

House of Representatives

Supplementary Order Paper

Tuesday, 3 May 2016

Residential Tenancies Amendment Bill

Proposed amendments

Metiria Turei, in Committee, to move the following amendments:

Clause 6

After *clause 6(2)* (page 4, after line 14), insert:

(2A) In section 13A(1), repeal paragraph (m).

In *clause 6*, before *new section 13A(1A)* (page 4, before line 16), insert:

(1AA) A tenancy agreement must include a statement that, when the tenancy terminates, the tenant has the right to renew the tenancy.

(1AAB) A tenancy agreement must include a statement of the criteria the landlord must use to calculate any future rent increase.

(1AAC) A tenancy agreement must not include a statement that the tenant is required to pay any fee or other charge for services rendered by any solicitor or letting agent relating to the grant or assignment of the tenancy.

(1AAD) A tenancy agreement for a fixed-term tenancy must be for a 3-year term, unless the landlord and tenant agree otherwise.

New clause 9A

After *clause 9* (page 6, after line 4), insert:

9A Section 24 amended (Rent increases)

In section 24(1)(d), replace “180 days” with “1 year”.

Clause 13

After *clause 13(2A)* (page 7, after line 11), insert:

- (2B) After section 45(1)(ca), insert:
- (cb) subject to **subsection (1AB)**, provide the premises with the following amenities and maintain them throughout the tenancy:
- (i) adequate cooking facilities:
 - (ii) adequate food preparation and storage areas:
 - (iii) potable water:
 - (iv) hot water:
 - (v) a functional toilet:
 - (vi) a bath or shower:
 - (vii) secure storage:
 - (viii) fixed space heating:
 - (ix) effective ventilation:
 - (x) freedom from mould:
 - (xi) safe power outlets and light switches:
 - (xii) indoor lighting:
 - (xiii) working smoke alarms:
 - (xiv) effective window latches:
 - (xv) window security stays:
 - (xvi) curtains or blinds:
 - (xvii) glass visibility strips:
 - (xviii) thermoplastic insulated electrical cabling:
 - (xix) ceiling insulation (where access to the roof is feasible):
 - (xx) underfloor insulation (where there is access to the sub-floor):
 - (xxi) a ground vapour barrier (where there is an accessible and fully enclosed sub-floor):
 - (xxii) weathertightness:
 - (xxiii) stormwater and wastewater discharge:
 - (xxiv) no ponding under the house:
 - (xxv) entrance way lighting:
 - (xxvi) structural soundness:
 - (xxvii) handrails and balustrades where required:
 - (xxviii) fire egress:
 - (xxix) the address clearly labelled and identifiable:
 - (xxx) securely locking doors; and

- (2C) In section 45, replace subsection (1A) with:
- (1A) Subject to **subsection (1AB)**, failure by the landlord to comply with any of paragraphs (a) to **(cb)** of subsection (1) is declared to be an unlawful act.
- (1AB) **Subsection (1)(cb)** applies—
- (a) if the landlord of the premises is the State, from the date that is 2 years after the date on which the Residential Tenancies Amendment Act **2015** comes into force; or
 - (b) if the landlord of the premises is not the State, from the date that is 4 years after the date on which the Residential Tenancies Amendment Act **2015** comes into force.

In *clause 13(3)*, replace “section 45(1A)” with “**section 45(1AB)**”.

New clause 14A

After *clause 14* (page 8, after line 4), insert:

14A Section 51 amended (Termination by notice)

In section 51(1), repeal paragraph (c).

Explanatory note

This Supplementary Order Paper amends the Residential Tenancies Amendment Bill to make incremental, positive changes to the lives of New Zealand renters through several distinct changes.

The first change amends *clause 6* to insert *new section 13A(IAA)* to include the right for all existing tenants to have a right of renewal or right of first refusal on the home they live in when their lease period has ended. Good relationships between landlords and tenants can be supported by providing for the agreement to continue in a straightforward, timely manner.

The second change amends *clause 6* to insert *new section 13A(IAAB)* to change the standard tenancy forms so that any tenancy contract must state what criteria the landlord will use to calculate any future rental increase. This provides a degree of financial transparency for both tenants and landlords, and allows both parties to plan for the future accordingly.

The third change amends *clause 6* to insert *new clause 6(2A)* and *new section 13A(IAAC)* to remove the obligation on tenants to pay any leasing fee that may arise from the renting out of a property. Leasing fees are an unfair surcharge on renters and are required to be paid at what can already be a very expensive time, when moving costs and bond payments are taken into consideration.

The fourth change amends *clause 6* to insert *new section 13A(IAAD)* to provide that fixed-term tenancies are for a default term of 3 years on standard tenancy agreements, with a provision for the parties to opt out from that and set the fixed term of their

choice. Secure, long-term tenancies are particularly helpful to families who rent—they enable parents to make plans for finances and their children’s schooling and recreation, as well as allowing them to establish roots in a community.

The fifth change inserts *new clause 9A* to provide that rents cannot be increased more than once every 12 months. Currently, New Zealand renters with periodic tenancies can, legally, face rent increases every 6 months; renters on fixed-term tenancies can also face rent rises within the dates of the tenancy if a landlord chooses to include that provision in the rental agreement.

The sixth change amends *clause 13* to introduce minimum standards that all properties for rent in New Zealand must meet. New Zealand rental houses should have to meet basic structural, safety, and energy requirements so that they do not endanger the health of the people who pay to live in them. The criteria will need to be met by all State-owned properties within 2 years of the law coming into force, and all privately owned properties within 4 years.

The final change inserts *new clause 14A* to remove the ability of landlords to give a reduced notice period of 42 days in the event that they decide to sell their tenanted property, and restores the standard 90-day notice period.