



Department for Levelling Up,
Housing & Communities

The impact of a change in the maximum park home sale commission

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June 2022



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June 2022

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Foreword

This report outlines the findings of a research study which the Department commissioned from Liverpool and Sheffield Hallam Universities to examine the potential impact on the park homes sector of a change to the maximum commission paid on park home sales in England.

Under the Mobile Homes Act 1983, when a resident sells their park home, the site owner will be entitled to a commission of up to 10% of the sale price. Site owners and residents have different views about the payment and there has been substantial debate in the past about whether the commission rate should be maintained, reduced or abolished. What is clear is that there are likely to be impacts on both residents and site owners if changes are made to the rate of commission payable.

There has however been no data available to accurately assess any of the impacts. The Government therefore committed to commissioning research to gather relevant data and evidence to ensure that any on-going discussions, debates or decisions are based on facts and an accurate assessment of any impacts on the sector.

The resulting study – the findings of which are set out in this report - used a multi-methods approach to assess the potential impact of any proposed changes in the sector. This included looking at previous work undertaken by Niner et al and using updated techniques to identify residential park homes sites and to estimate the number of homes and households in the sector.¹ This was followed up with postal and on-line surveys of park home owners and site owners, and a series of focus groups with key stakeholders in the sector in order to understand the demographic make-up and economic operation of the sector, and hence the potential impacts of any changes on residents, site owners and the sector more generally.

I would like to thank the research team from Liverpool and Sheffield Hallam Universities, led by Dr Richard Dunning and Mr. Ian Wilson, for their efforts.

¹ Niner, P. & Hedges, A. (1992) DoE Mobile Homes Survey, London: HMSO.

I would also like to thank the park and home owners who gave up time to participate in focus groups and complete a survey; the industry representatives, surveyors and legal representatives who responded to the request to be interviewed at two stages in the project and who provided their support and valued perspectives at regular intervals; and the policy and analysis teams in the department, who provided consistent feedback and insights throughout this project.

The department will continue to develop its evidence base in this area with a view to informing future policy and improving outcomes for park home residents.

Stephen Aldridge
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List of acronyms and abbreviations

BAME – Black and Minority Ethnic

CLG – Communities and Local Government

CPI – Consumer Price Index

COVID-19 – Coronavirus (COVID 19)

DLUHC – Department for Levelling Up, Housing and Communities

GDPR – General Data Protection Regulation

LSOA – Lower Super Output Area

MHCLG – Ministry of Housing, Communities and Local Government

ODPM – Office of the Deputy Prime Minister

ONS – Office for National Statistics

OS – Ordnance Survey

RPI – Retail Price Index

Executive summary

Introduction

- 1 The University of Liverpool with Sheffield Hallam University were contracted to gather data about the park homes sector in England and undertake an assessment of the impact of a change to the maximum commission on park home sales, by the *Department for Levelling Up, Housing and Communities* (DLUHC) in February 2021. This contract was separate from, but followed, a scoping study conducted in 2020 for the Department. The scoping study reviewed the literature on park homes. Relevant insights from this study have been included in this report.
- 2 The maximum commission on park homes sales is a unique form of payment in the park homes sector, whereby site owners can levy a maximum 10 per cent charge on sales. As such, its operation and impact require bespoke analysis.
- 3 This independent assessment considers “whether a Commission Rate remains appropriate and, if so, at what level that rate should be set” (MHCLG, 2020). Thus, it was necessary to explore the impact of the current commission rate on park home owners and park businesses, and the likely impacts that would occur under various permutations of the commission rate.

Background and context

- 4 Park homes, which are legally defined as caravans, were first developed after the second world war as a distinct type of occupation of caravans that could not be categorised according to traditional rental tenancies, leasehold or freehold (CLG Committee, 2012, p.5).² They are a unique form of housing in England, although they can also be found elsewhere in the UK and internationally. A park home, also known as a mobile home, is a caravan, situated on a caravan site (a “park”) with planning permission for residential use.
- 5 Park home owners purchase their home and the right to station their caravan on a “pitch” on the park. The park home owner therefore owns the physical structure (the park home or caravan) and has the right to keep a park home on that pitch for the duration of their agreement with the site owner. They normally purchase the home in situ on a park home site. In addition to the purchase cost, they are required to pay a “pitch fee”, essentially a service charge for the use of the pitch and the common parts of the park home site, such as roads and open spaces.

² In the 2008 joint DCLG and Welsh Assembly consultation on amendments to the *Mobile Homes Act 1983*, the consultation defined “park homes” as any mobile home, including caravans. “Park home sites” were therefore defined as any mobile home site, including caravan sites or parks in the same consultation (DCLG & Welsh Assembly, 2008). As ‘mobile structures’ the home is classified as a caravan and thus falls under the legal definition of a caravan (under *The Caravan Sites and Control of Development Act 1960* and then modified under section 13 of *The Caravan Sites Act 1968*). As such the structure must be capable of being moved: “in one or two pieces, either on its own wheels or by being towed or transported by another vehicle. It must not be more than 20 metres in length, 6.8 metres in width, and 3.05 metres from floor to the ceiling internally.” (Age UK, 2020, p.3).

- 6 The Government estimated that there were 85,000 households living on 2,000 parks in England (Wilson, 2019).
- 7 The unique nature of park homes has required bespoke legislation for the sector and operates in combination with other planning and consumer rights legislation.
- 8 One of the key dissimilarities between residential park homes and other permanent tenures in England, is the commission on sale. Under the Mobile Homes Act 1983 (as amended) when a home owner sells their mobile home they pay a commission to the site owner. The rate is constrained by an upper threshold, set in legislation at a current maximum level of 10 per cent of the sale price. The commission is usually justified in relation to the new home owner purchasing the joint attributes of the physical structure of the home and the pitch on which it is located.
- 9 This report focusses exclusively on park homes, it does not consider holiday caravans, holiday parks or designated Gypsy, Roma and Traveller sites.³

Previous Studies

- 10 Throughout the history of the commission, there has been regular debate about the level that the commission is set at, its equity and the efficiency of the market. This debate has continued since the level was last amended in 1983, when it was reduced from 15 per cent. There have been several reviews of the commission charge in England, most recently in 2006, after which the Government announced that the commission would remain at 10 per cent, but additional information was required to enhance transparency regarding the commission. In Scotland and Wales (where the commission charge is set independently) both governments have consulted on changes, in 2013 and 2017 respectively.
- 11 In the 2018 response to the review of park homes legislation, the Government identified the need for new evidence to underpin discussions about the maximum 10 per cent commission and any decision to change it.⁴ It is in response to this commitment, that this research has been commissioned. As such, this report sets out evidence of the scale and geography of park homes in England, before outlining a conceptual model of park home site finances and evidence of both park home owners and site owners' perceptions of the 10 per cent commission.

³ Whilst all include caravans, able to be relocated and used to live in (and hence fall under legislation regarding caravans) there are distinctions. This distinction is in the planning permission and site licence provided by a local authority, which will stipulate whether the caravans may be situated on the site all-year round. There is also a distinction in the standards required of holiday homes (built to EN1647 standards) and the higher British Standard (BS3632) for residential park homes (although many holiday caravans may also conform to the BS3262 standard). Gypsy, Roma and Traveller sites are included in the definition of 'protected' sites that also covers Park Homes in the *Mobile Homes Act 1983*, which can include both permanent and temporary (or transit) sites. Park home sites and Traveller sites tend to be considered separately by local authorities, which have a legal obligation to assess and provide for the needs of Gypsy, Roma and Travellers, but not as a separate classification of housing need for Park Homes. Holiday parks are not covered by the *Mobile Homes Act 1983*.

⁴ The Government Response may be found here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749771/Park_homes_Review_Government_response.pdf

- 12 Evidence for this report was collected during February to November of 2021. The investigation was conducted during a period of change in England, with the United Kingdom having left the European Union in January of 2021 and during a year when COVID-19 impacted on residents and park operations.
- 13 To provide a robust evidence base for consideration of the 10 per cent commission, data was initially collected from a range of existing secondary sources, such as the Ordnance Survey. This was followed with the collection of new evidence in three phases. First, online focus groups with park home owners, site owners, trade bodies, national resident organisations and intermediaries (e.g. surveyors and lawyers) took place at the start of the project to understand perceptions of the commission and scope the breadth of impact on both residents and businesses. Second, two national postal surveys were conducted to provide evidence of park home owner and site owner perceptions of parks, homes, finances and the maximum commission. These surveys represent the largest research data sets on park homes in England. Third, a second round of on-line focus groups with residents and site owners were undertaken at the end of the project to explore participant perceptions of the analysis and modelling.

Summary of Key findings

- 14 This research identified 1,832 separate park home sites and 100,406 park home residential addresses (proxy for pitches) across England. The research also estimated that there were 159,000 park home residents in owner occupation in 2021.
- 15 Whilst each region of England contains park home sites, the South East and South West accommodate a disproportionately high number of both park home sites and pitches, accounting for some 45 per cent of sites in England, whilst the North West, North East and Yorkshire & Humber collectively accommodate only 15 per cent.
- 16 There is a wide variety in the number of pitches on parks, with some sites having fewer than ten pitches whilst others have hundreds. There are many more smaller sites than large ones, with over 50 per cent of all sites having less than 60 per cent of the average number of pitches.
- 17 Parks are frequently found in areas classified in the ONS area typology as retirement, rural or agricultural (from the 2011 census), though some sites may be found in urban and mixed communities. The vast majority of park home household members are 65 years or older, with only 20 per cent under 65. There is significant variation in the level of area-assessed deprivation for park home locations; nearly 60% of sites are in affluent or relatively affluent areas, whilst 11 per cent are in deprived or very deprived locations (according to the Index of Multiple Deprivation). As such, whilst park homes are often situated in rural settings, with a higher than average age profile, and in affluent areas, they also operate across the deprivation spectrum and in different types of community context.

- 18 Parks are typically private businesses, most frequently operating as private limited companies. 60 per cent of the parks surveyed operated as a single park, with only 5 per cent operating as part of a group of 20 or more parks.
- 19 The decision to purchase a park home was largely driven by the value for money that park homes represent in contrast to bricks and mortar owner-occupation, and the feeling of peace and security of a park. Whilst over 85 per cent of park home owners were satisfied overall with their park home, almost half were dissatisfied with the pitch fee, over 40 per cent were dissatisfied with the park operator and a similar proportion dissatisfied with the park facilities.
- 20 There was little agreement about the purpose of the commission on park home resales. Park owners, industry representatives and home owners gave diverse explanations for the commission, revealing a lack of shared understanding about the role of the commission across the sector. This presents a difficulty for those seeking to justify the commission's existence to park home owners and simultaneously for those who wish to see it removed or reduced.
- 21 The majority of park home owners were aware of the commission before purchasing their park home. Park home owners argued that the commission prevented some of them from moving, as the commission meant they were financially trapped.
- 22 Park home owners were asked about their perceptions of alternatives to the maximum commission on sale, for example having to pay the same amount upon purchase or defrayed on to the pitch fee. In response, nearly 85 per cent of home owners would prefer to pay the commission (on sale or purchase) rather than pay the equivalent cost as a regular contribution (e.g. as part of an increased pitch fee). This highlights the significance, to home owners, of not increasing regular costs.
- 23 Almost all park operators charged the full commission rate of 10 per cent on every sale. 70 per cent of parks had one or more commissions in 2020, but only 25 per cent had more than three commissions per annum recently. Thus, there is a relatively small number of commissions being charged annually. However, park owners suggested that this income was significant for their businesses, and most frequently used to fund maintenance, repairs or capital investments in the park. Accordingly, park owners indicated that they would need to reduce costs such as maintenance, repairs and staffing should their commission receipts decrease without being offset by an alternative proportionate income.
- 24 The following options were considered in the analysis. These options have now been repeatedly tested in studies across England and Wales, they are:
- The status quo;
 - Reduction of the maximum commission to 7.5per cent;
 - Reduction of the maximum commission to 5 per cent;

- Reduction of the maximum commission to 2.5 per cent; and
- Removal of the commission (reduction to a maximum of zero per cent)

- 25 The authors used the financial data and findings from the postal/on-line surveys and focus groups to model these scenarios and the likely impacts on park home and site owners. In line with the majority of scientific research, not all of the data was provided and as is routine in social science research, the modelling was predicated upon the data volunteered by park operators and home owners. This volunteered data was checked for inconsistencies and obvious errors, but forensic analysis of accounts would be needed to prove the veracity of this information this volunteered information. Based on this information being accurate, it enabled the following modelled outcomes for each of the four alternatives to the current commission.
- 26 Residential mobility refers to a household's purchase of a park home. The household's previous home is not accounted for here, so they may have moved from another park home or from a non-park home. Residential mobility is measured here as the total number of households purchasing a park home annually.
- 27 Reduction of the maximum commission to 7.5 per cent when modelled, resulted in a very marginal increase in residential mobility (+1.4 per cent per annum) and an increase in the proportion of parks recording a financial loss from 27 per cent to 29 per cent per annum.
- 28 Reduction of the maximum commission to 5 per cent when modelled, resulted in an increase in residential mobility (+4.6 per cent per annum) and an increase in the proportion of parks recording a financial loss to 31 per cent per annum.
- 29 Reduction of the maximum commission to 2.5 per cent when modelled, resulted in an increase in residential mobility (+12.1 per cent per annum) and an increase in the proportion of parks recording a financial loss to 33 per cent per annum.
- 30 Removal of the commission (reduction to a maximum of zero per cent) when modelled, resulted in a significant increase in residential mobility (+30.0 per cent per annum) and an increase in the proportion of parks recording a financial loss to 40 per cent per annum.
- 31 Reduction or removal of the commission will have the biggest impact on smaller sites (those with fewer pitches). This is for two reasons. First, they are operating with lower overall profits and thus changes are more likely to tip the balance from profit to loss, and second, the commission represents a greater proportion of their income.

Recommendations

- 32 Based on the analysis and modelling undertaken of park home owners' and park owners' perceptions and evidence through this investigation, the authors recommend:
- 33 **Justification for the maximum commission** – Work is needed to explore the rationale of the commission and to clarify this rationale for park owners and home owners. The current lack of a shared understanding in the purpose of the maximum commission leads to highly subjective arguments about the commission's role and impact. A change to the commission would therefore currently be predicated upon the impacts of the commission rather than the commission's justified role in the park home sector.
- 34 **Strengthening the professionalism of park operatives** – There is a high level of dissatisfaction with some operatives' behaviour in managing parks. Poor quality practice was repeatedly identified by home owners regarding a small number of operators. These concerns about specific operators' practice outweighed concerns about the role of the maximum commission for home owners across the sector. Recent changes to the requirements of park operators were considered a positive step towards an appropriately regulated sector, but further improvements are needed to ensure that the sector works fairly for both operators and residents.
- 35 **National enforcement on parks** – Much of the enforcement of parks is currently distributed across a large number of local authorities, including against park operators that have sites in multiple authorities. Further work should explore the efficacy of local authorities in undertaking this enforcement and consider whether a national enforcement body could ensure a more consistent and higher quality of park operation.
- 36 **No reduction to the maximum commission on park home re-sales without financial support for smaller parks** – Whilst a reduction in the maximum commission would support residents' mobility, it would need to be significant to effect a major change (i.e. a maximum commission of 5 per cent or less). Such a reduction in the commission would result in an increase in the proportion of parks that make a loss in any year; this will disproportionately have a negative impact on smaller parks. As the majority of park home owners do not intend to move, it is not in their interest to increase regular costs (such as pitch fees) in order to compensate park owners for a reduction in the commission. As such, a reduction in the commission remains desirable for park home owners, but only if park owners (in particular smaller site owners) are supported financially through mechanisms independent of the home owner to retain the viability of parks.

Chapter 1. Introduction

Introduction

- 1.1 This chapter provides an introduction to the research. It outlines the purpose of the assessment undertaken, as well as providing an overview of key concepts in the report. It explains: the definition of park homes; the legal context for the maximum commission on sales; the policy context for the Government commissioning this research; the legal context for park operation; the scope of the assessment; and the structure of the report. The next section considers the purpose of the investigation in the commission.

Structure of the report

- 1.2 The next chapter identifies the approach taken in this project in order to fulfil the requirements of the independent assessment. It considers the conceptual model of parks, then identifies the role of focus groups and surveys to support economic modelling of the park homes sector.
- 1.3 Chapter three discusses in detail the conceptual model of the park homes sector and the impact of the maximum commission on park home owners behaviours and finances and park business profit and loss.
- 1.4 Chapter four outlines the location, type and size of park home sites in England. The distribution and housing market context of parks has key implications for any change to the maximum commission.
- 1.5 Chapter five explores park home site owners' perspectives through evidence provided in both focus groups and the survey.
- 1.6 Chapter six considers park home owners' perspectives through evidence provided in both focus groups and the survey.
- 1.7 Chapter seven identifies the modelling undertaken and the outcomes of those models, showing the impact of the current commission and changes to the maximum rate on both park home owners' behaviour and finances and upon park finances and the potential viability of sites.
- 1.8 Chapter eight provides the conclusions to this assessment, including recommendations.

Purpose of the assessment

- 1.9 This report covers an investigation into the commission on residential park home sales in England.
- 1.10 In 2018 the Government responded to a review of the park homes legislation with a commitment to gather evidence that provides comprehensive, up-to-date information about the size, nature and economic viability of the park homes sector.⁵
- 1.11 In February 2021 the Government appointed the University of Liverpool with the Centre for Regional Economic Social Research, Sheffield Hallam University to undertake an independent assessment to consider “whether a Commission Rate remains appropriate and, if so, at what level that rate should be set.” (MHCLG, 2020) and to do this by providing a “robust and up to date baseline data for the park home sector in England; a comprehensive overview of the economics of the park homes industry in England, with a focus on the role of the commission on sales of park homes; a range of alternative options for remunerating park owners; and assessment of alternative options.” (MHCLG, 2020). This contract was separate from, but followed, a scoping study conducted in 2020 for the Department. The scoping study reviewed the literature on park homes and insights from this study are included in this report. This report focuses on baseline evidence of the park homes sector and evidence of the likely impacts on residents and site owners of a change to the 10 per cent commission on sales.
- 1.12 The evidence in this report has been collected at a period of significant change in England and following a prolonged period of concern with the supply of housing within the country. The supply of net new housing supply has been below the current Government target of 300,000 dwellings per annum for over two decades.⁶ An independent assessment by Glen Bramley identifies a target of 340,000 per annum.⁷ In 2020, COVID-19 was first recorded in England and resulted in significant changes to lifestyles and household perceptions of home through both local and national lockdowns. Temporary measures were introduced to mitigate some of the negative impacts of COVID-19 on housing, such as temporary ban on evictions through the Coronavirus Act 2020, guidance for landlords and tenants in rental accommodation and enabling mortgagees to take a short “payment holiday”.⁸ In January 2021 the United Kingdom left the European Union, with some uncertainty about the impact on new housing supply.
- 1.13 The next section considers the definition of park homes.

⁵ The review of park homes legislation – Call for Evidence Part 1 and 2 Government Response https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749770/Park_homes_Review_Government_response.pdf

⁶ MHCLG (2021) [Live tables on housing supply: net additional dwellings](#)

⁷ Bramley, G. (2018) [Housing supply requirements across Great Britain: for low-income households and homeless people \(2018\)](#), Crisis

⁸ See MHCLG (2020) [Understanding the possession action process: guidance for landlords and tenants](#) and Financial Conduct Authority (2020) [Mortgages and coronavirus: updated draft guidance for firms](#)

Park Homes

- 1.14 This report refers to residential park homes as a mobile home that is used as a permanent dwelling on a private pitch within a site with planning permission for residential use. Residents of residential park homes will have agreements under the Mobile Homes Act 1983.
- 1.15 The report does not cover mobile homes on local authority run sites or Gypsy, Roma and Traveller sites. It distinguishes between sites that are registered by local authorities as *Park Homes Sites* or joint *Holiday and Residential Park Homes Sites* and those explicitly defined for Gypsy, Roma and Travellers, but does not distinguish park home residents' ethnicity, so assumes that some people living in park homes sites would identify as part of Gypsy, Roma or Traveller ethnicities.
- 1.16 Park homes are legally defined as caravans (under the definitions of a caravan in section 29(1) of *The Caravan Sites and Control of Development Act 1960* and section 13 of *The Caravan Sites Act 1968*). Hence, park homes are technically chattels under law, and represent a unique form of tenure. However, in practice the caravans are only relocated on an irregular basis and are frequently considered as permanently sited.
- 1.17 Park homes are constructed off-site in a factory and then transported to the park home site and installed on to a base (pitch) with supporting infrastructure installed previously by the park home site operator.
- 1.18 Park homes tend to be provided as either "single" or "twin" unit caravans. Single caravans occupy the width of one pitch (up to approximately 14 feet wide), whilst twin units are effectively joined to make one dwelling (up to approximately 22 feet wide) but occupy two pitches (or a twin unit pitch).
- 1.19 As park homes are "mobile" they are required to be movable. However, in practice the homes normally appear as permanently sited structures and may look very similar to a traditional "bricks and mortar" bungalow (ODPM, 2002).
- 1.20 Park home sites are for permanent residences in contrast to holiday parks, which are for holiday and recreational accommodation.
- 1.21 Some residents on park home sites rent their home from the site owner. The mobile homes legislation, including the payment of commission, does not apply to them and renters do not play a significant part in this study as the focus was only on owner-occupiers of park homes.
- 1.22 There are a wide range of costs associated with owning a park home, but they are not all of equal significance for this study. There are three key transactions, which are identified next.

- 1.23 First, the resident of a park home normally purchases the physical structure of their home and the right to station the mobile home on the pitch.⁹ They do so through a capital payment to a previous owner-occupier or directly to the park site owner (either for a new or previously owned home).
- 1.24 Second, the home owner has to pay a regular fee to the park operator, normally paid monthly. This is widely explained to cover ground rent, maintenance of the common ground in the park and any services provided. This fee is known as the “pitch fee”.¹⁰
- 1.25 Third, a commission will be paid to the park owner upon sale of a park home. The home owner may sell their home to either the park operator, for an agreed one-off capital sum, (which in effect terminates the agreement between home owner and park operator) or assign the park home (and associated agreements) to a new owner-occupier, for an agreed one-off capital sum and incur the commission on park home sales.
- 1.26 These three key transactions are all significant for park owners’ income and for home owners’ expenditures. They do not operate independently of each other. However, as the focus of this research is on the maximum commission on sales, an in-depth analysis of this sales transaction is required. The next section explains the legal context for the maximum commission on sales.

The maximum commission on sales

- 1.27 Upon sale of a park home the site owner is currently entitled to a maximum commission of up to 10 per cent of the sale price (“10 per cent commission” for short). As such, the park home owner only receives 90% of the sale price.
- 1.28 The 10 per cent commission operates under the *Mobile Homes Act 1983*, which stipulates that the Secretary of State may a) set the conditions for the sale of homes, which the vendor must comply with, through regulations; and b) set the maximum rate a new occupier can be required to pay the park site owner.
- 1.29 Under the *Mobile Homes (Commissions) Order 1983* the maximum commission rate is set at 10%.¹¹ The current rate of commission is also found in the *Mobile Homes (Selling and Gifting) (England) Regulations 2013*, no 981 Regulation 8, which states “The rate prescribed for the purposes of paragraphs 7A(5) and 7B(8) of Chapter 2 of Part 1 of Schedule 1 to the 1983 Act is ten per cent of the purchase price of the mobile home.”

⁹ When a household purchases a park home, they are purchasing the physical mobile home, but not the land that the home is sited on (i.e. the pitch). The buyer is bound by (legal) obligations under the written statement, pitch agreement and site rules,. There are slightly different regulations regarding three different types of vendor (the site owner; a home owner who purchased the home before 26th May 2013; and, a home owner who acquired their home on or after 26th May 2013) (CLG, 2013).

¹⁰ Park home pitch fees are monies owed by the home owner to the site owner for the right to use the pitch. Thus, the pitch fee acts as an economic rent for the land which the mobile home is situated on. As the site owner provides the necessary infrastructure for the home to function, the pitch fee also covers a wider contribution to communal site and infrastructure costs. Pitch fees may be adjusted annually by RPI through a pitch fee review process.

¹¹ <https://www.legislation.gov.uk/uksi/1983/748/article/2/made>

- 1.30 Whilst it is technically possible for the site owner to accept a lower proportion of the sale price than 10 per cent, there is little clear incentive to do this, and it is widely reported that charging 10 per cent is routine. Thus, the commission is capped legally by the rate set by the Secretary of State, and in practice it is widely considered the de facto rate. Next, some of the challenges to the commission level are introduced.

Challenges to the maximum commission on park home sales

- 1.31 The level and existence of the maximum commission on park home sales has been challenged regularly by park home owners and defended by site owners. Responding to residents' concerns the Government has reviewed the maximum commission twice, with these taking place in 2002 and 2006.¹² In 2012 the Communities and Local Government Select committee determined, following an inquiry, that the maximum commission should be retained at 10 per cent (MHCLG, 2018).¹³
- 1.32 The Scottish Government undertook a consultation on the Mobile Homes Act 1983 in 2011. As part of the consultation the maximum commission was considered, but the Scottish Government decided not to alter the commission rate from 10 per cent.
- 1.33 In 2015 the Welsh Government commissioned research on the economics of the Park Home Industry, with particular consideration of "whether a Commission Rate remains appropriate and, if so, at what level that rate should be set" (PACEC, 2016). In 2018 the Welsh Government decided to reduce the commission to 5% over five years, but this reduction was challenged and has not been implemented, whilst further research is undertaken.
- 1.34 Different views about the maximum commission are broadly distinguishable between site owners, who are in favour of retaining the commission as a source of income, and residents, who consider it an unfair financial penalty and would like it to be reduced or removed.
- 1.35 Arguments from both proponents and challengers to the maximum commission are framed as either moral (this concerns both fairness and contractual rights) or financial (i.e. the commission is necessary for parks to function and the commission has a distorting impact on the market). Whilst this distinction is neat analytically and for the purposes of argument, at present the maximum commission operates as both a moral signifier for residents and site owners and has financial impacts for residents and site owners. The two frames are not independent and from recent reviews of the commission in different contexts it is clear that neither are widely understood.

¹² "Research commissioned in 2002 outlined three potential avenues for reform but also noted the implementation issues and difficulty in making retrospective changes for existing residents" (MHCLG, 2018 p.12). In 2006, the Government consulted on the appropriate rate of commission but decided that the maximum rate of commission should remain at 10%." (MHCLG, 2018, p.12)

¹³ MHCLG also outlined that a working group was set up in 2015, which considered the commission, but did not come to an agreement (MHCLG, 2018)

- 1.36 In previous studies site owners have sometimes used the argument that the value of the home is a reflection of both the structure and the site environment that they create, as such 10 per cent, it is argued, is a fair return for the site owner's efforts in maintaining or enhancing the value of the site. As the pitch fee is also a function of the home's environment there is no clear distinction in some site owner arguments about whether it is fair for profit to be achieved on both the pitch fee and commission.
- 1.37 In Wales, in the recent consultation on the 10 per cent commission, MHA Broomfield Alexander gave two further reasons that site owners made to justify the 10 per cent commission:
1. "A compensation payment to the park owner for the continued loss of the use of the land on which the home sits. In other words it is the price for security of tenure given to the park home resident." ¹⁴ (MHA Broomfield Alexander, 2018, p.3)
 2. "The commission payment is payable on the sale of the home, and therefore site owners are able to offer lower on-going pitch fees to residents, with a one off payment being made to match an inflow of income for those residents at the point of sale. This particularly suits older residents who are often on a fixed low income on an on-going basis. This position has now been formalised by the fact that the Mobile Homes (Wales) Act 2013 has now restricted the ability of park owners to increase these pitch fees, by indexing any annual increase at CPI." (MHA Broomfield Alexander, 2018, p.3)
- 1.38 For some home owners the 10 per cent commission is considered unfair, as the costs of maintaining the site are presumed to be included in other fees, primarily the pitch fee. The Park Homes Owners Justice Campaign argued that the 10 per cent commission should only be liable on the difference between the previous and current sale prices (Wilson and Cromarty, 2019).
- 1.39 There have been regular challenges to the maximum commission, and these have led to evidence collection and reviews in different national contexts and multiple times in England over the last twenty years. These reviews have considered a range of rationales for the commission and collected different forms of evidence from the sector.
- 1.40 To understand the economics of the maximum commission on park homes, it is necessary to consider the legal and licensing context for the operation of parks. The legal and licensing context shapes both the supply of parks and the standards and costs of park operation.

¹⁴ The tenure status of park homes differs from many other forms of housing. It is not a traditional rental tenancy, nor leasehold nor freehold. Park homes do, however, have some similarities to all three of those types of tenure. Even though most park homes are rarely re-sited, the park home owner does not own the ground under the home and most park homes are purchased in-situ (ODPM, 2002). Whilst the home owner does not have ownership of the land, they do have some security of tenure on the pitch, derived from the *Mobile Homes Act 1983* (ODPM, 2002).

Legal and licensing context

- 1.41 The legal context for park homes has evolved over time since the emergence of the first park homes following the second world war. Now, park homes have a wide range of regulations which apply, for example: to their structure (e.g. energy performance standards for new caravans); to their location (e.g. planning permission required); and the operation of the park (e.g. changes to pitch fees) and to the relationship between resident and park owner (e.g. in the implied terms)
- 1.42 Given this legal context, park homes residents' and park home site owners' actions are bound by national legislation. However, they are also bound by local conditions, for example site owners need to meet the conditions of their site licence (with conditions set by the local authority) and home owners actions are framed by the express terms in their agreement with the site owner.
- 1.43 Local authorities have responsibility for determining planning permission applications for parks and for issuing site licences. The planning permission will normally include stipulation regarding the number of pitches permitted on the site. As such, the supply of new parks is controlled by local authorities (acting within national planning legislation). Local authorities have the discretion to attach conditions to a licence in respect to the lay-out of the site and the provision of facilities, services and equipment. The licence enables the site to operate as a full time residential mobile home site.
- 1.44 Local authorities also have responsibility for enforcing breaches of conditions to a licence, and for other aspects of park ownership, such as implementing and monitoring a "Fit and Proper Person Test" for site owners or the person appointed to manage a park.¹⁵
- 1.45 The next section describes the immediate policy context for this study and the scope of the report.

Policy context

- 1.46 In October 2018 the Government issued a response to a two-part review of the park homes legislation (MHCLG, 2018b; MHCLG, 2018c). In its response, the government made a number of commitments, including introducing legislation when parliamentary time allows, and setting up a working group. Of particular significance here is the Government-identified need for research on "the likely impacts of a change to the 10 per cent commission on sales, on residents and site owners" (MHCLG, 2018). Consideration of the 10 per cent commission on sales of park homes is a key component in understanding the equity, efficiency, and effectiveness of the sector.
- 1.47 This investigation was commissioned to provide evidence on the current operation of the maximum commission on park home sales and to consider the impact of

¹⁵ <https://www.legislation.gov.uk/uksi/2020/1034/contents/made>

changes to the commission. The investigation is limited geographically to England. Scotland, Wales and Northern Ireland have separate responsibilities and legislation for park homes sites than England.

1.48 The next chapter explains the methods used in this investigation.

Chapter 2. Assessment approach

Introduction

- 2.1 In order to address the aims of this investigation a multifaceted analysis using desk based secondary and primary data collection across England was undertaken. There were five stages: creation of a conceptual model; focus groups with park home stakeholders; secondary data collection and analysis; surveys of residents and site owners; and financial modelling.
- 2.2 Park homes operate in a wide variety of contexts. England contains a geographically diverse array of housing markets, spatial-demographic structures and land availability and ownership. Given this diversity, it is necessary to consider this variation to be able to assess the park homes sector holistically across the country. The approach therefore seeks to provide robust evidence from across England, both spatially and in alternative social contexts, through nationally representative analysis. This is achieved through use of nationally representative secondary data sets, the national survey of both residents and site owners and a model of the park homes industry that accounts for spatial variation.
- 2.3 The next section briefly explores the approach taken for each of the stages of the analysis.

Conceptual model

- 2.4 Analysis of the park homes industry requires clarification of the key concepts used. Several previous studies of the industry, normally using an accounting framework, have started with a priori assumptions about the parameters of the analysis and assume that previous arguments for the maximum commission remain valid. In particular this relates to the significance of the commission on site finances as justification for its existence. This report situates the financial arguments within a broader conceptualisation of the park homes sector, highlighting its position in relation to other housing tenures, the legal structures of operation and wider perspectives of residents and site owners.
- 2.5 A conceptual model, which seeks to provide a simplified representation of the major concepts and their relationship to each other, was created following a detailed review of recent assessments of the park homes industry and a literature review of park homes, housing finance, housing precarity, land economics and behavioural economics. The conceptual model is not exhaustive, and there are some issues beyond the scope of this study, but it indicates the key attributes of the sector and those that inform the economic modelling.
- 2.6 The conceptual model, which was reviewed by DLUHC and revised following the Focus Groups, is presented in the next chapter.

Secondary data

- 2.7 A substantial amount of information about park homes, park home sites and their geographic context exists, but is distributed across a range of publicly available secondary data sets. Given the analysis covers the whole of England, it is expedient to use some secondary data to both describe the context for the industry (e.g. house price trends) and to describe the industry itself (e.g. the spatial distribution of park homes nationally). The secondary data collection, synthesis and analysis was undertaken to achieve three goals: to describe the park homes industry spatially (e.g. the number and distribution of park home sites); to explain the social context of park homes (e.g. housing trends in areas with park home sites); and to provide the location of park homes and sites for the national surveys.
- 2.8 The first stage was to identify the location of park home sites. Whilst the location and number of licensed park homes in England is known by local authorities in their role as licensors, there is no national database, nor are all local authority registers easily accessible. Therefore, data from several data sources are combined, including: the most recent survey of the park home sector in England (ODPM, 2002); a review of published industry records, such as the British Holiday and Home Parks Association identified sites; and park homes sales databases and park home sale advertising websites. These sources of data provide a large list of park home sites in England. It is unlikely, however, that a 100% record was achieved in a study of this scale, but the authors have confidence in a substantial degree of coverage that enables accurate description of the industry and for the financial modelling.
- 2.9 The second stage was to provide addresses for park homes and sites for the surveys. Site addresses were identified in the first stage, but individual home addresses were not. Royal Mail's Postcode Address File was used to identify all addresses that related to the postcodes of park home sites. The subsequent address file needed refining to remove addresses that were evidently not park home sites. This was undertaken through both automated and manual approaches.
- 2.10 The third stage was to gather information on the context of the park homes sites. Data was collected on: local authorities; area-based sold house prices (e.g. Land Registry); advertised housing rental prices; and demographic structures (e.g. Index of Multiple Deprivation). Individual park home addresses were then joined to data on the housing and social context that they operate within. This geographic information supported analysis of the primary data collected and to frame the economic analysis of the impact of the maximum commission.

Focus groups

- 2.11 This study involved two sets of focus groups held at early and late stages of the project. The first set of focus groups were run in April 2021 and were designed to identify key concepts and verify the conceptual model. The second set of focus groups were held in November 2021 and were designed to verify the economic

modelling and critique our findings. Both sets of focus groups included park home residents, park owners, and intermediaries (e.g. solicitors, surveyors) (see table 2.1 for a numerical breakdown of participants by type). Given the context of the COVID-19 pandemic on the project all focus groups were held online using conference call software and were video-recorded with the express permission of all participants.

Table 2.1: Focus Group Participant Groups and Numbers of Participants

Number	Participant Group	First Round Participants	Second Round Participants
1	Site Owner Representatives/Trade Associations	3	3
2	Site Owners and Operators (a)	8	6
3	Industry Stakeholders	4	3
4	Park Home Owners (a)	5	5
5	Park Home Owners (b)	6	5
6	Site Owners and Operators (b)	6	5
7	Resident Representatives (e.g. campaigners)	5	4
Total number of participants		37	31

2.12 The first set of focus groups included 37 people across seven separate groups for: site owner representative groups; site owners (x 2); park home residents (x 2); intermediaries; and resident representative groups. Each of the focus group types had a distinctive set of questions, depending on their areas of expertise, but all included perceptions of the park homes industry, operation, economics, and maximum commission on sales.

2.13 The second set of focus groups were open to the same participants as the first set of focus groups. Each of the focus groups included a presentation on the findings of the survey, secondary data analysis and analysis from the first round of focus groups. They then had a time for open questions, before moving into a discussion about the role of the maximum commission in relation to park standard, regular costs and park profits. The sessions finished with discussion of tentative conclusions.

Survey

2.14 Prior to this study, there was no up to date hard evidence on the impact of the commission on park home businesses and park home owners in England. Therefore, additional data collection was needed to allow a robust and rigorous review of the maximum commission on park home sales, as well as an appraisal of possible changes to the commission.

2.15 Postal surveys of park owners and park home residents (with options for online completion) were identified as the most efficient and effective means to address the information gaps. This method also overcame practical challenges, such as limited contact information being available for park home site owners and residents. The surveys were implemented in line with General Data Protection

Regulation (GDPR) and data protection rules and regulations. This included being explicit about the purpose of the survey, how the responses will be stored, used, and disseminated as well as who will have access to the data and over what timeframe. In order to maximise the response rate and quality, the following steps were taken:

- Inclusion of a letter explaining the importance of the study and why participation is so valuable.
- Provision of a pre-paid envelope to return completed surveys.
- Enabled completion by postal survey or online; the online survey was hosted via Snap Surveys.
- Provision of a “helpline” to support respondents to complete the survey.
- Offered entry to a prize draw.

- 2.16 The study intended to survey every park in England as part of the park owners survey. In practice the survey was sent to 1,900 “likely” parks that had been identified, as of 7 May 2021, through the mapping phase of this study. However, this list of parks continued to be refined, meaning some of this number were subsequently removed. Reasons for this included duplication of site names and variation in names through site changes and change in ownership. The survey was also promoted through trade bodies, including by the British Holiday and Park Homes Association and the National Caravan Council. This was to increase awareness of the survey.
- 2.17 The park home owners’ survey took a stratified sampling approach to survey 5,000 park home owners. Park homes were identified using the Postcode Address File, stratified according to site location (region) and park size (small, medium, and large sites). Where site sizes were in excess of the sample required, homes were selected based on the address number (lowest numbers).
- 2.18 To reach a larger number of park home residents, an open online version of the survey was also provided. This enabled other residents to take part in the survey, beyond the 5,000 who were invited via the postal survey. The online option was promoted by park home residents’ associations and the Park Homes Policy Forum. To determine how the two samples are used in the final analysis, statistical testing was used to assess for evidence of response bias between the invited and open survey samples.
- 2.19 The content of both park owner and resident surveys was informed by: the conceptual framework; emerging findings from the focus groups conducted as part of the scoping phase of the study; and reviews of previous studies on the economics of Park Homes and the consultation of the 10 per cent commission of Park Homes in Wales. Appendices A, B and C contain the final letter to park owners, the park owner survey and resident survey respectively. These were

agreed in consultation between the research team and DLUHC. Broadly, the park owner survey contained questions on the following themes:

- descriptive information about their organisation and the park
- financial information about the park;
- the value and number of commissions earned in the past three years;
- the importance of the commission to their business and how the commission is used; and
- their perceived reaction to changes in the commission.

2.20 The residents survey contained the following themes:

- socio demographic information about the resident and their household;
- information about their park home and park, including perceptions;
- their awareness of the 10 per cent commission and its impact on them; and
- their perceived reaction to changes in the commission.

Survey response

2.21 This section provides the response received to the park owner and park home resident surveys.

2.22 Park owner survey: 189 responses were received to the park owners survey. This comprised 79 paper responses and 110 responses to the online version of the survey. From this number, 17 responses to the online open survey were completely blank and 11 responses were identified as duplicates, so these were also removed, which left 161 valid responses. This means the response rate is 9 per cent: 161 out of a possible 1,832 parks responded. Finally, in the analysis below responses were filtered by respondents who had at least one residential pitch on their park, which removed a further 13 respondents. This constituted 148 respondents, or 92 per cent of the valid responses. This is a sizeable survey response, is in line with response rates of similar studies, and constitutes a robust evidence base for analysis of parks at the national scale. No weighting was applied to the park owner survey analysis as there is no precedent or evidence of the population against which to weight the responses.

2.23 Park home resident survey: In total, there were 1,566 responses received to the park home resident survey. This comprised 1,092 paper responses, 62 responses from invited participants to the online survey and 412 respondents to the open online survey. From this, two duplicate responses were removed from the targeted online survey and seven from the online open survey where responses were either duplicated, or two residents from the same home had responded. Additionally, 16 responses from the online open survey were completely blank, so these were also removed, which left 1,541 valid responses. This means the response rate from invited park home residents is 23 per cent: 1,152 out of a possible 5,000 residents responded. Finally, in the analysis below responses were filtered by respondents who owned their park home, which removed a further 13 respondents who rented

their home and 7 who did answer the question. This constituted 1,521 respondents, or 99 per cent of the valid responses. This is a very large survey, is a larger response rate than many similar surveys and constitutes a significant data source for analysis of the impact of the commission on home owners nationally. No weighting was applied to the park home owner survey analysis as there is no precedent or evidence of the population against which to weight the responses.

Residents and Park Finance Modelling

- 2.24 In order to analyse the impact of a change to the commission on the park home sector, a substantial modelling of residents' behaviour and park finances was undertaken.
- 2.25 The first stage in the analysis was to explore the descriptive statistics returned from the survey. This included exploration of park owners and home owners perceptions of parks, regular fees, the commission's current role and changes to the commission. Descriptive statistics were considered in relation to the raw distribution of responses and correlations with site characteristics, such as site size and area-based average house prices.
- 2.26 The financial modelling builds upon the survey responses for both park owners and home owners. As such, the model is contingent upon the views of existing home owners and park owners, it is therefore assumed that actors outside of these groups (such as potential home owners) will continue to behave in a manner consistent with the experiences of these groups under the modelled scenarios.
- 2.27 As noted above, this study is dependent upon the accuracy of survey responses provided by both home owners and park owners. In line with social science research of this type, it is possible that respondents report inaccurate data accidentally or on purpose. Some parks volunteered to provide evidence supplied by their accountants and submitted financial accounts. Alternative approaches to survey data may be able to reveal more accurate data, for example forensic analysis of park accounts held by Companies House, but this approach was discounted because: many parks categorised as small or micro companies are exempt from providing detailed financial accounts; larger businesses generally have multiple sites and record their accounts at the aggregate level making site level analysis unfeasible for a study of this scale; and, where detailed financial recording is available it does not consistently record the number of commissions or commission income.
- 2.28 Whilst it is possible to model a large number of permutations and aspects of the park homes sector (as indicated in the following chapter on the conceptual links between the commission and various facets of parks), it is not clear that modelling every aspect provides additionality to recommendations regarding the commission. As such, the focus of the modelling was restricted to the key issues

raised in the initial focus groups. Thus, for park home owners the issue of residential mobility was focussed on, and for park owners the financial implications for reductions in the commission were focussed on, primarily on average profits and on the proportion of parks that are unprofitable in a year.

2.29 Five scenarios were modelled:

- No change in the commission;
- Reduction of the maximum commission to 7.5 per cent;
- Reduction of the maximum commission to 5 per cent;
- Reduction of the maximum commission to 2.5 per cent; and
- Removal of the commission (reduction to a maximum of zero per cent)

2.30 A more detailed explanation of the approach, assumptions and analysis of the modelling is explained in chapter seven.

2.31 The next chapter explains the conceptual model of the park homes sector and the role of the maximum commission therein.

Chapter 3. A conceptual model of the park home sector

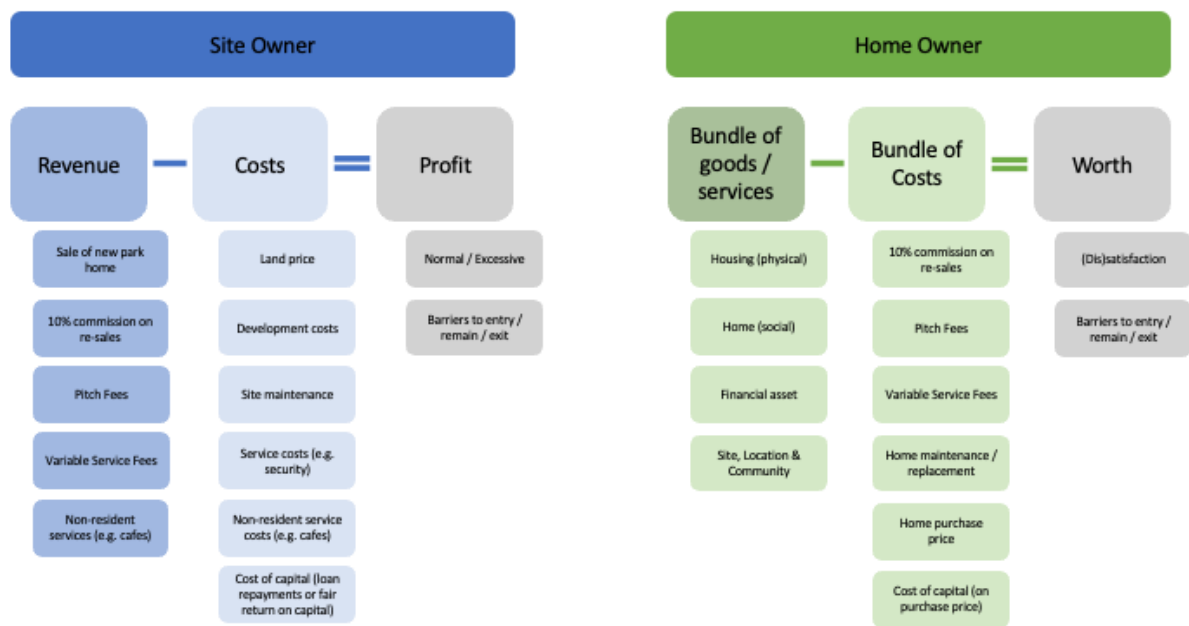
Introduction

- 3.1 This chapter introduces the key concepts and explains how they relate to each other in a model of the park homes industry.
- 3.2 Previous studies of the park homes industry have used different analytical tools. The most relevant studies have used accounting frameworks, which include implicit assumptions about the relationship between key concepts (such as the supply of new parks on the market). This conceptual model considers individual parks within a broader conceptualisation of the park homes sector within other housing tenures, the legal structures of operation and wider perspectives of residents and site owners.
- 3.3 All models are simplified representations of their subject and this is no exception. The model builds on the scoping study on park homes undertaken previously, insights from the focus groups with: park home owners; park owners; home owner representative groups; site owner representative groups; and intermediaries (such as solicitors). The model was reviewed by MHCLG in April 2021.
- 3.4 There are two components of the model. First, the key concepts for both site owners and home owners, discussed in the next section. Second, the role of the maximum commission on demand and supply of park homes. The conceptual model is a combination of these two components, which are modelled according to first stage analysis (short term) and second stage analysis (medium and longer term trends).

Key concepts for site owners and home owners

- 3.5 The maximum commission on park home sales is an interaction between site owners and home owners. However, it is helpful analytically to consider the two parties separately before considering how the commission interacts. As such, figure 3.1 identifies the key concepts considered in this study for site owners and home owners separately. The left side of the diagram shows site owners' profit as revenue minus costs. It identifies five different revenue types and six different cost types. The right side of the diagram shows home owners' worth of the home as the bundle of goods and services received from the home minus the bundle of costs. The site owner revenue and costs types, and the home owner bundle of goods and bundle of costs types are discussed in the following paragraphs.

Fig. 3.1 Key concepts for site owners and home owners



Source: Authors

3.6 The revenues of site owners identified in the conceptual model are described first.

3.7 **Revenue:** The revenue of site owners can be derived from at least six conceptually distinct sources over the life of the park. Not all sites will achieve revenue from each of these six sources and there may be significant variations in the proportion of overall revenue attributed to each of these sources over the lifespan of the park.

3.8 **Sale of new park home:** When a park is first created the site owner receives revenue on the initial sale of the park home. Practices may vary between sites, but it is normal for the pitch to be prepared by the site owner and a mobile home purchased from one of the park home unit manufacturers and installed on site. Two distinct perspectives are observable in relation to the sale of new park homes. First, that the price charged by the site owner should recover a proportion of the cost of the site creation costs (land acquisition, planning permission, infrastructure installation etc) plus the cost of the mobile home plus an acceptable profit. Second, that the price is the maximum that a prospective owner is prepared to pay to purchase the home.

3.9 **10% commission on re-sales:** As outlined in chapter one.

3.10 **Pitch fees:** Pitch fees are monies paid by the home owner to the site owner or operator for the right to use the pitch. They are an economic rent for the land which the mobile home is situated on and cover contributions to the park infrastructure, which in theory the home owner benefits from. Pitch fees are agreed between the

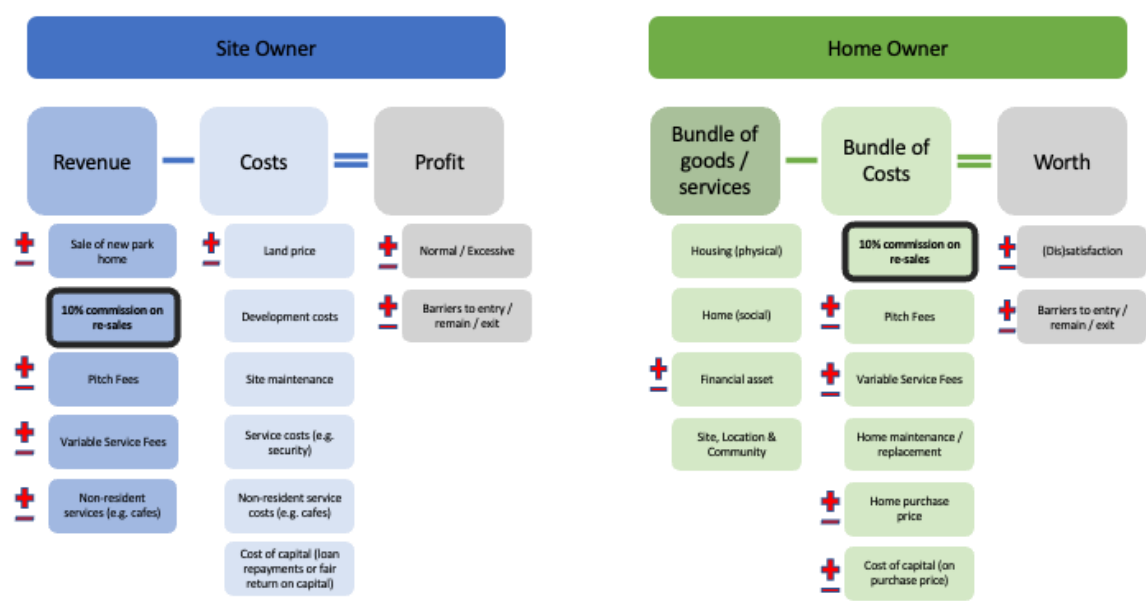
home owner and the park operator in the written agreement upon purchasing the home and can only be adjusted in line with that agreement and legislation.

- 3.11 **Variable service fees:** These charges are levied by some operators and can cover a wide variety of optional and required services. In some instances, they cover management and maintenance costs that may be covered within pitch fees, though this may be challenged by home owners.
- 3.12 **Non-resident services:** These include a wide variety of services provided by park owners in different location contexts. This could include, on mixed sites, revenue from holiday homes, cafes etc. The extent to which revenues from these services is accounted for separately or in combination with park homes is likely to be highly variable.
- 3.13 **Sale of site:** Whilst the conceptual model does not formally include it, park owners will also receive income on the sale of the park. The price achieved for a site could be modelled as a function of the site profit and hope value.
- 3.14 The next section describes the costs associated with site owners in the conceptual model.
- 3.15 **Land price:** This is either the actual land price paid when the owner purchased the site that the park is on, or the attributed land price (discounted at the time of original creation of the park) from alternative revenue streams (such as agriculture).
- 3.16 **Development costs:** Sites and pitches both require infrastructure at the initial stage. These may be highly variable depending on the quality of the park and the complexity of the site (e.g. remedial costs).
- 3.17 **Site maintenance:** Every site will require ongoing maintenance, but these costs are likely to be highly variable between sites depending upon the site complexity, site size, site location and the quality of the maintenance undertaken (which may not be specified in the agreement with home owners).
- 3.18 **Service costs:** These include services that are within the implied terms and/or the express terms. This could include services such as security, that may or may not be charged outside of the pitch fee. These costs are likely to be highly variable in relation to both the agreements with home owners and the quality of the services provided, which may not be specified in the agreement.
- 3.19 **Non-resident service costs.** As income may be derived from non-resident services, so too costs may occur for the park owner. Whilst park business accounting processes may not distinguish between costs incurred for residents versus non-residents, they may be considered conceptually distinct.

- 3.20 **The cost of capital.** Whilst the cost of capital may be measured in different ways, this would routinely be considered as the cost of repayments for borrowing to finance the initial park purchase/creation or ongoing costs (such as large infrastructure borrowing).
- 3.21 Whilst the site owner's calculation should not be reduced simply to profit, it is a useful conceptual device to analyse parks. Whilst parks may not be operated for profit the vast majority of parks are privately owned and a minimum acceptable level of profit should be included as a fair component of the park homes sector. However, whether parks are regularly achieving normal or excessive profits is important to understand, as excessive profits are a key indicator of a market that is not functioning well, and likely to produce a sub-optimal outcome for residents.
- 3.22 The next section considers home owners, using a similar approach to calculating the worth of living in a park home: the bundle of goods/service minus the costs.
- 3.23 **Housing (physical):** The mobile home, or caravan, has physical properties, which will impact on the lived experience of residents. Characteristics, such as its size, thermal efficiency, facilities (such as bathrooms) will all play a role in the scale of the benefits accrued to the home owner. These qualities may change over time for example as the home is either improved by the home owner, or degrades as part of the natural lifespan of the structure.
- 3.24 **Housing (social):** Parks are considered by many to be social groups or existing communities, which may be part of the motivation to purchase a home. As with all social groups they may change over time and therefore represent different benefits to the home owner at different stages of home ownership. On some parks, some social functions may be supported by the park owner/manager, whilst in others they may be discouraged. Thus, social aspects are not simply a random function, but culturally shaped by home and park owners.
- 3.25 **Housing (financial):** Park homes are a financial asset (though legally these are counted as chattels not as an interest in the land) and as such may have financial benefits for the home owner. These could relate to increases in the price of a park home, but may also be considered in relation to alternative housing tenures (such as the often lower cost of a park home to brick and mortar housing, or lower ongoing costs than private rental accommodation). As with the homes' physical and social attributes, the financial performance of a home may be more or less important for different households in explaining the overall benefits of their park home.
- 3.26 **Site, location and community:** Housing is consumed jointly in relation to the housing's characteristics and those of its location (e.g. neighbourhood). As such, the benefits for home owners' may also relate to the park's geographical location, such as proximity to areas of beauty (e.g. coastlines) or access to services.

- 3.27 Just as park owners have costs associated with running a park, home owners have a bundle of costs. Most of these have already been covered in Chapter one, so these are not covered in detail here, but they can include: the **original purchase price** of the home (whether purchased from the park owner, purchased separately as a pitch and a separate caravan that is bought from a manufacturer and brought to the site, or purchased from a previous owner-occupier); the **10 per cent commission on sale**; the **cost of capital** (whether a loan or finance arrangement, or the alternative use of the purchase price); the **pitch fee**; and **variable Service fees**.
- 3.28 For home owners, the overall worth or benefit of living in a park home is reflected in the calculation of the bundle of benefits minus the bundle of costs. Whilst housing satisfaction is often a function of the individual's personality it is also a function of these benefits and costs.
- 3.29 This section has highlighted a range of key concepts and considered a way to express their relationship with each other for both park owners and home owners. However, this assessment focusses on the impact that a change in the maximum commission may have on these key concepts and whether the effects are significant for home owners and park operators.
- 3.30 The key areas where pressure may be expected from a change in the commission can be conceptualised in the form of Figure 3.2. It shows that for site owners there may be pressure in: the sale of new park homes; pitch fees; variable service fees; non-resident services; land prices and profits. It also shows that for home owners there may be pressure on: the home as a financial asset; pitch fees; variable service fees and accordingly the overall worth of the home.

Fig. 3.2 The key concepts that a change in the commission is likely to put pressure on or impact



Source: Authors

Chapter 4. The number, location and types of park home sites

Introduction

- 4.1 This chapter presents English park home sites in their spatial context. It first describes why understanding the number and geography of park homes sites is significant in understanding the impact of a change in the park home sales commission. It then goes on to explain the data compiled, before describing this picture of park homes through their number, geography, and type.

Why the geography and type of park homes sites matters

- 4.2 The licence to operate a park homes site is spatially-specific. Park homes sites are, therefore, spatially constrained according to a land use licence. The market for park homes (and the market for park homes sites) operates within these spatial limitations. As such, the geography of park homes, their distribution and relationship to alternative forms of housing, has a specific geographic distribution.
- 4.3 The demand for housing is often considered to be spatially determined. It is both a common cliché that location matters and supported by evidence – with location routinely used in models of housing markets to explain sizeable intra-regional house price variation.
- 4.4 Understanding the economics of the park homes sector specifically and the wider housing markets of which they are a part is a fundamental objective of this research. To achieve this objective, it is first necessary to explain the geography and distribution of park homes sites of varying types in England before proceeding to model park homes site finances and discuss alternatives to the 10 per cent commission.

Data sources on the number, geography and type of park homes sites

- 4.5 There is no routinely collated public data source on the geography and type of park homes sites in England. Previous research has developed spatial datasets at particular moments in time, but these datasets have not been routinely updated. Local authorities have the responsibility for maintaining a publicly available list of registered site rules as well as a register of licensed sites. Theoretically this data could represent useful evidence of the location of parks. However, whilst these registers are available, they are maintained in non-standardised formats and do not always provide details pertinent to the geography and type of the parks to which they apply.

- 4.6 The complexity of gathering a complete record from local authorities alone dictates that alternative data is needed to provide a complete overview. Thus, the picture of park home sites used in this investigation has been created from collecting a range of secondary data sources.
- 4.7 **1992/2002 studies:** The most recent comprehensive survey of the sector in England was conducted for the then Department of the Environment in 1992 (Niner and Hedges, 1992). Whilst the original data was not available to the study team, the survey strongly informed a subsequent piece of work for the Office of the Deputy Prime Minister ten years later (ODPM, 2002).
- 4.8 **Ordnance Survey (OS) Point of Interest data:** MHCLG provided access to an Ordnance Survey point of interest data set that had been assembled in 2007/08 (separately from the ODPM report). This record comprised 1,950 entries. However, partly due to the age of the data, some of the records were incomplete or included errors.
- 4.9 In order to retrieve a current address on the basis of the partial information available, the full dataset was cleaned and then passed through an online application programming interface in order to retrieve up to date postcodes for each of the narrative addresses.
- 4.10 **Public records on park home sites (web);** The updated OS dataset was then combined with 826 publicly available records from parkhome.org.uk and 1,430 from parkhome-living.co.uk. This gave an aggregate of 4,206 data points.
- 4.11 Following the subtraction of locations that were out of scope for this study, such as registered Gypsy, Roma and Traveller Sites, and all locations in Wales, Scotland and Northern Ireland, there were 3,993 entries remaining.
- 4.12 This composite data set was cleaned removing, duplicates, non-residential sites and a small number of addresses where there were good grounds to believe a park home site was not present. This included the identification of an alternative land use combined with no positive evidence of a park home site. Following this process 1,832 sites of interest remained.
- 4.13 To verify the completeness of this data set a further 2,200 publicly available records were collected from online sales advertising portals. Following comparison of these records to the assembled dataset it was found that no additional unaccounted-for records existed.

The number, size and location of park homes sites in England

- 4.14 The 1,832 park homes sites in England have a specific geographic distribution. Table 4.1 describes all park homes sites disaggregated across the nine regions of England. A full list of all English park homes sites by local authority is set out in

Appendix 1 which reveals Cornwall to have the largest single concentration (70 sites).

Table 4.1 – Park home sites in England by region

Region	Number of park home sites	Percentage of all sites
South East	428	23%
South West	399	22%
East of England	271	15%
West Midlands	198	11%
North West	191	10%
East Midlands	180	10%
Yorkshire and The Humber	125	7%
North East	23	1%
London	17	1%
Total	1832	100%

Source: Authors' estimate from various sources

- 4.15 The 1,832 park homes sites in England comprise an aggregate of 100,406 residential addresses ranging from sites of just one dwelling to a maximum recorded of 922 dwellings. Table 4.2 shows the number of individual residential park home addresses present in each region of England.

Table 4.2: The geographic distribution of park home residences by region

Region	Total number of park home addresses	Percentage of all addresses
South East	27,693	28%
South West	19,660	20%
East of England	15,439	15%
East Midlands	10,719	11%
West Midlands	10,036	10%
North West	9,095	9%
Yorkshire and The Humber	5,197	5%
London	1,613	2%
North East	954	1%
Total	100,406	100%

Source: Authors' estimate from various sources

- 4.16 The foregoing analysis shows that 45 per cent of all park homes sites are located in the South East and South West combined (23 per cent and 22 per cent respectively). However, although these two regions comprise a very similar number of park homes sites, the South East accommodates by far the largest number of individual dwellings: more than the East Midlands, North West, Yorkshire and the Humber, London and the North East combined. The clear implication of this finding is that there are significant differences in the size of park

homes sites with some areas experiencing larger concentrations of larger sites relative to others.

The distribution of park homes by size

4.17 To further understand this question a typology was used, based upon each individual sites' size (by number of dwellings) relative to the mean for the entire set of 1,832 parks (56.5 dwellings). Table 4.3 illustrates the distribution of park homes sites in England based upon this typology where "Very Large" sites are understood to be those greater than 140 per cent of the mean average, "Large" are those between 120-140 per cent, "Average" are those in the range 80-120 per cent, "Small" are between 60-80 per cent of the mean and, finally, "Very Small" are those that accommodate fewer than 60 per cent of the mean average number of dwellings.

Table 4.3 – Park homes in England by size

Category	Criteria	Number of sites	Percentage of all sites
Very Small	Less than 60% of Average	903	51%
Small	60-80% of Average	212	12%
Average	80-120%	234	13%
Large	120-140% of Average	84	5%
Very Large	More than 140% of Average	345	19%
Total		1778*	100%

*The total number of dwellings could not be identified for 54 sites (three per cent of the total 1,832)

Source: Authors' estimate from various sources

4.18 Table 4.3 reveals interesting concentrations at either end of the size distribution. Those park homes in the "Large" and "Very Large" categories account for 24 per cent of the total whilst over half of all sites are "Very Small" (51 per cent).

4.19 To explore any patterns in the geographic distribution of park homes sites by size, Tables 4.4a and 4.4b show the distribution of park homes by size. Table 4.4a shows this data including an analysis of the proportion of the national total of each site size category present in each region. Table 4.4b shows the proportion of each site size category present relative the number of sites in that region.

Table 4.4a – Park homes by region and size relative to all English park homes sites

(Source: Authors' estimate from various sources)

Region	Very small sites	% of All	Small sites	% of All	Average size sites	% of All	Large sites	% of All	Very large sites	% of All	All sites	% of All
South East	195	22%	46	22%	57	24%	17	20%	99	29%	428	23%
South West	207	23%	45	21%	45	19%	24	29%	68	20%	399	22%
East of England	131	15%	28	13%	41	18%	13	15%	53	15%	271	15%
West Midlands	98	11%	28	13%	27	12%	9	11%	32	9%	198	11%
North West	105	12%	24	11%	12	5%	9	11%	36	10%	191	10%
East Midlands	88	10%	21	10%	24	10%	8	10%	33	10%	180	10%
Yorkshire & The Humber	63	7%	16	8%	23	10%	2	2%	15	4%	125	7%
North East	10	1%	4	2%	2	1%	2	2%	4	1%	23	1%
London	6	1%	0	0%	3	1%	0	0%	5	1%	17	1%
All	903	100%	212	100%	234	100%	84	100%	345	100%	1,832	100%

Table 4.4b – Park homes in England by region and size relative to total region

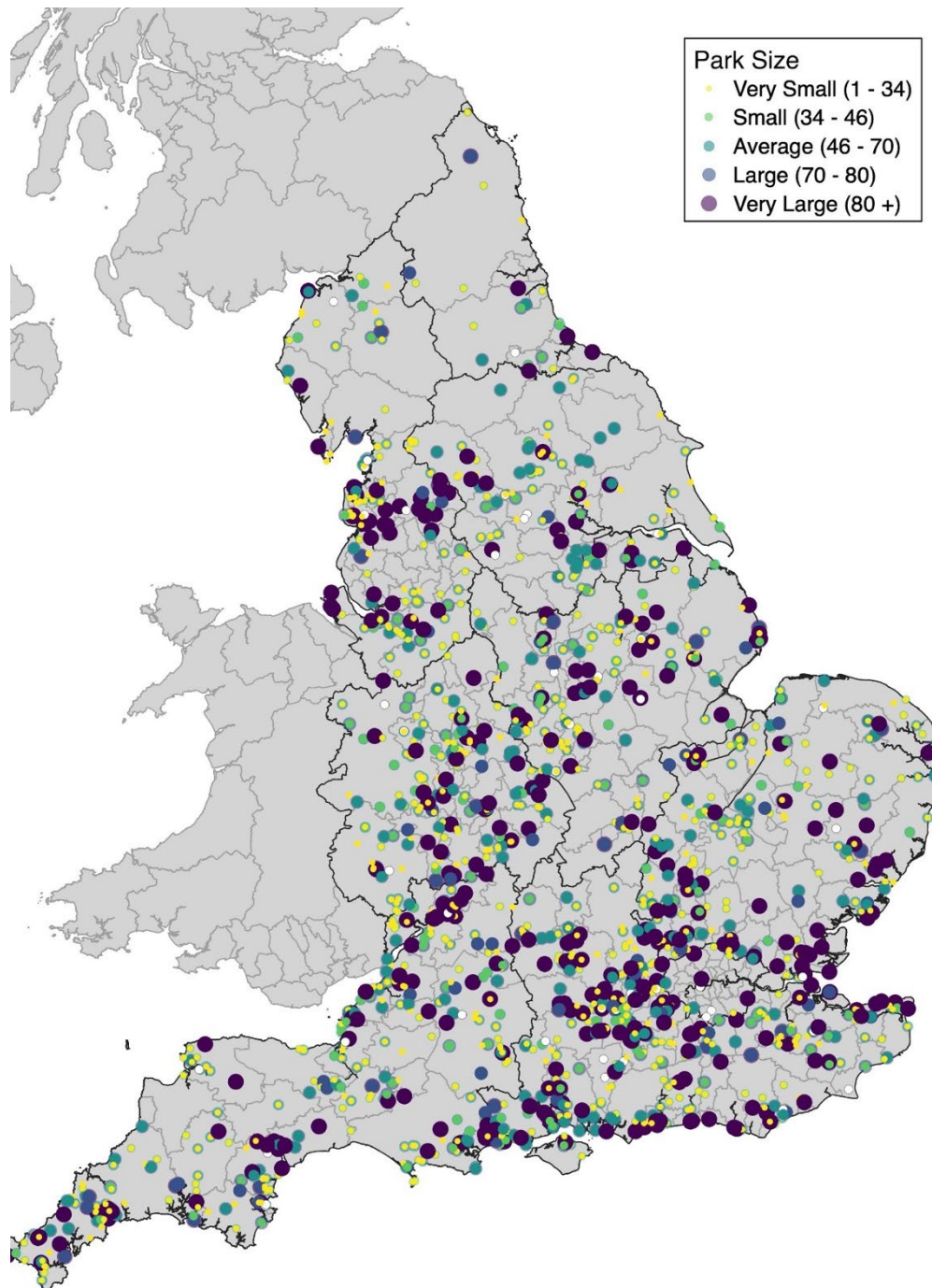
Region	Very small sites	% of regional	Small sites	% of regional	Average size sites	% of regional	Large Sites	% of regional	Very large	% of regional	All	% of regional	Total*
South East	195	46%	46	11%	57	13%	17	4%	99	23%	428	23%	97%
South West	207	52%	45	11%	45	11%	24	6%	68	17%	399	22%	97%
East of England	131	48%	28	10%	41	15%	13	5%	53	20%	271	15%	98%
West Midlands	98	49%	28	14%	27	14%	9	5%	32	16%	198	11%	98%
North West	105	55%	24	13%	12	6%	9	5%	36	19%	191	10%	97%
East Midlands	88	49%	21	12%	24	13%	8	4%	33	18%	180	10%	97%
Yorkshire & The Humber	63	50%	16	13%	23	18%	2	2%	15	12%	125	7%	95%
North East	10	43%	4	17%	2	9%	2	9%	4	17%	23	1%	96%
London	6	35%	0	0%	3	18%	0	0%	5	29%	17	1%	82%
All	903		212		234		84		345		1,832	100%	

*Final column percentages do not sum to 100% due to the 54 sites for which no site size could be established as noted at Table 3 above.

Source: Authors' estimate from various sources

- 4.20 Table 4.4a shows that the very largest sites are disproportionately concentrated in the South East (29 per cent) – although the South West also has a significant number of “Large” sites (29 per cent). When the data from Table 4.4a is considered in tandem with the distribution of sites at the regional scale in Table 4.4b some interesting features of regional variation can be identified. For example, of the 125 sites in Yorkshire and the Humber only 12 per cent are “Very Large” and only 2 per cent are “Large”. By contrast the mean average for all regions in these two categories are 19 per cent and 4 per cent respectively. By contrast although the 17 park homes sites in London represent a small proportion of the national total the size of sites in the Capital is quite distinct with important concentrations at either end of the distribution – 29 per cent are “Very Large” and 35% are “Very Small” with very no recorded instances of “Large” or “Small”.
- 4.21 Figure 4.1 provides a map of the distribution of residential park homes across England classified by size. From the map the distribution of parks by region is clear, with a greater proportion in the south than in the north. Some more fine-grained geographic characteristics, such as proximity to the coast (e.g. along the south coast) and to areas of natural beauty (e.g. in the west of England) are evident.

Figure 4.1: Map of residential park homes in England by size



Source: Authors

The character of park homes sites in England

4.22 Site size alone provides only a partial insight into variations in the types of site present in the park homes sector. Figure 4.1 in combination with the foregoing analysis provides clues to significant concentrations of park homes sites in rural and coastal settings. By contrast urban settings, of which London is a clear example in Tables 4.4a and 4.4b, are home to far fewer park home sites and may well be qualitatively distinct from sites in more rural locations. To explore differences in park homes sites the ONS area classification was used to unpack the distribution of park home sites in England (see Table 4.5).

Table 4.5 – Park home sites in England by ONS area classification

ONS Output Area Classification 2011	Number of sites	% of total	ONS Output Area Classification 2011	Number of sites	% of total
Rural White-Collar Workers	183	10%	Private Renting New Arrivals	12	1%
Older Farming Communities	163	9%	Families in Terraces and Flats	11	1%
Detached Retirement Living	163	9%	Ageing Communities and Families	9	0%
Rural Life	131	7%	Social Renting Young Families	9	0%
Established Farming Communities	118	6%	Hampered Aspiration	8	0%
Self-Sufficient Retirement	100	5%	Hard-Pressed European Settlers	8	0%
Agricultural Communities	97	5%	Hard-Pressed Ethnic Mix	8	0%
Ageing Rural Flat Tenants	88	5%	Transitional Eastern European Neighbourhoods	7	0%
Detached Rural Retirement	70	4%	Multi-Ethnic Suburbia	6	0%
White Suburban Communities	61	3%	Renting Hard-Pressed Workers	6	0%
Semi-Detached Ageing	57	3%	Multi-Ethnic Hardship	4	0%
Communal Retirement	57	3%	Commuters with Young Families	4	0%
Older Workers and Retirement	56	3%	Outer City Hardship	4	0%
Ageing in Suburbia	51	3%	Multicultural New Arrivals	3	0%
White Professionals	46	3%	Deprived Blue-Collar Terraces	3	0%
Industrious Transitions	46	3%	Inner City Ethnic Mix	2	0%
Rural Employment and Retirees	46	3%	Asian Terraces and Flats	2	0%
Delayed Retirement	36	2%	Challenged Transitionaries	2	0%
Renting Rural Retirement	33	2%	Young Hard-Pressed Families	2	0%
Comfortable Suburbia	20	1%	Migrant Families	1	0%
Ageing Industrious Workers	17	1%	Multicultural Student Neighbourhoods	1	0%
Industrious Hardship	16	1%	Old EU Tech Workers	1	0%
Ageing Rural Industry Workers	16	1%	Student Digs	1	0%
Indian Tech Achievers	15	1%	Pakistani Communities	1	0%
Multi-Ethnic Professionals with Families	15	1%	Multi-Ethnic Professional Service Workers	1	0%
Rural Workers and Families	14	1%	Retired Independent City Dwellers	1	0%

Source: Authors and ONS

- 4.23 The 2011 ONS area classification divides all lower super output areas (LSOAs) in England, the smallest official geography, into 75 categories. The 11 categories within this broader set of 75 that relate to rural or agricultural land uses account for 959 sites which represents 52 per cent of the English total: “Rural White Collar Workers” (10 per cent), “Older Farming Communities” (9 per cent), “Rural Life” (7 per cent), “Establishing Farming Communities” (6 per cent), “Agricultural Communities” (5 per cent), “ageing Rural Flat Tenants” (5 per cent) “Detached Rural Retirement” (4 per cent), “Rural Employment and Retirees” (3 per cent), “Renting Rural Retirement” (2 per cent), “Ageing Rural Industry Workers” (1 per cent) and “Rural Workers and Families” (1 per cent).
- 4.24 Whilst Table 4.5 shows that just over half of all sites are in rural settings it is important to note two things. Firstly, there are significant concentrations of park homes sites in one other typologically distinct category – housing for older people. Nine categories that relate to this concept represent 34 per cent of all sites: “Detached Retirement Living” (9 per cent), “Self-Sufficient Retirement” (5 per cent), “Ageing Rural Flat Tenants” (5 per cent), “Semi-Detached Ageing” (3 per cent), “Communal Retirement” (3 per cent), “Older Workers and Retirement” (3 per cent), “Ageing in Suburbia” (3 per cent), “Delayed Retirement” (2 per cent), “Ageing Rural Industry Workers” (1 per cent). Secondly, Table 4.5 provides only a partial insight into the character of the places where park homes sites are located – it does not give any insight into the socio-economic characteristics of the park home sites in question.
- 4.25 To address these points an analysis of the regional distribution of park homes sites against the English Index of Multiple Deprivation is presented in Table 4.6.

Table 4.6 – Park home sites in England by Index of Multiple Deprivation

Category	Criterion	Number of park home sites	% of all sites
Very Deprived	Top 10%	38	2%
Deprived	Top 20-11%	160	9%
Relatively Deprived	Top 30-21%	403	22%
Very Affluent	Bottom 10%	152	8%
Affluent	Bottom 20-11%	486	27%
Relatively Affluent	Bottom 30-21%	593	32%
Total		1832	100%

Source: Authors and DLUHC, 2020

- 4.26 Table 4.6 shows that there is significant variation in the socio-economic circumstances of the Lower Super Output Area (LSOA) within which park homes sites are located. A significant proportion, 593 sites (32 per cent of all sites in England) are located in areas that could be understood as “Relatively Affluent” with a further 27 per cent in “Affluent” areas. However, a significant minority of park

home sites, 160 (9 per cent), are located in LSOAs that could be said to be “Relatively Deprived” with a further 403 (22 per cent) in relatively deprived areas.

Conclusion: developing a typology of park homes sites

- 4.27 The foregoing analysis points to important geographical concentrations and typological distinctions between park homes. The majority of the sector is comprised of “Small” and “Very Small” sites – although there are some important concentrations of “Very Large” sites, particularly in South East England. Many sites are in areas that are generally affluent and rural/coastal in nature and much of the sector serves an older demographic. However, 11 per cent of sites are located in deprived locations and are potentially quite distinct from affluent, rural, retirement settings.
- 4.28 The findings of this chapter point to park homes as an important feature of affordable housing provision for, typically, older people – especially in areas where house price inflation in the mainstream housing market has made “downsizing” to a suitable dwelling for a retired household less possible.
- 4.29 The next two chapters go on to explore the evidence from the first focus groups and the survey on home owner and park owner perspectives of the park home sector.

Chapter 5. Understanding park site owners' perspectives

Introduction

- 5.1 This chapter summarises the evidence presented in the initial focus groups and the surveys from park owners' perspectives. It therefore broadly relates to the left side of the conceptual model, regarding park owners' incomes, costs and profits.
- 5.2 The analysis begins with the survey analysis and provides a description of parks and business characteristics before exploring how the contribution of the maximum commission contributes to the current operation of parks before considering the impact of changes to the commission. It then introduces the focus group evidence on the rationale for becoming a park owner, the current housing context and the operation of the commission.

Survey

- 5.3 In order to understand the types of organisations impacted by the maximum commission, park site owners were asked the legal status of the organisation that owned the park. Fully 71 per cent of responding parks were owned by a Private Limited Company. A further 15 per cent were owned by a private partnership and 12 per cent were owned by sole traders.

Table 5.1. Legal status of the park owner

Category	Number of park home sites	Percentage of all sites
Private limited company	105	71
Private partnership	22	15
Sole trader	17	12
Other	3	2
All	147	100

Source: Park owners' survey – Base: 147

- 5.4 Park site owners were asked the number of residential parks that were owned by the owners. Just over two fifths (41 per cent) of the responding parks were owned by an owner with only one park. A further 25 per cent of owners had more than one but less than 10 parks. At the other end of the spectrum 26 per cent of responding parks were owned by an owner with 20 or more parks.

Table 5.2. Number of residential parks owned by park owners

	Number of park home sites	Percentage of all sites
One	61	41
Between two and nine	37	25
Between 10 and 19	11	7
20 or more sites	39	26
All	148	100

Source: Park owner survey – Base: 148

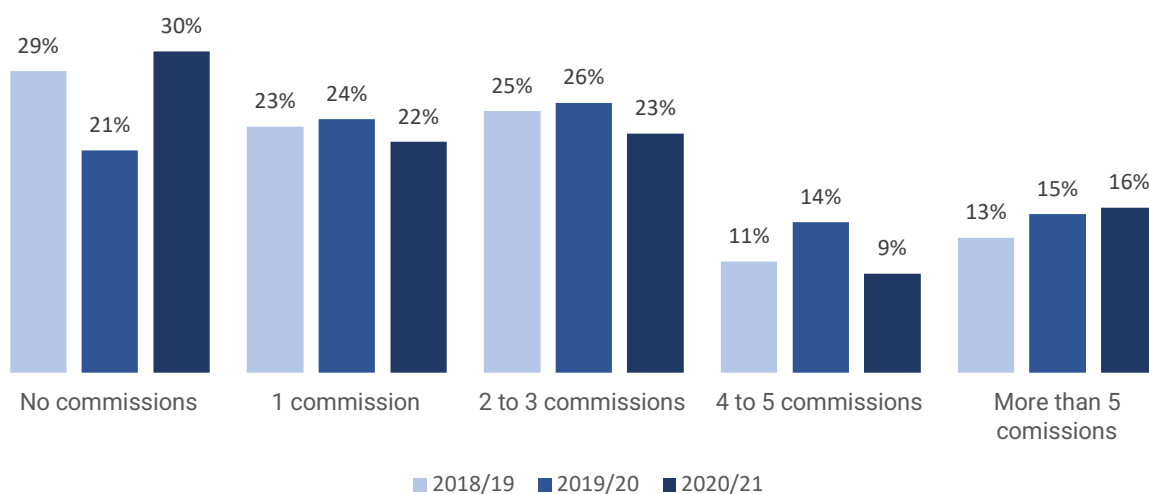
Charging the maximum 10 per cent commission on park home sales

5.5 In all but a few cases the responding park owners typically charged the maximum 10 per cent commission on park home sales. Only one park owner reported that they did not charge any commission on park home sales.

Commission earned on park home sales

5.6 Figure 5.1 below shows the reported number of commissions earned from park home sales in each of the last three years. It shows: 70 per cent of responding park owners had received at least one commission in their latest financial year (2020/21). However, there was a degree of variability in this proportion across the three years considered. Most park owners received three or fewer commissions in each of the last three financial years. In 2020/21 this accounted for 75 per cent of responding parks. Conversely 16 per cent of responding parks had received more than five commissions in 2020/21.

Fig 5.1. Number of commissions earned from park home sales in the last three years



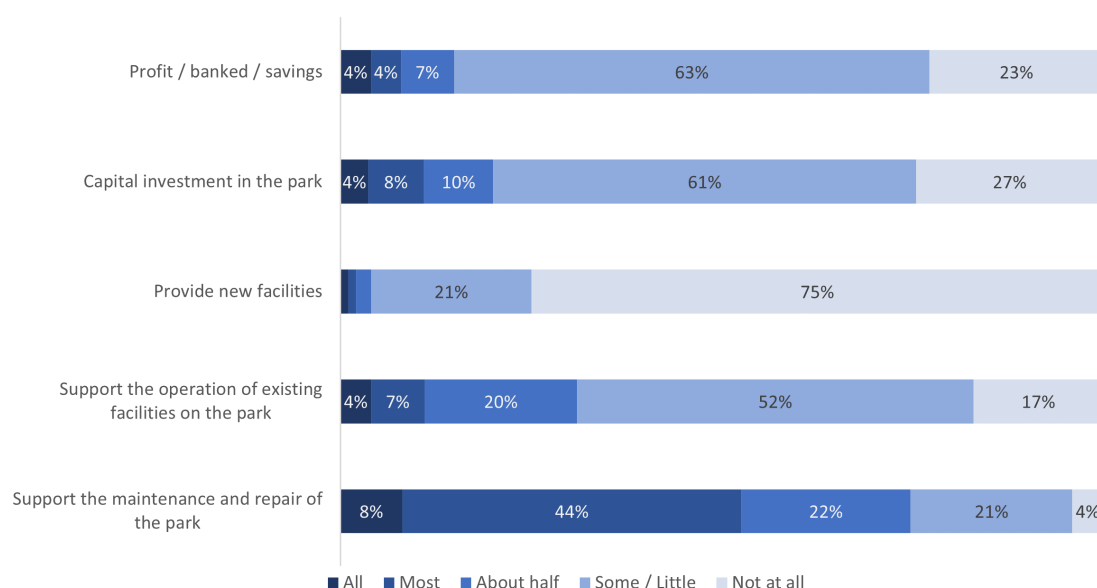
Source: Park owner survey – Base:128-133

- 5.7 Fully 93 per cent of responding park owners either “strongly agreed” or “agreed” to the statement “the park’s business model is dependent on the commission on park home sales?” Only two per cent (three respondents) “disagreed” or “strongly disagreed” with this comment. This qualitative response is generally supported by the analysis of finances.
- 5.8 Just over three fifths of responding park owners (61 per cent) either “strongly agreed” or “agreed” to the statement “Income earned from the commission on park home sales is steady and reliable?” This compares to 27 per cent who “disagreed” or “strongly disagreed.”

How revenue is used from the maximum 10 per cent commission on park home sales

- 5.9 Park owners were asked how their organisation used the revenue that it receives from the commission on park home sales. Figure 5.2 below shows only seven per cent said that they banked “most” or “all” of the money that they received. Whereas:
- 52 per cent used “most” or “all” of the revenue to support the maintenance and repair of the park;
 - 12 per cent used “most” or “all” to fund Capital investment in the park; and
 - 10 per cent used “most” or “all” of the revenue to support the operation of existing facilities on the park

Fig. 5.2. How does your organisation use the revenue you get from the commission on park home sales?



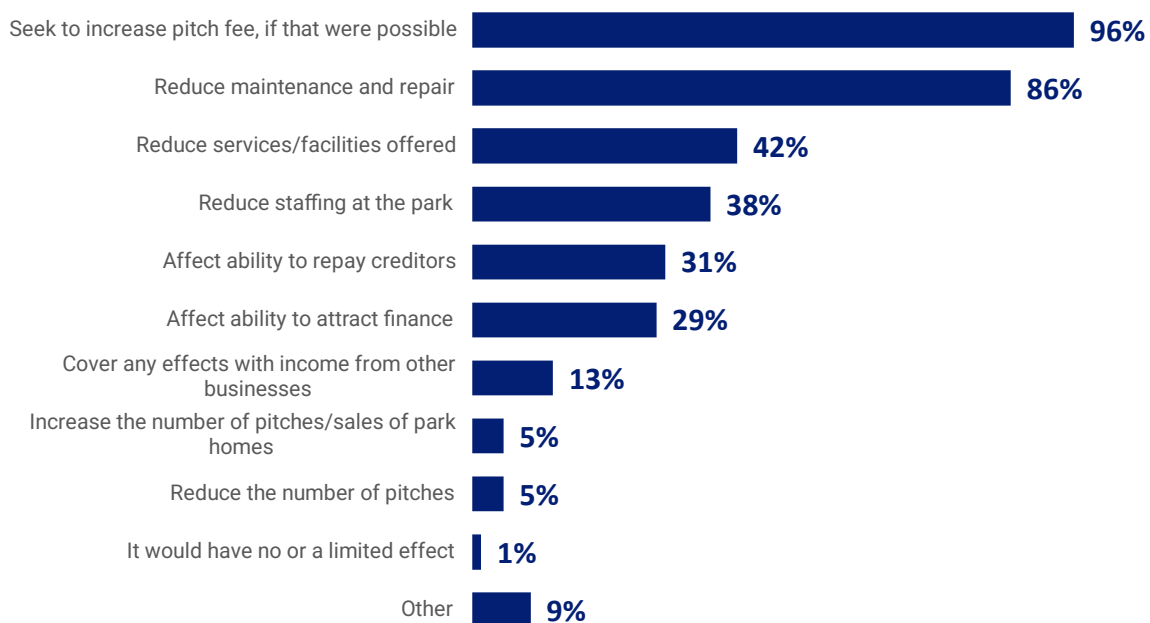
Source: Park owner survey – Base: 138

Perception of changes to the maximum 10 per cent commission on park home sales

5.10 Park owners were asked how their business would be affected or need to change if the commission on park home sales was removed or significantly reduced. Only two parks said that it would have no or a limited effect. The results are shown in Figure 5.3 Most responded to multiple options. Fully 96 per cent would seek to increase pitch fees (or ongoing charges to residents) if that were possible. Significant proportions would seek to reduce costs:

- 86 per cent would reduce maintenance and repair;
- 42 per cent would reduce services and/or facilities offered; and
- 38 per cent would reduce staffing.

Fig 5.3. If the commission on park home sales was removed or significantly reduced, how would your business be affected or need to change?

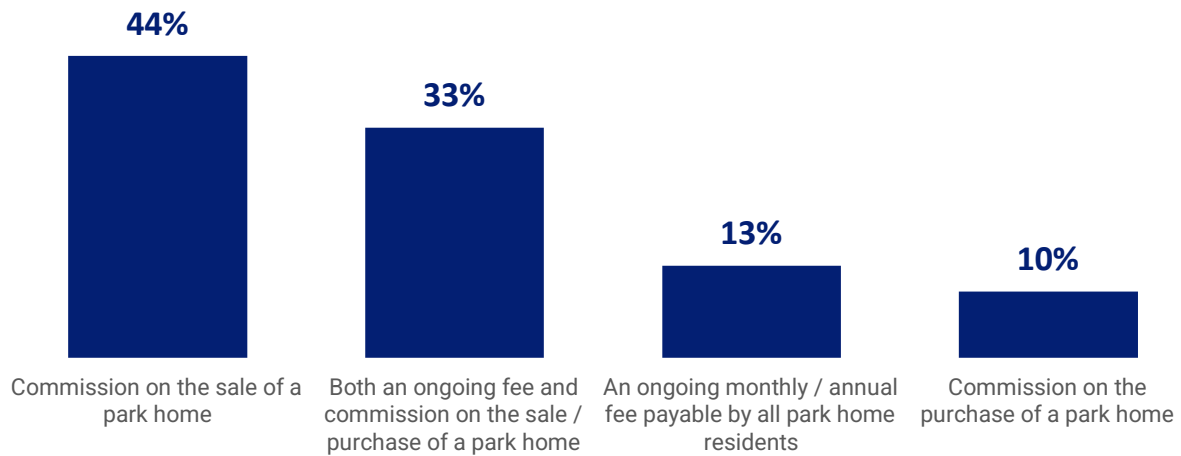


Source: Park owner survey – Base:140

5.11 The survey asked respondents “If a value equivalent to the current maximum 10 per cent commission on park home sales was chargeable, how would you prefer to charge this amount?” (see figure 5.4) The responses reveal:

- 44 per cent of respondents would prefer the status quo: the maximum 10 per cent commission to be charged on park home sales.
- 33 per cent would prefer a combination: charging the amount as part of an ongoing fee and a commission on either the purchase or sale of a park home.
- 13 per cent would prefer the amount to be incorporated into an ongoing monthly or annual fee.
- The remaining 10 per cent would prefer the amount to be charged on purchases of a park home.

Fig 5.4 If a value equivalent to the current maximum 10 per cent commission on park home sales was chargeable, how would you prefer to charge this amount?



Source: Park owner survey – Base: 135

Focus groups

5.12 Focus groups with owners of residential park home sites explored their entrance to the market, perceptions of where park homes fit into their local housing market context and ways in which this affects their operations, and their use, importance and perception of the 10 per cent commission rate.

Entering the park homes market

5.13 The demographics of participating site owners varied. While many ran parks that had been in existence for several decades, often describing themselves as second or third generation site owners, others were relatively new entrants to the market.

5.14 There was similar variation in size – one participant had only recently opened his park and the number of units was in the single figures, while others owned multiple parks where the total number of units ran into the hundreds. Most participants ran residential parks only, though a small minority were also involved in the operation of holiday parks.

5.15 These variations also helped to explain different reasons for entering the market. Many had family histories deeply embedded into parks, often following in the footsteps of parents or Grandparents who had historically operated the park. These site owners expressed a sense of emotional attachment to parks and to the land and felt pride in operating parks to a high standard. One park owner commented that “There is pride in ensuring that the park is good and that future generations are being supported. We market this on the community. It is unique and safe so, once you are in this environment, you’re less likely to leave.” Others echoed the sense of satisfaction that they took from running the park and providing housing for the predominantly elderly population living in their homes: “When people buy a home they are investing their savings in a way of life and there are expectations of how you [as a site owner] should behave.”

- 5.16 There was a perception amongst site owners that larger companies are at an increasing advantage in the market, using their capital to purchase parks. The site owners that participated in focus groups often drew distinctions between themselves as smaller and/or community-minded providers, compared to those with national profiles. However, that is not to negate the profit motive of some smaller site owners. One participant had recently entered the market as part of his future financial planning, investing savings and raising loan finance to fund the construction of a new park.

Housing and market context

“You’re providing a home for people that can’t afford a bungalow” (park owner)

- 5.17 Site owners perceived their parks as playing an important role in the local housing market, particularly regarding the provision of affordable housing to retiring/retired households. Participants contrasted the sale of their homes, with similarly sized homes in nearby rural villages which would sell for approximately 3-4 times as much. This was a view and experience shared by many of the park home operators, with one observing that “You’re providing a home for people that can’t afford a bungalow and providing a village community.” Other operators acknowledged that their homes had a reputation for being more expensive than others, but that they were still relatively affordable within the local market context, illustrating variation in product and price according to local demand.
- 5.18 The provision of affordable housing within communities perceived to be desirable to their target clientele meant that operators reported high demand in their properties. Across the focus groups, multiple site owners reported waiting lists and many reported that they do not need to advertise their properties because of this. This demand was attributed to the affordable provision relative to local bricks and mortar housing, as well as the nature of the sites and communities specifically designed to appeal to older households desiring more rural locations to live.
- 5.19 A relatively new entrant to the market, within the last 18 months, explained that raising bank finance to fund his park had not been problematic due to the paucity of single storey homes in the local area, which park homes were meeting the need for. However, several operators commented that the planning system acts as an obstacle to their growth and development, with park homes often not considered as affordable housing provision within planning policy, meaning they may be liable to make developer contributions, a situation perceived to be exacerbated by prejudice and misunderstanding as to the quality of the product that site owners regard themselves as providing.
- 5.20 There were consistent calls for greater promotion of park homes to planners to raise awareness of their affordable housing contribution for older generations.

- 5.21 Site owners commented that turnover in their properties was not high and usually dependent on and related to the health of their residents. Sales of homes, even on sites where there were 50+ units, were reported as usually being in the low single figures and were usually attributed to the death of residents.
- 5.22 Site owners reported positive relations with their residents and communities but acknowledged the issues that exist elsewhere in the sector. Operators often resented association with the perceived “rogue” element of site owners and stated concern that fit and proper person tests were unsuitable and inefficient in distinguishing between the “rogue” element of site ownership.

Use and importance of the 10 per cent Commission

- 5.23 Site owners were largely opposed to changes to the 10 per cent commission rate. Many argued that their parks would struggle to cover running costs if it were not for commission revenue and argued that many of their costs are “hidden” to residents, often involving maintenance and upgrades of utilities and services not visible to the human eye.
- 5.24 It was particularly felt that smaller parks would be vulnerable to changes in the commission rate – while this source may be infrequent, site owners expressed the view that they plan over timescales of several years and take commission revenue into account. Smaller parks also argued that the true costs of running their park are not always accurately recorded in their accounts – for instance, one site owner described how her family regularly contribute unpaid labour to the upkeep of the park and that this supported the park’s viability.
- 5.25 Site owners also expressed concern at alterations to the funding model of park homes retrospectively, arguing that business plans and financing were often predicated on commission revenue as well as other sources of income. One scenario introduced by an industry expert was that reduction to the commission rate might lead to changes in the operating model and function of parks – for instance, potential introduction of rental tenures to market the model to younger age groups and removal of minimum age requirements in order to appeal to a broader – and potentially more affluent – demographic. While these are hypothetical scenarios, it echoed a broader point that site owners would have to carefully reconsider business models and that they would look to replace commission rate revenue with something else.
- 5.26 Focus groups discussed a potential increase in pitch fees, which was seen as the most obvious way of replacing a removal of the commission rate. However, site owners argued that this was not a desirable outcome for residents who may be on fixed incomes and state pensions and may not be able to withstand increases in monthly costs. Many site owners also argued that commission revenue is used for capital improvements in the sites – pitch fees are used to cover the monthly and more regular operating costs, while receipt of commission revenue offers opportunities to invest in upgrades and enhancements to park amenities.

- 5.27 This chapter has discussed the characteristics of park businesses and park owner views on park operation as well as the role of the commission and potential changes to it. This evidence on the role of the commission has been contextualised by other issues such as poor site operators bringing the sector into disrepute and ongoing significant costs around energy and infrastructure.
- 5.28 The next chapter considers home owners' perspectives.

Chapter 6. Understanding park home owners' perspectives

Introduction

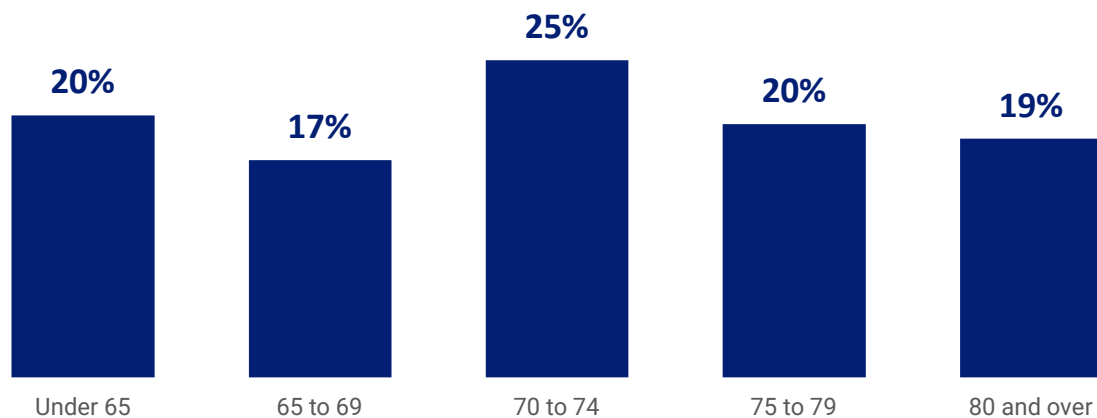
- 6.1 This chapter summarises the evidence presented in the initial focus groups and the surveys from home owners' perspectives. It therefore broadly relates to the right side of the conceptual model, regarding home owners bundle of benefits, bundle of costs and the overall value of living in a park home.
- 6.2 The analysis begins with the survey analysis and provides a description of home owner characteristics before exploring home owners' attitudes and perceptions towards their homes and park sites. It then explores survey perceptions of the maximum commission, alternative to the current rate, and its role in residential mobility. As noted in chapter two, no weighting was applied to the park owner survey analysis as there is no precedent or evidence of the population against which to weight the responses. The final section introduces the focus group findings in relation to the rationale for becoming a home owner, the current park context and the operation of the commission.

Survey

Who lives in park homes?

- 6.3 The majority of respondents live in their park home as a couple with no children under-16 (55 per cent) or on their own with no children under-16 (35 per cent). There were very few respondents from larger households or those with dependent children.
- 6.4 Figure 6.1 shows the age profile of households. The average age of respondents and members of their households was 71.8 years, with a quarter aged between 70 and 74 years of age. 20 per cent were aged under 65 with a similar proportion aged 80 years and older.

Fig. 6.1. How old is each member of your household?



Source: Home owner survey – Base: 1,397

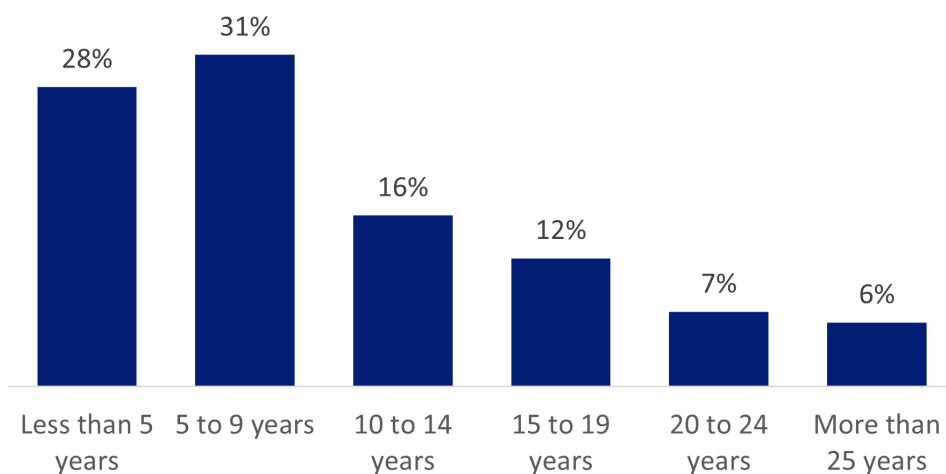
6.5 This age profile corresponds with the employment status of respondents and members of their household, with 78 per cent fully retired. 17 per cent are in full-time, part-time or casual employment and four per cent were out of work for health or other reasons and one per cent of respondents and their family recorded their employment status as “other”.

6.6 97 per cent of respondents identified their ethnicity as White British or Irish, with three per cent from a Black or Minority Ethnic (BAME) background.

Where did respondents move from?

6.7 Figure 6.2 shows home owners’ duration of residency. The median number of years respondents have lived in their current home is 8 years with more than half (59 per cent) living in their park home for under 10 years. 6 per cent have lived in their home for more than 25 years.

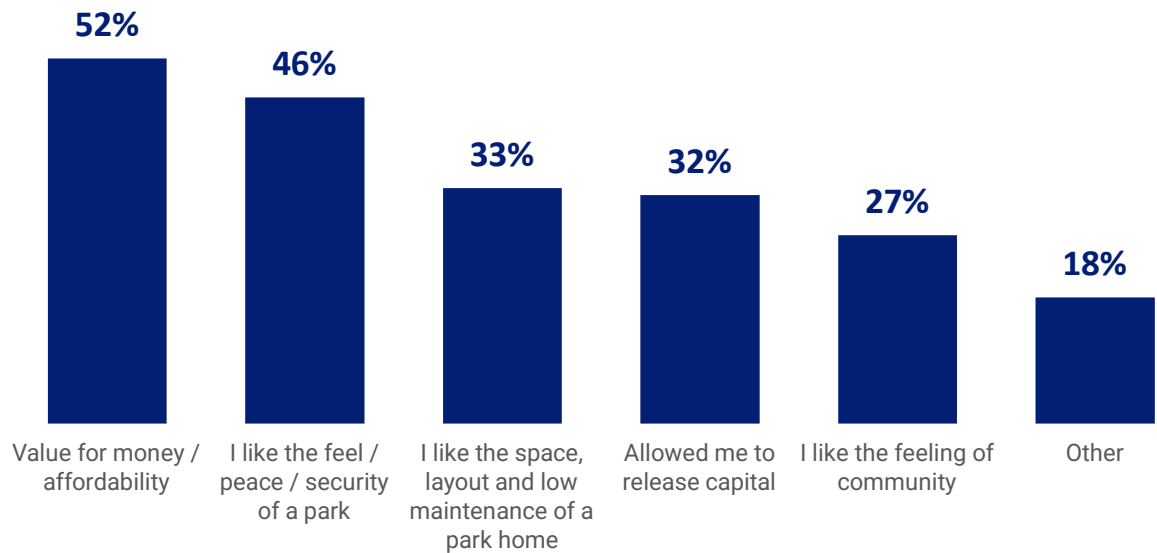
Fig. 6.2 How long have you lived in your park home?



Source: Home owner survey – Base: 1,484

- 6.8 Before moving to their park home, 84 per cent of respondents owned their own home, either outright or with a mortgage. A further six per cent moved from a private or social rented property, five per cent from another park home on the same or a different site, and four per cent came from “other” living situations (e.g. living with parents).
- 6.9 Figure 6.3 shows the reasons why residents chose to live in park homes. More than half (52 per cent) of respondents identified value for money/affordability as a reason they choose to live in a park home. 46 per cent indicated that the feel, peace, or security of the park was a reason. Broadly one third of home owners also indicated that the “space, layout or low maintenance of a park home” and one third indicated that a reason for choosing to live in a park home was that it “allowed me to release capital”. 27 per cent of residents gave the reason that “I like the feeling of community”, whilst 18 per cent gave another reason.

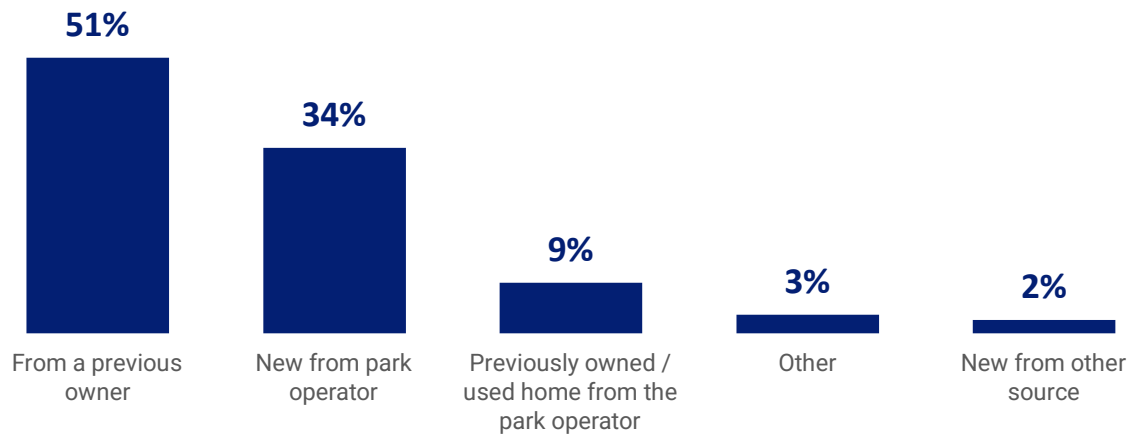
Fig. 6.3 Why did you choose to live in a park home?



Source: Home owner survey – Base: 1,518

- 6.10 The majority of respondents either purchased their park home directly from the previous owner (51 per cent) or new from the park operator (34 per cent), as shown in Figure 6.4.

Fig. 6.4. From whom did you purchase your park home?



Source: Home owner survey – Base: 1,500

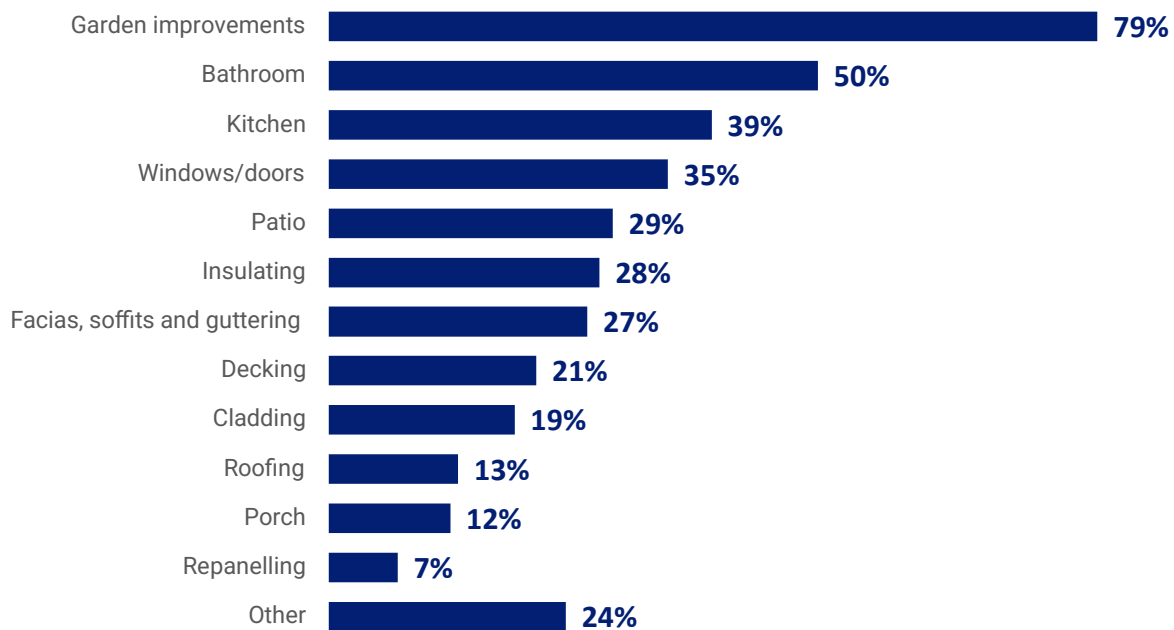
6.11 63 per cent of respondents live in homes on a twin unit caravans, with 37 per cent living in a on a single unit caravan. Just under a quarter (23 per cent) live in homes aged less than 10 years ago, whilst 11 per cent live in a home that is at least 40 years old. The average age of respondent's park home is 25 years.

How have respondents modified/changed their home?

6.12 The vast majority of respondents reported making at least one type of addition to their park home since it was purchased, with few respondents not identifying any additions. 17 per cent of respondents reported making just one addition/change from the list provided to them on the resident survey, with 67 per cent making between two and five changes and 23 per cent making more than five additions/changes.

6.13 Overall, nearly four out of five respondents (79 per cent) made improvements to their garden, whilst 50 per cent made changes to their bathroom and 35 per cent their kitchen.

Fig. 6.5 What additions / changes, if any, have you made to your park home since it was purchased?

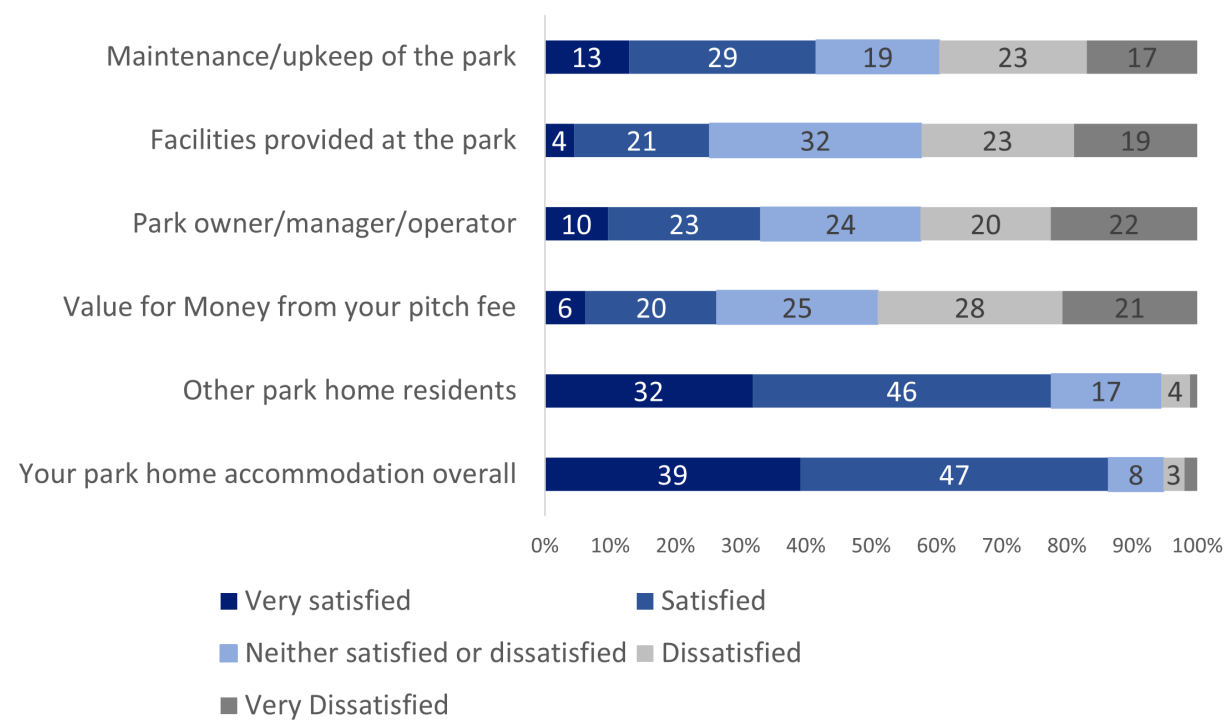


Source: Home owner survey – Base: 1,452

What do residents think about their park home and park?

- 6.14 When asked how satisfied they were with different elements of their park home and park, respondents were happy with their accommodation, with 86 per cent of respondents either “very satisfied” or “satisfied” with their park home overall and 78 per cent either “very satisfied” or “satisfied” with their other park homes residents.
- 6.15 Conversely, residents were less satisfied with other aspects of their park, as shown in figure 6.6, with 49 per cent “very dissatisfied” or “dissatisfied” with their pitch fee, 42 per cent with their park owner/manager/operator and 42 per cent with the facilities provided at the park. This compared with only 26 per cent, 33 per cent and 25 per cent, respectively, of residents who were “very satisfied” or “satisfied” with these elements of their park homes site. A more mixed picture was presented of residents’ views on the maintenance/upkeep of the park, with 42 per cent “very satisfied” or “satisfied” and 40 per cent “very dissatisfied” or “dissatisfied”.

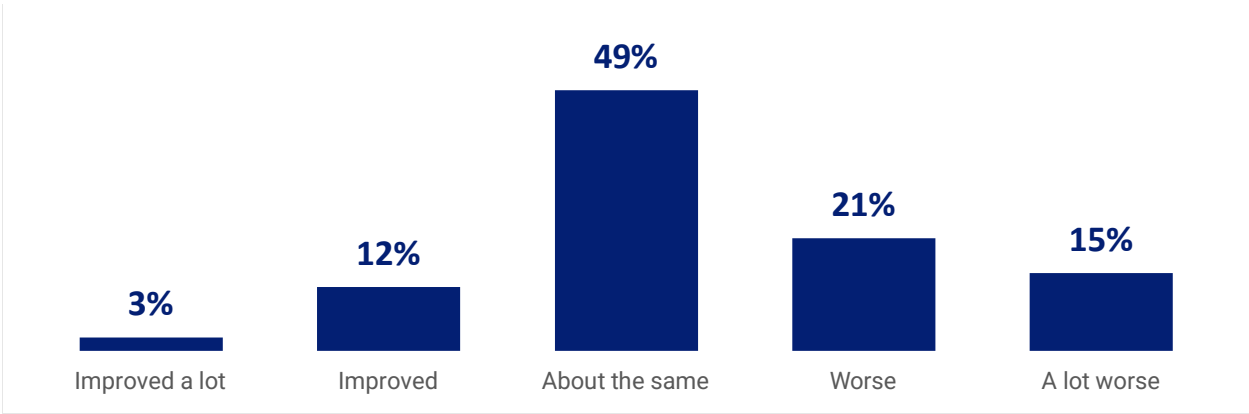
Fig. 6.6 How satisfied or dissatisfied are you with the following aspects of your park home and park?



Source: Home owner survey – Base: 1,350 – 1,401

6.16 Residents were also asked how the overall quality of the park had changed in the last five years, or since they moved to the park if this was within that period. The results are shown in figure 6.7. Nearly half (49 per cent) of respondents reported that the quality of the park was “about the same.”. However, 36 per cent stated that it had “got worse” or “a lot worse.” Whilst only 15 per cent reported an improvement in the quality of the park in that time.

Fig 6.7 How has the overall quality of the park, including park features and amenities, changed in the past five years / since you moved onto the park?



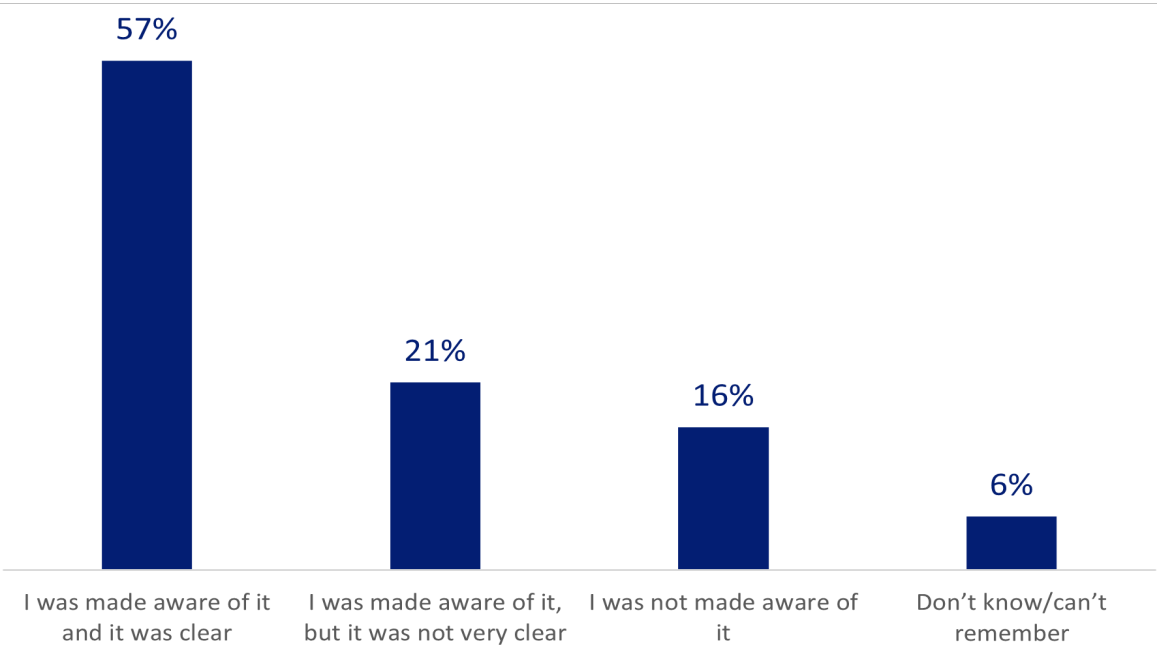
Source: Home owner survey – Base: 1,401

6.17 The average pitch fee that respondents reported paying was £172 per month. 43 per cent of respondents pay between £150 and £199 per month and 36 per cent paid between £100 and £149 per month. Five per cent of respondents paid more than £250 per month in pitch fees.

What are residents’ perceptions of the 10 per cent commission charge?

6.18 When they first purchased their park home, more than half of respondents (57 per cent) were made aware of the commission charge and that the information was clear, as noted in Figure 6.8. However, 21 per cent were made aware of it but the information was not clear and 16 per cent were not made aware of the commission prior to purchasing their park home.

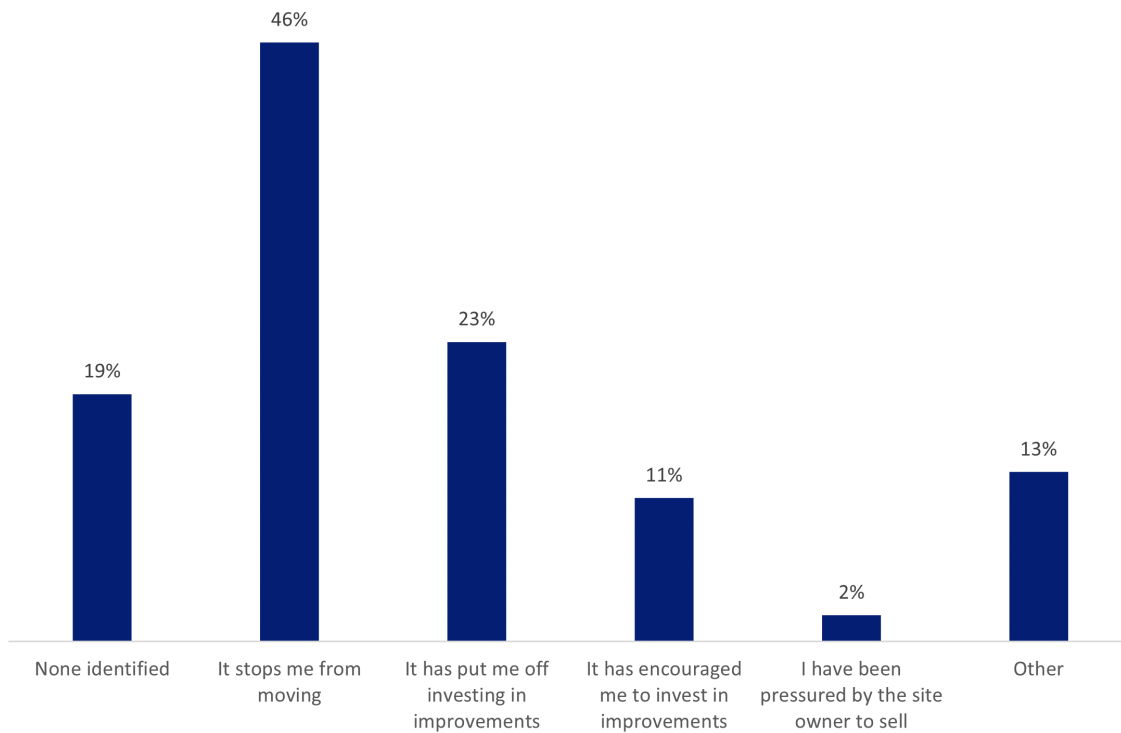
Fig 6.8. When you moved onto this park was it made clear to you that a commission could be charged if you sold your park home?



Source: Home owner survey – Base: 1,475

6.19 Figure 6.9 indicates that most residents reported being impacted by the commission on park home sales in some way. Nearly half (46 per cent) reported that it had stopped them from being able to move home, with a further 23 per cent being put off from investing in improvements to their home. On the other hand, the commission had encouraged a smaller proportion (11 per cent) to invest in improvements to their home. A small group of residents (two per cent) reported having been pressured by the site owner to sell their property. Just under one in five (19 per cent) specifically reported that the commission had had no real impact on them at all. A further 13 per cent of respondents reported a range of “other” impacts on them from the commission on the sale of their park home.

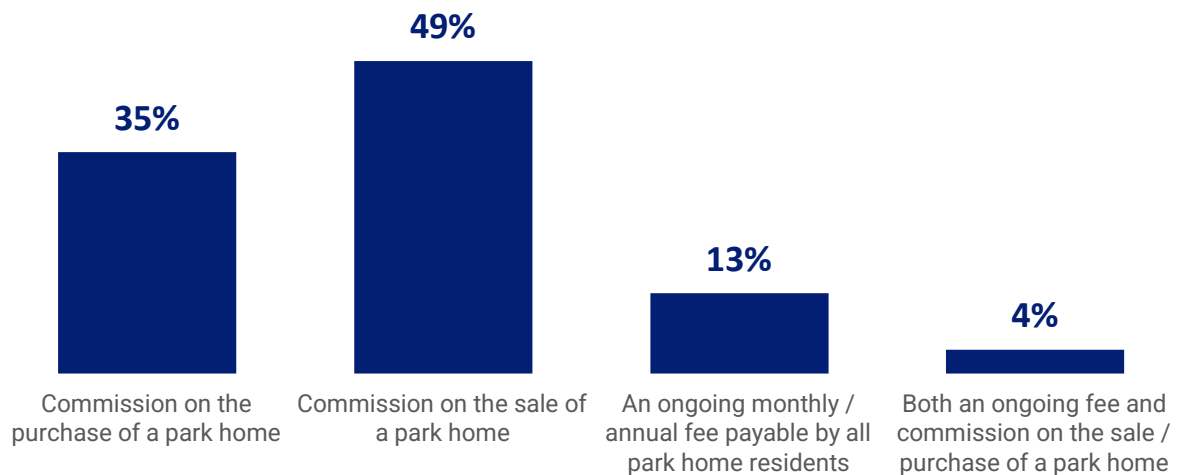
Fig 6.9. What impact, if any, has the commission on park home sales had on you?



Source: Home owner survey – Base: 1,330

6.20 Nearly half of residents reported that they would still prefer to pay the commission on the sale of their park home, as noted in figure 6.10. 35 per cent stated that they would prefer to pay the commission on the purchase of a park home. 13 per cent of respondents would prefer to pay in the form of a fee paid by all residents whereas four per cent would prefer a hybrid approach of both commission and fees to be paid.

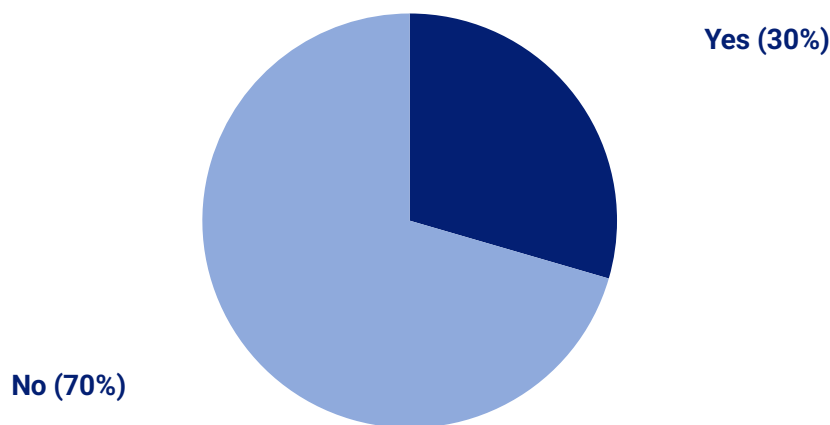
Fig. 6.10. How would you prefer to pay the amount of money equivalent to the maximum 10% commission on park home sales?



Do residents want to move from their park home?

6.21 Figure 6.11 shows that 30 per cent of respondents stated that they would like to move from their park home. However, 18 per cent of respondents indicated that they would both like to move from their home, but felt they were unable to due to the current 10 per cent commission charge. Only 10 per cent of respondents stated that they expected to move home in the next year.

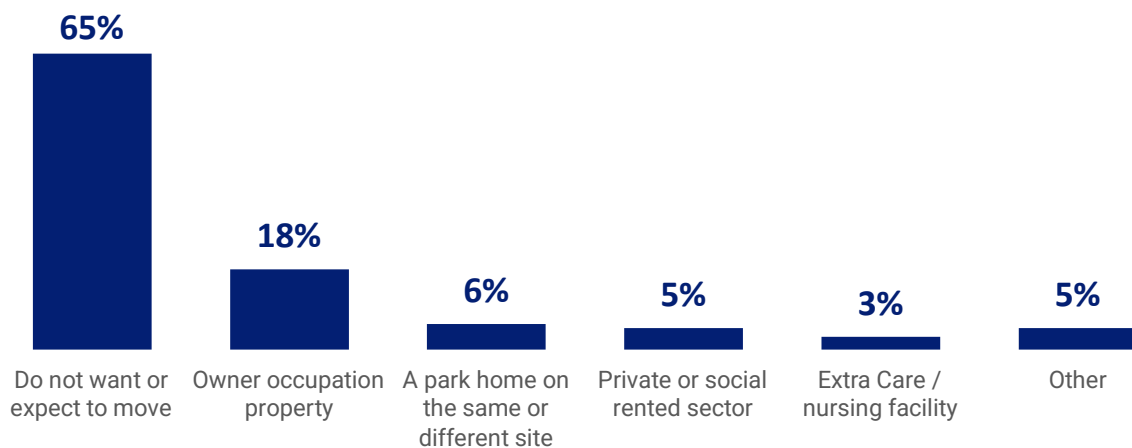
Fig 6.11. Do you want to move from your park home?



Source: Home owner survey – Base: 1,410

6.22 When asked where they expected to move, nearly two thirds (65 per cent) of respondents did not expect to move at all as noted in figure 6.12, whilst 18 per cent stated they would like to move to a owner occupation property and six per cent moving to another park home on the same or a different site.

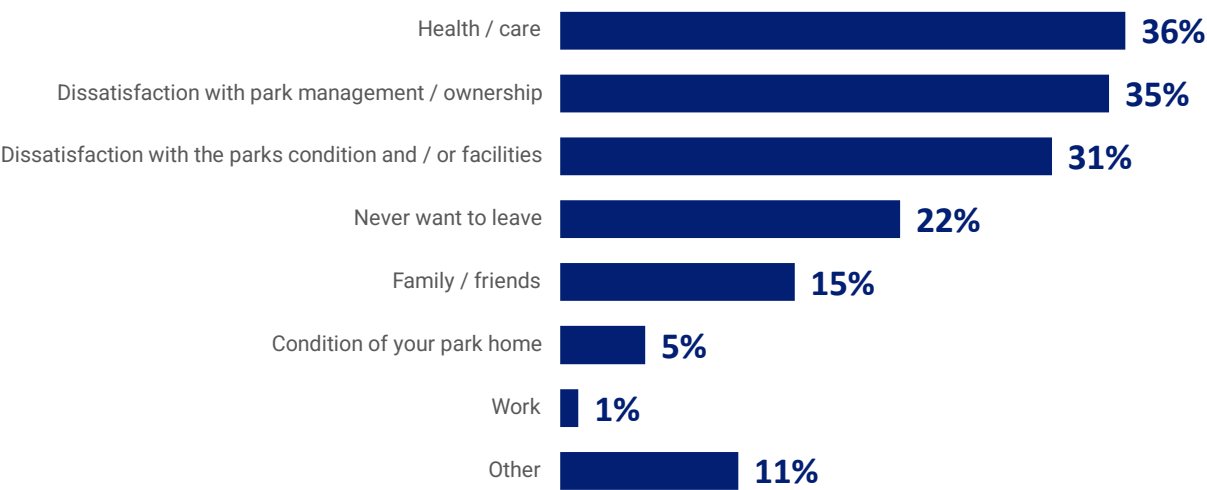
Fig 6.12 Where do you want or expect to move to?



Source: Home owner survey – Base: 1,270

- 6.23 95 per cent of respondents stated that they would sell their property directly to another resident, compared with only five per cent who would sell to the park owner/operator.
- 6.24 Figure 6.13 illustrates the main reasons that respondents indicated they would like to move away from the park were health/care reasons (36 per cent) and dissatisfaction with the management/ownership (35 per cent) and/or the park/facilities (31 per cent). 22 per cent of respondents stated that they never wanted to leave their park home.

Fig 6.13 What would be the most likely reason(s) for you deciding to move away from the park?



Source: Home owner survey – Base: 1,371

Early focus groups

Living in park homes: Motivations

- 6.25 The motivations for living in park homes were varied, including perceptions of the community lifestyle that park homes offered, aspirations to live in more rural and remote locations, and a need for more affordable housing.
- 6.26 The majority of focus group participants were either approaching retirement or already retired, living either as couples or in single person households. Many residents commented that, prior to purchase, they perceived park homes as offering quiet, peaceful and community-oriented places to live. Many were attracted by amenities and facilities offered on parks, as well as the opportunity to live in a community where the demographics of residents may be similar to their own and where there may be opportunities to interact with neighbours. One resident living in Hampshire commented that “we have been extremely happy here, largely because of the residents who live here.”

- 6.27 Residents often undertook extensive research prior to purchase in order to ensure, for instance, that all homes on the site were permanently residential rather than used for holiday lets, though as noted below there were several instances where residents felt that the image of a cohesive and desirable community marketed prior to purchase did not match the reality of living on the park.
- 6.28 Residents were also attracted by the physical and design aspects of parks. Features such as the scenic nature of the sites they lived on, social amenities, and rural and tranquil locations were attractive to those moving onto parks. One focus group participant argued that he and his wife had aspirations of living by the coast and that the affordability of a park home relative to bricks and mortar accommodation in the same area, where house prices may be high relative to local incomes, made this possible. Others commented positively on the nature of living in parks in rural locations compared with urban settings perceived to be affected by anti-social behaviour. However, many other participants expressed concern with the maintenance of some parks, as noted below, and the ways in which this affected their day-to-day living experience.
- 6.29 The decision to live in a park home was, for others, more pragmatic and related to finance and affordability. One participant had remarried and found that a park home was all they could afford locally, while, as described above, some were living in park homes as it was all they were able to afford in the area in which they wanted to live. Others, as they approached and entered retirement, were seeking housing that helped them to plan for later life and manage their housing costs. That residents live in park homes due to issues of affordability is an important point – while for some residents' park homes may represent an aspirational housing choice, for others it may be a necessity, and park homes may be fulfilling an important but unrecognised function with respect to affordable housing provision.

Living in park homes: Experiences

- 6.30 Experiences of living in park homes varied among focus group participants. In some cases, residents reported satisfaction with park life. One resident in Staffordshire commented that they “like the lifestyle and went into the purchase with our eyes wide open regarding the 10 per cent commission. We’ll live here, enjoy the community and die, and then our kids will lose the 10 per cent.” Perceptions and implications of the commission are discussed further below but it should be noted that, while this resident was satisfied with the social and community aspects of living in a park home, they also expressed disenchantment that their financial obligations to the site owner, such as regular payment of pitch fees, failed to translate into improved site conditions or amenities.
- 6.31 However, the majority of residents reported dissatisfaction with the experience of living on a park home, though this was often framed in relation to the relationships they held with site owners and park managers and day-to-day maintenance of sites, rather than the legal aspects of resales. Residents complained of poor site maintenance, often with reference to the same large-scale park owner, and felt

that regular pitch fee increases were often unjustified given the lack of investment into site amenities and management. Many of our participants felt that this compromised their reasons for moving onto park home sites, as they felt that the reality of site management and maintenance undermined their aspirations for scenic, green, and well-kept living environments.

- 6.32 A further challenge related to the co-location of holiday homes alongside or within residential parks. In these instances, transient holiday populations were thought to disrupt and affect the experience of living permanently on a park but perceived by permanent residents as more financially desirable for park owners. One resident living in a situation such as this commented that “the park is not a pleasant place to live, I think it’s one of the worst mistakes we’ve ever made.”
- 6.33 That the majority of our home owner participants reported problems with their site owners does not necessarily mean this should be generalised across the sector. While views over the high prevalence of “bad” site owners were frequently expressed, many residents acknowledged that their site was managed by a “rogue owner” and, in these cases, it was often the case that site owners were perceived to have poor visibility to and communication with residents. There were examples given in focus groups of residents being previously satisfied with the management and maintenance of their site, which subsequently changed when park ownership changed hands and/or the number of homes on sites proliferated.
- 6.34 The majority of participants reported that their recent experience was causing significant distress and leading them to reconsider their housing arrangements. However, those residents who wanted to move out of parks reported that they are often unable to do so due to the relative affordability of their accommodation compared to bricks and mortar housing, and due to the impact of the 10 per cent sales commission which reduced capital available to move elsewhere. One elderly resident in Somerset argued that “If I could go back to bricks and mortar I would, but at 77(years old) it’s not financially feasible.” This point is returned to in the following section.

Resident Awareness and Views of the 10% Commission

- 6.35 The majority of residents in our focus groups were aware of the 10 per cent commission, both at the point of purchasing their home and at the time of the focus group, though some expressed a view that the technicalities and implications should have been more transparently communicated by sales agents. While participants were aware, this also perhaps reflects their interest and knowledge in the topic, and several participants spoke of neighbours within their communities that were unaware and misunderstanding of the commission.
- 6.36 Awareness of the commission did not tend to affect resident decisions to purchase. This can be attributed to two factors that were common amongst focus group participants. First, as many residents were approaching and entering retirement, they were sometimes not overly concerned with the sale value of their homes,

particularly as it was common for residents to perceive their park home as their final residential move. Second, others were moving to park homes due to their affordability relative to bricks and mortar housing, and as such payment of the commission further down the line did not factor into their decision-making at the point of purchase.

- 6.37 However, while residents were aware of the commission, this did not translate into an agreement over its need or into clarity as to its purpose. Residents commonly expressed a lack of clarity and understanding as to the purpose and need for the commission and perceived it as an unfair tax at the point of sale, which would likely affect those inheriting their property. Residents disputed the notion that the commission may be necessary for site management and maintenance, arguing that when homes are sold on their parks they rarely perceive a visible improvement or investment in their sites. In addition, the importance of commission revenue for site management and maintenance was questioned by residents given the unpredictable and fluctuating nature of homes sales, which may make it difficult for site owners to forecast and incorporate commission revenue into their business plans. It was clear that this lack of clarity amongst residents over the need for the commission translated into a perception of unfairness. This perception was exacerbated in cases where residents had invested time and money into improving their homes, arguing that site owners benefited from situations where residents had enhanced their homes voluntarily and independently.
- 6.38 Many residents expressed the view that the commission was preventing them from relocating, a situation felt particularly unfair in the many examples of resident dissatisfaction with park home living. These residents had desires to exit their site, usually due to the challenges and problems outlined in previous sections but felt financially unable to, partly due to the requirement for the site owner to receive 10% commission of the sale price. These residents expressed that they felt stuck and trapped within their sites and unable to leave. In addition, some residents expressed concern at the prospect of intimidation to sell from site owners keen to generate commission revenue, though others argued that these instances were becoming less frequent as a result of enhanced rights for residents. It is clear, however, that these concerns or issues were not isolated examples.
- 6.39 There was little consensus over alternatives to the commission, such as the translation of costs into pitch fees, precisely due to the lack of clarity as to the purpose, use and need for the commission in the first place. The commission as generally perceived as an unearned income for site owners and that, relative to the cost and process of selling bricks and mortar homes, park home residents were significantly disadvantaged (one resident compared the role of estate agents, tend to earn less than 10 per cent commission when facilitating the sale of bricks and mortar homes). One argument put forward was that, as changes to policy and legislation have reduced the role of site owners in the sales process (such as their approval of incoming residents), the commission should have reduced in parallel.

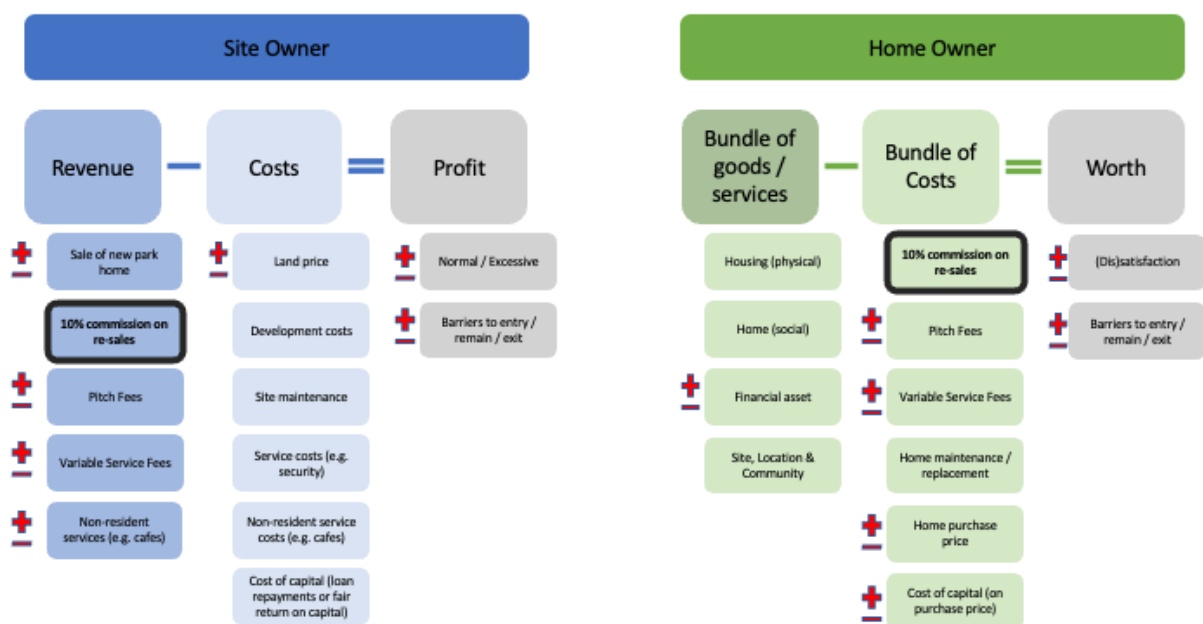
- 6.40 This chapter has discussed the profile of park home owners and their views on park life as well as the role of the commission in their daily life and residential mobility decisions. This evidence on the role of the commission has been contextualised by other issues with park homes, such as the non-compliance with agreed or implied terms and poor maintenance on some sites.
- 6.41 The next chapter brings the evidence from home owners and park owners together to model the implications of a change to the maximum commission.

Chapter 7. Modelled changes to the maximum commission

Introduction

7.1 This chapter explains the modelled changes to the maximum commission on park home sales. The impacts of a change to the maximum commission were discussed in chapter three, but it is helpful to reprise these from the conceptual model (see Figure 7.1).

Fig 7.1. Conceptual model of the impacts on a change to the maximum commission



Source: Authors

7.2 Any reduction in the maximum commission (from 10 per cent in the figure) will have permutations for the overall revenue of park owners, unless they are able to re-coup some of this loss through an increase in alternative revenues. Theoretically, a reduction should occur in the land price (or park re-sale price) if there is an overall reduction in revenue. This will reduce the entrance cost for new operators, but if this change in price reflects a proportionate change in profit, it will not make entry into the sector more appealing. As such a reduction in the maximum commission may reduce park prices without attracting new entrants, or support sales only to organisations that have lower operating costs.

7.3 For home owners a reduction in the maximum commission will increase the value of their assets. As the charge only applies at the point of re-sale, for most owners this will have little impact on their annual costs or immediate financial wellbeing.

However, it may affect their perceptions of the park, living in a park home and their mobility as moving from a park home becomes financially more efficient for them.

7.4 There is the potential for impacts from a change in the commission on either park owners or home owners to have an iterative impact on the other party. For example, a reduction in the revenues of park owners may result in them decreasing services on site, which could impact on park home owners' perceptions of the park. Or, as an alternative example, a reduction in the commission may increase home owner mobility as it reduces the transaction costs of moving, but this will result in an increased number of re-sales for park owners to charge the (lower) commission on. These interrelations are complex and multi-faceted, the precise outcomes of which are reliant upon actual changes in behaviour by home owners and park owners rather than simple financial calculus. Nevertheless, it is necessary to model the outcomes to the extent that data is available to provide evidence of the likely impact of a change to the commission.

7.5 This chapter next considers the case for making a change to the commission and exploring the impact of the commission on park home owners. It then considers the significance of the commission to park owners' finances and their reported use of the commission. Once these two contexts have been identified, the impacts of reductions to the commission to 7.5 per cent, 5 per cent, 2.5 per cent and zero per cent are explored, on both home and park owners. This is followed by a discussion of the potential impacts of alternative compensation mechanisms for park owners.

What is the case for making a change to the commission?

7.6 As explained in chapter five, there were multiple explanations by park home owners for seeking a change to the commission. The explanations that were discussed in the focus groups were highly variable. Some argued that they did not understand the historic precedent for charging a commission on re-sale, whilst others acknowledged this historic precedent but argued that it did not reflect a "fair" practice. It should also be recognised that park owners were not clearer about the justification for the commission, with concepts of "ground-rents", "land value changes", "change on lower initial prices" all raised and disputed.

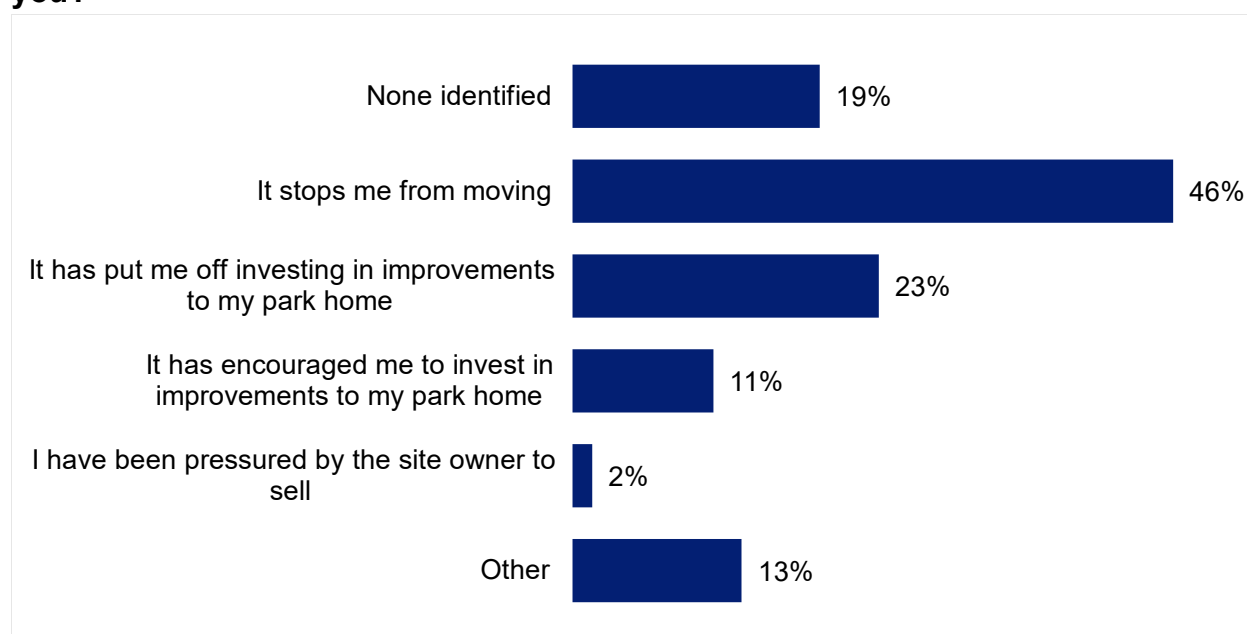
7.7 This lack of clarity over the purpose of the charge has been a consistent feature of reviews into the commission. Given that the commission has been in operation in its current form since 1983, it has been the same since the vast majority of current park home owners purchased their home (and since all home owners in the focus groups purchased their home) and has also become a significant source of income for many park owners, recognising its historic rationale does not necessarily reflect the contemporary operation of the park homes sector.

7.8 From the survey, over 80 per cent of residents reported being impacted by the commission on park home sales in some way (see Figure 7.2):

- 46 per cent reported that it had stopped them from being able to move home;

- 23 per cent stated to being put off from investing in improvements to their home
- 11 per cent had been encouraged to invest in improvements to their home; although reasons for this were not asked in the survey it is assumed that this may have been to improve their living environment because they are prevented from moving due to the commission;
- A small group of residents (two per cent) reported having been pressured by the site owner to sell their property; and
- A further 13 per cent of respondents reported a range of “other” impacts; these included feeling of dissatisfaction/anger, reduced inheritance for family, financial cost experienced when moving and it means their park home is harder to sell.

Figure 7.2. What impact, if any, has the commission on park homes sales had on you?



Source: Home owner survey; Base: 1,330

- 7.9 Of the residents who identified “no impact” a notable proportion also made comments that they were aware of the commission when they purchased their park home so “knew the rules of the game.”
- 7.10 The survey responses suggest approximately 14 per cent of park home residents are currently “trapped” in their park home due to the Commission. That is, they “*want to move but do not expect to move in the next year*” and they say the commission on park home sales “*stops them from moving*”. Further analysis of this group has taken place to understand their characteristics to inform the case for changing the commission and the consequences if it is not changed. The analysis has tested for statistically significant differences in their survey responses compared to all other park home residents who do not report being trapped by the commission. The analysis finds that compared to all other park home residents,

those who are assessed as being trapped in their park home by the commission are on average statistically significantly:

- Less likely to have savings over £10,000;
- More likely to be a couple with no dependents and less likely to be a single person household;
- More likely to want to pay the commission on the purchase of a park home and less likely to want to pay the commission on the sale of their park home;
- Less likely to have been aware of the commission and understand it when they purchased their park home; more likely to have been made aware of the commission but not understand it when they purchased their park home; and more likely to have not been made aware of the commission when they purchased their park home;
- More likely to want to move because of dissatisfaction with the condition of the park, the management of the park/park owners and to be near family and friends. Less likely to want to move for health/care reasons;
- More likely to be dissatisfied with their park owner, the maintenance/upkeep of the park, the facilities on the park and value for money provided by their pitch fee; and
- Less likely to report moving to a park home for pull reasons. This means they were less likely to move because they felt the park would be a great place to live, as such they less frequently identified the following as motives to move: feeling of community on the park, space/layout/maintenance of a park home and the feel/peace/security offered by living on a park.

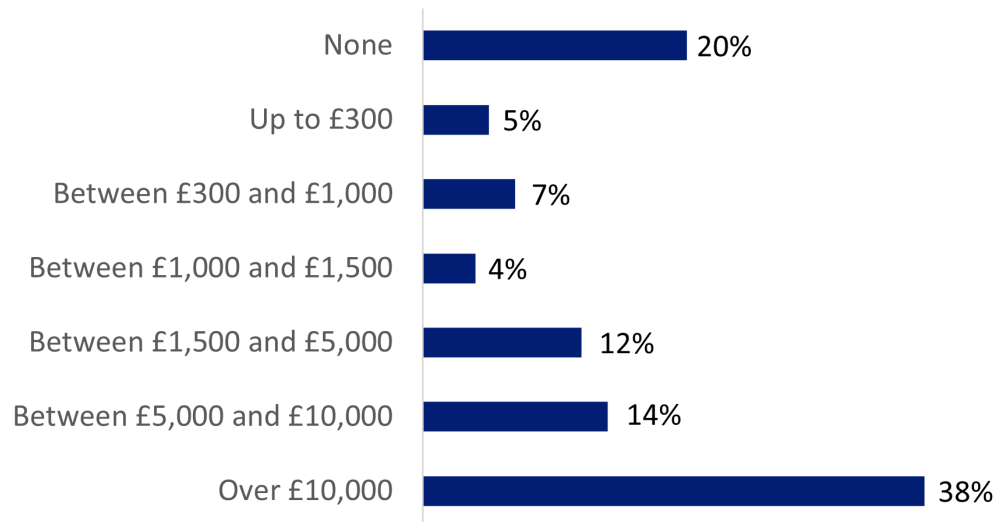
7.11 The evidence underpinning this analysis of “trapped” residents can be found in Appendix 5.

7.12 Summarising these responses suggests respondents trapped by the commission are more likely to:

- be trapped due to financial reasons;
- want to move for (dis)satisfaction reasons with their park; and
- have moved into a park home without full knowledge of the commission and the realities of park home living.

7.13 The commission is a significant charge for park home residents who sell, impacting on the affordability of a subsequent home. Based on data from the park owners survey, the average commission earned per sale over the latest three years (in 2020/21 prices) was just over £11,000. Responses to the resident’s survey suggest less than 40 per cent of residents have this amount of money in savings (see Figure 7.3), therefore, they would not be able to use their full sale price for a subsequent purchase, preventing some residents from affording a new home of equivalent value. Notably a fifth of park home residents reported having no savings or investments and a further 28 per cent only had savings and investments worth up to £5,000.

Figure 7.3. What is the value of your household's savings and investments?



Source: Survey of park home owners; Base: 1,003

How important is the commission to park owners?

- 7.14 Responses to the park owners survey show in all but three cases owners typically charged the maximum 10 per cent commission on park home sales. Only one park owner reported that they did not charge any commission on park home sales.
- 7.15 Fully 93 per cent of responding park owners either “strongly agreed” or “agreed” to the statement “the park’s business model is dependent on the commission on park home sales?” Only two per cent “disagreed” or “strongly disagreed” with this comment. This attitudinal survey response is generally supported by the analysis of financial data.
- 7.16 Table 7.1 reports average park income per pitch from different income categories. It shows
- Income earned from the commission made up the fourth largest category of park income per pitch, on average.
 - On average, income from the commission amounts to 7 per cent (£425 per pitch) of annual average income per pitch
 - Average income per pitch from the commission increases with park size, with the commission making up 13 per cent of average income per pitch on larger parks.

Table 7.1. Average park income per pitch from different income categories

	Small (25 or fewer pitches)	Medium (26-80 pitches)	Large (81 or more pitches)	All
Sales of new homes	£2,449	£3,215	£1,316	£2,479
Pitch fees	£1,690	£1,863	£1,908	£1,820
Rents from park home tenants	£2,204	£27	£67	£731
Commission on park home sales	£389	£389	£528	£425
Recharge of utilities	£241	£197	£181	£207
Sales of pre-owned park homes	£122	£147	£ -	£101
Income from residents use of facilities	£5	£15	£2	£8
Commissions on loans and insurance	£2	£0	£0	£1
Other (please specify)	£42	£19	£19	£26
All	£7,144	£5,873	£4,022	£5,798

Source: Park owner survey – Base:138

7.17 Considering the “profitability” of parks, the average income per pitch earned by parks was £5,798 per annum. This compares to an average expenditure per pitch of just under £4,227, indicating a calculated pre-tax expected surplus of approximately £1,571 per annum per pitch.

7.18 However, this masks the considerable variation by parks. 27 per cent of parks who responded to the survey had an average income less than their average expenditure. Therefore, made a loss over those two years. Conversely 73 per cent had an average income greater than their average expenditure.

7.19 Analysis by park size shown in Table 7.2 reveals:

- 40 per cent of small parks (25 or fewer pitches) reported making a loss;
- 28 per cent of medium sized parks (26 to 80 pitches) reported making a loss; and
- 11 per cent of large parks (81 pitches or more) reported making a loss.

Table 7.2: Average profit per pitch and the percentage of parks recording a loss

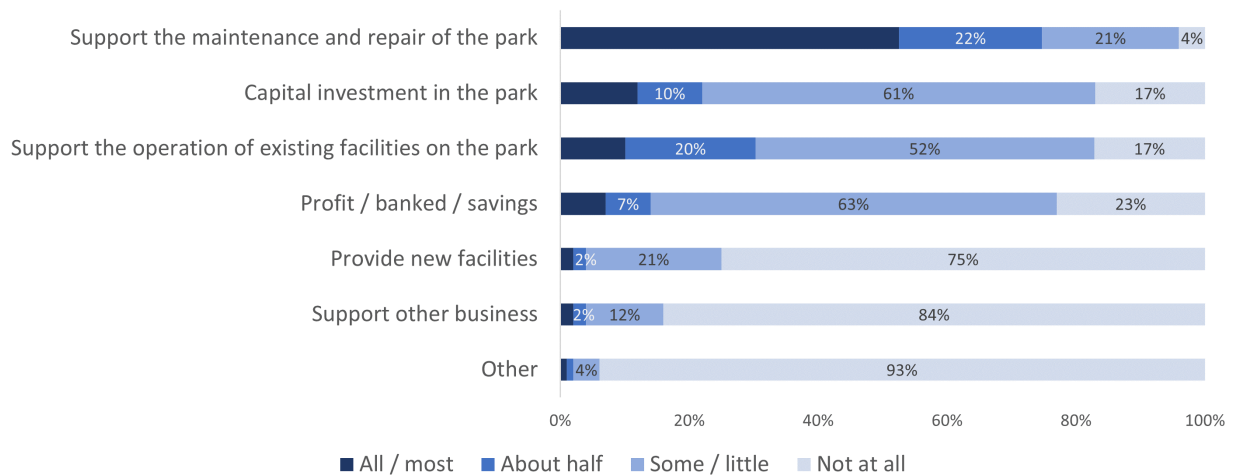
	Average profit per pitch (£)	Percentage of parks recording loss (%)
Small (25 or fewer pitches)	£1,489	40
Medium (26-80 pitches)	£1,541	28
Large (81 or more pitches)	£1,721	11
All	£1,571	27

Source: Survey of park owners; Base: 138

7.20 Park owners were asked how their organisation used the revenue that it gets from the commission on park home sales. Figure 7.3 below shows only seven per cent

reported that they banked “most” or “all” of the money that they received, whereas 52 per cent used “most” or “all” of the revenue to support the maintenance and repair of the park, 12 per cent used “most” or “all” to fund Capital investment in the park and 10 per cent used “most” or “all” of the revenue to support the operation of existing facilities on the park.

Figure 7.4: How park owners use the revenue earned from the commission on park home sales



Source: Survey of park owners; Base: 138

What effect are reductions in the commission rate likely to have?

The effect on home owners

- 7.21 Responses to the home owners’ survey suggest approximately 14 per cent of park home residents currently feel trapped due to the commission. That is, they want to move but do not expect to do so in the next year as the commission stops them from moving.
- 7.22 Given that nine per cent of park home owners reported “wanting to move” and “expect to move within the next year,” this suggests removing the commission on park home sales could increase the number of sales by up to 150 per cent. However, not all mobility expectations will turn into reality within the immediate 12-month period. For the purposes of our modelling, a cautious assumption was used of a 30 per cent increase per year in the level of mobility, if the Commission is reduced to zero. This assumption is predicated on the housing mobility literature, which regularly records lower actual moves than predicted and the assumption that moves do not happen immediately but will often follow a period of active searching and advertising (Dunning, 2017).
- 7.23 Furthermore, the increase in the level of mobility from a reduction in the maximum commission is likely to increase exponentially up to this level (i.e., not proportional). Reasons for this include the relationship between the commission level and the proportion of residents who would have sufficient savings to make a new move affordable. Based on resident responses halving the maximum commission level

would only increase the proportion of residents with savings equivalent to the amount payable by a third in this estimate, as outlined in Table 7.3.

Table 7.3 summarises the estimated impact on mobility at different maximum commission levels.

Maximum level of commission	Expected increase in the levels of mobility (per cent)	Average number of commissions per park per annum
10%	0	2.6
7.5%	1.4	2.7
5%	4.6	2.7
2.5%	12.1	2.9
0%	30.0	3.4

Source: Authors' calculations

7.24 The main effect of any reduction in the maximum level of the commission would be on the amount paid by residents through the sale. Table 7.4 provides the expected commission due based on the average commission amount earned by park owners over the last three years

Table 7.4 summarises our estimated impact on average commission amount per sale at different maximum commission levels.

Maximum level of commission	Average commission amount per sale (£)
10%(Current)	£11,064
7.5%	£8,298
5%	£5,532
2.5%	£2,766
0% (Commission abolished)	£0

Source: Authors' calculations

7.25 All this means a small reduction in the commission rate (e.g. to 7.5 per cent) is likely to have a very limited impact on mobility. In general, the main effect of a small reduction in the commission will be to create a financial benefit to those who would have moved in any case (under the current 10 per cent level): few additional park home residents will move. Whereas a more significant reduction in the commission rate (e.g. to 2.5 per cent) will increase mobility levels more noticeably and create a larger financial benefit to those selling.

The effect on park owners

7.26 Should the maximum commission rate be reduced, and all other variables remain constant, the likely impact on the profit and proportion of park home sites recording a loss can be seen in tables 7.5 and 7.6 respectively. This table does not include any other modelled impacts from a change in the commission.

Table 7.5 Estimated profit per park at different maximum commission level

Maximum level of commission	Estimated profit per park			
	Small (25 or fewer pitches)	Medium (26-80 pitches)	Large (81 or more pitches)	All
10% (Current)	£10,294	£82,360	£262,580	£106,129
7.5%	£8,846	£77,902	£243,693	£98,889
5%	£7,397	£73,445	£224,806	£91,649
2.5%	£5,949	£68,987	£205,919	£84,409
0% (Abolished)	£4,500	£64,530	£187,032	£77,169

Source: Authors' calculations

Table 7.6 Proportion of parks recording a loss at difference maximum commission levels

Maximum level of commission	Percentage of parks recording loss (%)			
	Small (25 or fewer pitches)	Medium (26-80 pitches)	Large (81 or more pitches)	All
10% (Current)	40	28	11	27
7.5%	44	28	11	29
5%	44	33	11	31
2.5%	47	39	20	33
0% (Abolished)	49	42	26	40

Source: Authors' calculations

7.27 Table 7.5 and Table 7.6 show that smaller parks are already most likely to be recording a loss and have on average significantly lower profits than medium and larger sites. They also show that a reduction in the commission to zero, *ceteris paribus*, would halve the average profit of smaller sites and increase the proportion recording a loss to just under 50 per cent. The impact on the profits of medium and larger site would results in a greater proportionate increase in those recording a loss, up to 26 per cent of larger sites. Overall, a reduction to zero per cent commission would result in a further 13 per cent of parks recording a loss, some 40 per cent overall of all parks.

7.28 This modelling however does not incorporate behavioural changes arising from a change in the commission and assumes that all other costs and incomes have remained static (it operates *ceteris paribus*). This is unlikely to be true. It is possible to model the impacts of some changes in resident behaviour arising from a change in the commission.

7.29 Tables 7.7 and 7.8 present the likely impact on the average profit per pitch from different maximum commission levels on park home sales and the proportion of park that would return a loss, assuming that the number of commissions earned varies in line with Table 7.4. This assumes all other income and expenditure remain constant.

Table 7.7 Estimated profit per pitch at difference maximum commission levels; accounting for likely increase in mobility

Maximum level of commission	Estimated profit per pitch			
	Small (25 or fewer pitches)	Medium (26-80 pitches)	Large (81 or more pitches)	All
10% (Current)	£1,489	£1,541	£1,721	£1,571
7.5%	£1,396	£1,448	£1,594	£1,469
5%	£1,303	£1,355	£1,469	£1,368
2.5%	£1,209	£1,261	£1,341	£1,265
0% (Abolished)	£1,100	£1,152	£1,193	£1,146

Source: Authors' calculations

Table 7.8 Percentage of parks recording a loss at difference maximum commission level; accounting for likely increase in mobility

Maximum level of commission	Percentage of parks recording loss (%)			
	Small (25 or fewer pitches)	Medium (26-80 pitches)	Large (81 or more pitches)	All
10% (Current)	40	28	11	27
7.5%	44	28	11	29
5%	44	33	11	31
2.5%	44	35	17	33
0% (Abolished)	49	42	26	40

Source: Authors' calculations

7.30 A small reduction in the maximum commission rate for example to 7.5 per cent would have a proportionally smaller impact on average park profits. Our calculations show at 7.5 per cent:

- Average annual profit per pitch would reduce by 6 per cent to £1,469;
- The proportion of parks making a loss would increase from 27 to 29 percent; and
- The additional proportion of small parks making a loss would increase by more than large parks.

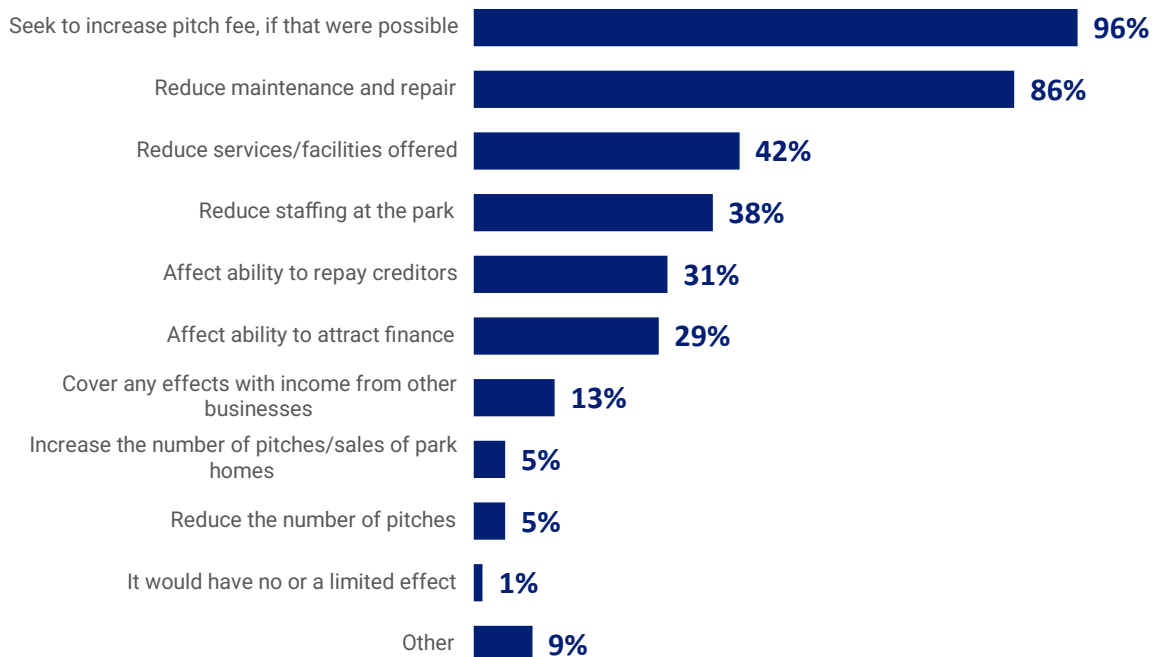
7.31 In general, larger sites are more likely to be able to absorb this reduction in income by reducing profit levels. It is more likely that small and medium size sites would need to seek efficiencies and reduce some costs.

7.32 A significant reduction in the commission rate (e.g. to 2.5 per cent) would have a larger effect on owners. Results of the modelling show:

- Average annual profit per pitch would reduce by 19 per cent to £1,265
- The proportion of parks making a loss would increase a larger amount from 27 per cent to 33 per cent.

7.33 The Park Owners' survey allows us to consider how owners will adapt their business if there was a reduction in the maximum commission on park home sales. Park owners were asked how their business would be affected or need to change if the commission on park home sales was removed or significantly reduced (Figure 7.5).

Figure 7.5 How would your business be affected or need to change if the commission on park home sales was removed or significantly reduced?



Source: Park owner survey – Base: 140

7.34 Fewer than five park owners said that it would have no or a limited effect. Most responded to multiple options. Fully 96 per cent would seek to increase pitch fees (or ongoing charges to residents) if that were possible. Significant proportions would seek to reduce costs:

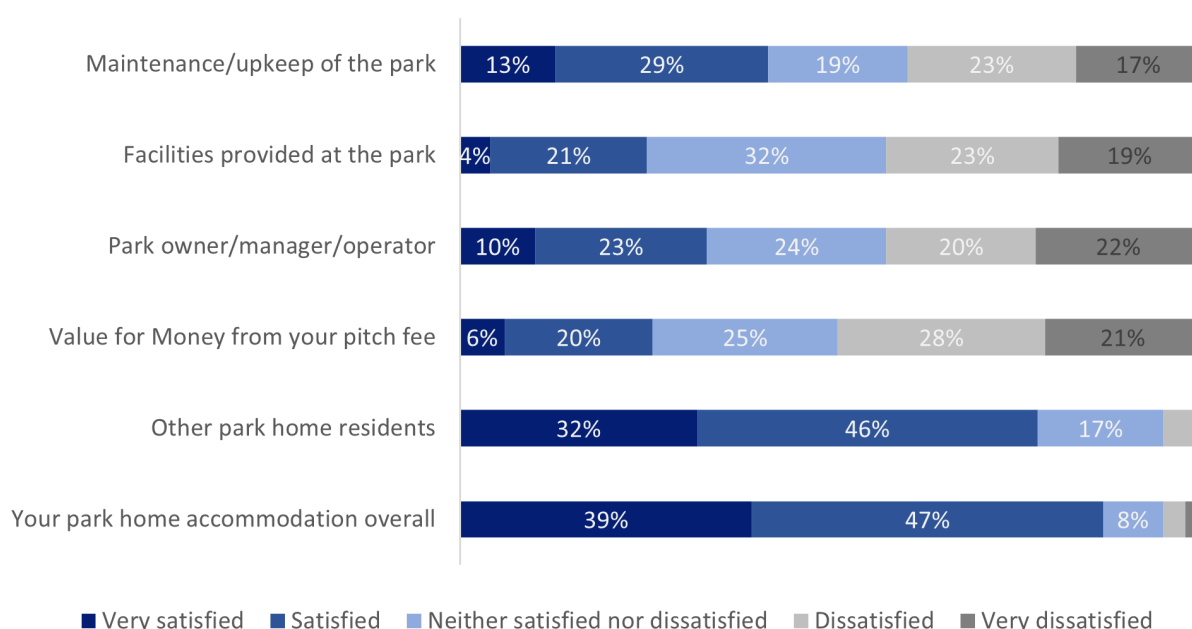
- 86 per cent would reduce maintenance and repair;
- 42 per cent would reduce services and/or facilities offered;
- 38 per cent would reduce staffing.

7.35 Smaller proportions also include: 31 per cent “affect ability to repay creditors”; 29 per cent “affect ability to attract finance”; 13 per cent “cover any effects with income from other businesses”; 5 per cent “increase the number of pitches or sales of park homes”; 5 per cent “reduce the number of pitches”; 1 per cent “it would have no or a limited effect”; and 9 per cent said “other: Reducing expenditure on many of these categories would be likely to have a detrimental effect on all park residents on affected parks. When asked how satisfied they were with different elements of their park home and park (Figure 7.6), respondents were happy with their

accommodation, with 87 per cent of respondents either “very satisfied” or “satisfied” with their park home overall and 78 per cent either “very satisfied” or “satisfied” with their other park homes residents.

- 7.36 On the other hand, residents were less satisfied with other aspects of their park, with 49 per cent “very dissatisfied” or “dissatisfied” with their pitch fee, 43 per cent with their park owner/manager/operator and 42 per cent with the facilities provided at the park. This compared with only 26 per cent, 33 per cent and 25 per cent, respectively, of residents who were “very satisfied” or “satisfied” with these elements of their park homes site. A more mixed picture was presented of residents’ views on the maintenance/upkeep of the park, with 42 per cent “very satisfied” or “satisfied” and 40 per cent “very dissatisfied” or “dissatisfied”.

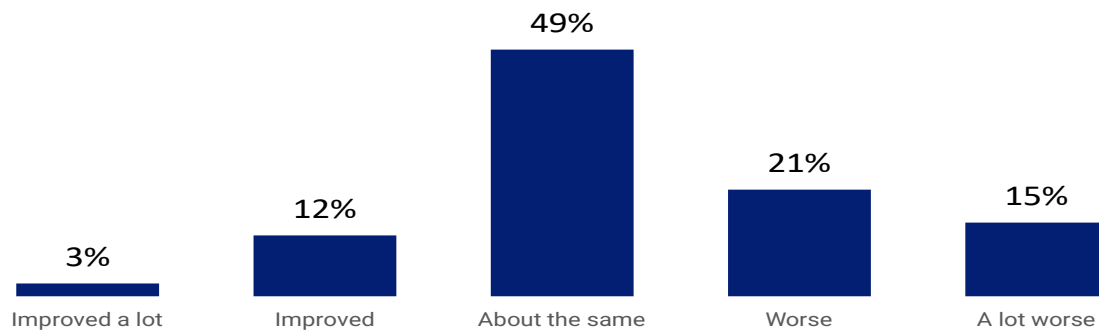
Figure 7.6 Survey results for “How satisfied or dissatisfied are you with the following aspects of your park home and park?”



Source: Home owner survey, Base: 1,350 – 1,401

- 7.37 Residents were also asked how the overall quality of the park had changed in the last five years, or since they moved to the park if this was within that period (Figure 7.7). Nearly half (49 per cent) of respondents reported that the quality of the park was “about the same”. However, 36 per cent stated that it had “got worse” or “a lot worse.” Whilst only 15 per cent reported an improvement in the quality of the park in that time.

Figure 7.7 Survey results for “How has the overall quality of the park, including park features and amenities, changed in the past five years / since you moved onto the park?”



Source: Home owner survey, Base: 1,401

What alternative compensations could be provided for park owners?

7.38 Allowing an absolute increase in the pitch fee could help compensate some of the impact on park owners from a larger reduction in the maximum commission level.

7.39 The following analysis models an illustrative scenario where all parks increase their pitch fee by £60 per annum (£5 per month). £60 has been selected as a modest increase in relation to the actual commission cost, but would still be a major increase for residents and is therefore used for illustrative purposes only. This would proportionally support smaller sites over larger sites and provide parks with a more guaranteed income stream from which to invest in their park – potentially increasing park quality.

7.40 Table 7.9 and Table 7.10 model the impact of this change alongside a reduction in the maximum commission level on average profit per pitch and the proportion of parks recording a loss.

Table 7.9 Estimated profit per pitch at difference maximum commission levels; accounting for likely increase in mobility and one off £60 pitch fee increase

Maximum level of commission	Average profit per pitch (£)			All
	Small (25 or fewer pitches)	Medium (26-80 pitches)	Large (81 or more pitches)	
10% (Current)	£1,489	£1,541	£1,721	£1,571
7.5%	£1,456	£1,508	£1,654	£1,529
5%	£1,363	£1,415	£1,529	£1,428
2.5%	£1,269	£1,321	£1,401	£1,325
0% (Abolished)	£1,160	£1,212	£1,253	£1,206

Source: Authors' calculations

Table 7.10 Estimated percentage of parks recording a loss at difference maximum commission levels; accounting for likely increase in mobility and one off £60 pitch fee increase

Maximum level of commission	Percentage of parks recording a loss (%)			
	Small (25 or fewer pitches)	Medium (26-80 pitches)	Large (81 or more pitches)	All
10% (Current)	40%	28%	11%	27
7.5%	42%	28%	11%	28
5%	44%	28%	11%	29
2.5%	44%	35%	14%	33
0% (Abolished)	47%	39%	23%	37

Source: Authors' calculations

7.41 Key points from tables 7.9 and 7.10 include:

- Compared to the estimates in Tables 7.7 and 7.8 the increase in the pitch fee reduces the impact from the reduced commission at all levels considered;
- The fixed £60 increase in the pitch fee dampens the effect for smaller parks by a larger extent than for larger parks; and
- However, when larger reductions in the commission are considered there are still sizeable increases in the proportion of parks making a loss.

7.42 Increasing the pitch fee means residents who have no intention of moving would be affected. The survey responses suggest just over two thirds of park home residents do not want to move from their home and therefore are not currently affected by the Commission.

7.43 Also Figure 7.11 suggests that there would be a significant increase in the pitch fee to offset the commission, which is likely to be unpopular. Survey responses reveal:

- Only 26 per cent of park home residents were “satisfied” or “very satisfied” with the value for money that their pitch fee offers; and
- Whereas 49 per cent were “dissatisfied” or “very dissatisfied” with the value for money offered by the pitch fee.

7.44 The following analysis goes a step further. It considers the total increase in the pitch fee required to fully compensate park owners at different maximum commission levels. Table 7.11 shows the average absolute increase in the average annual pitch fee that would be required to fully compensate park owners of different size parks. The analysis considers reductions in the maximum commission on park home sales to 7.5 per cent, 5 per cent 2.5 per cent and zero per cent (i.e. removed). Table 7.12 then presents these increases as a percentage of current average pitch fee levels.

Table 7.11 Calculated increase in the average annual pitch fee required to compensate park owners for the expected reduction in commission income at difference maximum commission levels; accounting for likely increase in mobility

Maximum level of commission	Increase in annual pitch fee to compensate the reduction			
	Small (25 or fewer pitches)	Medium (26-80 pitches)	Large (81 or more pitches)	All
7.5%	£93	£93	£126	£102
5%	£92	£92	£125	£101
2.5%	£94	£94	£128	£103
0% (Abolished)	£109	£109	£148	£119

Source: Authors' calculations

Table 7.12 Calculated percentage increase in the average annual pitch fee required to compensate park owners for the expected reduction in commission income at difference maximum commission levels; accounting for likely increase in mobility

Maximum level of commission	Percentage change in pitch fee to compensate the reduction			
	Small (25 or fewer pitches)	Medium (26-80 pitches)	Large (81 or more pitches)	All
7.5%	6%	5%	7%	6%
5%	11%	10%	13%	11%
2.5%	17%	15%	20%	17%
0% (Abolished)	23%	21%	28%	23%

Source: Authors' calculations

7.45 The following key points emerge from tables 7.11 and 7.12:

- At all maximum commission levels the largest absolute and proportionate increases are on pitch fees at large parks. This is important because large parks already have the highest average pitch fee levels;
- Even a small reduction in the pitch fee level (to 7.5 per cent) would require an increase in pitch fees of 6 per cent, equivalent to three times the Bank of England's target CPI inflation rate; and
- Reducing the maximum commission to levels required to create a larger increase in mobility – for example to 2.5 per cent would require a sizable increase in average pitch fees: 15 to 20 per cent depending on park size.

Focus Group Responses to the Modelling

7.46 Seven focus groups were held towards the study's conclusion, involving 27 participants representing park home site owners, park home residents, lobbying groups and trade bodies, and independent stakeholders. These focus groups were presented with the survey findings discussed above along with the results of the study's modelling exercise.

- 7.47 As noted in earlier in the report, there is no shared understanding or acceptance within and between different stakeholder groups as to what the purpose of the sales commission is. Understanding of the commission's purpose ranged from a conception of it as a mechanism that meant pitch fees could be lowered, benefiting residents with day-to-day costs and allowing site owners to generate some profit on a sale, to home owner views of it as a tax on the sale of their home.
- 7.48 A consequence of this limited understanding of the commission's role is that it is perceived to be unjust by residents, and that the purpose, function and operation of the commission is often unclear to residents, even where it may be explained in documentation given to them when moving in. There is also a lack of clarity as to what the proceeds generated from commissions are actually used for. One resident commented that "We don't know what the commission is used for, so how can it be fair?" Site owners were clear in focus groups that commission proceeds are used for a variety of things, including park maintenance and upgrades, but also asserted that it is often difficult to directly attribute specific income in relation to specific expenditure due to accounting processes, and that small parks may have less "sophisticated" accounting practices.
- 7.49 Residents felt that clarity over the use of the commission could be strengthened if site owners involved them in decision-making on how commissions are spent, and felt that they would be more accepting of the commission if it could be guaranteed that this was being reinvested into the park rather than simply increasing profits. One resident argued that "Money coming into the park should be spent on the park. There needs to be transparency of how this is spent." Sinking funds were suggested as mechanisms to support this, with commissions being diverted into such funds, the expenditure of which would then be decided in collaboration between site owners and residents.
- 7.50 Some residents called for a legal mandate to consult Qualified Residents Associations on spending, though others disagreed and highlighted concerns over the representativeness of their Association. Site owners were largely opposed to these forms of active resident involvement and consultation, repeating concerns over the democratic virtues of some Qualified Resident Associations, and arguing that decision-making processes over expenditure could be lengthy, cumbersome, and conflictual. One site owner summed this up with a comment that reflected the subjective nature of what constitutes an "improvement" on the park: "Cutting the trees is an improvement for some but not for others – how would you decide what improvements the commission should be spent on?"
- 7.51 Residents were united in calls for the commission to be amended, even in light of the modelling and evidence presented. This is in part due to the aforementioned lack of clarity as to the purpose and use of commissions, but also due to perceptions over the profitability of parks. Some residents felt that specific parks – and park owners – may be particularly profitable and felt that they do little to

justify profits. However, despite their commitment to a reduction or abolition of the commission rate, residents also accepted that the obvious alternative methods of compensation for site owners, such as increases in pitch fees, would not be a desirable outcome. As highlighted in the first stage focus groups, many residents are on fixed incomes and state pensions and may not be able to withstand significant increases in their monthly costs.

- 7.52 Site owners were of the view that the commission should not be amended or abolished, citing concerns around the viability of their parks. There were particular concerns that this would affect smaller parks and potentially result in such parks being bought out by larger operators able to achieve economies of scale and be potentially less reliant on the commission. This view was summed up by an owner of a small family-run park: "Smaller parks are always hit hardest by administration costs. Removing the commission simply makes it easier for rogue owners to buy them out." Site owners were also opposed to an amendment or abolition of the commission in the context of new and anticipated costs, particularly related to adaptation of park infrastructure and facilities to become more energy efficient: "We're going to need to spend lots on energy efficiency and park improvements. How will we do that with less money?"
- 7.53 Were the commission to be amended or abolished, park owners were of the view that some form of alternative compensation would be necessary. However, they were concerned that this should not be passed onto pitch fees, with some park owners conscious of the financial precarity of some of their residents. Similarly, amendments to taxation were discussed at a general and broad level, and there was acknowledgement that the ownership structures of some parks might make this difficult to implement and difficult to ensure that those parks that are most financially precarious actually benefit from such changes.
- 7.54 It should also be noted that those residents that wanted to move from their parks often held these views not solely because of the commission, but also due to negative experiences of living on parks relating to poor maintenance, conflictual relationships with site owners, and perceptions that current systems of enforcement are inadequate. One focus group participant suggested that local authorities could be given a percentage of commissions generated in their constituency to resource enforcement and help to maintain and enhance standards on parks.
- 7.55 The groups of site owners and residents that participated in the focus groups agreed that current approaches to enforcement are inadequately resourced and inefficient. There were concerns that local authorities lacked resource in terms of time and finance to undertake effective enforcement, and in some cases lacked the expertise in the sector. Some participants called for a national regulating body that could design and implement a consistent approach to licensing and enforcement, helping to monitor park owners that have multiple parks in different locations and which could work in conjunction with the more general expertise of

local authority officers. Residents who had negative experiences of living in park homes were understandably keen for the professionalism of the sector to be enhanced, while site owners were also enthusiastic about appropriate levels of regulation that could tackle poor practice by some park operators and mitigate the reputational damage that these instances create for others in the sector.

Summary

- 7.56 The commission is currently a significant source of income to park businesses. Any reduction in this commission, that is not offset, will result in a decrease in park profits and could affect the financial sustainability of some sites, turning them from profit-making to loss-making.
- 7.57 Minor changes to the commission rate have a very limited impact on aggregate resident mobility patterns. This is partly because of the sizeable sums of money that will still be “lost” even at lower rates, and partly because of the very limited savings that most households have to facilitate a move. Thus, if the objective is to increase mobility a large reduction in the commission is needed.
- 7.58 There is no appetite on behalf of park home owners to absorb an increase in regular costs, such as increased pitch fees, to offset any reduction in the commission. If the commission is reduced only marginally, say to 7.5 per cent, then, for home owners, the small mobility increase is unlikely to outweigh the costs of a small increase in regular costs. A large increase in regular costs, to offset a large decrease in the commission, would have a profoundly negative impact upon the finances of many home owners, particularly those who wish to remain in situ. Therefore, passing on any reduction in the commission to home owners’ regular costs is essentially increasing the mobility opportunities of those who feel trapped at the expense of those who wish to remain.

Chapter 8. Conclusions

Introduction

- 8.1 Chapter seven explained the key model outcomes of variations to the commission on park home sales in England. It considered the impact across three options for reducing the commission level, and an option to remove the commission altogether (0% commission).
- 8.2 This chapter briefly reprises the context, key evidence and findings of this independent assessment of whether a commission rate remains appropriate, and the evidence of impacts arising from a change to the commission. It then provides describes our recommendations.

The size and distribution of park homes in England

- 8.3 1,832 separate park home sites, 100,406 park home residential addresses (proxy for pitches), distributed across England and an estimated 158,987 park home residents in owner occupation, were identified in this research. Whilst each region of England contains park home sites, the South East and South West accommodate a disproportionately high number of both park home sites and pitches, accounting for some 45 per cent of sites in England, whilst the North West, North East and Yorkshire & Humber collectively account for only 15 per cent.
- 8.4 There is a wide variety in the number of pitches on parks, with some sites having fewer than ten pitches whilst others have hundreds. There are many more smaller sites than very large ones, with over 50 per cent of all sites having less than 60 per cent of the average number.
- 8.5 A sizeable proportion of park homes sites were in areas classified as retirement and/or rural or agricultural from the 2011 census. There is significant variation in the level of area-assessed deprivation for park home locations; nearly 60 per cent of sites are in affluent or relatively affluent areas, whilst 11 per cent are in deprived or very deprived locations (according to the Index of Multiple Deprivation).
- 8.6 Whilst park homes are often situated in rural settings, with a higher than average age profile, they also operate in areas of deprivation spectrum.

Park home businesses

- 8.7 Parks are typically private businesses, most frequently operating as private limited companies. 60 per cent of the parks surveyed operated as a single park, with only five per cent operating as part of a group of 20 or more parks.
- 8.8 Parks owners enter, or continue, in the sector for a wide range of motivations. Financial benefits are evidently crucial to many owners, and some operate to

maximise profits regardless of the impact on residents. However, some are also motivated by objectives such as providing a community or social service to lower income households. It is clear that whilst some park owners bring the sector into disrepute through poor behaviour, others are working hard to provide services above and beyond the legal agreements in place.

Park home owner households

- 8.9 The vast majority of park home owner household members are 65 years or older, with only 20 per cent aged under 65.
- 8.10 The decision to purchase a park home was largely driven by the value for money that park homes represent in contrast to bricks and mortar owner-occupation, and the feeling of peace and security of a park.
- 8.11 Whilst over 85 per cent of park home owners were satisfied overall with their park home, almost half were dissatisfied with the pitch fee and over 40 per cent dissatisfied with the park operator and a similar proportion dissatisfied with the park facilities.

The maximum commission on park home sales

- 8.12 The maximum commission has a lengthy history. However, this does not mean there is agreement about what the commission represents or its purpose as part of the sector. Whilst some have argued that the commission can be neatly defined, for example as a hybrid between a ground rent and a service charge, this argument about the principle underpinning the commission is not borne out in other studies nor explained in legislation. In line with most studies, this research found that there is little agreement about the purpose of the commission.
- 8.13 Park owners, industry representatives and home owners were all largely aware of the commission and how it operated, and they gave diverse explanations for the commission rationale. As such, it is not clear exactly which criteria the commission should be analysed against, in order to assess its validity. The lack of shared understanding about the role of the commission across the sector also contributes to park home owner misconceptions about how the commission should be used, when this is not stipulated in legislation.
- 8.14 Previous studies into the commission have considered a wide range of alternatives, such as: sliding scales (for example the % commission would vary by length of time the home had been owner); change to the price that the commission applies to (for example applying to an amount below the sale price to account for improvements undertaken by the home owner); a fixed commission charge; and the use of sinking funds to signal how the commission is used by the park owner. Whilst these present possible alternatives to the current situation, none explain either why the commission is justified nor a clear rationale for alteration to the status quo. Without clear agreement about the purpose of the commission, or at

least agreement about the problem which the commission represents for park home owners, it is not clear which alternative mechanisms should be pursued.

- 8.15 The majority of park home owners were aware of the commission upon purchasing their park home. Park home owners argued that the commission prevented some of them from moving, as the commission meant they were financially trapped. However, nearly 85 per cent of home owners would prefer to pay the commission (on sale or purchase) rather than pay the equivalent cost as a regular contribution (e.g. as part of an increased pitch fee).
- 8.16 Almost all park operators charged the full commission rate of 10 per cent on every sale. 75% of parks had one or more commissions last year, but only 75 per cent had an average of three or more commissions per annum recently. Thus, there is a small number of commissions being charged annually.
- 8.17 Park owners suggested that the commission income was significant for their businesses, and most frequently used to fund maintenance, repairs or capital investments in the park. Accordingly, park owners indicated that they would need to reduce costs such as maintenance, repairs and staffing should their commission receipts decrease without being offset by an alternative proportionate income.

Modelled alternatives to the current maximum commission

- 8.18 The following options were considered in the analysis. These options have now been repeatedly tested in studies across England and Wales, they are:
- The status quo;
 - Reduction of the maximum commission to 7.5 per cent;
 - Reduction of the maximum commission to 5 per cent;
 - Reduction of the maximum commission to 2.5 per cent; and
 - Removal of the commission (reduction to a maximum of 0 per cent)
- 8.19 Reduction or removal of the commission will have the biggest impact on smaller sites (those with fewer pitches) as they are more operating with lower overall profits.
- 8.20 Given the large-scale opposition to increasing recurring payments for park home owners (e.g. an increased pitch fee), and the very limited increase on mobility of small reductions to the commission, it is not recommended that commission costs be reduced and balanced by increases to ongoing resident charges, and therefore the recommendations do not discuss the potential impact of an increase in ongoing charges below.
- 8.21 A reduction of the maximum commission to 7.5 per cent would have the following impact. The average commission would reduce from £11,100 to £8,300. A small reduction, such as this, would only have a minor impact on mobility, increasing by one per cent, meaning that the average sized park would see an increase in

commissions from 2.6 to 2.7 per annum. The average park pitch profit would decrease from £1,571 to £1,469, and the percentage of parks recording a loss from 27 per cent to 29 per cent.

- 8.22 A reduction of the maximum commission to 5 per cent would halve the average commission from £11,100 to £5,500. A medium reduction, such as this, would only have a minor impact on mobility, increasing mobility by 5 per cent, meaning that the average sized park would see an increase in commissions from 2.6 to 2.7 per annum. The average park pitch profit would decrease from £1,571 to £1,368, and the percentage of parks recording a loss from 27 per cent to 31 per cent.
- 8.23 A reduction of the maximum commission to 2.5 per cent would reduce the average commission by three quarters, from £11,100 to £2,800. A large reduction, such as this, would only have a greater impact on mobility than smaller reductions, increasing mobility by 12 per cent, meaning that the average sized park would see an increase in commissions from 2.6 to 2.9 per annum. The average park pitch profit would decrease from £1,571 to £1,265, and the percentage of parks recording a loss from 27 per cent to 33 per cent.
- 8.24 Removal of the commission (reduction to a maximum of zero per cent) would have the following impact. Mobility would increase by 40 per cent. The average park pitch profit would decrease from £1,571 to £1,146, and the percentage of parks recording a loss from 27 per cent to 37 per cent.
- 8.25 A reduction in the commission remains desirable for park home owners as long as there is no increase in other costs. A small reduction in the commission is unlikely to have a major impact on residents' mobility but will make some parks unprofitable. Thus, collectively, a reduction in the commission is likely to only benefit the park homes sector if it is combined with financial support outside the existing financial structures.

Recommendations

- 8.26 Based on the analysis and modelling undertaken of park home owners' and park owners' perceptions and evidence through this investigation, the authors recommend:
- 8.27 **Justification for the maximum commission** – Work is needed to explore the rationale of the commission and to clarify this rationale for park owners and home owners. The lack of a shared understanding in the purpose of the maximum commission, combined with ambiguity in the professional advice offered to park owners and park home owners, leads to highly subjective arguments about the commission's role and impact. A change to the commission would therefore currently be predicated upon the impacts of the commission rather than the commission's justified role in the park home sector.
- 8.28 **Strengthening the professionalism of park operatives** – There is a high level of dissatisfaction with some operatives' behaviour in managing parks. Poor quality

practice was repeatedly identified by home owners regarding a small number of operators. These concerns about specific operators' practice outweighed concerns about the role of the maximum commission for home owners across the sector. Recent changes to the requirements of park operators were considered a positive step towards an appropriately regulated sector, but further improvements are needed to ensure that the sector works fairly for both operators and residents.

- 8.29 **National enforcement on parks** – Much of the enforcement of parks is currently distributed across a large number of local authorities, including against park operators that have sites in multiple authorities. Further work should explore the efficacy of local authorities in undertaking this enforcement and consider whether a national enforcement body could ensure a more consistent and higher quality of park operation.
- 8.30 **No reduction to the maximum commission on park home re-sales without support for smaller parks** – Whilst a reduction in the maximum commission would support residents' mobility, it would need to be significant to effect a major change (i.e. a maximum commission of five per cent or less). Such a reduction in the commission would result in an increase in the proportion of parks that make a loss in any year; this will disproportionately have a negative impact on smaller parks. As the majority of park home owners do not intend to move, it is not in their interest to increase regular costs (such as pitch fees) in order to compensate park owners for a reduction in the commission. As such, a reduction in the commission remains desirable for park home owners, but only if park owners (in particular smaller site owners) are supported financially through mechanisms independent of the home owner to retain the viability of parks.

Appendix 1: Park home sites in England by local authority and size

	Total Sites		Very Large		Large		Average		Small		Very Small		Unknown Size	
Local Authority	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Cornwall	70	4%	10	14%	6	9%	14	20%	5	7%	34	49%	1	1%
Dorset	43	2%	9	21%	3	7%	5	12%	7	16%	19	44%	0	0%
Wiltshire	39	2%	4	10%	2	5%	5	13%	7	18%	20	51%	1	3%
Shropshire	33	2%	5	15%	0	0%	2	6%	10	30%	15	45%	1	3%
Central Bedfordshire	29	2%	4	14%	1	3%	4	14%	2	7%	18	62%	0	0%
Cheshire West and Chester	26	1%	4	15%	0	0%	2	8%	4	15%	16	62%	0	0%
Teignbridge	26	1%	4	15%	2	8%	2	8%	2	8%	15	58%	1	4%
South Staffordshire	26	1%	2	8%	0	0%	3	12%	4	15%	17	65%	0	0%
Buckinghamshire	25	1%	5	20%	1	4%	2	8%	0	0%	17	68%	0	0%
New Forest	24	1%	6	25%	0	0%	5	21%	5	21%	7	29%	1	4%
East Lindsey	24	1%	7	29%	1	4%	3	13%	3	13%	10	42%	0	0%
Herefordshire, County of	22	1%	1	5%	1	5%	4	18%	2	9%	13	59%	1	5%
Lancaster	22	1%	0	0%	1	5%	1	5%	3	14%	15	68%	2	9%
North Somerset	21	1%	3	14%	2	10%	6	29%	3	14%	7	33%	0	0%
South Cambridgeshire	21	1%	0	0%	0	0%	1	5%	3	14%	17	81%	0	0%
Harrogate	21	1%	1	5%	0	0%	4	19%	2	10%	13	62%	1	5%
Wyre	19	1%	4	21%	0	0%	1	5%	5	26%	9	47%	0	0%
Cheshire East	18	1%	1	6%	1	6%	2	11%	2	11%	12	67%	0	0%
Bournemouth, Christchurch and Poole	18	1%	7	39%	0	0%	0	0%	3	17%	8	44%	0	0%
Stratford-on-Avon	18	1%	2	11%	2	11%	3	17%	1	6%	9	50%	1	6%
Tewkesbury	17	1%	4	24%	1	6%	0	0%	2	12%	10	59%	0	0%
North Kesteven	17	1%	3	18%	1	6%	1	6%	3	18%	8	47%	1	6%
Craven	17	1%	2	12%	0	0%	1	6%	1	6%	13	76%	0	0%

Arun	17	1%	5	29%	0	0%	2	12%	1	6%	9	53%	0	0%
Fylde	16	1%	5	31%	0	0%	0	0%	0	0%	10	63%	1	6%
South Oxfordshire	16	1%	8	50%	0	0%	0	0%	0	0%	8	50%	0	0%
Guildford	16	1%	1	6%	0	0%	3	19%	2	13%	10	63%	0	0%
Doncaster	16	1%	1	6%	0	0%	7	44%	4	25%	4	25%	0	0%
Wokingham	15	1%	3	20%	1	7%	2	13%	1	7%	6	40%	2	13%
Charnwood	15	1%	1	7%	0	0%	5	33%	0	0%	8	53%	1	7%
Maidstone	14	1%	3	21%	0	0%	1	7%	2	14%	7	50%	1	7%
King's Lynn and West Norfolk	14	1%	1	7%	2	14%	3	21%	0	0%	8	57%	0	0%
South Somerset	14	1%	1	7%	1	7%	1	7%	2	14%	9	64%	0	0%
Somerset West and Taunton	14	1%	0	0%	2	14%	2	14%	1	7%	9	64%	0	0%
Cheltenham	13	1%	3	23%	0	0%	0	0%	0	0%	9	69%	1	8%
Winchester	13	1%	3	23%	0	0%	2	15%	1	8%	7	54%	0	0%
Newark and Sherwood	13	1%	0	0%	0	0%	1	8%	2	15%	9	69%	1	8%
Mole Valley	13	1%	5	38%	0	0%	3	23%	2	15%	3	23%	0	0%
Runnymede	13	1%	3	23%	2	15%	2	15%	1	8%	5	38%	0	0%
East Suffolk	13	1%	3	23%	1	8%	4	31%	1	8%	4	31%	0	0%
Bracknell Forest	12	1%	2	17%	0	0%	2	17%	1	8%	6	50%	1	8%
West Berkshire	12	1%	5	42%	1	8%	1	8%	1	8%	4	33%	0	0%
Huntingdonshire	12	1%	1	8%	0	0%	3	25%	2	17%	6	50%	0	0%
Tendring	12	1%	3	25%	1	8%	2	17%	2	17%	4	33%	0	0%
Sedgemoor	12	1%	1	8%	0	0%	0	0%	3	25%	7	58%	1	8%
Horsham	12	1%	2	17%	0	0%	0	0%	2	17%	8	67%	0	0%
Wychavon	12	1%	3	25%	0	0%	1	8%	3	25%	5	42%	0	0%
North Lincolnshire	11	1%	3	27%	0	0%	3	27%	1	9%	3	27%	1	9%
South Gloucestershire	11	1%	3	27%	1	9%	1	9%	2	18%	4	36%	0	0%
Windsor and Maidenhead	11	1%	2	18%	1	9%	1	9%	1	9%	5	45%	1	9%
North Devon	11	1%	2	18%	0	0%	1	9%	0	0%	7	64%	1	9%
Forest of Dean	11	1%	1	9%	0	0%	2	18%	1	9%	7	64%	0	0%
East Hampshire	11	1%	1	9%	0	0%	1	9%	0	0%	6	55%	3	27%
Test Valley	11	1%	1	9%	0	0%	3	27%	2	18%	5	45%	0	0%

Canterbury	11	1%	4	36%	1	9%	1	9%	0	0%	5	45%	0	0%
Sevenoaks	11	1%	0	0%	1	9%	2	18%	4	36%	4	36%	0	0%
Malvern Hills	11	1%	3	27%	2	18%	1	9%	1	9%	4	36%	0	0%
East Riding of Yorkshire	10	1%	1	10%	0	0%	1	10%	1	10%	7	70%	0	0%
Torbay	10	1%	1	10%	1	10%	0	0%	0	0%	6	60%	2	20%
Wealden	10	1%	3	30%	0	0%	1	10%	0	0%	5	50%	1	10%
Epping Forest	10	1%	2	20%	0	0%	3	30%	0	0%	5	50%	0	0%
Stroud	10	1%	1	10%	0	0%	0	0%	4	40%	5	50%	0	0%
Basingstoke and Deane	10	1%	2	20%	0	0%	1	10%	1	10%	4	40%	2	20%
Ribble Valley	10	1%	5	50%	2	20%	0	0%	2	20%	0	0%	1	10%
West Lindsey	10	1%	4	40%	0	0%	2	20%	1	10%	3	30%	0	0%
Great Yarmouth	10	1%	2	20%	0	0%	0	0%	2	20%	6	60%	0	0%
Bassetlaw	10	1%	0	0%	1	10%	1	10%	1	10%	7	70%	0	0%
Vale of White Horse	10	1%	2	20%	0	0%	2	20%	0	0%	6	60%	0	0%
West Oxfordshire	10	1%	1	10%	1	10%	2	20%	1	10%	5	50%	0	0%
Waverley	10	1%	2	20%	0	0%	0	0%	3	30%	5	50%	0	0%
Bromsgrove	10	1%	3	30%	1	10%	0	0%	2	20%	4	40%	0	0%
West Suffolk	10	1%	3	30%	0	0%	0	0%	2	20%	4	40%	1	10%
Peterborough	9	0%	3	33%	1	11%	0	0%	3	33%	2	22%	0	0%
East Cambridgeshire	9	0%	0	0%	1	11%	3	33%	1	11%	4	44%	0	0%
Fenland	9	0%	0	0%	1	11%	0	0%	2	22%	6	67%	0	0%
Allerdale	9	0%	1	11%	0	0%	1	11%	1	11%	5	56%	1	11%
Stafford	9	0%	1	11%	0	0%	1	11%	2	22%	5	56%	0	0%
Leeds	9	0%	0	0%	1	11%	0	0%	1	11%	5	56%	2	22%
Telford and Wrekin	8	0%	1	13%	0	0%	1	13%	0	0%	5	63%	1	13%
West Devon	8	0%	1	13%	0	0%	0	0%	0	0%	7	88%	0	0%
Fareham	8	0%	0	0%	1	13%	3	38%	0	0%	4	50%	0	0%
North Hertfordshire	8	0%	2	25%	0	0%	3	38%	0	0%	3	38%	0	0%
West Lancashire	8	0%	1	13%	1	13%	1	13%	0	0%	5	63%	0	0%
Rushcliffe	8	0%	3	38%	0	0%	2	25%	0	0%	3	38%	0	0%
Mid Suffolk	8	0%	3	38%	0	0%	1	13%	2	25%	1	13%	1	13%

Bedford	7	0%	3	43%	1	14%	2	29%	0	0%	1	14%	0	0%
Northumberland	7	0%	0	0%	2	29%	0	0%	0	0%	5	71%	0	0%
East Devon	7	0%	3	43%	0	0%	2	29%	0	0%	2	29%	0	0%
Rother	7	0%	1	14%	1	14%	1	14%	0	0%	4	57%	0	0%
Rochford	7	0%	2	29%	1	14%	0	0%	2	29%	2	29%	0	0%
Cotswold	7	0%	1	14%	2	29%	0	0%	0	0%	4	57%	0	0%
Ashford	7	0%	2	29%	0	0%	1	14%	2	29%	2	29%	0	0%
North West Leicestershire	7	0%	1	14%	0	0%	0	0%	0	0%	6	86%	0	0%
North Norfolk	7	0%	0	0%	0	0%	1	14%	0	0%	5	71%	1	14%
Hambleton	7	0%	0	0%	0	0%	2	29%	0	0%	5	71%	0	0%
Babergh	7	0%	1	14%	0	0%	0	0%	0	0%	6	86%	0	0%
Chichester	7	0%	0	0%	0	0%	3	43%	0	0%	4	57%	0	0%
St Albans	7	0%	3	43%	0	0%	2	29%	0	0%	2	29%	0	0%
Bradford	7	0%	1	14%	0	0%	2	29%	2	29%	1	14%	1	14%
Warrington	6	0%	0	0%	0	0%	0	0%	0	0%	6	100%	0	0%
County Durham	6	0%	0	0%	0	0%	2	33%	1	17%	3	50%	0	0%
Eden	6	0%	0	0%	1	17%	0	0%	3	50%	2	33%	0	0%
North East Derbyshire	6	0%	2	33%	1	17%	1	17%	1	17%	1	17%	0	0%
South Derbyshire	6	0%	1	17%	0	0%	1	17%	0	0%	4	67%	0	0%
South Hams	6	0%	0	0%	1	17%	1	17%	1	17%	3	50%	0	0%
Gloucester	6	0%	3	50%	0	0%	0	0%	0	0%	1	17%	2	33%
Eastleigh	6	0%	2	33%	1	17%	1	17%	1	17%	1	17%	0	0%
Hart	6	0%	2	33%	0	0%	0	0%	2	33%	2	33%	0	0%
Dacorum	6	0%	2	33%	0	0%	1	17%	0	0%	3	50%	0	0%
Broadland	6	0%	1	17%	1	17%	2	33%	0	0%	2	33%	0	0%
East Staffordshire	6	0%	1	17%	0	0%	1	17%	1	17%	3	50%	0	0%
Blackpool	5	0%	0	0%	0	0%	0	0%	1	20%	4	80%	0	0%
York	5	0%	1	20%	1	20%	0	0%	2	40%	1	20%	0	0%
Bath and North East Somerset	5	0%	1	20%	0	0%	1	20%	0	0%	3	60%	0	0%
Isle of Wight	5	0%	1	20%	0	0%	0	0%	1	20%	3	60%	0	0%
Carlisle	5	0%	0	0%	1	20%	0	0%	1	20%	3	60%	0	0%

Three Rivers	5	0%	1	20%	0	0%	1	20%	0	0%	2	40%	1	20%
Folkestone and Hythe	5	0%	0	0%	0	0%	0	0%	1	20%	3	60%	1	20%
Swale	5	0%	1	20%	2	40%	1	20%	0	0%	1	20%	0	0%
Thanet	5	0%	2	40%	0	0%	0	0%	1	20%	2	40%	0	0%
Blaby	5	0%	1	20%	0	0%	0	0%	0	0%	3	60%	1	20%
Hinckley and Bosworth	5	0%	0	0%	0	0%	1	20%	0	0%	4	80%	0	0%
Breckland	5	0%	1	20%	0	0%	0	0%	0	0%	4	80%	0	0%
Selby	5	0%	1	20%	0	0%	0	0%	1	20%	3	60%	0	0%
Reigate and Banstead	5	0%	2	40%	1	20%	0	0%	0	0%	2	40%	0	0%
Wyre Forest	5	0%	1	20%	1	20%	1	20%	0	0%	2	40%	0	0%
East Hertfordshire	5	0%	0	0%	0	0%	0	0%	0	0%	5	100%	0	0%
Derby	4	0%	1	25%	0	0%	1	25%	2	50%	0	0%	0	0%
Swindon	4	0%	1	25%	0	0%	1	25%	1	25%	1	25%	0	0%
Barrow-in-Furness	4	0%	1	25%	0	0%	0	0%	0	0%	3	75%	0	0%
Copeland	4	0%	1	25%	0	0%	1	25%	0	0%	2	50%	0	0%
Amber Valley	4	0%	0	0%	0	0%	2	50%	0	0%	1	25%	1	25%
Exeter	4	0%	3	75%	0	0%	1	25%	0	0%	0	0%	0	0%
Castle Point	4	0%	2	50%	0	0%	0	0%	0	0%	1	25%	1	25%
Chelmsford	4	0%	3	75%	0	0%	0	0%	0	0%	1	25%	0	0%
Rushmoor	4	0%	0	0%	1	25%	1	25%	2	50%	0	0%	0	0%
Tonbridge and Malling	4	0%	1	25%	0	0%	0	0%	1	25%	2	50%	0	0%
Boston	4	0%	0	0%	0	0%	1	25%	1	25%	2	50%	0	0%
South Holland	4	0%	1	25%	0	0%	0	0%	1	25%	2	50%	0	0%
South Kesteven	4	0%	2	50%	0	0%	0	0%	0	0%	1	25%	1	25%
Wellingborough	4	0%	2	50%	0	0%	0	0%	0	0%	2	50%	0	0%
Nuneaton and Bedworth	4	0%	2	50%	0	0%	0	0%	0	0%	2	50%	0	0%
Wirral	4	0%	3	75%	0	0%	0	0%	0	0%	1	25%	0	0%
Calderdale	4	0%	0	0%	0	0%	0	0%	0	0%	4	100%	0	0%
Darlington	3	0%	1	33%	0	0%	0	0%	1	33%	0	0%	1	33%
Bristol, City of	3	0%	0	0%	0	0%	0	0%	0	0%	3	100%	0	0%
Plymouth	3	0%	1	33%	0	0%	0	0%	1	33%	1	33%	0	0%

Medway	3	0%	2	67%	0	0%	0	0%	0	0%	1	33%	0	0%
Reading	3	0%	2	67%	0	0%	0	0%	0	0%	1	33%	0	0%
Slough	3	0%	0	0%	0	0%	0	0%	0	0%	3	100%	0	0%
South Lakeland	3	0%	0	0%	1	33%	0	0%	0	0%	2	67%	0	0%
High Peak	3	0%	0	0%	0	0%	1	33%	0	0%	2	67%	0	0%
Lewes	3	0%	2	67%	0	0%	0	0%	0	0%	1	33%	0	0%
Hertsmere	3	0%	0	0%	1	33%	0	0%	0	0%	2	67%	0	0%
Tunbridge Wells	3	0%	0	0%	0	0%	0	0%	0	0%	3	100%	0	0%
South Ribble	3	0%	2	67%	0	0%	0	0%	1	33%	0	0%	0	0%
South Norfolk	3	0%	0	0%	0	0%	1	33%	0	0%	2	67%	0	0%
East Northamptonshire	3	0%	1	33%	1	33%	0	0%	0	0%	1	33%	0	0%
Ryedale	3	0%	0	0%	0	0%	2	67%	0	0%	1	33%	0	0%
Mendip	3	0%	0	0%	0	0%	0	0%	0	0%	3	100%	0	0%
Cannock Chase	3	0%	0	0%	0	0%	0	0%	0	0%	3	100%	0	0%
Lichfield	3	0%	2	67%	0	0%	0	0%	0	0%	1	33%	0	0%
Tamworth	3	0%	0	0%	0	0%	3	100%	0	0%	0	0%	0	0%
Spelthorne	3	0%	1	33%	0	0%	0	0%	1	33%	1	33%	0	0%
Tandridge	3	0%	0	0%	0	0%	1	33%	1	33%	1	33%	0	0%
Rugby	3	0%	0	0%	0	0%	1	33%	0	0%	2	67%	0	0%
Warwick	3	0%	1	33%	0	0%	0	0%	0	0%	2	67%	0	0%
Mid Sussex	3	0%	1	33%	0	0%	0	0%	1	33%	1	33%	0	0%
Welwyn Hatfield	3	0%	1	33%	0	0%	1	33%	1	33%	0	0%	0	0%
Knowsley	3	0%	1	33%	0	0%	1	33%	0	0%	1	33%	0	0%
Coventry	3	0%	1	33%	0	0%	1	33%	1	33%	0	0%	0	0%
Solihull	3	0%	0	0%	0	0%	2	67%	1	33%	0	0%	0	0%
Wolverhampton	3	0%	1	33%	0	0%	0	0%	0	0%	2	67%	0	0%
Kirklees	3	0%	1	33%	0	0%	0	0%	0	0%	1	33%	1	33%
Wakefield	3	0%	2	67%	0	0%	0	0%	0	0%	1	33%	0	0%
Hillingdon	3	0%	0	0%	0	0%	1	33%	0	0%	2	67%	0	0%
Hartlepool	2	0%	1	50%	0	0%	0	0%	1	50%	0	0%	0	0%
Stockton-on-Tees	2	0%	0	0%	0	0%	0	0%	1	50%	1	50%	0	0%

Halton	2	0%	1	50%	0	0%	0	0%	0	0%	1	50%	0	0%
North East Lincolnshire	2	0%	1	50%	0	0%	0	0%	1	50%	0	0%	0	0%
Rutland	2	0%	0	0%	0	0%	1	50%	1	50%	0	0%	0	0%
Luton	2	0%	0	0%	0	0%	1	50%	1	50%	0	0%	0	0%
Portsmouth	2	0%	0	0%	0	0%	2	100%	0	0%	0	0%	0	0%
Chesterfield	2	0%	0	0%	1	50%	0	0%	0	0%	1	50%	0	0%
Derbyshire Dales	2	0%	0	0%	0	0%	0	0%	1	50%	1	50%	0	0%
Erewash	2	0%	0	0%	0	0%	0	0%	0	0%	2	100%	0	0%
Torridge	2	0%	0	0%	0	0%	0	0%	0	0%	2	100%	0	0%
Basildon	2	0%	1	50%	0	0%	0	0%	0	0%	1	50%	0	0%
Braintree	2	0%	0	0%	1	50%	1	50%	0	0%	0	0%	0	0%
Brentwood	2	0%	0	0%	0	0%	0	0%	2	100%	0	0%	0	0%
Maldon	2	0%	2	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Havant	2	0%	1	50%	0	0%	0	0%	0	0%	0	0%	1	50%
Dover	2	0%	0	0%	0	0%	1	50%	0	0%	1	50%	0	0%
Gravesham	2	0%	0	0%	0	0%	1	50%	0	0%	1	50%	0	0%
Pendle	2	0%	1	50%	1	50%	0	0%	0	0%	0	0%	0	0%
Preston	2	0%	1	50%	0	0%	0	0%	0	0%	1	50%	0	0%
Rossendale	2	0%	1	50%	0	0%	1	50%	0	0%	0	0%	0	0%
Harborough	2	0%	0	0%	0	0%	0	0%	1	50%	1	50%	0	0%
Melton	2	0%	0	0%	0	0%	0	0%	1	50%	1	50%	0	0%
Kettering	2	0%	0	0%	0	0%	0	0%	0	0%	2	100%	0	0%
Ashfield	2	0%	0	0%	1	50%	0	0%	0	0%	1	50%	0	0%
Gedling	2	0%	2	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Cherwell	2	0%	0	0%	1	50%	0	0%	1	50%	0	0%	0	0%
Oxford	2	0%	0	0%	0	0%	1	50%	0	0%	1	50%	0	0%
Staffordshire Moorlands	2	0%	1	50%	0	0%	0	0%	0	0%	1	50%	0	0%
Ipswich	2	0%	0	0%	0	0%	0	0%	0	0%	2	100%	0	0%
Surrey Heath	2	0%	2	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Woking	2	0%	1	50%	0	0%	0	0%	0	0%	1	50%	0	0%
North Warwickshire	2	0%	1	50%	0	0%	0	0%	0	0%	1	50%	0	0%

Adur	2	0%	2	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Worcester	2	0%	0	0%	0	0%	0	0%	0	0%	2	100%	0	0%
Rochdale	2	0%	0	0%	0	0%	0	0%	1	50%	1	50%	0	0%
Stockport	2	0%	0	0%	0	0%	1	50%	0	0%	1	50%	0	0%
						100								
Walsall	2	0%	0	0%	2	%	0	0%	0	0%	0	0%	0	0%
Barnet	2	0%	2	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Bromley	2	0%	1	50%	0	0%	0	0%	0	0%	1	50%	0	0%
Enfield	2	0%	0	0%	0	0%	0	0%	0	0%	2	100%	0	0%
Havering	2	0%	1	50%	0	0%	1	50%	0	0%	0	0%	0	0%
													100	
Sutton	2	0%	0	0%	0	0%	0	0%	0	0%	0	0%	2	%
Redcar and Cleveland	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Blackburn with Darwen	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
Nottingham	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Southend-on-Sea	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Thurrock	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
Brighton and Hove	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Cambridge	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
Mid Devon	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
Eastbourne	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
Colchester	1	0%	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%
Uttlesford	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Gosport	1	0%	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%
Broxbourne	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Dartford	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Burnley	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Chorley	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Hyndburn	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Corby	1	0%	0	0%	0	0%	0	0%	1	100%	0	0%	0	0%
Daventry	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%

						100								
South Northamptonshire	1	0%	0	0%	1	%	0	0%	0	0%	0	0%	0	0%
Richmondshire	1	0%	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%
Scarborough	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
Broxtowe	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
Mansfield	1	0%	0	0%	0	0%	0	0%	1	100%	0	0%	0	0%
Newcastle-under-Lyme	1	0%	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%
Elmbridge	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
Manchester	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
Oldham	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
Tameside	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
Trafford	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
Sunderland	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
Dudley	1	0%	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%
Gateshead	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
														100
Hammersmith and Fulham	1	0%	0	0%	0	0%	0	0%	0	0%	0	0%	1	%
Kensington and Chelsea	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Kingston upon Thames	1	0%	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%
Redbridge	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%
TOTAL	1832	100 %	345		84		234		212		903		54	

Appendix 2: Letter to site owners

Dear Park owner or manager

Please tell us about your Park and the commission you earn on park home sales!

The Ministry of Housing, Communities and Local Government have commissioned The University of Liverpool and Sheffield Hallam University to provide essential research on the residential park homes sector to inform their review of the maximum 10 per cent commission paid on the sale of park homes.

Information about your park is important to us. Please complete the enclosed short survey to share key information about your park and the commission you earn on park home sales.

As a thank you for completing the survey you will be able to enter a **prize a draw to win one of two £100 high street vouchers.**

It may **help to have access to your latest financial accounts to help you with some of the questions**, though estimates are also accepted for ease of completion.

The deadline for responses is **5th July 2021** and there is no charge to take part, either:

☒ **complete the attached editable pdf version of the survey; save and return it via email to: mailto:cresr@shu.ac.uk**

or

☐ **complete the questionnaire online at: <https://bit.ly/ParkOwnerOpen>**

The information you provide will be used by Sheffield Hallam University and the University of Liverpool in accordance with the Data Protection Act 1998, GDPR and other applicable legislation. **Your information will not be shared with any other party, without your permission, and we will maintain your anonymity in any reporting.** For more information please see our privacy policy: bit.ly/SHUPrivacyNotice

If you have any questions or issues when completing the survey please contact David Leather via email (d.leather@shu.ac.uk).

Many thanks



Ian Wilson
Deputy Director
Centre for Regional Economic & Social Research at Sheffield Hallam University

Appendix 3: Site owner survey



Park Owner Survey

REF:

1. To allow us to identify the location of your park please enter your postcode in the boxes below:

--	--	--	--	--	--	--	--	--	--

2. Approximately, in which year did the park first open and your organisation begin operating the park? (Please provide an approximation if you do not know the actual year)

First open Begin operating

3. Including this park how many residential parks does your organisation operate? (Please write the number of residential parks in the box below)

Total number of residential parks:

4. Is the owner of the park a: (Please tick one box only)

Sole trader ☐ ₁ Public limited company ☐ ₄
 Private partnership ☐ ₂ Other (please specify) ☐ ₅
 Private limited company ☐ ₃ _____

5. How many of the following pitches does your park have?

Residential						Holiday	Other (Please specify)
Single pitches			Twin pitches				
Owner occupied	Rented	vacant	Owner occupied	Rented	vacant		

6. Do you submit one set of accounts for the residential pitches on this park exclusively? (Please tick one box only)

Yes ☐ ₁
 No ☐ ₂ Please specify what is included:

7. Which of the following facilities does your park offer to its park home residents? (Please tick all that apply)

Clubhouse / communal building	<input type="checkbox"/> ₁	Communal garden	<input type="checkbox"/> ₇
Bar / Café / Restaurant	<input type="checkbox"/> ₂	Sports facilities	<input type="checkbox"/> ₈
Store	<input type="checkbox"/> ₃	Open recreational space	<input type="checkbox"/> ₉
Laundrette	<input type="checkbox"/> ₄	Other (please specify)	<input type="checkbox"/> ₁₀
Children's play area	<input type="checkbox"/> ₅	_____	
Swimming pool	<input type="checkbox"/> ₆	_____	

8. Please provide the total gross income (before tax) per annum for each of the following items in the last 2 financial years for this residential park only? (Please write in total amount to the nearest £100 for each year. Please exclude income from non-residential park home operations and other sites)

	2019/20	2020/21
Pitch fees	<input type="text"/>	<input type="text"/>
Commission on park home sales	<input type="text"/>	<input type="text"/>
Sales of new homes	<input type="text"/>	<input type="text"/>
Sales of pre-owned park homes	<input type="text"/>	<input type="text"/>
Commissions on loans and insurance	<input type="text"/>	<input type="text"/>
Recharge of utilities	<input type="text"/>	<input type="text"/>
Rents from park home tenants	<input type="text"/>	<input type="text"/>
Income from residents use of facilities (eg bars, café, sports hire)	<input type="text"/>	<input type="text"/>
Other (please specify)	<input type="text"/>	<input type="text"/>
<hr/>		
Total revenue	<input type="text"/>	<input type="text"/>

9. Please provide the total operating costs (before tax) per annum for each of the following items in the last 2 financial years for this residential park only? (Please write in total amount to the nearest £100 for each year. Please exclude costs for non-residential park home operations and other sites)

	2019/20	2020/21
Cost of sales and redevelopment	<input type="text"/>	<input type="text"/>
General park maintenance and repairs	<input type="text"/>	<input type="text"/>
Employee costs	<input type="text"/>	<input type="text"/>
Licensing costs	<input type="text"/>	<input type="text"/>
Business rates	<input type="text"/>	<input type="text"/>
Legal costs	<input type="text"/>	<input type="text"/>
Insurance premiums	<input type="text"/>	<input type="text"/>
Finance costs	<input type="text"/>	<input type="text"/>
Support of utilities	<input type="text"/>	<input type="text"/>
Other (please specify)	<input type="text"/>	<input type="text"/>
<hr/>		
Total operating costs	<input type="text"/>	<input type="text"/>

10. Approximately how much profit has this residential park made per annum in the last 2 financial years? (Please write in total amount to the nearest £100 for each year)

	2019/20	2020/21
Before tax	<input type="text"/>	<input type="text"/>
After tax	<input type="text"/>	<input type="text"/>

11. Approximately, what is the current land value of the residential park and the land value when you opened / purchased the residential park? (Please provide an approximation if you do not know)

Opened/purchased

Current

12. Can you please tell us the average monthly number of Full Time Equivalent (FTE) employees directly employed on the residential park in the last 2 financial years? (Please provide an approximation if you do not know the actual number, where a full-time worker is 1 FTE and someone working half the number of hours per week is 0.5 FTE)

2019/20

2020/21

Average number of FTEs:

13. On average, how many years do owner occupier residents usually stay in their park homes? (Please provide an approximation in years. If the park is new, please provide the expected length of stay)

14. How many of the following types of activity have taken place in each of the last three years?

2018/19

2019/20

2020/21

Number of sales of new park homes by the operator

Number of park home acquisitions from residents by the operator

Number of sales of pre-owned park homes by the operator

Number of commissions earned from park home sales

Number of new residential pitches created

Number of residential pitches removed

15. How much does the park usually charge in commission on park home sales? (Please tick one box only)

None

☐

more than 5% but less than 10%

☐

5% or less

☐

10%

☐

- 16. How much commission income from park home sales did you earn in each of the last three years?** (Please write in total amount to the nearest £100 for each year)

2018/19	2019/20	2020/21
<input type="text"/>	<input type="text"/>	<input type="text"/>

- 17. How does your organisation use the revenue you get from the commission on park home sales?** (Please tick one box only on each line to indicate the amount)

	All	Most	About half	Some / a little	Not at all
Profit / banked / savings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Capital investment in the park	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide new facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Support the operation of existing facilities on the park	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Support the maintenance and repair of the park	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Support other business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 18. To what extent would you agree or disagree with the following statements...?** (Please tick one box only on each line)

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
The park's business model is dependent on the commission on park home sales?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Income earned from the commission on park home sales is steady and reliable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. If the commission on park home sales was removed or significantly reduced, how would your business be affected or need to change? (Please tick all that apply)

- | | | | |
|--------------------------------------|---------------------------------------|---|--|
| It would have no or a limited effect | <input type="checkbox"/> ₁ | Seek to increase pitch fee, if that were possible | <input type="checkbox"/> ₇ |
| Affect ability to attract finance | <input type="checkbox"/> ₂ | Increase the number of pitches/sales of park homes | <input type="checkbox"/> ₈ |
| Affect ability to repay creditors | <input type="checkbox"/> ₃ | Reduce the number of pitches | <input type="checkbox"/> ₉ |
| Reduce services/facilities offered | <input type="checkbox"/> ₄ | Cover any effects with income from other businesses | <input type="checkbox"/> ₁₀ |
| Reduce staffing at the park | <input type="checkbox"/> ₅ | Other (please specify) | <input type="checkbox"/> ₁₁ |
| Reduce maintenance and repair | <input type="checkbox"/> ₆ | | |

20. If a value equivalent to the current maximum 10% commission on park home sales was chargeable, how would you prefer to charge this amount? (Please tick one box only)

- | | | | |
|---|---------------------------------------|--|---------------------------------------|
| Commission on the purchase of a park home | <input type="checkbox"/> ₁ | An ongoing monthly / annual fee payable by all park home residents | <input type="checkbox"/> ₃ |
| Commission on the sale of a park home | <input type="checkbox"/> ₂ | Both an ongoing fee and commission on the sale / purchase of a park home | <input type="checkbox"/> ₄ |

21. In the box below please provide any suggestions that you wish to make about the maximum 10% commission on park home sales:

Thank you for taking part in this survey

Please provide your contact details below to be entered into the prize draw to **win one of two £100 high street vouchers**.

Your contact details will only be used so that we can administer the prize draw and notify the winner. The survey is anonymous and you don't have to provide your details if you do not want to enter the prize draw.

Your name:

Your address:

Your email address:

Your phone number:

Please return your completed survey using the enclosed freepost envelope.

Appendix 4: Resident survey



Resident Survey

REF: [REF no here]

1. To allow us to identify the location of your park please enter your postcode in the boxes below:

--	--	--	--	--	--	--	--	--

2. In which year did you move into your current park home? (Please provide an approximation if you do not know the actual year)

Year:

3. Where did you live before your current park home? (Please tick one box only)

A Park Home on the same park ☐ ₁

Owned your own home (house, flat) with or without a mortgage ☐ ₅

A Park Home on a different park ☐ ₂

Other, including living with parents / relatives (please specify) ☐ ₆

Private Rented Sector ☐ ₃

Social Rented sector ☐ ₄

4. Why did you choose to live in a park home? (Please tick all that apply)

I like the feeling of community ☐ ₁

I like the feel / peace / security of a park ☐ ₅

Value for money / affordability ☐ ₂

Other (please specify) ☐ ₆

Allowed me to release capital ☐ ₃

I like the space, layout and low maintenance of a park home ☐ ₄

5. Is your park home on a single or twin pitch? (Please tick one box only)

Single ☐ ₁ Twin ☐ ₂

6. Do you rent or own your park home? (Please tick one box only)

Own ☐ ₁ Rent ☐ ₂

If you rent your park home, please answer questions 12 – 17 and questions 24 – 31.

7. From whom did you purchase your park home...? (Please tick one box only)

- | | | | |
|---|---------------------------------------|------------------------|---------------------------------------|
| New from park operator | <input type="checkbox"/> ₁ | From a previous owner | <input type="checkbox"/> ₄ |
| New from other source | <input type="checkbox"/> ₂ | Other (please specify) | <input type="checkbox"/> ₅ |
| Previously owned / used home from the park operator | <input type="checkbox"/> ₃ | _____ | |

8. Approximately, in years how old is your park home? (Please provide an approximation if you do not know the actual age)

Number of years:

9. Approximately, how much did your park home cost at the time of purchase, including all costs such as delivery, siting, connection etc? (Please provide to the nearest £100, and please provide an approximation if you can't remember)

£

10. If you sold your park home today how much do you think it would be worth? (Please provide your best guess to the nearest £100)

£

11. What additions / changes, if any, have you made to your park home since it was purchased? (Please tick all that apply)

- | | | | |
|---------------------|---------------------------------------|-------------------------------|--|
| Porch | <input type="checkbox"/> ₁ | Windows/doors | <input type="checkbox"/> ₈ |
| Decking | <input type="checkbox"/> ₂ | Facias, soffits and guttering | <input type="checkbox"/> ₉ |
| Garden improvements | <input type="checkbox"/> ₃ | Cladding | <input type="checkbox"/> ₁₀ |
| Kitchen | <input type="checkbox"/> ₄ | Repanelling | <input type="checkbox"/> ₁₁ |
| Bathroom | <input type="checkbox"/> ₅ | Insulating | <input type="checkbox"/> ₁₂ |
| Patio | <input type="checkbox"/> ₆ | Other (please specify) | <input type="checkbox"/> ₁₃ |
| Roofing | <input type="checkbox"/> ₇ | _____ | |

12. How satisfied or dissatisfied are you with the following aspects of your park home and park? (Please tick one box only on each line)

	Very satisfied	Satisfied	Neither satisfied or dissatisfied	Dissatisfied	Very dissatisfied
Maintenance/upkeep of the park	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Facilities provided at the park	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Park owner/manager/operator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Value for Money from your pitch fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other park home residents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your park home accommodation overall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13. How has the overall quality of the park, including park features and amenities, changed in the past five years / since you moved onto the park? (Please tick one box only)

Improved a lot	Improved	About the same	Worse	A lot worse
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14. Do you want to move from your park home? (Please tick one box only)

Yes ☐₁ No ☐₂

15. Do you expect to move in the next year? (Please tick one box only)

Yes ☐₁ No ☐₂

16. Where do you want or expect to move? (Please tick one box only)

- | | | | |
|---------------------------------|---------------------------------------|-------------------------------|---------------------------------------|
| A park home on the same site | <input type="checkbox"/> ₁ | Extra Care / nursing facility | <input type="checkbox"/> ₆ |
| A park home on a different site | <input type="checkbox"/> ₂ | Other (please specify) | <input type="checkbox"/> ₇ |
| Private Rented Sector | <input type="checkbox"/> ₃ | <hr/> | |
| Social Rented Sector | <input type="checkbox"/> ₄ | Do not want or expect to move | <input type="checkbox"/> ₈ |
| Owner occupation property | <input type="checkbox"/> ₅ | | |

17. What would be the most likely reason(s) for you deciding to move away from the park? (Please tick all that apply)

- | | | | |
|--|---------------------------------------|--|---------------------------------------|
| Never want to leave | <input type="checkbox"/> ₁ | Dissatisfaction with the parks condition and / or facilities | <input type="checkbox"/> ₆ |
| Health / care | <input type="checkbox"/> ₂ | Condition of your park home | <input type="checkbox"/> ₇ |
| Work | <input type="checkbox"/> ₃ | Other (please specify) | <input type="checkbox"/> ₈ |
| Family / friends | <input type="checkbox"/> ₄ | <hr/> | |
| Dissatisfaction with park management / ownership | <input type="checkbox"/> ₅ | | |

18. If you were to sell your park home, who do you think you would sell it to? (Please tick one box only)

- | | | | |
|-----------------------|---------------------------------------|----------------|---------------------------------------|
| Park operator / owner | <input type="checkbox"/> ₁ | A new resident | <input type="checkbox"/> ₂ |
|-----------------------|---------------------------------------|----------------|---------------------------------------|

19. How much is your current pitch fee per month?

£

20. When you moved onto this park was it made clear to you that a commission could be charged if you sold your park home? (Please tick one box only)

- | | | | |
|--|---------------------------------------|----------------------------|---------------------------------------|
| I was made aware of it and it was clear | <input type="checkbox"/> ₁ | I was not made aware of it | <input type="checkbox"/> ₃ |
| I was made aware of it, but it was <u>not</u> very clear | <input type="checkbox"/> ₂ | Don't know/can't remember | <input type="checkbox"/> ₄ |

21. What impact, if any, has the commission on park home sales had on you? (Please tick all that apply)

- | | | | |
|--|---------------------------------------|---|---------------------------------------|
| It stops me from moving | <input type="checkbox"/> ₁ | I have been pressured by the site owner to sell | <input type="checkbox"/> ₄ |
| It has put me off investing in improvements to my park home | <input type="checkbox"/> ₂ | Other (please specify) | <input type="checkbox"/> ₅ |
| It has encouraged me to invest in improvements to my park home | <input type="checkbox"/> ₃ | _____ | |

22. How would you prefer to pay the amount of money equivalent to the maximum 10% commission on park home sales? (Please tick one box only)

- | | | | |
|---|---------------------------------------|--|---------------------------------------|
| Commission on the purchase of a park home | <input type="checkbox"/> ₁ | An ongoing monthly / annual fee payable by all park home residents | <input type="checkbox"/> ₃ |
| Commission on the sale of a park home | <input type="checkbox"/> ₂ | Both an ongoing fee and commission on the sale / purchase of a park home | <input type="checkbox"/> ₄ |

23. In the box below please provide any suggestions that you wish to make about the maximum 10% commission on park home sales:

24. Which of the following best describes your household? (Please tick one box only)

- | | | | |
|--|---------------------------------------|--|---------------------------------------|
| One adult with no children under the age of 16 years | <input type="checkbox"/> ₁ | 3 or more adults with no children under the age of 16 years | <input type="checkbox"/> ₅ |
| One adult plus a child / children under the age of 16 years | <input type="checkbox"/> ₂ | 3 or more adults with a child / children under the age of 16 years | <input type="checkbox"/> ₆ |
| Couple with no children under the age of 16 years | <input type="checkbox"/> ₃ | Other (please specify) | <input type="checkbox"/> ₇ |
| Couple adult plus a child/children under the age of 16 years | <input type="checkbox"/> ₄ | _____ | |

25. How old is each member of your household? (Please write age in years for each adult)

Adult 1	Adult 2	Adult 3	Adult 4
<input style="width: 40px; height: 20px;" type="text"/>	<input style="width: 40px; height: 20px;" type="text"/>	<input style="width: 40px; height: 20px;" type="text"/>	<input style="width: 40px; height: 20px;" type="text"/>

26. What is the current employment status of each adult in your household? (Please tick one box only for each adult)

	Adult 1	Adult 2	Adult 3	Adult 4
In full-time work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
In part-time work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Casual or irregular work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fully retired	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Out of work and looking for work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Out of work and not seeking work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cannot work due to illness / disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Full-time student	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

27. What is your total gross household income? (Please include income from work and any other sources, such as benefits and pensions, before deductions, income tax, National Insurance etc. Please estimate if you do not know. Please tick one box only)

	Weekly	Monthly equivalent	Annual equivalent
<input type="checkbox"/> ₁	Up to £199	Up to £866	Up to £10,399
<input type="checkbox"/> ₂	£200 up to £299	£867 up to £1,299	£10,400 up to £15,599
<input type="checkbox"/> ₃	£300 up to £399	£1,300 up to £1,732	£15,600 up to £20,799
<input type="checkbox"/> ₄	£400 up to £499	£1,733 up to £2,166	£20,800 up to £25,999
<input type="checkbox"/> ₅	£500 up to £599	£2,167 up to £2,599	£26,000 up to £31,199
<input type="checkbox"/> ₆	£600 up to £699	£2,600 up to £3,032	£31,200 up to £36,399
<input type="checkbox"/> ₇	£700 up to £799	£3,033 up to £3,466	£36,400 up to £41,599
<input type="checkbox"/> ₈	£800 up to £899	£3,467 up to £3,899	£41,600 up to £46,799
<input type="checkbox"/> ₉	£900 up to £999	£3,900 up to £4,332	£46,800 up to £51,999
<input type="checkbox"/> ₁₀	£1000 or more	£4,333 or more	£52,000 or more
<input type="checkbox"/> ₁₁	Prefer not to say		

28. Please indicate the range into which your household savings and investments fall? (Please tick one box only)

None	<input type="checkbox"/> ₁	Between £1,500 and £5,000	<input type="checkbox"/> ₅
Up to £300	<input type="checkbox"/> ₂	Between £5,000 and £10,000	<input type="checkbox"/> ₆
Between £300 and £1,000	<input type="checkbox"/> ₃	Over £10,000	<input type="checkbox"/> ₇
Between £1,000 and £1,500	<input type="checkbox"/> ₄	Don't know / not sure	<input type="checkbox"/> ₈

29. Overall, on a scale of 0 to 10, where 0 is "not at all" and 10 is "completely", how satisfied are you with your life nowadays? (Please tick one box only)

0	<input type="checkbox"/>	1	<input type="checkbox"/>	2	<input type="checkbox"/>	3	<input type="checkbox"/>	4	<input type="checkbox"/>	5	<input type="checkbox"/>	6	<input type="checkbox"/>	7	<input type="checkbox"/>	8	<input type="checkbox"/>	9	<input type="checkbox"/>	10	<input type="checkbox"/>
---	--------------------------	---	--------------------------	---	--------------------------	---	--------------------------	---	--------------------------	---	--------------------------	---	--------------------------	---	--------------------------	---	--------------------------	---	--------------------------	----	--------------------------

30. What is your ethnic group? (Please tick one box only that best describes your ethnic group or background)

White: British or Irish

☐ ₁

Black / Black British

☐ ₅

White: Other

☐ ₂

Gypsy / Roma / Traveller

☐ ₆

Mixed / multiple ethnic groups

☐ ₃

Other (please specify)

☐ ₇

Asian / Asian British

☐ ₄

31. Do you have any health problems or disabilities that you expect will last for more than a year? (Please tick one box only)

Yes

☐ ₁

No

☐ ₂

Thank you for taking part in this survey

Please provide your contact details below to be entered into the prize draw to **win one of two £100 high street vouchers**.

Your contact details will only be used so that we can administer the prize draw and notify the winner. The survey is anonymous and you don't have to provide your details if you do not want to enter the prize draw.

Your name:

Your address:

Your email address:

Your phone number:

Please return your completed survey using the enclosed freepost envelope.

Appendix 5: ‘Trapped’ owner characteristics

Characteristics of park home owners who are ‘trapped’ by the commission	Trapped due to the Commission (%)	Other Park Home residents (%)
Into what range do your household savings and investments fall: Savings over £10,000	20	31
Which of the following best describes your household:		
One adult with no children under the age of 16 years	27	36
Couple with no children under the age of 16 years	62	55
Preferred mode to pay the amount of money equivalent to the commission on park home sales:		
Commission on the purchase of a park home	47	34
Commission on the sale of a park home	36	50
Was the commission made clear to you when you purchased your park home:		
I was made aware of it and it was clear	37	59
I was made aware of it, but it was not very clear	37	20
I was not made aware of it	22	15
Most likely reason(s) for deciding to move away from the park:		
Dissatisfaction with the parks condition and / or facilities	58	27
Dissatisfaction with park management / ownership	62	31
Family / friends	21	14
Health / care	15	39
Very dissatisfied/dissatisfied with the following aspects of your park home and park:		
Park owner/manager/operator	68	38
Maintenance/upkeep of the park	60	36
Facilities provided at the park	67	38
Value for Money from your pitch fee	73	45
Why did you choose to live in a park home?		
I like the feeling of community	16	28
I like the space, layout and low maintenance of a park home	21	35
I like the feel / peace / security of a park	36	47

Note: the table only shows statistically significant differences

Source: Authors’ calculations

Appendix 6: Park home population estimates

A6.1. Introduction

- A6.1.1 This appendix describes modelling undertaken to estimate the number of park home owners, the total population of residents of park homes, and descriptive statistics of the household types which comprise the population.
- A6.1.2 The modelling work was undertaken in February 2022, building on evidence collected in 2021.
- A6.1.3 Prior to this modelling there was limited contemporary evidence on the population of park home residents. The most recent estimate specifically of park home residents (i.e. not census data which collected information in a broader category and does not accurately identify residents) is from the 2002 study by Berkeley Hanover et al., commissioned by the ODPM and Welsh Assembly.
- A6.1.4 The Berkeley Hanover et al. (2002) report indicated that there were approximately 1,594 sites in England, however they also suggest that the real number may be closer to 1,900 because of sites missing from their database. From the evidence in that report, we can retrospectively estimate the number of pitches in England to be in the region of 81,000-85,500 pitches, with an approximate of 66,000 households (although the authors suggest this is likely to be an underestimate). Whilst no direct estimate of the population living in park homes for England alone (i.e. not combined with Wales) is provided in the report we compute this to be approximately 109,000 adults and 2,300 children from evidence in the report.

A6.2. Population estimate method

- A6.2.1 This chapter briefly reprises the three relevant data collection stages undertaken in the research and an overview of the method to estimate the population of park home residents. A more fulsome explanation of these methods is provided in chapter two of the report.
- A6.2.2 To identify the numbers of park homes, the location of parks were identified records were collated from several different sources, including: the most recent survey of the park home sector in England (Berkeley et al., 2002); a review of published industry records, such as the British Holiday and Home Parks Association identified sites; and park homes sales databases and park home sale advertising websites.
- A6.2.3 From this list of park home sites, the number of park homes was estimated using the Royal Mail's Postcode Address File to identify all addresses that related to the postcodes of park home sites.

- A6.2.4 This approach resulted in 1,832 park home sites in England and 103,430 addresses. Some caution is needed in using these figures as they are based on available data and therefore should be treated as estimates of the total population of park home sites and addresses.
- A6.2.5 The second stage of the approach was a survey of park owners to enable an estimate of the number of park homes in owner occupation, and hence the number of households. The study intended to survey every park in England as part of the park owners survey. In practice the survey was sent to 1,900 'likely' parks that had been identified, as of 7 May 2021, through the mapping phase of this study. To increase awareness of the survey the survey was also promoted through trade bodies, including by the British Holiday and Home Parks Association and the National Caravan Council. In total 148 unique valid responses were received to the park owners survey – after removing duplicates, blank responses, and responses from parks with no residential pitches. This is a sizeable survey response, is in line with response rates of similar studies, and constitutes a solid evidence base for analysis of parks at the national scale.
- A6.2.6 The third stage of the approach was to survey a stratified sample of park home addresses. 5,000 addresses were selected to receive a postal survey. These addresses were selected according to site location (region) and park size (small, medium and large sites). In addition to the postal invitations, an open online survey was also made available and promoted by park home residents' associations. Responses to the open online and postal surveys was undertaken to assess potential response bias.
- A6.2.7 There were 1,154 responses to the postal survey and 412 to the open online survey. After checking for duplicates and blank responses there were 1,541 useable responses. This represents both the most up to date and the largest national survey of park home residents (outside the census). The survey of park home owners considered information about the socio demographic characteristics of household members, which enables the modelling described in the next chapter.
- A6.2.8 The method used to estimate the number of households and population of people living in park homes is expressed diagrammatically in Figure A6.1. It shows that there are three parts to the equation of "A" times "B", equals "C".
- A6.2.9 "A" is the estimated number of park home pitches (from the Postcode Address File data) minus the combined estimate of the number of rented and vacant pitches (which are estimated from the park owner survey). This means that "A" is an estimate of the total number of owner-occupied park homes in England and therefore equivalent to the number of households living in owner-occupied park homes. The estimate "A" is disaggregated by site size (small, medium and large) and deprivation index. This disaggregation is to account for variation in both vacancy rates and household sizes in different park contexts.

A6.2.10 “B” is the average household size of owner-occupier households living in park homes. It is derived from the survey of park home owners and disaggregated by site size and deprivation index.

A6.2.11 “C” is the estimated number of people living in owner-occupied park homes in England. It is “A” multiplied by “B” (accounting for site size and deprivation index).

Figure A6.1. Calculation of the estimated number of people living in owner-occupied park homes in England, with data sources



A6.3. An estimate of the population of park home owners

A6.3.1 This chapter applies the evidence set out in the previous chapter to provide estimates of the numbers of park home sites and pitches as well as the households and residents living in owner occupation. The chapter also includes estimates of the economic status and type of households.

Number of residential park home sites

A6.3.2 From the secondary and administrative sources described in paragraph 2.2 the study identified a total of **1,832 park home sites located across England**.

Number of residential park home pitches

A6.3.3 An estimate of the number of park home pitches has been obtained by combining information on the location of park home sites with address data from the Postcode Address File. This resulted in **103,430 addresses, which is taken as an estimate of the number of residential pitches on park home sites**.

Number of park home households in owner occupation

A6.3.4 Next the number of households in owner occupation is estimated. First responses to the Park Owners Survey are used to establish the proportion of pitches that are in owner occupation. This separates out rented and vacant pitches from the total. The resulting proportion is applied to the number of residential park home pitches to establish the number of households in owner occupation. To improve the estimate the analysis computes the proportion of

owner occupation pitches by park size: small (25 pitches or less), medium (26 to 80 pitches) and large (81 pitches or more).

A6.3.5 Adopting this method the analysis estimates there are 1,827 rented pitches, 3,252 vacant pitches, giving **98,351 occupied park home pitches, which we consider equivalent to the park home households in owner occupation.**

Number of park home residents in owner occupation

A6.3.6 The final stage estimates the number of park home residents in owner occupation. There are estimated to be **158,987 park home residents in owner occupation.**

A6.3.7 The estimate is based on average household sizes which have been computed from the Park Home Residents Survey. These are applied to the estimated number of park home households in owner occupation. As well as park size the calculation also adjusts for the local level of deprivation. Our analysis identified statistically significant differences in the average household size between local areas with different levels of deprivation. This is based on three categories of deprivation, as measured by the English Indices of Deprivation 2019: most deprived (LSOAs in the bottom three deciles), mid-level of deprivation (LSOAs in deciles four to seven) and least deprived (LSOAs in deciles eight to ten).

Economic status and of park home households in owner occupation

A6.3.8 This sub-section presents further information from the Park Home Residents Survey on the economic status and type of park home households. This analysis is presented in addition to the analysis provided in Chapter 6 of the main report.

A6.3.9 Analysis of the economic status of households reveals:

- All household members are economically inactive in 77 per cent of households.
- This includes 73 per cent of household where all members are fully retired.
- Just over one in five households (22 per cent) have at least one person in paid work. This includes full time, part time as well as casual/irregular paid work.

A6.3.10 Two adult households are the most common household type, accounting for fully 60 per cent of households. Single person household make up 38 per cent of households. Of the remaining one per cent the majority are three adult households, with no dependent children. Less than 0.5% of households have a child, we estimate there are approximately 430 children living in owner occupied park homes in England.

A6.4. Conclusions

A6.4.1 This appendix provides an estimate the number of park home owners, the total population of residents of park homes, and descriptive statistics of the household

types which comprise the park home population. It provides a brief overview of the methods undertaken to collect data on the number of park homes and the household composition of park home owners. It also provides a description of the modelling undertaken to provide the estimates.

- A6.4.2 There is evidence of approximately 103,000 park home addresses, or pitches, across approximately 1,800 park home sites in England in 2021. This represents an increase in the number of addresses since 2002, when Berkeley Hanover et al. estimated that there were approximately 85,500 addresses.
- A6.4.3 Based on this evidence of the number of park home addresses and the number of vacant and renter park homes identified by the site owners survey, in 2021 there was an estimated 98,000 households living in owner occupied park homes in England.
- A6.4.4 It is estimated that there were 159,000 park home residents in owner occupation in 2021.

About the authors

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Dr Richard Dunning led this project on park homes. He is Senior Lecturer in Housing and Planning at the University of Liverpool. Dr Dunning specialises in behavioural research at the interface of housing and planning. His research has informed planning policy across the United Kingdom and has been funded by ESRC, EPSRC, NERC, as well as charities, government agencies and independent organisations.

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The impact of a change in the maximum park home sale commission

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