



Manufactured Home Owners Association (Vic) Inc.

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NEWSLETTER

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In order for any non-profit organization to function, it's imperative to recruit willing and able volunteers. The MHOA has grown exponentially over the last eighteen months.

This is certainly true of the Manufactured homeowner's association who needs many hands to make light work, in particular, we need dedicated members to serve on sub committees this will lighten the load, if you have an eye for detail, are able to do research have clerical skills with computer knowledge we could use your help.



Our MHOA Secretary is a vital member of any organisation who performs many various administrative and clerical tasks to support the smooth functioning of the MHOA, our group could now use your help.

Please let us know if you would like to volunteer.

Please contact Carmel at info.mhoa.vic@gmail.com

Exercise is very important to keep the muscles working and prevent the body from breaking down.

Have a chuckle: A woman on the phone to her friend: "I feel like my body has gotten totally out of shape, so I got my doctor's permission to join a fitness club and start exercising... I decided to take an aerobics class for seniors. I bent, twisted, gyrated, jumped up and down, and perspired for an hour. But, by the time I got my leotards on, the class was over."



MHOA has compiled a booklet that we will be launching soon this will have information for home buyers and will be given to Home Owners Committees as a reference document.

In the meantime, this month's newsletter will be based on some information that would be beneficial to all residents.

Condition Report—Site Part 4A - I think the initial email sent out by MHOA only confused our members as to what a condition report is and why it is required.

A condition report is for the **site only** it has nothing to do with the home carport/garage, the site is the area your home is situated on—front back and sides. A condition report would cover the concrete, the fences, any retaining walls, trees or any other structures on your site that does not belong to you (if you cannot take it with you when you leave then it does not belong to you.)

When you buy a new home or a pre-loved home **a condition report on the site only** is a Consumer Affairs Victoria requirement to be given to the buyer by the owner/operator at the time of purchase since 2021. (Note: We suggest the report should include photos).



Assignment of an existing site agreement / lease –

“Assignment” means the seller can transfer their rights under their site agreement to the buyer/purchaser,

When selling a homeowners can assign their site agreement to a buyer of their home, the village owner cannot unreasonably refuse.

So, if buying request, a copy of the seller's lease as it may have better conditions than the new one being offered. The terms of an existing site agreement are often more beneficial than the terms of new site agreements. However, again the assignment process is often not well understood by buyers, sellers, and village owners/managers.

A buyer can choose whether to take over the current site agreement (with the existing amount of site rent) or negotiate a new one with the village Owner. It is the buyer's choice. If the buyer prefers the current site

“Assignment is potentially beneficial to consumers when buying or selling, as favourable site rent terms (such as a low site rent) could increase the sale value of a manufactured home and lower the ongoing cost for a new home owner.

However, these consumer advantages are inconsistent with the financial interest of the village owner. The terms of an existing site agreement are often more beneficial than the terms of new site agreements. However, the assignment process is often not well understood by buyers and sellers, and village owners.

Village owners often have a strong preference towards new site agreements. New site agreements create an opportunity for village rent and change the basis on which it can increase. which may result in the buyer paying a site rental that is higher than their neighbours in the same village. Buyers who entered into new site agreements were financially worse off than home owners who were assigned an agreement, resulting in less sustainable site rents for those home owners.”

Quote sourced from Queensland Government – Summary/Manufactured homes feedback – 26/6/'23



**Does your village have an embedded network?
if so, see information below**

Embedded Network explained

Step 1: Cost per Kilowatt Hour (\$kWh) = Total operator electricity cost for billing period ÷ total operator kilowatts hours used in billing period

Step 2: \$kWh × Total kWh used by resident = Charge to resident

A simple example of how this would work in practice is:

if the total bill for the operator is \$1,000.00 and the residential community has used a total of 1,000 kWh for that billing period, this would mean a per kWh charge of \$1.00

i.e. ($\$1000/1000 \text{ kWh} = \1 per kWh). So, if a home owner consumed 100 kilowatt hours of electricity in a billing period, they would be charged \$100.00 ($\$1 \text{ per kWh} \times 100 \text{ hours} = \100).

The “Reckless method” leaves the village owner/operator to pay for the electricity consumed in the common areas.as these will not be included in the kilowatt hours consumed by a home owner at their residential site.

The “Reckless method (summarised) handed down by the Supreme Court found that an operator does not have the right to charge a home owner more than the operator has been charged for electricity consumed by the home owner. This made it clear how the electricity usage charging requirements in the Act should be interpreted.

For example: if there are 8 home owners in a community and each uses 100 kilowatt hours, the operator will collect a total of \$800.00. If the owner/operator’s bill is \$1,000, there will be a difference of \$200.00, for electricity used in the common areas of the community. That is paid for by the village owner/operator.

MHOA was invited to attend the Community & Consumer Engagement division of Consumer Affairs Victoria on 27.3.2024 to discuss their “Stakeholder Engagement Framework” document.

The SEF aims to achieve improved communication, relationships and trust with both consumers, businesses and service providers as well as more focus on those who need support the most.

We wish you and your family a memorable and joyous Easter

