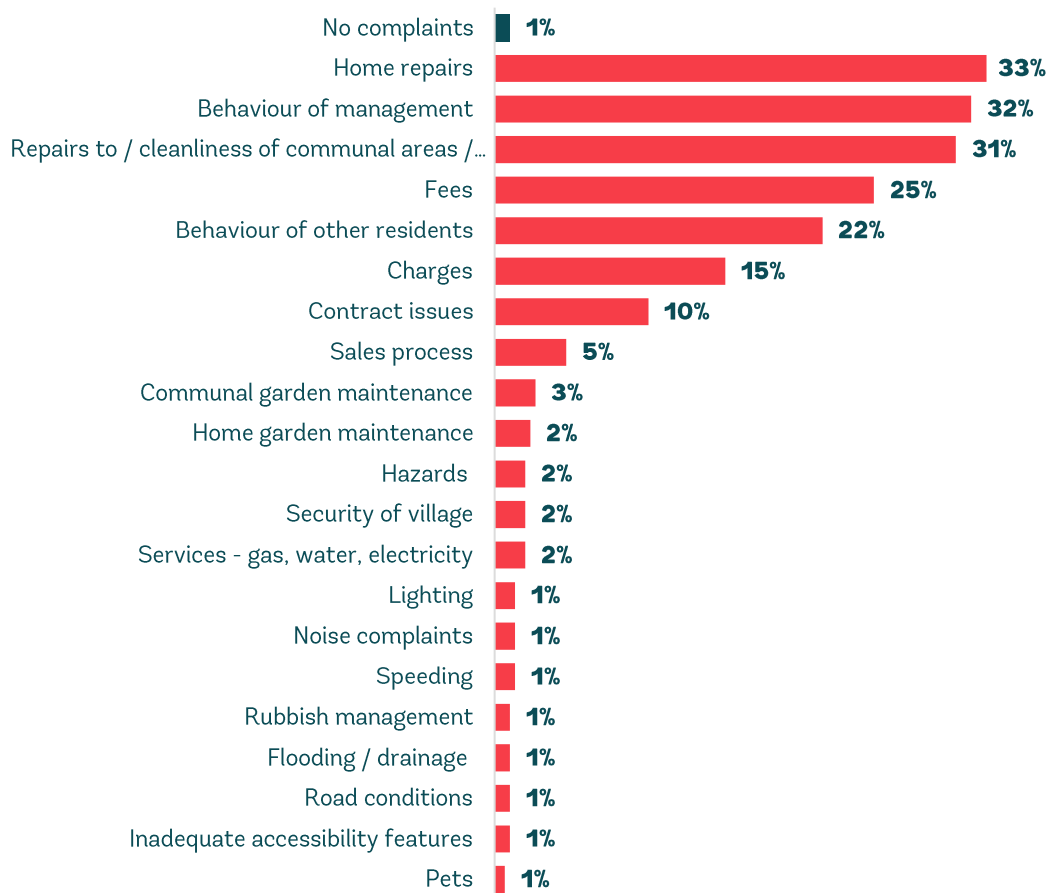


Figure 39. Most recent complaint reported by residents

Operators surveyed identified behaviour of other residents (66%) as the most widely reported complaint. Operators echoed residents in suggesting complaints about fees (39%) are common, alongside repairs to residents' homes (20%), albeit this was less prominently reported compared to residents (see Figure 40).

When asked how many complaints they receive per year, operators who participated in interviews indicated they do not receive many, highlighting that the frequency of complaints varies. One industry participant noted that the number of complaints received depends on the quality of the manager of each park, stating that as an estimate, 3-5% of 1000 residents make a complaint.

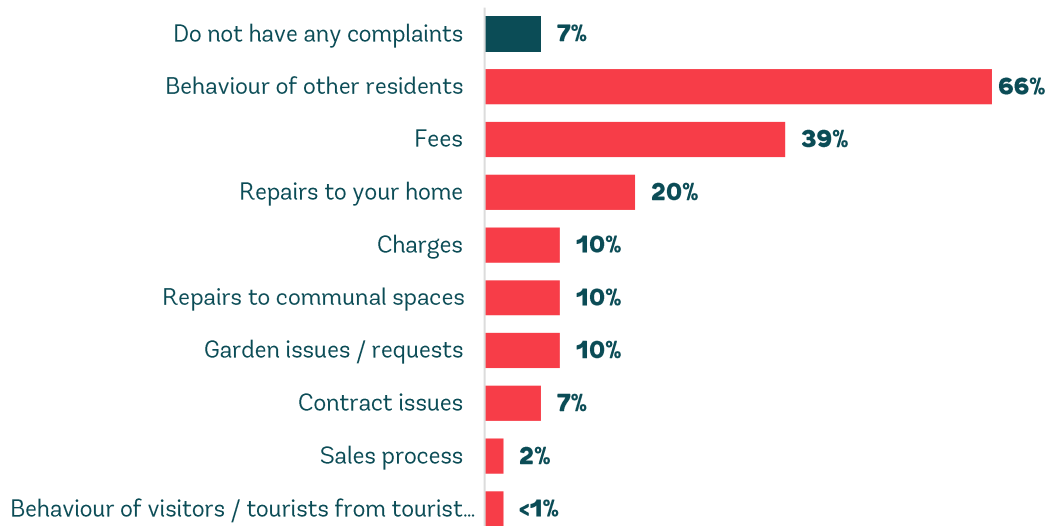


Figure 40. Most common resident complaints reported by operators surveyed

Operators who participated in interviews stated what they consider a complaint to be:

“Any issue that is raised at the front counter or by mail or by e-mail is an issue to be dealt with and that can be both a complaint or also can be constructive feedback... You listen, learn and basically get it fixed and respond quickly...” – Operator (interview participant)

“Anything where a resident is unsatisfied.” – Operator (interview participant)

“...A form of dissatisfaction is probably the best definition.” – Operator (interview participant)

“Something that’s submitted in writing that has a factual or evidentiary argument.” – Operator (interview participant)

Survey findings reveal nine out of ten complaints from residents were made to the park’s on-site manager, caretaker or owner operator (87%), with one in five residents raising their complaint directly with the interstate or head office manager of the land lease company (19%). More than a third of complaints were made to resident or homeowners committees (38%) (see Figure 41).

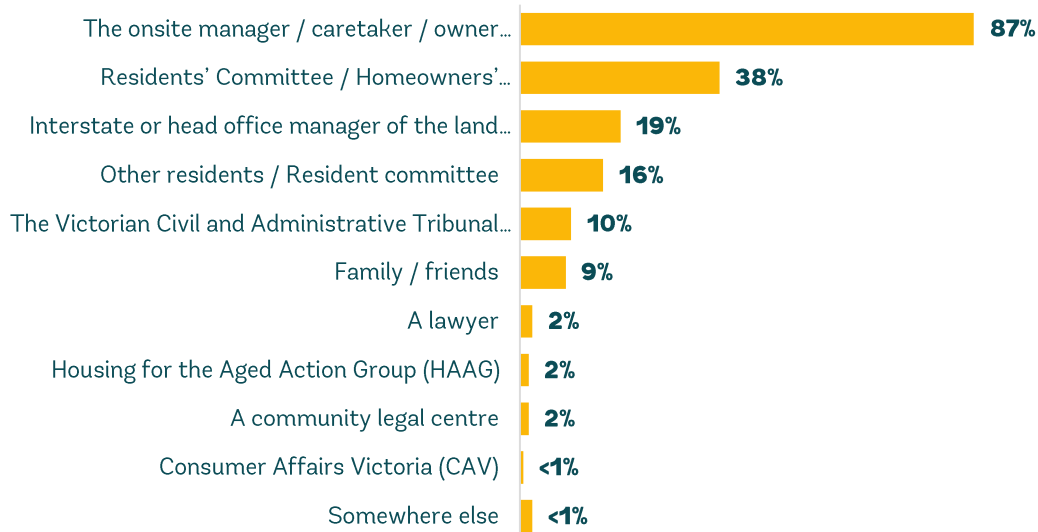


Figure 41. Most common resident complaints reported by operators

Operators surveyed indicated that residents most often contact on-site management when making a complaint: predominantly on weekdays during business hours (76%), followed by weekdays and weekends (39%). See Figure 42 for a breakdown of data.



Figure 42. Surveyed operator indications of how residents contact them

Operators who participated in interviews elaborated on the process through which residents report a complaint. One operator stated that 'everyday' complaints are kept on file in a complaint register, stating the importance that resident complaints are in written form. Another industry participant inputs all complaints into a tracker to acquire reporting on how complaints have been resolved, the timeframe complaints have been resolved, and common themes coming through.

Several industry participants encourage residents to make complaints through their manager in the first instance. One operator noted that if required, the complaint can then be escalated internally. Once the complaint has been investigated at the final stage, the resident is referred to VCAT or CAV as a next step. Another operator spoke of a feedback email available to residents to use, which is the same across all their parks. This operator has fortnightly meetings with managers to stay across complaints and any other issues and runs an annual town hall with residents.

“We are on site, we're reasonably accessible and I know from past experiences that I might get an email, or I might even get a letter that is a complaint about one of our on-site team and I'll go and address that with that person and provide feedback to the person that's complained. We would always ask for those complaints to be documented.” – Operator (interview participant)

Two participants indicated that some complaints are not necessarily logged or written down.

Industry interview participants advised that the way complaint outcomes are managed and communicated is on a case by case basis. Several industry participants specified that outcomes are communicated direct to the homeowner the way the complaint was reported (verbally or in writing, for example).

“It depends on the circumstances. If it's something that needs to be communicated to the whole park, then we send out like a global message, either via email, SMS or we contact everybody directly and pretty much works the same for individual as well.. Assessment is made on a case-by-case basis, manager would make a decision based on what's appropriate.” – Operator (interview participant)

“Again on a on a case by case basis... So we obviously investigate the issue, review it, collate any further information we need to from the homeowner and then respond within that time frame (21 days as prescribed in Queensland legislation) and...I would say that's a universal standard that we apply across our entire national portfolio just so that we're consistent.” Operator (interview participant)

Despite most residents who make a complaint raising the complaint to their on-site manager, caretaker or owner operator, only half (53%) of residents surveyed feel comfortable doing so (see Figure 43).

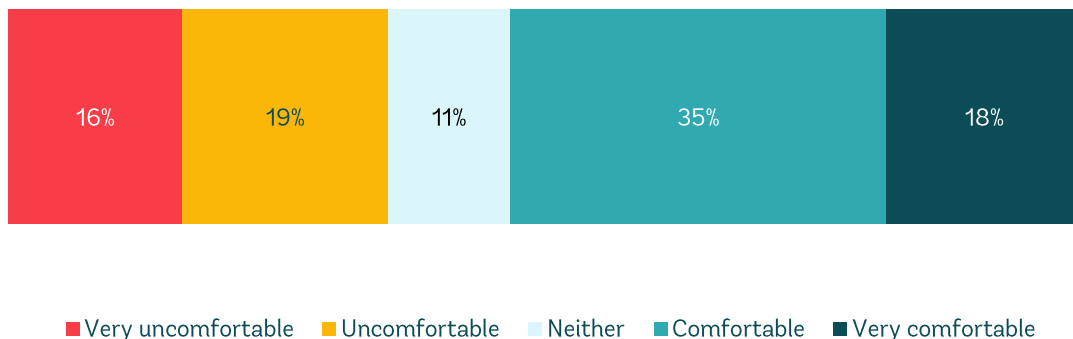


Figure 43. Resident comfort raising a complaint with their on-site manager

Satisfaction with making and resolving a complaint

Residents are dissatisfied with navigating the process to make a complaint, and with the process itself:

“I have tried every avenue to get things done. I have also organised independent assessments to be carried out with Written Reports provided. There are still numerous issues. Many people have been forced to walk away from their issues as they are too old to fight them. No matter what the question or issue, the first response is always "No". After months and years of fighting, people are forced to give up. some sell out, others are forced to live with their issues.” – Resident (survey respondent)

Residents surveyed are most dissatisfied when making complaints to interstate or head office management of their land lease company:

- More than two thirds of residents who made their most recent complaint to the interstate or head office manager of the land lease company found both the process in which their complaint was handled to be highly difficult (80%) and reported dissatisfaction with navigating the process itself (71%).
- Most residents who made a complaint to VCAT also found navigating the process to be highly difficult (62%) and expressed dissatisfaction with the process (51%).¹⁰
- More residents were dissatisfied with the process (57%) to make a complaint to their on-site manager, caretaker or owner operator, than found navigating the process to be difficult (48%).

Survey findings show the easiest way residents make a complaint is through the Residents or Homeowners Committee. Residents reported the least difficulty with navigating the process (25%) and least dissatisfaction with the process itself (29%). See Figures 44 and 45 for a full breakdown of findings.

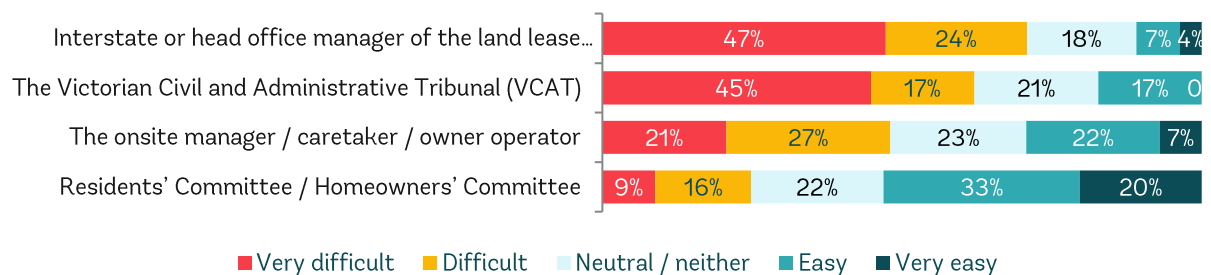


Figure 44. Degree to which residents found navigating the process to complain to be easy¹¹

¹⁰ Caution interpreting findings regarding resident experience navigating the process to complain to VCAT, small sample size <30, base=29

¹¹ Ibid.

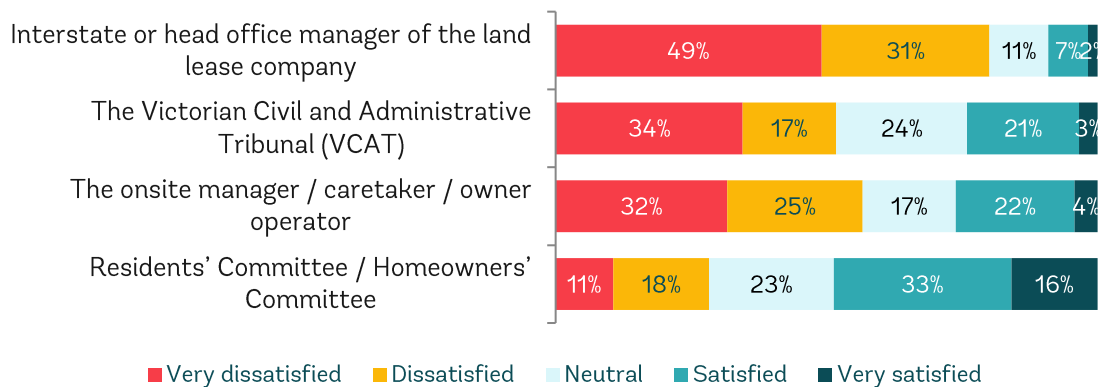


Figure 45. Resident satisfaction with the process by which their most recent complaint was handled

While two thirds (68%) of operators surveyed have a complaint handling policy, nearly one in five (17%) have no complaint handling policy. Where a complaint handling policy is available, it is most often situated at the on-site office (36%) or on the website or online portal (29%) (see Figures 46 and 47).¹² The desktop assessment on the nature and scope of residential parks found only two websites had information on complaint handling approaches.

Operators who participated in interviews mostly reported the existence of a complaint handling policy, albeit one operator stated that while a policy exists, they do not tend to use it due to the small size of their head operator team.

“So we've got within our contracts, we have a complaint handling (process) - some language and content around complaint handling which talks about what we will do if a complaint comes in.” – Operator (interview participant)

“We don't really feel like we need a policy to be fair and consistent... if I was a corporate where I had more people, I think it would absolutely be necessary.” – Operator (interview participant)

¹² Caution interpreting findings regarding where operators cite a complaint handling policy is available, small sample size <30, base=28

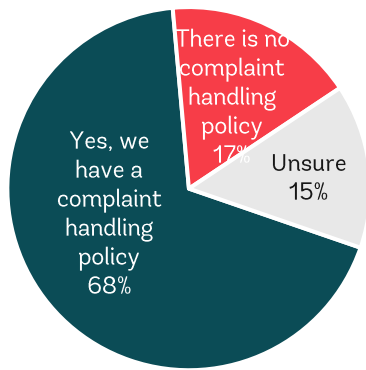


Figure 46. Proportion of operators who have a complaint handling policy for their park(s)

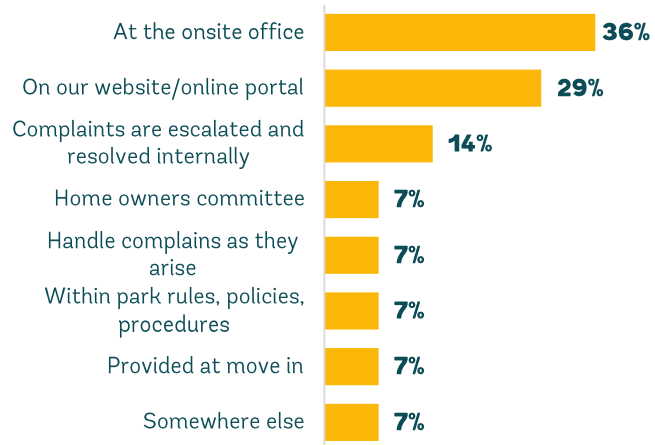


Figure 47. Place where complaint handling policy is available¹³

Approximately two in five operators who responded to the survey have engaged with VCAT to resolve a dispute as an applicant (20%) or as a respondent (17%). More than a third (35%) evaluated navigating the process as difficult, albeit the vast majority (79%) are satisfied or indifferent with their VCAT experience overall (see Figures 48 and 49).¹⁴

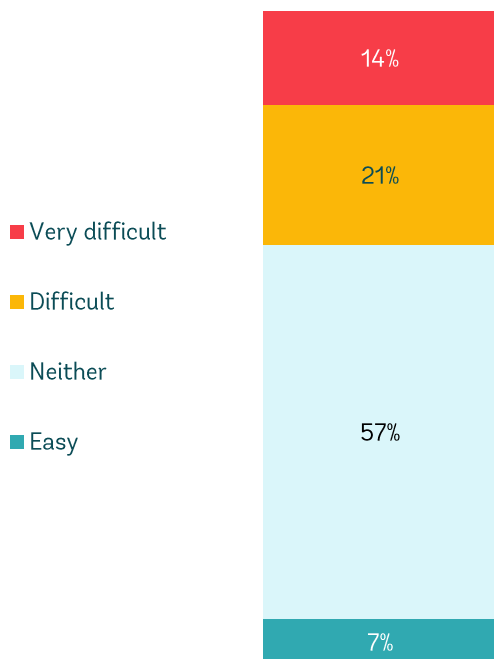


Figure 48. Operator experience navigating VCAT's dispute resolution processes¹⁵

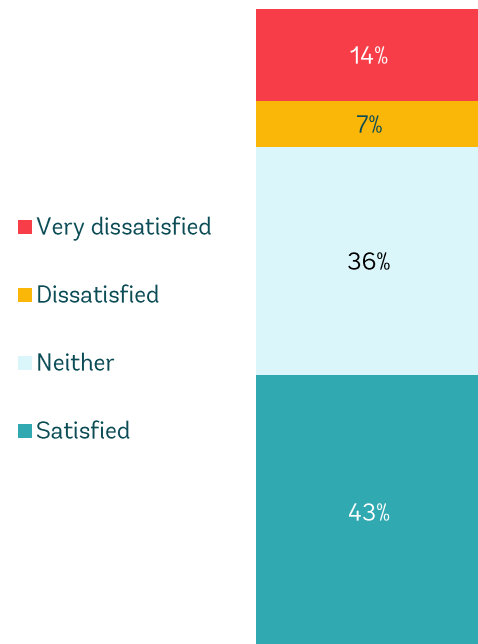


Figure 49. Operator satisfaction with their VCAT experience¹⁶

¹³ Ibid

¹⁴ Caution interpreting findings regarding operator experience and satisfaction with VCAT, small sample size <30, base=14

¹⁵ Ibid

¹⁶ Ibid

“For me, there's not really a great dispute resolution process in Victoria... when as an operator, you're trying to resolve an issue, but it's sort of gone beyond your ability or your scope I guess. So to speak, we're talking resident on resident, you know. They don't like each other, but they're not breaking technically any rules. There's no real avenue that's clear for an operator or a resident in that circumstance. So I think (what's needed is) some sort of clear dispute resolution process that sits maybe with Consumer Affairs (Victoria) or there's mediation or it's part of VCAT, I don't know.” Operator (interview participant)

Operator engagement with residents and Residents Committees

Findings from the residents' survey revealed instances whereby operator engagement with Residents Committee's is not supportive of residents. Surveyed residents spoke to instances of combative engagement or a lack of engagement altogether:

“The Management does not recognise the Residents Action Committee and refuses to attend meetings in order to resolve issues that currently need attention. In actual fact they treat them with disdain.” – Resident (survey respondent)

“Black-banning the Residents Committee because it was trying to look after residents' interests.” – Resident (survey respondent)

“Interfering with the election process of a Residents' Committee.” – Resident (survey respondent)

...The owner is abusive and controlling. He has tried to tell us who we can and can't speak to. What we can and can't say... If he thinks he has you onside he will tell you things you wouldn't expect. Told me one day that if people made life tough for him he just continued to put their rent up by 30% until they left and the next day did just that to a woman who was the person that got us together and we made a committee. We have regular meetings of both committee and residents now and he carries on like a spoilt brat...” – Resident (survey respondent)

Operators who participated in interviews confirmed that Residents Committees exist at most parks. Where Residents Committees do not exist, this is due to the small size of the park, or the fact that the park is newly established.

Industry participants generally evaluate Residents Committees positively, stating that they are an excellent resource for understanding resident needs, and an effective means through which operators can consult with residents, including regarding any change to park rules. The cohort of operators who participated in a survey or interview may be skewed to those who are more engaged and active in their park and with residents more broadly.

Operators described their consultation approaches regarding park rules, indicating that the residents committee often assists with consultation. Operators confirmed that park rules including amended park rules are typically located at the office, clubhouse and through email, should residents require.

“We prefer consultation when we have residents committees.” – Operator (interview participant)

Operators who participated in interviews mostly consider their Residents Committees to be constructive. Most industry participants elaborated that they try to have a one on one with each Residents Committee every three or four months, while community managers would generally try to engage with their Residents Committee every month or two to identify what is working well and any issues.

"I like consultation. I think it's a really valuable exercise to do... I think it (the residents committee) provides good access to them... they provide their minutes, their agenda... ideally a few days before our meeting so I can try and come to those meetings with answers." –

Operator (interview participant)

Industry participants explained that they generally assist with setting up Residents Committees, but want them to run independently and are cautious not to be seen as influencing committees.

For example, one industry participant specified that they will assist by printing documents and educating residents on how the committee can be set up, but cannot be involved in that set up directly. There was a suggestion that the Victorian Government could take a role in educating committees by running a course or webinar on how to run or be on a committee.

"So once the community is 60% full, we start actively encouraging or setting up the (Residents) Committee. And we think that's a really important part of the democracy of the community and we're incredibly supportive of that... so we'll put a notice out saying that we want to start a home owners committee and we ask for nominations, and then we've got a prepared Constitution for it... then once that committee is appointed, we'll send that committee to another committee that already has an operating policy and then they can talk to that committee, see how best to work, how it works..." – Operator (interview participant)

Industry participants widely consider communications with residents to be far reaching and through a variety of channels. Industry participants spoke of information sessions offered to residents, newsletters, regular email updates, text messages, updates through Facebook and noticeboards being utilised to inform residents of 'what's going on'.

Part 4. Selling a home at a residential park

Interviews with operators suggest the main reason residents leave their park is to go into higher care, move closer to family or a different residential park or retirement village, or because they have passed away. In the view of industry participants, residents do not often leave because they do not like living in their park.

Survey findings show nine out of ten residents (91%) have no experience selling a home in a residential park (see Figure 50).

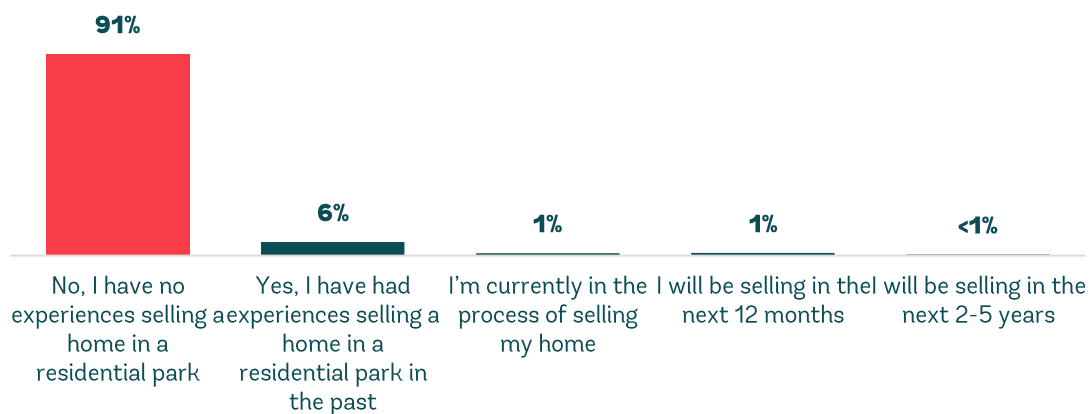


Figure 50. Resident experience selling a home in a residential park

Nearly half (46%) of residents' report a good understanding of the process involved in selling their home, albeit more than a quarter (28%) feel their understanding of the sales process is poor (see Figure 51), although these figures need to be read in the context that many people responding have not yet gone through the process.

At the time they signed their site agreement, half of residents (50%) had a poor or average understanding of exit fees (see Figure 52).

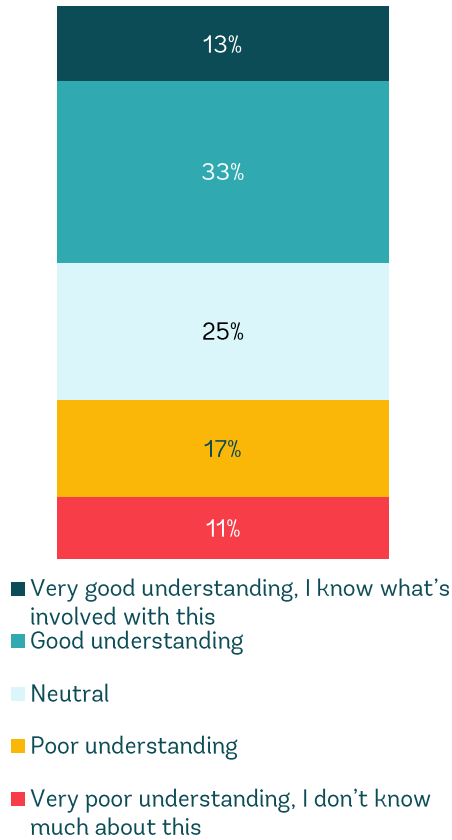


Figure 51. Resident understanding of the process of selling their home

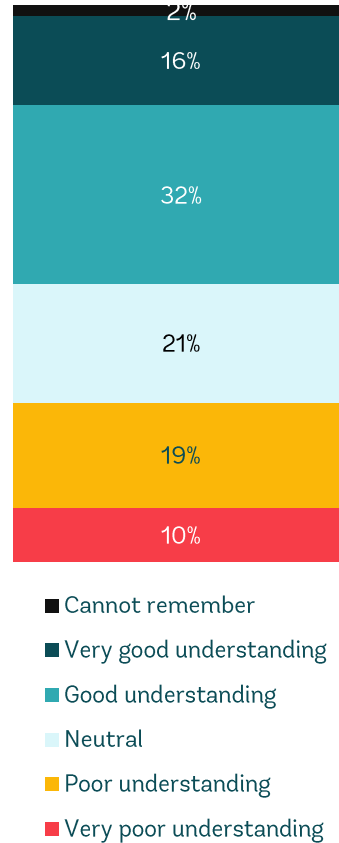


Figure 52. Resident understanding of exit fees at the time of signing their agreement

Exit fees and Deferred Management Fees (DMFs)

Exit fees, often termed DMFs, are fees charged to residents when they leave their park. Most residents (61%) and half of operators (51%) surveyed indicated a DMF or exit fee is charged when residents sell their property and leave their park. Three operators who participated in interviews charge exit fees / DMFs.

Residents' views on exit fees / DMFs as referenced throughout this report, demonstrate that exit fees / DMFs are a critical concern for residents. Commentary from many residents surveyed shows residents who are subject to exit fees / DMFs did not understand the fee structure or consequences of their commitment to buy into their park, at the time they signed their contract. As a result, many residents feel taken advantage of financially and 'trapped' in their park.

“Exit fees are ridiculous meaning if you want to sell, they take virtually all your capital gain making it impossible to buy elsewhere, therefore you are trapped.” – Resident (survey respondent)

“The DMF is based on selling price when it is the homeowner who has added all the improvements.” – Resident (survey respondent)

“We buy our home, we pay rent, we decide it's not a lifestyle and want to sell, we have to pay 20% to get out.” – Resident (survey respondent)

Interview participants explained the various ways exit fees / DMFs are calculated:

- Fee is based on the purchase price.
- Fee is based on the selling price, which increases at 4% per annum over five years, capping at 20%.
- Fee was set by the previous owner and carried on from there, with a maximum fee of 10% based on the selling price. If the home is sold in the first year, there is no DMF.

Industry participants provided different reasons why exit fees / DMFs are required. Generally, industry participants explained that the main purpose of exit fees / DMFs is to allow operators to provide more affordable homes than could or would be made by operators who are looking to make development profits upfront. Another reason provided was for the purpose of investing in the ongoing management of the park. Examples cited by operators interviewed included replacement of furniture in the clubhouse as well as refurbishment of homes where required.

“The most significant reason for a DMF is that as a business, we provide the homes. We sell the homes in that particular residential community at a much lesser rate... So those homes are made available because at the price points they’re made available... we defer a considerable portion of any marginal profit or in some cases all of the marginal profit to a later point...” To see that park sell in as many homes as it can. At a very affordable rate, get people in there and then we're deferring that profit to some future point down the track, when that home is sold. So without question... a good portion of deferred management fee reverts back to the business to make up for the internal rates of return...” – Operator
(interview participant)

“Maintaining the community to a high standard comes at a price.” – Operator (interview participant)

“There is a 30 year refurbishment plan for every community. When we started [REDACTED], we didn't actually have a deferred management fee. We went to all these communities in America and they were in very, very poor condition, you know, they had not been looked after. (There) was no incentive for the end owner of that income stream or manager of that park to actually look after them because they weren't incentivised to. So we came back firmly with that, you know, for the customers benefit, we actually needed a third (fee)” - Operator
(interview participant)

Administration fees, commission from assisting with the sale of a home and marketing fees are also charged to some residents upon the sale of their home, affecting more than a third of residents surveyed and more than a quarter of parks (see Figures 53 and 54). Two interview participants charge a selling commission fee (one noted this is only if they act on behalf of the resident) and two industry participants charge a selling administration fee, which is for the purpose of preparing paperwork.

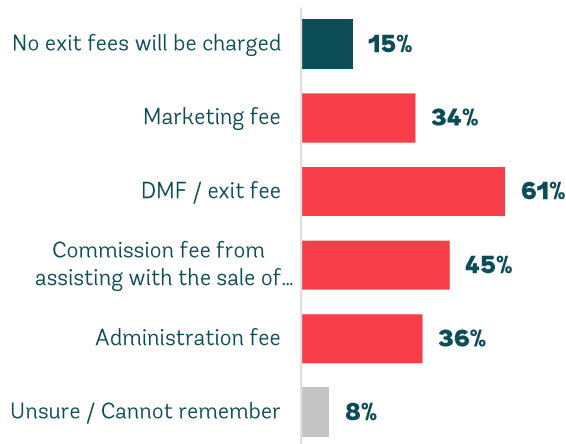


Figure 53. Resident reports of fees that apply upon the sale of their property

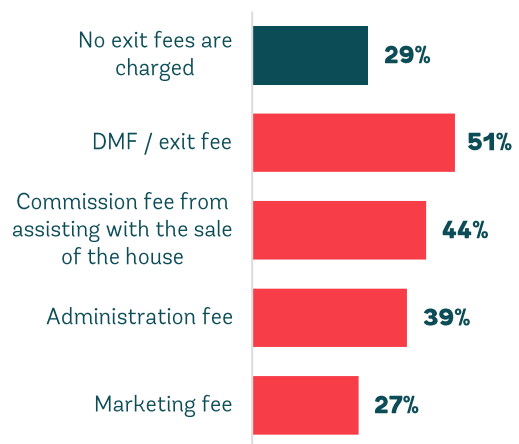


Figure 54. Operator reports of fees charged by their park when residents leave

There is a disparity between residents and operators with respect to information provided on exit fees prior to site agreements being signed.

Findings show residents are three times more likely than operators to have indicated that the exit fee amount they would be charged upon selling their home was not disclosed prior to signing their agreement. Indeed, 66% of operators report calculating and disclosing a specific percentage amount when discussing exit fees with residents, compared to 45% of residents (see Figures 55 and 56).¹⁷

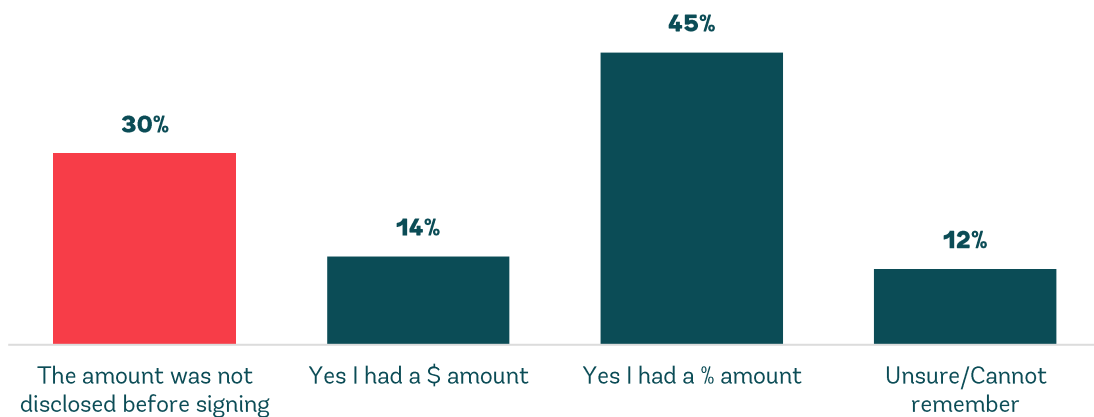


Figure 55. Resident responses regarding whether they were provided with a specific amount relating to the exit fee they would be required to pay when selling their home, before signing their site agreement

¹⁷ Caution interpreting findings based on operator response, small sample size <30, base=29

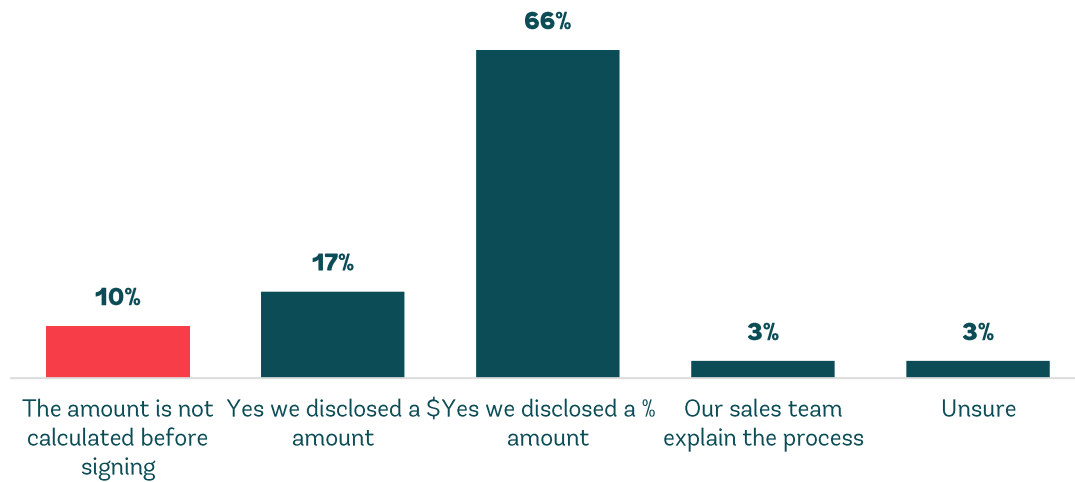


Figure 56. Operator responses regarding whether they calculate specific exit fees to discuss with residents before they sign their site agreement¹⁸

Three out of four (73%) operators who responded to the survey provide their park's sales team to residents to assist them with selling their home. Approximately one quarter of operators employ the on-site manager or caretaker to assist (29%), or indicate that residents sell their homes independently (27%). See Figure 57 for data in full.



Figure 57. Services operators provide residents to help them sell their home

¹⁸ Ibid

Operators who participated in interviews confirmed that site rent is charged for vacant properties awaiting sale. One industry participant explained that their park has just initiated a new policy that provides a 20% discount on site rents once the operator has received all necessary paperwork such as power of attorney documentation.

Part 5. Operator experience managing residential parks

Professionalisation

Interview participants largely learned how to perform their role as an operator or manager of their park/s 'on the job' and would like more training on legislation especially.

Previous work experience among industry participants that relates to their current role includes property management, hotel management, accounting and finance.

Multiple industry participants referenced training provided by larger scale operators on policies and processes, complaint handling and dealing with customers, marketing, financial management and valuation, as well as courses provided by Caravan and Residential Parks Victoria relating to legislation and regulation.

"...When inducted, a lot of training in Vic is through industry associations (Vic Parks). Lots of code of conduct, legislative training, policy, handling difficult customers, Part4A agreements. Training is ongoing. You get lots of support through being a member of Caravan and Residential Parks Victoria (formerly Vic Parks)." – Operator (interview participant)

Despite this, several industry participants cited that they have not received any formal training, including on the *Residential Tenancies Act 1997* that regulates residential tenancies including Part4A agreements in Victoria.

As well as receiving more training on legislation and regulations, several operators stated that training to deal with complaints is essential.

"Definitely as legislation changes, having more training from government bodies about that. I think sometimes how operators can interpret legislation (can be different) to how residents see it... I think some more you know, government specific training would be great." – Operator (interview participant)

Support for a code of conduct and licensing scheme

Interview participants generally support a mandatory code of conduct for park operators including a fit and proper person test, and a licensing scheme for operators.

"...I'm all for it (a licensing scheme). I think if you haven't got the right people in a role to run a park, then it can be quite detrimental, right?... If there's, you know, a training course for a community manager or an operator that gives them some clear expectations about running a park and you're held accountable to that. I think you know the clearer and more black and white an industry can be, the better it is." – Operator (interview participant)

"I think that's entirely reasonable thing to have (a fit and proper person test) particularly with frontline staff who are working with residents and some of them can be vulnerable and some of them can be in vulnerable situations..." – Operator (interview participant)

“Good to have a mandatory code as people won't do it unless its mandatory and enforced in legislation.” – Operator (interview participant)

“...In NSW an independent authority assesses someone's financial strength/capability and gives them a rating. Licensing (could operate) almost like a rating system like in building. You know where you get rated as an operator... and that's publicly available.” – Operator (interview participant)

While industry participants are generally in favour of a code and scheme, operators are cautious that both must have proven benefit and value and involve consultation with industry when being developed. Multiple operators suggested that any code would need to be principles-based to promote good business practices without limiting profit-making:

“...(A code that stipulated) you can't put your rents up by more than you know, 3% or something. That sort of conduct will worry me because I think that's where you start to impact on various business models. But I think when it's talking about behaviours and attitudes at a residential level and again when we do have some vulnerable people in our communities, that's not unreasonable.” – Operator (interview participant)

The small number of operators who do not support a licensing scheme for park operators expressed doubt as to what a license would enable and how a scheme would be regulated.

Resources used by operators to manage parks

The top three ways park operators surveyed access information on legislative obligations are through senior management communications (56%), a lawyer or legal team (49%) and training courses and professional development (44%). Caravan and Residential Parks Victoria (formerly Vic Parks) (29%) is also used by more than a quarter of operators as a resource (see Figure 58). Interview participants reiterated similar sources, with some citing their park's head office, legal team, internal government relations team and internal risk and compliance team as helping them stay across legislative changes specifically.

Nearly half (47%) of operators surveyed have visited the CAV website in the past six months, although nearly one third (32%) have never visited the website. Of those who did access the CAV website, the majority (93%) found it helpful to some degree (see Figures 59 and 60).¹⁹

All interview participants use the current disclosure form (notice to prospective site tenants form) provided by CAV, reporting it to be a comprehensive and useful resource.

¹⁹ Caution interpreting findings regarding operator responses to whether they found the Consumer Affairs Victoria (CAV) website helpful, small sample size <30, base=27

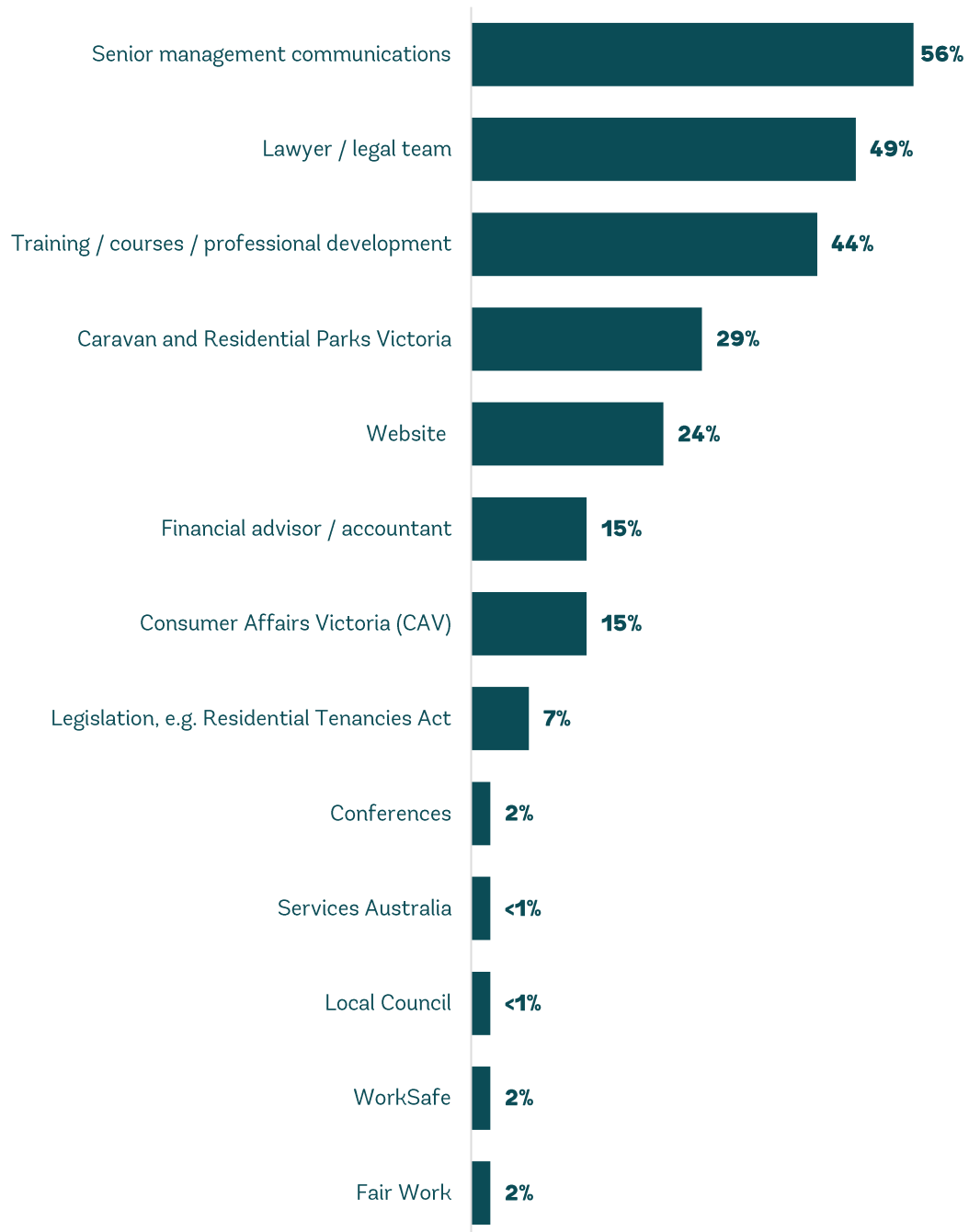


Figure 58. Resources park operators utilise to access information on their legislative obligations

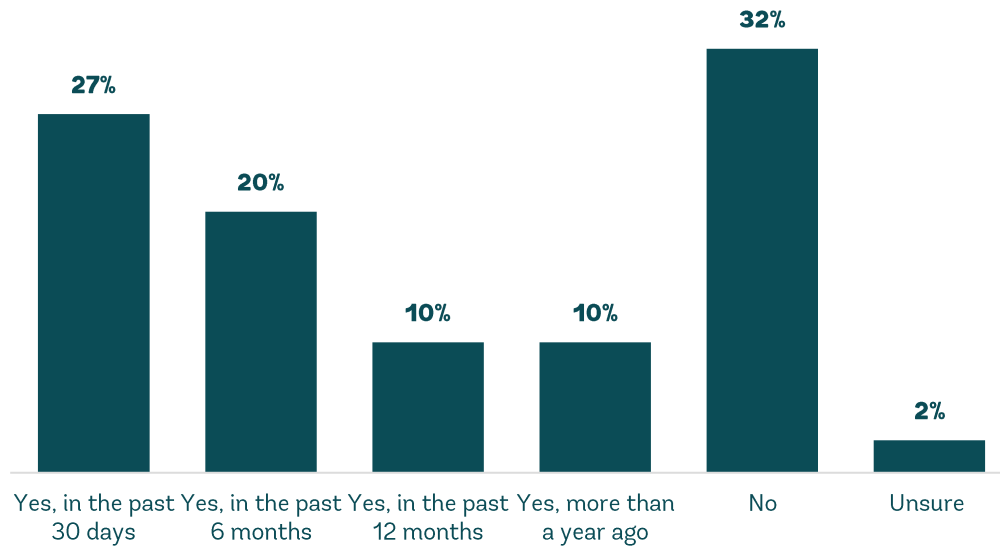


Figure 59. Operator responses to whether they have visited the Consumer Affairs Victoria (CAV) website

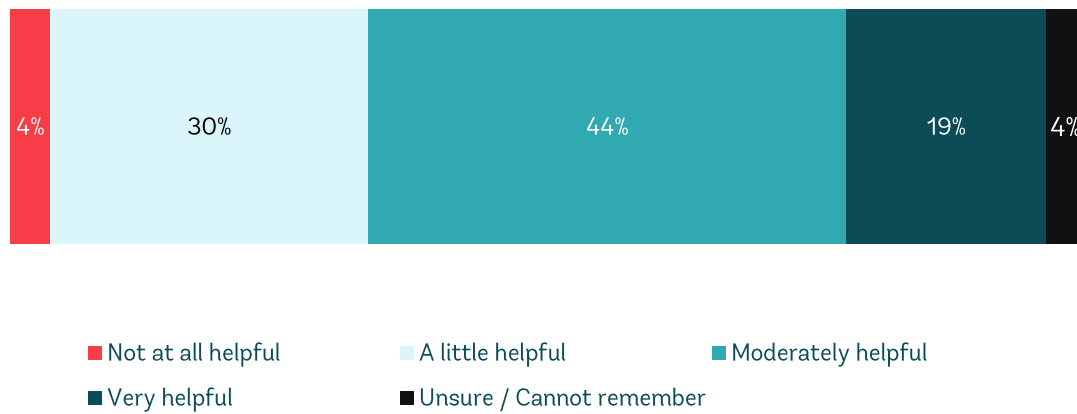


Figure 60. Operator responses to whether they found the Consumer Affairs Victoria (CAV) website helpful²⁰

²⁰ Ibid



GET IN TOUCH
+61 3 9607 7101
office@cprc.org.au
www.cprc.org.au

Level 6,
179 Queen Street
Melbourne VIC 3000, Australia

