

How people in residential parks can form cooperatives to buy their park and operate it themselves

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Overview of presentation

- What are manufactured homes and residential parks?
- Living in a residential park
- Cooperative purchase in America
- How the American model works
- Can it work in Australia?
- Questions....

What is a residential park?

- 'Mixed use' and 'purpose built' parks
- Alternative to retirement villages
- An emerging form of *retirement* housing

Not 'mobile homes' or caravans but...



Mixed use v purpose built



Older style v modern



Living in a residential park

Pros:

- Cost
- People
- Place

Residential parks – what can go wrong?

Cons:

- Separate ownership of land and home
- Construction price v purchase price
 - Cost of moving

= power imbalance

What this can mean

- A captive market
- Vulnerable to park closure
- Increasing rents
- Declining amenities
- Park rules

Advantages of cooperative purchase

- Security of tenure
- Rent control
- Control over rules
- Preserves affordable housing
- Preserves communities

How it works in America

Idea: same \$ available to residents and investors

Practice: national coordinator administering:

- Certified 'Technical Assistance Providers'
- Access to timely specialised financing

Technical assistance

- Technical assistance pre purchase to:
 - advise about opportunity
 - form cooperative
 - due diligence
 - make offer and settle
- Assistance post purchase:
 - develop cooperative
 - ongoing coaching and advice

Financing

- Financing
 - Borrow 102 – 105%
 - rent available to cooperative and investor
 - cooperative has no need to maximise profit
 - loans split into junior and senior tranches

Could it work in Australia?

- What would be required for it to work in Australia?
 - Technical assistance providers
 - Philanthropic investment / lenders
 - Coordinating body

Thank you, questions and references

www.rocusa.org, www.nhclf.org, www.churchilltrust.com.au

Snell, M (2006) *Feasibility of Home Park Cooperative Ownership*, Open Windows Consulting, Gosford, New South Wales

