



NEW ZEALAND  
PROPERTY  
INVESTORS  
FEDERATION

# Property Industry Issues

- Tenants liability for damage
- Unlawful properties
- Methamphetamine
- Residential Tenancies Amendment Bill
- LVR Restrictions
- Insulation minimum standards
- Extending the Bright Line Test
- Ring fencing tax losses
- Tax working group
- Healthy homes Guarantee Bill
- Privacy commissions guidelines
- Residential Tenancies Act Review

Security of Tenure

Allowing pets as of right

Allowing property modifications

# Property Industry Issues

- Tenants liability for damage
- Unlawful properties
- Methamphetamine
- Residential Tenancies Amendment Bill
- **LVR Restrictions**
- Insulation minimum standards
- **Extending the Bright Line Test**
- **Ring fencing tax losses**
- Tax working group
- **Healthy homes Guarantee Bill**
- Privacy commissions guidelines
- Residential Tenancies Act Review
  - Security of Tenure
  - Allowing pets as of right
  - Allowing property modifications

# Tenants liability for damage

- Tenants responsible for lower of the landlords excess or four weeks rent
- For new tenancies, Landlords need to state if property insured, what the excess is and that policy is available if they request it.
- \$500 penalty if don't comply
- Each incident
- Accidental or careless?...

# Contamination

- Expanded from just Meth
- Landlords have a right to test
- Regulations to be established by Minister.
- Knowingly rent a contaminated property, \$4,000
- If follow the regulations, cannot be prosecuted...

# Illegal dwellings

- Gives Tribunal ability to hear cases  
Not restricted to paying back the rent
- unless satisfied that it would be unjust ..., the Tribunal **must not order** the tenant to pay ... any rent arrears or other damages or compensation owing by the tenant...

# Healthy Housing Bill

## **MBIE has set standards on:**

1. indoor temperatures
2. methods of heating
3. insulation
4. Ventilation
5. draught stopping
6. drainage ...

# Healthy Housing Bill

## Timeframes:

1. July 1 2019, statement that your rental meets the standard or you will comply
2. July 1 2021, new tenancies must comply
3. July 1 2024, all tenancies must comply ...



# Insulation

## **New standard:**

1. All rentals must be at the current standard
2. 120mm in ceilings...

# Heating

## **New standard:**

1. Fixed heating device capable of heating the largest living area to 18 degrees
2. No requirement for bedrooms
3. Non energy efficient heaters over 2400w are not acceptable
4. If you have an existing compliant heater:  
can be 10% less than the requirement.  
Can be topped up by electric heater less than 1500w. ...

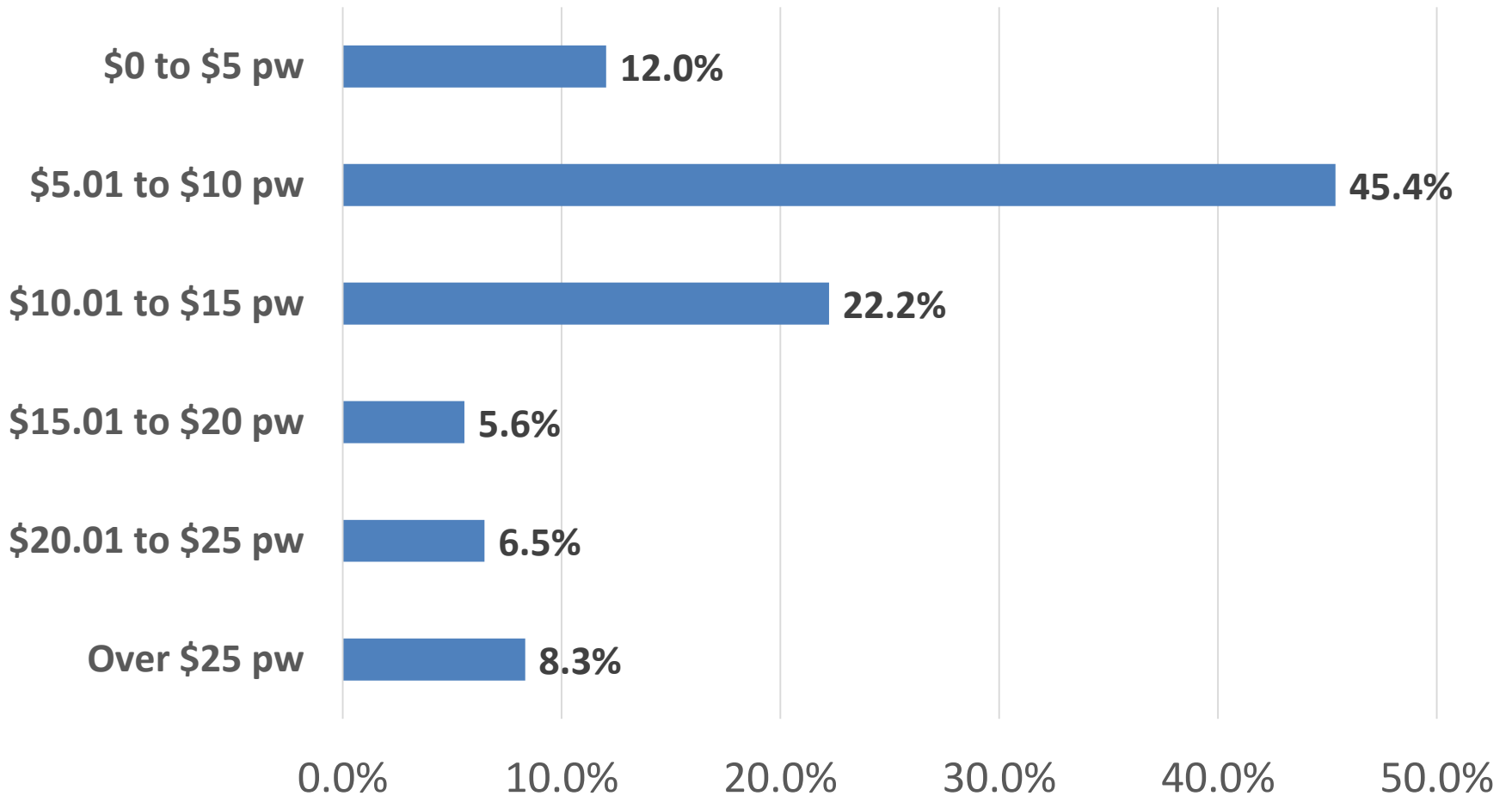
# Heating

## Heating assessment tool:

1. [www.tenancy.govt.nz/heating-tool/guide/](http://www.tenancy.govt.nz/heating-tool/guide/)
2. Uses average of the lowest days temperature over the last 20 years.
3. Takes no account of curtains
4. Internal walls are assumed to have no insulation...

# Heating

## Increased rent from adding Heat Pump



# Drainage

## New legislation

- If the property has a subfloor area that is significantly obstructed along at least 50% of the perimeter.
- a ground moisture barrier must be installed if it is reasonably practicable to do so...

# Ventilation

1. Mechanical extractor in bathroom & kitchen
2. Must be vented outside
3. Kitchen: 150mm or an exhaust capacity of at least 50 litres per second
4. Bathroom: 120mm or an exhaust capacity of at least 25 litres per second.
5. Existing fans don't need to meet these requirements...

# RTA Review

## **Key proposals:**

1. Tenants making modifications
2. Allowing pets
3. Security of tenure

## **NZPIF additional proposals**

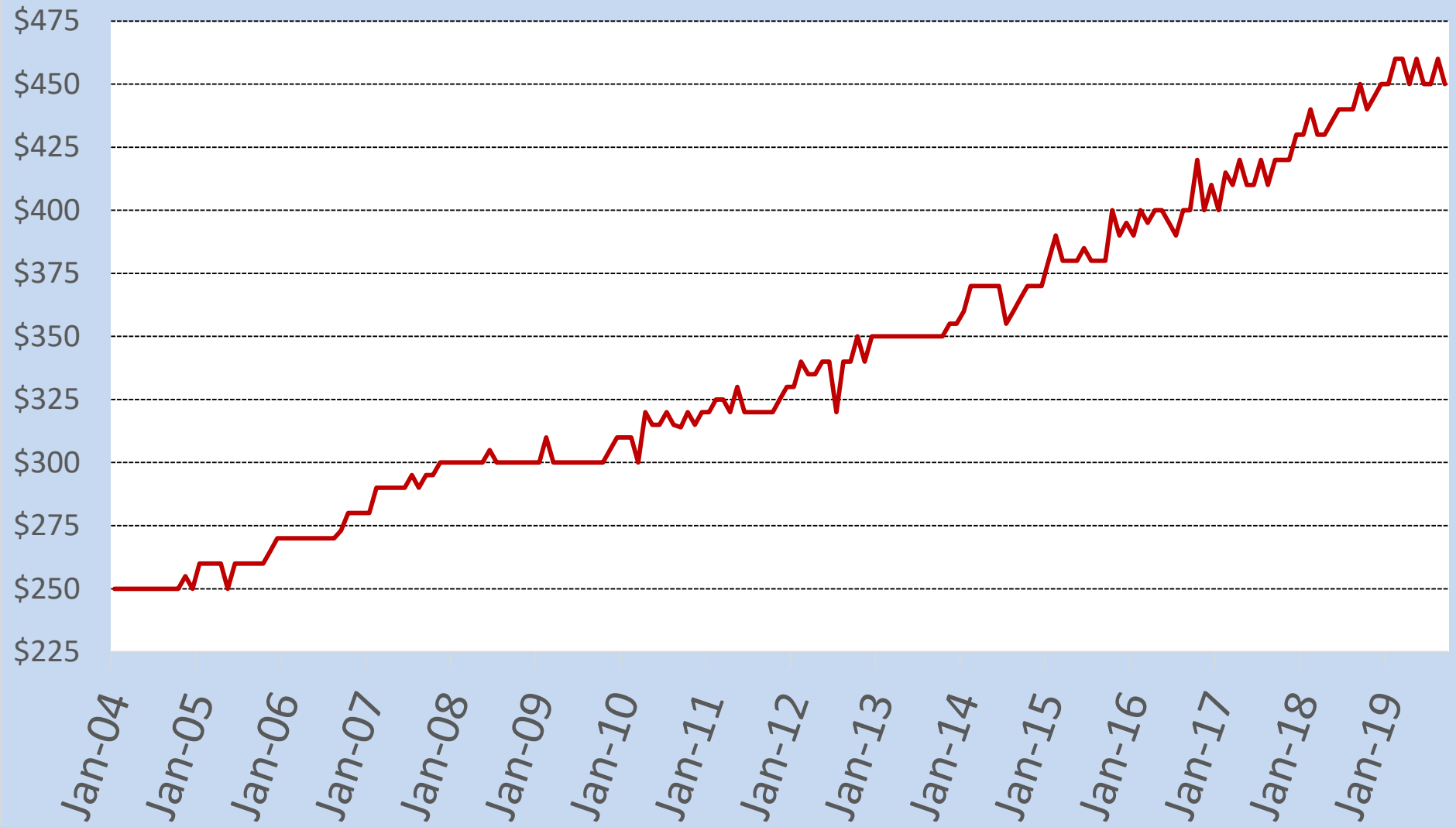
1. Reform of Tenancy Tribunal
2. Introduce a third tenancy option...

# RTA Amendment Bill

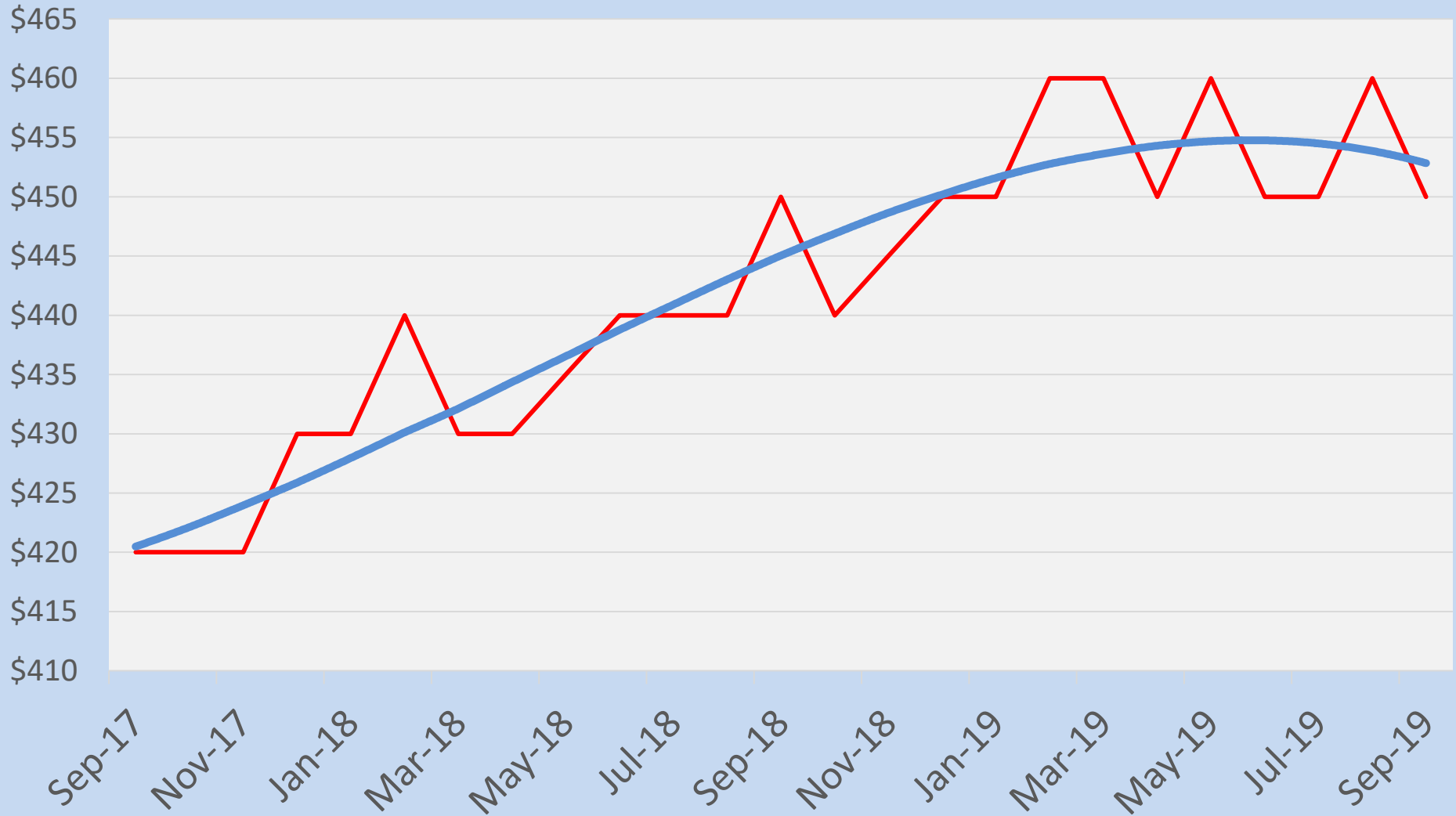
|  | SELL ALL MY RENTALS | SELL SOME OF MY RENTALS | HOLD MY CURRENT RENTALS | BUY MORE RENTAL PROPERTY | INCREASE THE RENTAL PRICE |
|--|---------------------|-------------------------|-------------------------|--------------------------|---------------------------|
| Minimum Standard legislation                       | 2.74%<br>33         | 8.98%<br>108            | 58.94%<br>709           | 15.63%<br>188            | 39.90%<br>480             |
| Healthy Homes legislation                          | 3.48%<br>41         | 10.79%<br>127           | 53.44%<br>629           | 13.25%<br>156            | 46.30%<br>545             |
| Removing 90 day no reason notices to end a tenancy | 11.15%<br>130       | 17.41%<br>203           | 50.43%<br>588           | 8.58%<br>100             | 28.47%<br>332             |

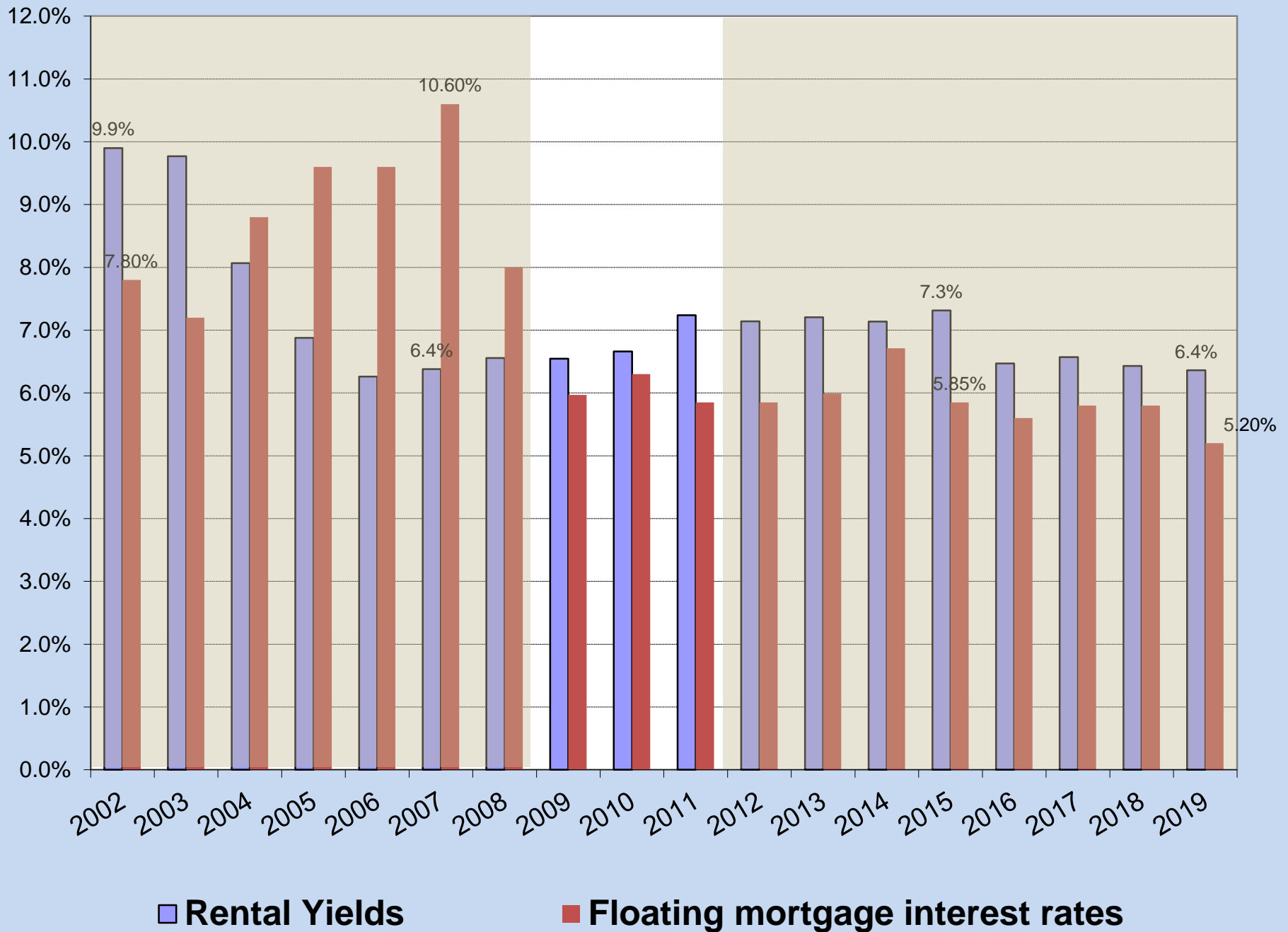


# NZ Rents



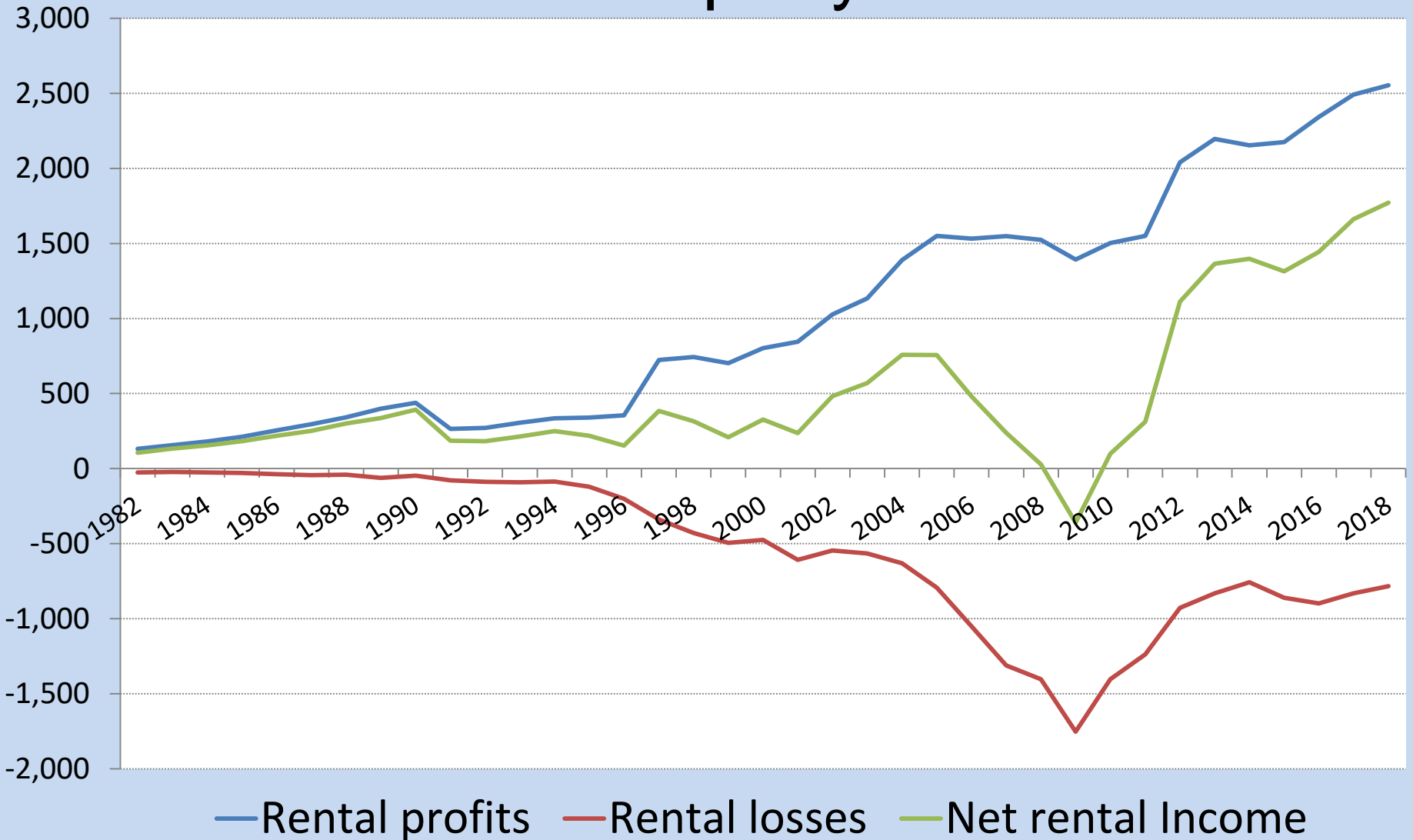
# NZ Rents





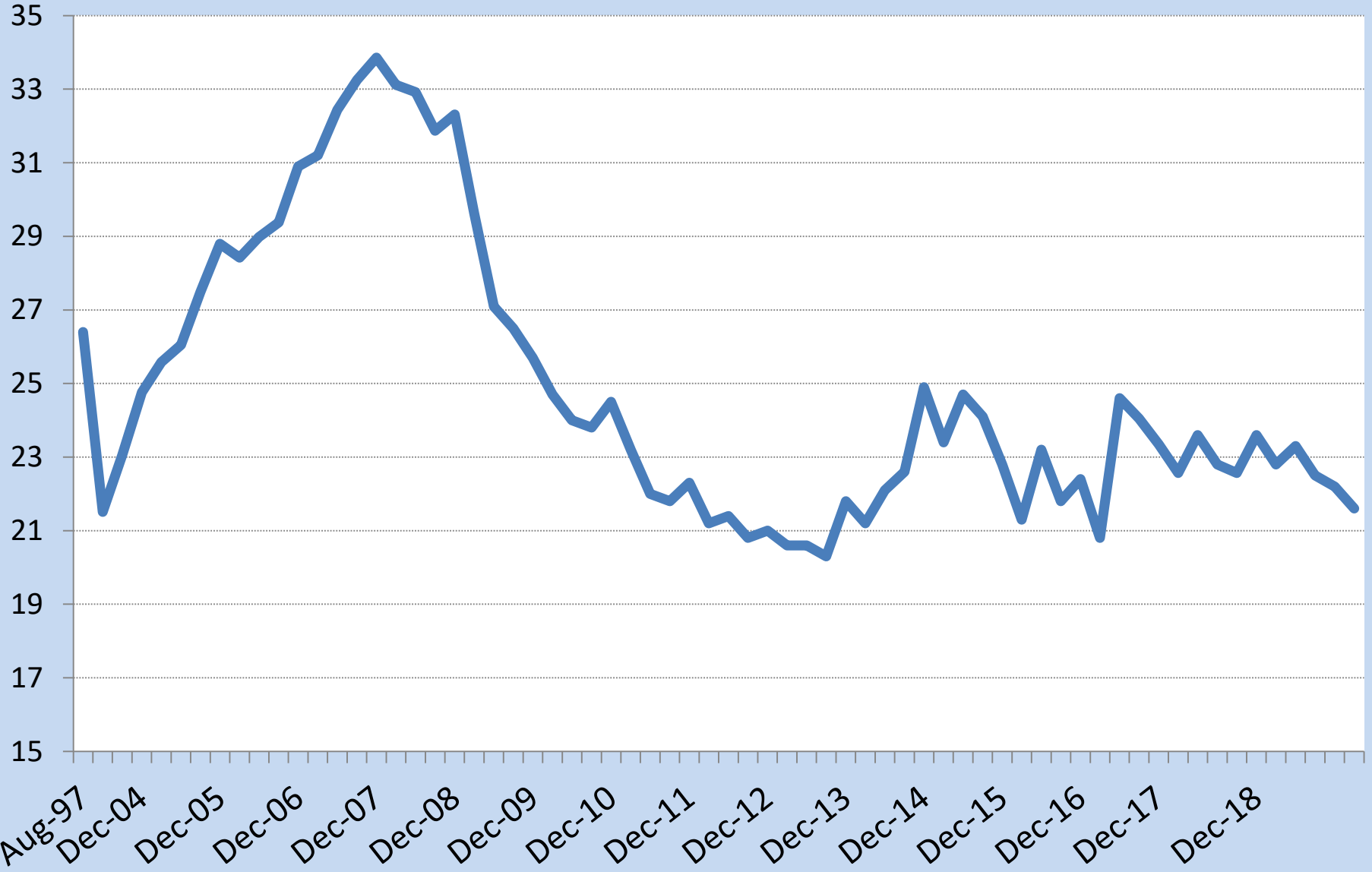
(\$m)

# Rental Property Tax Paid

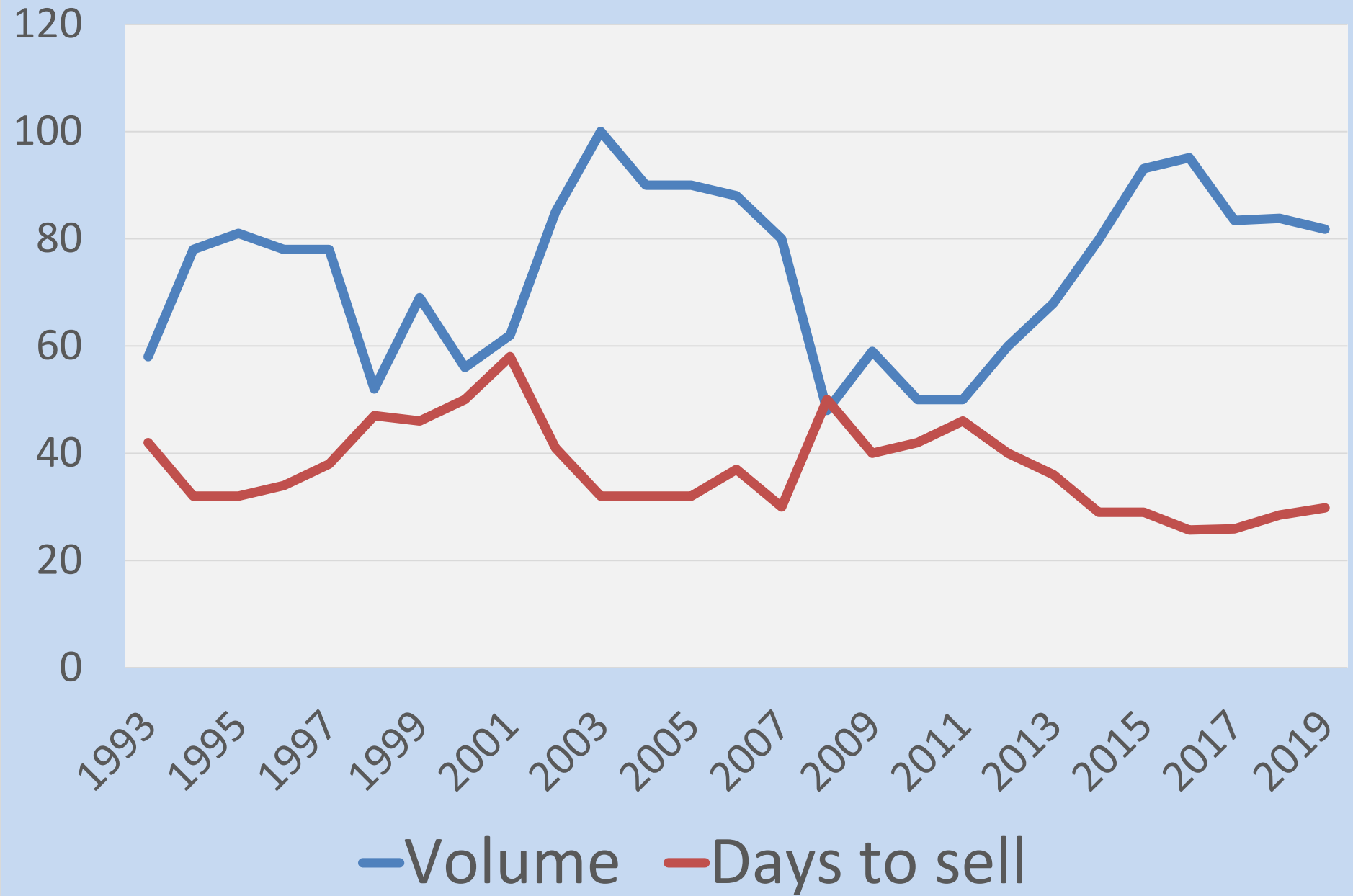


(NZPIF graph. IRD Data)

# Home Affordability New Zealand



# Number of sales and days to sell





NEW ZEALAND  
PROPERTY  
INVESTORS  
FEDERATION