

From: [kevin fagan](#)
To: [Residential Land Lease Communities Review](#)
Subject: Input for review of RLLC Act 2013.
Date: Thursday, 14 January 2021 7:16:56 PM

Hi RLLC Review,

I'm a resident at [REDACTED] on the New South Wales Central Coast.

We have some issues here with the community operator, [REDACTED]. One of these issues is how he has been using the home sale process in the village as a way of increasing site fees. It hasn't been getting much attention but it does affect a lot of people. [REDACTED]

[REDACTED] has been using the home sale process by residents as a de facto way to continually increase site fees in the Village.

[REDACTED] has been causing big problems for residents selling homes by abusing the concept of 'fair market value' (Section 109 (5) of the Act). He is using this concept to raise the site fee offered to a prospective purchaser by \$20+ per week pretty much every time a home is put on the market. The seller is given no information on how this higher site fee is calculated and prospective purchasers have no idea why there is such a difference between the site fee they are being offered and what the seller is currently paying.

This situation causes almost all prospective purchasers to pull out of deals they have made with home owners. And it quite often causes them to just stop looking to purchase in [REDACTED] as they encounter it with every home. As a result there are dozens of homes for sale in the Village and many of these have been on the market for over a year.

This situation of bumping up site fees in this way is a real impediment to the home sale process. Although there have been small site fee increases in the past at the time of sale, the increases have never been large enough to impede sale processes to the extent they have for the last 2 years or so. Sellers lately are being forced to drop their prices substantially in order to attract any purchaser. Many say they feel 'trapped' and feel they are forced to stay in the village as they can't sell at a reasonable price that would allow them to purchase a similar home elsewhere.

[REDACTED] is using the home sale process as a de facto method of increasing site fees in [REDACTED]. It's a third method that he uses to go along with the fixed method and the notice method.

While this concept of 'fair market value' is included in the legislation, [REDACTED] and possibly other operators will always be able to manipulate and abuse it. There doesn't seem to be any legislative way or any practical way in which the home seller or any prospective purchaser can actually challenge new site fee calculations based on it. Power is firmly in the hands of the operator. 'Fair market value' can always be manipulated and used in this way and in [REDACTED] this has been a constant impediment to home sales for about

two years.

The best resolution for this unbalanced situation would be to delete parts (5) and (6) of Section 109 and replace them with the statement

'The site fees under the new site agreement must not exceed the site fees currently payable by the homeowner who is selling the home'.

This amendment would get rid of the power imbalance, manipulation and abuse in the current situation and would provide a lot more clarity in discussions between sellers and potential purchasers. And it would allow homeowners here to be able to sell their homes in a fair and decent manner.

Many thanks.

Regards,

Kevin Fagan

[REDACTED]

[REDACTED]