

90. **What reports or policy reviews are expected to be carried out addressing the issue of the unauthorised subletting of state houses in their entirety by tenants in the 2008/2009 financial year and what reports have been completed in the last 5 years? How many state houses have been found to have been sublet in their entirety in the 2007/08 year to date and what action was taken in each case?**

At the request of the Minister of Housing the Corporation's Board reviewed the performance of the Corporation in relation to the subletting of a house in Mangere. The Board reported back to the Minister in July 2007.

There were no substantive reports or policy reviews produced by the Corporation addressing the issue of subletting in state houses in their entirety by tenants in the last five years.

There are no reports or policy reviews expected to be carried out by the Corporation addressing the issue of subletting in state houses in their entirety by tenants in 2008/09.

Corporation tenants are not permitted to sublet their tenancies. Tenants who do are in breach of their tenancy agreement. When the Corporation suspects tenants are subletting, it acts accordingly and uses the remedies open to it, including those under the Residential Tenancies Act 1986. The Corporation inspects its properties twice yearly. If during the course of these inspections the Corporation comes across cases of subletting, there are appropriate processes and procedures for addressing the issue.

Under the Residential Tenancies Act, in the case of sub-letting a landlord is required to issue a notice to remedy the breach of the tenancy agreement to the tenant. It is at the discretion of the Tenancy Tribunal on a case by case basis as to whether or not the tenancy is terminated.

The number of state houses that have found to be have been sublet in their entirety in the 2007/08 year to date is 44. The following table shows the action taken in each case:

Neighbourhood Unit	Actions Taken
Manurewa	Region are monitoring to ensure tenant is maintaining occupancy
New Lynn	Income Related Rent debt established, Tenancy Tribunal action, tenancy terminated
Papakura	Residential Tenancies Act action undertaken by Neighbourhood Unit, occupancy remedied
Mangere	Tenant vacated as result of investigation
Manurewa	Tenant vacated as result of investigation
Mangere	Tenant vacated as result of investigation
New Lynn	Occupancy remedied
Glen Innes	Under action with Region to take action under RTA provisions re breach of tenancy
Henderson	Region satisfied tenant has returned to reside at property
Mt Roskill	Under action with Region to take action under RTA

Neighbourhood Unit	Actions Taken
	provisions re breach of tenancy
Otara	Tenant vacated as result of investigation
Otara	Occupancy remedied
Glen Innes	Under action with Region to take action under RTA provisions re breach of tenancy
Mangere	Tenant vacated as result of investigation
Mangere	Tenant vacated as result of investigation
Manurewa	Tenant vacated as result of investigation
Henderson	Tenant vacated as result of investigation, IRR Debt established
Takapuna	Occupancy remedied, tenant returned to live at property
Manurewa	Region monitoring to ensure tenant is maintaining Occupancy
Henderson	Occupancy remedied, tenant returned to live at property
Manurewa	IRR debt established, occupancy remedied
Glen Innes	Tenant vacated as result of investigation
Panmure	IRR debt established, Tenant vacated as result of investigation
Manurewa	Tenant vacated as result of investigation
New Lynn	Tenant vacated as result of investigation
Panmure	Tenant vacated as result of investigation
Mangere	Tenant vacated as result of investigation
New Lynn	Occupancy remedied
Manurewa	Occupancy remedied
Westgate/Waitakere	Occupancy remedied
Hamilton	Tenant vacated
Thames	Tenant vacated
Taupo	Tenant vacated
Whangarei	Occupancy remedied
Tauranga	IRR debt established, Tenant vacated as result of investigation
Gisborne	90 Day Notice - with RM for approval
Hutt North	Occupancy remedied
Hutt South	Tenant vacated as a result of investigation
Hutt South	Occupancy remedied
Hutt South	Occupancy remedied
Papanui	Tenant vacated as result of investigation

Neighbourhood Unit	Actions Taken
Nelson	Tenant vacated as result of investigation
Papanui	Tenant vacated as result of investigation
Nelson	Occupancy remedied

91. **What reports or policy reviews are expected to be carried out addressing the practice of state house tenants owning their own properties either directly or through trusts or companies while renting off in the 2008/2009 financial year and what reports have been completed in the last 5 years addressing this matter? How many state house tenants have been found to have owned their own properties while renting off the corporation in years in the 2007/08 year to date and what action was taken in each case?**

No reports or policy reviews are expected to be carried out addressing the practice of state house tenants owning their own properties either directly or through Trusts or companies in 2008/2009. No such reports or reviews have been conducted in the last five years.

All tenants applying for an income-related rent have an obligation to declare all income and investments of significant value. Any income received by a tenant from renting out a property and/or the investment a tenant may have in a property, must be declared.

Once a tenant moves to a market rent, the Corporation cannot ascertain details of assets or incomes because these tenants do not have to complete an application for an Income Related Rent.

As at 30 April 2008, three Corporation tenants had declared that they own their own properties.

There are situations where a tenant might be offered, or retain, a Corporation tenancy under the social allocation system, and pay an income-related rent, while owning property.

Examples of this include:

- where the tenant or applicant has a share in a matrimonial or family home but little or no equity in the property
- where the tenant or applicant has shares in land but has no income from it.

If a tenant paying an income-related rent owns an investment property, and this comes to the attention of the Corporation, the Corporation will assess whether or not this requires further investigation into potential income-related rent fraud.

Once a tenancy has commenced, a market rent tenant has no legal responsibility to advise the Corporation of a change in financial circumstances, including the purchase of an investment property. If it comes to the Corporation's attention that a market rent tenant subsequently acquires an investment property, the Corporation may explore with them whether they continue to need the Corporation tenancy.

127. Further to the answer to question 90 what was the estimated, or established, period that each of the 44 state houses were wrongfully sublet for?
 What does the term occupancy remedied mean, and which tenants continue to live at each of the 44 state house following the establishment of wrongful subletting or otherwise now inhabit another state house?

The term occupancy remedied means that the tenant has returned to reside at his/her Corporation tenancy and that the tenancy is, therefore, no longer being sublet.

In the majority of confirmed subletting cases, the subletting has been to the family of the tenant. For this reason, it is often difficult to determine how long the subletting arrangement/s have been in place as the parties involved are not inclined to provide such information. Similarly, there are seldom admissions that the tenant has made financial gain from the subletting arrangement/s, and therefore, the only remedy available in these circumstances is to seek a termination of tenancy for breach of tenancy agreement (for the tenant not residing at the tenancy), or to require the tenant to return to the property.

The table below shows the length of time that subletting had occurred in each case and whether or not the tenant continues to live at their tenancy, or, now occupies another Corporation tenancy:

Neighbourhood Unit	Actions Taken	Length of subletting	Current tenant
Manurewa	Region are monitoring to ensure tenant is maintaining occupancy	unsubstantiated	Y
New Lynn	Income Related Rent debt established, Tenancy Tribunal action, tenancy terminated	8.5 years	N
Papakura	Residential Tenancies Act action undertaken by Neighbourhood Unit, occupancy remedied	unsubstantiated	Y
Mangere	Tenant vacated as result of investigation	13 months	N
Manurewa	Tenant vacated as result of investigation	10 weeks	N
Mangere	Tenant vacated as result of investigation	5 years 8 months	N
New Lynn	Occupancy remedied	18 months	Y
Glen Innes	Under action with Region to take action under RTA provisions re breach of tenancy	12 months	Y
Henderson	Region satisfied tenant has returned to reside at property	unsubstantiated	Y
Mt Roskill	Under action with Region to take action under RTA provisions re breach of tenancy	unsubstantiated	Y
Otara	Tenant vacated as result of investigation	2 months	N
Otara	Occupancy remedied	unsubstantiated	Y
Glen Innes	Under action with Region to take action under RTA provisions re breach of tenancy	10 months	Y
Mangere	Tenant vacated as result of investigation	8 years 3 months	N
Mangere	Tenant vacated as result of investigation	9 months	N

Neighbourhood Unit	Actions Taken	Length of subletting	Current tenant
Manurewa	Tenant vacated as result of investigation	8 months	Y
Henderson	Tenant vacated as result of investigation, IRR Debt established	3 months	N
Takapuna	Occupancy remedied, tenant returned to live at property	5.5 months	Y
Manurewa	Region monitoring to ensure tenant is maintaining Occupancy	unsubstantiated	Y
Henderson	Occupancy remedied, tenant returned to live at property	unsubstantiated	Y
Manurewa	IRR debt established, occupancy remedied	18 months	Y
Glen Innes	Tenant vacated as result of investigation	unsubstantiated	N
Panmure	IRR debt established, Tenant vacated as result of investigation	5.5 years	N
Manurewa	Tenant vacated as result of investigation	5 months	N
New Lynn	Tenant vacated as result of investigation	11 months	N
Panmure	Tenant vacated as result of investigation	3.5 years	N
Mangere	Tenant vacated as result of investigation	2 months	N
New Lynn	Occupancy remedied	2 - 3 months	Y
Manurewa	Occupancy remedied	2 months	Y
Westgate/Waitakere	Occupancy remedied	2 months	Y
Hamilton	Tenant vacated	unsubstantiated	N
Thames	Tenant vacated	unsubstantiated	Y
Taupo	Tenant vacated	3 months	N
Whangarei	Occupancy remedied	unsubstantiated	Y
Tauranga	IRR debt established, Tenant vacated as result of investigation	2 years	N
Gisborne	90 Day Notice - with RM for approval	unsubstantiated	Y
Hutt North	Occupancy remedied	unsubstantiated	Y
Hutt South	Tenant vacated as a result of investigation	2 months	N
Hutt South	Occupancy remedied	1 - 2 months	Y
Hutt South	Occupancy remedied	5 months	Y
Papanui	Tenant vacated as result of investigation	unsubstantiated	N
Nelson	Tenant vacated as result of investigation	1 year	N
Papanui	Tenant vacated as result of investigation	2 weeks	N
Nelson	Occupancy remedied	unsubstantiated	Y