

## NZPIF challenges statements made by the Associate Minister of Housing

The Associate Minister of Housing Kris Faafoi issued a press release last night regarding the passing of the Residential Tenancies Amendment Bill. The President of the NZ Property Investors' Federation, Andrew King, challenges statements made in this release.

"The Residential Tenancies Act 1986 was out-dated and the reforms in the RTA modernise our rental laws and align them with present-day realities for the around 600,000 households which rent in New Zealand," Kris Faafoi said.

"This is false, says King. "The Act has had multiple minor amendments, and this is the third major overhaul. It was not outdated"

"Renters should be able to put down roots in their community and not face the stress of continually having to find a new home," Kris Faafoi said. King agrees that this is true, but this Bill does not achieve this for renters.

The media release said that the reforms focus on helping tenants who meet their obligations to be able to stay in their homes by removing "no cause" 90-day termination notices, and replacing them with a comprehensive list of specified, justified reasons that a landlord can use to end a tenancy.

King says that forty five percent of tenants do not want the 90-day provisions changed as they are meeting their obligations but fear living next to antisocial tenants. In his speech, the Associate Minister admitted that only 3% of tenancies are ended each year through a no "stated" cause notice. He said this means that the majority of tenants and landlords will not be affected by the change. If that is true, then it is also true that the Bill does not benefit the majority of tenants through increased security of tenure. If the Bill does not affect the vast majority of tenants, then why was it introduced when it could have a serious effect on the safety and quality of life of neighbours living next to antisocial tenants? NZPIF also questions why the Government exempts itself from the 90 day changes. Is it one law for themselves and one for the private sector?

The media release said the Government would be improving compliance by introducing a range of tools for the Regulator (the Ministry of Business, Innovation and Employment) to respond to people who are not meeting their obligations. King points out that the regulator uses government lawyers and funds to protect tenants, but neighbours living next door to antisocial tenants must fend for themselves.

The Associate Minister of Housing said the reforms got the balance right in reflecting the need to modernise residential tenancy law and correct problems in a way which was proportionate, placed reasonable requirements on both landlords and tenants, and would endure changing market characteristics.

King challenges this is statement and says it is false. If there was balance then Government would have introduced measures to assist landlords with rent arrears, which make up approximately 65% of all Tenancy Tribunal applications. They would have made tenants responsible for damage they cause to their rental properties. They would not have changed the law so that tenants have the power to continue living in a rental at the end of a mutually agreed term even if the landlord doesn't agree.

"These reforms are just one of a number of initiatives we've delivered as part of our comprehensive plan to fix the housing crisis we inherited" said the Associate Minister

"This will do nothing to fix the rental crisis facing tenants whose major concerns are securing a suitable home at a reasonable rental price", says King. "Good tenants do not fear a 90-day notice. The cost and risks of providing a rental property will increase because of this Bill, which can only make it harder and more expensive for tenants to secure a home".

Sharon Cullwick  
NZPIF Executive Officer  
NZ Property Investors' Federation