

Sale of Caravan and % Commission charged – Residential Occupiers

A RESIDENTIAL OCCUPIER HAS THE RIGHT TO SELL THEIR CARAVAN ON THE SITE AND TRANSFER THEIR RESIDENTIAL AGREEMENT TO A PERSON APPROVED BY THE SITE OWNER. THIS PROCESS IS KNOWN AS ASSIGNMENT. HOWEVER, CERTAIN CONDITIONS AND RESTRICTIONS WILL APPLY.

What Residential Occupiers need to be aware of

A Residential Occupier does not need to get the Site Owner's permission to sell their caravan privately, but it should be made clear to any purchaser that the sale only relates to the caravan and not the land on which it is situated 'the pitch':

A Residential Occupier has the right to sell their caravan on the site and **transfer their existing Agreement** with the Site Owner to the person who buys their caravan. This process is called 'assignment'. It needs to be understood that there will not be a new agreement generated by the Site Owner in respect of a private sale.

The sale of the Residential Occupier's caravan is subject to seeking the Site Owner's approval of the buyer, but the Site Owner cannot withhold their approval unreasonably.

A Residential Occupier has the right to apply to the court for an order requiring the Site Owner to give approval if they consider that the Site Owner is withholding their approval unreasonably to the sale of the caravan.

A Residential Occupier has the right to apply to the court for an order to declare that a buyer for their caravan is approved if the Site Owner has not approved the buyer within 28 days from the date the Residential Occupier requested that approval.

A Residential Occupier does not have to give the Site Owner first refusal to buy the caravan, even if their Agreement states that fact, as there is no obligation to sell it to the Site Owner.

There is no legal requirement for a Residential Occupier to inform the Site Owner that they are proposing to sell their caravan. However, once a buyer has been found they must seek the Site Owner's approval of that person.

What Residential Occupiers need to be aware of

It is best practice for the Residential Occupier to give the prospective purchaser a copy of their Written Agreement in order that the buyer can familiarise themselves with the terms of the Agreement before completing purchase.

A Site Owner is entitled to a commission set at **no more than** 10% of the sale price.

A prospective buyer of a residential caravan, on assignment, should not be subject to a change in the terms of the transferred Written Agreement such as an increase in Pitch Fees. However, the terms can be amended if agreed between the Residential Occupier and the Site Owner.

What Caravan Park/Site Owners need to be aware of

Although a Site Owner has the right to approve the buyer in the sale of a residential caravan on their caravan park, they must not withhold that approval unreasonably. The buyer on purchase will be 'assigned' the Agreement with the existing terms the seller has with the Site Owner.

When the Site Owner receives a request from the Residential Occupier for approval of a buyer for their caravan they must, within 28 days from the date on which the request was received, approve that person unless it is unreasonable to do so. The Site Owner must serve the Residential Occupier with a notice of the decision whether to approve the buyer and if they withhold approval then they must specify, in writing, the reasons for withholding it. If approval is given no conditions can be attached to that approval.

There is no legal requirement for the Residential Occupier to inform the Site Owner of their **intention to sell** their caravan. However, once they have found a buyer, they must seek the Site Owner's approval of the buyer, in writing, before proceeding.

Although not legally required to do so, a Site Owner has the right to reasonably ask for references from a prospective purchaser in order to for example establish the buyer's credit worthiness and show that they will be able to comply with any rules of the site.

A Site Owner is entitled to a commission set at no more than 10% of the sale price. They can charge less than this, but they must not charge more than 10%. In setting the appropriate percentage commission consideration should be given to such factors as past custom and practice/length of tenure/sale price, etc.

WHO CAN I CONTACT FOR ADVICE?

Consumerline (Department for the Economy) **0300 123 6262**

Private Rented Branch (Department for Communities) email: **prs@communities-ni.gov.uk**

WHERE CAN I FIND MORE DETAILED INFORMATION OR ADVICE?

Caravans Act (Northern Ireland) 2011

This fact sheet is not intended to be an Authoritative Statement of the Law.