

RENT RESTRICTION BILL.

EXPLANATORY MEMORANDUM.

THE purpose of this Bill is twofold :—

(1.) It provides in the first place that the existing law as to the restriction of rent shall continue in force, without alteration, until the 1st August, 1927.

(2.) In the second place it provides that after that date the law will apply, subject to certain material alterations, only to those dwellinghouses to which it is made applicable by order of a Stipendiary Magistrate, made on the application of the tenant. On any such application the Magistrate is required by the provisions of the Bill to consider the competing hardships of the landlord and tenant, and may make an order in favour of the tenant only if satisfied that the refusal of the application would cause greater hardship to the tenant than the grant of the application would cause to the landlord.

Where an order is made as aforesaid in favour of the tenant, the rent-restriction legislation will continue to apply to the dwellinghouse to which the order relates, subject to a material alteration as to the amount of the standard rent. In this connection, it is proposed to repeal the provisions which fix the standard rent by reference to pre-war conditions and to substitute a provision fixing the annual standard rent at an amount equal to a clear 7 per centum of the present capital value, after making provision for outgoings in respect of rates, insurances, and repairs, and for inevitable depreciation.

The verbal amendments of the law, to operate as from the 1st August, 1927, are set out in the First and Second Schedules.

The Bill further provides that the legislation shall be deemed to be repealed on the 1st January, 1928.

This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.

House of Representatives,
30th August, 1926.

Hon. Mr. Anderson.

RENT RESTRICTION.

ANALYSIS.

<p>Title.</p> <p>1. Short Title.</p> <p><i>Continuance of Existing Legislation.</i></p> <p>2. Extension of duration of existing law as to restriction of rent until 1st August, 1927. Consequential repeal.</p>	<p><i>Provisions applicable as from 1st August, 1927.</i></p> <p>3. Amendments to take effect as from 1st August, 1927.</p> <p>4. Magistrate may, on application of tenant, make an order continuing the operation of rent-restriction legislation with respect to any dwellinghouse.</p> <p>5. Duration of Act. Schedules.</p>
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A BILL INTITULED

AN ACT to amend Part I of the War Legislation Amendment Act 1916 (relating to the Restriction of Rent), and to continue its Operation. Title.

5 BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Rent Restriction Act, 1926, and shall be read together with and deemed part of Part I of the War 10 Legislation Amendment Act, 1916. Short Title.

Continuance of Existing Legislation.

2. (1.) Part I of the War Legislation Amendment Act, 1916, and the several amendments thereof, in so far as those amendments are now in force, shall continue in force until the first day of August, 15 nineteen hundred and twenty-seven. Extension of duration of existing law as to restriction of rent until 1st August, 1927.

(2.) The Rent Restriction Continuance Act, 1925, is hereby repealed. Consequential repeal.

Provisions applicable as from 1st August, 1927.

3. (1.) As from the first day of August, nineteen hundred and 20 twenty-seven, the several enactments specified in the first column of the *First* Schedule hereto shall be amended in the manner set out in the second column of that Schedule. Amendments to take effect as from 1st August, 1927.

(2.) On the first day of August, nineteen hundred and twenty-seven, 25 the several enactments specified in the first column of the *Second* Schedule hereto shall be repealed to the extent mentioned in the second column of that Schedule.

Magistrate may, on application of tenant, make an order continuing the operation of rent-restriction legislation with respect to any specified dwellinghouse.

4. (1.) Save as provided in this section, Part I of the War Legislation Amendment Act, 1916, and the amendments thereof, shall not apply to any dwellinghouse, or part of a dwellinghouse, after the first day of August, nineteen hundred and twenty-seven.

(2.) At any time before the first day of August, nineteen hundred and twenty-seven, application may be made to a Stipendiary Magistrate, by or on behalf of the tenant of any dwellinghouse or part of a dwellinghouse to which Part I of the War Legislation Act, 1916, and its amendments are then applicable, for an order declaring that the said enactments, as amended by this Act, shall continue to apply to that dwellinghouse or part of a dwellinghouse after the said date.

(3.) On the first day of August, nineteen hundred and twenty-seven, or at any time thereafter, application may be made to a Stipendiary Magistrate, by or on behalf of the tenant of any dwellinghouse or part of a dwellinghouse to which Part I of the War Legislation Act, 1916, and its amendments were applicable immediately before the said date, for an order declaring that the said enactments as amended by this Act shall be reapplied to that dwellinghouse or part of a dwellinghouse.

(4.) On the hearing of any application under subsection *two* or subsection *three* hereof, the Magistrate shall take into consideration the hardship that would be caused to the tenant or any other person by the refusal of the application and the hardship that would be caused to the landlord or any other person by the grant of the application; and on proof to his satisfaction that the tenant or some other person would, by reason of the refusal of the application, suffer greater hardship than the landlord or any other person would suffer by reason of the grant of the application, but not otherwise, the Magistrate may make an order with respect to the said dwellinghouse or part of a dwellinghouse continuing the operation of the said enactments or restoring their operation, as the case may be.

(5.) Any order made on an application dated later than the first day of August, nineteen hundred and twenty-seven, may be made retrospective to that date or to any later date that the Magistrate in his discretion determines.

(6.) Nothing in this section shall affect the right conferred on a landlord by section nine of the Housing Amendment Act, 1921-22, to obtain an order for recovery of possession of any dwellinghouse, or for the ejection of a tenant therefrom, on any of the grounds specified in that section.

Duration of Act.

5. Part I of the War Legislation Amendment Act, 1916, and the several amendments thereof, including this Act, shall continue in force until the first day of January, nineteen hundred and twenty-eight, and shall then be deemed to be repealed.

SCHEDULES.

Schedules.

FIRST SCHEDULE.

ENACTMENTS AMENDED.

Name of Enactment.	Nature of Amendment.
1916, No. 13.—The War Legislation Amendment Act, 1916.	<p>Repeal section 2, and substitute the following section:—</p> <p>“2. Where the rent of a dwellinghouse to which this Part of this Act applies is in excess of the standard rent as hereinafter defined, the amount of such excess, shall, notwithstanding any agreement to the contrary, be irrecoverable.”</p> <p>Omit from subsection (1) of section 3 all words after the words “intention to increase the rent.”</p> <p>Omit from subsection (2) of section 3 the words “ paragraph (a) or paragraph (b) of.”</p> <p>Repeal paragraph (a) of section 6.</p> <p>Repeal subsection (1) of section 7, and substitute the following subsections:—</p> <p>“(1.) On application in that behalf made by or on behalf either of the landlord or of the tenant of any dwellinghouse, a Stipendiary Magistrate may at any time, and from time to time, determine the standard rent of that dwellinghouse; and for that purpose the Magistrate shall ascertain—</p> <p>“(a.) The then capital value of the dwellinghouse, unless such capital value has, for the purposes of the application, been agreed on between the landlord and the tenant, in which case the value so agreed on shall be deemed to be the capital value for the purposes of the application:</p> <p>“(b.) The average annual outgoings of the landlord in respect of rates, insurances, and repairs, computed with respect to such period of years as the Magistrate in the circumstances of the case considers equitable:</p> <p>“(c.) The annual amount (if any) to be allowed in the discretion of the Magistrate in respect of such prospective depreciation of the dwellinghouse as cannot be made good by repairs:</p> <p>“(d.) The standard rent for a weekly, monthly, or other period as the application may require.</p> <p>“(1A.) The standard rent for a period of one year shall be an amount equal to the sum of <i>seven</i> per centum of the capital value of the dwellinghouse determined as aforesaid, together with the average annual outgoings and the annual amount allowed for depreciation, as provided in paragraphs (b) and (c) of the last preceding subsection.</p> <p>“(1B.) In every order determining the standard rent the Magistrate shall fix the date, being not earlier than the first day of August, nineteen hundred and twenty-seven, as from which his determination shall operate.”</p> <p>Omit from subsection (2) of section 7 the words “capital value,” and substitute the words “standard rent”; and omit from that subsection the words “or may, if he thinks fit, accept a valuation made for the purposes of this Part of this Act by any accredited valuer approved for the purpose by the Minister of Labour.”</p>

ENACTMENTS AMENDED—*continued.*

Name of Enactment.	Nature of Amendment.
1917, No. 21.—The War Legislation Act, 1917.	Amend section 19 by omitting the words "capital value," and substituting the words "standard rent."
1920, No. 49.—The Housing Act, 1920.	Repeal subsection (2) of section 21, and substitute the following subsection :— “(2.) In any such case the standard rent of any room or part of a dwellinghouse shall be such amount as may be determined by a Stipendiary Magistrate to be a fair rent, taking into consideration the rent payable by the tenant to the landlord.”

SECOND SCHEDULE.

Name of Enactment.	Extent of Repeal.
1917, No. 21.—The War Legislation Act, 1917.	Section 20.
1920, No. 49.—The Housing Act, 1920.	Section 17.
1924, No. 3. — The Rent Restriction Act, 1924.	Sections 3, 4, and 5.