

## HOW TO DEAL WITH PROBLEM TENANTS



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It is inevitable, if you own rental property, that at some stage you will enter into some sort of disagreement with your tenants. Whether the tenant fails to pay their rent on time, or whether the tenant adopts eight stray neighbourhood cats contrary to the Agreement, it is important for any landlord to understand the process to undergo to resolve the issue.

### Breach of Tenancy Agreement

The Residential Tenancies Act 1986 sets out tenants' obligations under the Tenancy Agreement. Where the tenant fails to meet these obligations the landlord can give notice in writing to the tenant to remedy the breach. For most tenancies the notice gives 14 days in which the tenant has to remedy the breach.

The notice should contain details of the breach, when the 14 day notice period will end, and how the tenant should remedy the breach within the period. A 14 days' notice to remedy the breach can be served as soon as the breach is discovered or the tenant is at least 1 day in arrears of rent. Should the tenant fail to remedy the breach within the time period, the next step is to file an application for order of the Tenancy Tribunal. Mediation can be scheduled to take place.

Where the breach cannot be rectified:

If the tenant has breached the Agreement to such an extent that it cannot be remedied, the landlord may apply to the Tenancy Tribunal for a termination of the tenancy. The landlord can do so where; The rent is 21 days in arrears, the tenant has caused or threatened to cause substantial damage to the premises, or has assaulted, or threatened to assault the landlord, a member of the landlords family, or a neighbour or the tenant has failed to comply with a 14 days' notice to remedy a breach of the Tenancy Agreement.

Consider this example:

Richard owns a property in Roseneath, and lets it to a married couple, Jake and Jess. Unfortunately, Jess has a terrible temper and Jake and Jess have been arguing a lot lately.

During the course of arguments Jess and Jake have a tendency to throw large items around the property in a bid for each to get their point across.

During the latest tenancy inspection, Richard finds extensive damage in the form of several large holes in the walls, shattered French doors, red wine stains and a smashed refrigerator belonging to the property.

Richard is furious with his findings and evicts the tenants on the spot. However, in evicting the tenants himself, Richard has committed an offence and could now be fined a maximum of \$2000.

Where a tenant is in breach of their statutory obligation not to cause damage to the property, the landlord must apply to the Tenancy Tribunal for a Possession Order, for the lawful end to the tenancy. To enforce the Possession Order, the landlord must take the Order to the District Court. The tenant will then be evicted by a bailiff with help from the Police.

It is important to note that the Possession Order must be enforced within 90 days otherwise a new periodic tenancy will start on the same terms and conditions as the previous tenancy.

Should you have any further queries in relation to tenancy disputes please do not hesitate the Collins & May Law team as we are only too happy to assist.

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