

Bringing you news from the world of New Zealand property management.

Update on remaining Residential Tenancies Amendment Act 2020 provisions

The two remaining provisions that were due to come into effect on 11 August 2021 (12 months after the date of Royal Assent) have been delayed.



These changes rely on regulations currently being developed by the Ministry of Housing and Urban Development (HUD).

It's important that the Government takes time to consult with relevant organisations and to ensure that the regulations are appropriate.

This means that landlords and tenants won't be able to use these provisions under the Residential Tenancies Act 1986 until the associated regulations come into effect.

The two provisions affected by this are summarised below.

Summary of changes under Residential Tenancies Amendment Act 2020

Physical assault

The regulations will provide more detail on the clauses currently in the Act. Once the regulations come into effect:

- if a tenant physically assaults:
 - the landlord or owner
 - a member of the landlord or owner's family, or

- an agent of the landlord, the landlord can issue a 14-day notice to end the tenancy. A formal charge must be laid by the Police. The landlord will not need to apply to the Tenancy Tribunal.

- The landlord must advise the tenant of their right to apply to the Tenancy Tribunal to challenge the notice. If the tenant challenges it, the tenancy won't end unless there is a Tenancy Tribunal order.
- The regulations will specify the information that landlords must include in the 14-day notice for termination in this situation.

Before the regulations are developed, landlords in this situation can still apply to end the tenancy through the Tenancy Tribunal.

Family violence

The regulations will provide more detail on the clauses currently in the Act. Once the regulations come into effect:

- A tenant who experiences family violence during a tenancy can withdraw from that tenancy by giving the landlord at least two days' notice. The tenant will need to provide evidence of the family violence.
- The regulations will outline what the tenant must include in a family violence withdrawal notice and the acceptable forms of evidence.
- The tenant must also notify any remaining tenants within two days of withdrawing. The remaining tenants will receive a rent reduction for two weeks following the withdrawal. The law outlines how this should be calculated. This won't apply if they are paying income-related rent. In this case, the remaining tenants should talk to their landlord.
- If the person experiencing family violence is the only tenant, the tenancy will end.

As with all new legislation, Harcourts property managers will receive comprehensive training on the new provisions once they have been developed.

Tenancy compliance & investigations

The Residential Tenancies Amendment Act 2020 broadened the Tenancy Tribunal's jurisdiction and administrative powers. This included introducing infringement fees for landlords and property managers who do not adhere to the Residential Tenancies Act. These are in addition to an increase in exemplary damages that can be awarded by the tribunal to either landlord or tenant, payable by the other party.

On request by the tenancy compliance and investigation team (TCIT), landlords and property managers have an obligation to provide records relating to the healthy homes standards.

Healthy homes statements

As a property manager signs/provides a tenancy agreement and the required statements to a tenant, they have a responsibility to ensure that the information provided is correct. Although a landlord may complete their own healthy homes assessment, it is not recommended, as property managers are still required to verify the information declared in the statement to ensure that the property is in fact compliant. This can result in additional workload as the verification process and evidence of compliance must still be completed by the property manager to provide to TCIT on request.

When the tenancy compliance and investigation team (TCIT) audits a tenancy managed by a property management company, they are looking for good record-keeping practices. This includes ensuring the tenancy agreement and required statements are complete and accurate as part of the tenancy management process. Should there be evidence that the required documentation or management processes are inadequate, then the entity being audited can fail the compliance checks and be required to remedy the issues, and/or be fined. It is therefore the responsibility of a property management company to ensure their rental homes comply with all relevant building, health and safety standards, and their tenancy management processes are compliant.

TCIT carries out more than 1,500 audits per year, a large proportion of these are on property management companies.



The companies are selected at random, and a sample portion of their tenancies are audited as part of this process. TCIT audits on property management companies are roughly 400-500 per year nationwide and have included a large percentage of Harcourts offices, which we anticipate will continue. Harcourts is supportive of the measures that TCIT adopts to ensure compliance within the property management industry, including regulation of the industry that is anticipated to occur during this term of Government.

Property managers cannot simply rely on information provided by the landlord and must verify the accuracy of information, or risk failing an audit by the tenancy compliance and investigation team.

COVID-19 Update

During all alert levels, Harcourts property managers have systems and processes in place to ensure that we maintain our high level of service and minimise disruption to our clients. Our property managers are equipped to work from home, with access to our data and information systems.

In March 2020, Government introduced legislation to restrict the ability to terminate tenancies or increase rents. At the time of writing, no new legislation has been introduced for the current lockdown. Please note however that this may change depending on the length of the lockdown.

As with any changes to legislation, your property manager will receive the most up-to-date information and training, and will keep you informed of any developments that affect you or your tenant.



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