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NEWSLETTER

Volume 19, October 2009

LANDLORD'S OBLIGATIONS UNDER RESIDENTIAL TENANCIES

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If you own a rental property or are considering purchasing a rental property, it is important for you to be familiar with your obligations as a landlord under a residential tenancy.

The Act which applies to tenancy agreements is the Residential Tenancies Act 1986. The main obligations landlords have under tenancy agreements are as follows:

1. To allow the tenant to have quiet enjoyment of the premises;
2. Not to interfere or allow anyone else to interfere with the tenant's comfort and privacy;
3. To pay the outgoings, i.e. rates and water charges;
4. To give the tenant notice if they are required to leave the property;
5. To keep the premises in a good state of repair;
6. To comply with all building, health and safety requirements;
7. To repay the tenant for any repairs done to the premises in certain circumstances;
8. Not to interfere with the supply of services, i.e. gas and electricity;
9. To provide and maintain locks for the property;
10. To keep records showing all payments received and provide this information to the tenant if required.

A landlord can also require a tenant to pay rent of no more than two weeks in advance.

If a landlord wishes to increase the amount of rent, they must give written notice to the tenant at least 60 days before the increase begins. The notice needs to set out the amount of increased rent and the day the rent increase will begin. There are certain restrictions on when a landlord can increase rent, such as rent cannot be increased within 180 days from the date the rent was last increased, or the date the tenancy began.

For example, Dave recently bought an investment property. He spent two months completing the renovations including laying new carpet and remodelling the kitchen. Once the work was complete Dave advertised the property in the property rentals column in the local newspaper. Shortly afterwards he found tenants for the property who agreed to pay $300.00 rent per week.

Three months later, after reviewing rental property prices in the area, Dave realised that he should increase the weekly rental payments. As the tenants had only been living in the property for three months, Dave could not increase the rent for another 90 days. Dave then gave the tenants written notice of the rent increase which was to take effect in three months time.

Should you have any queries in relation to the landlord's obligations under residential tenancies, please do not hesitate to contact us.

- **The next newsletter covers the topic of Business Partnerships—by Paul Whitmarsh**

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