

Landlord Seminar Series 2016

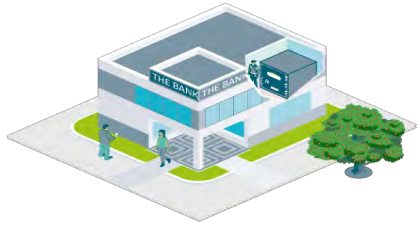
In association with the
New Zealand Property
Investors' Federation, Ministry
of Justice and Energy Efficiency
Conservation Authority



The whole business of being a landlord



Property
(premises)



Property
Investment



People



Paperwork and Processes

The Residential Tenancies Act Amendments



Key areas of change:

1. Smoke Alarms
2. Insulation Requirements (Tenancy Agreement)
3. Expedited Abandonment Process
4. Record Keeping
5. Retaliatory Notice
6. Work Orders
7. Enforcement Powers

Top 5 landlord enquiries

- Smoke alarms
- Insulation
- Tenant liability for damage ('Osaki' decision)
- Methamphetamine testing
- Notices – 14 day notice to remedy



PROPERTY



In this section

- Warmer, drier, safer homes - condition of property
- Smoke alarms (new)
- Insulation (new)
- Methamphetamine testing

Condition of Property

- Warmer, drier, safer homes
- Check the condition at the start, record in property inspection report
- Health and safety requirements
- Council requirements



Insulation statement and Property Inspection Report

Tenancy Services

Residential Tenancy Agreement

This tenancy agreement has been approved for use by The Office of the Tenancy Tribunal.

HOW TO USE THIS AGREEMENT

- This is a legally binding contract.**
- All tenancy agreements must be in writing. A separate form of tenancy agreement for use for a Boarding House Tenancy is available on our website.
- The landlord must provide the tenant with a copy of this agreement prior to the commencement of the tenancy. If the property is a Unit Trusts property a copy of the most recent Body Corporate rules must be attached to this agreement.
- This agreement must be completed in full and the tenant and landlord each keep a copy.
- The rights and obligations set out in the Residential Tenancies Act 1986 are implied in every residential tenancy agreement (see the back of this agreement for a brief outline of some of the key provisions of the Residential Tenancies Act 1986).
- No terms or conditions added to this agreement are valid if they are contrary to the Residential Tenancies Act 1986.
- Landlords are now required to sign a statement disclosing details of any insulation in the property.
- All rental properties must meet the requirements in regulations regarding insulation and smoke alarms.
- Before signing this agreement all parties should carefully read it and seek information from Tenancy Services if they are unclear about what they are agreeing to.
- The parties must record their full names correctly.
- If a bond is paid, a Bond Lodgement Form must also be completed.
- Bonds must be lodged with Tenancy Services within 23 working days of being paid. This can be done online.
- Parties to tenancy agreements are subject to the provisions of the Privacy Act 1993. Any information provided on this agreement that is not to be used or disclosed, without consent, for any purpose other than the administration of the tenancy or to pursue legal action.
- The tenant may be required to pay any letting fee or other charge for services provided by any solicitor or letting agent relating to the granting of the tenancy.
- If there is a problem between the tenant and landlord, and they can't agree, Tenancy Services can help sort it out. Visit www.tenancy.govt.nz or call us for free information on 0800 638 632.

LANDLORD DETAILS

Name: _____

This section must be filled in. It is important to give good contact details.

Physical address for service: _____

Email: _____

This email address may be used as an address for service (notice out of court agreed)

Phone: (Home) _____ (M) _____ (A) _____

Other contact addresses: _____

Additional address for service (this is a box A PO box) _____

If the landlord wishes to include the details of an agent in the agreement, please include the agent's contact details on a separate sheet.

0800 TENANCY (815 263)
 www.tenancy.govt.nz
 tenancy@tenancy.govt.nz

- Insert the other terms of this tenancy (eg. pets, number of tenants, reimbursement of recovery costs, right of renewal if tenancy is a fixed term).
If necessary, please continue on a separate sheet and attach it to this agreement and ensure that it is fully signed and dated.

LANDLORD'S STATEMENT ABOUT INSULATION

The tenancy agreement must contain a signed statement from the landlord that details information about the location, type and condition of all insulation in the premises and other matters. For more information about insulation requirements in the Residential Tenancies (Smoke Alarms and Insulation) Regulations 2016, please see final page.

- Has any insulation been installed in the ceilings, floors or walls of the premises:
 - Yes (Please complete section 2.2)
 - No (Please fill in the below if you are the landlord of an income-related rent tenancy)

The landlord of an income-related rent tenancy must explain in the space below how they intend to comply with insulation requirements by the 90th day after the commencement of the tenancy, or explain the circumstances giving rise to an exemption(s).

- Please describe on the following page the extent and location of insulation, product type and condition of the insulation below. Please provide documentary evidence and attach to this agreement if necessary. It is recommended that the landlord also show the tenant the location of insulation in addition to the written statement.

Location of insulation: Floor Ceilings Walls (Please tick all that apply)

Your statement about insulation should include:

 - Where the insulation is, its type (and R rating if known) and condition.
 - If you have been unable to obtain information about insulation in a particular location, an outline of what you have not been able to obtain and why, and confirmation that you have made all reasonable efforts to obtain the information.
 - This includes if you have been unable to determine all of this information.
 - Landlords of income-related rent tenancies that have existing insulation that does not meet requirements, must explain in the space below how they intend to comply with insulation requirements by the 90th day after the commencement of the tenancy, or explain the circumstances giving rise to an exemption.

PROPERTY INSULATION REPORT

This report is intended to help assess compliance with the regulations regarding the condition of the property at the start of the tenancy. This includes checking around the condition of the property at the start of the tenancy. This includes checking the location of the smoke alarm and the location of the smoke alarm. This includes checking the location of the smoke alarm and the location of the smoke alarm. This includes checking the location of the smoke alarm and the location of the smoke alarm.

| ROOM AND FLOOR | CONDITION ACCEPTABLE | | |
|------------------------|----------------------|--------|----------------|
| | LANDLORD | TENANT | MARKED DEFECTS |
| CEILING | | | |
| Bedroom | | | |
| Living/Dining area | | | |
| Kitchen/Breakfast room | | | |
| Bathroom | | | |
| Other | | | |
| FLOOR | | | |
| Living/Dining area | | | |
| Kitchen/Breakfast room | | | |
| Bathroom | | | |
| Other | | | |
| WALL | | | |
| Living/Dining area | | | |
| Kitchen/Breakfast room | | | |
| Bathroom | | | |
| Other | | | |

Working Smoke Alarms – *safety feature for peace of mind*

- Smoke alarms MUST be installed from 1 July 2016
- Alarm battery – landlord responsible at start, tenant to replace during tenancy
- Exemplary damages – landlords may be fined up to \$4,000 and tenants up to \$3,000 for not complying or interfering with smoke alarm/fire obligations
- New ‘right of entry’ related to smoke alarms for landlords
- Regulations for smoke alarm types and locations



Link on Tenancy Services website with more detailed information:

<https://tenancy.govt.nz/assets/Uploads/Tenancy/Smoke-alarm-requirements.pdf>

Methamphetamine (meth) testing



- Standard being developed for testing and remediation of methamphetamine-contaminated properties (NZS 8510)
- Until Standard is developed, use Ministry of Health guidelines as benchmark
- 0.5 $\mu\text{g}/100\text{cm}^2$ for houses where meth has been manufactured

Subscribe to Touchstone e-magazine for standard updates and to see Qs&As

<https://www.standards.govt.nz/touchstone/>

Insulation - when do you need to do it by?



1 July 2016

New tenancy agreements must include **statement of extent of insulation**



1 July 2019

All rental properties

Link on Tenancy Services website - information on insulation condition, installation and download <https://tenancy.govt.nz/assets/Uploads/Insulation-requirements.pdf>

Insulation requirements

Minimum new and topped up insulation requirements for rented homes (PRODUCT R-VALUES)

| ZONES 1 and 2 | ZONE 3 |
|-----------------|------------------|
| Ceiling R2.9 | Ceiling R 3.3 |
| Underfloor R1.3 | Underfloor R 1.3 |

Minimum requirements for insulation installed before 1 July 2016 (CONSTRUCTION R-VALUES)

| Lightweight (e.g. timber framed) minimum | High Mass (e.g. concrete block or solid masonry) minimum |
|--|--|
| Ceiling R 1.9 | Ceiling R 1.5 |
| Underfloor R 0.9 | Underfloor R 0.9 |

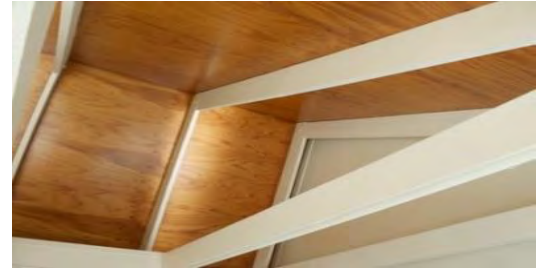
Map of climate zones



<https://tenancy.govt.nz/assets/Uploads/Insulation-requirements.pdf>

Insulation exemptions

Exemption example 1: Skillion ceiling and trusses



Exemption example 2: Flat roof with bitumen membrane



Exemption example 3: Low subfloor





Insulation subsidies for landlords

December 2016 | Henry Nepia and Robert Linterman

Are you eligible – Warm Up New Zealand: Healthy Homes?

- Rental was built before 2000
- Main tenant has a Community Services Card
- Tenant has a respiratory condition and income just over CSC level



300,000 homes insulated under Warm Up New Zealand. 52,000 of those rentals

What funding is available?

- At least 50% off the cost if tenants are eligible, or
- Total cost around \$3000.00 for ceiling and underfloor insulation
- Many areas in New Zealand will have access to Voluntary Targeted Rates to assist with the cost of the install. Speak to your local council.
- **Be in quick** – only 20,000 subsidies available nationwide



How does it work?

- Contact a contracted Warm Up New Zealand: Healthy Homes service provider.
- Service provider may also install smoke detectors if needed
- www.energywise.govt.nz



PEOPLE



In this section

- Enforcement powers (Compliance and Investigations Unit) (new)
- Retaliatory notice (new)
- Work orders (new)
- Expedited abandonment process (new)
- Dealing with rent arrears

Aims of Compliance and Investigations Team

- Healthy, safe homes for all
- Compliance is factored into landlords' business models
- Audit-based approach rather than solely reacting to complaints
- Landlords and tenants know their rights and responsibilities



Focus of Compliance and Investigations Team



Key areas of focus

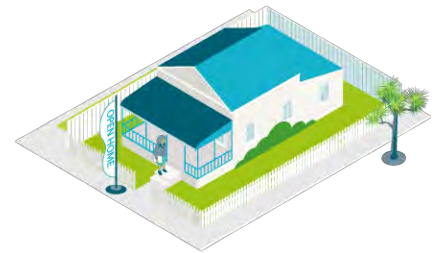
- Breaches with the condition of the premises that significantly risk the health or safety of any person
- landlord has committed a serious breach, or has persistently breached the RTA
- the landlord's actions risks undermining public confidence in the administration of the law

You can help

File your concerns online via our website about any particular unsafe rental properties or landlord practices, or email us at rta.compliance@tenancy.govt.nz

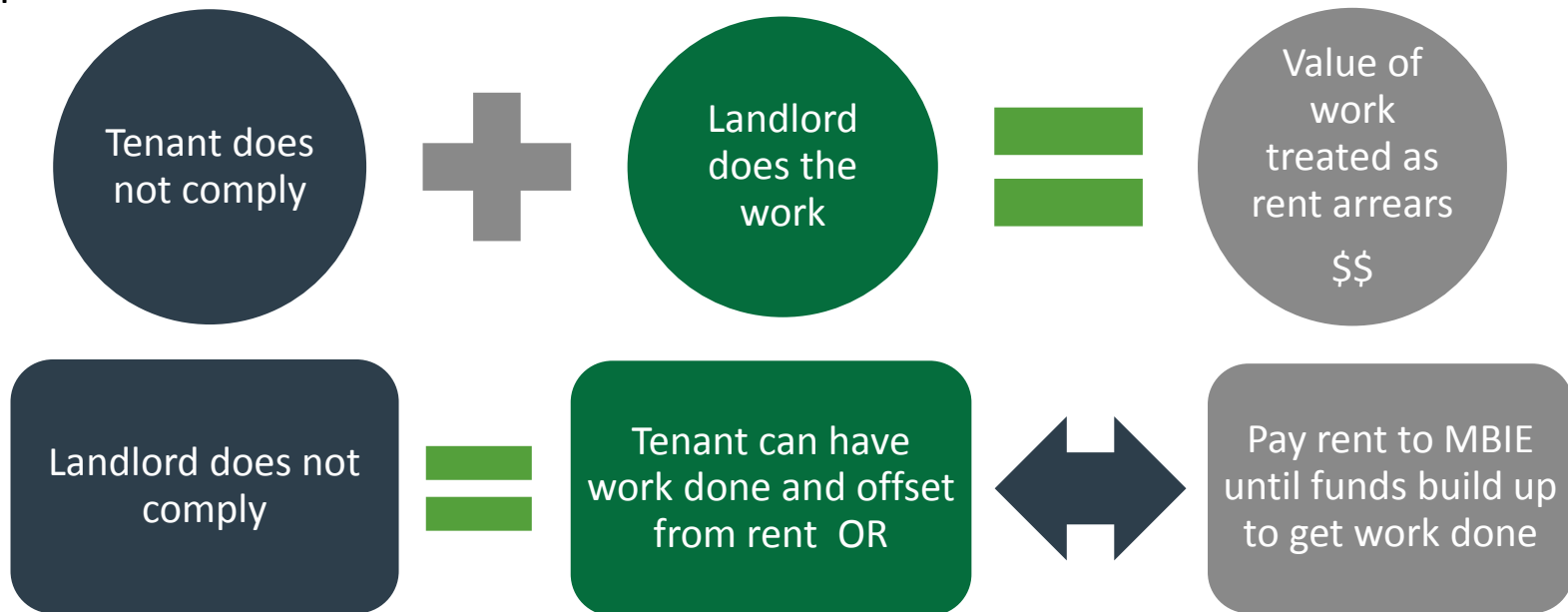
Retaliatory Notice - more time for tenants to challenge notice

- Tenant has 28 working days to file application (increased from 14 working days)
- Any notice to terminate a tenancy declared an unlawful act can attract exemplary damages of up to \$4,000



Work Orders – Do the work done to ensure a warm and safe home

1. You must do the work. Pay-out in lieu of complying with Work Order **not allowed**.
2. New process:



Abandoned premises

Existing process

- Apply via online application
- Must be at least one day in arrears
- Attend tribunal hearing
- Waiting time may vary between 10-15 working days

NEW expedited abandonment process

- Separate application, faster to complete
- Need to have email address for tenant
- Must be at least one day in arrears
- Don't attend tribunal – decision made on information provided
- Quicker access to get property back in the market

Dealing with rent arrears - Common scenarios



- Rent **at least** 21 days in arrears

(Section 55 – termination on non-payment of rent, damage or assault)

- Rent **less than** 21 days in arrears

(Section 56 – termination for non-payment of rent and other breaches)

- 14 day Notice to Remedy or ‘breach letter’ - part of Section 56 requirement

PAPERWORK and PROCESSES



In this section

Paperwork

- Tenancy Agreement
- Bonds, Bonds Online
- 14 day Notice to Remedy (breach letter)
- Record keeping (new)

Processes

- Administration processes (new)
- Tenancy Tribunal applications online and dispute resolution



Tenancy Agreement

Tenancy Services

Residential Tenancy Agreement

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- The tenant may be required to pay any/lasting fee or other charge for services provided by any solicitor or letting agent relating to the granting of the tenancy.
- If there is a problem between the tenant and landlord, and they can't agree, Tenancy Services can help sort it out. Visit www.tenancy.govt.nz or call us for free information on 0800 836 824.

LANDLORD DETAILS

Name

This section must be filled in. It is important to give good contact details.

Physical address for service

Email

This email address may be used as an address for service (email out) if not agreed.

Phone (Home) (M)

Other contact address(es)

Additional address for service (This may be a PO Box)

If the landlord wishes to include the details of an agent in the agreement, please include the agent's contact details on a separate sheet.

0800 TENANCY (836 824) | www.tenancy.govt.nz

PRINT (optional)

Landlord and tenant required to provide and update their email address and mobile number on tenancy agreement.

- Legal entity name
- Address for service
- Email (can be alternative address for service)
- Fixed term/periodic tenancy
- Insulation statement
- Property inspection report
- Both parties sign and date, and keep a copy

Bonds

- New bond lodgement form
- New bond refund form
- Editable PDFs, can be completed electronically

Bonds online

<https://www.tenancy.govt.nz/rent-bond-and-bills/bond/lodge-your-bond/>

Bond lodgement form **TenancyServices**

All sections of this form must be completed to enable smooth processing of information, payment and future refunds.

1 Bond number If payment is to an existing bond for this tenancy, enter the bond number here:


2 Address of the rented property (rooming/accommodation include room number)
Address Postcode Property ID (if known)

3 Details of dwelling
Date tenancy started Weekly rent \$ Total bond \$ Payment enclosed \$
Room Boarding house room Bed/s/flat House/townhouse Apartment Number of bedrooms

4 Landlord details Email will be the first point of contact if provided.
Are you a first time landlord? Yes No Landlord ID
Full name(s) or trading name Day phone
 Evening phone
 Mobile phone
Address for service (An address for service is explained on the back of this form)
Street address Postcode
Email Signature of
Date
By signing this form you agree that the information you have provided is true and correct.

5 Tenant 1 details Print full name and bond contribution below. Email will be the first point of contact if provided.
Are you a first time tenant? Yes No Birth date Day phone
 Evening phone
 Mobile phone
Alternate address for service (An address for service is explained on the back of this form)
Use this address for my main contact details at all times?
Street address Postcode
Email Signature
Date
By signing this form you agree that the information you have provided is true and correct. Please turn over for more tenant details

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĀKINA WHAKATUTUKI

T103/60  LOGGPP

14 day Notice to remedy (breach letter)

Linked to section 56 of the RTA, so needs to meet certain requirements, such as:

- Notice in writing from applicant to other party, with date and tenancy address
- Should state the nature of breach and how to resolve it (exception may apply to damages)
- Allow time to sort it out or remedy (14 consecutive days)
- Need to add extra days, depending on how notice served
 - Email
 - Post
 - Letterbox drop
 - In person



Administrative Improvements – making it easier to do business

- Service of documents to an email address the same as fax
- Service of documents to a Company's Registered Office
- Electronic sealing of Mediated Orders



Record keeping

- Keep rent records for 7 tax years
- Documentation relating to the tenancy during, and for one year after it ends
- Includes:
 - Tenancy Agreements (including variations and renewals)
 - Inspection and maintenance documentation
 - Notices, emails and other correspondence



Dispute Resolution

Disputes process

- 1 Self-Resolution
- 2 FastTrack Resolution
- 3 Mediation
- 4 Tenancy Tribunal

Tenancy Tribunal Applications online

- Convenient way to make application, between 90% to 100% filed online daily
- Enhancements added, can track progress
- <https://tenancy.govt.nz/disputes/tribunal/making-an-application/>

FastTrack Resolution – a faster way to formalise agreements

A FastTrack Resolution agreement must have a minimum of four things:

1. The actual debt amount calculated up to and including the day before the next payment
2. Details of how the debt will be repaid
3. The date the payments will begin
4. The consequence(s) agreed to if any payments are missed while the debt is being repaid.

AGREE – ADVISE – APPLY – It's that simple!



Scheduled mediation

- File Tenancy Tribunal application online
- Scheduled mediation appointment
- Face to face or telephone
- Flexibility of dispute resolution services



More information

- Website www.tenancy.govt.nz
- Subscribe to our quarterly Landlord e-newsletter
- Tenancy information - 0800 836 262 (0800 TENANCY)
- Bond Enquiries - 0800 737 666

<https://www.justice.govt.nz/tribunals/tenancy/>



*What can you do to make your
business better?*

**To conclude, consider the whole business of being a
landlord. Remember –**

- 1. Property** - to ensure warmer, drier, safer homes and look after your investment
- 2. People** - to manage your business relationship with your tenants
- 3. Paperwork and Processes** - to help run your business effectively



TENANCY TRIBUNAL



The Tenancy Tribunal



- Process – Adjudicator makes decision for the Applicant and Other Party
- The Tenancy Agreement is crucial – Property Inspection Report
- Evidence is the key – photos in hard copy form, witnesses, supporting documents
- Be specific in application and be prepared to explain it

Tenant liability for damages

- Holler & Rouse vs Osaki decision



Questions and Answers

