

Submission to Review of the Residential Land Lease Act

The current Act allows site rent increases through two mechanisms : 1/ by fixed increase (usually an annual percentage) or 2/ by notice (based on actual operating costs).

Up until 2020, site rentals at _____ were “by notice”.

Since 2020, the Operator _____ is only proposing site rentals by “fixed increase” on new leases.

This has had a negative effect on resale prices of the residences occupying the site. In a recent example, the home owner had to take a 25% reduction in sale price because they could not assign their current lease conditions to the buyer.

This represents a considerable loss for people for whom their house is their major asset.

It is to be noted that the invested capital by home owners in a Residential Community often exceeds that of the Operators by a ratio of 3 or 4 to 1.

The “for profit” orientation of corporate investors is at opposites with one of the main intentions of the Act which is to propose affordable housing solutions for Senior Australians.

I would ask that the new Act take into account the inequality between the home owners and the Operators and that interests of the home owners be protected.

Thanking you for your consideration

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