Soaring housing costs are pushing retirees into areas where disaster risks are high

May 13 2021, by Lois Towart and Kristian Ruming

Dunbogan Caravan Park in northern New South Wales during the March 2021 floods. Credit: David Wainwright, Author provided

The impacts of a closed border and recent floods have highlighted the challenges facing older Australians who live permanently in caravan parks and manufactured home estates. These properties have long provided affordable housing for retirees, particularly those who rely on the age pension and have limited assets or housing equity. Residents typically own their caravan or mobile home and pay a regular site rental.

Two trends are emerging as problems for these residents:

- caravan parks and manufactured home estates are undergoing "gentrification" as they transform into high-end domestic tourism (with border closures boosting demand) and lifestyle estates
- many properties that house older Australians are increasingly exposed to natural hazards such as fire and floods.

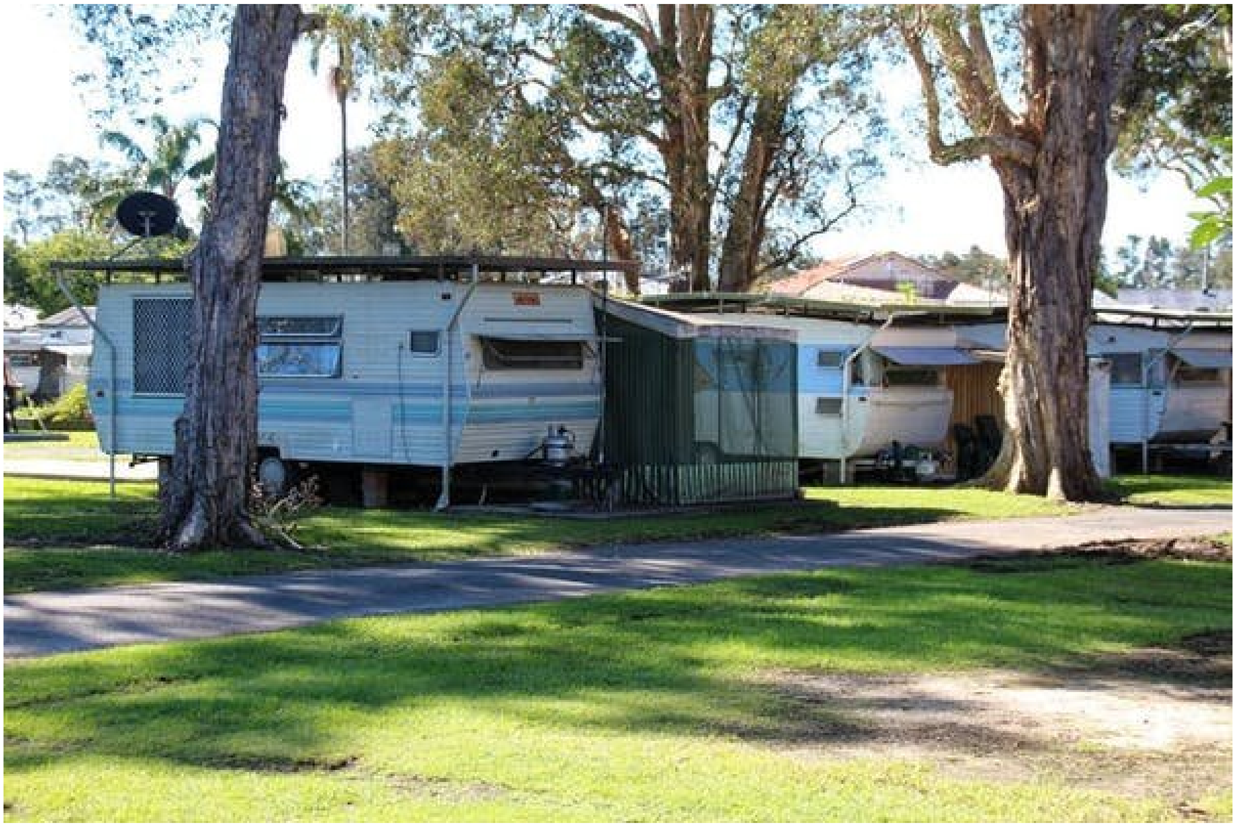
The interrelated issues of a shortage of affordable housing, development in hazard-affected locations and gentrification are funneling the most disadvantaged Australians into the most problematic locations. Recent fieldwork in the Hastings and Manning river regions of New South Wales identified a number of caravan parks and manufactured home estates close to or even next to rivers that had been flooded. The most flood-affected properties tended to be those with the most affordable housing.

Why are properties being gentrified?

The sector is far from homogenous. Properties range from expensive upmarket holiday parks and lifestyle estates to permanent residents in caravan parks and older manufactured home estates.

Large caravan park operators, such as Big 4 Holiday Parks and Discovery Parks, provide an upmarket holiday option. These feature manicured lawns and offer cabins, glamping and powered sites. On-site management provides regularly cleaned communal cooking facilities and ablution blocks.

Many feature panoramic views of oceans and waterways, which add to the upmarket offering. Operators focus on properties where maximum value can be extracted from holidaymakers. These have come a long way from the cheap caravan parks with dry grass, a few trees and rundown amenities.



Dunbogan Caravan Park, pictured after the flood, remains affordable but that comes with a risk for residents. Credit: Lois Towart, Author provided

The industry has also benefited from international border closures resulting in a boom in Australians holidaying at home.

But these trends leaves little room for permanent residents—especially low-income residents—as tourists are unlikely to pay premium prices to stay in parks with retirees in second-hand caravans. Operators usually partition permanent residents from the holidaymakers or, increasingly, remove permanent residents altogether.

Manufactured home estates are also gentrifying. They are increasingly branded as over-50s estates, with resort-style facilities including community centers and swimming pools. The operators include listed organizations Ingenia, Stockland and Lifestyle Communities, and private organizations Hampshire Villages and National Lifestyle Villages.

Manufactured home estate living is advertised as being affordable, as relocatable homes are exempt from stamp duty, land tax and council rates. But advertised prices for relocatable homes in lifestyle estates can be over $700,000 and are anything but affordable for people on lower incomes.

By requiring incoming residents to buy new and used homes through them, operators can achieve profit margins and agency fees. The more expensive the relocatable home, the higher the margins and fees. This is why operators have moved relentlessly upmarket.

Many lifestyle estate operators have embarked on significant expansion programs. They are actively buying up and redeveloping caravan parks and manufactured home estates. This leaves a shrinking pool of properties, owned by smaller operators, that still offer affordable housing.

Why are hazard risks higher at affordable sites?

Caravan parks and manufactured home estates are not classed as permanent housing. This means they can be developed on a wider range of sites, including hazard-affected land.

A creative solution, putting housing on stilts, in in Riverside Residential Village, Port Macquarie. Credit: Lois Towart, Author provided

Sites close to beaches and waterways have long been popular as they provide recreational amenity to holidaymakers and residents. The flip side is that these locations are more prone to natural hazards such as storms and flooding.

Large operators have selectively bought up caravan parks and manufactured home estates to create more upmarket offerings. As they spend money upgrading communal facilities and ablution blocks, their preference has been for properties that are not hazard-affected.

As a result, many of the caravan parks and manufactured home estates that remain affordable housing are in the most hazard-affected locations.

What happens when disaster strikes?

During the recent floods in the Port Macquarie, Old Bar and Hawkesbury regions of NSW, it was permanent residents in caravan parks and non-lifestyle manufactured home estates who were most badly affected.

For many of these residents, the caravan or relocatable home (and its contents) was their major asset. While some may initially float, the water-damaged dwelling is usually uninhabitable. There is often little left to salvage.

Local governments, in addition to the cost of repairing damaged infrastructure, now have to deal with increasing numbers of homeless people. Many have to rely on the generosity of the local community.

All is not lost. There are creative solutions.

For example, a manufactured home estate in Port Macquarie, Riverside Residential Village, is on a flood-prone site. The solution is relocatable dwellings on stilts. The space underneath can then be used for car parking and storage. However, some older people might find the stairs a bit of a problem.

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