



MP for Wigram

Minister of Energy and Resources

Minister for Greater Christchurch Regeneration

Minister of Housing

Minister of Research, Science and Innovation

Dear property stakeholders,

On 23 March 2020, the Government announced a freeze on rent increases and greater protections for tenants against tenancy terminations. The COVID-19 Response (Urgent Management Measures) Legislation Act 2020 came into effect on 26 March 2020, with provisions to this effect.

I am aware that this legislation went through Parliament very quickly, so I want to explain what it means for you.

This is a difficult time, and we need to work together and take care of each other. I encourage landlords and property managers to be understanding of the difficulties that their tenants may be facing, and try to work together to come to a solution. For example, encouraging them to contact Work and Income for support. Likewise, I emphasise that it's important for tenants to continue to meet their obligations.

For property managers and landlords, the new legislation means that you are unable to increase rents on your residential tenancies for six months from 26 March 2020.

It also means that for the next three months, you can only apply to terminate tenancies for a specified reason in the legislation. These reasons are where the tenant:

- substantially damages the premises; or
- assaults, or threatens to assault, the landlord, their family, or the neighbours; or
- abandons the property; or
- is in rent arrears for at least 60 days, with the Tribunal having special matters to consider in this situation; or
- engages in significant antisocial behaviour (defined as harassment; or any intentional act, if the act reasonably causes significant alarm, distress, or nuisance).

The tenancy can also be terminated upon the death of the tenant, or where the premises are uninhabitable.

During the next three months, all fixed-term tenancies that expire during this time will convert to periodic tenancies.

If you wish to use one of the above termination grounds, you must apply to the Tenancy Tribunal (the Tribunal), rather than give notice. The Tribunal will be able to hear cases on the papers, and in some instances by video conference. The Tribunal will consider whether it would be fair in the circumstances to terminate a tenancy.

These termination grounds strike a balance by enabling you to have control over your property, and to be able to terminate tenancies when you need to, while still ensuring that we can protect public health by enabling New Zealanders to stay in place in their homes, so long as they meet their obligations as tenants.

If you had given a notice of rent increase before 26 March 2020 that had not come into effect as of 26 March, this notice is of no effect.

If you had given a notice of termination before 26 March 2020 that had not come into effect as of 26 March, this notice is of no effect, unless it was for one of the reasons set out in the legislation as a permitted termination ground.

If your tenants have given notice to leave, but now wish to stay in their rental property, they can withdraw that notice. This applies whether or not there are new tenants lined up to move into the property. In such instances, the new tenants will be unable to move in. Tenants will still be able to give notice as usual, although we are encouraging them to stay in place and only give notice if absolutely necessary.

Landlords or property managers who act to increase rent or terminate a tenancy knowing they are not entitled to do so, will be in breach of the legislation.

These changes also apply to boarding houses. There is a temporary freeze on terminations in boarding houses as for other tenancies, but with different exemptions to cover situations where other occupants may be put in danger (for example, a tenant has threatened other tenants or caused significant damage). In these situations, there will be a mandatory 28-day notice period. A boarding house property manager will need to apply to the Tribunal to terminate a tenancy because of rent arrears or antisocial behaviour, in line with the rules for fixed-term and periodic tenancies.

You cannot refuse to grant, extend, or renew a tenancy on the basis that someone has symptoms or is diagnosed with COVID-19. This would be in breach of the Human Rights Act 1993, which prohibits discrimination on the basis of disability, including physical illness. However, you can require that boarding house tenants with symptoms or a positive diagnosis self-isolate.

It's important that you follow Ministry of Health guidelines and the Alert Level System at all times. This means that during Alert Level Four, you cannot have in-person contact with your tenants, including inspections. You should hire a tradesperson to do urgent repairs if necessary. There are instances where someone might need to sign a new lease – for example, if they are a New Zealander who has just returned from overseas. Signing a new lease during Alert Level Four should only occur in very exceptional circumstances where the tenant would otherwise have nowhere else to live, and extreme care should be taken to not violate Alert Level Four rules. For example, if the property manager is working from home and has access to keys at their home office, the tenant might pick the sanitised keys up in their own vehicle and go straight to the new premises. Signing a tenancy agreement should be done digitally. You can only sign a new lease if you can do so within Alert Level Four rules. You can find out more information about the current Alert Level here: <https://covid19.govt.nz/government-actions/covid-19-alert-level/>.

This legislation is designed to protect people while we face a global pandemic and the following economic impact. Many tenants will be experiencing job losses or a loss of income over the coming months, through no fault of their own. It's important that they can feel secure in their rental homes during this time, even though they may struggle to pay rent. It's also critical from a public health perspective that we enable people to self-isolate in their homes by ensuring that they can stay in their rental properties.

Thank you for the effort you will be putting in in the coming months. You can find out more information about the impacts of Covid-19 on tenancies here: <https://www.tenancy.govt.nz/about-tenancy-services/news/coronavirus-covid-19-what-landlords-and-tenants-need-to-know/>.

We have worked to balance the rights of property owners with the safety and wellbeing of tenants at this very uncertain time. I trust that property owners, property managers and tenants will work together to ensure the best outcome possible as we all commit to reduce our own and each other's exposure to Covid-19.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Woods', with a stylized flourish at the end.

Hon Dr Megan Woods
Minister of Housing