

Shelter NSW Submission

Statutory Review of the *Residential (Land Lease) Communities Act 2013*

About Shelter NSW

Shelter NSW (Shelter) is an independent, non-profit, member-driven organisation that has been advocating for better housing outcomes since 1975. We represent the broad interests of a diverse network of members, partners and aligned industry stakeholders who share our vision of a secure home for all NSW residents. We are especially concerned with housing insecurity, increasingly experienced by people on low and very low incomes. We pursue our vision of an economically, socially, and environmentally sustainable housing system through critical engagement with policy and collaborative leadership initiatives with government, community and the private sector.

Comments on the Statutory Review of the *Residential (Land Lease) Communities Act 2013*

Land lease communities were once seen to offer an alternative form of tenure, providing affordable housing options particularly for people on limited incomes or an aged pension. What has however become evident in recent times is that living in these communities is becoming less and less affordable. Residents who once sought an alternative and affordable way of living, surrounded by people with similar aspirations, often end up instead with years of stress, dealing with complicated legal and administrative battles between mobile homeowners and owner/operators. The significant imbalance of power between these two groups is problematic, and Shelter recommends it be addressed as part of this review.

Mobile homeowners generally have limited incomes, with no or little access to advocacy or advice services. In addition, their 'sweat equity' in terms of site maintenance, amenities and garden upkeep is often not given appropriate value. For these residents, their mobile home is commonly their only asset, so to pack up when community living becomes too expensive and or too difficult is simply not a realistic option. Their greatest fear is often the loss of their home, which means they are placed in an impossible position when fees increase or management practices are extreme and problematic. Owner/operators hold a disproportionate amount of power, thus clear parameters within which they can operate must be set.

The objectives of the Act should reflect the above stated power imbalances between operators and homeowners as well as the intention of land lease communities to provide affordable housing for people on low incomes, including pensions.

The Act should provide clear support so that good governance of residential communities can be promoted. The current system lays too much responsibility on the mobile homeowner to identify poor governance issues and, even when they do, the owner/operators will often engage solicitors to challenge these matters. This becomes a very intimidating process for other homeowners, often without resources available to seek their own legal representation. Shelter believes that a mandated dispute management framework would alleviate some of this stress on issues such as bullying, intimidation and unfair business practices. There is currently nothing specific in the Act to ensure



homeowners are protected from potential unfair or immoral behaviour from owner/operators, leaving them open to mistreatment.

Furthermore, land lease community residents face barriers in accessing mediation provided by the Department of Fair Trading as this class of tenure is not neatly categorised. One solution would be for Fair Trading to have a specialist in-house Residential Communities Expert to provide specialist support.

Some further issues that Shelter believes the Act should address include;

- Capital Expenditure projections, for the purpose of increasing fees. This is essential as there would then be means to ensure “appropriate business practices” regarding site fee disputes.
- Management of the installation of energy-saving equipment such as solar systems, or other amenity improving additions.

With these issues in mind, Shelter asks that the review of the Residential Land Lease Communities Act 2013 recognises that there is a huge disparity between the abilities and resources of mobile homeowners and those of owner/operators. This is the fundamental issue on which many of Shelter’s prior comments are founded and must be addressed.

Thank You

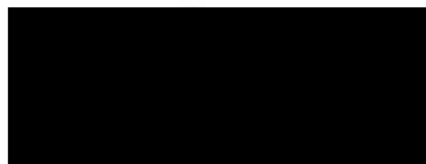
Shelter NSW appreciates the opportunity to comment on the Statutory Review of the *Residential (Land Lease) Communities Act 2013*. We hope that the comments and insights we have provided bring some value to the review, and are very happy to engage with the Department on the issues raised within. If you wish to discuss our submission in more detail, please contact Stacey Miers on 0410 633 272 or by email at stacey@sheltersnsw.org.au.

Sincerely Yours,



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Sincerely Yours,



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