Misuse of caravan holiday homes
Advice for park owners and managers
If you own a holiday park and allow holiday home owners to live permanently in their caravan holiday homes, you run a number of serious risks. Ignore these, and you could find that both your legal position and the future of your business will be compromised.

The NCC (National Caravan Council) is anxious that holiday park owners and managers should be aware of all the issues involved when a holiday home is misused for residential purposes.

An earlier version of these notes was issued a few years ago and remains vitally important and equally relevant today.

This summary is intended as guidance to all holiday park owners/managers, and in particular for those whose parks hold extended season licences including 12 month licences and who may therefore be particularly vulnerable to customer misuse of their holiday homes.

**The law is clear - your remedy might not be**

Planning permission for a park will often stipulate that caravans can only be occupied for holiday or recreational purposes. This restriction is frequently repeated in the site licence. If you breach the conditions of your site licence, the local authority may take enforcement action against you or may prosecute.

But what if enforcement action is taken and a notice is issued requiring the breach to cease?

If that happens, the park owner/manager will - subject to any appeal - have to take steps to ensure that the residential use ceases.

However, be warned that the Protection from Eviction Act 1977 will apply - and the caravan owner can only be evicted if the park obtains a Possession Order through the courts. Cutting off electricity, or other services, could bring about an injunction requiring these to be restored and might trigger a claim for damages.

Where a caravan owner is found to be occupying a caravan on a residential basis, it is recommended that the matter should be tackled **IMMEDIATELY.** The park owner/manager should seek legal advice and establish how the issue can best be resolved quickly and effectively.

**Don’t create the conditions for a tragedy**

Caravan holiday homes, built to current insulation standards, are not designed for year round occupation and could present some very real health and safety risks.

Increased condensation will also have a detrimental affect on the life of the unit. Use of the caravan holiday home in cold periods increases condensation and the occupier may be tempted to block the ventilation which will further increase the potential hazard. Blocking ventilation is dangerous as it increases the risk of suffocation from gas fumes.
Don’t compromise the manufacturer’s warranty

Once you have sold the caravan to your customer, you have all the usual after-sales responsibilities and obligations as the retailer within the supply chain ensuring that products conform to contract and are fit for all purposes for which the goods are supplied.

You must remember that, if the home is misused as a main permanent residence, then the manufacturer's warranty is likely to be compromised. In this case, you should not expect to receive the support that you may usually anticipate from the manufacturer in addressing any problems that may arise at a later date.

Suppose the occupiers were to be made homeless?

In recent years, floods have caused terrible damage on many parks located near rivers or on a flood plain and local authorities reported that many “residents” of holiday caravans expected to be rehoused by them following the destruction of their caravans. This proved very difficult and many people were housed in bed and breakfast and hotel accommodation for extended periods. So, the potential for adverse publicity for your business and the industry as a whole is clearly a concern.

It is important to remember that most holiday caravan insurance cover is not the same as that for residential park homes when it comes to providing ‘alternative accommodation.’ For holiday units, the insurance cover reflects the fact that the customer’s permanent home is not on the park. The cover does not extend to providing temporary re-housing in the event of damage to the holiday home.

The legal threat if your agreement isn’t clear

It is essential that on the sale of the caravan holiday home, a properly drawn-up agreement is entered into between the caravan owner and the park. The agreement should make clear the times of the year when the caravan may be occupied and the restrictions that limit its use for holiday purposes only and not for permanent residential use. It is vital that all relevant documentation is made available to the prospective purchaser well in advance and they are given the opportunity to ask any questions before the agreement is signed by the parties at the time the sale is agreed, and not afterwards, so that no misunderstandings arise.

Residential usage

The pitfalls

- breach of planning and site licence conditions enforcement action – fines, potential loss of site licence
- expensive legal action to control once abuse is established
- holiday units not designed or suitable for residential use
- jeopardising manufacturers’ warranties
- potential allegations of misrepresentation and/or mis-selling
- inappropriate insurance cover
- degrading park ambience
A copy should be retained by both the park and the caravan holiday home owner. Park owners and all park staff should be careful not to mis-state the length of the season, or the nature of the occupation. If they do, legal proceedings could follow. The model NCC Purchase and Licence Agreement contains the necessary provisions.

**Watch for the “resident by stealth”**

What of the person who takes up residence in a holiday home during the season? This is a particularly sensitive area, but local planning authorities are now starting to look very carefully at this and to act accordingly within their powers.

It is essential that all staff involved in the sales process are aware of the holiday restrictions on the park and can explain it clearly to all potential buyers. Beware of any potential buyer who is planning to sell their bricks and mortar property to move into their new holiday home. Most holiday park owners/managers who sell caravan holiday homes take a home address from their customers, and regard this as their main residence. Some time later, however, it may transpire that the caravan owner has ceased to live at the address given - perhaps because they have actually sold their original home and not bought another. The park owner/manager may, in these circumstances, conclude that the caravan has in fact become the caravan owner’s main residence.

In this situation, it is recommended that the park owner/manager addresses the issue immediately with the caravan owner, to try and agree a way of resolving the problem as quickly as possible. Provided that the documentation is in order, the park owner/manager should be able to point out that the occupation constitutes a breach of the agreement terms and make it clear that they will terminate the licence agreement and apply to the Courts for possession.

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**The controls**

**Protect your business**

- clearly explain holiday nature of park at first purchase
- document customers’ agreement to and understanding of holiday usage
- emphasise holiday usage in contract with consumer
- take immediate action on any abuses
- keep a register of caravan owners’ main addresses, validated by utilities bills (or similar) and check regularly
- check your advertising doesn’t mislead – remove any phrases that suggest permanent residency such as ‘enjoy a holiday all year round’
- monitor occupation to ensure that holiday makers are not living on park
- keep staff trained and aware of the holiday restriction and ensure they can explain it clearly to all potential buyers
Rights of a resident? No!
It should never be implied to a holiday home buyer that the Mobile Homes legislation offers them any protection. This legislation can never apply to a park where the planning permission or site licence stipulates that the use shall be for holiday purposes only – or that there are times of the year when the park is not to be used for human habitation.

The security of tenure of the caravan owner on a holiday park depends entirely on the form of agreement entered into with the park. The limited nature of the security of tenure must be drawn to the attention of the buyer of a caravan at the point of sale. Ideally, all documentation should be provided well in advance of any commitment by the potential buyer to purchase, and they are given the opportunity to ask questions to ensure that they fully understand what they are committing to. Asking them to sign that they have understood the documentation will minimise the chances of a misunderstanding later. This is referenced in the NCC’s Code of Practice for Selling New and Used Holiday Caravans, the NCC Holiday Park - Holiday Home Ownership scheme Code of Practice and included in the model NCC Purchase and Licence Agreement.

Putting your business image in peril
The gradual appearance of “residents” on a holiday park undermines its overall character and conveys to ordinary holidaymakers an entirely different and often unsettling image.

Many guests will be put off by the signs of full-time residency such as school children on the park during term time, school uniforms on washing lines, residents commuting to places of work and daily delivery of post. Others may not be put off and simply decide to follow suit. Either way, a once relaxed holiday environment can begin to take on a very different and unwelcome appearance - and you’ll find it very difficult to reverse the problem.

It’s an image which impacts on everyone
The enforcers – Trading Standards and the Courts – are of the view that businesses must take responsibility for their actions. Sending out the wrong message about the nature of the park product and how it is managed,

If you suspect a holiday caravan is being misused as a permanent residence
- speak to the owner immediately to establish what the situation is
- encourage the caravan owner to comply with the holiday restriction and the terms of the licence agreement
- consult your lawyer before taking any formal steps to terminate the agreement or before issuing a notice to quit of caravan holiday homes misuse
could jeopardise the industry’s image as a high quality holiday resource for couples and families to enjoy their leisure time. It is a risk that can be avoided if appropriate processes are in place and tackled appropriately.

And in conclusion...

Good management practice and addressing problems as they occur are the two best ways to avoid the emergence or escalation of a problem. Here is a summary of how you can help to protect yourself and your customers from the very real risks of the permanent live-in guest:

- make sure your documentation (the licence agreement) clearly restricts occupation to recreational or holiday use only
- at the first opportunity, and at the point of sale, draw this restriction specifically to the attention of the consumer
- make sure the consumer knows all about and understands what the restriction means before they commit to buying the caravan holiday home and signs to confirm this in writing
- be alert to possible breaches of the restriction and deal with them immediately
- carry out regular documentary evidence checks to confirm current details of the permanent residential address of all caravan owners on the park and seek verification of the details at least annually. Utility bills for at least two quarters in the name of the holiday home owner, payment of a Council Tax bill in the same name at that address and a driving licence (counterpart with the permanent address) can all be evidence of a separate permanent address.

Where contracts with caravan owners permit this, some park owners/managers have opted to reduce the open season of their park to 9 months or so, to discourage caravan owners from taking up residential occupation.

The NCC Approved Holiday Park Home Ownership Scheme is designed to help ensure all the correct processes and procedures when selling caravan holiday homes are carried out.