

NEWSLETTER

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COLLINS & MAY } LAW

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Changes to the Residential Tenancies Act 1986

On the 11 February 2021 changes to the Residential Tenancies Act 1986 ("the Act") will come into force. Here are some of the main changes you need to know.

Unlawful Acts and Fines

Landlords need to ensure that they comply with the requirements of the Act. If they do not then they will be committing an unlawful act or infringement offence and could be looking at a fine. Here are some examples, such as where a landlord:

- a. Fails to record the tenancy in writing;
- b. Fails to sign the tenancy agreement;
- c. Fails to provide the tenancy agreement to the tenant;
- d. Fails to include in the tenancy agreement certain information such as address, start date, bond, rent payable, rent cycle, end date etc;
- e. Fails to tell the tenant if they sell the property;
- f. Fails to notify the tenant of change of name or address;
- g. Fails to appoint an agent if out of the country for more than 21 days;
- h. Charges a letting fee;
- i. Charges a bond that is more than 4 weeks rent;
- j. Fails to provide a receipt for payment of bond or rent;
- k. Fails to keep records of rent and bond payments;
- l. Fails to state how much the rent is when advertising;
- m. Requests more than 2 weeks rent in advance;
- n. Increases the rent within 12 months of the start date or within 12 months of the previous rent increase.

Cancellation of Tenancies

A landlord is no longer allowed to cancel a periodic tenancy with 90 days' notice for no reason. A landlord can only terminate a periodic tenancy in one of the following situations:

- a. If the landlord requires the property within 90 days as a principal place of residence for themselves or a family member, by giving at least 63 days' notice;
- b. If the landlord is to put the property on the market within the next 90 days;
- c. If the property has been sold unconditionally, by giving at least 90 days' notice;
- d. If extensive alterations, repairs etc are required and the tenant cannot live there by giving at least 90 days' notice;
- e. By applying to the Tenancy Tribunal for an order due to anti-social behaviour that has occurred on three separate occasions over a 90 day period.

Previously if a landlord was selling the property, they needed to make sure that settlement was at least 42 days after the agreement becomes unconditional. This has now been increased to 90 days, so landlords need to be aware of this when accepting offers on their rental properties, to ensure there is sufficient time to provide vacant possession if required.

For example, if you had an agreement to sell your rental property and it became unconditional on the 4 February 2021 then settlement would need to be after 25 March 2021 (i.e. 42 days later). Whereas, if the agreement became unconditional on 12 February 2021, then would need to be after 13 May 2021 (i.e. 90 days later).

Trusts Act 2019 Seminar on Wednesday 26 August 2020

This Seminar has now been **cancelled** due to the Covid-19 requirements.