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Moving into a land lease community?



Fair Trading

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This document must be given to you if you are considering moving into a residential land lease community.

Carefully read this document and any other information given to you by the operator. Seek advice on anything you are unsure about before deciding whether land lease community living is right for you.

What is a land lease community?

In a land lease community you own the home but lease the land on which the home sits from the community operator. The home may be a manufactured home or a moveable dwelling such as a caravan. You pay site fees (rent) for the right to occupy the site.

Even when a community has a rule that residents must be over a certain age to live there, it is not a retirement village. All land lease communities are covered by the *Residential (Land Lease) Communities Act 2013*.

Hundreds of land lease communities currently operate in NSW and offer a variety of services, facilities and financial arrangements. Some cater only to permanent home owners. Others have a mixture of tourists, tenants and long-term casual occupants. There are also different types of operators within the industry, ranging from large corporations to small family businesses.

Before entering into an agreement

Buying a home in a land lease community usually involves buying an existing home from an outgoing home owner or buying a home directly from the operator. To buy a home you will need to agree on a price and sign some form of contract for sale. Before you sign anything, remember that:

- The operator must give you a **disclosure statement**. This statement highlights the key aspects, including details of the fees and charges that will be payable for a particular site and the services and facilities available in the community. Comparing disclosure statements from different land lease communities can help you make a more informed decision.
- You must have the disclosure statement for at least 14 days before signing a site agreement. Do not rely solely on the disclosure statement – use this time to think things over and seek advice. You can also ask for a sample site agreement, any community rules and the community map. This 14 day period cannot be waived.
- Buying a home in a community is a major legal and financial commitment – visit it at least once.

Signing the documents

Once you have decided to buy a home in a land lease community, the next step is to sign a **contract for sale** to buy the home from the seller and a **site agreement** to rent the site from the operator. Make sure you understand all the terms and conditions and read the fine print before you sign. Ask questions and think about negotiating any terms that are negotiable. You can take the documents away and bring them back later.

Once you have signed the site agreement the law gives you a **14 day cooling-off period** if you change your mind. You can cancel the arrangement without penalty during this period as long as you have not started living in the home (or have not put a home on the site). If you are buying the home from an outgoing home owner (rather than the operator), you should check the terms of your Contract for Sale to ensure you can also cancel that contract.

Your rights as a home owner

Before you move in

You have a right to:

- be given a disclosure statement and this brochure
- a written site agreement and site condition report
- a 14 day cooling-off period
- not be restricted in seeking advice
- not pay any fees or charges until you sign an agreement.



When you move out

You have a right to:

- sell your home onsite
- appoint a selling agent (including the operator) if you wish
- put a 'for sale' sign in or on your home
- remove any fixtures you have added to the site if you don't want them to be part of the sale
- receive compensation if your agreement is terminated in certain circumstances.

While you live there

You have a right to:

- privacy and quiet enjoyment of your home
- reasonable access to all common areas
- be given receipts for any money you pay
- proper written notice of site fee increases
- seek to be a member of the residents committee (if any)
- be a member of any external resident organisation
- decide whether or not to insure your home and contents
- be given 30 days notice of a change to community rules
- security of tenure (your agreement can only be terminated on limited grounds set out by law)
- be protected from retaliatory conduct
- live in a community that is clean, well maintained, reasonably safe and secure
- receive a reduction in your site fees if services and facilities are significantly reduced, withdrawn or not delivered
- make alterations or improvements inside your home, and outside (with the operator's permission)
- appoint an agent to receive notices
- reasonably accessible and secure mail facilities
- access dispute resolution services through NSW Fair Trading and the NSW Civil and Administrative Tribunal.

Prospective home owner's checklist

Do not rush your decision to move into a community. Take the time to discuss your decision with family and friends. Inspect a number of communities in the area you wish to live in and talk to residents about how the community is run. Make sure you fully understand what you are getting into and think about getting professional legal or financial advice before you sign anything.

Here are some key questions to ask yourself:

- Have I looked at enough communities to compare the services, facilities and financial arrangements?
- Have I read the community rules and are there any that may affect my lifestyle? Are pets allowed?
- Can I afford to live there, even when the site fees increase over time? Do I understand the site fee increase method?
- Are there any other homes for sale in the community and have I looked at them to compare?
- Have I spoken to at least a few other residents living on other sites?
- Will I be eligible for rent assistance from the Commonwealth Government?
- Do I fully understand the terms of the proposed site agreement? Are any of the terms negotiable?
- Are the services and facilities what I need? Will this still be the case as I get older?
- Do I understand all the fees and charges I will have to pay on entry, while I am living there and when I leave?
- Are facilities such as doctors, shops, hospitals, libraries, churches and clubs nearby and easy to get to?
- Is the community well run and well maintained?
- After answering these questions, do I still feel that land lease community living is right for me?

Land lease communities register

Did you know there is a public register that allows you to search for all registered land lease communities in NSW? To search for a specific community, or communities in a particular area, go to the Accommodation registers page of our website.

Useful contacts

Tenants' Union of NSW

Advice & Advocacy Service (including home owners in land lease communities)
www.thenoticeboard.org.au

Affiliated Residential Park Residents Association

Tel: 1300 798 399
www.arpra.org.au

Land Lease Living Industry Association NSW

(including the Caravan & Camping Industry Association and Manufactured Housing Industry Association of NSW)
Tel: (02) 9615 9999
www.landleaseliving.com

NSW Civil & Administrative Tribunal

Tel: 1300 006 228
www.ncat.nsw.gov.au

LawAccess NSW

Tel: 1300 888 529
www.lawaccess.nsw.gov.au

