

# Checklist: signing a site agreement

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## Introduction

This checklist will help people intending to enter into a site agreement to live in a park. You should work through the items in this checklist carefully, to make sure you are clear about your rights and responsibilities, and to make sure they are properly set out in the site agreement. You can find out more about the items in this checklist in the booklet *Movable dwellings: a guide for residents, owners and managers*. To download this booklet, visit the [Forms and publications page on the Consumer Affairs Victoria website](#), and select Renting.

### Note:

- Your site agreement may include extra things, so make sure you understand it before you sign. **Never** sign a blank form or blank site agreement.
- **Do not** agree to buy the dwelling until you are satisfied with the site agreement.

## Before you sign a site agreement

### Check your site agreement clearly states:

- all the arrangements you discussed with the site owner. You may not be able to rely upon an arrangement that is not in the written agreement
- how long you can live in the park
- whether you can renew the site agreement once it expires
- who can sell the dwelling. If it is the site owner, check the agreement states how much commission they can charge for arranging the sale.

### Make sure the site owner has given you:

- a clear explanation of all rents, fees and charges, including any fees and charges that apply when you leave the park
- a copy of the park rules
- if the park is in an area liable to flooding, a written notification of this
- a copy of *Movable dwellings: a guide for residents, owners and managers*
- a plan of the park, showing the location of your dwelling
- a copy of the site agreement **20 days before** asking you to sign it. It is an offence for the site owner to ask you to sign the site agreement within the 20 days
- the **five-day** cooling-off notice with the copy of the site agreement.

### You should:

- check the park is registered with the local council
- ask if the park is in an area liable to flooding
- get legal or financial advice if you are unsure about any part of the site agreement
- know what the site agreement will cost you in the longer term
- understand what is involved when you leave at the end of your tenancy or if you decide to leave at an earlier date
- make sure that you have the complete site agreement, including any schedules or attachments.

## When you have signed a site agreement

- you have **five business days** to change your mind **after** you sign the site agreement
- keep a copy of the site agreement and related documents and store them somewhere safe.

**This checklist is not a substitute for independent legal advice.**

Site agreements, also called leases, are legal contracts. From 1 September 2012, they **must** be in writing. If you previously had a verbal agreement with the site owner, make sure your written agreement has the same terms.

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**Important:**

- You have 20 days to consider a site agreement, and **five business days** to get out of this agreement after you sign (cooling-off). See the [Explanatory notes](#) at the end of this document for more information about site agreement consideration and cooling-off periods.
- These timeframes apply only to the site agreement, and not to any separate agreement to buy a movable dwelling that is already, or which will be, located on the site.
- However, in certain cases, you may also be able to get out of the dwelling purchase agreement - see the next section, [What if you have already bought a movable dwelling in the park?](#), for details).
- If you intend to buy a movable dwelling, make sure you are satisfied with the site agreement before doing so.

## What if you have already bought a movable dwelling in the park?

From 1 Feb 2013, in some cases, you will have the right to cancel an agreement to purchase a dwelling if you decide not to proceed with the site agreement.

You may cancel a dwelling purchase agreement if you (or your agent) have purchased the movable dwelling from:

- the park owner
- the owner acting on someone else's behalf
- the owner's agent, or
- a party related to the park owner (such as a relative or related company).

If you have been given a site agreement to consider for 20 days and decide not to sign it, you can cancel the dwelling purchase agreement. You must cancel it before the 20 days are over.

If you have already signed the site agreement and decide to cool off within five business days after signing, you can cancel the dwelling purchase agreement at the same time.

If you cancel the purchase agreement, you are treated as though you never signed it in the first place. You get back any money you have paid for the movable dwelling, including your deposit.

You should negotiate the return of your money with the park owner. If you cannot reach agreement, you can go to the Victorian Civil and Administrative Tribunal (VCAT) for an order requiring the repayment of this money. However, if you have damaged the movable dwelling, VCAT can order you to pay compensation to the park owner or the related party.

**Note:** You do not get this right if you purchased the movable dwelling from a current or previous resident who is not an agent or a related party of the park owner. You would need to seek legal advice on whether you have any other rights in relation to the purchase agreement if you do not want to proceed with it.

## Explanatory notes

### Length of the site agreement

Make sure the site agreement is clear about how long you can occupy the site.

**Important:** If the park registered as a caravan park with the local council for the first time after 1 September 2011, the site agreement must allow you to occupy the site for at least **five years**. Make sure the site agreement covers renewing your occupancy period. If you cannot renew the site agreement after it has expired, make sure it is clear about whether you have to move your dwelling out of the park, or can sell it to a new resident.

### Rent, fees and charges

A site agreement must set out details of:

- the rent, fees and all other charges to be paid while you reside in the park
- how the rent, fees and all other charges are calculated and their purpose
- how the rent, fees and all other charges can be reviewed or increased
- any charges (for example, exit fees) that apply when you leave the park
- any commission the site owner can charge for selling a dwelling.

Make sure you understand the impact of all fees and charges. If the fees include a **deferred management fee** or other type of **exit fee**, you must find out how much money you will be required to pay to the site owner if you choose to sell your dwelling and leave the park. Deferred management or exit fees can be complicated, and you can seek further advice about them from a solicitor, accountant or other professional.

You should consider how you will pay any exit fees at the end of your tenancy. Other parks may not have these special fees or payments. Always shop around for the deal that best suits your circumstances.

Site owners must not ask for any payments that are not in the site agreement. A site owner cannot increase rent for the site unless the site agreement allows for this. However, the Residential Tenancies Act allows a site owner to charge a reasonable one-off fee for the supply of a key for park access, or a reasonable additional charge for any visitor who stays on your site.

### Leaving the park early and assigning your site agreement

If you decide to sell your dwelling and leave the park before your site agreement ends, you can transfer the remaining period to the buyer, who takes over responsibility for all fees, charges and rent from the transfer date. Under the law, the transfer is called an assignment.

You must have permission from the site owner before you assign the site agreement, but they cannot unreasonably refuse to consent. You can use the 'Assignment of Part 4A Site Agreement' form, available from Consumer Affairs Victoria to obtain the site owner's consent.

Site owners must not charge a fee for agreeing to an assignment of a site agreement.

## Selling your dwelling

If you decide to sell your dwelling and leave the park, you can choose to sell the dwelling yourself, use an agent (such as an estate agent) or allow the site owner to sell the dwelling for you.

It is an offence for the site owner to force you to let them sell your dwelling or to interfere with the sale. If you choose to allow the site owner to sell your dwelling, they can only charge a commission if it is set out in the site agreement.

## Bonds and condition reports

It is rare for a site tenant who owns their dwelling to be asked to pay a bond or complete a condition report for the site. If you are asked to do so, there are laws that must be followed. The bond must be lodged with the Residential Tenancies Bond Authority within 10 business days after you pay it to the site owner, who must provide you with a copy of the signed bond lodgement form. Consumer Affairs Victoria can provide more information.

## Utilities

Site owners must pay the installation and initial connection costs to a site for electricity, gas, or water.

If the services do not have separate meters for your site, the site owner must pay for the services.

If the site has a separate meter, you must pay for the services. If the owner pays the bill and then seeks repayment from you, they must not charge you more than the utility supplier would have charged you.

You are liable for all charges for the supply and use of bottled gas at your site.

## Park rules

A site owner can make rules about the use, enjoyment, control and management of the park, which the Residential Tenancies Act requires you to observe. Make sure you understand the rules and their implications.

Site owners must consult with you if they wish to change the park rules at any time after you move in, but you may wish to ask whether the site owner intends to change any of the park rules in the near future so that you know about possible future changes.

## Repairs and maintenance

Generally, **dwelling** repairs are the tenant's responsibility and **site** repairs are the site owner's responsibility. If you have any doubt about who is responsible for repairs, contact Consumer Affairs Victoria for more information.

Any problems with the **communal park facilities** are the site owner's responsibility. If you or someone visiting you damages a site or any communal facility, you must either repair the damage or notify the site owner and pay compensation for the damage. You must inform the site owner if you become aware that any communal facilities have been damaged or broken down.

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The site owner must provide you with up-to-date contact details for urgent repairs.

## Park registration

Parks should register with the local council under the *Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 2010*. These Regulations require all parks to maintain safety standards for a wide range of matters, including:

- fire prevention and safety
- emergency management plans
- supply and standard of water
- sewage and waste water
- laundry facilities
- lighting
- garbage bins
- smoke alarms

## Time allowed to consider the site agreement

You have a 20-day period, starting the day after you receive the site agreement, to consider whether to sign. This period includes weekend days. The site owner cannot ask you to sign the agreement until the 21st day after the day you were given the agreement to read through and consider.

## Time allowed to cool off

You have five business days to change your mind after you sign a site agreement. The cooling off period begins the day after you sign. It excludes weekends and public holidays.

If you change your mind and withdraw from the site agreement, you are treated as if you never signed it in the first place. You get back any deposit you have paid to the site owner less \$100.