

## Background

Renters United is an advocacy group that organises renters and campaigns to make renting in New Zealand better for everyone. We see decent housing as a basic human right and our broken renting system as a barrier to realising this right for all.

In 2017, Renters United worked with ActionStation to collect hundreds of renters' stories and analysed these in the report *The People's Review of Renting*. We found four key needs failing to be met among the stories:

- a stable home,
- fair rent,
- a safe and healthy home, and
- meaningful enforcement.

These stories spoke of a power imbalance in the relationship between landlords and renters. The result of these interrelated problems is that renters are second-class citizens. Renters cannot reliably realise their rights to healthy and stable housing, as can property owners.

Following further consultation with members and tenant advocacy experts, in July 2018 we launched the Plan to Fix Renting. The Plan sets out 36 changes to the law and its application that will make the private rental sector healthy, safe, affordable, stable and — most importantly — fair.

Since then Renters United has been leading campaigning efforts, submitting on local and national plans, bills and reviews, and consulting with government officials as a member of the Tenants Advocacy Network.

# The COVID-19 Response (Management Measures) Legislation Bill

Renters United would like to congratulate the government and Minister Poto Williams for being receptive to the needs of renters during the COVID-19 pandemic. Renters United fully supports schedule 5 and its implementation to assist New Zealanders to more effectively manage, and recover from the impacts of COVID-19.

Families, essential workers and their loved ones can now have peace of mind that they won't be removed from their homes when they're doing their part for the country - staying home.

Some specific points in the bill that we would like to commend are:

- The inclusion of fixed term tenancies that are 90 days or less,
- Protecting tenants in boarding houses under section 55 of the RTA, and
- Adding a buffer period of 14 or 28 days to tenancies to allow tenants to find alternative accommodation

We do however believe that some changes need to be made to the bill to strengthen our collective response to, and recovery from COVID-19, these are:

- Forceful binding of two tenancy contracts
- Continuation of existing terms
- Inaccessibility of MSD benefits and Housing Support Packages
- No buffer period provided for rent arrears
- Non-inclusion on family violence
- Renters not covered by the Residential Tenancies Act 1986

# Recommendations

## **Forceful binding of two tenancy contracts**

While protections have been given to remaining tenants under clause 11, the bill does not provide any consideration for tenants who are now bound by a tenancy for a vacant property. One of the other major issues for lockdown were tenants that were now bound by two rental contracts. Their existing tenancy contract, that this bill would forcibly extend, and the new contract of the property they were supposed to move into. For these tenants this would mean paying double rent for the period of time that the COVID-19 tenancies order was in place.

Furthermore given the unpredictability of COVID-19 a tenant would be bound to their existing tenancy for another 14 days, as the notification period for a tenant to end a fixed term becomes 14 days 6(3).

We therefore recommend:

- For any new tenancy due to begin after the switch on period and before clauses 4 and 5 cease to apply the tenant is not liable for payment of rent until clauses 4 and 5 cease to apply; and
- for any new tenancy due to begin after the switch on period and before clauses 4 and 5 cease to apply the tenant may, by written notice, terminate the tenancy and be released from any obligations to their new landlord

## **Continuation of existing terms**

When a tenancy is extended as a fixed term tenancy there is no requirement for the rent charged to remain the same. This is due to the bill having no provisions for fixing rent prices, also known as a rent freeze, for the duration of a COVID-19 tenancies order.

We believe that recognising the financial stress placed upon renters during a COVID-19 outbreak even the smallest changes, in rental prices, can put someone in hardship. In the first instance it could be expected the tenant applies for the accommodation supplement, or housing support packages. The issue is that not all renters are eligible for one or both of those assistance packages.

Ideally the bill would be altered to assist New Zealanders to more effectively manage and recover from the impacts of COVID-19 by including a rent freeze.

An increase of any amount, especially larger amounts encouraged by only allowing rent increases every 12 months, can put renters into significant financial hardship. We believe that all renters deserve certainty during the pandemic, we therefore recommend:

- That any notice of rent increase given before the switch on period of a COVID-19 tenancies order, due to take effect while clauses 4 and 5 apply, is of no effect; and
- No notice of a rent increase may be given while clauses 4 and 5 apply, and therefore the earliest such increase could take effect would be no sooner than 60 days after clauses 4 and 5 ceased to apply

### **Inaccessibility of MSD benefits and Housing Support Packages**

We would like to address that this bill is drafted with the assumption that all tenants have access to either the wage subsidy, through their employer, or a main benefit from the Ministry of Social Development. Even for those that are eligible this bill fails to recognise how difficult it is to access this support in a short time frame, especially if you are not already receiving a form of support from the Ministry of Social Development.

For some renters such as migrant workers, who are ineligible for support from the Ministry of Social Development, provisions that allow for termination based on rent arrears fail to recognise the hardship they may be facing.

### **No buffer period provided for rent arrears**

While the bill makes some accommodations for most terminations we noticed that rent arrears were not given a buffer period. For clarification we are aware that the period for rent arrears during a COVID-19 tenancies order has been extended to 60 days, there are scenarios where a COVID-19 tenancies order could apply for more than 21 days, and as such upon clauses 4 and 5 ceasing to apply the landlord could apply to the tribunal the day after, and could be awarded an immediate termination.

We recommend:

- The bill is amended such that any decisions made by the Tenancy Tribunal account for the impact of COVID-19 that change the circumstances of the tenant, such as an inability to find alternative accommodation in the event of termination.
- The Tribunal should use their discretion to insert a buffer period for any terminations that would be due to take effect recently (within 14 days) of clauses 4 and 5 ceasing to apply.

### **Non-inclusion on family violence**

We understand that due to the delays in the regulations for domestic violence there are no amendments included here for ending tenancies upon the application of the tenant where domestic violence has occurred. This could lead, like it currently does, to applications regarding domestic violence being considered under the anti-social behaviour clause (clause 5 of schedule 5) and lead to survivors of domestic violence being removed from their home during a COVID-19 tenancies order, and being unable to find new accommodation.

We therefore recommend:

- The tribunal is advised to be more considerate when deciding on matters of family violence when they are being decided under clause 5. Historically the tribunal has not been accommodating towards survivors of domestic violence under this clause.
- The government aims to implement regulations for domestic violence as soon as possible.

### **Renters not covered by the Residential Tenancies Act 1986**

Flatmates and private boarders are not covered by the provisions in schedule 5. Flatmates and boarders will play an equally important part as renters in Aotearoa's response to COVID-19, and therefore should be provided the same rights.

We therefore recommend:

- That minimum notice periods are introduced for flatmates and private boarders
- The the government undertakes future work to include flatmates and private boarders in the Residential Tenancies Act 1986

The bill also does not acknowledge students in university provided accommodation. We have seen in recent lockdowns that the lack of regulation for these providers has led to students being required to pay rent while not being allowed to access the services that the rent covers.

- We recommend that protections for students in these situations be added in order to allow them to more effectively manage and recover from the impacts of COVID-19.

## Concluding remarks

Renters United fully supports schedule 5 and its implementation in order to allow renters to better manage and recover from the impacts of COVID-19. We would like to see the aforementioned changes made to ensure that regardless of who you are, or what your circumstances are, you are equally able to be a part of the team of 5 million.