

Fixing the Rental Crisis

New Zealand has a rental property crisis.

There are not enough rental properties, which has seen the Social Housing Register explode to over 25,000 and \$1m of Government funds a day spent on motels to house tenants with emergency housing needs.

First Homeowners have been prioritised over tenants. Rental providers have been discouraged from providing rental accommodation.

Badly behaving tenants have received better protection over their suffering neighbours.

While introduced with good intentions, changes to the rental industry have led to a high level of unintended consequences.

The system has been broken and needs to be improved to increase the supply of rental properties, lower the cost and price of rental properties and provide more stable rentals properties.

Stable and better homes

1. Establish a long-term tenancy option (based on the German tenancy system) where landlords and tenants agree on a lease term and the landlord guarantees security of tenure during the rental term.
2. Return tenants notice period to 21 days & landlords to 42 days when selling or for the owner's occupation.
3. To encourage punctual rental payments, landlords can charge interest or a standard fee on outstanding rental payments.
4. To improve tenant's quality of life & minimise rental price increases, make the cost of supplying & installing insulation & energy efficient heating a tax-deductible expense.
5. Encourage landlords to allow pets:
1. Make tenants responsible for pet damage. 2. Tenants responsible for problems pets cause neighbours. 3. Pet can be removed without Tenancy Tribunal. 4. Allow pet bonds.
6. Allow landlords to take out third-party insurance for their tenants, with tenants responsible for the cost.
7. Help tenants into new tenancies by processing undisputed bond refunds within 5 days, with Government guaranteeing the bond to the new rental provider.

Lower costs, Lower rents

1. Return the ability to claim mortgage interest costs as a legitimate tax-deductible expense.
2. Repeal ringfencing regulations to increase the supply of rental properties for tenants.
3. Return the Brightline Test to 2 years to encourage rental property provision by confirming that rental property owners are not speculators.
4. Tax rental property at 10.5% income tax rate to encourage supply and lower rental prices.
5. Make private tenants Accommodation Supplement equal to social tenants Income Related Rent payments, so tenants are not disadvantaged due to who their landlord is.
6. Tenants should be held responsible for damage that they or their guests cause to the property, whether accidental, careless or intentional.
7. Any belongings left behind at a rental property one week after the tenancy has ended can be disposed of by the landlord at their discretion and at the tenant's cost.
8. Private rental providers should receive all the Government support that social housing providers receive.
9. Government to provide low interest fixed term and fixed rate mortgages to rental property providers who are providing tenants with long term stable tenancies.

More rental properties

1. If a tenant wants a tenancy to continue at the end of a fixed term period, it must be under the same terms and conditions, not automatically periodic.
2. Retain a landlord's right to charge a fair market rental price without rent controls.
3. Allow letting fees to be paid for by the party who is receiving the benefit of the property managers service.

Closer communities

1. To protect other tenants & neighbours, landlords have a right to issue a 90-day notice without providing the reason or applying to the Tenancy Tribunal.
2. To enhance water conservation, make tenants directly responsible for all water costs, including wastewater and fixed costs, when water charges are based on consumption. Water supply authorities must accept renters as their customers
3. Allow a publicly available list of tenants owing money after tenancy ended, damaged the rental property, disturbed neighbours or assaulted their landlord.

Putting things right

1. Introduce a new rent arrears division for Tenancy Tribunal operated on an administrative basis. Introduce a fast-track system for urgent cases. Allow Tenancy Tribunal to issue Eviction Orders.
2. Retain balance and the independence of the Tenancy Tribunal by not allowing either party to appoint advocates to represent them.
3. Do not allow tenants details to be withheld from public record if they lose a Tenancy Tribunal case.
4. Require all information held on a tenant from any source to be made available to a landlord who has successfully proved their case at a Tenancy Tribunal hearing.
5. Increase the sanctions for tenants who breach the law to be more in line with comparable sanctions against landlords.

We can solve the Rental Crisis by working together

