

Protection of tenant rights

“It is important to protect tenant rights,” said Andrew King, executive officer of the NZ Property Investors’ Federation. “However, it is not correct to say that tenants have no rights in New Zealand and that tenancy laws need to be rebalanced towards the tenant”.

A tenant is protected because rental property owners are required to maintain their properties by law. If they don't, then the tenant can be awarded up to \$3,000 in damages. If a landlord attempts to end a tenancy following a reasonable request for maintenance, then the notice to end the tenancy can be disallowed and the tenant can be awarded a further \$4,000 from the landlord.

Rental property owners are by and large ordinary people – nurses, police officers, firefighters, office workers, teachers and factory workers – and 85% only have one property. Owning a rental property is actually hard work and not the money making sure thing that many people believe it to be. If it was then more people than the current 7% of the population would take on providing a home for someone else.

It is possible that two things will occur if regulations and additional costs make it more expensive to provide rental property. At some stage rental prices will need to rise sufficiently to cover the cost increases or people will stop being able to provide rental property. In reality a combination of the two is more likely.

The average number of people per owner occupied property is 2.1 while the average number of people per rental is 3.9. Every time a rental is sold to an owner occupier, 1.8 tenants still need to find a rental home. The proposed policies outlined in this election campaign could therefore reduce the supply of rentals but not the demand.

Andrew King
Executive Officer, NZ Property Investors’ Federation