Submission to the

Social Services and Community Select Committee

on the

Residential Tenancies Amendment Bill

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New Zealand Property Investors' Federation

This New Zealand Property Investors' Federation Inc (NZPIF) welcomes the opportunity to provide feedback on the Residential Tenancies Act Review.

Established in 1983, the Federation has twenty affiliated local associations situated throughout New Zealand. It is the national body representing the interests of over 7,000 property investors on all matters affecting rental-housing.

Our philosophy is to be an industry advocate, which means we take a balanced role in considering the rental industry as a whole, which includes the requirements, rights and responsibilities of both tenants and rental property owners.

Industry Background

There are approximately 270,000 landlords in New Zealand. There are no corporate or institutional residential landlords.

There are approximately 546,000 residential rental properties[1], housing over 1,500,000 tenants[1], and worth around $171 billion[2].

Private landlords are the largest providers of rental accommodation in New Zealand. 87% of tenants rent from a private landlord or trust[3]. The average length of tenancy has increased from one year and four months in 1995 to two years and three months in 2017[3].

Median weekly rent for all accommodation is $480[4]. The amount spent on rent each week is $121 million and annually this is $6.3 billion.

Most property investors (57%) have been engaged in the business for 10 or more years[5], which dispels the myth that people are investing in property to make a "quick buck". Instead, property investors are using their rental income business as a mechanism for saving for retirement and are professional and committed long-term service/accommodation providers.

The rental property industry paid tax on net rental income of $1,444,000,000 in the 2016 financial year[6].

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[1] 2013 Census data

[2] NZPIF Calculation. 475,000 private rental properties multiplied by the Feb 2018 REINZ lower quartile house price.

[3] Regulatory Impact Statement: Prohibiting letting fees under the Residential Tenancies Act 13/04/2018

[4] Tenancy Bond Centre statistics, April 2018

[5] ANZ NZPIF Annual Survey 2006

[6] IRD Data, April 2018

SUMMARY

The RTA was first established in 1986 and has undergone two large reviews since it was first introduced. It is good to examine Acts of parliament to see if they require amending in order to continue being relevant for changing circumstances.

This Bill assumes that there is an imbalance between tenants and landlords and seeks to balance their rights and obligations. It does so by increasing the rights of tenants and increasing the obligations of landlords. In doing so, the Bill actually creates inequality between the two parties that will lead to a reduction in rental property supply and an increase in rental prices. This will occur at a time when we already have a shortage of rental properties and rental prices increasing faster than general inflation.

While the NZPIF believes that tenancy rules can always be improved to meet changing societal circumstances, these changes need to be carefully thought through. As much as possible, changes need to ensure they are correcting a problem that actually exists, that the change will actually correct the problem, that the right people are being helped and that there are no unintended consequences.

There are many changes proposed in the Bill, however three of the proposals will have a particularly detrimental affect on the rental industry, negatively affected landlords and tenants, plus society as a whole. These are changes to the 90-day notice, changes to and fixed term tenancy provisions and MBIE powers to fine landlords for a higher number of reasons that are unlikely to have a positive effect on tenants.

While the Bill aims to increase security of tenure for tenants meeting their obligations, changes to the 90-day notice do not achieve this. The proposal to insist on landlords providing a reason for ending a tenancy has been put forward in the belief that good tenants are being evicted from their homes for no reason. This is absurd. Why would a landlord end a tenancy for no reason?

There are only two forms of research on the use of 90-day notices. One study shows that only 3% of tenants receive these notices each year and both studies indicate that just 2% of tenants are evicted each year.

The only available research on 90-day notices demonstrates that 98% of tenants will not receive any benefit from changes to the 90-day notice provisions. Only the 2% of tenants causing disruptive or antisocial behaviour will be benefitted by this proposal.

While the use of a 90-day notice is not common, it is an essential tool of last resort to effectively manage some tenancies and protect neighbours and other tenants.

There are two conflicting rights in this issue, tenants and neighbours. Neighbours rights for peace and privacy are being undermined in this Bill.

Faced with disruptive and antisocial behaviour, many neighbours will simply be too fearful to make their concerns publicly known, as they must under this Bill. Unless the tenant's behaviour becomes illegal and the police take action (which may still not bring about an eviction), the only other choice for neighbours will be to put up with tenant's behaviour or move. Moving will be an easy choice for neighbours who are renting, but more difficult for owner occupiers.

If the affected neighbour is also a tenant of the landlord, then the landlord will be caught between a rock and a hard place. Landlords have a legal obligation to protect the peace, privacy and comfort of their tenants. Without being able to end a tenancy without stating the reason, how can a landlord use their judgement to decide that ending the tenancy of the disruptive and antisocial tenant is the best way to protect their other tenant.

Allowing tenant's the right to stay on in a tenancy at the end of an agreed fixed term, despite a landlord wanting the tenancy to end, will add to the problems caused by removing the 90-day notice provisions.

By removing a landlord's right to end a tenancy at the end of an agreed fixed term period, the NZPIF can see no possibility of removing disruptive and antisocial tenants without affected neighbours putting themselves at risk by complaining at least three times about a tenant's behaviour.

This proposal effectively means an end to fixed term tenancies. If tenants can override a landlord's right to end the tenancy at the end of the agreed fixed term, there is little benefit in offering this type of tenancy.

Tenants and landlords are not two homogenous groups, each with similar demographics, ages, family circumstances, hopes and aspirations. Rather than limit renting options to periodic tenancies, the NZPIF believes that both tenants and landlords would benefit from having a third option, in the form of a long-term tenancy. This option would provide better flexibility for the different circumstances of different tenants and landlords. The NZPIF has a proposal to introduce such a tenancy and provide true security of tenure for all tenants that desire it.

The NZPIF comes from the position that a rental property should be a tenant's home, however it is still the owner's property. They are taking on all the risks of property ownership, but they do not have to provide the rental. Through feedback from our members, we are extremely concerned that some of the proposals will lead to selling of rental properties. Even if a rental is sold to a tenant, this sale still leads to a reduction in rental property supply as on average rental properties have more people than owner occupied homes, while at the same time being smaller in size.

The existing periodic and fixed term tenancies work extremely well for most groups of tenants and landlords. If there is a growing group of tenants who would benefit from improved security, then we need a new tenancy type designed around this need. There are owners who would also like to have the same tenants for long periods of time. We need a tenancy type that match these two groups together, providing for each group's needs and wants. If the needs and wants of either group are ignored, the system will not work.

There is no evidence that the existence of 90-day notices without a stated cause restricts tenant security or causes them concern. There is no evidence that landlords widely use the 90-day notice or end the tenancies of "good" tenants. There is, however, evidence that the 90-day notice is used as a tool of last resort.

It has been recognised that should 90-day notices without stated cause be removed, there would be a large and negative effect on rental property owners, causing them to look for other ways to handle problems with their properties, such as short fixed term tenancies as a trial period. Having to introduce subsequent regulation to handle problems with original regulation usually demonstrates that the original regulation has been poorly thought through and should not be introduced.

DISCUSSION

Improved security for tenants

Summary

The proposal to improve tenants' security of tenure by removing no stated cause 90-day notices is well intentioned, but misguided. The only available research on these notices shows that they are a tool of last resort, infrequently used and reserved for when no other option is available. There is no research which shows that the use of 90-day notice is causing widespread problems for tenants. To create such a massive change in rental management should not be based on a 'good idea' but rather good quality research, which hasn't been provided.

Ninety seven percent of tenants do not receive a ninety-day notice and therefore will receive no increase in their security of tenure from this part of the Bill.

Only 3% of tenants each year receive a 90-day notice. Two thirds of these notices are for disruptive and antisocial behaviour. The majority of these notices would be given in order to keep affected neighbours complaints private and protect them from conflict with the disruptive and antisocial tenants. The Bill's solution for tenants disruptive and antisocial behaviour is to put affected neighbours at a higher level of risk for a longer period of time. This is not a good solution.

A BRANZ study shows that 90-day notices are not the main cause of tenants feeling insecure within their tenancies. The study showed that 30% of tenancies are ended because the landlord sells the property. Only 2% are ended from receiving a 90-day notice. Having their home sold is the key reason for a lack of security.

Another study of 2,800 landlords, property managers and tenants by the REINZ found 82.1% of respondents disagreed or strongly disagreed with ending the 90-day notice. Even tenants disagreed with ending the 90-day notice with 45.4% against a change compared to 40.9% supporting the proposed change. A further 13.7% either didn't know or neither agreed/disagreed.

While the NZPIF is very supportive of increasing tenants security, removing the no stated reason clause of the 90-day notice provisions is not the way to achieve it.

The NZPIF believes that there are certain tenants who would value increased security of tenure and there are certain owners who can provide this, as they have no intention of moving into or selling their rental property. Given this, there is real potential to develop a system that will meet the needs of both parties.

Reducing tenancy types to one would not provide enough flexibility for either tenants or landlords. Matching tenants who truly value security with owners who have no intention of selling or moving into their rental property should be the goal. This would be best achieved by establishing a new tenancy class to achieve the goals of both tenants and landlords.

No stated cause terminations

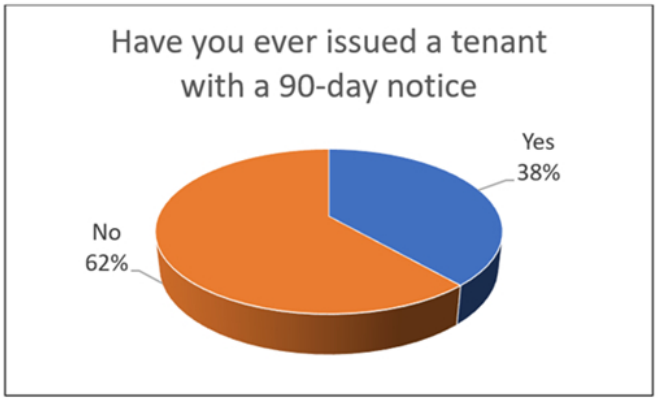
No stated cause termination notices should not be removed, they are an essential management tool. As Tenants can end a tenancy for no reason with 21 days notice, it does not seem unreasonable for owners to do the same with 90 days' notice.

Tenant advocates have portrayed the 90 day no cause termination as being used against tenants that have done nothing wrong or have been issued because the tenant has asked for something that they are legally entitled to. The NZPIF has not seen any evidence that this behaviour is occurring. Government officials have confirmed through an Official Information Request that there is no research confirming this. It is a perception of a possibility rather than a reality.

As tenants can be awarded up to $4,000 in exemplary damages for retaliatory action, it is unlikely that owners would risk issuing the notice without a good reason. It is also a risk to have a potentially disgruntled tenant in your property for three months.

The purpose of owning a rental property is to rent it out to a tenant. Landlords do not want to get rid of good tenants, therefore there is always a good reason for why a 90 day no stated cause notice is issued.

The NZPIF conducted a survey of over 2,600 rental property providers to examine their use of 90 day no stated cause tenancies. The findings shown below show that the notices are rarely given (62% have never issued one) but are a last resort tool to end a tenancy that has broken down for a number of reasons.

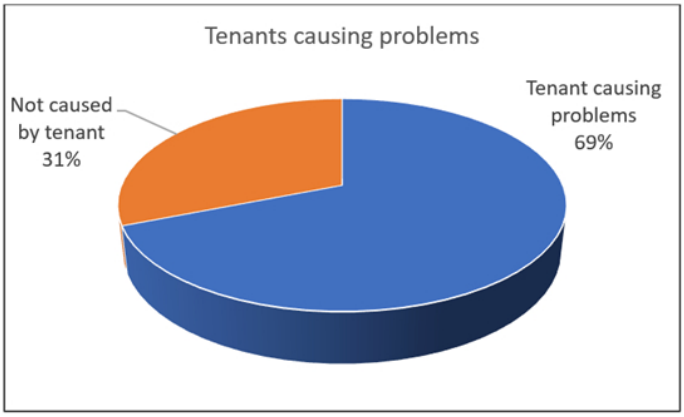


A previous NZPIF survey showed that most landlords who have issued a 90-day notice (73%) have only issued one, with a further 18% only issuing two. Most of these respondents have been landlords for over ten years.

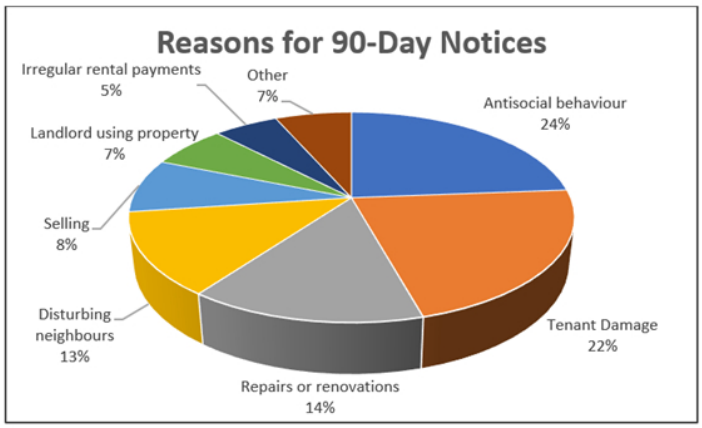
From the survey responses, the NZPIF were able to determine that only 3% of tenants receive a 90-day notice each year. While this low percentage shows that the vast majority of tenants are well behaved, the 90-day notice is still an extremely necessary tool to control the 2% of tenants who are disruptive and antisocial.

While this number appears small, it amounts to 12,000 disruptive and antisocial tenant households around New Zealand. Who would want to be one of their neighbours when landlords do not have the necessary tools to handle them? Police and other officials are already stretched and unable to help.

90-day notice were mostly (69%) issued because of tenants causing problems.



The following graph shows why 90-day notices were given. The main reason for issuing a 90 day no stated reason was antisocial behaviour at 24%. This could be extended to 37% if combined with disturbing neighbours. The next highest was tenant damage which tended to be repetitive and was difficult to obtain evidence.



The MBIE RTA Review discussion document states that “after removing the ability for landlords to issue a 90-day notice without (stated) reason, landlords would have to give tenants an opportunity to stop their bad behaviour then if they don't, apply to the Tenancy Tribunal to end the tenancy. To make it easier for landlords to raise these issues with tenants, Government has examples of what could be included in the RTA as unacceptable behaviours, such as: Harassment, intimidation, verbal abuse, intimidating other tenants or neighbours, sustained noise etc. Landlords would have to prove this at the Tribunal if your tenant denied the unacceptable behaviour”.

This proposal misses the point of the 90-day no stated cause for termination. It is mostly used because the owner cannot gather sufficient evidence to prove the unacceptable behaviour and often after discussions with the tenant aimed at eliminating the behaviour.

Neighbours of disruptive and antisocial tenants are already reluctant to put themselves at risk by providing evidence, hence the need for not having to state a reason why the notice is being given. It is unbelievable that under these amendments, affected neighbours will be forced to make their disruptive and antisocial tenant neighbours aware of their complaints three times before any action can be undertaken.

The NZPIF asks why Government wants to make it harder to end the tenancies of poorly performing tenants when there is no evidence showing that it is a problem. Landlords should not be required to issue a notice for antisocial behaviour as this could put other tenants or neighbours at risk.

Rather than risk harm to themselves, victimised neighbouring tenants will end their tenancies to move to safety. This is disruptive and completely unfair for them.

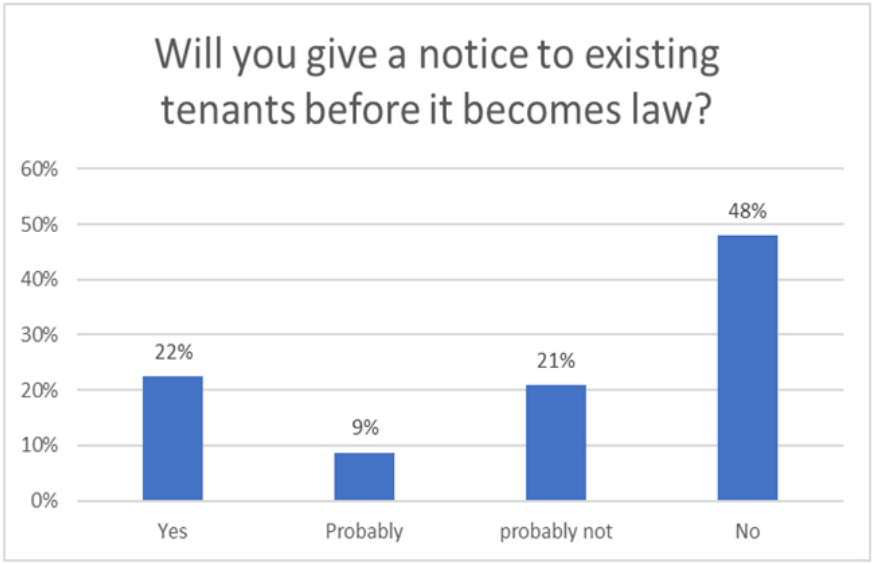
Landlords should have the right to determine what is reasonable behaviour in their properties and a tool that allows them to exercise that right. Unfair notice to a tenant is protected through their right to claim 'retaliatory notice', which has been strengthened in this bill and previous Acts over the last few years.

For these reasons the NZPIF completely rejects the need to remove 90-day without stated reason notices.

Trying to list in law all the possible reasons why a tenant or neighbours' peace, comfort, or privacy may be intruded upon would be extremely difficult if not impossible. The property owner should have the right to determine what is and isn't acceptable behaviour in their property and retain the tools they require to effectively manage their property.

Landlords have an obligation to provide their tenants with peace, privacy and comfort. If another of the landlord's tenants is disruptive and antisocial, how can a landlord protect their affected tenant without the existing 90-day notice provisions?

In our landlord survey, we asked respondents if they had any tenants that they would give a 90-day notice to before the option was taken away from them. Twenty two percent said that they would issue a notice before they were prevented from doing so and a further 9% probably would.



This means that approximately 64,000 marginal tenants will likely be issued with a pre-emptive 90-day notice. They will do this rather than risk holding on to these tenants because of the risk of not being able to effectively manage them should these proposals become law. This is a critical point to understand as it is these

tenants that will find it extremely difficult to find another tenancy. At present, landlords continue with these tenants because they have the safety net of the 'no cause 90 days notice'.

Evidence of how removing the 90-day notice provisions will cause significant problems has been demonstrated by the then Housing NZ no longer using them.

Since Housing NZ (now Kāinga Ora) stopped issuing 90-day notices, there has been an increase in media reports of disruptive and antisocial behaviour by state house tenants. This behaviour is causing extreme problems for the neighbours and neighbourhoods of these antisocial tenants.

A summary of media reports into disruptive and antisocial behaviour is provided in Appendix A.

One example is of a street in Motueka.

"For three years, the street was subject to constant abuse" said a neighbour. "Dirty nappies and rubbish have been thrown over the fence, and passers-by have cans, rubbish and abuse hurled at them as they walk past the property. There's a lot of abuse, every week. A lot when they're drunk."

Along with other neighbours, she's repeatedly rung the police, Housing New Zealand and Oranga Tamariki. But after years of reporting the neglect, the abuse and bad behaviour to every agency she can think of, she's all but given up.

"I can't be bothered ringing up anymore because there's nothing they can do."

HNZ told her she can apply to move. "But I can't afford it, and I don't want to. Why should It be up to me?"

She understands the principle behind HNZ's secure tenancies. But it's not working, she said. "They need to take a good look at what's going on."

Housing New Zealand area manager Dale Bradley said the sustainable tenancies policy was put in place after looking at the best practice here and overseas.

This is the consequence of Housing NZ stopping the use of 90-day notices. There is no reason to expect it will be any different when applied to private rentals.

The situation is likely to be worse, as there are 7.5 times as many private sector tenants.

Summary:

- There is always a good reason for ending a tenancy.
- 90-day no stated cause notices are infrequently used and are a tool of last resort.
- There is risk in having a disgruntled tenant in your property for 90 days, so the notices are not issued lightly.
- There is no evidence showing that 90-day notices are a problem.
- NZPIF and BRANZ research shows that only 3% of tenants receive 90-day notices, demonstrating that removal will not benefit the vast majority of tenants.
- A REINZ study showed over 80% disagreed with changing 90-day notice provisions. This included 45.4% of tenants being against a change compared to 40.9% supporting the proposed change.
- Getting evidence that would be acceptable to the Tenancy Tribunal can be impossible to obtain without putting others at risk.
- Requiring neighbours affected by disruptive and antisocial tenants to complain three times and provide evidence is completely unfair.
- An inability to move on poorly performing tenants can often lead to their well performing tenant neighbours to move. This is completely unfair.
- Without the existing 90-day notice provisions, how can landlords protect the peace, privacy and comfort of tenants from other tenants with disruptive and antisocial behaviour?
- If introduced, 64,000 marginal tenants will likely receive a 90-day notice before their landlords are prevented from doing so.

Fixed term tenancies

A Ministry report into the RTA Review stated that "88 percent of landlords and 49 percent of tenants did not think that the Government should investigate further removing fixed-term tenancies from the market". However, the proposal for changes to fixed term tenancies is so imbalanced that there is no longer any reason why landlords would enter into a fixed term tenancy. The proposal effectively removes fixed-term tenancies.

By giving tenants the right to stay in a tenancy at the end of an agreed fixed term period, even if the landlord does not want the tenancy to continue. This clearly puts

the rights of a tenant ahead of the landlord and will effectively end the use of fixed term tenancies.

Our conversations with tenant advocate groups has established that they are opposed to fixed term tenancies as they are usually only for a one-year term and therefore do not provide sufficient security of tenure.

The reason for this is linked to the 90-day no cause termination notice. Under section 50(a) of the RTA, *no tenancy shall be terminated other than on the expiry of a fixed term tenancy. T*his effectively means that landlords cannot use a 90-day notice to end a fixed term tenancy. Without this ability, it is too risky to offer a fixed term period of longer than one year. If the tenancy turns bad, then it is too difficult and potentially impossible to end the tenancy.

If landlords were able to use a 90-day notice, then fixed term tenancies would likely be much longer and beneficial to tenants than the current one-year standard.

A key reason for allowing tenants a right to continue a tenancy when a landlord doesn't want to, is because landlords would use fixed term tenancies to get around the loss of 90-day notice provisions.

Without the ability to issue a 90-day no stated reason notice, landlords would potentially reduce their risk by offering three or six month fixed term tenancies. By doing this, if the tenancy didn't work out, there would be a finite time when the tenancy would end. By removing 90-day notice provisions and allowing tenants to override the end date of a fixed term tenancy, there will be a significant increase in risk for landlords.

In a NZPIF survey of over 2,600 landlords, 87.5% said that they would change their property management practices if these two measures were introduced.

There were four main areas where landlords would modify their management practices to try and avoid risk:

- Leave properties empty rather than risk getting a bad tenant
- Be extremely cautious about getting new tenants
- Won't take a risk on any marginal tenants (those without references, immigrants, young people, and those with a bad credit history.)
- Make more checks on tenants applying

In addition to higher risk, some student areas around New Zealand will be adversely affected. As some students used to end their tenancies at the end of the academic year then seek a new tenancy the following February, landlords found that their

properties were untenanted for three months of the year. To combat this, landlords in some student areas required a one-year fixed term tenancy ending in February,

With a shortage of student accommodation, this has developed into a system where students in some university areas start seeking accommodation for the following year around June/July/August, before they leave the student town in October/November. They want to secure the best accommodation they can at the best price, but want to do this outside exam times.

This system only works if the landlord can be certain that the old student tenant will move out when the fixed term tenancy ends. If tenants have the right to extend the tenancy past the agreed fixed term date, landlords cannot be certain that the old student tenant will actually leave when the fixed term is up. Because of this, landlords cannot offer new students a tenancy for the next academic year until they are certain of when the departing tenant is actually departing.

Students will have to return to their university early in order to secure accommodation for the year. This could have implications for their ability to earn sufficient income during the summer break. It also means there will be a huge rush of students looking for accommodation at the same time.

If they are not able to use a fixed term tenancy, there is the potential that landlords will react by increasing the rent they currently receive in order to make up for the rent they will probably lose through the Summer break.

As an example, the rent for an average four-bedroom property in Dunedin's University area is $520 per week. If the property is likely to be empty for 12 weeks a year during the summer break, the landlord could multiply $520 by 52 weeks then divide by 40 weeks to maintain their income.

The new rent could therefore be $520 x 52 ÷40 = $676 pw. On a per room basis, the rent per student per week would increase from $120 to $169.

A third tenancy option

Rather than reducing the number of tenancy options available for tenants, the NZPIF believes that if there is a need for more security of tenure for tenants, then a new tenancy type needs to be developed to specifically cater for this.

The opinion of tenant advocates that removing 90 day no stated cause notices will improve tenant security is wrong. The real impediment to tenant security is the potential for their rental property to be sold.

This is clearly shown through a 2017 BRANZ study into the NZ rental sector. The BRANZ study found that 68% of tenants chose to end their tenancy for their own personal reasons. Of those that did not choose to move, the vast majority had to move because the landlord sold the property.

Only 2% of tenants were evicted for bad behaviour, which closely aligns with the number of 90-day notices issued.

Reason	N	% (of 372)
To better quality accommodation	107	31%
Landlord sold the house	105	30%
To cheaper accommodation	36	10%
Closer to work	20	6%
Relationship terminated	20	6%
For health reasons	16	5%
Closer to family	14	4%
for educational reasons	7	2%
Was evicted	6	2%
Located nearer to transport routes	1	0%
Moved from parental home	1	0%
Closer to childcare	0	0%
Other	39	11%

*BRANZ External Research Report, 04/08/2017, ISSN 2423-0839, Report ER22 *"The New Zealand Rental Sector"*

As can be seen from the above chart, 30% of tenants moved because the landlord sold the rental property. This is the real reason why tenants face tenure insecurity, not 90-day notices.

While some tenant advocates have suggested landlords should be banned from selling a rental without the tenant if they want to stay, this is an unbalanced and draconian proposal that would have extremely negative outcomes for the supply of rental property in New Zealand.

Such a move would be an extreme breach of the owner's rights and extremely undesirable. It would be assuming that all rental owners are the same, with the same backgrounds and situations which is clearly not the case.

However, there is another way to provide those tenants who value security of tenure, and that is to establish a new Long-Term-Tenure option.

There are rental providers who have no intention of selling or moving into their rental properties. It would be far more sensible to match these owners with tenants who truly desire long term rental property, through a tenancy designed around their respective needs.

In addition to periodic and fixed term tenancies, the NZPIF proposes a third long term secured tenancy option.

This tenancy would provide true security for the tenant through the owner guaranteeing that the tenant could stay for a period of at least, say, five years but potentially much longer. As the owner would be giving up their property rights, there would need to be some form of compensation to encourage them to offer such a tenancy.

The NZPIF proposes using the German tenancy model as a basis for this new tenancy. Features of the new tenancy could include:

- The length of the tenancy is negotiable between the parties, but must be for a minimum of three years.
- Landlords cannot end the tenancy to move into the property and cannot sell the property without the tenant remaining in the property.
- If practical, Tenants can make gardens as of right, but must return it to the state it was provided in at the end of the tenancy, unless agreed to by the owner.
- There is no obligation for the landlord to provide floor coverings, curtains, light fittings or appliances, including stoves. Walls may be painted white at the commencement of the tenancy.
- Tenants can decorate the property as of right, but must return it to the same state it was provided in, unless agreed to by the owner.
- Rent can only be increased annually by no more than the national increase in rental prices for all property types and limited to a maximum of 10% a year.
- Tenants can give three months' notice to end the tenancy,
- Landlord can only end on tenant default for rent arrears, damage to the property, illegal activity or antisocial behaviour, property uninhabitable or mortgagee sale.
- If ending a tenancy for antisocial behaviour or disturbing neighbours, landlords must issue a warning notice describing the antisocial behaviour/ neighbour

disturbance (without having to name effected neighbours), that they will end the tenancy if the behaviour/disturbance continues. If the behaviour/disturbance continues, landlords can issue a 90-day notice to end the tenancy.

- Landlords can charge a bond equivalent to up to twelve weeks rent
- Tenants are responsible for the payment of all insurance premiums, rates, and the costs (both fixed and variable) of services to the property (including water).
- Tenants can only assign their lease with the landlords' consent or on application to the Tenancy Tribunal on grounds of hardship. Hardship provisions also apply to the landlord. Landlords can prohibit tenants subletting the property.

This type of tenancy would appeal to some owners and some tenants. It would allow them to have a mutually beneficial tenancy type that offers advantages and disadvantages to both parties. By having a third tenancy option, tenants and landlords that prefer the existing periodic and fixed term tenancies would not be disadvantaged by having them replaced.

Tenants making modifications to their rental home

The NZPIF isn't opposed to improving tenant's ability to make minor changes to a rental property. We believe that landlords should retain the ability to have some say in the process and appreciate that this is part of the Bill. It is also good that tenants will be required to reverse the modification at the end of the tenancy.

However, the Bill potentially allows modifications that are more than minor and put's penalties in place that may discourage landlords from withholding consent for modifications that are significant and potentially expensive to rectify if the tenant fails to do so.

The RTA Review announcement stated that "Tenants will be able to add minor fittings to their premises where the installation and removal of the fittings is low risk. This is to ensure that tenants can add minor changes such as brackets to secure furniture and appliances against earthquake risk, baby proof the property, install visual fire alarms and doorbells, and hang pictures".

While this appears very reasonable, the wording of the Bill allows tenants to do far more than the examples of minor modifications suggest.

The Bill defines minor change as any fixture, renovation, alteration, or addition of or to the premises that-

- Presents as a low risk of damage to the premises, and
- Can be returned substantially to the same condition, and
- Is not a health and safety risk (including to install or remove)
- Does not compromise structural integrity or character of the building, and
- Would not affect others enjoyment of any property outside the premises
- Does not require regulatory consent
- Does not breach an; planning, bylaw, body corp rule obligation

Under this definition, painting the property, installing different light fittings and pulling up the carpet, removing interior doors and other fixtures could all be described as minor modifications. However, these modifications could be expensive for landlords to rectify if the tenant leaves the property without doing it themselves.

While there is a potential $1,500 penalty for doing so, our experience suggests that getting a successful tribunal award and actually getting the funds from the tenant are two very different things.

The NZPIF suggests that for clarity, a definition of what isn't a minor modification should also be included in the Bill.

If large and expensive modifications are to be considered minor, then it would be reasonable for landlords to hold an additional bond to protect themselves against the risk of tenants not remedying their modifications. This should be in addition to being able to claim exemplary damages against the tenant.

It would also be beneficial to include a definition of what a landlord's reasonable condition could be for granting permission for a minor modification.

As an example, it should be reasonable for Landlords to be a part of determining the colour of paint if the tenant wishes to paint the property. In this way, if the tenant didn't remediate the property at the end of the tenancy, the owner was happy that the colour would be acceptable to a significant number of new tenants looking to rent the property.

It should also be considered reasonable for the landlord to determine who undertakes the modification. What is an acceptable quality can vary depending on the type of modification and the type of property being modified.

The owner of an older low-quality property may be less concerned with how a modification is undertaken compared to the owner of a brand new or high-quality rental property.

The cost of remediation is also a consideration should the work be undertaken to a very poor standard and needs to be remediated.

Tenants do not have a long-term interest in the property and so do not have the same level of interest as the owner. A cheap rushed modification may be perfectly acceptable to a tenant, but not to an owner.

Because tenants of a periodic tenancy only have to give 3 weeks' notice to leave, it is difficult to allow them more freedom to modify the property to make it more their home.

If the NZPIF's proposed new long-term tenancy option was adopted, a higher level of modification by tenants would not be such a risk for owners.

Setting and increasing rents

Rent bidding

The NZPIF is not in favour of websites and apps that allow rental bidding or auctioning of rental properties. We believe it is unnecessary and will lead to uncertainty for tenants and potentially wide fluctuations in rental prices.

The NZPIF agrees that Tenants have a right to offer more for a rental property if they feel that it is under-priced and are willing to pay more than the asking price.

However, setting a price for a rental property is very subjective and owners often undervalue the potential rent for their properties. The NZPIF believes that it is not fair to prevent landlords asking for offers to rent a property or tenants from offering a higher rental price if they believe a rental property is worth more.

Offering a higher price is not a guarantee that the owner will choose one applicant over another. Tenancy rules mean that getting the right tenant is far more important than a few dollars a week more in rent and our NZPIF education emphasises this.

The NZPIF believes that it is fair and reasonable for anyone to ask what the market is prepared to pay for an item or service. This includes rental properties.

Many landlords do not have a clear idea of what their property is worth and it is fair and reasonable that they may state a minimum rental price or ask for offers over a certain price.

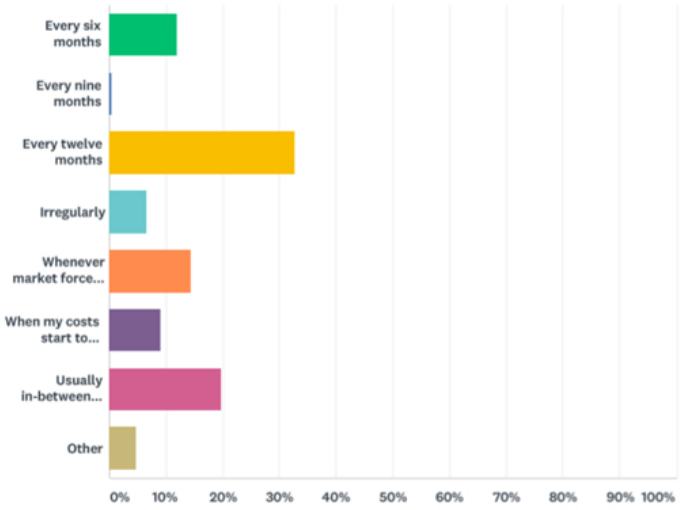
The NZPIF disagrees that landlords should be required to state a rental price in any promotion of a property available to rent. Many rentals have aspects such as location, views or features that make it difficult to estimate how much someone will be willing to pay for these things. It is reasonable that they can ask for offers.

Yearly rent increases

Just because rental prices can currently be increased every six months, this does not necessarily mean they are being increased every six months.

The following graph shows how often members are currently looking to increase rental prices.

How often do you look at increasing rental prices?



ANSWER CHOICES	RESPONSES	
Every six months	11.95%	52
Every nine months	0.46%	2
Every twelve months	32.87%	143
Irregularly	6.67%	29
Whenever market forces make it appropriate	14.48%	63
When my costs start to increase	8.97%	39
Usually in-between tenancies	19.77%	86
Other	4.83%	21

The most commonly chosen period for members currently looking at increasing rental prices is twelve months. When combined with others who increase rental prices in-between tenancies, more than half of respondents currently look to increase rents after one year or more.

This may lead to the conclusion that it will make little difference to the majority of owners if the law is changed to only allow rent increases annually. However, this would be an unfair restriction for owners.

It is unfair for higher rental price controls on rental property when there are no controls on rental property expenses. Owners need the flexibility to increase rents more frequently if cost increases make this necessary.

If rental prices are increasing consistently and in smaller amounts, then this helps tenants with their budgeting compared to larger annual increases.

Tenants Assigning a tenancy

The Bill increases the ability of tenants to withdraw from a fixed term tenancy, removing another reason for landlords to want to use them.

Currently, landlords can prohibit tenants from assigning their fixed term tenancy, which provides the landlord with some degree of expectation that the tenant will comply with the fixed term period they have agreed to.

In reality, tenants currently have control of the situation. While a landlord cannot end a fixed term tenancy if their situation changes, tenants can stop paying rent if they decide that they no longer want to be held to their fixed term contract.

Despite tenants currently having a higher level of control over fixed term tenancies, the Bill is providing more rights to tenants by giving them the right to continue a tenancy when the landlord doesn't want to. The assignment aspect of the Bill also increases the tenants rights by allowing them to assign a tenancy if they want to.

Although the tenant is still required to have the landlords consent, this consent cannot be unreasonably withheld, with a penalty of up to $6,500 if the Tenancy Tribunal believes the landlords decision is unreasonable. This is an enormous amount that will put off landlords withholding consent even when it is reasonable.

The $6,500 penalty is also disproportionate to the $750 penalty applied to a tenant that assigns a tenancy without consent.

If the landlord is concerned about the new tenant that the existing tenant wants to assign their tenancy to, their only real option is to surrender the tenancy to their existing tenant and go through the time-consuming effort of finding a new tenant themselves. Avoiding having to do this is one of the main reason's landlords use a fixed term tenancy.

While a stated aim of this Bill is to balance the rights and responsibilities of both landlords and tenants, changes to fixed term tenancies tales a balanced situation and gives tenants a higher level of rights.

Rights and responsibilities for a fixed term tenancy should be the same for both tenants and landlords. However, under the assignment aspect of the Bill, tenants can end a fixed term tenancy if they want to and under changes to fixed term tenancies tenants can continue a fixed term tenancy even if their landlord doesn't want to. Under any conditions, how can this be considered balanced?

Landlord terminating for hardship reasons

This section of the Bill is in acknowledgement that by restricting a landlord's right to end a tenancy could lead to unjust situations.

Under this section, landlords can apply to the Tenancy Tribunal to end the tenancy on the grounds of hardship.

However, this option is only available to periodic tenancies (which is a third reason for landlords to stop using fixed term tenancies) and there are conditions.

The Tribunal can only make the order if the landlord will suffer greater hardship than the tenant. Additionally, the Tribunal must take account of the impact that termination would have on the tenant. This allows a Tenancy Tribunal Adjudicator to refuse such an order if the tenant is merely inconvenienced.

If suffering hardship, a landlord should be able to end a tenancy whether it is periodic or fixed. This should always be allowed if the landlords hardship is greater than the tenants.

Landlord acting to terminate without grounds

Under this section, a Landlord commits an unlawful Act if they apply or "purport to apply" to the Tribunal for an order terminating the tenancy knowing they have no grounds.

The penalty for this is an enormous $6,500.

A definition of "purport" is to make a claim. Therefore even a minor discussion with a tenant about the Tenancy Tribunal may be interpreted by the tenant as purporting to apply to the Tribunal and would be a breach of this section.

The RTA is complex and is becoming even more so. It would be extremely easy for a landlord to believe they have a right to take their tenant to the Tenancy Tribunal only to find out they were mistaken and face a $6,500 penalty.

This section is completely unjust and should be removed.

Penalties for landlords

The number of penalties against landlords is increasing as are the size of the penalties. This is proposed under the extension or creation of eight RTA sections.

1. Unlawful Acts (added to)
2. Offences
3. New Penalty categories – in 2020 Bill
4. Infringement Offences – Criminal Offences
5. Infringement Fees – Criminal Offences
6. Pecuniary Penalties
7. Improvement Notices
8. Enforcement undertakings

Unlawful Acts

Penalties for unlawful acts are awarded as exemplary damages which mean they are paid to the successful applicant. This is a major incentive for tenants to hold their landlords accountable.

The Tenancy Tribunal awards many more exemplary damages to tenants than landlords.

At the time of the 2017 election, there were 22 unlawful acts that applied to landlords and 11 to tenants. It could be argued that the situation was unbalanced.

While the NZPIF is not against holding landlords accountable when they transgress, tenants also need to be held accountable.

If this Bill is enacted, there will be 60 unlawful acts against landlords and 17 against tenants. This cannot be considered balance, especially when rent arrears and damage to a rental property, by far the largest reasons for tenancy tribunal hearings, are not covered by the changes.

If responsibilities and penalties are to be dramatically increased for landlords, it seems reasonable that measures to dissuade tenants from not paying their rent or damaging their rental should also be introduced.

We recommend that landlords should be allowed an option to apply interest costs to unpaid rent and to declare intentional damage to a rental property an unlawful act with a penalty up to $2,500.

Offences

The Bill establishes 26 new criminal offences against landlords and none against tenants. It also establishes what is essentially a new tenancy police force like a traffic police force, meaning that the Tenancy Tribunal can be bypassed.

MBIE will no longer be an impartial government department tasked with helping both landlords and tenants. MBIE will become an enforcer of the RTA with the power to judge and prosecute landlords.

In addition, MBIE will be able to fine landlords, with the fines and fees going to the crown rather than tenants as is currently the case. MBIE will be incentivised to investigate landlords. The nature and complexity of the rescheme means that it will be extremely easy for landlords to make a mistake and have large fines applied.

The proposal disincentivises people providing more than five rental properties at a time when we have a shortage. No rationale has been provided why someone managing six properties should be fined twice as much as someone managing five. The associated person rules makes this even more unjust.

With the increased revenue and incentives, it is reasonable to envisage that the MBIE compliance team, who only investigate landlords, will expand rapidly, funded by the fines and fees that they receive.

The MBIE compliance team have already gone door-to-door in the student area of Dunedin asking to see tenants tenancy agreements and checking out their rentals. If a landlords fails to keep or misplaces a copy of their advert to rent their property, forgets to say they have moved home, miss giving or misplaces a receipt for rent paid and don't keep or misplace any other paperwork, they could be fined $8,000.

Such an extreme system is neither required nor desirable. Tenant groups and research has determined that owner managers provide a better service to tenants than property managers. However, it will be so easy to make a mistake under this new system that many will either give up providing rental property or will employ a property manager instead of doing it themselves.

Under the Bill, landlords commit an unlawful act if they fail to keep records of:

- tenancy agreement and any variations of it.
- inspection reports.
- records of any building, electrical or maintenance work on the premises.
- reports or assessments by a tradesperson of work carried out on the premises.
- healthy homes standards compliance records or other documents.
- any advertisement for the tenancy.

With the higher requirements for managing a rental and higher consequences for getting it wrong, property managers are likely to charge more for managing rentals, putting more pressure on rental prices to rise.

While we have a rental crisis with insufficient supply of rental properties and rental prices increasing faster than they would normally, this proposal will make the situation far worse.

There is no evidence that any problem exists that such an extreme measure is warranted. There is no reason to believe that the Tenancy Tribunal system, with tenants being incentivised to hold landlords accountable, is not working.

The NZPIF strongly disagrees with the introduction of offences and a new MBIE infringement and fining authority.

Description of offence	Fine				Fee		
Failing to appoint agent when outside New Zealand for longer than 21 consecutive days	$ 1,500	or	$ 3,000		$ 500	or	$ 1,000
Breaching duties on receipt of bond	$ 1,500	or	$ 3,000		$ 500	or	$ 1,000
Requiring unauthorised form of security	$ 1,500	or	$ 3,000		$ 500	or	$ 1,000
Requiring key money	$ 1,500	or	$ 3,000		$ 500	or	$ 1,000
Requiring letting fee	$ 1,500	or	$ 3,000		$ 500	or	$ 1,000
Requiring bond greater than amount permitted	$ 1,500	or	$ 3,000		$ 500	or	$ 1,000
Requiring rent more than 2 weeks in advance	$ 1,500	or	$ 3,000		$ 500	or	$ 1,000
Failing tell prospective tenants premises on market	$ 1,500	or	$ 3,000		$ 500	or	$ 1,000
Failing to notify change of name or address	$ 1,000	or	$ 2,000		$ 500	or	$ 1,000
Failing to state amount of rent in advertisement	$ 1,000	or	$ 2,000		$ 500	or	$ 1,000
Failing to give receipt for rent	$ 1,000	or	$ 2,000		$ 500	or	$ 1,000
No tenancy agreement in writing.	$ 1,000	or	$ 2,000		$ 500	or	$ 1,000
Failing to give notice as successor	$ 1,000	or	$ 2,000		$ 500	or	$ 1,000
Failing to keep records	$ 1,000	or	$ 2,000		$ 500	or	$ 1,000
Failing to itemise expenses incurred on assignment, etc, on termination by consent	$ 1,000	or	$ 2,000		$ 500	or	$ 1,000
Failing to provide healthy homes information	$ 1,000	or	$ 2,000		$ 500	or	$ 1,000
Failing to notify tenant of contaminants test results	$ 1,000	or	$ 2,000		$ 500	or	$ 1,000
Failing to provide healthy homes information	$ 1,000	or	$ 2,000		$ 500	or	$ 1,000

Pecuniary Penalties

These are new penalties of up to $50,000 that the Tenancy Tribunal can award against landlords with 6 or more properties.

The penalty is paid to the crown rather than the tenant, if the landlord intentionally committed any of the following:

1. landlord's responsibilities: cleanliness, maintenance, smoke alarms, healthy homes standards, and buildings, health, and safety requirements.
2. Responsibilities for contamination
3. Retaliatory notice of termination
4. Terminating a tenancy without grounds
5. Contravening or evading the provisions of the Act

Under these proposals, if a landlord didn't provide the property in a clean enough state, they could face an Unlawful Act Penalty of $7,200 plus a Pecuniary Penalty of $50,000.

The NZPIF questions the purpose of these extreme measures when there is no evidence that a significant problem exists that they will address.

This proposal is out of all proportion and we request that it is removed from the Bill.

Improvement Notices

The proposal is for MBIE to issue improvement notices to landlords, requiring them to remedy any breach of the RTA or Tenancy Agreement. Failure to comply with the Improvement Notice would be an unlawful Act with up to a $3,000 penalty.

This is potentially a good option if tenants don't feel confident to seek changes to their rental they are legally entitled to. However, it is our second preferred option.

We are concerned that the policy could be taken too far. There have been cases where the MBIE Compliance Division have gone house to house looking for rentals and asking tenants if they can come in and inspect the property and tenancy agreement.

The NZPIF believes that this fishing expeditions would be a step too far. The Bill should make it clear that the purpose of Improvement Notices is to help tenants that require assistance, rather than an inspection force looking for problems.

Enforcement undertakings

MBIE can agree in writing with the landlord that they will rectify a breach of the RTA, Regulations, Tenancy agreement, or pay money to another person.

A person who contravenes an undertaking commits an Unlawful Act penalty $1000.

This is the NZPIF's preferred option to help tenants that don't feel confident to seek changes to their rental they are legally entitled to.

Enforcement undertakings should be to help tenants that require assistance, rather than an inspection force looking for problems.

Although Enforcement undertakings would only apply to landlords, they would still be a more balanced approach as they at least involve discussion and agreement between MBIE and the Landlord. This would better protect the current relationship of MBIE with Landlords and tenants as being an impartial entity.

Recommendations

1. Not providing a reason for ending a tenancy does not mean there isn't a reason. Insisting that landlords must state the reason for ending the tenancy should not be undertaken.

2. Tenants should not have a higher power to extend a tenancy when the landlord does not want this to happen.

3. Tenants ability to assign their fixed term tenancy should not be increased.

4. Landlords should not be penalised $6,500 for unreasonably withholding consent to a tenant assigning their fixed term tenancy.

5. Based on our proposal, Government should work with tenant and landlord groups to develop a new and balanced "long-term tenancy" option to provide true security of tenure for tenants while also meeting the needs of landlords.

6. The definition of a minor change to a rental should not include "renovation, alteration, or addition" of or to the premises. The definition should include "Does not exceed $200 in cost".

7. If the tenants modification costs more than $200, the landlord should be able to require a remediation bond.

8. A definition of what isn't a minor modification by a tenant should be included in the Bill.

9. Landlords should not be forced to advertise a rental price.

10. Minimum periods between rent increases should remain at six months.

11. Landlords should be able to end a fixed term tenancy for hardship reasons. The impact that termination would have on the tenant should allow the Tenancy Tribunal to disallow the claim. If the landlords hardship is greater than the tenants, then the Tribunal should allow the tenancy to end, just as it would for tenant hardship.

12. Due to the increasing complexity of RTA regulations, a $6,500 penalty for a landlord applying or purporting to apply to the Tenancy Tribunal without grounds is unjust and should be removed.

13. MBIE should maintain its impartial relationship between tenants and landlords and not have additional powers to issue infringements, fines and fees.

14. The Tenancy Tribunal should not have the power to award Pecuniary Penalties against landlords with six or more properties, or to landlords who fall into this category through associated parties.

15. That MBIE does not have the power to issue improvement notices to landlords, but if they do, that they must be investigated following a request by a tenant. (To clarify, MBIE cannot go house to house looking for landlords to prosecute).

16. That MBIE can issue enforcement undertakings in agreement with landlords, but only following a request by the tenant. (To clarify, MBIE cannot go house to house looking for landlords to prosecute).

17. To improve tenant compliance and save Tenancy Tribunal time, the NZPIF recommends that the following breaches be deemed unlawful acts:
    - Not paying rent (The highest reason for Tenancy Tribunal applications)
    - Stopping paying rent as soon as giving or receiving notice to end a tenancy
    - Keeping pets when prohibited
    - Smoking and vaping in the property
    - Proven antisocial behaviour
    - Deliberate damage to property
    - Not removing all their possessions at the end of a tenancy
    - Unreasonable restriction of access for new potential tenants wanting to view the property, tradespeople or other professionals.

18. To properly encourage adherence to the Act by tenants, the NZPIF recommends the following increases in exemplary damages:
    - Using the premises for unlawful purpose $1,000 to $3,000.
    - Subletting $1,000 to $3,000.
    - Abandonment of premises owing rent $1,000 to $4,000.

Appendix A: Media reports on HNZ problem tenants

Date and Area	Issues	Outcome
August 20 Christchurch	A Christchurch man who believes a Housing New Zealand (HNZ) property nearby is a drug house is frustrated no agency will act. The Northcote resident told *Stuff* columnist Mike Yardley he estimated about 20 to 25 drug deals were happening at the house every day, and one day he noted 39. He had complained to police and HNZ for months – even recording vehicle details – but HNZ said it was a police matter to deal with suspected crime, and police cited lack of evidence and resources. He said he would like to move out of his home, but was not in a financial position to do so. The man was unsure what else he could do, and was contemplating contacting Police Minister Stuart Nash. Complaints about HNZ homes are nothing new, with issues raised about its management of homes, while other neighbours have complained about being driven out by burglaries, assaults and public defecation.	
April 2019 New Plymouth	Neighbours have made multiple complaints about gang related activity, drug dealing, loud parties, problematic behaviour, arguments, intimidation and large numbers of people coming and going from the house to HNZ, but say nothing has been done. ***National Party MP Jonathan Young*** believes there is a direct correlation between the anti-social behaviour and the Government's "no eviction" policy, and good people were being put under considerable stress.	However, in a statement, Housing and Urban Development Minister Phil Twyford said the Government did not have a "no eviction" policy for Housing NZ. "That's why Housing NZ takes a 'sustaining tenancies' approach which involves taking all reasonable steps to support tenants and their families to stay in their homes for as long as they need them. Eviction is a last resort."
March 2019 Hawkes Bay	Housing New Zealand didn't evict anyone in Hawke's Bay in 2018, despite 578 complaints about the anti-social behaviour of its tenants. Housing NZ Government relations manager Rachel Kelly said the data did not take into account the number of tenants who had been rehoused as a result of a complaint. Of the 578 complaints received in 2018, "general behaviour" accounted for 287.	"The justice system sets the threshold for illegal activity and the police enforce this. Local authorities also have the ability to set bylaws, such as managing excessive noise and rubbish. "These organisation have the mandate to manage people's behaviour, Housing New Zealand does not, and our tenants, like everyone else, are subject to these laws." Ending the tenancies of vulnerable people

	Property condition and damage resulted in 160 complaints, there were 50 alleged illegal activity complaints, 43 alleged threat complaints, and 30 dog nuisance complaints. HNZ declined a request to specify whether any of the total complaints were gang-related. "Youth suffer the consequences & insecurity when their families are without a home. "Housing New Zealand's social objectives mean it must have regard for the community it operates in and treat its tenants and neighbours with respect, integrity and honesty."	often placed them in an even more vulnerable situation, she says. "[Vulnerable people] were passed between agencies for support, which added to an already high waiting list for public housing; increased the need for transitional housing — including the use of motels, or they faced the prospect of staying in overcrowded homes, garages or cars.
Feb 2019 Hastings	Threats, intimidation and violence from Mongrel Mob members and their associates has turned a "lovely, quiet" Hastings neighbourhood to "feral", and residents have had enough. Rachelle owns a house next door to a Housing New Zealand (HNZ) property in Akina, Hastings, which got new tenants about four months ago. Frequent visits from gang members, smashed cars on the front lawn, noise and violence have now become the new norm for her. "Our street was a lovely, quiet, safe street," Rachelle said. "I keep getting told to ring the police or noise control because there is nothing Housing New Zealand can do. "HNZ have been trying to help I guess by talking to our neighbour but the neighbour basically ignores them and so they keep talking to her, they say there is a process which I get but in the meantime we have to live with the gang members, intimidation and noise every day.	"There is constant noise, partying, swearing, skids on the front lawn. (They) treat it like a halfway house. "I've never seen police on our street before. They are now a weekly occurrence."
Oct 2018 York Street, Motueka	For the last few years, the woman and others on the street are subject to constant abuse, she said. Dirty nappies and rubbish have been thrown over the fence, and passers-by have cans, rubbish and abuse hurled at them as they walk past the property. "There's a lot of abuse, every week. A lot when they're drunk." The family have young children, who are often locked outside. "They're chucked out whenever they're smoking weed. Even when it's raining	Kids are back playing in a troubled Motueka street, described as a "domestic war zone" after a problem tenant moved out. For the past three years, residents on York St in Motueka had complained of loud parties into the early hours, abusive language towards children at the address, and verbal abuse to passers by from a Housing New Zealand tenant in the neighbourhood. The matter came to a head at the end of

	they have to sit outside." Along with other neighbours, she's repeatedly rung the police, Housing New Zealand and Oranga Tamariki. But after years of reporting the neglect, the abuse and bad behaviour to every agency she can think of, she's all but given up. "I can't be bothered ringing up anymore because there's nothing they can do." HNZ told her she can apply to move. "But I can't afford it, and I don't want to. Why should It be up to me?" She understands the principle behind HNZ's secure tenancies. But it's not working, she said. "They need to take a good look at what's going on." Housing New Zealand area manager Dale Bradley said the sustainable tenancies policy was put in place after looking at the best practice here and overseas.	September, when the street was the scene of a hit and run incident which put two people in hospital. A York St resident, who did not want to be named, said the change in the neighbourhood after the tenant moved out had been "incredible". "It's amazing, the street is back to exactly what it was. The kids have come back out again, parents are letting their kids ride their bikes and scooters on the street. "All of that had gone, because of this situation created by this one neighbour." The resident said it felt like living in a "domestic war zone" and had been getting worse and worse. A Housing New Zealand spokesperson said the tenant handed in notice and vacated the property on October 15, and was not currently a tenant of Housing New Zealand. HNZ did not respond to questions regarding why the tenant had left the property. **They were told HNZ would have moved her anyway, and admitted she should have been moved sooner. !!**
Oct 2015 Wellington	At 33, I've done something I consider myself very fortunate to be able to do: I own my own property and have said goodbye to landlords, rent hikes and flatmates. The apartment I bought was no stranger to me. I had rented a carbon copy in the same building eight years ago and loved it so much I jumped at the chance to own one for myself. At 5am, I was woken to the sound of a woman screaming. She called a guy every name under the sun, yelled about needing her drugs and became so violent she wrenched the door handle off her front door. The gaping hole in the door became a daily reminder of what happened every time I walked past it Apartments were sold cheap when the building owner went bankrupt a few years earlier and	The problems only got worse. Graffiti showed up in the common areas of the building, one of my neighbours smokes so much weed on his balcony I can't open my door during the day, and the other beat his partner so bad I thought he was going to throw her through the wall. After months of hounding HNZ for a solution, I received a phone call where they advised they would not evict him as it was a "one-off" and he had "apologised". If the woman he abused is to have any justice, I'll have to put myself on the line. HNZ's response to this was, "we appreciate that, but unfortunately it's not our problem". From HNZC

	HNZ snapped them up in quick succession. I was horrified to discover HNZ owned nearly 20 per cent of the units in the building and that I had the honour of being right between two of the worst tenants. Nothing about this had come up in my due diligence prior to buying the place and the previous owner and real estate agent both failed to mention it. When I rang the police about another violent incident relating to my other neighbour, they admitted they get multiple call-outs to my floor in particular and that HNZ don't do a lot to rectify the problems there.	While Housing New Zealand aims to keep tenants housed, we will work with neighbours or other members of the community to help address issues. Tenants, like everyone else, are subject to the laws and by-laws of New Zealand. We work with many agencies such as local councils, Oranga Tamariki, MSD and Police when issues arise.
Feb 2018 Christchurch	Homeowners from across Christchurch have come forward after *Stuff* published details of repeated break-ins, brawls and faeces smeared on cars near a Housing New Zealand (HNZ) complex in the central suburb of Phillipstown, to report similar problems with tenants in other Government-owned properties. One man claimed a neighbour had raised a running lawnmower to his face and another had dealt drugs from a flat for several years.	HNZ area manager Fraser Benson, who was at the meeting, said the organisation would commit to more regular visits to the complex, including with police, and could "possibly" look at CCTV cameras in the area. A HNZ spokesman said two Caulfield Ave units tested positive for methamphetamine and one was found with a low level of contamination. It was thoroughly cleaned and re-tenanted, he said.
August 2019 Christchurch	A Christchurch man who believes a Housing New Zealand (HNZ) property nearby is a drug house is frustrated no agency will act. Complaints about HNZ homes are nothing new, with issues raised about its management of homes, while other neighbours have complained about being driven out by burglaries, assaults and public defecation.	
August 2019 Christchurch	A Christchurch Housing New Zealand (HNZ) tenant says she has endured attacks and threats from neighbours, but agencies have taken no action. A police spokesman said there was insufficient evidence to take direct action, but officers had visited the house and spoken to the tenants. HNZ assistant regional manager Liz Krause said all cases involving allegations of illegal activity needed to be referred to police. In 2017, HNZ announced a new approach to tenancies that aimed to keep people housed "unless there were exceptional circumstances where this was not possible", such as serious crime leading to imprisonment.	The woman and another neighbour had made anonymous complaints to police, but said there had been no response. "It's as if they are waiting for someone to get raped or stabbed, and bugger the residents." A police spokesman said there was insufficient evidence to take direct action, but officers had visited the house and spoken to the tenants. HNZ assistant regional manager Liz Krause said all cases involving allegations of illegal activity needed to be referred to police.