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The Secretary
Department of Planning and Environment
Attention Ms Carlie Ryan
GPO Box 39,
Sydney NSW 2001
LGRegReview@planning.nsw.gov.au

Re - Review of NSW State Environmental Planning Policy No 36-Manufactured Home Estates (MHE)

I submit that to create more affordable housing removable MHE homes should be a combination of onsite or offsite construction or a mix of the two types depending on economies of construction.

The main aim of SEPP 36 is to encourage contemporary affordable housing yet the policy prevents competition from traditional built on site construction which in many cases is more affordable and energy efficient.

The policy requires major parts of the house to be manufactured off site, but this increases the cost of the home in some cases when compared with a traditional on site home building project.

Furthermore many of the MH built to date are considered to have lower resale value, higher energy running costs (absence of thermal mass) and higher maintenance costs due to lack of Basix requirements and lower durability. These higher running costs are affecting a sector of the community that generally has marginal income.

Competition drives affordability lower. Removing the clause that requires major sections to be constructed off site will increase competition and lower MH costs. This has the potential to dramatically reduce the cost per square metre of house construction on MHE's in major population centres where conventional on site high volume project builder's operate.¹

In comparison the Queensland Manufactured Homes (Residential Parks) Act 2003 contains no requirement for major parts of the manufactured house to be constructed off site.

The Qld Act encourages removable energy efficient housing to be constructed on site in Qld MHE's. The two Qld manufactured homes pictured below have cost effective energy efficiency including modern aerated concrete (Heeble®) external walls, giving thermal mass with inbuilt insulation properties supported on a metal frame work.²

Moreover aerated concrete panels have excellent acoustic performance and are fire rated. This allows the distance between freestanding adjoining homes to be reduced to around 1.5m if one of the adjoining walls has fire rating. This increases the MHE density thus reducing land costs and increasing affordability.

Attachment 1 shows Coral Homes current Central Coast retail house pricing. Coral is a major traditional on site builder. The smaller houses of around 126.31m² are \$1015 per m² the larger houses 233.93m² are \$793 per m².

Attachment 2 shows Parkwood Manufactured Homes current Central Coast retail price for Manufactured home installation (Price within 100klm of central coast factory, crane hire not included and no allowance for electrical or plumbing connection). Parkwood Manufactured Homes is a major manufactured home builder. The smaller houses of around 131m² are \$1541 per m² the larger houses 232.4m² are \$1412 per m².

As seen by the above house pricing the Parkwood manufactured home is 1.52 to 1.78 times more expensive per square metre than the traditional on site built Coral home and the standard Coral site built home has better resale value and lower energy running costs due to its thermal mass.

The newer on site built QLD MHE's similar to ones pictured below are cheaper per square metre to construct and more energy efficient than built off site manufactured homes. They are built on unconstrained flood free land and MHE's civil design allows more affordable sites.³

In the past a majority of the caravan parks were built on flood land⁴ and required the MH's to be transported off the site before the flood and back to the site after the flood but in reality the MH's are seldom moved. For a site in a one in 10 year flood zone this is not financially sustainable considering the tenant's income.

Currently most Local Government Councils control performance criteria and flood risk on floodplains through their Development Control Plans which ban new MHE's and dwellings from the flood plain.

The logic of habiting on flood plains in these days of risk management, high insurance rates and litigation is questionable.

There is enough non flood constrained land available for new MHE's as SEPP 36 allows new MHE's on land adjoining existing residential in non-coastal local government regional areas.

The two Sunshine Coast Qld Manufactured Homes pictured below have been certified by structural engineers as being able to be transported off site in portions if required.

Home owners are protected by QLD legislation in that the estate owner is obligated to compensate the home owner for all relocation costs within a radius of 300 km and for relevant incidental expenses if the estate landowner terminates the land lease agreement.⁵

In summary, competition and the management expertise of the builders should define if affordable removable Manufactured Homes are constructed on site or off site. Depending on location it will vary between a mix of techniques being either 100% onsite, partial on site and off site or 100% off site.

The first step to competition is removing the clause requiring major sections that are each constructed, and assembled away from MHE's. This will drive innovation and affordability.

Yours Faithfully

Robert Shelley



¹Attachments 1 and 2 retail price lists show reductions of house construction costs per square metre by a factor of around 1.52 are possible if traditional onsite house construction is used on a central coast MHE site instead of using an off site constructed home and transporting it to the MHE site.

²Traditional site built houses have the added benefit of thermal mass if constructed on concrete slab or having suitably located brick/block walls. *"Thermal mass can store solar energy during the day and re-radiate it at night. Thermal mass, correctly used, moderates internal temperatures by averaging out diurnal (day–night) extremes. This increases comfort and reduces energy costs."* <http://www.yourhome.gov.au/passive-design/thermal-mass>

³ The design of Manufactured Home Estates allows for substantial cost savings. The MHE's civil design and road geometry is less expensive to construct and achieves a higher density of dwellings. With a MHE 30kph design, lengths for road horizontal curves, vertical curves, sight distances are much less than standard subdivisions. The design length increase for standard subdivision 40kph and 50kph design are not a straight graph line but a "J" curve and construction costs mirror the "J" exponential. Sewer mains, stormwater and water main can be placed in non standard alignments to reduce costs. Streets can be v shaped with the gutter and pits in the centre of the street which is very cost effective and finally the house lot area is much less. These factors help to reduce the cost of the final product by up 50% and here lies the paradox, the civil road and services construction for a MHE is very affordable yet many of the manufactured homes under the present policy are not due to offsite construction costs and lack of competition.

⁴The Australian Journal of Emergency Management, Vol. 21 No. 3, August 2006

⁵Recent decisions by Queensland Civil & Administrative Tribunal (QCAT) provide examples of how compensation orders are made include W & T Enterprises (Qld) Pty Ltd v Way, Bemis & Musgrove [2011] QCAT 118 & Wadley Properties No 1 Pty Ltd v Davis [2012] QCAT 73 (Section 4.2).