



*A compassionate world where all are valued and supported
to live joyful, meaningful and sustainable lives.*

An MHE Housing Development Owned and Operated by Dharma Care Inc

Version	Date	Author	Notes
0.1	230221	Irwan Wyllie	Initial Draft
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1 Document Aim

To provide a brief overview of a Manufactured Home Estate (MHE) that would be developed, owned and operated by Dharma Care Inc for both Subud members and the general public in northern NSW.

2 Background

This project commenced in 2017 as a plan for Dharma Care to leverage off its charitable status, tax deductibility and tax exemptions to provide affordable accommodation for older Subud members. It aimed to provide older members with access to a Subud community, the latihan, a good lifestyle and adequate care. Bapak and Ibu Rahayu have both encouraged such projects.

The project first focussed on the retirement village model before changing its focus to the MHE model. MHEs offer a more flexible, lower-cost and less complicated legal model for retirement living. MHEs have other significant advantages for residents over the retirement village model, including the ability to house a range of age groups.

A great deal of industry research has been undertaken in the last two years on the MHE model.

3 Development Goal

To create a financially viable, affordable and attractive MHE community for older Subud members and the public in northern NSW that will cater for low to middle income earners including those on government support. The development may also accommodate younger people to create a more balanced community.

4 MHEs and Their Advantages

MHEs are an alternative to retirement villages. They have many of the same features such as community facilities and common landscaped areas. They can be very lavish resort-style developments or very simple developments more akin to a well-managed caravan park.

MHEs get their name from the requirement that their homes are manufactured and can be relocated. Many manufactured homes are now indistinguishable from an ordinary home.

The MHE resident owns their own manufactured home on land rented from the estate owner. They are, therefore, simultaneously a homeowner and a tenant of the land on which it sits. The MHE resident has access to an attractive communal lifestyle with facilities such as landscaped areas, swimming pools and other facilities not available to the normal homeowner.

This model provides a sense of security through home ownership but also enables access to government Home Care Packages and the comfort of “ageing in place”. Home Care Packages are increasingly the federal government’s preferred form of support for the elderly. Planning regulations also allow the building of an infirmary on site for those in need of more advanced care.

MHEs create the possibility of modest capital gains when the home is sold. These gains are not as great as those from a normal home because the resident does not own the land, the primary driver of capital gain. Tenancy of the land is obviously not as good as freehold ownership, but there are good protections for residents in the legislation, and surveys show these tenancies generally work well with

few complaints. As tenants of the land, pensioners and low-income earners also have access to government Rental Assistance.

In addition to these advantages, the MHE model has less complicated legal arrangements compared to retirement villages that have high deferred management fees and exit fees, and limited opportunity for capital gain.

For MHE residents there are no rates, no stamp duty, no legal fees, and no body corporate fees. On average, MHE prices are set at around 65% of local median house prices compared to 75% for retirement village homes, although these percentages vary widely depending on the location and nature of the estate. This means, however, that they are a cheaper form of housing than a retirement village.

The majority of MHEs are now built for over 55s, however, some cater for mixed age groups - although this can pose marketing challenges in appealing to different target groups and lifestyle needs. However, unlike retirement villages, a mixed age demographic enables a more balanced estate community. This addresses a concern some Subud members have expressed: isolation from younger people.



5 Overview of Proposed Development

Land Size	2 - 3 ha (6 – 7.5 acs)
Location	Goal – approx. 10 mins from Murwillumbah (M’bah), NNSW
No. of 2-bed homes	40 with option to 50
Climate	<ul style="list-style-type: none"> • Sub-tropical – warm & temperate • Summer av – 23.5; Winter 15.5 • Rainfall 1662 mm pa • Driest month: Sep; Wettest month: Mar

Demographics	M'bah population: 9,245 people, 52.5% female and 47.5% male. Median age: 45 years. Australian born: 81.1%.
Area attractions / features	<ul style="list-style-type: none"> • M'bah • Gold Coast Int'l airport (45 mins) • South Tweed commercial centres (45 mins) • Tweed Regional Gallery (10 mins) • M-Arts (10 mins) • Border Ranges National Park (60 mins) • Kingscliff & Cabarita Surf Beaches (25 mins) • Many small rural towns with local community markets • Tweed River views • Mt Wollumbin National Park
Target Market	Older members of Subud & low to middle income members of the general public - including those with few assets and low incomes.
Home Block Size (est.)	200 – 250 sq m (Knight Frank)
Home size (est.)	110 sq m (excl. car port)
Occupancy Types	<ul style="list-style-type: none"> • Owner-occupied • Rentals
Potential Community Facilities (to be finalised as a result of a survey of member needs)	<ul style="list-style-type: none"> • Swimming pool • Landscaped areas • Gazeboes - sitting areas with views • BBQ & outdoor eating areas • Community vegetable gardens • Community Centre (approx. 300 sq m) consisting of a hall, commercial kitchen, dining area, dance area, stage • Small meeting / consulting rooms • Craft room • Workshop • Coffee shop • Library • Mini-cinema • Gym • Indoor games area – table tennis, billiards
Transport	Most residents will have their own vehicles. Minibuses can be hired for special group outings if required.
Care Services	<ul style="list-style-type: none"> • On-site access to government care package information. • On-site care support through third party providers. • Possibly an on-site infirmary at a later stage for high-care residents. • Emergency call system.
Home design	Manufactured homes will be purchased from design options provided by DCI's contracted supplier. Aim: to ensure a unified architectural style and quality.
Technology	<ul style="list-style-type: none"> • Wifi Internet • NBN • Telephone

6 Development Guidelines

As a result of MHE research over the last eighteen months, guidelines developed at the beginning of this project have been modified.

- It is a three-star development targeting low to middle income earners. This will not preclude someone purchasing a more expensive home.
- It promotes independent living in a safe and secure setting that has shared recreational facilities to encourage an active and diverse lifestyle.
- Its success (development and operation) is dependent on transparent communication between stakeholders.
- It provides 44 2-bed homes plus 6 lower-cost bedsits or studios. This ratio may change as development costs are further refined.
- Some rental accommodation is available.
- It provides aged care services so residents can age-in-place through outsourced care services.
- Personal care and support services are available.
- It caters for both Subud members and the general public to ensure financial viability.
- Communal facilities are provided on the basis of a survey of potential residents and will be provided as part of the initial build. Residents also have access to local public facilities (e.g. tennis courts). This not only reduces development costs, but encourages residents to build connections with the local community.
- The development may enable other interactions with the community – e.g. the development could be co-located with an enterprise, e.g. childcare facility. Research shows interaction between children and the elderly provide benefits to both the children and the elderly.
- The development is built in stages to test the market and to spread costs.
- It has an attractive setting with rural views to enhance marketability and resident lifestyle.
- The location provides access to rural villages and services, commercial outlets, and an international airport.
- The final development is determined by a market analysis of the particular location – but is expected to include 50 homes, or 80 – 100 people.
- The site has sufficient land to expand over time.
- The development design and services are tailored to the needs of Subud members – but with additional input from a market analysis of the local area.
- Triple bottom line (economic, social and environmental) considerations apply.
- All aspects of the development take a risk-based approach.
- The best professional advice is sought for all stages of development.
- The facility is developed and owned by Dharma Care so as to build its asset base and to generate surpluses, a portion of which will support its other charitable projects.
- Operations management is undertaken by an industry expert - a live-in husband and wife team who are sensitive to the needs of the homeowners.
- To ensure consistent design and quality, DCI provides home design options from a single preferred manufacturer.
- Home owners can rent their home for short periods (e.g. if they are travelling).
- The development can accommodate different age groups.
- Rental homes will not be separated from owner occupiers – to avoid creating ghettos.

- There is a Residents' Association.
- There are Community Rules.
- Industry certification will be sought for the facility when certification becomes available.
- The development is a model for other sites around Australia.

7 Resident Information

The following table is based on a 2-bedroom manufactured home. **PLEASE NOTE:** the figures in the table below are guidelines provided by our consultants but will change as a result of detailed site-specific financial and marketing analysis.

Item	Amount	Notes
M'bah Median House Price	\$496,000	(Jan 2020)
Home Price (est.)	\$322,400	Industry standard is approx. 65% of the local median house price. Assume 65%. (Knight Frank suggest that "This is an old rule of thumb. It does not always hold true nowadays as there are many premium/high quality MHEs in marginal/secondary locations and have price points that exceed the local median house price. These projects essentially "draw/pull" people to the site due to their uniqueness." 110 sq m (excl. car port) - 2-bed, 1 bath, carport, dining, lounge, kitchen, laundry. (Peter Jenkins recently purchased a 2 BR home at Noble Lake Park, Kingscliff, a long-established facility, for \$280,000.)
Land Lease Period	ongoing	(3 yrs minimum - Colliers 2014 MHE Report)
Land rental pw (est.)	\$220	An example, based on Noble Lake Park – 200 sq m. See: https://www.noblelakeside.com.au/ Note: includes a water usage allowance of unknown amount. For those who qualify, \$65 of this is covered by Government rental assistance so effective rent is \$220 - \$65 = \$155.
Bedsit/Studio rental pw (est.) ("affordable" rate)	\$207 (single) \$278 (couple)	Aim: To set a rent that is 30% (NSW Govt rent affordability guide for pensioners), or less, of the pension, but financially viable for DCI. An example: Albert Gardens, Beaudesert provides small bedsit units, rent = \$250 pw, or rent + food = \$310 pw.
Govt Rent Assistance (pw)	\$65	Available for pensioners and unemployed. *
Govt Home Care Packages	\$8,750 - \$50,750	Government Home Care Packages are paid directly to the chosen home care provider. The client works in partnership with the provider to determine the care and services required within the package budget. The packages do not count as income and therefore do not affect the pension.
Home Sale Options		<ul style="list-style-type: none"> • Sale through a real estate agent.

		<ul style="list-style-type: none"> • Sale through DCI – who can charge an agent’s fee. (Most MHE operators have a real estate licence.) • Sale to DCI (who will refurbish and resell). A guaranteed buy-back system can be an advantage to the owner or inheritor.
Capital Gain		100% to owner
Legal Documents		<ul style="list-style-type: none"> • Contract for the Sale of a Manufactured Home Residential (Land Lease) Communities Act 2013 • Site Agreement • Community Rules

Source, M’bah House Price: <http://www.tweedvalleyweekly.net.au/exclusive-your-2020-guide-to-tweed-shire-real-estate/>

*Government Rental Assistance is available to those on:

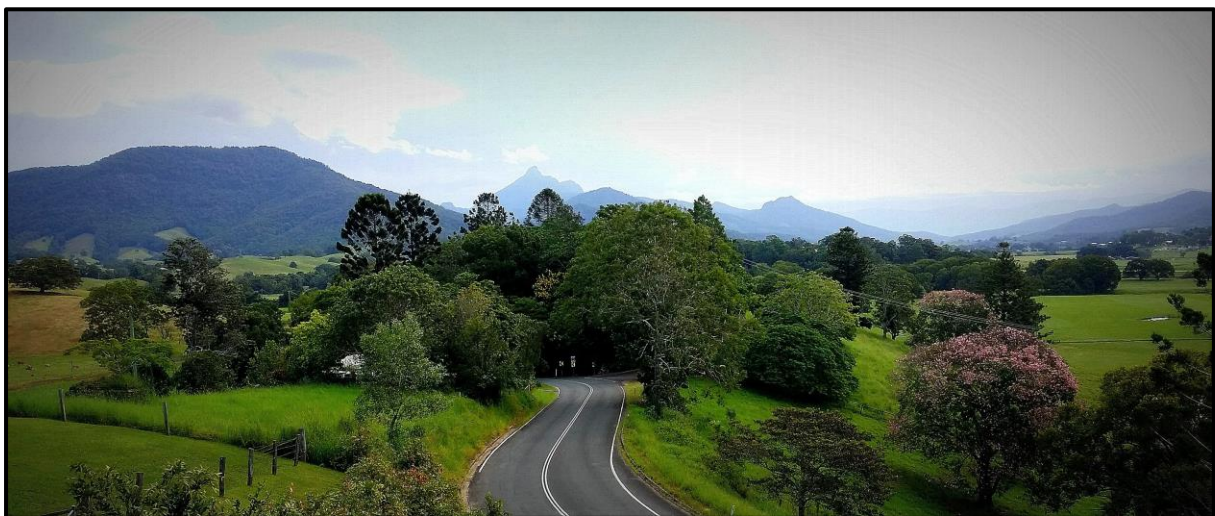
- Age Pension, Carer Payment or Disability Support Pension
- ABSTUDY Living Allowance, Austudy or Youth Allowance
- Widow Allowance
- Partner Allowance or Special Benefit
- Family Tax Benefit – Part A at more than the base rate
- Parenting Payment partnered and single
- JobSeeker Payment or Farm Household Allowance.

8 Development Cost & Funding

Consultant advice suggests the entire development will cost between \$3m and \$4m. The final cost will depend on many factors but can be undertaken in stages. Funding sources will be a bank loan (approx. 60%), no-interest and low-interest loans, and donations – all from within Australia and overseas.

9 Development Timeframe

The approval process for MHEs is complicated, with duplication across a number of NSW state and local planning instruments and may or may not require land rezoning. Overall, the planning process could take two to three years and the site development process could take another one year.



Northern NSW – a very beautiful part of the world.