

THE PLAN TO FIX RENTING.

Every New Zealander has the right to a warm, safe and stable home. But our rental laws are broken.

Rental homes are cold, damp and unsafe even as rents go up and up. Renters can have our homes taken away for any reason — or no reason. Meanwhile, the few rights we do have are poorly enforced through a system that renters themselves pay for. Half of all New Zealanders rent, yet we cannot make our house a home.

Our rental laws are broken but they can be fixed. The Plan to Fix Renting sets out 36 changes to the law and its application that will make our private rental sector healthy, safe, affordable, stable and — most importantly — fair.

This year we have a once-in-a-decade opportunity to fix renting. This plan outlines how.



Support the plan at fixrenting.org.nz

Stable homes.

A secure and stable home is essential for wellbeing. Renters should not fear eviction for reporting problems, or for reasons outside our control. Instead we should be able to make our rented property a home. It's time to change the perception of renters as visitors in their communities who can never put down roots. Introducing security of tenure will reduce transience, strengthen community engagement, improve educational outcomes and give renters the protection we need to raise the quality of our homes and the housing stock in general.

The plan to fix security of tenure:

1. Introduce a legislative definition of a rental property as a home that recognises the role the home plays in wellbeing and therefore the impact of unwarranted disruption. Require that landlords and the Tenancy Tribunal take all reasonable steps to minimise disruption to a renter's security and stability in their home. Apply principles of natural justice when dealing with disputes.
2. Abolish no cause evictions by requiring landlords to provide to the tenant in writing a specific, legally-testable reason for ending a tenancy. This would establish indefinite tenancies as the norm.
3. Limit the reasons that a landlord may end a tenancy to factors within the renter's power to address. Legitimate reasons will be limited to non-payment of rent; serious illegal or anti-social behaviour; or significant damage to the property. No other reasons will be legitimate, including sale of the property (though the tenancy could transfer with the sale), or the landlord's family taking occupancy.
4. Limit the use of fixed term tenancies to circumstances where a property has a reasonable and legitimate fixed period of availability. This will include the property being vacant while its usual owner-occupiers are abroad for a fixed period.
5. Require landlords to take all reasonable steps to protect the continuity of a tenancy, and minimise disruption to the tenant's security, stability, and quiet enjoyment in the case of maintenance or upgrade to a property.
6. Retain the existing renters' notice period of 21 days in all circumstances, except where a landlord has given notice, in which case the tenant may give 7 days notice.
7. Allow renters to keep pets and make minor changes to the property consistent with the goal of making the house their home. Such changes would include but not be limited to repainting, hanging pictures and securing furniture in case of earthquakes.
8. Allow renters to make reasonable adjustments to the terms of the tenancy when personal circumstances change, for example the birth of a child, the need to care for a relative or the occasional turn-over of renters in a flat-share.
9. Reduce the allowed frequency of inspections to once every six months after tenants have occupied a property for more than one year.

Fair rent.

Everyone should be able to afford a decent place to live. Renters should not face frequent, unpredictable rent rises that compromise our ability to realise our right to a home. Instead, renters should know that our rent has been set fairly and that it isn't the result of landlords exploiting supply shortages or other factors.

The plan to fix affordability:

1. Restrict rent increases to a maximum of one single annual adjustment.
2. Limit rent increases to no more than inflation, based on the Consumer Price Index (CPI) in the preceding 12 months.
3. Allow reasonable and proportionate rent increases above CPI where significant improvements have been made to the quality or facilities of the home — beyond ordinary maintenance. Such improvements would not include those made in order for the property to comply with minimum standards.
4. Prevent unreasonable rent hikes between tenancies by requiring the landlord to set rent within a reasonable range of the previous rent charged for that property (except where significant improvements beyond normal maintenance have been made) and inform incoming tenants in writing of the rent paid by the previous tenants.
5. Require that rents are set within a reasonable range of the median rent of comparable rented houses in the same area.
6. Outlaw formal and informal rent bidding by requiring landlords to advertise a specific rent for every vacancy and to set rent no higher than the amount advertised.
7. Abolish letting fees and all other fees charged to tenants by landlords or their agents.

A note on supply:

Renters United recognises that significant interventions in the housing market are also required to address broader supply issues. We call for the creation of a National Housing Strategy that includes:

- taxes on property speculation
- significant new public housing (provided by central, local and non-government agencies) that focuses first on areas of shortage in the private rental sector such as accessible housing
- incentives for non-government entities to provide affordable rental accommodation
- initiatives to support affordable home ownership (shared equity, rent-to-buy, and cooperative housing schemes)
- empowering Councils to tackle land-banking, empty investment properties and short-stay rentals that take stock out of the rental sector.

This strategy should be monitored by a Commissioner for Housing.

Safe and healthy homes.

All rental housing should be warm, healthy and safe. Much of our private rental housing stock is cold, drafty and poorly maintained. Even where higher legal standards do exist, the burden of enforcing these standards falls on individual renters. Poor quality rental housing makes renters sick and costs our health system and economy hundreds of millions of dollars every year. We need higher standards that are properly enforced and we need them now.

The plan to fix quality:

1. Raise minimum quality standards for all rental housing to the level set out in the He Kainga Oranga Rental Warrant of Fitness, which includes both safety and health requirements. Rental properties must have a certificate showing compliance in order to be tenanted at all.
2. Legislate minimum standards for reasonable amenities in rental housing, including laundry and kitchen facilities.
3. Consolidate all pre-existing and new standards into a single definitive quality standard.
4. Create a Rental Housing Quality Grade system to incentivise improvements beyond the minimum standard. This would be similar to the food hygiene grades for restaurants.
5. Fund and empower local authorities to enforce the quality standard alongside their comparable duties for new-build housing (building consents), commercial property (building WOFs and earthquake-prone buildings) and other public health matters (food hygiene, sanitation).
6. Allow renters to make reasonable modifications they need to access and be safe in their home. This could include the installation of ramps and handrails, silent fire alarms and other such safety and access facilities.
7. Allow local authorities to supplement the national quality standard to take into account specific regional needs, for example, resilience in earthquake-prone regions or ventilation in warmer climates.
8. Introduce a regular review of the standard (to address new evidence and practice, including changes to the Building Code), and the effectiveness of enforcement.

Meaningful enforcement.

The system to sort out disputes must be fair, timely and well-resourced. The current system relies on renters with endless time and energy to invest in sorting out problems, despite the inherent power imbalance between renter and landlord. When we do stick up for ourselves, we risk damaging our relationship with our landlord, our chance of finding another rental and our own wellbeing. We need better mediation services and tenancy advocacy services, a Tenancy Tribunal that enforces the law, and proper regulation of property managers and landlords.

The plan to fix enforcement:

1. Change the Tenancy Tribunal to an investigative model focused on establishing the facts of the case and resolving the dispute. Fund the Tribunal to operate in this way.
2. Anonymise tenants in the Tribunal rulings so renters are not deterred from standing up for their rights.
3. Review mediation services and expand their availability to allow tenants and landlords to access a comprehensive dispute resolution service without needing to apply to the Tribunal.
4. Allow renters to appoint advocates to represent them in mediation and at the Tribunal.
5. Fund renter-led advocacy services throughout the country.
6. Require private landlords to register alongside the bond lodgement process.
7. Require all property managers be licensed. Establish a professional regulatory body that creates a code of ethics, coordinates professional development and sets minimum standards for the industry such as non-discriminatory application processes. The body should be governed by representatives of property management companies, renters and the public.
8. Empower the professional body to sanction or delicense property managers who breach established standards.
9. Create a register of all rental properties to track compliance with quality standards and to capture key information about the private rental sector including capacity, accessibility indicators and turnover.
10. Increase the possible sanctions for landlords who breach the law. Empower the Tribunal to give fines large enough to serve as a real deterrent, and to disqualify landlords who repeatedly or wilfully act unlawfully.
11. Empower the Tribunal to re-assign the management of a property where a landlord is disqualified and the Tenancy Tribunal deems it appropriate for the resolution of the case, such as to execute outstanding work orders.
12. Enforce quality standards through local authorities (see point 5 in *Safe and healthy homes*).

A note on funding enforcement

The existing enforcement system is funded almost entirely by renters from the interest earned annually on lodged bonds (\$20.6 million in the 2016/17 financial year). It is reasonable to expect that renters get from this investment a fair and responsive enforcement system.

In addition, MBIE currently holds several million dollars of abandoned bonds that are ultimately returned to the Crown (currently \$9.8 million). It is unacceptable that abandoned bonds, which are renters' money, are not reinvested in services that would benefit renters. They should be invested in providing renters' advocacy services to address the inherent power imbalance between tenants and landlords.

The licensing of property managers and registration of landlords should be self-funding, via fees charged as part of their registration.