

Residential Tenancies Amendment Act 2020 Tenant Overview

The Residential Tenancies Amendments Act 2020 will have a significant impact on all New Zealand tenancies, and it's important that tenants understand these changes and how they will affect both their rights and responsibilities.

A key component of all successful tenancies is clear and transparent communication, and many of the RTA Act 2020 changes will rely on clear communication if they are to be properly handled. Tenants should make all formal requests in writing to create records and a history of communication, and talk openly with your landlord or property manager about any request being made.

It is important to also remember that many of the changes implemented to the Act require landlord permission before a tenant can go ahead in order to prevent the risk of fines being imposed (e.g. tenancy assignment or making minor changes).

This document outlines the majority of changes that are to occur which impact tenants, however, we encourage all tenants to seek out further information if required, and your Ray White property manager is here to help answer any questions.

Stage 1: Commencement date 12 August 2020

Rent increases - Rent increases can only occur once every 12 months, and any rent increase cannot occur within 12 months of the tenancy start date or within 12 months of the last increase.

Stage 2: Commencement date 11 February 2021

Periodic tenancies - Period tenancies effectively remain the same for tenants, however, the notice periods for either tenant or landlord to end a periodic tenancy will change, as will some of the reasons required to give notice.

Tenants will be required to give a landlord 28 days' written notice if they wish to end a periodic tenancy if this notice is given after 11 February 2021.

Landlords will no longer be able to provide a 90-day no reason termination notice and must provide clear and specific reasons for any period tenancy to end. These reasons can include, but are not limited to:

- **14 days' notice**
The tenant physically assaults the landlord or family member.
- **63 days' notice**
The landlord or their family member requires the property to live in.
- **90 days' notice**
The landlord intends to put the property on the market for sale as vacant.
The property has been sold with a requirement of vacant possession.
The landlord intends to carry out extensive renovations at the property.
The property is to be demolished.

Tenants should be aware that the changes also bring allowances for a periodic tenancy to be terminated upon application by the landlord to the Tenancy Tribunal in the following circumstances:

- The landlord issues three separate notices for antisocial acts in a 90-day period.
- The landlord issues three separate notices for late rent (5 working days +) in a 90-day period.
- The landlord will suffer greater hardship than the tenant, if the tenancy continues.

Fixed-term tenancies - All fixed-term tenancies will convert to periodic tenancies at the end of their term unless the tenant agrees for it to end, the tenant and landlord agree on another fixed-term period, or the tenant gives 28-days' notice for any reason (just prior to expiry).

Landlords may still give notice to end a fixed-term tenancy upon its expiry and final date, providing the same reasons used for periodic tenancies apply e.g. sale of property, or family members moving in etc.

A fixed-term tenancy can also still be terminated upon application to the Tenancy Tribunal by either party, and if the circumstances allow.

Making minor changes - Tenants can request to make a change to a rental property and this request cannot be declined by the landlord if the change is minor - examples of minor changes may include shelving, TV aerials, small gardens, curtains, etc.

When tenants request to make any minor alteration at their property, they should map out the full details to provide with any request. Consider items like where is the change happening, who will carry out the work, how will you manage the change to prevent property damage, and how will you reinstate the property back to normal when the tenancy ends.

Requests for any changes must be made by the tenant in writing, and landlords must respond to such requests within 21-days. Tenants cannot proceed without permission and must seek tribunal action if this is unreasonably refused.

Landlords can place *reasonable* conditions as to how any changes are carried out. Tenants are responsible for any costs associated with both the installation and reversal of any minor changes, and are required to return the property back to 'substantially the same' condition as before.

Rental bidding - A property cannot be advertised for rent without the rental price being clearly listed, and any rental bids or rental auctions etc cannot be encouraged by a landlord or agent. Tenants can still offer to pay more for a property, if they independently choose to do so.

Assignment of a tenancy - Tenants can request to assign their tenancy to another party if legitimate circumstances justify the assignment to occur. Landlords must respond to any such request within a *reasonable* timeframe.

Landlords retain their rights to conduct necessary vetting and checks on any proposed assignee and can decline this request if evidence can be shown that the proposed tenant is not suitable.

If the existing tenant cannot provide legitimate reasons why they are wanting to assign their tenancy, if the proposed new tenants have a poor tenant history or Tenancy Tribunal orders against them etc, or they cannot take on the remaining length of the tenancy term, it *may* be declined.

We recommend you speak with your property manager or landlord prior to making any requests for assignment to ensure the process is handled properly.

Fibre broadband - Tenants can request to install fibre broadband at a rental property and if it can be installed at no cost to the landlord, this request cannot be unreasonably declined. Tenants are responsible for any ongoing costs related to the fibre service.

Landlords can decline a fibre broadband request if specific exemptions apply e.g. the installation may breach Body Corporate rules, or risks compromising the weathertightness or character of the property.

Privacy and access to justice - Tenants can apply for a suppression order to remove names or any identifying details from being published in a Tenancy Tribunal decision, if their case is wholly or substantially successful. The Tribunal can also decide to suppress details if it is in the interests of the parties or the public interest to do so.

Landlord records - Landlords must provide tenants with a copy of their tenancy agreement in writing, and failure to do so can be classed as an unlawful act.

Landlords have increased requirements to retain various records relating to the property and its tenancy for up to 12-months after the tenancy expires.

Stage 3: Commencement date 11 August 2021

Family violence - Tenants experiencing family violence will be able to withdraw from a tenancy without financial penalty, by providing two days' notice, along with appropriate evidence of the family violence e.g. a protection order or a police safety order.

If they are the sole tenant the tenancy will end, however, if co-tenants remain in the property, they will pay a proportionally reduced rent rate for a period of two weeks, before rent returns to its normal rate.

Physical assault - A landlord will be able to issue a 14-day notice to terminate the tenancy if the tenant has assaulted the landlord, the property owner, a member of their family, or the landlord's agent, and the police have laid a charge against the tenant in respect of the assault.

Where can tenants get more information?

At Ray White, our well-versed property managers can help answer any immediate questions you may have by providing more specific, tailored advice, or copies of our free educational guides and resources.

There are a number of other helpful sources of tenancy information available for tenants, and we encourage all tenants to investigate and research some of the following websites:

- <https://www.tenancy.govt.nz>
- <https://www.hud.govt.nz>
- <https://www.tpa.org.nz>

Disclaimer: *The information contained in this document is of a general nature. It does not constitute legal advice, nor does it take into account the specificity of each tenancy situation. Before acting on any of the information you should consider its appropriateness, having regard to your own circumstances. All information presented is correct at the time of printing (December 2020).*