



East Cambridgeshire District Council

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August 2005 Factsheet: Park Homes

Introduction

Chapter 3 of Part 6 of the Housing Act 2004 introduces several key recommendations of the Working Party on Park Homes. This is the first stage in an ongoing reform that will help ensure there is a fair balance of rights between park homeowners and park owners. This factsheet outlines this work.

In 1998 the Government set up the Park Homes Working Party in response to concerns expressed by stakeholders and to gather representations for reform. In 2001 the Government accepted 25 of the recommendations in principle. The current work programme deals with these recommendations.

The Housing Act 2004

The following became law on 18 January 2005:

Where a park home is to be sold by the park owner, they must give a written statement to a prospective homeowner 28 days before the sale

- The Act requires a written statement of terms to be given to a prospective homeowner 28 days before the agreement for the sale of the park home is made. The parties can agree a shorter period than 28 days if the prospective homeowner indicates their consent in writing to the time-scale. This measure ensures prospective homeowners are aware of the terms of agreement before purchasing a park home.
- If this is not done or the customer has not agreed in writing to a shorter period, the express terms of the agreement (that is, terms specific to the park which are not implied into the agreement by the Mobile Homes Act 1983) will not be enforceable by the park owner unless a court, within six months, considers it reasonable to include such a term. If the park owner does not follow this procedure, then they cannot rely on the express terms in the agreement.
- Where a park home is to be sold by a home owner, this does not apply.

Where a homeowner sells his home, the park owner must not unreasonably withhold approval of a prospective homeowner.

- If a homeowner wishes to sell their home and assign their agreement, they must give notice in writing of the prospective homeowner to the park owner. When this has been served, the Act requires the park owner to respond in writing, giving or withholding approval of the prospective homeowner within 28 days. If the approval is withheld, the reasons must be given in writing.
- If the park owner does not issue a decision in writing within 28 days, or withholds approval unreasonably, then the homeowner can apply to the court and seek damages for breach of contract. The homeowner can also seek an order from the court declaring that the prospective homeowner is approved.

The “age” of a home as a criterion for ending an agreement is no longer relevant

- The “age” of a home is no longer a relevant criterion for ending an agreement. Previously, under the Mobile Homes Act 1983, the Court could not terminate an agreement on grounds of the “age and condition” of the home.
- This provision enables courts to consider the condition of the home and allow time for appropriate repairs if reasonably practicable, and if the homeowner indicates that they intend to carry out the repairs.

The protection of park homeowners from unlawful eviction and harassment is increased

- By amending the Caravan Sites Act 1968, a new offence has been introduced which does not require “intent” with regard to the harassing actions – it is sufficient if the park owner or agent knows (or has reasonable cause to believe) that his conduct is likely to result in a homeowner leaving their home.

The power for the Secretary of State to change terms implied in the Mobile Homes Act 1983

- Implied terms are contractual terms which are implied by law into the agreement between a homeowner and a park owner. They permit the homeowner to station a mobile home on the park and occupy it as their main residence.
- Because existing agreements are of infinite duration, the first use of the power under the Act will amend the statutory implied terms in existing agreements. Future exercises of this power will not be retrospective.
- The first use of this power has not yet taken place. The legislation that will amend the statutory implied terms will be debated in both Houses of Parliament. Subject to any changes as a result of those debates we hope to bring the following into force by April 2006.

The Agreement:

- Continues for replacement homes
This will clarify that the provisions of the agreement continue to apply if a home is replaced
- Can be terminated under the only or main residence clause
This will mean that the agreement can be terminated under the ‘only or main residence’ clause, only if the court is satisfied that it is reasonable for the agreement to be terminated. This change will enable the court to examine the reasons for the absence and introduces a degree of flexibility.

The Removal of the 5 year “relevant period” rule

This will provide that the courts can only consider whether the *current* condition of the home is detrimental to the park in termination proceedings. It also allows time for appropriate repairs to be undertaken if practicable, and if the homeowner indicates that they intend to carry out the repairs.

The re-siting of a park home

This will change the circumstances in which an owner can require a home to be stationed on another pitch and specifies the terms on which this can be done. The provision balances the owner’s right to re-site the home so that he can redevelop the site or carry out essential repairs/emergency works, with the homeowner’s right to peaceably enjoy the home.

The pitch fee and review

This will outline the provisions for reviewing and determining the new pitch fee, which are intended to make this process transparent, clarify what the pitch fee covers and ensure that a fair balance is struck between the interests of the home and the park owners.

Resident associations

This will outline the criteria that a residents' association must meet if it is to be recognised as a qualifying residents' association with rights to consultation.

Additional rights and responsibilities

- Homeowner's right to peaceably enjoy the pitch
- Park owner's right of entry to the pitch
- Homeowner's obligations to pay reasonable charges and maintain the park home and pitch
- Park owner's obligations to consult, show transparency, given their address and maintain communal areas of the park

The remaining recommendations

There are 10 outstanding recommendations in 2 broad areas which deal with:

- Park home site licensing
- Reform of the payment regime

Park home site licensing

The majority of these were dealt with in the paper on Park Home Site Licensing and were consulted on earlier in 2005. To that end, we issued a summary of responses which recommends:

- a duty on local authorities to attach and monitor conditions to site licences
- larger fines for breaches of site licence conditions
- wide ranging and more detailed guidance for local authorities

We are also investigating possible arbitration schemes. We are developing these proposals and will examine the correct legislative vehicles to take forward the recommendations. In so far as the proposals require primary legislation, this will depend on available resources and parliamentary time.

We shall also be updating the 1989 Model Standards later in 2005 for implementation early in 2006, which will be accompanied by updated guidance for local authorities.

Reform of the payment regime

The "Economics of Park Homes Industry" report made some suggestions on possible reforms of the payment mechanisms. The majority, covering transparency, have been dealt with, leaving only the commission payment to be examined. The commission will be subject to a consultation in the near future.

Caravan definition

Additionally, we issued a consultation paper in August 2005 which examines changes to the maximum dimensions of a caravan.

This work will help to reinforce the progress that has been made in the Housing Act 2004. We expect these work streams to have a significant impact on the ground and help to prevent the worst abuses by a minority of park owners. Also, this work will help to ensure that park homes add to the diversity in housing choice.

Details of these developments will be published on the ODPM website.

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