



**MINISTRY OF HOUSING  
AND URBAN DEVELOPMENT**

# **Residential Tenancies Act Reforms**

Frequently Asked Questions  
February 2020

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## Overview

### Why is the Government doing this reform?

The reform of the Residential Tenancies Act (RTA) will modernise New Zealand’s rental laws and align them with present day realities of renting in New Zealand. It aims to promote good faith relationships in the renting environment, and to ensure there are appropriate protections in place for both tenants and landlords.

These reforms reflect that more New Zealanders are living in rental accommodation and for longer periods of time. The RTA governs the relationship between the estimated 609,700 households in the rental market and their landlords.<sup>1</sup>

### What’s the problem with the RTA as it is?

The RTA came into force over thirty years ago to govern a rental market with different characteristics to what we have today.

Since the RTA came into force, homeownership rates have declined and the proportion of households living in the rental market has increased. More people, including families and older people, are renting for longer, or for life.

Reforming the RTA is an opportunity to consider whether the law that governs the rental market continues to be a fair and proportionate way to address problems that tenants and landlords may experience with insecure tenure.

### What evidence is there of the problem?

The rate of home ownership in New Zealand has dropped from a peak of 73.5% in 1991 to 64.5% of households in 2018. The proportion of households that are renting has increased from 23% in 1991 to 32% in 2019.<sup>2</sup>

Since the 2001 Census, the largest falls in home ownership were for those in their 30s and 40s. In 2013, 43.0% of people aged 30–39 years owned their home – down from 54.6% in 2001. For those in their 40s, 60.8% owned their home in 2013, down from 71.5% in 2001.<sup>3</sup> This suggests people are renting for a longer proportion of their lives.

Māori and Pacific people are more likely to rent. At the time of the 2013 Census, 56.9% of Māori and 66.9% of Pacific people were living in rental homes. This compares to the total population figure of 36.3%.<sup>4</sup>

In 1986 around 25% of the population rented their properties and 26% of all children in New Zealand lived in a property that was rented. In 2019, renting has become a way of life for a greater proportion of New Zealanders, with an estimated 32% of households renting. In 2013, 43% of all children were living in rental homes.<sup>5</sup>

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<sup>1</sup> Statistics NZ Dwelling and Household Estimates for September 2019 quarter, based on 2018 Census data.

<sup>2</sup> Statistics NZ Dwelling and Household Estimates for September 2019 quarter, based on 2018 Census data.

<sup>3</sup> This data is not yet available from the 2018 Census.

<sup>4</sup> This data is not yet available from the 2018 Census. Note: a greater proportion of people are renting than households, because “people” includes children over 15 years living with their parents.

<sup>5</sup> This data is not yet available from the 2018 Census.

The 2018 General Social Survey indicated that 30 percent of renters have been in their house for less than a year compared to 8 percent of those in owner-occupied homes. The survey found that 25 percent of movements in the rental market were landlord initiated.

## The process so far

### What has happened so far in the process?

The Ministry of Business, Innovation and Employment undertook a comprehensive public consultation process from August to October 2018 about reforms to the RTA ([www.hud.govt.nz/RTA-Reforms](http://www.hud.govt.nz/RTA-Reforms)). The Discussion Document and survey set out questions about the options proposed.

This process also included a series of workshops with targeted representative stakeholders as well as public web-based survey.

## Summary of submissions

### Who submitted?

Overall, 4,787 perspectives were received on the reform of the RTA. Of these:

- 50 percent of submitters primarily identified as representing landlords
- 41 percent of submitters primarily identified as representing tenants
- 6 percent of submitters primarily identified as representing interest groups such as District Health Boards,
- 0.5 percent of submitters primarily identified as representing public or community housing providers.

### What did submitters say?

A submissions analysis report is available that gives qualitative insights from all market participants together with quantitative analysis of the nearly 100 questions that were asked. The submissions analysis report can be found on the HUD website at [www.hud.govt.nz/RTA-reforms](http://www.hud.govt.nz/RTA-reforms). There is more information below about some of the broad themes from the submissions.

Topic	Broad themes from submissions
Security of tenure	<p>Renters were strongly in favour of rebalancing tenancy laws so decisions around whether to stay or leave the property are largely in the hands of the tenant, not the landlord. Renters expressed concern about the costs of moving and a perceived lack of fairness in decision making.</p> <p>Landlords and property managers were concerned to keep flexibility for the landlord to terminate tenancies, for example, around no cause tenancies and to offer vacant possession if a house is being sold.</p>

Topic	Broad themes from submissions
<b>Fixed-term tenancies</b>	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, some tenants noted that while fixed-term agreements can provide certainty and security, being committed to a fixed-term tenancy can sometimes be problematic, financially and otherwise, if circumstances change.
<b>Compliance and enforcement</b>	<p>Tenants fear retaliation from landlords. Tenants also fear being black-listed if they were to take a case to a tribunal. For example, the Tenants Advocacy Network (TAN) raised issues about the adverse impacts of tenant's' names being published in Tribunal decisions. TAN proposed that all decisions be anonymised. Some submitters sought regulation of property managers and licencing of landlords.</p> <p>Landlords noted that the Tribunal does not work well for them. They told us that often awards are not enforceable or collectable. Landlords suggested that if there were additional regulation, fines or audits applicable to landlords then the same should be applied to tenants.</p>
<b>Regulator's powers</b>	All groups of respondents considered that the Regulator should have greater powers. Many submitters made observations that are not within scope of the RTA work on enforcement, for example commenting that the Tribunal is too slow, that the process can be stressful and that it is biased towards tenants.
<b>Minor fittings (described as modifications)</b>	<p>Landlords were of the view that the context of the particular tenancy, property and modification were key when a modification was requested. Clear and good faith communication was important. Landlords were principally concerned about damage and costs that could result from the installation and reversal of a modification.</p> <p>Tenants told us that the ability to make minor and reasonable modifications is strongly related to their ability to feel at home in their property.</p>
<b>Safety</b>	<p>Both tenants and landlords were concerned about safety. Modifications could be important for tenants' ability to make their property safe, for example when baby-proofing or earthquake-proofing is needed. Landlords were concerned that safety could be compromised if a modification was made or reversed in a substandard manner. Modifications that could affect the structural integrity of the building were of particular concern.</p> <p>The framing and language used during consultation may have given the impression that more major kinds of changes were intended. This may have led to higher levels of concern than there may otherwise have been.</p>
<b>Rent increases</b>	<p>There was strong support for rent increases to be limited to once every 12 months. 69 percent of all respondents supported the suggested change. 74 percent of tenants, 63 percent of landlords, 69 percent of property managers and 55 percent of social housing providers supported the proposal.</p> <p>Many landlords and tenants noted that increasing rents annually is the current common practice. Therefore, they did not have a problem with the suggested change. Many respondents supported limiting rent increases to once every 12 months in order to align with how wages are traditionally increased.</p>
<b>Rental bidding</b>	55 percent of respondents considered rental bidding should be banned, 11 percent thought it should be controlled, while 34 percent thought nothing should be done about it.

Topic	Broad themes from submissions
	<p>The majority of landlords thought that nothing should be done about rental bidding, while the majority of tenants and property managers thought that rental bidding should be banned or controlled.</p> <p>Tenants who indicated they did not support any sort of control on rental bidding commented that rental bidding provided an option for special cases to show their need for a property, such as having pets, or proximity to schools or employment.</p>
<p><b>Improving information provided to tenants</b></p>	<p>In the healthy homes consultation process (<a href="#">Healthy Homes Consultation</a>), tenants and tenant advocacy groups overall felt strongly about the need to strengthen tenants' ability to enforce their rights under the RTA. Many tenants suggested the healthy home standards could be more accessible if landlords were required to retain relevant documents to demonstrate compliance with the healthy homes regulations.</p> <p>Landlords were generally less willing to impose such additional administrative obligations under the regulations, however also valued clear compliance information and enforcement procedures.</p>
<p><b>Pets and rental properties</b></p>	<p>The topic of pets attracted particularly high levels of interest during the consultation process. Landlords thought that decisions around allowing pets should be at their discretion. They were concerned about the damage that pets can do to rental properties, the costs of remedying this damage, and whether tenants will be held liable. They supported introducing a pet bond. Eighty-three percent of landlords considered that landlords should be able to decline pet requests without giving reasons.</p> <p>Tenants thought that pet ownership should not be a privilege reserved only for homeowners. They noted that pets can have positive impacts on wellbeing. Tenants that have pets or want to get pets find it very difficult to secure appropriate rental properties. Seventy-two percent of tenants considered that landlords should not be able to decline pets without giving reasons.</p>

## **Proposed reforms to improve security of tenure**

### **Why are the reforms improving the security of tenure?**

Although more people are living in rented accommodation for longer in New Zealand, the median tenancy length is only 12 months. The 2018 General Social Survey found that 25 percent of tenants who had moved in the past five years did so because their landlord ended the tenancy.

Insecure tenure can have negative impacts on health, education and employment outcomes. For example, people who move often are less likely to have a primary healthcare provider.

### **How do the reforms improve security of tenure?**

Security of tenure will be improved in two ways:

- Periodic tenancy agreements will no longer be able to be terminated by the landlord for any reason and without a requirement to tell the tenant why. Instead, landlords will be able to end these agreements for a range of fair and justified reasons, including a tenant's antisocial behaviour. This means that tenants will always know why their tenancy is ending and be able to challenge this at the Tenancy Tribunal if they consider their landlord has not followed due process.
- Fixed-term tenancy agreements will not end at the end of the initial term unless specified grounds for this have been met, for instance, the landlord needs to sell the house, or the tenant has breached their obligations. If these grounds don't apply, fixed-term agreements must become periodic agreements unless both the tenant and the landlord agree otherwise. This means tenancies will not end just because parties cannot accommodate a further fixed-term agreement.

### **What are the reasons that a landlord can end a tenancy?**

These reasons ensure that landlords are able to terminate tenancies where there is a legitimate business reason to do so, or where the tenant is in breach of their tenancy agreement. The termination grounds are taken from landlords' submissions to the consultation process setting out the grounds they considered are necessary.

These reasons are:

- The landlord intends to make the property available for sale within 90 days of the tenant leaving the property
- The property was acquired for a business use other than residential rental accommodation and termination is required for the purposes of the business
- The landlord intends to carry out extensive alterations or redevelopment at the property and it would be unpractical for the tenant to live there during that process
- The landlord wants to change the use of the premises
- The premises are to be demolished
- The landlord is not the owner of the property, and the landlord's interest ends.



In addition, public housing providers can terminate a tenancy where:

- The tenant is no longer eligible for public housing or the property is no longer funded as a public housing place
- The tenant needs to be transferred to a different public housing property that is considered to better match their needs, the public housing provider's business requirements or the needs of the community.

There is an existing ground to terminate a tenancy if the landlord or a family member intends to use the property as their main residence. The reform amends this ground so that the landlord or family member must intend to live there for at least three months. In submissions, some tenants have indicated they have been given notice under this clause and then found the rental property advertised for a higher rental.

In addition, a landlord can also apply to the Tenancy Tribunal to end a tenancy. The Tenancy Tribunal can end a tenancy where on balance, the Tribunal considers that the landlord's application to end the tenancy is legitimate and fair, taking into account the impact on the tenant.

### **What proposed changes are being made to notice periods for periodic tenancies?**

New termination provisions introduced through the reform will be subject to 90 days' notice. This is intended to provide more time for tenants to find alternative accommodation that works for them if their tenancy ends.

Provisions to end a tenancy that are currently subject to 42 days' notice will increase to either 63 days' notice or 90 days' notice. The notice period will be 63 days when the landlord gives notice because:

- they, or their family member, requires the property to live in;
- the property is needed for an employee (and this was foreshadowed in the tenancy agreement).

90 days' notice is required for the other existing termination ground, that the property has been sold with a requirement by the owner for vacant possession. This aligns the notice period with the new termination ground that the landlord intends to make the property available for sale. Keeping the notice period the same for the sale-related termination grounds keeps things simple for both landlords and tenants.

The notice a tenant must give a landlord when terminating a periodic tenancy will increase from 21 days to 28 days.

### **How will landlords end tenancies for antisocial behaviour?**

Where a tenant on a periodic tenancy agreement has acted in a way that has caused harassment, alarm or distress to a third party, a landlord will be able to issue the tenant with a notice to stop the behaviour. If a landlord has issued a tenant three notices for separate antisocial acts in any 90-day

period, they may apply to the Tenancy Tribunal for termination. If the Tribunal considers that the notices were issued reasonably and fairly, it must make an order terminating the tenancy.

Guidance will be developed to have parties understand what specific acts of antisocial behaviour will come under this new system.

### **What can landlords do if tenants are repeatedly late with rent payments?**

If a tenant has been at least five working days' late with the rent payment, the landlord can issue a notice advising the tenant that the rent is late. If a landlord has issued a tenant three notices for separate late payments in a 90-day period, they may apply to the Tenancy Tribunal to end the tenancy.

If the Tribunal considers that the notices were issued reasonably and fairly, the Tribunal may make an order terminating the tenancy.

## **Proposed reforms to make rights and responsibilities about adding minor changes to a rental home clear**

### **Why are there reforms about adding minor changes?**

Currently, tenants must get their landlord's consent to install a fitting (called fixtures in the RTA). Landlords cannot unreasonably withhold their consent. However, consultation indicates that these existing rights and obligations are not functioning optimally. Consultation showed that rights are not well understood and would benefit from further clarity.

### **What changes do the reforms make around minor changes?**

Tenants can request permission to make a minor change to a rental home. Landlords can only decline for specified reasons. The change must be made at the tenant's own cost. Tenants must remediate the property to a satisfactory standard if the landlord does not agree to them staying.

### **What is a minor change?**

Minor changes are made to the property at the tenant's expense. They have the following attributes:

- They present a low risk of damage to the property;
- They are of a nature that allows the property to be easily returned to a reasonably similar condition at the end of the tenancy;
- They do not pose a health and safety risk that is not able to be sufficiently mitigated, including during installation and removal;
- They have no impacts on third parties; and
- They require no consent under law.

### **What are examples of minor changes?**

Guidance will be developed and published that provides examples of things that are likely to be acceptable minor changes. This is likely to include:

- Installing minor accessibility fittings that improve safety for disabled people such as visual alerts for fire, security alarms and doorbells, where this has low impacts and will be reversed at the conclusion of the tenancy;
- Securing furniture or appliances to protect against earthquake risk or to make a property child safe;
- Installing dishwashers and washing machines;
- Installing a baby gate;

- Affixing child safe latches to cupboards;
- Installing shelving;
- Installing television aerials;
- Installing gardens when these can be returned to the original state at the conclusion of the tenancy;
- Installing curtains and window coverings;
- Installing internal locks provided they are compliant with relevant fire safety laws; and
- Installing picture hooks.

## **Proposed reforms to strengthen enforcement and improve compliance**

### **Why are the reforms strengthening enforcement?**

The Regulator – the Ministry of Business, Innovation and Employment – requires the full suite of tools of a modern regulator in order to effectively implement the changes in the reform and achieve compliance across the sector.

Penalty levels in the RTA have not been reviewed since 2006. If adjusted for increases in rental costs, the penalty levels are 60 percent too low in real terms.

### **How do the reforms strengthen enforcement and improve compliance?**

The reform has provided the Regulator with the tools to:

- Issue infringement notices for straightforward breaches of the RTA. Infringement offences are used for minor strict liability offences and do not result in a criminal conviction.
- Enter into enforceable undertakings, which are negotiated agreements with a party to address minor or technical breaches of the RTA. A breach of an enforceable undertaking will be an unlawful act and may result in a penalty.
- Issue improvement notices to correct behaviours where parties have breached the RTA. A failure to comply with an improvement notice will be an unlawful act and may result in a penalty.

### **How much are penalties increasing?**

The reform is increasing civil and criminal penalties across the board to ensure the consequences of non-compliance with the law are appropriate. The existing civil and criminal penalties in the RTA have been increased between 50 and 80 percent.

Additional penalties have also been introduced for large scale landlords (those with six or more tenancies). These penalties will only apply to five specific breaches of the RTA and in circumstances where the Tenancy Tribunal considers the higher penalty is warranted. It attracts a maximum penalty of \$50,000, but the amount of any penalty will be determined by the Tribunal based on the specific situation.

### **What other reforms will strengthen enforcement?**

The reforms include some administrative changes to make it easier for the Regulator to carry out its duties efficiently and effectively, and to assist smooth operation of the Tribunal. The reforms are:

- Increasing the jurisdiction of the Tribunal from \$50,000 to \$100,000. This avoids the Tribunal having to transfer cases where the awards are likely to exceed \$50,000 to the District Court. It keeps tenancy cases in the specialist jurisdiction of the Tribunal.

- Allowing the Regulator to take a single application to the Tribunal which cover multiple breaches across multiple properties. This allows the Regulator and Tribunal to act more efficiently.
- Providing the Regulator with a general function and power to monitor and assess landlords' compliance with the RTA. This mirrors the provision that was included in the RTA in respect of the healthy homes standards.
- Confirming the types of documents the Regulator may request from a landlord to include bond records, rent records and other records relating to landlords' responsibilities under the RTA.

## Other areas of proposed reform

### What changes do the reforms make around the installation of fibre in rental properties?

Landlords will be required to permit and facilitate the installation of fibre in certain circumstances.

Tenants must first request the installation with their landlord. The landlord must respond to the request within 21 days.

#### ***The landlord must permit the installation if:***

- There is no connection already at the premises;
- It is possible to connect the premises to fibre and access the network; and
- Fibre can be installed at no cost to the landlord (for example, when the cost is covered by the Ultra-Fast Broadband Initiative).

#### ***A landlord can decline installation on specified grounds, including:***

- Installation would compromise the, structural integrity, weathertightness or character (other than by having a mere visual impact) of the property;
- Installation would breach an obligation or a restriction that is relevant to the premises (for example, an obligation or a restriction imposed by a bylaw, a planning or body corporate rule, or a covenant);
- The landlord intends to carry out extensive alterations, refurbishment, repairs, or redevelopment of the premises and the installation would impede that work; or
- Installation requires the consent of a third party and the landlord or network operator is unable to obtain the consent.

The Tenancy Tribunal on application by the landlord, can decide that, due to the circumstances of the premises or the installation, the landlord should not be required to provide for the installation of a fibre connection in the premises.

If the landlord is required to permit the installation, the landlord must take all reasonable steps to facilitate the installation within a reasonable period of time.

### Why are changes being made to fibre policy?

The Government has invested nearly \$2 billion to improve connectivity, with the benefits accruing across both owner-occupied and rented properties. The policy intent of the RTA reform in this context is to ensure the growing proportion of New Zealanders renting a property have similar opportunities to access fibre broadband services as owner-occupiers.

### Can a landlord decline if the connection is going to cause damage to the property, or be an eyesore?

Network Operators are liable for any damage caused to property through consenting agreements with landlords (as property owners of tenanted premises where fibre is connected).

The landlord is exempt from fibre obligations under the proposals if installation would compromise the structural integrity or weathertightness of the building.

They will also be exempt if they can show installation would compromise the character of the building, other than having a mere visual impact.

If you still have concerns about this, you can share your views during the Parliamentary Select Committee process.

### **Will this cost landlords money?**

No, the obligation to permit fibre is only triggered when there is a no cost obligation available to the landlord.

### **Will tenants have to remove fibre equipment at the end of the tenancy?**

Fibre connection assets remain in place when tenants change. Tenants therefore do not have an obligation (or any right) to remove fibre assets in order to return properties to their original state at the conclusion of a tenancy.

### **Was fibre part of the RTA reform consultation process?**

Public consultation on the RTA reform did not specifically include fibre issues. However, in response to more general questions concerning existing rights to install minor fittings, the Ministry of Housing and Urban Development (HUD) received several submissions requesting the consideration of new rights to address problems installing broadband in rental properties.

### **What changes do the reforms make around setting rent?**

The reforms prevent landlords and their agents from seeking rental bids. They will be unable to:

- Advertise rental properties with no rental price listed;
- Request applicants pay more in order to secure a rental property;
- Organise an auction over a rental property; or
- Offer to make an applicant the successful tenant if they agree to pay more rent for the property.

This approach does not ban rental bidding. Tenants will be allowed to offer to pay more for a property of their own volition.

### **What changes do the reforms make around increasing rent?**

Currently, rent is only able to be increased once every six months. The reforms limit this to once every 12 months.

### **What can tenants do if they believe their rent is too expensive?**

If a tenant believes that their landlord is charging rent significantly higher than market rent, they can apply to the Tenancy Tribunal to ask for the rent to be reduced. Rent should be consistent with the rent charged for similar properties in comparable areas. More information on what market rent rates are in any given rental situation can be found on the [Tenancy Services website](#).



## **What changes are being made to the publication of Tenancy Tribunal decisions?**

The reforms allow for identifying details to be removed from published Tenancy Tribunal decisions.

This applies where the party has been wholly or substantially successful in:

- Enforcing their rights; or
- Defending a claim against them.

This is intended to remove a disincentive for people to use the Tenancy Tribunal while ensuring that information in the public interest continues to be available.

The reform also clarifies that the Tribunal can suppress evidence, or names and identifying details of any witness or party, if that is in the interests of the parties and the public interest. For example, it may be appropriate to suppress evidence relating to mental health issues or domestic violence, or commercially sensitive information.

## **Enabling assignment of fixed-term tenancies**

Assignment is when a tenant transfers their interests and responsibilities under a tenancy to a new tenant.

The reforms will remove the discrepancy that exists between tenancies where assignment has been prohibited outright through the tenancy agreement and all other tenancies where assignment requests must be considered on a case-by-case basis and not be declined unreasonably. All assignment requests will only be able to be declined if this is reasonable in the circumstances.

## **Improving information provided to tenants**

### *Fees on ending a fixed term tenancy*

The RTA allows landlords and property managers to recover expenses reasonably incurred upon giving a tenant consent to assignment, subletting or parting with possession of the premises. The RTA does not currently require disclosure of how a fee has been calculated, so tenants may find it difficult to challenge the reasonableness of a specific component of the fee.

The reforms will require landlords and property managers to provide breakdowns of all costs, conditions and processes they are applying upon giving a tenant consent to assignment, subletting or parting with possession of the premises.

### *Healthy homes standards*

The reform makes a minor change to optimise the healthy homes standards. The landlords will be required to provide tenants with specified compliance documents upon request within 21 days.

## **Impact of the proposed reforms**

### **Which landlords do these proposed reforms apply to?**

These proposed reforms apply to all landlords for whom the RTA applies. This includes private landlords, boarding house landlords, local government housing providers, Kāinga Ora – Homes and Communities (formerly Housing New Zealand) and registered Community Housing Providers.

### **How do these changes impact on landlords?**

Landlords will not be subjected to material direct costs as a result of the RTA Reform. However, landlords and property managers are likely to face additional administrative costs in relation to new processes around minor fittings and assignment of fixed-term tenancies.

In addition, costs may fall to landlords in situations when:

- Landlords need to collect more information to withstand the challenge of a tenancy ending in response to a specified termination ground, including time spent at the Tribunal in defence of this. For landlords this is a deterioration relative to the status quo which enables periodic tenancies to be ended unilaterally, for any reason, and generally without evidence.
- The potential for lost revenue for landlords if following an initial fixed-term agreement a tenant can no longer be incentivised to sign up for a further fixed term. This may expose landlords to risk should tenants subsequently leave the tenancy at a time of the cycle where there is low demand to replace them.
- The potential for lost revenue for landlords if they are required to provide tenants with 63 or 90 days' notice to end a tenancy, a tenant subsequently serves 28 days' notice to leave, and an alternative tenant cannot be found to meet the shortfall.

Some landlords may generally consider that the package of tenancy initiatives will increase the risk to their business and this could affect landlord willingness to rent, and the amount of rent charged. However, noting that there are a wide number of factors that affect rent, it would be difficult to attribute any change in market rent to the reforms alone and any impacts on rents may be muted by other factors that reduce costs for landlords, such as lower interest rates.

### **How do these changes impact on tenants?**

The reforms have been designed to improve fairness in the RTA. In particular, the reforms intend to improve security of tenure, which has multiple benefits for tenants. Tenants should have improved wellbeing from being better able to establish roots in their community, and reduced costs from involuntary changes in rental accommodation. Tenants will also have more certainty about their rights, and ability to exercise those rights.

While most of the reforms do not have direct costs, there is a potential for rents to increase if landlords seek to offset additional risk. There is also a small potential for additional cost from needing to provide an additional week's notice to terminate a periodic tenancy.

Tenants may face larger rental adjustments when their rents are reviewed but these reviews will take place at less frequent intervals.

### **How can we hold tenants and landlords to account for their responsibilities and behaviour?**

If a tenant or landlord isn't meeting their responsibilities, the other party can issue them with a notice to comply. If the problem isn't fixed at the end of the notice period, the other party can go to the Tenancy Tribunal. The Tribunal can order repairs, require compensation or exemplary damages to be paid to the other party, and/or terminate the tenancy at the landlord's request. If the problem is to do with the tenant's or landlord's behaviour the Tribunal can issue an order to give the tenant a further chance to change their behaviour, or terminate the tenancy.

The Regulator can take cases to the Tribunal on behalf of the landlord or tenant, or in its own right. The reform provides for new tools for the Regulator to strengthen enforcement, which are set out above.

### **How are landlords' interests protected?**

The reforms have been carefully constructed to balance the interests of both landlords and tenants. The solutions are designed to:

- Endure changing market characteristics
- Be proportionate to the problems
- Continue to allow landlords to protect their asset.

For example, tenants who are meeting their obligations should have choice and control over their housing options. However, it is important landlords are still able to terminate tenancies for justifiable reasons, such as a tenant breaching their obligations.

The package of solutions is the lowest cost way to achieve our objectives. Some more interventionist measures that the public were consulted on have not been progressed. Instead, alternative solutions have been devised to respond to concerns landlords have raised.

More information about how the interests of both parties are balanced can be found in the detailed information about the reforms: [www.hud.govt.nz/RTA-Reforms](http://www.hud.govt.nz/RTA-Reforms).

### **Will a landlord be able to remove a bad tenant?**

Yes. A tenancy will still be able to be terminated if a tenant is breaching their tenancy agreement or the RTA. For example, if a landlord presents evidence that a tenant is 21 or more days behind in their rent and asks for the tenancy to be ended, the Tenancy Tribunal must make an order to end the tenancy (which may be a final or conditional order). There are also new termination processes to support landlords.

### **Do the new notice periods apply to accommodation linked to employment?**

Accommodation linked to employment is known in the RTA as a "service tenancy". Service tenancies have their own dedicated notice periods currently under the RTA and we are not proposing to change these in this reform.

### **Why don't the changes include pets?**

The topic of pets attracted particularly high levels of interest during the consultation process. The question "should a landlord be able to refuse a tenant's request to keep a pet without giving a reason?" was the most frequently answered question across both written submissions and the web survey. Two hundred and fifty of the 454 written submissions addressed this issue and 2,539 of the 2,842 survey respondents answered this question.

It is an area where there are directly opposing and strongly held views. The Government has been considering policy changes but has not yet come to a decision.

### **Do the reforms include removing duplicate compliance statements for insulation?**

The Residential Tenancies Amendment Act 2019 made changes so that landlords do not need to sign two separate compliance statements. Therefore, no changes to the RTA are needed through this reform.

## **Process from here**

### **How will the process work from here? What's next and when?**

The Government needs to change the RTA to put the reforms into effect. The Government is currently drafting a Bill to make these changes. The Government aims to introduce the Bill in early 2020.

The select committee process for the Bill is an opportunity for the public to make submissions on the Bill and suggest changes or improvements. The [Parliament website](#) will provide information about how to get involved in the select committee process.

### **How will people know about the changes? How much time will they have to get ready for the changes?**

The time the law is brought into force will depend on how fast the Bill passes into law. It's important that we allow time for select committee consideration and for Parliament to debate the Bill.

Officials will need some time to prepare guidance and systems to implement the new law. The Ministry of Business, Innovation and Employment, the Regulator for the tenancy system, will undertake a communications programme to make sure that landlords and tenants understand the reforms. MBIE will use representative groups and a variety of media to help share the message.