

Tenancy Services

Renting and you

A guide for landlords and tenants

■ Inside

- › All about money
- › Rights and responsibilities
- › Sorting things out
- › Boarding houses



www.tenancy.govt.nz



MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

New Zealand Government

Ninth edition, reprinted in 2017 by Ministry of Business, Innovation and Employment

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Wellington

New Zealand

This document is also available on our website: www.tenancy.govt.nz

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ISBN 978-1-98-851764-3 (print)

ISBN 978-1-98-851765-0 (online)

Printed in New Zealand on paper sourced from well-managed sustainable forests using mineral oil free, soy-based vegetable inks.

T30 (04/17)

MB14160

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About this guide

This guide provides an overview of the Residential Tenancies Act (the Act) 1986 outlining important rights and responsibilities for landlords and tenants including those in boarding houses.

The Ministry of Business, Innovation and Employment administers the Residential Tenancies Act. A copy of the Act can be purchased from some major bookshops or you can read it online at www.legislation.govt.nz

Tenancy Services

The Ministry of Business, Innovation and Employment's Tenancy Services provides information and education services to help you avoid problems and to resolve disputes if they do arise. We also provide a mediation service and access to the Tenancy Tribunal. The Tenancy Tribunal is part of the Ministry of Justice.

Our website www.tenancy.govt.nz offers quick access to further renting information and all the tenancy forms you will need. This includes bond lodgement forms, tenancy agreements and sample letters to the landlord or tenant.

If you have a tenancy related question, call us on **0800 TENANCY (0800 836 262)**. If you have a question about your bond, call **0800 737 666**.



All about money

Bonds

A bond is money the tenant pays at the start of the tenancy to cover anything they might owe at the end.

The landlord can ask for a bond that is up to the equivalent of four weeks' rent. The landlord can't ask for more than this. A landlord doesn't have to ask for a bond, but most landlords do.

The landlord must give the tenant a receipt for any bond paid.

■ What happens to the bond while the tenant is living in the property?

We (Tenancy Services) look after the bond. The tenant and landlord both fill in and sign the 'Bond lodgement form', and the tenant pays the bond to the landlord. The landlord must send the form and the bond, including part payments, to us within 23 working days of the payment being made. The tenant can send the bond directly to us if the landlord agrees.

When we receive the bond, we will write to both the landlord and tenant to confirm payment.

If you don't get a letter from us about the bond money, you should call **0800 737 666**. If you have provided an email address, this letter will be sent by email.

■ What happens to the bond money when the tenancy ends?

The bond should be returned to the tenant. The landlord can claim some or all of the bond money if any money is owed to them by the tenant at the end of the tenancy – this might include unpaid rent or property damage. If the landlord or tenant can't locate the other person, they should call **0800 737 666**.

Landlords who wish to claim a bond more than two months after a tenancy has ended must either obtain the tenant's consent or an order of the Tenancy Tribunal.

For more information look at 'How do I get my bond back?' on page 19.

Rent

A landlord can ask for one or two weeks' rent in advance. This is the first one or two weeks' rent, depending on whether the tenant is going to pay weekly (one week in advance) or fortnightly (two weeks in advance). A landlord can't ask for the next rent payment until all the paid rent has been used up. For example, if a tenant has paid two weeks' rent in advance they don't have to pay again until that money has been used up – that means two weeks (14 days) later.

■ How does the tenant pay the rent?

The tenant and the landlord must agree on how the rent will be paid and include these details in the tenancy agreement. Rent is usually paid in one of the following ways:

- › automatic payment
- › cash cheque
- › non-negotiable personal cheque
- › cash.

The landlord must give receipts for payment unless the rent is paid directly into their bank account or by non-negotiable cheque. However, it is a good idea to keep receipts and your own rent record. The landlord must keep rent records. The tenant can ask for a copy of these at any time. You can get a sample rent summary form from our website, **www.tenancy.govt.nz**

■ What is market rent?

Market rent is what a willing landlord might reasonably expect to receive and a willing tenant might reasonably expect to pay for the tenancy. It must be comparable to the rent charged for other properties of a similar type, size and location.

Our website has a section on current market rents for different parts of the country which is updated monthly. If a landlord is charging significantly more than other similar properties, the Tenancy Tribunal could make an order for it to be reduced.

■ Can the landlord put the rent up?

Yes, but they must write and tell the tenant 60 days before they put the rent up. The landlord can't put the rent up again for another 180 days. In a fixed-term tenancy, the rent can go up only if this is written in the tenancy agreement.

Other situations where the rent may be increased is if the landlord has:

- › substantially improved the premises, or
- › increased or improved facilities or services, or
- › if both parties have consented to vary the agreement to the tenant's advantage.

In these situations the tenant has to agree to the rent increase. If the tenant does not agree to the rent increase, the landlord may apply to the Tenancy Tribunal for an order increasing the rent.

■ What is a rent reduction?

Sometimes landlords and tenants agree to a rent reduction for a fixed period of time or until the occurrence of an event, like the installation of a heat pump.

During this time the tenant is entitled to pay a lower rent. After this time, the rent will revert back to its normal rate. This is not considered to be a rent increase.

Letting fee

Often, a letting fee is charged to a tenant by a letting agent for their services relating to the granting of a tenancy. This is allowed under the Act and is normally one week's rent plus GST.

■ What is key money?

Other than letting fees, key money is generally prohibited under the Act. This is any sum of money that a landlord demands from a tenant to grant them a tenancy (it is separate from rent and bond).



What to do at the start of the tenancy

Types of tenancy

There are two main types of tenancy. They are a periodic tenancy and a fixed-term tenancy. Whether you are a landlord or a tenant it is important you know what you have to do in each kind of tenancy so you can choose the one that suits you best.

Periodic tenancy – lasts until either the tenant or the landlord gives the required notice to end it.

Fixed-term tenancy – the tenancy lasts until the date specified on the tenancy agreement. At this time, the tenancy will revert to a periodic tenancy, unless:

- › the landlord and tenant enter into a new tenancy agreement or agree to extend the existing tenancy agreement, or
- › either the landlord or the tenant gives the other written notice of their intention not to continue with the tenancy. This notice must be given between 21 and 90 days before the end date of the fixed-term tenancy.

■ Are there any exceptions to the rules about fixed-term tenancies?

Yes, there are exceptions to the rules. Short fixed-term tenancies are different. If you sign a fixed-term tenancy agreement for less than 90 days, the rules about market rent, notice to quit and rent increases due to substantial improvements do not apply, but only if you agree in writing that the tenancy will not be renewed or extended beyond 90 days. If you then sign a new fixed-term agreement, you will have to follow all the normal rules.

Tenancy agreements

A tenancy agreement outlines what the landlord and tenant have agreed to. The landlord and tenant must sign the tenancy agreement and the landlord must give the tenant a copy before the tenancy begins. This is a legally binding contract. It is important this is completed accurately and carefully.

Many landlords use our tenancy agreement. You can download a copy from **www.tenancy.govt.nz**

A verbal tenancy agreement could also be legally binding. This means you might have to do what you have agreed, even if you haven't signed anything. For example, a landlord might not be able to change their mind if they tell a prospective tenant they can have the place. In the same way, if a tenant says they will take the place or if they pay some money, they might have to go ahead with the tenancy.

What should be in the tenancy agreement?

A written tenancy agreement and a good property inspection report can be very useful if you have problems later on.

A basic tenancy agreement must include:

- ✔ the full names of both the landlord and tenant
- ✔ the address for service of the landlord and tenant contact phone number and email address of the landlord and tenant
- ✔ the contact address of the tenant
- ✔ the address of the rental home
- ✔ the date you both sign the tenancy agreement
- ✔ the date the tenancy begins
- ✔ the date the tenancy will end (if it is for a fixed term)
- ✔ whether the tenant is under 18
- ✔ how much bond the tenant is paying
- ✔ how much rent will be paid and how often
- ✔ how the rent will be paid (the place or bank account number)
- ✔ details of any letting fee (if applicable) a statement about the location, type and condition of insulation
- ✔ a list of any chattels (like a washing machine or furniture) that the landlord is providing
- ✔ a copy of the body corporate rules (if the premises are part of a Unit Title).

The tenancy agreement can also include:

- ✔ how many people can live in the rental home
- ✔ whether the tenant can transfer the tenancy to someone else
- ✔ where the tenant can park their car
- ✔ whether the tenant can have a cat or a dog or other pets.

■ Does everyone living in the rental home sign the tenancy agreement?

It's up to the landlord and tenants to decide. If one tenant signs, the law says that person is responsible. If everyone signs, they are usually all responsible. This is called joint and several liability. This means that if one tenant doesn't pay their share of the rent or damages the property, the landlord can seek the money owed from any or all of the tenants, regardless of which tenant didn't pay the rent or caused the damage.

■ Address for service

An address for service is the address where important notices relating to the tenancy will be sent to, such as notification of a hearing in the Tenancy Tribunal.

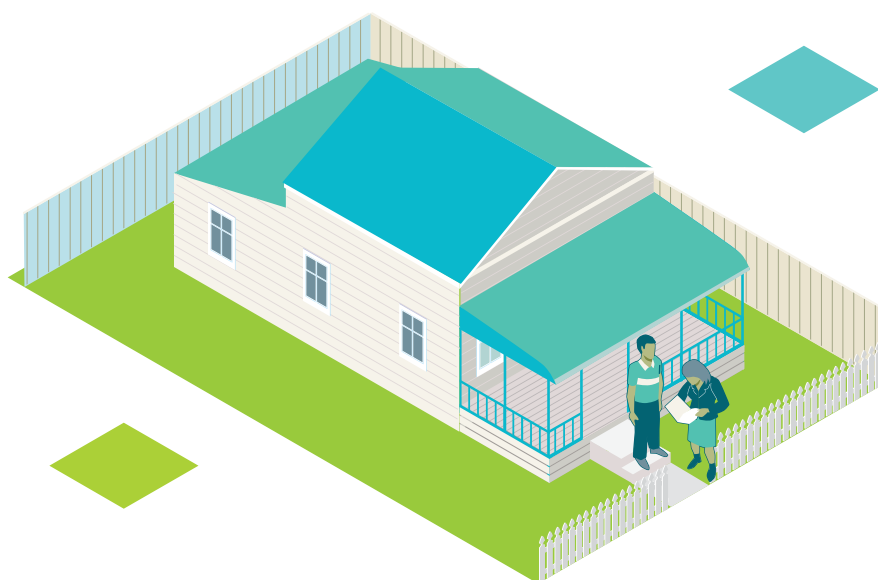
The address for service is a physical street address where you can be sent mail about the tenancy at any time. You can also provide a PO Box, email address or fax number as an additional address for service. The landlord and tenant must write their address for service on the tenancy agreement and on the 'Bond lodgement form'. The tenancy address isn't always a useful address for service for the tenant to give. Tenants often give a friend or relative's permanent home address. Landlords usually give their home or work address.

■ What happens if the address for service changes?

It is very important to tell the other party (that is, the landlord or the tenant) if this address changes. If the tenant has paid a bond, they must give the new address to us as well. Landlords must also tell us if their address for service changes.

■ Property inspections

Doing a property inspection at the start of the tenancy can help prevent any problems that may occur when the tenancy ends. The landlord and tenant should do this together before the tenant moves in and write down what the stove, the carpet, and chattels (such as the curtains) are like. Check walls and paintwork and look at the outside too. Make sure anything that is old or damaged is written down. As an extra safeguard, make sure you record the condition of the rental home with a digital camera. If damage is written down when a tenancy starts, a tenant can't be blamed for it when they move out. It is also easy to see if there is any new damage. Many landlords use the 'property inspection report' that comes with our tenancy agreement.



Rights and responsibilities

Landlords and tenants have rights and responsibilities when they agree to a tenancy. Some of these are listed below.

■ The landlord must:

- › sign a tenancy agreement, including a statement about whether there is insulation and its location, type and condition, and give the tenant a copy
- › send any bond money, including part payments, to Tenancy Services within 23 working days and give the tenant a receipt for any payment that is made
- › make sure the rental home is reasonably clean and tidy before the tenant moves in
- › make sure all the locks work and the property is reasonably secure
- › ensure there are working smoke alarms installed – the right type in the right places in line with regulations
- › maintain the property and do any necessary repairs
- › ensure the plumbing, electrical wiring and the structure of the building is safe and working
- › provide adequate water collection and storage for premises without reticulated water supply
- › write and tell the tenant at least 60 days before they put the rent up
- › take all reasonable steps to ensure tenants don't disturb any of the landlord's other tenants
- › write and tell the tenant if they decide to put the property on the market
- › obtain the tenant's consent before showing the property to real estate agents, buyers or prospective tenants

- › pay the tenant back for any urgent work the tenant has paid for (as long as the tenant can prove they tried to tell the landlord about the problem before getting it fixed and the tenant didn't cause it on purpose or by being careless).
- › in relation to a periodic tenancy:
 - give the tenant 42 days' notice to vacate the rental home once the sale has gone unconditional, or if the owner or a member of their family needs to move in
 - otherwise, give the tenant 90 days' notice if they want the tenancy to end
- › give 48 hours' notice to inspect the property – but not more than once every four weeks and only between the hours of 8am and 7pm (the landlord can come onto the section without giving notice, but must respect the tenant's privacy)
- › give 24 hours' notice to do necessary repairs or maintenance and do that work between the hours of 8am and 7pm.
 - keep rent and bond records for seven years after the tax year to which they relate. Also keep copies of all documentation relating to the rental home during the tenancy and for 12 months after it ends
 - action a Tenancy Tribunal work order if it relates to health and safety, rather than 'paying out' the tenant in order to comply.

■ The landlord can also:

- › enter the rental home in an emergency without informing the tenant
- › enter the rental home at other times if the tenant freely allows.

■ The landlord must not:

- › ask for more than four weeks' rent as bond
- › ask for more than two weeks' rent in advance, or ask for more rent to be paid before it is due

- › inspect the property more than once in every 4 weeks, except to check on work they've asked the tenant to do to remedy a breach of the tenancy agreement
- › interfere with the tenant's peace, comfort and privacy
- › interfere with the supply of gas, water, electricity or telephone unless to avoid danger or to enable maintenance or repairs
- › unreasonably refuse to allow a tenant to put up fixtures such as shelves
- › change the locks unless the tenant agrees
- › unreasonably stop a tenant who wants to sublet or assign the tenancy to someone else, unless it is stated in the tenancy agreement that the tenant cannot assign or sublet the tenancy
- › evict a tenant (this needs a possession order enforced by the District Court)
- › take the tenant's belongings as a security for money owed at any time during or after the tenancy or refuse to hand back belongings left behind at the end of the tenancy (provided the tenant pays any actual and reasonable storage costs).

■ The tenant must:

- › pay the rent on time (the tenant should not withhold rent even if they think the landlord is breaching the tenancy agreement)
- › keep the property reasonably clean and tidy
- › tell the landlord as soon as possible about any damage or anything that needs to be fixed
- › replace smoke alarm batteries – if they're older style alarms with replaceable batteries- during their tenancy to keep them in working order and advise the landlord if there are any problems with the smoke alarms
- › fix any damage they or their visitors cause on purpose or by being careless, or pay for someone to fix it (if liable)
- › pay for all charges that are exclusively attributable to the tenant's occupation of the premises, for example telephone, electricity, gas and internet
- › pay for water if the water supplier charges on the basis of consumption
- › make sure the number of people living in the property does not exceed the amount the tenancy agreement allows (this does not include people visiting for a short time)
- › give 21 days' notice to leave (if on a periodic tenancy)
- › let the landlord show prospective tenants, real estate agents, buyers or valuers through the property in a way that suits the landlord and tenant
- › leave at the end of the tenancy and:
 - take away all their belongings
 - leave the property reasonably clean and tidy
 - give back all keys, access cards and garage door openers
 - leave everything the landlord owns.

■ The tenant must not:

- › stop the landlord coming into the rental home when the Act says they can
- › remain at the property after the tenancy has ended
- › disturb the peace, comfort or privacy of other tenants and neighbours, or allow anyone else in the rental home to do so
- › damage, or let anyone the tenant has allowed on the premises damage the property, whether it be on purpose or carelessly
- › renovate the building, change it or attach anything to it unless this is in the tenancy agreement or the landlord agrees in writing
- › interfere with any means of escape from fire – for instance by removing or disconnecting a smoke alarm
- › transfer the tenancy to someone else, unless the landlord agrees in writing
- › threaten or assault, or permit any other person to threaten or assault, the landlord, or any member of the landlord's family, or any agent of the landlord, or another building occupant or neighbour
- › do anything illegal at the property or let anyone else do anything illegal
- › change the locks without asking the landlord first.

Warmer, drier, safer rental homes

Healthy homes are warmer, drier and safer – and increase the chances of good tenants staying longer. Changes to tenancy laws that came into effect from 1 July 2016 mean additional rights and responsibilities for landlords and tenants living in rental homes, boarding houses, rental caravans, sleep-outs and similar. Detailed information is available on our website, www.tenancy.govt.nz

Working smoke alarms save lives

Landlords must ensure they have smoke alarms installed in line with the legal requirements – the right type in the right places. They must make sure the smoke alarms:

- › are always in good working order
- › are working at the start of each new tenancy, including having working batteries.

Tenants must replace expired batteries during the tenancy, if there are older-style smoke alarms with replaceable batteries.

Boarding house tenants are responsible for replacing smoke alarm batteries in their room – if there are older style alarms with replaceable batteries. The landlord is responsible for maintaining smoke alarms in common areas of the boarding house.

Tenants must not damage, remove or disconnect a smoke alarm, which includes removing the batteries unless it is to immediately replace expired batteries. They must also let the landlord know if there are any problems with the smoke alarms as soon as possible.

A landlord who fails to comply with smoke alarm obligations is committing an unlawful act and may be liable for a penalty of up to \$4,000. A tenant who does not comply with smoke alarm obligations is committing an unlawful act, and may be liable for a penalty of up to \$3,000.

Go to the Tenancy Services website to learn more about where smoke alarms must be placed, what types of smoke alarms to use, when to replace smoke alarms and batteries and how to buy and install them.

Insulation Statements required in tenancy agreements

From 1 July 2016, new tenancy agreements must contain a signed Insulation Statement from the landlord disclosing whether there is insulation in the rental premises and its location, type and condition. This is so tenants know what to expect come winter and can make an informed decision.

Good quality insulation is the single most effective measure for helping to keep the heat in during winter and out during summer. It makes homes easier and cheaper to heat properly and more comfortable and healthy to live in.

A landlord who does not make a complete Insulation Statement or includes anything they know to be false or misleading, is committing an unlawful act and may be liable for a penalty of up to \$500.

Insulation compulsory in all rental homes from 1 July 2019

Any new, replacement or top-up insulation installed in a rental home after 1 July 2016 must meet requirements that will apply from 1 July 2019. Ceiling and underfloor insulation must be installed, where it is reasonably practicable to install. Wall insulation is not compulsory.

Go to the Tenancy Services website to find out more about the requirements, which vary for different regions in New Zealand. Ensure you're familiar with important safety requirements for installing or repairing insulation, or get in a professional. Installation must comply with the regulations and be safely managed in accordance with NZ Standard NZS 4246:2016. The EECA Energywise website has useful information about the new regulations and installing insulation safely, www.energywise.govt.nz/at-home/insulation/

Some landlords may be eligible for subsidised insulation installed through the Warm Up New Zealand: Healthy Homes programme. Go to www.warmupnz.co.nz for more information. A number of councils around New Zealand also allow homeowners to add the cost of insulation to their rates and pay it back over about nine years.

A landlord who fails to comply with the insulation regulations is committing an unlawful act and may be liable for a penalty of up to \$4,000.

Homes need to be well heated and ventilated

Landlords should consider how their tenants can heat and ventilate their rental home. It isn't necessary for landlords to provide heating in every room, but landlords do have to provide a form of heating in any living room (under the Housing Improvement Regulations). Contact your local council to get advice about approved forms of heating in your area.

Inadequate heating and ventilation can lead to mould growth and dampness. Landlords need to think about how they can make sure tenants can ventilate the home while keeping it safe and secure. Window stays can be good for this.

Landlords are responsible for maintenance of heating and ventilation provided in the rental home. If there's a useable fireplace, the chimney needs to be safe and regularly cleaned (check your insurance policy). It's best to permanently block off unusable fireplaces to prevent tenants using it and to reduce draught. Landlords are also responsible for regularly servicing ducted heating and ventilation systems. Landlords may choose to ban the use of portable LPG cabinet heaters in the tenancy agreement because unflued gas heaters release moisture and pollutants into the indoor air during combustion.

The simplest way for tenants to ventilate their home, even in winter, is to open the doors and windows regularly to allow fresh air in. Good ventilation is important for maintaining healthy indoor air and reducing the amount of moisture will make the home easier to heat.

Prevent mould and damp

All rental homes must be in a reasonable state of cleanliness before being rented out. This includes being free from mould and dampness. Tenants should try to keep their house in a condition that doesn't encourage mould and damp. This includes keeping the house well aired and removing mould as soon as it appears.

Before moving into a rental home, tenants and landlords should inspect the property together, note any signs of mould or damp and agree when and how these will be addressed as part of the tenancy agreement.

Dampness is often from external sources – check that gutters are clear, downpipes and drainage are working. Where the house has a suspended floor, check that the ground is dry and that there are no leaks.

Keep your home safe

A safe home means peace of mind for tenants and landlords. All rental homes need to be reasonably secure. The landlord must provide and maintain locks or similar devices so that the property is reasonably secure. Neither the landlord nor the tenant can remove, add to or alter any locking device without the consent of the other. Doing this without consent and without reasonable excuse is unlawful and may carry a penalty if taken to the Tenancy Tribunal.

If a landlord provides a security alarm system, they are responsible for maintaining it. If there is no security alarm system and a tenant would like to install one, they must first ask the landlord for permission. The tenant is then responsible for the maintenance of the security alarm system. At the end of the tenancy, the tenant is responsible for removing the security alarm system and ensuring that there is no damage caused.

After the tenancy ends, tenants must return all keys and other security devices (such as garage remotes and pass cards) to the landlord. If the tenant is unable to return all the keys provided, a landlord can seek the full replacement of the lost keys and associated locks. The cost of replacing lost keys or locks can be negotiated between the parties.

If the rental home can't be reasonably secured through no fault of the tenant, the tenant should let the landlord know. The landlord should then have the locking devices replaced or repaired. If the landlord doesn't do this, the tenant may have the work done themselves and ask the landlord to compensate them.

Keep records

Landlords are required to keep rent and bond records for 7 years after the tax year to which they relate. Both landlords and tenants should keep copies of all documentation relating to the rental home during the tenancy and for 12 months after the tenancy ends.

Documentation should include: the tenancy agreement and any variations or renewals of it, any property inspection reports, water bills, invoices or other reports for any work carried out at the property such as maintenance or cleaning, and copies of letters or emails sent to or received from the other party. Our website has more information and a form to help landlords keep accurate 'rent summary' records.

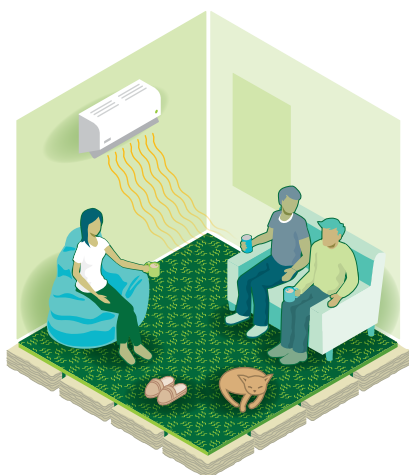
Enforcing basic housing standards

The majority of landlords and tenants want to do the right thing by each other. However, where a landlord chooses not to meet their obligations, or there is a serious breach of the Act, The Tenancy Compliance and Investigations Team has additional powers to take the appropriate compliance and enforcement measures needed to hold those landlords to account for their actions.

Issues the team will look into are where:

- › the condition of the property could be a significant risk to the health and safety of a person
- › the landlord has committed a serious breach, or had persistently breached the Residential Tenancies Act
- › the landlord's actions risk undermining public confidence in the administration of the law.

For more information visit www.tenancy.govt.nz. You can contact the Compliance and Investigations Team by phoning **0800 TENANCY (0800 836 262)** or emailing rta.compliance@mbie.govt.nz



Sorting things out

■ Can the landlord make the tenant clean the property up or fix something they've damaged?

If a landlord thinks the tenant can fix the problem, they can write and tell them they have 14 consecutive days to do it. The landlord can get a sample 'notice to remedy' from our website www.tenancy.govt.nz. If the tenant doesn't fix the problem, the landlord can ask the Tenancy Tribunal for an order to make them do the work. If the problem is very serious, the Tribunal can end the tenancy.

■ What does the tenant do if they want the landlord to fix something?

The law says the tenant must tell the landlord as soon as possible if something breaks down or goes wrong. The best way to solve problems is to talk about them with your landlord and see if you can sort it out together.

If this doesn't work, issue a 'notice to remedy' giving the landlord a reasonable timeframe to fix the problem. A reasonable timeframe depends on what needs to be repaired, the availability of parts, time to organise insurance (if applicable), and the availability of suitable tradespeople in the area to undertake the work (if needed). A tenant should consider these matters and any urgency when deciding how long they will give the landlord to carry out the work. A temporary solution may work until all these matters can be worked through by the landlord.

If the landlord does not carry out the work and fix the problem then a tenant can apply to the Tenancy Tribunal seeking a work order with the option to use rent to undertake the work if the landlord does not comply. If the tenant wants the Tenancy Tribunal to end the tenancy, for example when they are on a fixed-term, then the notice to remedy must provide the landlord with a reasonable period of notice, which can be no less than 14 consecutive days, to fix the problem. In some situations, it may be reasonable to provide the landlord with more than 14 days' notice.

You must allow for any applicable service times, for example when posting or emailing the notice. Further information and a copy of a '14 day notice to remedy' is available on our website www.tenancy.govt.nz, which also explains service times.

■ What can the tenant do if the problem is serious or urgent?

If the problem is likely to hurt people or damage anything, the tenant must tell the landlord about it. If the tenant tries to get in touch with the landlord but can't, they can get the problem fixed themselves. They can then ask the landlord to pay them for the repairs. If the landlord doesn't pay, the tenant can ask the Tenancy Tribunal for help.

■ Can the landlord tell the tenant to leave because the tenant has complained?

Sometimes a landlord will tell a tenant to leave because they have told the landlord or Tenancy Services about a problem. This could be retaliatory notice. The Act says the landlord cannot give retaliatory notice. A tenant can apply to the Tenancy Tribunal if they believe the landlord has given such notice. The Tribunal will determine whether the notice is lawful (the notice was given on legitimate terms) or can order the notice be overturned.

■ How can Tenancy Services help us sort out our disputes?

The first thing you should always do is talk to each other about the problem. Often there has been a simple misunderstanding or mistake. Have a look at the disputes section of our website for information about ways to deal with problems yourselves.

Before talking to your landlord or tenant:

- › Make sure you are clear about what your concerns are. Sometimes writing down what the problem is will help explain it to the other person.
- › Be ready to suggest what you think a good solution might be. Describe the problem carefully

and give a reasonable amount of time for it to be put right.

- › You might write a letter or issue a 'notice to remedy'. A 'notice to remedy' gives the other person 14 days to fix the problem. Examples of these are available from www.tenancy.govt.nz

■ FastTrack Resolution

FastTrack Resolution is a dispute resolution service offering a quick way to formalise agreements made between landlords and tenants about straightforward disputes such as rent arrears, or any debt-related disputes (like water rates). It encourages landlords and tenants to sort out tenancy problems themselves, and enables them to get a mediator's order without having to attend a scheduled mediation.

FastTrack Resolution is best suited where:

- › an agreement has just been reached and needs to be formalised as a mediator's order; or
- › an agreement is straightforward and the landlord and tenant fully understand it; or
- › a previous verbal agreement has broken down and a new agreement has been made.

For more information visit www.tenancy.govt.nz/disputes/fasttrack-resolution

■ If you can't agree yourselves, come to mediation

Get help from us by applying to the Tenancy Tribunal. The application fee is \$20.44. Once we have received your application we will arrange mediation for you.

Mediation is a process where you and the other person have the opportunity to discuss the problem, and agree on a solution by talking together with a mediator. The mediator will help you identify the issues and reach a workable solution.

■ How does mediation work?

Mediation can be by phone or in person. Mediators know a lot about tenancy issues but they don't take sides and they don't decide anything for you. It's confidential and you decide between you and the other party what will happen.

Mediation is different from a Tenancy Tribunal hearing where the adjudicator will make a decision, and tell you both what will happen.

■ If you agree on a solution

An agreement made in mediation is legally binding. This agreement or mediated order will usually say what will happen if it is broken. To make the agreement enforceable it can be stamped or 'sealed' by the Tenancy Tribunal.

■ What kinds of orders can be agreed to?

There are different kinds of orders but the most common are possession, monetary, and work orders. They can all be made either in mediation or by the Tenancy Tribunal.

■ Possession order

If the tenant breaches the tenancy agreement or the Act and the situation is serious enough, the landlord can ask the Tenancy Tribunal for an order to end the tenancy. This can happen if the tenant:

- › was at least 21 days in arrears with the rent (at the date on which the application to the Tribunal was made)
- › has substantially damaged or has threatened to damage the property
- › has assaulted or threatened to assault the owner, the landlord or the landlord's family or agent, or other tenants or neighbours (or caused or permitted another person to do so)
- › is breaking the tenancy agreement in some other way (for example, when the landlord has given a 'notice to remedy' and the tenant hasn't complied with it) and the Tribunal believes it would be unfair to let the tenancy continue. If the problem can be fixed, a 'notice to remedy', giving the other party 14 days to fix the problem, must be sent before applying to the Tribunal.

■ Monetary order

This says a landlord or tenant must pay money to the other party. This could be because:

- › the tenant owes rent or has paid too much rent
- › the tenant has to pay for damage, cleaning, gardening or rubbish removal
- › the landlord owes the tenant money for urgent repairs
- › the tenant or landlord has to pay exemplary damages (this is like a fine) for breaking the law

- › either the tenant or the landlord has to pay compensation when something is lost or doesn't work because it hasn't been maintained or fixed properly.

■ Work order

This is an order that says a person has to fix something because it is damaged or not working. If the work order relates to an issue that affects health and safety, landlords cannot 'pay out' their tenant/s instead of complying. If the landlord has a work order requiring their tenant to undertake work by a certain date, and the tenant fails to do so, the landlord can get the work done to the value of the order and treat the cost as rent arrears.

■ Alternative orders

An order can say what will happen if the person doesn't obey the order. It is then up to the other party to say if they need to do that. For example, an order for a landlord to give a tenant's goods back to them can say the landlord must pay money if they don't give them back.

■ If you don't agree on a solution at mediation

You can ask the Tenancy Tribunal for a hearing. The Tribunal is more formal than mediation. The Tribunal is part of the Ministry of Justice, and an adjudicator listens to each person, hears any witnesses, looks at any evidence the landlord or tenant brings, and then makes a decision. The Tribunal can make a decision that affects you even if you don't turn up to the hearing. The adjudicator writes down their decision as a Tribunal order. The adjudicator's decision is like a court order – both sides receive a copy and both sides have to obey it.

Tribunal hearings are open to the public. Both the landlord and the tenant can take support people with them, but in most cases you can't use a lawyer to present your case. However, you can use a lawyer in some situations including if:

- › the dispute is for more than \$6,000
- › the other party says it's OK
- › the other party is using a lawyer
- › they are approved by the Tribunal.

The Tribunal might also let you use a lawyer in some situations if:

- › your problem is quite complicated
- › there is a significant disparity between you and the other party which affects your ability to present your case.

In some cases, someone who is not a lawyer can represent you. If you think you may need this you should talk it over with us before you go to the Tribunal.

■ How can I get the other person to do what the order says?

If you have a sealed mediator's order or a Tenancy Tribunal order, you can ask the Collections Unit at your local District Court to enforce it. You have to pay for this. You can get information about enforcement from us. Visit www.tenancy.govt.nz or call **0800 TENANCY (0800 836 262)**.



Ending a tenancy

■ How much notice does a tenant give to end a periodic tenancy?

A tenant must write to the landlord stating that they want to end the tenancy at least 21 days before they want to leave.

■ How much notice does a landlord give to end a periodic tenancy?

The landlord should give the tenant 90 days' notice in writing. However, the landlord can give 42 days' notice if:

- › the owner requires the property for themselves or their family member, as a principal place of residence
- › the property is being sold, the sale is unconditional, and the buyer requires the place vacant
- › the landlord requires the rental home for occupation by employees (and the tenancy agreement clearly states the landlord uses or has acquired the premises for this purpose).

It's a good idea to keep a copy of the notice. When you give notice to end a tenancy you must:

- › give the notice in writing
- › give the address of the rental home
- › give the date when the tenancy will end
- › sign it.

If the tenant is being given less than 90 days' notice, the notice to terminate the tenancy must set out the reason for the shortened notice.

■ What happens if a tenant wants to move out earlier?

If a landlord gives a tenant notice to end the tenancy, the tenant can stay in the rental home until the final date. However, if the tenant chooses to move out sooner than that, they must still give 21 days' written notice to the landlord.

Sometimes a landlord will not mind the tenant leaving even earlier, but they must agree about this in writing.

■ Can a fixed-term tenancy be ended early?

You can't end a fixed-term tenancy early unless both the landlord and tenant agree, or the Tenancy Tribunal says you can. The end date is in the tenancy agreement.

The Tenancy Tribunal may order a fixed-term tenancy be ended early if:

- › there is a serious breach of the tenancy agreement, or
- › the tenant has received notice of a rent increase by an amount the tenant could not have foreseen, the increase is substantial, and has or will cause serious hardship, or
- › the tenancy is subject to body corporate operational rules under the Unit Titles Act 2010, the tenant is adversely affected by a change to these rules, and it would be unreasonable for the tenant to continue with the tenancy, or
- › either the landlord or tenant has had an unforeseen change in their circumstances that would cause them severe hardship.

■ Does it matter how I send the notice?

You can send the notice to the address for service given on the tenancy agreement. This could be a physical address, PO Box or email address.

If you deliver the notice to the person by hand, it is considered to be served straight away.

To make sure you provide enough time for your notice to reach the other person, you should:

- › allow four working days if you're sending the notice by mail
- › allow two working days if you leave the notice at their door or in their letter box
- › allow one working day if sent by email after 5pm
- › allow one working day if sent by fax after 5pm.

The notice period begins the day after the notice has been received. For example, if the tenant is giving a landlord 21 days' notice to end the tenancy and they are sending their notice by mail, they should allow four working days for the landlord to receive the notice. The 21 days starts the day after the landlord receives the notice.

■ What if I email the notice?

If you are serving a notice by email, it may be a good idea to request a delivery receipt before sending the notice.

A delivery receipt will tell you when the email arrives into the other person's inbox.

■ What happens at the end of a fixed-term tenancy?

On the date the fixed-term tenancy ends, the tenancy automatically becomes a periodic tenancy, with the same terms contained in the expired tenancy, unless:

- › the tenant and landlord enter into a new tenancy agreement, or extend the existing tenancy agreement, or
- › either party gives the other party written notice of their intention to end the tenancy. The period in which a landlord or tenant can give such notice to end the tenancy is between 21 and 90 days before the date the tenancy expires.

If there is a right in the tenancy agreement to renew or extend the tenancy and the tenant wishes to renew or extend the tenancy, the tenant must write to the landlord to advise them, no later than 21 days before the tenancy is due to expire, otherwise the landlord does not have to accept a renewed or extended tenancy.

Preparing to leave

■ What does the tenant have to do when they leave?

The tenant must:

- › move out by the date the landlord has given them in a written notice
- › pay the rent up to the last day of the tenancy
- › leave the property reasonably clean and tidy
- › remove any rubbish by the last day of the tenancy
- › remove their belongings
- › give the landlord all keys, access cards and garage door openers
- › leave behind anything that belongs to the landlord.

If the tenant doesn't do all these things, the landlord can ask us for some or all of the bond.

■ Getting the bond back

When a tenancy ends, ideally the landlord and tenant will be able to agree on how much of the bond should be paid out. Use the property inspection report completed at the start of the tenancy to help determine if there has been any damage. The landlord can't ask the tenant to pay for normal wear and tear to the property or chattels.

■ How do I get my bond back?

When you have agreed what will happen with the bond, the landlord and tenant should complete a 'Bond refund form'. A copy of this is available from our website www.tenancy.govt.nz

If you agree that the tenant owes some money for damage or overdue rent, you write this on the form and then sign it. For example, if a bond is \$600 and both agree the cost of window repairs is \$150, you will write:

- › Pay landlord \$150.00
- › Pay tenant \$450.00

Make sure you write your bank account numbers on the 'Bond refund form' because we don't send cash or cheques.

When we receive the 'Bond refund form', we check all the signatures to make sure they're the same as the signatures on the 'Bond lodgement form'. This is why it's very important to make sure we always know whenever there is a new landlord or tenant. If the signatures aren't the same, we will not be able to refund the bond without asking for more information.

Sometimes a tenant is moving to a new place and it's easier for them if we just transfer their bond money from their old place to their new one. You will need to use a 'Bond transfer form' for this.

■ What happens if the landlord and the tenant can't agree?

Apply to the Tenancy Tribunal as soon as possible. A mediator will then help you sort it out.

■ What if I can't contact the landlord or tenant?

If you can't contact the landlord or tenant to fill in the 'Bond refund form', contact us to discuss your options.

■ What happens when only one of the tenants moves out?

Sometimes, when there are multiple tenants on the same tenancy agreement, just one tenant leaves and the other tenants stay on. If the landlord agrees, the new tenant can simply 'take over' the old tenant's share of the bond. If you do this, you must tell us by making sure the landlord, old tenant and the new tenant fill in and sign a 'Change of tenant form' and send it to us.

This does not change the tenancy agreement. A new tenancy agreement should be drawn up to include the new tenant.



Other things about renting

■ Landlords who are absent for longer than 21 days

Landlords who are absent from New Zealand for longer than 21 consecutive days must appoint an agent to manage their property during this period. The landlord must let the tenants and Tenancy Services (if a bond has been lodged) know the contact details of their agent.

When a rental property is sold

■ Does the landlord have to tell the tenant they're selling the property?

Yes, they must tell the tenant, or anyone who wants to rent the home, in writing if they are trying to sell it.

Landlords have the right to show buyers through the property with the consent of the tenant, which should not be unreasonably withheld.

When a property is sold, the former landlord must tell the tenant who the new owner is and when they take over. The new owner must tell the tenant their name, how to get in touch with them and how the tenant must pay the rent, for example, the new bank account number. When the property is sold, the original landlord's interest in the bond will pass to the new landlord. If the original landlord wants to make a claim against the bond they will need to do so before the date of settlement (or date of possession, if earlier).

■ What does Tenancy Services need to know?

If we hold a bond, we need to know when there is a new landlord. Both the new and the former landlords must fill in and sign the 'Change of landlord/agent form'. We will then put the new landlord's name on our bond records.

■ Are there special rules for mortgagee sales?

When a mortgagee or new owner takes over the tenancy they will have the same rights as a landlord under the Residential Tenancies Act, with one exception. If there is a fixed-term tenancy in place, the bank or mortgagee can give notice as if it was a periodic tenancy with some exceptions. The tenant also has the right to terminate a fixed-term tenancy as if it were a periodic tenancy if a mortgagee takes possession. The tenant's and new landlord's other rights all stay the same.

■ Can Tenancy Services help when there are arguments between flatmates?

No, we can't help. We can only help with problems between tenants and landlords. However, remember that if you move into a flat and sign a tenancy agreement along with the other flatmates, you share responsibility for the whole tenancy. This is called joint and several liability. If one tenant doesn't pay their share of the rent or damages the property, the landlord can seek the money owed from any or all of the tenants, irrespective of which tenant didn't pay the rent or caused the damage. Community Law Centres, Citizens' Advice Bureaux and student accommodation advisers can offer advice on flatmate relationships.

■ Can the landlord refuse to rent to someone?

A landlord can't base their decision on who to rent to or whether to continue a tenancy based on things like a person's marital status, gender, age, religion or colour. A landlord also can't say no because the person doesn't have a job or receives a benefit. If this does happen, you could apply to the Tenancy Tribunal or the Human Rights Commission for discrimination.

Service tenancy

A service tenancy is when an employee rents a property from their employer as part of their contract or terms of employment. Service tenancies are covered by the Residential Tenancies Act, but they have special rules about rent paid in advance and ending the tenancy.

Rent payments

Special rules apply when a landlord deducts the rent straight out of their tenant's pay (when the tenant is their employee). More information about this is on our website www.tenancy.govt.nz

Notice periods

If the employment contract has ended or notice has been given that it will end, the employee or employer must give two weeks' notice to end the tenancy. That notice can't expire before the employment contract ends. Less notice can be given if the landlord:

- › needs the house for another employee when the current employee is being replaced
- › thinks the tenant will cause substantial damage to the property.

If you are thinking about a service tenancy, we can give you more information and advice.

Abandoned goods

Sometimes a tenant doesn't take all of their belongings at the end of the tenancy. The law sets out some rules for the handling of abandoned goods.

- › The landlord can immediately dispose of foodstuffs and perishable goods, but they must make a reasonable attempt to contact the tenant to arrange collection of all other abandoned goods.
- › If the goods remain uncollected, the landlord should make all reasonable efforts to assess the market value of the goods, and:
 - immediately dispose of any goods (except for personal papers) where the cost of removing, storing and selling the goods would be more than the proceeds of sale
 - if the value of the goods is more than the cost of removing and storing the goods, then the landlord must store the goods for at least 35 days, after which time, the goods may be sold at a reasonable market price.
- › The landlord must securely store any personal papers left by the tenant. Personal papers unclaimed after 35 days may remain in storage or else must be handed to Police. If handed to the Police, the landlord must obtain a receipt for them.
- › The tenant may claim any stored goods at any time prior to disposal, on payment of reasonable storage and disposal costs.
- › The landlord may deduct removal, storage and disposal costs from sale proceeds. The remaining funds must be paid to Tenancy Services.
- › The landlord may apply to the Tenancy Tribunal for those funds to be paid to the landlord to cover other money owed to the landlord (such as rent, damage, or cleaning costs).
- › At any stage, the landlord may apply to the Tenancy Tribunal for an order on how to deal with the goods.



Boarding houses

This section explains the rights and responsibilities of boarding house landlords and tenants. Rules for boarding house tenancies differ to other residential tenancies.

■ What is a boarding house?

A boarding house is a residential premises that contains one or more boarding rooms, with facilities for communal use, and is occupied, or intended to be occupied, by at least six tenants at one time.

A boarding house tenancy means a tenancy in a boarding house that will last, or is intended to last, for 28 days or more. The tenant occupies particular sleeping quarters and has the right to shared use of the facilities in the boarding house.

Bonds

A landlord of a boarding house tenancy can ask for a bond of up to four weeks' rent and must provide the tenant with a receipt. A landlord of a boarding house tenancy must lodge the bond with Tenancy Services within 23 working days, unless the bond is equivalent to one week's rent or less. If a bond of one week's rent or less is taken, and the landlord unjustifiably withholds this money at the end of the tenancy, the tenant may apply to the Tenancy Tribunal for an order to refund the bond.

If you have an enquiry about your bond, call **0800 737 666**.

Rent

- › A boarding house tenant must pay their rent on time.
- › Boarding house landlords can increase rent with 28 days' written notice.

Tenancy agreement

A landlord of a boarding house tenancy must provide tenants with a written tenancy agreement.

In addition to the information listed on page 8, this should include:

- › whether the tenancy will last for 28 days or more
- › one or more telephone numbers for the landlord
- › the boarding room number
- › if there are any other tenants in the room, and if so, how many
- › services to be provided by the landlord that are included in rent (if any)
- › fire evacuation procedures.
- › a statement of whether the tenancy is a joint tenancy and, if so, the names of the other occupants of the boarding room under the tenancy agreement
- › if the premises are managed by a person other than the landlord, the name and contact address (including a telephone number) of that person

House rules

A landlord of a boarding house tenancy may make house rules relating to the use and enjoyment of the premises and the provision of services.

The copy must be provided to the tenant at the start of the tenancy and a copy must also be on display in the premises at all times. The landlord must give seven days' written notice to change the house rules.

A tenant in boarding house tenancy may apply to the Tribunal for an order declaring:

- › a house rule to be unlawful
- › that a house rule be applied in a particular way, varied or set aside.

■ Locks

A landlord of a boarding house tenancy must:

- › provide and maintain sufficient locks to ensure premises are reasonably secure
- › ensure tenants have access to their room, toilet and bathroom facilities at all times

- › ensure tenants have access to the other facilities at all reasonable hours
- › advise any tenant who will be affected by altering, adding or removing any lock.

A tenant in a boarding house tenancy:

- › must not interfere with any lock without the landlord's consent
- › must return all keys provided by the landlord on termination of the tenancy.

Smoke alarms

Tenants in a boarding house are responsible for replacing smoke alarm batteries in their room – if they're older style alarms with replaceable batteries. The landlord is responsible for maintaining smoke alarms in common areas of the boarding house.

Rights of entry

A landlord of a boarding house tenancy may enter the boarding house at any time.

A landlord of a boarding house tenancy may enter a boarding room without notice only in the following circumstances:

- › with the tenant's consent (or if the room is shared, the consent of any tenant of the room) freely given at, or immediately before, the time of entry, or
- › if the landlord believes on reasonable grounds that there is an emergency, or that there is serious risk to life or property, and immediate entry is necessary to reduce or eliminate that risk, or
- › where entry is necessary to provide services that the landlord and tenant have agreed to, as long as the entry is in accordance with the conditions of the agreement or house rules, or
- › in accordance with an order from the Tenancy Tribunal.

A landlord of a boarding house tenancy may enter a boarding room after giving 24 hours' notice to the tenant (or to any tenant of the room if the room is shared) in some situations. These include:

- › to inspect the room, if no entry for that purpose has been made within the last four weeks
- › to inspect the room, if the landlord believes the tenant has abandoned the rooms, or breached the Act in another way

- › to show the room to a prospective tenant or purchaser
- › where entry is necessary to enable the landlord to fulfil their obligations under the Act
- › to inspect work the landlord required the tenant to carry out, or the tenant agreed to carry out
- › to show the room to a registered valuer, real estate agent, or building inspector engaged in the preparation of a report.
- › to comply with smoke alarm or insulation requirements

When entering a boarding room, the landlord:

- › must not interfere with the tenant's property, unless it is necessary to achieve the purpose of entry
- › must do so in a reasonable manner
- › must not use or threaten to use unauthorised force
- › must not stay in the room longer than is necessary to achieve the purpose of entry.

Ending the tenancy

A tenant in a boarding house tenancy may terminate a tenancy with 48 hours' notice to the landlord.

A landlord of a boarding house tenancy may terminate a tenancy:

- › immediately if the tenant has caused or threatened to cause:
 - serious damage to the premises, or
 - danger to people or property, or
 - serious disruption to other residents
- › with 48 hours' notice if:
 - the tenant fails to remedy rent arrears within 10 days of receiving a notice to do so
 - the tenant has used or permitted the premises to be used for an illegal purpose
 - the rent is in arrears and the landlord considers on reasonable grounds the tenant has abandoned the room, after inspecting the room and, if possible, making contact with the tenant's contact person
- › with 14 days' notice if it is a service tenancy
- › with 28 days' notice in any other case.

Glossary

TERM	MEANING
Abandoned goods	Goods left behind by the tenant after they move out. Refer to page 22 for more information.
Address for service	The address given in writing by a landlord or tenant where all formal documents about the tenancy can be sent even after the tenancy has ended. Landlords and tenants must give a physical address and can also give a PO Box or email address as an additional address for service.
Automatic payment	Where a person arranges for their bank to make regular payments from their bank account.
Boarding house	A residential premises occupied by boarding house tenants. Refer to page 23 for an explanation of when the Act can apply.
Bond lodgement form	A form that landlords and tenants use when they send bond money to Tenancy Services.
Bond refund form	A form that landlords and tenants use to get bond money back from Tenancy Services when the tenant moves out.
Chattels	Things the landlord provides, such as curtains, a fridge or a washing machine, that are not fixed in place.
Compensation	Money that is paid to a landlord or tenant to make up for any loss or damage.
Fixed-term tenancy	Contract that lasts until the date specified on the tenancy agreement, at which time the tenancy automatically reverts to a periodic tenancy unless otherwise agreed by the landlord and tenant.
Joint and several liability	All tenants listed on the tenancy agreement share responsibility for the tenancy. Refer to page 9 for more information.
Letting agent	A person who, in the ordinary course of business, acts as an agent to grant tenancies for payment. This may be, for example, a property manager or real estate agent.
Market rent	The level of rent other people are paying for the same sort of property in a similar sort of area.
Mediation	A meeting or phone call where a mediator helps the landlord and tenant sort out their problems.
Notice to remedy	Also known as a '14 days' notice' giving the other party 14 consecutive days to fix a problem.
Periodic tenancy	Contract agreement that lasts for an unspecified length of time. A tenant must give at least 21 days' notice if they want to end the tenancy. A landlord should give their tenant 90 days' notice in writing. However, they can give 42 days' notice in certain circumstances. See page 7.
Property inspection report	Written record of the property inspection completed by a landlord and tenant together at the start of the tenancy. Useful to include photographs. See page 9.
Quiet enjoyment	Legal right of tenants to have their peace and privacy respected by their landlord.
Rent in advance	Rent a tenant pays for an upcoming period (of no more than two weeks). For example, if a tenant pays two weeks' worth of rent on 1 May, they will have paid for the period from 1 May to 14 May. Rent is next due on 15 May.

TERM	MEANING
Retaliatory notice	When a landlord gives a tenant notice to end the tenancy because the tenant has complained about something or has tried to do something that they are allowed to do under the law.
Tenancy	When a property owner lets another person or group live in a place in exchange for rent.
Tenancy adjudicator	An independent person at the Tenancy Tribunal who listens to your arguments and makes the decision on the outcome of the dispute.
Tenancy agreement	A written agreement that the landlord and the tenant sign before the tenant moves in, so everyone knows what they have agreed to.
Tenancy Tribunal	The body, similar to a court, that decides how a problem between a tenant and landlord will be solved.
Tribunal order	A written ruling made by the Tenancy Tribunal that everyone has to obey.
Wear and tear	The normal things that happen in a property when people live in it, such as the carpet getting older or the walls getting small marks on them.
Work order	An order to get a property fixed or for work to be done on the property.
Written notice	A letter from the landlord or tenant to tell the other person that something is happening, such as moving out or an increase in rent.



Getting in touch with us

If you've got a question about bonds,
call us free on **0800 737 666**.

Our website can give you lots more useful
information. Remember, you can download
copies of all our forms too.

We have tried to make this guide as accurate
as possible. However, it doesn't cover everything
and it's not the same as getting legal advice.

If you need more detailed information
or specific advice, phone us free on
0800 TENANCY (0800 836 262).

