

PHOLRA

The Park Home-Owners LAW REFORM Association

Patron: Sir Peter Bottomley MP Father of the House of Commons

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Rt Hon Michael Gove MP
Secretary of State for Levelling Up
Housing & Communities
House of Commons
London
SW1A OAA

Dear Mr. Gove

To progress the needs of park home residents, PHOJC, the Park Home Owners JUSTICE Campaign has seen the need to expand and move to the next level. Therefore, may I introduce you to PHOLRA, the Park Home Owners LAW REFORM Association.

Sir Peter Bottomley MP, Father of the House of Commons, and previous president of PHOJC, has agreed to be the patron of PHOLRA. The new PHOLRA team will continue to work under PHOJC's ethos of respect and dedication and endeavour to forge an even closer link with those at Westminster. Park home residents from every part of our country have joined our new association and residents from Scotland and Wales have also indicated their wish to be included.

Although our website is still under construction and we are not fully operational, we are conscious that a decision by Government regarding the 10% commission charge on the sale of a park home could be imminent. This follows the research into the 10% charge by the Universities of Liverpool and Sheffield in 2021.

A team member of PHOLRA has completed an update on the 2021 figures regarding the average pitch fee in relation to the 10% Commission. The conclusions show the windfall that is now being enjoyed by the site owners. I ask that Government takes this new evidence into consideration before announcing its decision.

I have attached the two explanatory sheets and would respectfully ask you to reply to Admin at pholra1sm@gmail.com

A copy of this letter and its attachments have been sent to my constituency MP.

Yours sincerely

Member of PHOLRA

**Please find below the figures regarding the Average Pitch Fee
in Relation to the 10% Commission charged on sales.**

This Average Pitch Fee document contains two data examples which you can find at the bottom
of the page

Example 1 uses the figures produced following the research into the 10% Commission by Liverpool and Sheffield Universities.

In the publication [The impact of a change in the maximum park home sale commission \(publishing.service.gov.uk\)](#) the following were provided:

Average Pitch Fee at time of Survey (May 2021) £151.66 per month

Average number of homes per site 56.5

Average Commission received per resale £11,064

Average number of re-sales per site per annum 2.6

The above information indicates that the average income from pitch fees was £102,825 per year.

Along with commission from re-sales of £28,766.40 per year

Example 2 uses the figures produced on October 21st 2022 in the document [Impact Assessment template \(parliament.uk\)](#)

Average Pitch Fee for 2021 £172

Average homes per site 54.8

As this document is not related to the Commission no figures concerning re-sales are given.

Conclusions

Since the above figures were formulated in 2021 Site owner's income has increased far more than anyone could have forecast in that year. Because of the different starting figures the results of the analysis differ. Both sheets are calculated on the basis that 1/12th of site fees are reviewed each month and real RPI figures are used up to and including December 2022. The remaining RPI figures are based on the Bank of England forecast for 2023.

Example 1

The predicted average pitch fee two years after the research was carried out is £180.29 an increase of 18.9% in income.

Example 2

The predicted average pitch fee two years after the research was carried out is £204.47 an increase of 18.9%

In the first example the site owners income will have been increased by £19,411.14 in the 24 months ending June 2023. These increases will continue year after year and augmented by inflation.

The second example shows the increase as being £21,352.27 for the same period. Abolishing the commission would reduce the income of the average site owner by £28,776 per year if resale prices remain the same. However this is a pre tax profit figure so the actual loss could be far less.

If a Limited Company lost £28,776 from their pre tax profits the actual loss would be £21,582. Also to be noted is the reduction in Employer's National Insurance Contributions recently.

If there ever was a time to justify abolishing the commission it is now as I fail to see how any Site Owner can plead poverty if it is removed.

Example 1 Estimated Average Pitch Fee up to April 2023 RPI Figure

	2020/21 RPI			2021/22 RPI			2022/23 RPI Estimated			Review		
	RPI	Change in	New	RPI	Change in	New	RPI	Change in	New			
		Average	Average		Average	Average		Average				
		Pitch Fee	Pitch Fee		Pitch Fee	Pitch Fee		Pitch Fee				
£	£	£	£	£	£	£	£					
Nov	0.90		150.46	Nov	7.10	0.89	155.53	Nov	14.50	1.88	172.45	February
Dec	1.20		150.57	Dec	7.50	0.94	156.47	Dec	13.40	1.75	174.20	March
Jan	1.40		150.72	Jan	7.80	0.98	157.45	Jan	13.00	1.71	175.90	April
Feb	1.40		150.90	Feb	8.20	1.03	158.48	Feb	11.80	1.56	177.46	May
Mar	1.50		151.08	Mar	9.00	1.13	159.62	Mar	10.90	1.45	178.91	June
Apr	2.90		151.27	Apr	11.10	1.40	161.01	Apr	10.30	1.38	180.29	July
May	3.30		151.66	May	11.70	1.48	162.49					August
Jun	3.90	0.49	152.15	Jun	11.80	1.50	163.99					September
July	3.80	0.48	152.63	July	12.30	1.56	165.55					October
Aug	4.80	0.61	153.25	Aug	12.30	1.57	167.12					November
Sep	4.90	0.63	153.87	Sep	12.60	1.62	168.74					December
Oct	6.00	0.77	154.64	Oct	14.20	1.83	170.57					January

Example 2 Estimated Average Pitch Fee up to April 2023 RPI Figure

	2020/21 RPI			2021/22 RPI			Estimated			Review Date		
	RPI	Change in	New	RPI	Change in	New	RPI	Change in	New			
		Average	Average		Average	Average		Average				
		Pitch Fee	Pitch Fee		Pitch Fee	Pitch Fee		Pitch Fee				
£	£	£	£	£	£	£	£	£				
Nov	0.90	-0.13	170.67	Nov	7.10	1.01	176.39	Nov	14.50	2.13	195.58	February
Dec	1.20	-0.17	170.80	Dec	7.50	1.07	177.46	Dec	13.40	1.98	197.56	March
Jan	1.40	-0.20	170.97	Jan	7.80	1.11	178.57	Jan	13.00	1.93	199.50	April
Feb	1.40	-0.20	171.17	Feb	8.20	1.17	179.74	Feb	11.80	1.77	201.26	May
Mar	1.50	-0.21	171.37	Mar	9.00	1.29	181.02	Mar	10.90	1.64	202.91	June
Apr	2.90	-0.42	171.58	Apr	11.10	1.59	182.61	Apr	10.30	1.57	204.47	July
May	3.30		172.00	May	11.70	1.68	184.29					August
Jun	3.90	0.56	172.56	Jun	11.80	1.70	185.98					September
July	3.80	0.55	173.11	July	12.30	1.77	187.76					October
Aug	4.80	0.69	173.80	Aug	12.30	1.78	189.54					November
Sep	4.90	0.71	174.51	Sep	12.60	1.83	191.37					December
Oct	6.00	0.87	175.38	Oct	14.20	2.08	193.45					January