

MBIE Survey on RTA Review

The following is a list of questions that are part of an MBIE online survey looking for feedback on the Residential Tenancies Act Review.

A summary of the NZPIF position is provided.

We encourage you to have your say at <https://www.research.net/r/rta-reform-survey>

Questions on no-cause terminations

2.1.1 If no-cause terminations are removed and a tenant displays anti-social behaviour (to the point where the landlord wants to end the tenancy) should the landlord be required to issue a notice to the tenant to improve their behaviour, before they can apply to the Tenancy Tribunal to end the tenancy?

**No cause termination notices should not be removed, they are an essential management tool.*

** Landlords do not want to get rid of good tenants, why make it harder to get rid of poorly performing tenants?*

**Landlords should not be required to issue a notice for antisocial behaviour as this could put other tenants or neighbours at risk*

**Landlords should not have to apply to the Tenancy Tribunal to end a tenancy as obtaining evidence could be impossible and put themselves, other tenants or neighbours at risk*

**Landlords should have the authority to determine what is reasonable behaviour in their properties*

Often talking to tenants about anti social behaviour could cause them to take out revenge on those who have reported the behaviour to the Landlord. This in itself puts victims at risk of being harmed.

Rather than risk harm to themselves, victimised tenants will simply seek different accommodation, which is completely unfair for them and their landlord.

2.1.2 Do you think the examples listed in paragraph 37 above cover the kinds of behaviour that would interfere with the reasonable peace, comfort, or privacy of any other tenants or neighbours? If not, what other examples would you include and why?

Dogs continually barking.

Parties that often start after dark and finish when noise control is called.

Friends of tenants who drive noisy cars and rev them outside the house trying to wake the tenants and, in the meantime, wake all the neighbours.

Parking cars in such a way that it blocks other tenants cars

Trying to list in law all the possible reasons why a tenants or neighbours peace, comfort, or privacy may be intruded upon would be extremely difficult if not impossible. The property owner should have the right to determine what is and isn't acceptable behaviour in their property and retain the tools they require to effectively manage their property.

2.1.3 What kinds of evidence could a landlord produce to prove a tenant was behaving in an anti-social way if affected people such as neighbours, did not want to speak out? (Examples could include photographs, letter, affidavit, audio recording, video recording.)

**Landlords should not have the obstacle of producing evidence put in their way when trying to protect their property, their tenants or their rental property neighbours. Other tenants and neighbours do not want to provide letters or affidavits. That is the prime problem and why the 90 day no reason notice is the last tool available to landlords to protect their property, their tenants or their rental property neighbours. Photo's and recordings are too difficult to obtain and could be subjective. Getting this information could also result in harm being caused to innocent neighbours and tenants.*

Questions on landlords being able to end a tenancy

2.1.4 Landlords are currently required to give tenants 42 days' notice if they have sold the property with a requirement for vacant possession, want to move in, or need it for an employee or family member. What do you think the impact would be if this notice period was extended from 42 to 90 days?

While it is disruptive for tenants to have to move, the impact of extending the notice period would be disproportionate. Property sales usually have a one month period before possession occurs. Currently new owners must wait 6 weeks before they can obtain possession of a rental property. Extending this to 12 weeks or three months would put many home buyers off considering buying a rental property. This would restrict sales to other investors which only make up around a third of all potential buyers, restricting demand for the property and therefore value.

It can be difficult for Tenants to go through the sale process, so ending the tenancy can be in their best interest. Some tenants can make getting access to show a property extremely difficult.

Many people who decide to sell will make the property vacant during the selling period which will reduce the pool of rental properties available for tenants.

2.1.5 When a rental property is sold, should the new owner only be able to require vacant possession if they want to use the property for a purpose that can't reasonably be accommodated with the existing tenants in place? E.g. to live in the property themselves, for a family member to live in, to renovate or to convert to a commercial property.

No. Placing restrictions on potential buyers would severely impact on the sale process and put people off. Some people purchase properties with the intention of upgrading this property before putting new tenants in it. We need the housing stock to be improved and by putting restrictions like this on houses the housing stock will not improve.

2.1.6 Should a landlord be able to end a tenancy so they can advertise the property for sale with vacant possession? What impact do you think this would have on tenants?

Yes. It is their property and they should be able to sell it however they want as long as they provide sufficient notice to the tenant. If tenants want guaranteed security of tenure, a new tenancy option needs to be developed. House owners should have the ability to do as they like with the property if this means keeping it empty while selling it, then they should have the ability to do this.

Although it is unsettling for tenants to be moved from a property due to its sale, it is not something that the Home Owner wants as they also are out of pocket due to no rent to help cover costs like mortgages. With many empty houses that will be on the market the rental pool is reduced and the cost of rental properties will increase due to supply and demand.

Questions on making sure termination grounds are used fairly

2.1.7 Do you think that landlords should give tenants evidence about why they are terminating a tenancy? If yes, what sort of evidence should that be?

No. It is the owners property and they should have a right to determine what is and isn't acceptable behaviour and manage their property as they see fit. Obtaining evidence can be impossible and place other tenants or neighbours at risk.

Questions on changing notice periods for landlords and tenants

2.1.9 If landlords are required to give 90 days' notice, should tenants be required to give more or less than 21 days' notice? What would be the ideal notice period?

Regardless of whether landlords are required to give 90 days notice, tenants should be required to give 42 days notice unless a shorter period is agreed to with the landlord.

2.1.10 If you are, or have been, a landlord or property manager, what is the longest length of time it has taken you to re-tenant a property once a tenant has served notice?

Questions on reasons for issuing a 90 day no cause notice

2.1.11 If you are/have been a landlord, are there situations where you have used the 90 day 'no cause' termination provision that would not be covered by the grounds for termination in the above table? If so, what was the situation?

Overcrowding

Rubbish around the property

Irregular and late rent payments but just under 21 days

Blocking driveways

Others?

Many of the reasons for a 90 day notice are covered by the list, however the key element is if you had to produce evidence to prove it at the Tenancy Tribunal.

2.1.12 What impact do you think removing 90 day 'no cause' terminations and only allowing terminations for the reasons in the table above would have?

It would be a prescriptive and unreasonable interference with an owners ability to effectively manage their rental property. It will place other tenants and neighbours at risk. It will force good tenants to leave their rentals because the landlord will be unable to manage the situation without putting them at risk. It will increase the cost of managing a rental property.

It could cause significant damage to property of both the landlord and neighbours, plus harassment of innocent parties.

If landlords are forced to go to the Tenancy Tribunal to end a tenancy, tenants will have this recorded against them, potentially making it harder to get future accommodation. (Implementing further regulations to prevent this is not a suitable solution)

Taking a broader look at the tenancy agreements currently on offer

The reasons for ending a tenancy described above only apply to periodic agreements so these changes will only help tenants feel more secure and promote good faith landlord-tenant relationships if landlords continue to offer periodic tenancy agreements.

If landlords think the proposed changes to periodic agreements will make it too difficult to move on tenants who don't meet their obligations, they might prefer to offer fixed-term agreements.

However, should landlords move towards offering shorter fixed-term agreements to what they generally do now in order to gain more control, tenants would be less secure.

Questions on tenancy types

2.1.15 Do you agree with our assumption that if 'no cause' terminations are removed from periodic agreements, landlords could be more likely to offer fixed-term agreements?

Yes, they would offer more fixed term agreements, but these agreements would be of a shorter time period and would be more disruptive to tenants. It has been suggested that tenants feel anxious about fixed term tenancies coming to an end in case they are not renewed. A proposed solution to counter this, by either

removing fixed term tenancies or preventing short term fixed tenancies is not suitable as it doesn't address the underlying problem of removing an owners ability to manage their property.

2.1.16 If you have been a landlord or a tenant in a fixed-term agreement, how long was the longest fixed-term? Why did you choose a fixed-term rather than a periodic tenancy?

Questions on fixed term tenancies

2.1.17 Do you think tenants should have the right to renew, extend or modify their fixed-term tenancy (option 1), if their landlord has not raised any concerns with their behaviour or if specific termination provisions do not apply at the time the tenancy was due to be renewed? What effect do you think this would have on the relationship between landlords and tenants?

No. This would be an unjust restriction on the owners property rights. It should be up to the landlord to offer a new agreement to the tenant. As an example, if the tenancy was due to be renewed in the winter but the landlord had thought about putting the house on the market in the Summer, if the tenant found out about this earlier than the correct notice period the landlord may decide to keep the property empty, thus reducing the rental housing pool.

2.1.18 What do you think would be the impact of setting a minimum length (option 2) for fixed term agreements? What do you think would be a suitable length?

Setting a minimum length would restrict the use of fixed term tenancies for both tenants and landlords. What if either party had good reason to want a tenancy under this arbitrary minimum term? A real problem for people travelling to some parts of Europe where long term tenancies are the norm is not being able to secure a rental property for just one or two years.

Relationships break down – if there is no option for someone to move out due to a minimum length it could result in harm to people.

Despite agreeing to a long term lease, Tenants can simply stop paying the rent if they no longer want to stay in their rental property. They have ultimate control of the tenancy.

2.1.19 What else could the Government do to make sure landlords feel comfortable offering periodic agreements, if they can only terminate for the reasons proposed?

Develop a third, long term tenancy option balanced to the requirements of both tenants and landlords who want longer term tenancies.

Questions whether we need two types of tenancy agreements

2.1.20 Do you think only allowing open-ended tenancies which the landlord can't end unless they require the property for another purpose or the tenant isn't meeting their obligations (option 3) is the best way for the Government to meet its objective to improve security and stability for tenants?

No. Develop a third, long term tenancy option balanced to the requirements of both tenants and landlords who want longer term tenancies.

Relationships breakdown, situations change, financial pressures happen therefore the landlord needs an opportunity to look after themselves before their tenants.

2.1.21 Do you think the Government should further investigate removing fixed-term tenancies from the market? Please explain your answer.

No. They are a legitimate option that meet the needs of certain tenants and landlords.

If these were removed more Landlord would exit the market. The security of a fixed term is for both the landlord and the tenant.

2.1.22 If fixed-term tenancies were removed, what changes could be made to periodic agreements to balance security for tenants and landlords?

Nothing. One tenancy option does not provide the flexibility or certainty that may be required by either tenants or landlords. A third option should be introduced to meet the needs of tenants that want a long term rental property that they can treat like an owner occupied property, while protecting the rights of the owner and compensating them for giving up their property rights.

Questions on tenants responsibilities

2.2.1. Have you ever disagreed with your tenant or landlord about whether or not they are meeting their obligations? If yes, how could this have been avoided?

2.2.2. Do you think tenants should have more responsibilities for the property that they rent? Please explain your answer. Are there other things a tenant should or should not be able to do? Please explain your answer.

Yes. a new tenancy could be introduced, either similar to a commercial lease, a European model or something that compensates an owner for giving up their property rights.

They should be responsible for the water that they use, rather than the landlord.

They shouldn't be able to change the property structurally as if it isn't completed correctly it becomes the landlord responsibility to fix.

The costs of 'righting a wrong' is expensive and when a tenant makes up their mind to move on to another property they don't want to do these things.

2.2.3. Do you think a tenant's responsibilities to keep a property 'reasonably clean and tidy' make it clear what sort of behaviour a landlord can expect? If not, how could this be made clearer to a tenant?

No, as reasonable is a subjective word. However if we get too prescriptive and legalistic we move away from the current model that while not perfect works well for the vast majority of tenants and landlords who are reasonable people.

2.2.4. Should a tenant in a longer-term tenancy have additional responsibilities for the care and maintenance of the property? If you answered yes, at what point during a tenancy should these additional responsibilities be triggered, and what sort of responsibilities should a long-term tenant take on?

This could be possible if it is desired by a sufficient number of tenants. It could reduce the cost and management of a rental property which could be sufficient for some owners to give up some of their property rights. There are many ways that longer-term tenancies could be designed. A flexible option could be developed so individuals can design a tenancy that suits their respective needs. A balanced and open discussion between tenant and landlord groups needs to be undertaken to define what a longer-term tenancy might look like.

2.2.5 What other changes to tenants' responsibilities might be needed to modernise the law so it can appropriately respond to changing trends in the housing and rental markets?

Question on what happens if a tenant is not meeting their obligations

2.2.6 Are there sufficient repercussions for tenants who don't meet their obligations? If not, what would you change?

No. Rent arrears are by far the largest reason for applications to the tenancy tribunal. There are no consequences for a tenant not paying their rent and sitting out the time it takes before they can be evicted. It should be unlawful to not pay the rent and consequences should apply, such as exemplary damages or the ability for landlords to charge interest on outstanding rental payments. Landlords need much faster access to the tenancy Tribunal, especially when a sitting tenant has stopped paying the rent. Tenants should be made completely responsible for damage they cause. Access to show the rental property to potential new tenants should be clearer and tenants unreasonable limiting of access should be an unlawful act. Using a rental property for short term letting through websites such as Air BNB should be an unlawful act. Make tenants stopping rent payments when they give notice an unlawful act. Need to be able to recover costs within a shorter time frame. The ability to sell assets to recover costs.

Questions on landlord responsibilities (Please state if you are a tenant or landlord when answering)

2.2.7 Do you think landlord obligations are clear and well understood?

Yes they are outlined in a legible manner and easy to understand.

2.2.8 Are there other things a landlord should be responsible for? If yes, please specify. Are there other things that a landlord should or should not be able to do? If yes, please specify.

2.2.9 Do you think the current obligations make it clear what tenants can expect from landlords in terms of maintenance? If you answered no, how could this be made clearer?

Tenants should be responsible for blocked drains if it was their actions that caused the problem. Landlords should be responsible if the drains have broken. Tenants should be responsible for bulbs and stove elements, also any other damage caused to the oven during their tenancy – e.g. bent doors, burnt out bottom trays due to consistent pots being over boiled.

2.2.10 What other changes to landlords' responsibilities might be needed to modernise the law so it can appropriately respond to changing trends in the housing and rental markets?

2.2.11 Are there sufficient repercussions for landlords who don't meet their obligations? If not, what would you change?

Yes. The exemplary damages against landlords are more extreme than tenants

Questions on landlords and tenants working together to keep a property warm and dry

2.2.12 How do you think landlords and tenants should share the responsibility for maintaining heating equipment, ventilation methods, and any other improvements installed under the Healthy Homes standards?

Tenants should be responsible for their own non-permanent heating of a property. Like smoke alarms, Tenants should be responsible for the yearly servicing of such things like heat pumps and should provide proof of a yearly chimney clean to the landlord.

More courses like Ready2Rent should be rolled out through-out the country as this helps tenants understand the need to ventilate their properties, clean away mould when they see it, and dry their washing outside. Also, how important it is to remove moisture from crying windows and turning on expel air systems when cooking and showering.

Unflued Gas Heaters should be banned

2.2.13 If a landlord makes improvements to a property to make it warmer or drier, should tenants be obligated to use those improvements? Please explain your answer.

It is difficult to make tenants use the improvements provided. Heat pumps are expensive to use and for many it is a luxury to have it turned on. however they should be held responsible for removing mould if it occurs and they haven't been using the improvements. If they continue to not use the improvements and mould continues to occur, it should be deemed an unlawful act.

It should be compulsory for tenants to attend a Healthy Homes Course – like Ready2Rent which is run in the Hawkes Bay as this will help them understand the importance of keeping and maintaining a healthy home.

Questions on tenants modifying rental properties

2.3.1

What are examples of modifications that tenants have made or asked for that we don't consider reasonable?

Reasonable is a subjective word. Tenants may choose a rental property because it is cheap and then consider it reasonable to ask for features contained in a more expensive rental.

2.3.2 If you are, or have been, a landlord or property manager, in what instances have you withheld, or granted, permission for tenants to modify a property? What were your reasons for doing so?

Questions on whether tenants should be responsible for reversing their modifications

2.3.3 Should a tenant be under an obligation to reverse any modifications they make in rental properties, unless the landlord agrees to take on the modification? Please explain your answer.

Yes tenants should be held responsible for reversing their modifications unless the landlord agrees. Modifications can be extremely individualised and not to the general populations taste. They can also be undertaken to a poor standard and without the correct council consents.

2.3.4 Do you think that if the landlord doesn't wish to take on a modification at the end of a tenancy and the tenant doesn't reverse it, that this should be an unlawful act with a potential financial penalty? Please explain your answer.

Yes. It can be extremely expensive and time consuming to reverse modifications. It needs to be made completely clear to tenants that putting the property back to how they found it is expected and consequences will occur if it isn't completed to a good standard. This will also include any loss of rent which occurs due to the 'making right' of the situation.

Questions on option 1 silent permission for tenants to modify rental properties

2.3.5 What are reasonable grounds to object to a tenant's request to make minor modifications to a rental property?

It affects the structure of the property, risks watertightness, requires council consent, is undoable once undertaken, would cost more than the bond to put it right if the tenant didn't put it right at the end of the tenancy.

Because they only have to give 3 weeks' notice to leave, tenants of a periodic tenancy should not be able to do more modifications than they are currently allowed unless they are willing to pay an extra bond.

Anything that goes against making a Healthy Home – so could include closing off windows for other structures, sealing up doors and windows.

Anything that is hard to correct – like painting the walls black in a bedroom. Takes time and money to correct.

2.3.6 Do you agree that 21 working days is a reasonable amount of time for a landlord to consider a tenant's request to make minor modifications to a rental property? If you answered no, what would you consider to be a reasonable amount of time and why?

Yes. This is enough time to consider but not necessarily undertake the work. There would need to be strict rules around making sure the landlord has received the notice before work is undertaken. There should also be a restriction on what work can be undertaken if the tenant doesn't hear back from the owner., to prevent an error in communication resulting in a major modification that cannot be easily remedied.

2.3.7 Depending on the type of modification, should a landlord be able to require the tenant to use a suitably qualified trade person? If so, what modifications should, or should not, be subject to this requirement?

Yes, it should be at the landlord discretion who they are to get to do the work – although the Landlord should not be responsible for any overcharge.

Questions on option 2 tenants having a statutory right to make specific modifications

2.3.8 What are sorts of modifications that could be included on a list of alterations tenants have a right to make without seeking their landlord's permission?

Picture hooks if they are required to repair the holes at the end of the tenancy. Light fittings as long as they safely store the fittings supplied with the property

The following were the top modifications that respondents to an NZPIF survey believed tenants could make as of right:

<i>Curtains</i>	<i>33%</i>
<i>Picture hooks</i>	<i>30%</i>
<i>Vegetable Garden</i>	<i>29%</i>
<i>Sky Arial</i>	<i>25%</i>

2.3.9 Do you think that the advantages, disadvantages and impacts of each option have been correctly identified?

*It will be difficult to get it right. A list will be too restrictive and inflexible but a generalised overview of what tenants can alter will lead to miscommunication and disputes.
It may be better to instigate a new tenancy that allows higher security of tenure as well as modifications.*

2.3.10 If government was to develop either option 1 or 2 further, which model do you prefer and why?

Tenants still have to ask for permission to make modifications but a list of reasonable modifications is developed and if the Landlords has not replied then the tenant can carry on and make them. All other modifications should have the approval of the landlord.

Questions for your consideration on pets

2.4.1 Should a landlord be able to refuse a tenant's request to keep a pet without giving a reason?
Please explain.

Yes. While the NZPIF encourages owners to accept pets, pets can present enormous problems for the owner plus other tenants and neighbours. Unless the pet is of a type that can be contained (such as a fish or bird) and therefore has a reduced risk of damage or upsetting neighbours, owners should have the right to refuse them. There are too many unknowns such as the size of the animal, potential for damage, how many animals there might be, whether the animal is toilet trained and whether the animal will cause problems for other tenants or neighbours.

If any neighbours or tenants object to pets in writing, then this should be a reason for owners to refuse pets. A recent membership survey shows that 7% of members allow pets as of right and 46% with permission allowing them to consider the specific pet. This compares to 4% and 38% for non-members, showing that NZPIF members are more willing to accept pets.

The most common problems caused by pets that respondents experienced are:

<i>Damaged carpet</i>	<i>62.5%</i>
<i>Scratched doors/floors</i>	<i>56.6%</i>
<i>Holes dug by dogs</i>	<i>45.9%</i>
<i>Flea infestations</i>	<i>41.7%</i>
<i>Ripped wallpaper</i>	<i>36.5%</i>
<i>Angry neighbours</i>	<i>33.3%</i>

The Osaki case removing tenant's liability for damage has affected respondents willingness to accept pets in rental properties.

<i>Used to allow pets but now don't</i>	<i>12.1%</i>
<i>More cautious about allowing pets</i>	<i>49.4%</i>

Respondents were asked what would encourage them to allow pets.

Making tenants completely responsible for the cost of pet damage was the best encouragement at 79.3%

<i>Limiting the number of pets</i>	<i>69.6%</i>
<i>Allowing a separate pet bond</i>	<i>67.9%</i>
<i>Ability to remove pet easily</i>	<i>66.7%</i>
<i>Limit on size of pets</i>	<i>61.0%</i>

Under what circumstances should tenants be allowed to keep pets?

Option one: Specify in law specific examples when landlords could decline a request to keep a pet

Option two: Landlords must not unreasonably refuse a pet request

Questions on when tenants can have a pet

2.4.5 What might be reasonable grounds for a landlord to object to a tenant's request to keep a pet?

Against body corporate rules.

Neighbours or other tenants object.

Property isn't fenced.

No-where for the animal to toilet.

Unregistered

Uncaged pets less than 18 months old as they are usually not completely toilet trained.

Dangerous animals (pitbulls) – safety for those around it.

Too many pets.

2.4.6 Would it be more effective if tenants instead gave reasons why they should be able to keep pets in rental properties?

No. Opens up too great an expectation and could lead to disappointment and conflict. Owners should have an overriding say on what happens in their property.

2.4.7 Do some premises have specific attributes that mean they are inappropriate for some types of pet? If so, what?

Apartments and blocks of flats

Nowhere for them to toilet apart from the neighbours.

Insufficient space to provide a good environment for a dog.

No sunlight in fenced area.

No outdoor area.

Unfenced properties

Dangerous dogs next door.

Question on pet damage

2.4.8 What types of changes to the law could be made to compensate landlords for potential damage to rental properties if tenants keep pets?

Pet bonds in addition to regular bond. No limit on responsibility for damage as there is for other damage tenants cause. Ongoing damage to property or animal behaviour causing problems for tenants and neighbours is a cause for removing the pet without a need to go through the Tenancy Tribunal system.

Option four: Clarify the obligations on tenants to remove any doubt that pets may not cause nuisance

While tenants have a general obligation not to interfere with the peace & comfort of their neighbours & this obligation extend to their pets, there is no explicit obligation in regards to their pet's behaviour.

- ensure a pet does not cause nuisance to the landlord's other tenants or neighbours.
- take all reasonable steps to ensure a pet does not impact on the cleanliness and tidiness of the premises and to prevent pet damage to the premises.

A breach of any or all of these obligations could be an unlawful act (with corresponding penalties).

Questions on tenants obligations for pets

2.4.9 Do you support the introduction of specific obligations in the RTA for tenants who keep pets in regards to their rental property and the peace and comfort of their neighbours?

Yes. If the laws are changed then it will open up a large number of problems that are difficult to quantify or anticipate given the wide variety of circumstances that could occur. Complaints by neighbours should be a reason for the pet to be immediately removed.

2.4.10 If you are a landlord, are there any other options not covered in this section that would make you feel more comfortable with tenants having pets? If yes, please explain.

Respondents to an NZPIF survey were asked what would encourage them to allow pets.

Making tenants completely responsible for the cost of pet damage was the best encouragement at 79.3%

Limiting the number of pets 69.6%

Allowing a separate pet bond 67.9%

Ability to remove pet easily 66.7%

Limit on size of pets 61.0%

Questions on increasing rents

3.1.2 Do you think rental bidding should be banned or controlled? Why or why not?

No. Tenants have a right to offer more for a rental property if they feel that it is under priced and are willing to pay more than the asking price.

It all comes back to offer and acceptance. If the rents too high no one will rent it. It's a free market and should remain so.

Question on rental bidding

3.1.3 If you think something should be done about rental bidding, do you have a preference between option one or option two, or another option? Please explain.

Option One: Prohibit landlords or property managers from asking for rental bids.

No, this should not be introduced as it is fair and reasonable for anyone to ask what the market is prepared to pay for an item or service.

Option Two: Prohibit the request and acceptance of rental bids.

No, Tenants have a right to offer more for a rental property if they feel that it is under priced and are willing to pay more than the asking price.

Questions on tenants challenging rent increases at the Tenancy Tribunal

3.2.1 An application for a rent adjustment under a fixed-term tenancy agreement must be made to the Tenancy Tribunal within three months of the last rent review or from the commencement of the tenancy. Do you think three months is an appropriate amount of time to allow for this process? Why or why not?

Should be less, as there is a risk that the Tribunal will disallow the rent increase and the landlord has to pay it back. This needs to be handled expeditiously.

3.2.2 Do you think the RTA should include guidance on what constitutes ‘substantially exceeding market rent’? If you answered yes, what do you think constitutes ‘substantially exceeding market rent’?

No. It would be too complicated and subjective. It may not be perfect, but leaving it to the Tribunal is preferred.

Question on rent increases

3.3.1 If you are a tenant or a landlord, how often has the rent for your rental property increased? (e.g. six-monthly, yearly, every two years)?

3.3.2 Do you agree that rent increases should only be allowed once every twelve months?

No. It is unfair for rental price controls on rental property when there are no controls on rental property expenses. Owners need the flexibility to increase rents more frequently. If rental prices are consistently increasing then it helps tenants budgeting to have the increases smaller and more frequent than larger and annually.

3.3.3 Should landlords be required to disclose how they will calculate future rent increases when a new tenancy is entered in to?

No, it's too hard to disclose how the rent calculations will increase as there will be costs that arise for eg huge rises in insurance that Landlords have no control over however these costs need to be ultimately paid indirectly by the tenant so if you set a formula and costs explode a landlord will sell up rather than hold onto an asset that is costing money.

Questions on MBIE having more power to enforce tenancy laws

5.1.1 Have you ever had a situation related to your tenancy where you felt that action, in some form, was warranted but decided against it? Please explain

5.1.2 Have you ever, sought the assistance of MBIE’s tenancy services to investigate your tenancy?

5.1.3 If you answered yes to the previous question, please explain which part of MBIE’s tenancy services you sought assistance from and please comment on the quality of the service you received. If you had any problems with your experience with Tenancy Services, do you think they were due to lack of resources or information (on your part, or the part of agencies), the provisions of the law, or something else? Please describe.

Questions on MBIE enforcement in boarding houses

5.1.4 Do you consider it appropriate for MBIE to have the power to enter the common spaces of boarding houses without the prior agreement of at least one of the tenants?

No, they should have written consent from the Landlord – privacy laws come into play.

5.1.5 How much notice should MBIE be required to give a boarding house landlord before exercising this power? (e.g., no notice, 24 hours or 48 hours’ notice) Please explain

At least 72 hours notice – there are people that live in the property and it is an invasion of privacy if people whether it be MBIE or anyone else enter into their place of residence.

Question on MBIE audit powers

5.1.6 Do you think it's appropriate for MBIE to carry out audits of a landlord or property managers? Please explain your reasons.

No. This would be an expensive, unnecessary and arbitrary undertaking.

Question on MBIE enforcement powers

5.1.9 Do you consider it appropriate for MBIE to enter into enforceable undertakings with landlords? Please explain

No. That is the realm of the Tenancy Tribunal which would be undermined if this was to occur. MBIE are not the Police and should not get involved in things like this. There are other methods for these things to be handled.

Improvement notices

An improvement notice would alert the party of a breach, and provide them with an opportunity to rectify the breach within a specific time period without further penalties.

Questions on improvement notices

5.1.10 Do you think it's appropriate for MBIE to issue improvement notices? If so, in what situations?

No. MBIE should not be involved in activities like this.

5.1.11 What should the penalty be for failing to comply with an improvement notice?

The current policy should continue and there shouldn't be improvement notices.

Questions on MBIE issuing infringement notices

5.1.12 Do you agree MBIE should have the ability to issue infringement notices in circumstances where a breach of the RTA is straightforward to prove?

No. That is the realm of the Tenancy Tribunal which would be undermined if this was to occur.

5.1.13 Do you think infringements for landlords would be effective in holding them to account for poor behaviour, and/or encouraging positive behaviours?

No, for the same reasons as above. There needs to be balance as there are no infringements for tenants who misbehave so why is it different for landlord who are ultimately providing a service to the community?

5.1.14 What situations do you consider would be appropriate to issue an infringement notice in?

No situation as it shouldn't be MBIE's task to police landlords in this prescriptive manner.

Questions on exemplary damages (awards made by the Tenancy Tribunal payable to the other party of the tenancy)

5.1.15 Do you think these existing exemplary damage levels are appropriate for breaches considered to be unlawful acts?

See page 174 of NZPIF RTA book. Schedule 1a amounts for unlawful acts.

Using the premises for unlawful purpose \$1,000 to \$3,000?

Subletting \$1,000 to \$3,000?

Abandonment of premises \$1,000 to \$4,000?

5.1.16 Are there any other breaches of the Act you consider meets the threshold for unlawful acts?

Not paying the rent

Stopping paying rent as soon as you give notice to end the tenancy

Owing rent when leaving a tenancy without a repayment plan in place agreed to by the owner

Having a pet when prohibited from doing so.

Exceeding the allowed number of people to reside in the property

Smoking in the property

Proven antisocial behaviour

Deliberate damage to property

Not removing possessions at the end of a tenancy

Unreasonable restriction of access for new potential tenants wanting to view the property, tradespeople, real estate agents or other professionals.

Subletting the property without permission

5.1.17 Do you think changing the name of exemplary damages to 'penalty' would better clarify the purpose of the regime? Please explain

Yes. It would generally make it easier for owners and tenants to understand.

5.1.18 Do you think MBIE should have the ability to apply to the Tenancy Tribunal to award a penalty where unlawful acts have been committed? If yes, what do you consider would be the appropriate maximum penalty MBIE should be able to apply for?

No. That is the role of the Tenancy Tribunal. It should also be the cost to correct the unlawful act – e.g. clean a meth property, whether this means to completely shell the property and start again – no costs should fall on the landlord also includes loss of rent while correcting the problem.