

NZPIF members support greater stability for tenants

It is good to see that the Chief Human Rights Commissioner, Paul Hunt, is acknowledging that people who rent their homes are now moving between tenancies less often than in past years.

The New Zealand Property Investors Federation (NZPIF), which represents private sector residential rental housing providers, is also pleased to see this greater stability. The overwhelming majority of their members invest in rental property for the long term, and long term investors invariably seek stable long-term tenants. Despite the popular image, landlords do not remove tenants just because they can. They are well aware that a good tenant is valuable, and also that any vacancy in the tenancy represents a loss of income that can never be recovered.

Responding to the many tenants who would like more secure accommodation, the Government has tried to provide this by removing the ability of landlords to issue a 90-day termination notice with no stated reason. However, this has only made it harder to remove anti-social tenants who are causing problems for their neighbours and their communities. There has been much recent media coverage of Kāinga Ora who are struggling with this problem.

Therefore, the NZPIF has taken a different approach. As part of their plan to fix the rental crisis and actually improve the living standards of tenants, NZPIF has already proposed the creation of a new 'long term' tenancy option in addition to the existing periodic and fixed terms tenancy agreements currently available under the Residential Tenancies Act.

This proposal is based on the German model, and within this option a landlord would agree not to sell their rental or, if they did sell, to only do so with the tenant remaining in the property. In addition, the tenants could still end the tenancy if they need to, and they could also decorate the interior of their rental to suit their own tastes. This option would also remove some of the risks to landlords of allowing tenants to keep pets, thus helping property owners to say 'yes' to such requests.

In return owners would be compensated for the higher risks involved and for giving up some of their current rights. For example, in Germany, tenants could have to provide up to 12 weeks bond for the new tenancy, would have to give 12 weeks termination notice instead of the existing four, and would be responsible for the direct payment of property outgoings like council rates and insurance premiums.

The overall NZPIF plan is based on five core principles of providing stable and better homes, lower costs to enable lower rental prices, more rental properties to meet existing and future demand, and facilitating improved access to justice for both tenants and landlords. The fifth principle is for the benefit of all New Zealanders, which is creating closer communities. The plan was announced earlier this year and was at that time submitted to legislators and political parties for consideration and adoption.

These ideas are intended to provide a more flexible rental system that will help match the increasingly varied and differing requirements of various tenant groups.

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