

Carl Sargeant AC / AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref P-04-519
Ein cyf/Our ref CS/00287/14

William Powell AM
Chair Petitions committee

committeebusiness@Wales.gsi.gov.uk

18 March 2014

Dear William

Thank you for your letter of 26 February which seeks further comment on additional points raised by petitioners regarding the abolition of park home sales commission.

Currently the 10% commission rate is often paid by the vendor to the site owner, but the Mobile Homes (Wales) Act 2013 clarifies the process by setting out that the buyer will be required to pay 10% of the purchase price in commission to the site owner and the remaining 90% to the vendor.

The petitioners also ask for clarification on the implication that site owners are free to increase the pitch fee at their own discretion. The petitioners are correct that the 2013 Act has changed the rate of increase for pitch fees from RPI to CPI. New regulations which set out the new procedure for undertaking pitch fee reviews require site owners to consult with their residents providing a breakdown of the proposed increase. These regulations are currently being consulted upon and can be found at the following link - <http://wales.gov.uk/consultations/housing-and-regeneration/?lang=en>.

The Mobile Homes (Wales) Act 2013 made changes to the list of factors that regard is to be had to when determining the amount of a new pitch fee. The list of factors states that other relevant factors can be taken into account, including any change in the amount of commission. As I have stated previously there is evidence to suggest that a reduction in the commission rate will lead to an increase in the pitch fees.

Finally the Petitions Committee have asked me to address the claim made by the petitioners that the current commission rate provides a perverse incentive for site owners to try to force occupiers to sell their property to increase the amount of commission they receive from sales. Harassment and intimidation of site residents has always been, and remains, unlawful. Residents cannot be evicted from their property without a court order and cannot be forced to sell their property. The new law provides greater protection for residents against intimidation from site managers and introduces a 'fit and proper person test' to help prevent unscrupulous or dishonest individuals from operating within the industry. Local authorities have also been given greater powers to enforce licence conditions and can impose fixed penalty notices and compliance notices for breaches of site licence conditions including a level 5 fine (an unlimited fine) if found guilty of harassing or unlawfully evicting a resident. Therefore I do not think that there is an incentive for forcing occupiers to sell their homes.



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