



Reforms to residential park laws

The *Residential Parks Act 1998* will be replaced with a new Act, including a new name on 1 November 2015. Below are the major benefits to residents that the laws for residential land lease communities will introduce.

Current laws	New reforms for residents
No mandatory education requirements or rules of conduct for operators.	Mandatory education for new operators and rules of conduct banning harassment, harsh or unconscionable conduct. Penalties up to \$11,000 apply.
There is no requirement for park rules to be fair or to apply uniformly. Breaches can only be enforced using the eviction process.	Making, amending and enforcing community rules will be fairer, including a requirement to apply the rules consistently.
There is no limit on the number of rent increases that can occur in a year.	Site fee increases will be limited to once every 12 months except where the increase is already fixed in the agreement.
Groups of residents can be given notice of a rent increase at different times of the year.	All home owners receive notice of a site fee increase at the same time where the increase is not fixed in the agreement.
Residents bear the onus of proof at the Tribunal to highlight comparable rents for similar sites at other locations.	The evidence burden will be reduced for home owners at the Tribunal regarding excessive site fee increases.
Residents do not get a special levy vote and there are no controls over how upgrades are implemented.	Upgrades to common areas may be funded by special levies. At least 75% of all home owners will need to agree to the levy. Funds must be held in trust.
Restrictions can be placed on the right to sell on-site and the right to place a 'for sale' sign on the resident's home.	Home owners will have a right to sell their home on-site and use a 'for sale' sign on their home. It will be an offence for operators to interfere in a sale. Penalties apply.
The application of the 'principal place of residence' test can mean that when a resident dies or moves the right to sell the home on-site is lost.	The 'principal place of residence' test will be removed meaning home owners needing to move away for health or work reasons, for example, will continue to be protected by law.
No flexibility or choice is permitted under the existing Act regarding what type of contract residents may sign.	Prospective home owners may be offered two types of contract to choose from, either: <ul style="list-style-type: none"> • a 'rent only' agreement, or • an agreement which contains a voluntary sharing arrangement that may include sharing any capital gain when a home is sold on-site. This allows for decreases in site fees.
Prospective residents are given a range of information, but this may only happen at the time of signing an agreement. The existing cooling-off period is only 5 days.	Prospective home owners must be given a detailed disclosure statement at least 14 days before signing a site agreement with a 14 day cooling-off period to ensure they are not pressured and can seek advice.