

**NELSON PROPERTY INVESTORS ASSOCIATION**  
**OCTOBER 2021 NEWSLETTER**  
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**ANOTHER MEETING CANCELLED.**

We were supposed to have Ashley Church talking on 5<sup>th</sup> October but regretfully I have had to cancel this meeting as well. This is the second year in a row we have needed to cancel Ashley coming down.

So sorry folks no meeting this month. We still have Anthony Appleton-Tattersell the specialist property accountant booked in for the 16 November. The planned meeting with Derek Smail and Darryl Olverson from Ecotech Nelson and Tony Frost by Zoom from China has been rescheduled for 14 December. It would be a brave foolish person to say what will happen with covid and our government, but I am getting a good feeling that the shackles are about to be loosened. As we head towards higher rates of vaccination the hints are, increased freedoms will be linked to proof of vaccination. With the unexpected private landlord taxes (loss of interest deductibility) and news items about thousands of prefabricated dwellings coming into the country our final meetings for the year are critically important.

**FAMILY VIOLENCE AND THE RTA**

In my last newsletter I wrote about the two new clauses in the RTA. I have been informed I was wrong as to why the associated regulations have not been issued. When one is guessing the chances of getting things correct is low. Apparently the regulations are now planned to be published in December 2021. On the clause concerning a landlord being assaulted by a tenant the RTA provides for the landlord to give the tenant 14 days notice to terminate without needing to go to the tribunal. There is of course a reasonable facility for the tenant to challenge this through the tribunal. BUT such a notice can only be enacted if the Police have charged the tenant. Note the amendment says "charged" not "convicted". I have been advised the reason for the delay issuing the RTA regulation is the Police have not provided the required documentation for the regulations to be issued. Obviously I am no law expert but I always thought the law was not written by the Police. Now the chances of landlords being provided with written documentation of a charge by the Police are next to zero. But also regardless of the nasty black eye the landlord might be nursing, it goes against all the long held views on justice that tenants should not be punished with a short notice eviction if the court has not found the tenant guilty of the assault. It most certainly is not the job of the Police or the landlord to decide who is guilty. If you are still scratching your head wondering about this new law, just remember social tenants are not covered by the new clauses. Their tenants presumably are still permitted to assault their landlords without the risk of being evicted.

**BEWARE OF THE WOLF IN SHEEPS CLOTHING**

I am on the mailing list of Tenancy Services as well as following them on Facebook. I recently read a post on Facebook from Tenancy Services. This post provided advice for landlords and tenants on seeking a rent reduction. The advice was the tenants needed to prepare a budget to show the landlord in order to justify and convince the landlord to lower the rent. Now my understanding of what detail would be in a budget that would be given to a

budget advisor, bank, or credit provider is a document showing the income and expenditure along with supporting documentation like wage slips and bank statements.

I responded to the Facebook post saying I did not think it was appropriate for landlords to have access to such personal information. Within a few minutes of my Facebook post Tenancy services came back and said landlords should not have access to bank records. The next day Tenancy Services published their regular newsletter and they repeated the same information but this time they put a link off to the Privacy commissioner who rightly so said landlords could not ask for bank records. So landlords should take note. Be very careful what you ask for. My thoughts are even if you do not ask for such personal information I would be wary of even looking at such information if it is given to you by the desperate tenants seeking rent relief.

Over the years I have been faced with many tenants who have struggled to pay the rent. I have figured out how to help a few of them and as most of you know I have had more than my share of evictions. I have introduced a few to budget advisors. I have arranged for a lot of tenants to get additional assistance from MSD along with encouraging lots to get their rent paid by benefit redirection. Back in the days when I had a huge range of properties I successfully rehoused many tenants to cheaper homes. Often those families renting homes with more bedrooms than they need get taken advantage of by others who move in, eat their food, consume the power and presumably do not make a decent financial contribution.

Regardless of the cause of the financial difficulties that tenants face if the rent is forgiven what starts out as one person having a problem soon turns into two people with a problem, that being the tenant and the landlord. Not getting the rent is no excuse for not maintaining a property, fixing a failed hot water system, unblocking a sewer, repairing a leaking roof, or removing piles of rotting rubbish. I have not even mentioned the healthy home expenditure requirements which could easily consume several years of excess income over non optional expenditure like rates, insurance, mortgage, and property management. Remember a tenant who signs up to rent a property when they cannot afford it is a big problem. When their circumstances change like job or relationships change they need to address those issues. It is not for the landlord or the tenancy tribunal to determine if financial problems are justified. Ways that rent issues can be addressed are provided for in the RTA. Fixed term tenancies can be ended if unforeseen circumstances occur and tenancies can be ended if the rent is not paid.

## **THE MARKET**

Over the last 30 years I have never seen so few properties advertised to let. Current properties advertised are now under 60 for the whole of Nelson / Tasman. Our region is not alone with this situation with the likes of Hawkes Bay having 70.

I am not sure if the Tasman District Council has been listening to me but they are now publicly admitting that they are approving so many properties the place is facing huge growth issues. Despite record numbers of new homes coming on stream the number of homes for rental or sale is still at rock bottom. I have not seen any evidence of people buying and building homes and leaving them empty like some people are suggesting. The schools are bulging, traffic is grid locked through Richmond and Motueka. The TDC is advising people to expect unreasonable delays building approvals.