

Landlords Protection Association Incorporated

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PHONE 542-369

21st., October, 1985

The Secretary,
Social Services Select Committee,
Parliament Buildings,
WELLINGTON

Dear Sir,

re; Submissions regarding Residential Tenancies Bill

We enclose our submissions for presentation to the Social Services Select Committee which has the following table of content:

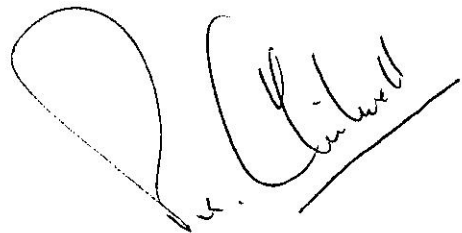
1. Comment on the Residential Tenancies Bill.
2. Submissions.
3. Conclusion.

We are an Auckland based Incorporated Society whose private sector landlords are mainly in the Auckland district.

We make our submission in the hope that a catastrophe in the supply of domestic rental accomodation may be averted.

We wish to be represented to give our submissions orally with two of our members including Peter Chilwell, ph Auckland 542-369.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'P.K. Chilwell', written over a horizontal line.

P.K. Chilwell

President

COMMENT ON RESIDENTIAL TENANCIES BILL:

1. The principle of dealing with landlord tenant dispute swiftly whether by mediation or quasi-judicial determination is excellent provided that it is in line with commercial practice, fair, just, able to be enforced and has the effect of reducing the incidence of dispute.
2. The Bill in its present form is in opposition to current commercial practice while assuming that the domestic landlord is the one primarily at fault. Accordingly it deals harshly with landlords while considering that eviction is the major penalty a tenant should suffer.
3. The Bill will do little to reduce dispute and will drive the domestic landlord out of business. From the private sector landlord's point of view it makes bad law worse.
4. Nowhere does the Bill provide for enforcement of judgement against tenants or provide for the collection of monies owing by defaulting tenants other than the sum held by way of bond.
5. The Bill provides for summary conviction with imprisonment or fines under the Summary Proceedings Act prohibiting legal representation for the one charged and such power is given to a lawyer of five years standing. It gives a barely trained lawyer some of the powers of the High Court and most of the powers of the District Court judges. The right of appeal is very limited and discouraged. The Bill provides for quasi judicial judgements to be made on emotional grounds alone.
6. The Bill considered in isolation (without referenece to current tax law practice and the absorbtion of GST to come, inflation, high interest rates, local body charges and other rising costs) could appear to be a reasoned approach to the difficult problem of ensuring that there is an adequate supply of secure rental accomodation maintained to a good standard for the low paid and those who choose to rent.
7. If the Bill passes in its present form it will remove a great number of poorly maintained (generally older) dwelling units from the market as the cost of restoration would be unaffordable by the owner and the subsequent rent attainable uneconomic.

8. The present housing problem will be exacerbated with rents rising sharply if the Bill becomes law without considerable amendment.

2. SUBMISSIONS:

1. We submit that the Bill should be redrafted to remove:
 - a. Any element of criminal prosecution especially where the accused is denied legal representation.
 - b. Any element of limiting or prohibiting historical and existing commercial practice.
 - c. The Housing Corporation and the Minister of Housing as the principal arbiters and decision makers regarding private sector domestic accommodation.
 - d. Eviction by bailiff only. Bailiffs are already overworked, abhor evictions and lengthy delays are commonplace in their service of documents.
 - e. The granting of judicial warrants to lawyers of little training.
 - f. The possibility of the Minister of Housing promulgating law changes overnight by regulation (Order-in-Council).
 - g. Tacit approval of squatting.
 - h. The possibility of rents being set artificially low by edict or held at uneconomic levels by ruling.
2. We submit that the principle of 'user pays' where the services of the Tribunal or Mediator is used is fair and reasonable provided that each party is levied equally. We question whether income derived from the investment of bond monies will prove adequate for the service to operate. The number of landlords taking bonds will drop through the contraction of the private sector and by deliberate decision not to take bonds on the part of the landlord.
3. We submit that without considerable amendment to the Bill and substantial changes in other related areas of Government activity investment in the private sector domestic rental field will virtually cease. Even those going abroad for limited periods will leave their premises untenanted. The present trend of turning rental blocks of flats into home units for individual sale and the returning of flat conversions to single dwelling units will accelerate. The latest trend of residential property owners leaving rental accommodation empty will also accelerate.

3. CONCLUSION:

1. The Bill extends residential tenancies bringing hotel and motel proprietors and others under the scope of the Bill. This will lead to greater confusion and housing difficulties surrounding major building projects or wherever there is a housing shortage.
2. We see the Residential Tenancies Bill in its present form as being anti landlord, discriminatory, unfair, unjust, contrary to commonsense and if passed without considerable amendment the death knell of the private sector residential landlord.
3. If the Bill passes into the Statutes in its present form it will provide a breeding ground for social unrest akin to that of parts of Britain, the USA and other areas where tenancy law is anti-landlord, pro-tenant. It will spawn a massive and expensive bureaucracy dedicated to the persecution of landlords.
4. If the Bill passes into the Statutes in its present form it will compound the problems of homelessness with an ever increasing number of people living in cars, caravans, garages, chicken coops, tents and home built shanties. It will lead to more overcrowding of premises (especially State and Local Body housing) and lead to an 'as of right' occupation by squatters of derelict properties scheduled for demolition and premises intentionally left unoccupied by their owners.
5. If the Bill passes into the Statutes in its present form it will add considerable strain to that already imposed upon the Housing Corporation and Local Bodies to provide in short order the replacement of the private sector (currently estimated as approximately 150,000 rental units). It is debateable whether the State can build let alone fund such a changed requirement for rental housing supply.