

Residential Tenancies Amendment Act 2020

A refresher session on the Summary of Changes

NZPIF Webinar
29 September 2021

tenancy.govt.nz/law-changes





Security of tenure

New grounds for termination

Rent setting and increases

Making a minor change

Other changes to the RTA

Implementation timeframes



Security of tenure



Periodic tenancies

- Landlords will no longer be able to terminate a tenancy without cause (without a reason) by providing 90 days' notice
- Landlords will be able to issue a notice to terminate a periodic tenancy in limited situations, which include, but is not limited to the following reasons

14 days' notice

- tenant physically assaults anyone of the following:
 - the landlord
 - the owner
 - a member of the landlord's or owner's family
 - the landlord's agent
- and the Police have laid a charge in respect of that physical assault.



Security of tenure

63 days' notice (amends section 51 of the RTA)

- owner, or a member of their family, requires the property to live in for at least 90 days
- the property is required by employees or contractors of the landlord

90 days' notice (amends section 51 of the RTA)

- the property is to be sold
- extensive alterations or redevelopment are to be carried out and it would not be reasonably practicable for the tenant to remain in the property
- the premises are to be converted into commercial premises for at least 90 days, or demolished

A tenant must give notice at least 28 days before they wish to end the tenancy



Security of tenure

Fixed term tenancies

Fixed-term tenancy agreements will automatically convert to periodic tenancies unless:

- a landlord gives notice using the reasons listed in the RTA for periodic tenancies (if any apply)
- a tenant gives at least 28 days written notice not to continue with the tenancy
- the parties agree to renew or extend the tenancy, or agree not to continue with the tenancy

The date the fixed term agreement was granted affects which rules apply

- granted before 11 Feb 2021 = existing rules
- granted on or after 11 Feb 2021 = new rules

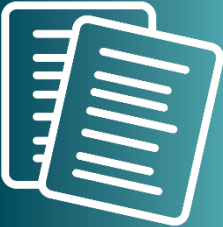
14 days' notice – tenant physically assaults landlord/owner/agent



New grounds for termination

A landlord may seek termination of a **periodic tenancy** at the Tenancy Tribunal if the following occurs (summary only).

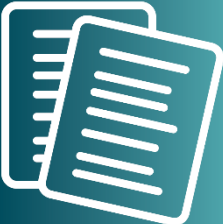
Anti-social behaviour

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- On three separate occasions within a 90 day period the tenant, or a person at the property with the tenant's permission, engaged in anti-social behaviour
 - On each occasion the landlord gave the tenant written notice
 - **Note:** these notices require specific information to be provided
 - The landlord must make their application to the Tribunal within 28 days after the third notice was given
 - A tenant may challenge the notices and apply to the Tribunal. The onus is on the landlord to prove that anti-social behaviour occurred and that the required notices were given



New grounds for termination

Rent arrears

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- On three separate occasions within a 90-day period the rent has been at least 5 working days in arrear
 - On each occasion the landlord gave the tenant written notice
 - **Note:** these notices require specific information to be provided
 - The landlord must make their application to the Tribunal within 28 days after the third notice was given
 - A tenant may challenge the notices and apply to the Tribunal. The onus is on the landlord to prove that rent was missed and that the required notices were given

The landlord will need to make consideration on what the best course of action is.

This may include issuing a 14 day notice-to-remedy letter.

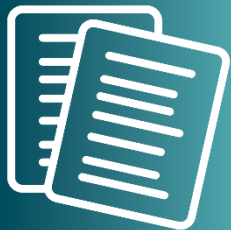


Existing provisions will continue to apply

Examples of existing provisions* in the RTA that will continue to apply if the tenant:

- has been given a 14-day or longer notice to remedy a breach capable of being remedied and has failed to remedy the breach
- is at least 21 days in rent arrears
- has caused or threatened to cause significant damage
- has assaulted or threatened to assault specified persons
- has used the premises for unlawful activity
- has abandoned the property and the rent is in arrears

**this is not an exhaustive list*



Rent setting and increases

Landlords and agents cannot invite or encourage rental bidding. This includes:

- Advertising rental properties with no rental price listed
- Inviting or encouraging prospective tenants to pay more in order to secure a rental property
- Organise an auction over a rental property



Tenants are still allowed to offer to pay more for a property if they want

Rent cannot be increased more than once every 12 months

- This applies from the last rent increase and cannot be increased within 12 months of the start of a tenancy
- For fixed-term tenancies, landlords can only increase rent if the tenancy agreement allows this



Making a minor change

Tenants can make a written request to the landlord seeking their consent to make a change to the property and landlords must not decline if the change is minor.

Examples: securing furniture to baby-proof or protect against earthquake risk, or installing a baby gate



Tenant sends a written request



LL must respond in writing within 21 days



LL must not unreasonably withhold consent for a change

LL may extend the time for responding



LL can impose reasonable conditions



Tenant to pay for the change and returning property to same condition



Other changes to the RTA



Privacy and access to justice

- A party can apply for, or the Tribunal can separately decide to put in place, a suppression order which removes the party's names or identifying details from being published
- A new default position exists to remove identifying details if a party applies for this and they have been wholly or substantially successful in Tribunal proceedings



Changes for the Tribunal

- Hear claims up to the value of \$100,000 (previously \$50,000)
- Civil pecuniary penalties up to \$50,000 can be made against landlords with six or more tenancies, including boarding house landlords. Pecuniary penalties can only be ordered where the Chief Executive of MBIE brings proceedings against a landlord



Other changes to the RTA

Fibre broadband



A landlord must permit (and take all reasonable steps to facilitate) the installation of a fibre connection in the premises if:

- there is no fibre connection in the premises
- it is possible to install a fibre connection in the premises
- the tenant requests a fibre connection
- the fibre connection can be installed at no cost to the landlord

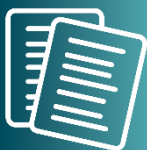


Assignment of a tenancy

- Landlords must consider all requests to assign a tenancy
- Landlords cannot withhold consent unreasonably
- A provision in a tenancy agreement prohibiting assignment will be of no effect
- A tenant must not assign the tenancy without the prior written consent of the landlord



Other changes to the RTA



Landlord records

- It will be an infringement offence if the landlord does not provide the tenancy agreement in writing to the tenant



Enforcement of the RTA

- Tenancy Services' Compliance and Investigations team will have the ability to enter into enforceable undertakings, issue improvement notices, and issue infringement notices
- Landlords of six or more tenancies (including boarding houses) may also be liable for pecuniary penalties of up to \$50,000 for failing to meet their obligations around landlord's responsibilities



Other changes to the RTA



Tenants experiencing family violence

- The tenant must give two days' notice accompanied by appropriate evidence of the family violence
- Regulations will be created to specify what constitutes appropriate evidence



Transitional and emergency housing

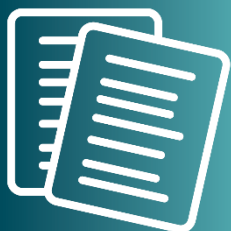
- The Residential Tenancies Act no longer applies to these arrangements unless providers and tenants choose to opt in
- A Code of Practice is being developed to set out expectations for transitional housing



Implementation timeframes

Phase 1 – law changes that have taken effect **12 August 2020**

- Transitional and emergency housing exempt from the RTA
- Rent can only be increased once every 12 months



Phase 2 – law changes that have taken effect from **11 February 2021**

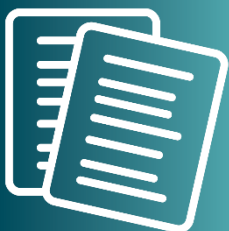
- Security of rental tenure
- Changes for fixed-term tenancies
- Making minor changes
- Prohibitions on rental bidding
- Fibre broadband
- Privacy and access to justice
- Assignment of tenancies
- Landlord records
- Enforcement measures being strengthened.
- Changes to Tenancy Tribunal jurisdiction



Implementation timeframes

Phase 3 - law changes that have taken effect from 11 August 2021

- Family violence
- Physical assault



Useful links

Tenancy Services website (incl. *Summary of Changes* factsheet):

tenancy.govt.nz/law-changes

Online tool for working out how much notice you have to give to end a tenancy:

tenancy.govt.nz/ending-a-tenancy/giving-notice-to-end-tenancy

Dealing with anti-social behaviour (incl. factsheet and online tool):

tenancy.govt.nz/disputes/breaches-of-the-residential-tenancies-act/dealing-with-anti-social-behaviour

Example scenarios for dealing with rent arrears:

tenancy.govt.nz/rent-bond-and-bills/rent/overdue-rent

Templates for minor change requests and responses:

tenancy.govt.nz/law-changes/phase-2/tenants-making-minor-changes-to-the-property/



Useful links

2019 Renting & You Roadshow FAQs:

tenancy.govt.nz/2019-renting-and-you-roadshow-faqs

Translated resources (in Te Reo Māori, Samoan, Tongan, Chinese, Hindi & Korean):

tenancy.govt.nz/about-tenancy-services/translated-resources

Tenancy Services email newsletter:

tenancy.govt.nz/subscribe

Tenancy Services Facebook page:

facebook.com/tenancynz

Ministry of Housing and Urban Development website (incl. factsheets & FAQs):

hud.govt.nz/residential-housing/tenancy-and-rentals/changes-to-the-residential-tenancies-act-1986/rta-reforms

