



INFORMATION SHEET No 2

Manufactured Homes (Residential Parks) Amendment Bill, 2024

PROHIBITION OF MARKET RENT REVIEWS

These changes take effect from 6 June 2024. They are in effect now.

Market rent reviews have been included in many site agreements as a mechanism for increasing site rents, usually on a 3 or 5-year cycle.

The procedure has been that the park owner appoints a valuer to arrive at a market value for the site rent at a particular park. The usual method used by the valuer is to compare the rents paid at the subject park with rents payable at other parks in the vicinity.

Invariably home owners have been dissatisfied with the outcome and often enter into a dispute with the park owner resulting in an application for a hearing and decision by QCAT (Queensland Civil Administration Tribunal).

These increases, based on market rent reviews have been the major cause of angst and of disputes by home owners with their park owners.

The State Government have seen the problems caused by this system and in this Amendment Bill has prohibited this practice effective immediately.

This means that wherever market rent reviews appear in a site agreement they will have no effect and cannot be used.

There is no reason for site agreements to be rewritten to accommodate this change as the Amendment Bill will over-ride the site agreement.

Confirming that should your site agreement include a proviso for a site rent increase based on a periodic market rent review this will have no effect and the Amendment Bill provides that in that year the increase will be based on the remaining basis as set out in the site agreement and be subject to the cap of CPI or 3.5% whichever is the higher. (See Information Sheet 3.)

This prohibition applies to all current and new site agreements.

In a transition provision, market rent reviews in progress before 6th June 2024 can be completed where:

- a general increase notice has given to a home owner; and



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- the general increase notice was accompanied by a market valuation for the market review of site rent; and
- the general increase day stated in the general increase notice is a day after the commencement.

During the transition period, all market rent reviews started before and completed after commencement of the prohibition must not increase the site rent by more than:

- a) the CPI increase; or
- b) 3.5%

Any questions on the above should be emailed to secretary@qmhoa.org.au

Note: This information is QMHOA's understanding of the Manufactured Homes (Residential Parks) Amendment Bill, 2024, the Explanatory Notes that accompanied it and briefings from the Department of Housing, Local Government, Planning and Public Works.