

5. Residential parks and lifestyle villages

Residential parks provide sites upon which relocatable homes are placed. Residents either rent a home and a site, or rent a site only and own the home on the site. The home may be a caravan, cabin, park home or motor home. Whether you own the home or not, park living always involves renting the site.

In Western Australia, residential parks are generally either:

- 'mixed-use' parks: residential parks that cater for both long-stay tenants and holiday makers; or
- 'lifestyle villages': residential parks solely for long-stay tenants. Some lifestyle villages are specifically set up for people over 45.

There are two types of long-stay agreements:

- A fixed-term long-stay agreement. This is an agreement of 3 months or longer with a specified end date.
- A periodic long-stay agreement. This is an agreement that continues for 3 months or longer but does not specify an end date.

In a residential park you do not own the land upon which your home stands and you have no rights over the land in the park, except where this is provided for in a long-stay tenancy agreement. A park operator may sell the land and close the park, provided that notice is given to the tenant. If the land is sold or the park is closed, you will need to find somewhere else to live. If you have a fixed-term agreement, the park operator may have to pay you compensation.

It is important that you consider the possibility that you may have to move. Things to consider are:

- the cost of moving;
- trying to find another suitable park with similar location and amenities;
- the practicality and cost of moving your caravan or mobile home (especially if it is an older structure);

- the time required to find another site and move; and
- if moving your home to a less desirable location, the value of the investment may decrease.

Buying into a residential park is different to buying a freehold title. If you purchase a home within a residential park, you only purchase the structure (not the land). If you decide to sell in the future, you are selling the structure only, not the land upon which it is situated. It is important to bear in mind that this structure will likely lose value over time.

Park living may not be a permanent living arrangement. Seek independent, expert advice before entering into these kinds of arrangements.

It is important that you understand the risks and consequences that could flow from an insolvency of a park operator, or what happens if the land upon which your home is situated cannot be on-leased for a long period or at all, after you leave or wish to leave.

If you will own the structure that you live in (but not the land) you also need to consider the process to sell your home when you want to go to other accommodation. For example how easy will it be to sell the structure in 20 – 30 years time?

Parks other than those that are operated by local government on Crown land are required to be licensed under the *Caravan Parks and Camping Grounds Act 1995*.

The *Residential Parks (Long-stay Tenants) Act 2006* applies to all long-stay tenancy agreements entered into after August 2007, regardless of whether the parks are operated by private businesses or local government. The Act covers the contractual relationship between park operators and tenants.

The Residential Parks Act requires that:

- all agreements are in writing;
- park operators provide disclosure material to assist prospective long-stay tenants in deciding if park living is suitable for their needs;
- a minimum five-day cooling off period applies to site-only agreements;
- a minimum 180 day's notice must be given for a park operator to terminate a periodic 'site only' tenancy agreement;
- a minimum 60 day's notice must be given for a park operator to terminate a periodic on-site home agreement;
- parks with a minimum of 20 long-stay sites must establish a Park Liaison Committee;
- compensation must be paid if a fixed-term agreement is terminated early for reasons other than a breach of agreement; and
- the State Administrative Tribunal determines disputes.

Are lifestyle villages residential parks?

Many types of housing can use the term 'lifestyle village' in their name or promotional materials. The term 'lifestyle village' will not tell you whether the housing option is a retirement village, a strata title complex, a residential tenancy, or a residential park (see sheet # 1 for more information on the differences).

This guide refers to lifestyle villages as those options that are classified under the *Residential Parks (Long-stay Tenants) Act 2006*, because this is a common scenario.

When considering any option, check with the operator or salesperson to see what type of accommodation is being offered and which laws will cover you as a resident.

Lifestyle villages generally offer a different experience than mixed-use parks. Lifestyle villages are often marketed to people over 45 and are designed specifically to cater to long-stay residents. Many provide amenities such as swimming pools, recreation centres and storage areas for boats or caravans.

Things you should know

Park living may not be a permanent living arrangement. While initial agreements may be for any length of time greater than three months, circumstances may change and either of you or the operator may want to end the agreement early. Depending on your agreement, if you have to move, it may be at your own expense.

If you have a fixed term agreement, the park operator may have to pay you compensation if they are ending the tenancy before the end of the fixed term. If you want to move before the end of the fixed term you may have to pay compensation to the park operator.

'Mixed-use' parks provide a combination of long-stay and tourist accommodation. Although long-term tenants should be situated on 'long-stay' (as opposed to 'short-stay') sites, you may be sharing facilities, such as recreational and toilet facilities, with holidaymakers.

There may be restrictions on the alterations you can make to the site where the home is located, even if you own the home outright. There are often rules that affect how you can behave on the site, for example noise, visitors, pets and the use of facilities.

The tenancy agreement

Because park living involves renting the site, it is important that you are clear about the conditions of the tenancy. The tenancy agreement is a legally binding contract between you and the park operator. Understanding the rules from the start helps to avoid disputes later.

Before signing a tenancy agreement the following documents must be given to you:

- the proposed agreement;
- an information booklet and sheet;
- the Park rules; and
- a condition report.
- written schedule of fees and charges;
- written information about the membership and functions of the park liaison committee (if any).

The agreement will be either for a fixed period (e.g. one year) or periodic (e.g. from fortnight to fortnight). Other matters that may be included are:

- the amount of the rent, fees and charges;
- the number of people who can reside in the premises;
- the types of fixtures and facilities that may be used;
- under what circumstances you can be transferred to another site or home; and
- whether you can sell your park home.

Information provided should include park rules, the types of utilities available and the membership and functions of a Park Liaison Committee.

You should read and understand the park rules before signing the tenancy agreement.

Is park living for me?

The decision to live in a residential park is often influenced by a desire to move into more manageable or affordable housing, release equity, travel in retirement or live in natural settings.

There are many advantages to living in a residential park. For example, as an alternative to private renting, park living may be more affordable and the cost of buying a caravan or park home is generally less than buying or building a regular home. Residential parks can provide a location and facilities you may not normally be able to afford to buy.

On the other hand, because you only rent the land, park living can bring less security and certain restrictions.

Parks provide a place for a number of people to live reasonably close together, which can provide people with a feeling of safety and a sense of belonging to a community. However, people may find that living close to others can sometimes create disharmony and require compromise and good communication.

Where can I get more information?

Seniors' Housing Centre 1300 367 057

For a copy the publication, Park Living, contact the Consumer Protection Advice Line on 1300 30 40 54 or download the booklet at www.commerce.wa.gov.au/ConsumerProtection/PDF/Publications.

Park Home Owners Association WA
www.parkhomeowners.com.au.

Questions to ask before deciding

- Am I happy with the terms of the agreement? Are the terms negotiable?
- What happens if I change my mind after I sign a tenancy agreement?
- What are the up-front and ongoing charges?
- What is a security bond? Can I be asked to pay a bond if I own my home?
- If I want to go on holiday, can I rent the site or the home while I am away?
- Can I be asked to leave the park and under what circumstances? How much will it cost to move my home? Where else could I go? When am I entitled to compensation?
- Can I make improvements to the exterior of my home?
- Can I keep pets?
- What are the park rules? How are rules enforced? How can rules be changed?
- Can I have a say in the running of the park?
- Can the park operator enter my rented premises? Can I refuse entry?
- What shared facilities are available?
- How are utilities charged?
- Is there a charge for visitors?
- What are my rights if I want to sell my caravan or park home?
- What happens if the park operator wishes to sell?

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If you are on a pension, you may be eligible for Commonwealth Rent Assistance to help with the cost of rent. To find out more, contact Centrelink on 13 2300.

For a copy of the publication, Long-stay tenure in residential parks, a guide for consumers, contact Consumer Protection Advice Line on 1300 30 40 54 or download the booklet at www.commerce.wa.gov.au/ConsumerProtection/PDF/Publications.